

Company number: 00984415

Charity number: 325073

German School Association Limited

Report and Financial Statements

31 August 2022

German School Association Limited

Reference and administrative details

For the Year ended 31 August 2022

Company number	00984415
Charity number	325073
Registered office and operational address	Douglas House Petersham Road Richmond Surrey, TW10 7AH
Management Committee	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 M Nitsche (retired 09 March 2022) T Greenwell (appointed 09 March 2022) Jan Hoffmann K U Karl Guido Kirschner (appointed 09 March 2022) F J von Schubert Treasurer C Thomann (retired 09 March 2022) Paula Walter Cara Williams
Principal staff	C Nitschke Head Teacher (retired 30 November 2021) C Wolff-Lieser Acting Head Teacher (01 December 2021 - 31 July 2022) O Schmitz Head Teacher (appointed 01 August 2022) M Krauss Commercial Director
Bankers	Landesbank Baden-Württemberg Kleiner Schlossplatz 11 70173 Stuttgart, Germany HSBC Plc Bank House, High Street, Hampton Wick Kingston upon Thames KT1 4DA Coutts & Co. 440 Strand London WC2R 0QS
Solicitors	Russell-Cooke 2 Putney Hill London, SW15 6AB
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House, 108-114 Golden Lane LONDON, EC1Y 0TL

Chair's statement, by Jan Peter Weiland

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

The financial and school year 2021/22 has been a special year for the Deutsche Schule London (the "School" or "DSL") and the German School Association Ltd (the "Association"). It has marked the 50th anniversary since the school first opened its doors to students in September 1971. 2021/22 has also seen the departure of our former Head Teacher, Christian Nitschke, who left the school at the end of November 2021 for family reasons after five eventful years which have seen the UK's departure from the European Union and the COVID-19 pandemic.

With much enthusiasm and experience Claudia Wolff-Lieser as Acting Head, Viola Martin-Nastos as Acting Deputy Head and Matthias Krauss as Commercial Director, took over the helm in the interim until our new Head Teacher, Oliver Schmitz was appointed on 1st August 2022. His appointment followed a thorough selection process in co-ordination with the German government's Central Agency for Schools Abroad ("*Zentralstelle für Auslandsschulwesen*", "ZfA") and with many stakeholders at the school involved. We are very pleased to have a very experienced new Head Teacher on board. As part of the newly formed Senior Leadership Team of the school consisting of the Head Teacher, the Commercial Director, the Deputy Head and the Heads of Kindergarten and Primary School, we are convinced he will continue and drive the very positive development the school has made for many years to come.

The last academic year was still impacted by the COVID-19 pandemic. It started with on-site COVID-19 testing for our Primary and Secondary School students. Many of our festive plans for the anniversary at the beginning of the year unfortunately had to be cancelled. However, thanks to the continuously improving scientific and organisational countermeasures across the world another lockdown could be avoided, and we were able to transition back into a more normal school year. It gradually allowed unrestricted lessons taking place and more face to face meetings and events. By the beginning of the second semester the school fell back into its usual rhythm with almost all activities taking place as normal.

Manoeuvring through this unprecedented crisis has brought the entire school community closer together and we have continued to develop our tools and approach to hybrid learning. Our Abitur candidates were able to take their full exams and the overall exam results across the year came in above those achieved in 2021.

During the reporting period, student numbers decreased by c.2% versus the prior year to an average number of 831. In addition to COVID-19, Brexit has continued to play a factor in decisions our parents have had to take. However we have seen a moderate but steady increase in interest and in number of students on roll towards the end of the school year. This has been confirmed by a continued increase of student numbers in the current school year 2022/23 and we are reasonably confident that we have left the downward impacts of Brexit and COVID-19 behind us. With a very motivated and highly qualified team of pedagogical and non-pedagogical staff and a clear strategy, we are convinced we are well placed to be a sought-after school in the next 50 years to come.

