

Company number: 00984415
Charity number: 325073

German School Association Limited

Report and Financial Statements

31 August 2023

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German School Association Limited

Reference and administrative details

For the Year ended 31 August 2023

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| 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 T Greenwell (retired 15 June 2023) J Hoffmann K U Karl Guido Kirschner F J von Schubert Treasurer P Walter C Williams |
| Principal staff | O Schmitz Head Teacher 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 |

German School Association Limited

Report of the Management Committee

For the Year ended 31 August 2023

Chair's statement, by Jan Peter Weiland

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

The financial and school year 2022/23 has been positive for the Deutsche Schule London (the "School" or "DSL") and the German School Association Ltd (the "Association"). It has seen the arrival of our new Head Teacher, Oliver Schmitz, and a return to growth in student numbers. The DSL started in September 2022 with 872 students, 50 more than the previous year. In June 2023, 39 of them graduated successfully, with a record average Abitur grade of 2.0, outstripping the German national average of 2.4.

With Oliver Schmitz, who took over the helm from the interim Leadership Team Claudia Wolff-Lieser as Acting Head, Viola Martin-Nastos as Acting Deputy Head and Matthias Krauss as Commercial Director, the DSL has a very experienced leader with a long-term vision for the school. With a strong Senior Leadership Team in place, 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 to drive the very positive development the school has made in recent years.

The School has also seen a return to increased numbers of applications. This follows years of disruption and uncertainty due to the UK's departure from the European Union and the COVID-19 pandemic. In addition, there has been a reduction in the numbers of students leaving the school early. This development is a reflection of the continued change in our student portfolio. Less families are expats who expect to spend limited time at the DSL and more families live locally and expect to stay in the UK indefinitely. This results in more stability which is conducive to a good school. 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 years to come.

Whilst 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 are reasonably confident we have left the immediate downward impact behind us. With the necessary immigration licenses in place we are able to recruit staff from Germany. However, this has added significantly to the costs and the administrative burden of recruitment and at the same time has severely reduced our flexibility and agility in filling vacant positions. Moreover, there continues to be a shortage of teachers in Germany and the UK, and this affects our ability to recruit flexibly. We seek to actively manage these risks by continuing to make investments that ensure an attractive framework for our staff, pupils and the entire school community.

A substantial new risk has emerged with the announcement of the Labour Party intending to apply new tax legislation to independent schools should they come into Government after the next election. Imposition of VAT and business rates could potentially result in an additional liability of almost £ 2m annually, which would mean a school fee increase by c. 24% per child. Whilst school leadership believes that there is a case for the DSL and other schools of a similar nature to be exempt from the proposed status change, because international schools have a different character from the private schools the policy targets, it is likely that these arguments will not be heard. We will however work with the embassy and other international schools to attempt to raise awareness of this argument.

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.

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For the Year ended 31 August 2023

During this year, we have seen a change in the Management Committee with Timothy Greenwell retiring. 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 2022/23 of £587,948. 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 2022/23 the School continued to receive assistance in the form of a cash subsidy from Germany of £443,416 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 £63,523 of school fee relief to families in need.

Achievements in 2022/23 and planned projects

Following investments in a fourth fully fledged Kindergarten classroom, the overhaul of our Computer Room and replacement of 400 Forum chairs in the previous year, the school continues with the upkeep and maintenance of its facilities. Given the dimensions of our site and the many buildings, some of them historic and listed by English Heritage, upkeep will remain a major task for the School over the years and sufficient financial resources will have to be made available.

2022/23 has seen the creation of 2 additional class rooms by making smarter and more effective use of existing space. As a result all Primary School students are now hosted together within the Primary School Building and the adjacent Sports Hall building complex. The Beratungsquadrat has moved into a designated area of Douglas House, which was previously used as a spare apartment, where they can now work together as one team. Significant investments have been made within this pedagogical support team by employing an additional school counsellor and a second Special Educational Needs Coordinator.

The outdoor spaces of the school have been improved and the playground for the school's Primary School and Ganztags students has been renewed; moreover the installation of a new Multi Games Area (MuGA) to replace the former outdoor Basketball Court is still work in progress. These investments are supported by the Friends of Douglas House and for the MuGA the school has recently initiated a fundraising activity. The school is extremely grateful to all the support it has received.