The exit of the UK from the European Union remains one of the main risks for the school because it impacts not only the movement and the intake of students from overseas but also the recruiting of staff. We have acquired the necessary immigration licenses, so that we are able to recruit staff from Germany, but 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. At the same time there continues to be a shortage of teachers in Germany and the UK. We seek

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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, in order to deliver the highest level of educational quality and to provide first-class facilities that ensure excellence in all areas across the School. To achieve these objectives, the Management Committee and the Senior 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 Colin Thomann and Markus Nitsche retiring and two new Board members being appointed, namely Timothy Greenwell and Guido Kirschner. Jan Peter Weiland continues to chair the Management Committee.

Financial situation

The financial position of the Association has been positive, reporting a surplus in the financial year 2021/22 of £502,525. This result includes the reversal of a provision against the COVID-19 funding made available by the German Government since it has now confirmed that the full extra support we had received in the prior year is non-repayable. This one-off impact counts for £244,736 of the school's surplus. Other positive effects on the financial situation are thanks to higher student numbers than originally budgeted and an increased offer and take up of extracurricular activities which were not impacted by COVID-19 restrictions as much as it had been expected. Tight cost control and recalibration where possible have also contributed to the positive development of the result.

During 2021/22 the School continued to receive assistance in the form of a cash subsidy from Germany of £433,696 and the secondment of 12 state-employed teachers ("*Auslandsdienstlehrkräfte*" or "*ADLK*").

We are grateful for the continuous support of the of the German Government's Central Agency for Schools Abroad ("*Zentralstelle für Auslandsschulwesen*", "*ZfA*") in Bonn and 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 £73,370 of school fee relief to families in need.

Achievements in 2021/22 and planned projects

Following the completion of phase 1 of the renovation and extension of the main building, there haven't been any significant project works during the school year 2021/22. Main non-pedagogical activities were the conversion of the afternoon group rooms into a fourth fully fledged Kindergarten classroom and the overhaul of our Computer Room, where a new carpet and sound improvements were fitted in addition to the replacement of all computer equipment. With financial support from the Friends of Douglas House the school has also replaced 400 Forum chairs. The old chairs were 40 years old and at the very end of their life span. Various smaller repairs and maintenance tasks to keep our vast site safe and fit for purpose have been undertaken. Given the dimensions of our site and the many buildings, some of them historic, upkeep will remain a major task for the school over the years and sufficient financial resources will have to be made available.

For the coming years we see the repair of the main building roof plus the addition of a secondary school class room for a bulge class, potentially as part of Phase 2 of our main building project, as the most important infrastructure projects. The significant investments into our buildings made over the past 10-15 years were only possible with the generous support of the German Foreign Office ("*Auswärtiges Amt*", "*AA*") in Berlin. We are extremely grateful for the ongoing

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support which has been essential to shape the school over the past years, and we hope we can continue to receive much needed funding for future projects.

When the pandemic forced the School to close its premises twice over the past 2.5 years, 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 2022/23, the school is looking forward to be working with its new Head Teacher, Oliver Schmitz, and to enter a new phase of innovative and high quality education for the children across all areas of our school. Following the pandemic we are also looking forward to a year full of unrestricted activities and social interaction and to further enhance and showcase the bridges between the UK and Germany that our school endeavours to build.

Head Teacher's Comments, by Claudia Wolff-Lieser

The good results of the 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 2021/22 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

In line with the usual 4-year cycle, an Ofsted inspection of the school took place in May 2022. The results certify that Deutsche Schule London is a "good provider" of education. In four out of six sub-categories, the DSL achieved the highest possible rating of "outstanding". Development opportunities were defined in the areas of sustainable learning and building sustainable knowledge. The establishment and consolidation of appropriate structures complements the above-mentioned development goals as a further development objective.

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. Geography and Economics are taught as bilingual subjects in Year 11 and 12 for Abitur and IB students. Furthermore, the programme for "Individual Support in German" has been consolidated from Primary

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School into years 5-8 in the Secondary. In order to adequately reflect the native mastery of English in the Abitur, it will be possible in the future to take the German International Abitur with an exam for English as a Native Language (C2). The option is to be offered for the first time with the 2025 Abitur and will thus begin in 2022/23.

Strengthening, consolidating and reinventing curricular and extra-curricular school structures after two years of Pandemic have been an important focus areas in the school year. The use of the digital infrastructure and knowledge acquired during the pandemic was strongly supported and enforced. Challenges that arise from two very demanding Covid years in the area of inclusion and diversity are being met by multi-professional staff.

Students graduating as part of our dual qualification programme (German International Abitur and International Baccalaureate) usually achieve good to very good results. Our graduate group consisted of 36 pupils in 2018 and 34 in 2019, 51 in 2020, 32 in 2021 and 44 in 2022.

In 2022, all of our 44 students passed the German International Abitur, the German equivalent of A-levels, mastering 10-12 subjects and thus achieving university entrance level. The result of the International Abitur Diploma was 2.08 in 2022 compared to 2.17 in 2021.

Out of these graduates, 17 students participated the International Baccalaureate Diploma Programme (IB) as Course Candidates and passed their courses successfully. In 2022, the first post-pandemic IB examination session, there were no full diploma students in that year group.

For 2023, we are expecting 39 students to graduate from the German School London, 6 of which with a full IB diploma and 9 students with IB course certificates in addition to the "Abitur". 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 2022 have been accepted by universities such as University of Cambridge, University of Oxford, University College London, Imperial College London, Kings College, University of the Arts London, St. Andrews in the UK; Freie Universität Berlin, Technische Universität München, Georg-August Universität Göttingen, RWTH Aachen und Universität Heidelberg in Germany; Ann Arbor LSA Honors College University of Michigan USA, 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.

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 are 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.

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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 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 2021 and 2022.

Cooperation with our host country:

Our programme of exchanges with British and international Schools is flourishing. 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 is one of the many ongoing efforts to support language learning in the UK.

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 to raise funds for underprivileged children. More than 70 students participate currently in the Duke of Edinburgh Award Scheme in order to learn how to be responsible citizens.

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 2022 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;

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- 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.

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 2022 (financial year 2021: £nil). No members of the Management Committee received reimbursement of travel expenses in the year, (financial year 2021: £ 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.

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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 and other staff when appropriate as well as 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-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: Finance; Communication; Personnel; IT, Health & Safety 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. The Head Teacher or the Commercial Director may appoint other pedagogical or non-pedagogical staff to join Sub-Committees, in order to ensure relevant knowledge and up-to-date input from the School is considered as the basis of Management Committee decisions and for their execution.

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.

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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.

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

The Head Teacher is responsible for all pedagogical matters. The Head Teacher 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 and the Heads of Primary School and Kindergarten and by an extended Leadership Team. All pedagogical 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 53% (2021 : 47%) of the support.

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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 24% (2021 : 22%) 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 15% (2021 : 13%) 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 £42,957 (2021 : £39,042) 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.

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 is supporting 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 2022, 13 pupils received bursaries at a total cost to the School representing just over 1% of gross fee income (0.6% in 2021).
- 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 2022.

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- 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 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 831 children on average during the year 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 831 pupils at the School, representing more than 35 different nationalities including those with multiple nationality.

In 2022, 44 pupils passed the “Abitur”, the German equivalent of A-levels, mastering 10-12 subjects and thus achieving university entrance level. Out of these graduates, 17 students participated the International Baccalaureate Diploma Programme (IB) as Course Candidates and passed their courses successfully.

During the academic year 2021/22, on average 12 teachers were seconded from the Federal Republic of Germany. In addition, a total of 95 (2021 : 98) were employed locally by the Association.

Income and expenditure account

An operating surplus (income over expenditure) was recorded for the financial year amounting to -£502,525 (Financial year 2021 : -£40,170)

Incoming resources during the period amounted to £11,276,689 (financial year 2021: £10,465,642).

This includes £6,651,924 for educational fee income (financial year 2021 :£6,477,330) and £1,631,879 income from other educational activities (financial year 2021: £1,014,612).

Income from Grants and Donations amount to £2,979,439 (financial year 2021: £2,970,973), of which the German government’s Central Office for Schools Abroad (ZfA) provided financial support amounting to £433,696 (financial year 2021: £418,468) 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 155 (2021: 158). Staff costs remain a major item of expenditure, remaining at 62% of total resources expended, including the staff provided by the German government.