Those two investments are part of a significant investment programme amounting to approximately £3m in total over a period of 2-3 years. At its heart is the building of an additional classroom and a lift in the Secondary School Building. The class room will ease pressure on space for our secondary school students, and the installation of a lift, which had been a consideration for many years, will make this part of the school more accessible for all of our students. We expect the class room and the lift to be operational from the beginning of the next calendar year. Further investments for this building are planned to take place for the area of Music and to improve usage of the Forum space.

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Following an extensive tender process repair works to the main building roof commenced towards the end of the last school year. This is a substantial project; it will use up to 50% of the entire investment programme and continue until summer 2024. The project will also include the installation of a green roof as well as solar panels. Together with the existing solar panels on the sports hall, we expect that approximately 20% of the school's average electricity consumption will be generated from these renewable energy sources.

The above investments are funded by the school without support from the German Foreign Office ("Auswärtiges Amt", "AA") in Berlin. However, we are extremely grateful for their significant support over the past 10-15 years, 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.

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 careers counselling, IT education and digitalisation; enhance Ganzttag 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.

Following the pandemic, the last school year has seen a gradual return 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. The school was able to celebrate its traditional events, such as the Summer and Christmas Fair; we have opened our doors to prospective parents at our second open day; and with Emma Thompson, Axel Scheffler, Jason Kamp and Takis Würger as guests at our school, we could showcase some high profile events. For the school year 2023/24, the school is looking forward to be working with its new Head Teacher, Oliver Schmitz, and to continue innovative and high quality education for the children across all areas of our school.

Head Teacher's Comments, by Oliver Schmitz

The good results of the June 2022 inspections by the UK Office for Standards in Education, Children's Services and Skills ("Ofsted") - "outstanding" in four out of six categories, with an overall rating of "good provider" in 2022 have reassured the School and defined the developmental areas within its programme. 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. 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 2022/23 were:

1. Learning for an international future: securing academic bilingual competences
2. Anchoring structures of a student-activating and project-oriented teaching programme

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For the Year ended 31 August 2023

3. Enhancing Collaboration: Utilising and developing experiences and insights of the Pandemic
4. Introduction of school development based on co-operation and sustainability: introduction of a steering group and a school conference made up of pupils, parents and teachers, new procedure and new criteria for project applications

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 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 has begun in 2023/24.

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, 44 in 2022 and 39 in 2023.

In 2023, all of our 39 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 2.01 in 2023 compared to 2.09 in 2022.

Out of these graduates, 15 students participated the International Baccalaureate-Diploma Programme (IB) in 2023. 9 students as Course Candidates that passed their courses successfully and 6 students with full diploma. In 2022, the first post-pandemic IB examination session, there were no full diploma students in that year group.

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 2023 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-

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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.

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 two diagnostic exams in years 3 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, 2022 and 2023.

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.

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Report of the Management Committee

For the Year ended 31 August 2023

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 2023 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.

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").

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The Management Committee currently consists of at least 6 and up to 12 members and 7 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 2023 (financial year 2022: £nil). No members of the Management Committee received reimbursement of travel expenses in the year, (financial year 2022: £ 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 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.

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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.

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

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For the Year ended 31 August 2023

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 57% (2022: 53%) 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 26% (2022: 24%) 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 16% (2022: 15%) 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 £6,491 (2022 : £42,957) 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 2023, 13 pupils received bursaries at a total cost to the School representing 0.8% of gross fee income.

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- 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 2023.
- 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 866 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 869 pupils at the School, representing more than 35 different nationalities including those with multiple nationality.

In 2023, 39 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 2022/23, on average 12 teachers were seconded from the Federal Republic of Germany. In addition, a total of 96 (2022: 95) were employed locally by the Association.

Income and expenditure account

An operating surplus (income over expenditure) was recorded for the financial year amounting to £587,948 (Financial year 2022: £502,525)

Incoming resources during the period amounted to £12,405,568 (financial year 2022: £11,276,689).

This includes £7,422,493 for educational fee income (financial year 2022: £6,651,924) and £2,088,226 income from other educational activities (financial year 2022: £1,631,879).

Income from Grants and Donations amount to £2,718,482 (financial year 2022: £2,979,439), of which the German government's Central Office for Schools Abroad (ZfA) provided financial support amounting to £443,416 (financial year 2022: £433,696) and made available to the Association 12 teaching staff. The German government also made available 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 162 (2022: 155). Staff costs remain a major item of expenditure, remaining at 62% (financial year 2022 : 62%) of total resources expended, including the staff provided by the German government.