Balance sheet

The net assets of the Association on 31 August 2022 were £15,395,730 (financial year 2021: £14,893,205)

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

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Association amount to £6,784,181 at 31 August 2022 (financial year 2021: £5,791,947) including designated funds of £1,726,952 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 general reserves being £5,057,229 or around 7 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. Since the end of the reporting period the Management Committee has approved an Investment Policy which regulates non-fixed long-term investments.

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.

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
- Total remuneration cost of the Senior Leadership Team
- 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 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 have been identified as high intake of pupils in the Early Years, as well as the number of registrations of pupils and retention throughout the School. This will be achieved by offering a comprehensive

Report of the Management Committee

For the Year ended 31 August 2022

educational programme, extension of the School day and increased tuition in specialised groups and the introduction of the IB and other career paths within the school. 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. The refurbishment and constant upkeep of the existing School buildings remain a high priority on the trustees' agenda. 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 Management Committee 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. 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 Coronavirus and to response properly to any infection.
- The pandemic as well as the increased use of online platforms and social media have increased the risk of mental health issues and cyber bullying. We have a strong safeguarding team in place and provide education and awareness programmes for students and staff.
- The effect of the United Kingdom having left the EU on 31.12.2020 has an impact on our ability to recruit adequate staff and to admit pupils from families who have migrated to the UK from Europe. 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.
- 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 or terrorist attack, may impact widely in terms of harm to staff and pupils, 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:

Report of the Management Committee

For the Year ended 31 August 2022

- 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 2022 was 11 (2021: 8). 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 2022 most members of the Management Committee were parents of pupils at the School.

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 5 December 2022 and is signed on its behalf by

Jan Peter Weiland
Chair of the Management Committee

Opinion

We have audited the financial statements of German School Association Limited (the 'charitable company') for the year ended 31 August 2022 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 2022 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 members of the Management Committee'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 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 members of the Management Committee 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 annual report of the Management Committee, including the strategic report, other than the financial statements and our auditor's report thereon. The members of the Management Committee are responsible for the other information contained

Independent Auditor's Report

To the members of

German School Association Limited

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.

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 annual report of the Management Committee, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The annual report of the Management Committee, 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 annual report of the Management Committee 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 members of the Management Committee's remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit

Responsibilities of members of the Management Committee

As explained more fully in the statement of members of the Management Committee's responsibilities set out in the annual report of the Management Committee, the members of the Management Committee (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 members of the Management Committee 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 members of the Management Committee 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 members of the Management Committee 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:
 - 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

Independent Auditor's Report

To the members of

German School Association Limited

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. 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)

3 February 2023

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 2022

		Restricted £	Unrestricted £	2022 Total £	Restricted £	Unrestricted £	2021 Total £
	Note						
Income from:							
Income from Grants & Donations	2.	22,980	2,956,459	2,979,439	30,717	2,940,256	2,970,973
Charitable activities - <i>Educational fee income</i>	3.	-	6,651,924	6,651,924	-	6,477,330	6,477,330
Other educational activities	4.	-	1,631,879	1,631,879	-	1,014,612	1,014,612
Investments	5.	-	13,447	13,447	-	2,728	2,728
Total income		<u>22,980</u>	<u>11,253,709</u>	<u>11,276,689</u>	<u>30,717</u>	<u>10,434,926</u>	<u>10,465,643</u>
Expenditure on :							
Charitable activities - <i>Educational costs</i>	7.	512,689	10,253,567	10,766,256	460,662	10,033,236	10,493,898
Foreign exchange losses	6.	-	7,908	7,908	-	11,915	11,915
Total expenditure		<u>512,689</u>	<u>10,261,475</u>	<u>10,774,164</u>	<u>460,662</u>	<u>10,045,151</u>	<u>10,505,813</u>
Net income / (expenditure) for the year		(489,709)	992,234	502,525	(429,945)	389,775	(40,170)
Transfers between funds		(46,517)	46,517	-	-	-	-
Net movement in funds		(536,226)	1,038,751	502,525	(429,945)	389,775	(40,170)
Reconciliation of funds							
Funds brought forward		<u>9,101,258</u>	<u>5,791,947</u>	<u>14,893,205</u>	<u>9,531,203</u>	<u>5,402,172</u>	<u>14,933,375</u>
Total funds carried forward		<u><u>8,565,032</u></u>	<u><u>6,830,698</u></u>	<u><u>15,395,730</u></u>	<u><u>9,101,258</u></u>	<u><u>5,791,947</u></u>	<u><u>14,893,205</u></u>

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.

31 August 2022

	Note	£	2022 £	£	2021 £
Fixed assets					
Tangible fixed assets	14.		<u>14,805,431</u>		<u>15,618,433</u>
Current assets					
Stock		33,938		5,776	
Debtors	15.	260,234		225,237	
Cash at bank and in hand		<u>8,646,972</u>		<u>7,399,277</u>	
		8,941,144		7,630,290	
Liabilities					
Creditors: amounts falling due within one year	16.	<u>(7,982,680)</u>		<u>(7,600,075)</u>	
Net current assets			<u>958,464</u>		<u>30,215</u>
Total assets less current liabilities			<u>15,763,895</u>		<u>15,648,648</u>
Liabilities					
Creditors: amounts falling due after one year	18.		<u>(368,166)</u>		<u>(755,443)</u>
Total net assets	20a.		<u><u>15,395,730</u></u>		<u><u>14,893,205</u></u>
The funds of the charity :					
Restricted income funds	21a.		8,565,032		9,101,258
Unrestricted funds					
Designated funds			1,726,952		1,580,203
General funds			<u>5,103,746</u>		<u>4,211,744</u>
Total charity funds			<u><u>15,395,730</u></u>		<u><u>14,893,205</u></u>

Approved by the Management Committee on 5 December 2022 and signed on its behalf by

Jan Peter Weiland
Chair

Statement of Cashflows

For the year ended 31 August 2022

	Note	£	2022 £	£	2021 £
Cash flows from operating activities					
Net cash flow provided by / (used in) operating activities	22.		923,556		1,391,983
Cash flows from investing activities :					
Investment income		13,447		2,728	
Interest paid		(36,457)		(50,328)	
Purchase of tangible fixed assets		(25,711)		<u>(1,634,507)</u>	
Net cash flow provided by / (used in) investing activities			(48,721)		(1,682,107)
Cash flows from financing activities:					
Repayments of borrowing		<u>372,861</u>		(358,850)	
Net cash flow provided by / (used in) financing activities			<u>372,861</u>		<u>(358,850)</u>
Change in cash and cash equivalents in the year			1,247,695		(648,974)
Cash and cash equivalents at the beginning of the year			<u>7,399,277</u>		<u>8,048,251</u>
Cash and cash equivalents at the end of the year			<u><u>8,646,972</u></u>		<u><u>7,399,277</u></u>

Analysis of cash and cash equivalents and net debt

	At 01 Sept 2021	Cash Flows	Other Non-cash charges	At 31 Aug 2022
Loans falling due				
• Within one year	(372,749)	409,213	(423,674)	(387,210)
• After more than one year	<u>(755,443)</u>	<u>-</u>	<u>387,277</u>	<u>(368,166)</u>
	(1,128,192)	409,213	(36,397)	(755,376)
Cash at bank and in hand	<u>7,399,277</u>	<u>1,247,695</u>	<u>-</u>	<u>8,646,972</u>
Total	<u><u>6,271,085</u></u>	<u><u>1,656,908</u></u>	<u><u>(36,397)</u></u>	<u><u>7,891,596</u></u>