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For the Year ended 31 August 2023

Balance sheet

The net assets of the Association on 31 August 2023 were £15,983,678 (financial year 2022: £15,395,730).

Reserves

The assets and liabilities attributable to the various funds by type are shown in note 21a. Note 22a 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 £7,908,356 at 31 August 2023 (financial year 2022: £6,784,181) including designated funds of £1,815,820 for capital projects (financial year 2022: £1,726,952).

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 £6,092,535 (8 months expenditure cover) (financial year 2022: £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. The Management Committee has 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

German School Association Limited

Report of the Management Committee

For the Year ended 31 August 2023

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 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 respond 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.

German School Association Limited

Report of the Management Committee

For the Year ended 31 August 2023

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 2023 was 8 (2022: 11). 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 2023 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 4 December 2023 and is signed on its behalf by



Jan Peter Welland

Chair of the Management Committee

Independent Auditor's Report

To the members of

German School Association Limited

Opinion

We have audited the financial statements of German School Association Limited (the 'charitable company') for the year ended 31 August 2023 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 2023 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

Independent Auditor's Report

To the members of

German School Association Limited

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 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.

Independent Auditor's Report

To the members of

German School Association Limited

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 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.

Independent Auditor's Report

To the members of

German School Association Limited

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)

Date 25 January 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

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

German School Association Limited

Statement of Financial Activities (incorporating an Income and Expenditure Account)

For the year ended 31 August 2023

| | | Restricted £ | Unrestricted £ | 2023 Total £ | Restricted £ | Unrestricted £ | 2022 Total £ |
|---|------|------------------|-------------------|--------------------|------------------|-------------------|--------------------|
| | Note | | | | | | |
| Income from: | | | | | | | |
| Income from Grants & Donations | 2 | 21,900 | 2,696,582 | 2,718,482 | 22,980 | 2,956,459 | 2,979,439 |
| Charitable activities - <i>Educational fee income</i> | 3 | - | 7,422,493 | 7,422,493 | - | 6,651,924 | 6,651,924 |
| Other educational activities | 4 | - | 2,088,226 | 2,088,226 | - | 1,631,879 | 1,631,879 |
| Investments | 5 | - | 176,367 | 176,367 | - | 13,447 | 13,447 |
| Total income | | <u>21,900</u> | <u>12,383,668</u> | <u>12,405,568</u> | <u>22,980</u> | <u>11,253,709</u> | <u>11,276,689</u> |
| Expenditure on : | | | | | | | |
| Charitable activities - <i>Educational costs</i> | 7 | 511,610 | 11,350,658 | 11,862,268 | 512,689 | 10,253,567 | 10,766,256 |
| Foreign exchange (Gain) / loss | 6 | - | (4,935) | (4,935) | - | 7,908 | 7,908 |
| Total expenditure | | <u>511,610</u> | <u>11,345,723</u> | <u>11,857,333</u> | <u>512,689</u> | <u>10,261,475</u> | <u>10,774,164</u> |
| Net income before net gains on investments | | (489,710) | 1,037,945 | 548,235 | (489,709) | 992,234 | 502,524 |
| Net gains on investments | | - | 39,713 | 39,713 | - | - | - |
| Net income for the year | | (489,710) | 1,077,658 | 587,948 | (489,709) | 992,234 | 502,524 |
| Transfer between funds | | - | - | - | (46,517) | 46,517 | - |
| Net movement in funds | | <u>(489,710)</u> | <u>1,077,658</u> | <u>587,948</u> | <u>(536,226)</u> | <u>1,038,751</u> | <u>502,524</u> |
| Reconciliation of funds | | | | | | | |
| Funds brought forward | | <u>8,565,032</u> | <u>6,830,698</u> | <u>15,395,730</u> | <u>9,101,258</u> | <u>5,791,947</u> | <u>14,893,205</u> |
| Total funds carried forward | | <u>8,075,322</u> | <u>7,908,356</u> | <u>15,983,678</u> | <u>8,565,032</u> | <u>6,830,698</u> | <u>15,395,730</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 22 to the financial statements.