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 2022

2. Income from Grants and Donations

	Restricted £	Unrestricted £	2022 Total £	Restricted £	Unrestricted £	2021 Total £
Grants receivable from Central Office for Schools Abroad (ZfA)	-	433,696	433,696	-	418,468	418,468
Provision of premises by German Government*	-	700,000	700,000	-	700,000	700,000
Cost of teachers provided by German Governments	-	1,531,713	1,531,713	-	1,473,567	1,473,567
German Government Covid monies	-	-	-	-	537,187	537,187
Reversal of repayment provision of Government Covid monies	-	244,736	244,736	-	(244,736)	(244,736)
Donations from Friends of Douglas House	-	42,957	42,957	-	39,042	39,042
Swiss Parents Association	22,980	-	22,980	30,717	-	30,717
Other donations	-	3,358	3,358	-	16,728	16,728
Total Income from grants and donations	22,980	2,956,459	2,979,440	30,717	2,940,256	2,970,973

*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 £	2022 Total £	2021 Total £
Gross school fees	-	7,254,981	7,254,981	6,996,950
Less: bursaries, scholarships and allowances	-	(603,057)	(603,057)	(519,620)
Total Income from charitable activities	-	6,651,924	6,651,924	6,477,330

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

4. Income from other educational activities

	Restricted £	Unrestricted £	2022 Total £	2021 Total £
Rental income	-	53,526	53,526	12,416
School magazine and year book	-	2,620	2,620	3,020
Membership subscriptions	-	1,225	1,225	1,475
Registration fees	-	121,155	121,155	72,547
Infrastructure levy (School Development)	-	242,257	242,257	145,500
Provision of school bus	-	121,002	121,002	74,520
Sale of school books	-	40,130	40,130	103,577
School cafeteria	-	323,622	323,622	155,304
School trips and other activities	-	726,342	726,342	446,252
Total Income from other educational activities	-	1,631,879	1,631,879	1,014,612

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

5. Income from investments

	Restricted £	Unrestricted £	2022 Total £	Restricted £	Unrestricted £	2021 Total £
Overnight deposit income	-	13,447	13,447	-	2,728	2,728
Total Income from investments	-	13,447	13,447	-	2,728	2,728

6. Foreign exchange transactions

	Restricted £	Unrestricted £	2022 Total £	Restricted £	Unrestricted £	2021 Total £
Year end loss on € current accounts	-	7,908	7,908	-	11,915	11,915
Total Foreign exchange loss	-	7,908	7,908	-	11,915	11,915

Notes to the financial statements

For the year ended 31 August 2022

7a Analysis of Expenditure (current year)

	Educational costs £	Governance Costs £	Support Costs £	2022 Total £	2021 Total £
Staff costs (See Note 10)	5,481,664	9,214	1,268,660	6,759,538	6,475,604
Direct educational costs	86,974	-	-	86,974	128,552
Governance costs (See Note 8)	-	25,242	-	25,242	31,327
Support costs (See Note 8)	-	-	3,894,502	3,894,502	3,858,415
Total expenditure 2022	5,568,638	34,456	5,163,162	10,766,256	
Total expenditure 2021	5,354,140	40,018	5,099,740		10,493,898

7b Analysis of Expenditure (prior year)

	Educational costs £	Governance Costs £	Support Costs £	2021 Total £
Staff costs (See Note 10)	5,225,588	8,691	1,241,325	6,475,604
Direct educational costs	128,552	-	-	128,552
Governance costs (See Note 8)	-	31,327	-	31,327
Support costs (See Note 8)	-	-	3,858,415	3,858,415
Total expenditure 2021	5,354,140	40,018	5,099,740	10,493,898

Notes to the financial statements

For the year ended 31 August 2022

8. Analysis of Support & 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	2022 Total	2021 Total
	£	£	£	£
Ancillary support	-	845,342	845,342	621,490
Maintenance and utilities	-	1,754,988	1,754,988	2,015,885
Insurances	-	79,923	79,923	59,207
Motor and travelling expenses	-	4,545	4,545	-
Telephone, postage, print and internet	-	38,040	38,040	47,872
Copier costs	-	48,378	48,378	46,445
Professional and consultancy fees	5,482	5,580	11,062	13,101
Staff recruitment, training and welfare	-	89,431	89,431	66,752
Bank charges and interest	-	48,285	48,285	59,710
Entertainment costs	-	12,840	12,840	5,040
Audit fees & other services	14,760	1,827	16,587	19,460
Solicitors costs	-	-	-	4,634
SEN / Psychologist	-	4,342	4,342	10,767
Community service	-	17,321	17,321	14,941
Other general administration	5,000	104,949	109,949	107,009
Depreciation	-	838,712	838,712	797,428
Support costs	-	3,894,502	-	-
Governance costs	25,242	-	-	-
Total	25,242	3,894,502	3,919,744	3,889,742

9. Net income / (expenditure) for the year

This is stated after charging:

	2022	2021
	£	£
Depreciation	838,712	797,428
Interest payable	36,457	50,328
Operating lease rentals:		
▪ other	25,259	27,531
Auditor's remuneration:		
▪ audit	12,300	11,700
▪ other services	1,764	3,360
Management Committee members' expenses	-	-

Notes to the financial statements

For the year ended 31 August 2022

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

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	4,299,228	4,178,912
Social security costs	452,907	401,568
Employer's contribution to pension schemes	475,691	421,558
Cost of 12 teachers provided by the German Government (2021: 12)	1,531,713	1,473,567
	<u>6,759,538</u>	<u>6,475,604</u>

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

£60,000 - £69,999	1	2
£70,000 - £79,999	1	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 £542,200 (2021: £475,174)

The Prior year 2021 figure has been adjusted (for equivalent 5 key management personnel) from £845,489 , because of the establishment of a new management structure forming the school's senior leadership team.

The Management Committee members were not paid or received any other benefits from employment with the charity in the year (2021 :£nil). No Management Committee member received payment for professional or other services supplied to the charity (2021: £nil).

There were no expenses reimbursed for management committee members last year (2021: £nil) .

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

	2022 No.	2021 No.
Teaching (including seconded teachers)	78.4	78.3
Administration	15.5	15.4
Support	13.7	14.5
Caretakers and gardeners	2.0	2.0
	<u>109.6</u>	<u>110.2</u>

The average weekly number of employees including volunteers and interns on a headcount basis was 155 (2021: 158)

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 (2021: £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 2022

14. Tangible fixed assets

	Leasehold Property £	Assets in Progress £	Furniture and Equipment £	Computer Equipment £	Total £
Cost					
At the start of the year	20,076,039	209,039	573,082	51,597	20,909,757
Additions in year	25,711	-	-	-	25,711
Transfers in / (out) during year	209,039	(209,039)	-	-	-
At the end of the year	20,310,789	-	573,082	51,597	20,935,468
Depreciation					
At the start of the year	4,700,691	-	541,284	49,350	5,291,324
Charge for the year	814,492	-	22,995	1,225	838,712
At the end of the year	5,515,182	-	564,278	50,576	6,130,036
Net book value					
At the end of the year	14,795,607	-	8,803	1,021	14,805,431
At the start of the year	15,375,348	209,039	31,798	2,247	15,618,433

15. Debtors

	2022 £	2021 £
Pupils' accounts: fees, extras and recharges	37,057	12,375
Prepayments	150,518	144,792
German Government Grant due	72,659	68,070
	260,234	225,237

16. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	180,615	171,036
Fees received in advance	3,469,639	3,146,233
Security deposits	3,263,500	2,904,500
Social security and other taxes	134,297	98,675
Accruals	312,487	705,938
Other creditors	234,932	200,900
Loan due within one year	387,210	372,794
	7,982,680	7,600,075

17. Deferred income

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

	2022 £	2021 £
Balance at the beginning of the year	3,146,233	2,847,969
Amount released to income in the year	(3,146,233)	(2,847,969)
Amount deferred in the year	3,469,639	3,146,233
Balance at the end of the year	3,469,639	3,146,233

Notes to the financial statements

For the year ended 31 August 2022

18. Creditors: amounts falling due after one year

	2022 £	2021 £
Bank Loan	368,166	755,443
	<u>368,166</u>	<u>755,443</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	8,565,032	1,484,695	4,755,704	14,805,431
Current assets	-	242,257	8,698,887	8,941,144
Current liabilities	-	-	(7,982,680)	(7,982,680)
Long term liabilities	-	-	(368,166)	(368,166)
Net assets at the end of the year	<u>8,565,032</u>	<u>1,726,952</u>	<u>5,103,745</u>	<u>15,395,729</u>