31 August 2023

| | Note | £ | 2023 £ | £ | 2022 £ |
|--|------|------------------|-------------------|------------------|-------------------|
| Fixed assets | | | | | |
| Tangible fixed assets | 14 | | 14,390,762 | | 14,805,431 |
| Managed Longterm Investments | 15 | | 1,039,713 | | - |
| | | | 15,430,475 | | 14,805,431 |
| Current assets | | | | | |
| Stock | | 45,617 | | 33,938 | |
| Debtors | 16 | 291,256 | | 260,234 | |
| Cash at bank and in hand | | 8,349,660 | | 8,646,972 | |
| | | 8,686,533 | | 8,941,144 | |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 17 | (8,133,330) | | (7,982,680) | |
| Net current assets | | | 553,203 | | 958,464 |
| Total assets less current liabilities | | | 15,983,678 | | 15,763,895 |
| Liabilities | | | | | |
| Creditors: amounts falling due after one year | 17 | | - | | (368,166) |
| Total net assets | 21a | | 15,983,678 | | 15,395,730 |
| The funds of the charity : | 22a | | | | |
| Restricted income funds | | | 8,075,322 | | 8,565,032 |
| Unrestricted funds | | | | | |
| Designated funds | | | 1,815,820 | | 1,726,952 |
| General funds | | | 6,092,536 | | 5,103,746 |
| Total charity funds | | | 15,983,678 | | 15,395,730 |

Approved by the Management Committee on 4 December 2023 and signed on its behalf by



Jan Peter Weiland
Chair

German School Association Limited

Statement of Cashflows

For the year ended 31 August 2023

| | Note | 2023 £ | 2022 £ |
|---|------|--------------------|------------------|
| Cash flows from operating activities | | | |
| Net cash flow provided by operating activities | 23. | 1,309,407 | 1,669,277 |
| Cash flows from investing activities : | | | |
| Investment income | | 176,367 | 13,447 |
| Interest paid | | (22,108) | (36,457) |
| Purchase of investments | | (1,000,000) | - |
| Purchase of tangible fixed assets | | (402,127) | (25,711) |
| Net cash flow used in investing activities | | (1,247,868) | (48,721) |
| Cash flows from financing activities: | | | |
| Repayments of borrowing | | (358,851) | (372,861) |
| Net cash flow used in financing activities | | (358,851) | (372,861) |
| Change in cash and cash equivalents in the year | | (297,312) | 1,247,695 |
| Cash and cash equivalents at the beginning of the year | | 8,646,972 | 7,399,277 |
| Cash and cash equivalents at the end of the year | | 8,349,660 | 8,646,972 |

Analysis of cash and cash equivalents and net debt

| | At 01 Sept 2022 | Cash Flows | Other Non-cash charges | At 31 Aug 2023 |
|----------------------------|--------------------|---------------|------------------------------|-------------------|
| Loans falling due | | | | |
| • Within one year | (401,218) | 358,851 | (368,166) | (410,533) |
| • After more than one year | (368,166) | - | 368,166 | - |
| | (769,384) | 358,851 | - | (410,533) |
| Cash at bank and in hand | 8,646,972 | (297,312) | - | 8,349,660 |
| Total | 7,877,588 | 61,539 | - | 7,939,127 |

Notes to the financial statements

For the year ended 31 August 2023

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.

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.

1. Accounting policies

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.

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.

1. Accounting policies

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 2023

2. Income from Grants and Donations

| | Restricted £ | Unrestricted £ | 2023 Total £ | Restricted £ | Unrestricted £ | 2022 Total £ |
|--|-----------------|-------------------|--------------------|-----------------|-------------------|--------------------|
| Grants receivable from Central Office for Schools Abroad (ZfA) | - | 443,416 | 443,416 | - | 433,696 | 433,696 |
| Provision of premises by German Government* | - | 700,000 | 700,000 | - | 700,000 | 700,000 |
| Cost of teachers provided by German Governments | - | 1,539,029 | 1,539,029 | - | 1,531,713 | 1,531,713 |
| Reversal of repayment provision of Government Covid monies | - | - | - | - | 244,736 | 244,736 |
| Donations from Friends of Douglas House | - | 6,491 | 6,491 | - | 42,957 | 42,957 |
| Swiss Parents Association | 21,900 | - | 21,900 | 22,980 | - | 22,980 |
| Other donations | - | 7,646 | 7,646 | - | 3,358 | 3,358 |
| Total Income from grants and donations | 21,900 | 2,696,582 | 2,718,482 | 22,980 | 2,956,459 | 2,979,439 |

*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 £ | 2023 Total £ | 2022 Total £ |
|--|-----------------|-------------------|--------------------|--------------------|
| Gross school fees | - | 8,019,962 | 8,019,962 | 7,254,981 |
| Less: bursaries, scholarships and allowances | - | (597,469) | (597,469) | (603,057) |
| Total Income from charitable activities | - | 7,422,493 | 7,422,493 | 6,651,924 |

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

4. Income from other educational activities

| | Restricted £ | Unrestricted £ | 2023 Total £ | 2022 Total £ |
|---|-----------------|-------------------|--------------------|--------------------|
| Rental income | - | 55,123 | 55,123 | 53,526 |
| School magazine and year book | - | 130 | 130 | 2,620 |
| Membership subscriptions | - | 1,075 | 1,075 | 1,225 |
| Registration fees | - | 91,028 | 91,028 | 121,155 |
| Infrastructure levy (School Development) | - | 184,375 | 184,375 | 242,257 |
| Provision of school bus | - | 150,526 | 150,526 | 121,002 |
| Sale of school books | - | 85,657 | 85,657 | 40,130 |
| School cafeteria | - | 456,283 | 456,283 | 323,622 |
| School trips and other activities | - | 1,064,029 | 1,064,029 | 726,342 |
| Total Income from other educational activities | - | 2,088,226 | 2,088,226 | 1,631,879 |

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

5. Income from investments

| | Restricted £ | Unrestricted £ | 2023 Total £ | Restricted £ | Unrestricted £ | 2022 Total £ |
|---|-----------------|-------------------|--------------------|-----------------|-------------------|--------------------|
| Money Market & Overnight deposit income | - | 176,367 | 176,367 | - | 13,447 | 13,447 |
| Total Income from investments | - | 176,367 | 176,367 | - | 13,447 | 13,447 |

6. Foreign exchange transactions

| | Restricted £ | Unrestricted £ | 2023 Total £ | Restricted £ | Unrestricted £ | 2022 Total £ |
|---|-----------------|-------------------|--------------------|-----------------|-------------------|--------------------|
| Year end (gain) / loss on € current accounts | - | (4,935) | (4,935) | - | 7,908 | 7,908 |
| Transfer of year-end gain to deferred income. | - | - | - | - | - | - |
| Total Foreign exchange (gain) / loss | - | (4,935) | (4,935) | - | 7,908 | 7,908 |

7a Analysis of Expenditure (current year)

| | Educational costs £ | Governance Costs £ | Support Costs £ | 2023 Total £ | 2022 Total £ |
|-------------------------------|---------------------------|--------------------------|-----------------------|--------------------|--------------------|
| Staff costs (See Note 10) | 5,874,019 | 9,887 | 1,431,263 | 7,315,169 | 6,759,538 |
| Direct educational costs | 117,038 | - | - | 117,038 | 86,974 |
| Governance costs (See Note 8) | - | 26,859 | - | 26,859 | 25,242 |
| Support costs (See Note 8) | - | - | 4,403,202 | 4,403,202 | 3,894,502 |
| Total expenditure 2023 | 5,991,057 | 36,746 | 5,834,465 | 11,862,268 | |
| Total expenditure 2022 | 5,568,638 | 34,456 | 5,163,162 | | 10,766,256 |

7b Analysis of Expenditure (prior year)

| | Educational costs £ | Governance Costs £ | Support Costs £ | 2022 Total £ |
|-------------------------------|---------------------------|--------------------------|-----------------------|--------------------|
| Staff costs (See Note 10) | 5,481,664 | 9,214 | 1,268,660 | 6,759,538 |
| Direct educational costs | 86,974 | - | - | 86,974 |
| Governance costs (See Note 8) | - | 25,242 | - | 25,242 |
| Support costs (See Note 8) | - | - | 3,894,502 | 3,894,502 |
| Total expenditure 2022 | 5,568,638 | 34,456 | 5,163,162 | 10,766,256 |