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

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	9,101,258	1,580,202	4,936,972	15,618,432
Current assets	-	-	7,630,290	7,630,290
Current liabilities	-	-	(7,600,075)	(7,600,075)
Long term liabilities	-	-	(755,443)	(755,443)
Net assets at the end of the year	<u>9,101,258</u>	<u>1,580,202</u>	<u>4,211,744</u>	<u>14,893,205</u>

Notes to the financial statements

For the year ended 31 August 2022

21a. Movements in funds (current year)

	At the start of £	Incoming £	Outgoing £	Transfers	At the end of the £
Restricted funds					
Swiss Parents Association	-	22,980	(22,980)	-	-
German Government Grant	9,054,741	-	(489,709)	-	8,565,032
Net foreign exchange gains / (losses)	46,517	-	-	(46,517)	-
Total restricted funds	<u>9,101,258</u>	<u>22,980</u>	<u>(512,689)</u>	<u>(46,517)</u>	<u>8,565,032</u>
Unrestricted funds					
<i>Designated funds:</i>					
Capital Project Fund	-	242,257	-	-	242,257
Main Building Renovation/Extension	928,458	-	(71,878)	-	856,580
Sports hall asset fund	651,744	-	(23,629)	-	628,115
<i>Total designated funds</i>	1,580,202	242,257	(95,507)	-	1,726,952
General funds	<u>4,211,744</u>	<u>11,011,452</u>	<u>(10,165,968)</u>	<u>46,517</u>	<u>5,103,746</u>
Total unrestricted funds	<u>5,791,947</u>	<u>11,253,709</u>	<u>(10,261,475)</u>	<u>46,517</u>	<u>6,830,698</u>
Total funds	<u>14,893,205</u>	<u>11,276,689</u>	<u>(10,774,164)</u>	<u>-</u>	<u>15,395,730</u>

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

21b. Movements in funds (prior year)

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers	At the end of the year £
Restricted funds					
Swiss Parents Association	-	30,717	(30,717)	-	-
German Government Grant	9,484,686	-	(429,945)	-	9,054,741
Net foreign exchange gains / (losses)	46,517	-	-	-	46,517
Total restricted funds	<u>9,531,203</u>	<u>30,717</u>	<u>(460,662)</u>	<u>-</u>	<u>9,101,258</u>
Unrestricted funds					
<i>Designated funds:</i>					
Capital Project Fund	-	145,500	-	(145,500)	-
Main Building Renovation/Extension	839,895	-	(56,937)	145,500	928,458
Sports hall asset fund	675,373	-	(23,629)	-	651,744
<i>Total designated funds</i>	1,515,268	145,500	(80,566)	-	1,580,203
General funds	<u>3,886,903</u>	<u>10,289,426</u>	<u>(9,964,586)</u>	<u>-</u>	<u>4,211,744</u>
Total unrestricted funds	<u>5,402,171</u>	<u>10,434,926</u>	<u>(10,045,151)</u>	<u>-</u>	<u>5,791,947</u>
Total funds	<u>14,933,374</u>	<u>10,465,643</u>	<u>(10,505,813)</u>	<u>-</u>	<u>14,893,205</u>

Purposes of restricted funds - As per the listing above.

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.

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

	2022 £	2021 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	502,525	(40,170)
Investment income	(13,447)	(2,728)
Interest paid	36,457	50,328
(Increase) in debtors	(34,997)	(86,295)
(Increase) in stock	(28,162)	(2,112)
(Decrease)/increase in creditors	(377,532)	675,531
Depreciation	838,712	797,428
Net cash provided by operating activities	923,556	1,391,983

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 2022 £	2021 £
Less than one year	19,406	21,040
1 - 5 years	2,123	21,822
	21,529	42,862

24. Capital commitments

As at the balance sheet date the charity had capital commitments of £Nil (2021: £Nil) 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.