Notes to the financial statements

For the year ended 31 August 2023

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 | 2023 Total | 2022 Total |
|--|------------------|---------------|------------|------------|
| | £ | £ | £ | £ |
| Ancillary support | - | 1,114,923 | 1,114,923 | 845,342 |
| Maintenance and utilities | - | 1,959,221 | 1,959,221 | 1,754,988 |
| Insurances | - | 73,928 | 73,928 | 79,923 |
| Travel expenses | - | 11,077 | 11,077 | 4,545 |
| Telephone, postage, print, internet and CI | - | 70,989 | 70,989 | 38,040 |
| Copier costs | - | 47,967 | 47,967 | 48,378 |
| Professional and consultancy fees | - | 18,800 | 18,800 | 11,062 |
| Staff recruitment, training and welfare | - | 129,722 | 129,722 | 89,431 |
| Bank charges and interest | - | 30,772 | 30,772 | 48,285 |
| Entertainment costs | - | 15,189 | 15,189 | 12,840 |
| Audit fees & other services | 15,930 | - | 15,930 | 16,587 |
| Solicitors costs | 5,929 | - | 5,929 | - |
| SEN | - | 8,335 | 8,335 | 4,342 |
| Community service | - | 23,868 | 23,868 | 17,321 |
| Other general administration | 5,000 | 81,614 | 86,614 | 109,949 |
| Depreciation | - | 816,797 | 816,797 | 838,712 |
| Support costs | - | 4,403,202 | - | - |
| Governance costs | 26,859 | - | - | - |
| Total | 26,859 | 4,403,202 | 4,430,061 | 3,919,744 |

9. Net income for the year

This is stated after charging:

| | 2023 | 2022 |
|--|---------|---------|
| | £ | £ |
| Depreciation | 816,797 | 838,712 |
| Interest payable | 22,108 | 36,457 |
| Operating lease rentals: | | |
| ▪ other | 22,073 | 25,259 |
| Auditor's remuneration: | | |
| ▪ audit | 14,100 | 12,300 |
| ▪ other services | 900 | 1,764 |
| Management Committee members' expenses | - | - |

Notes to the financial statements

For the year ended 31 August 2023

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

Staff costs were as follows:

| | 2023 £ | 2022 £ |
|--|------------------|------------------|
| Salaries and wages | 4,777,619 | 4,299,228 |
| Social security costs | 477,237 | 452,907 |
| Employer's contribution to pension schemes | 521,284 | 475,691 |
| Cost of 12 teachers provided by the German Government (2022: 12) | 1,539,029 | 1,531,713 |
| | 7,315,169 | 6,759,538 |

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

| | | |
|---------------------|---|----|
| £60,000 - £69,999 | 3 | 1 |
| £70,000 - £79,999 | 1 | 1 |
| £80,000 - £89,999 | 9 | 10 |
| £90,000 - £99,999 | 3 | 2 |
| £100,000 - £109,999 | 1 | 1 |

The total employee benefits including pension contributions and employer national insurance of key management personnel were £ 527,298 (2022: £542,200)

The Management Committee members were not paid or received any other benefits from employment with the charity in the year (2022 :£nil). No Management Committee member received payment for professional or other services supplied to the charity (2022: £nil).

There were no expenses reimbursed for management committee members last year (2022: £nil) .

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

| | 2023 No. | 2022 No. |
|--|--------------|--------------|
| Teaching (including seconded teachers) | 81.3 | 78.4 |
| Administration | 18.7 | 17.5 |
| Support | 15.2 | 13.7 |
| | 115.2 | 109.6 |

The average weekly number of employees including volunteers and interns on a headcount basis was 162 (2022: 155)

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 (2022: £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 2023

14. Tangible fixed assets

| | Leasehold Property £ | Assets in Progress £ | Furniture and Equipment £ | Computer Equipment £ | Total £ |
|--------------------------|----------------------------|----------------------------|---------------------------------|----------------------------|-------------------|
| Cost | | | | | |
| At the start of the year | 20,310,789 | - | 573,082 | 51,597 | 20,935,468 |
| Additions in year | 147,169 | 254,958 | - | - | 402,127 |
| At the end of the year | 20,457,958 | 254,958 | 573,082 | 51,597 | 21,337,595 |
| Depreciation | | | | | |
| At the start of the year | 5,515,182 | - | 564,278 | 50,576 | 6,130,036 |
| Charge for the year | 810,173 | - | 5,603 | 1,021 | 816,797 |
| At the end of the year | 6,325,355 | - | 569,881 | 51,597 | 6,946,833 |
| Net book value | | | | | |
| At the end of the year | 14,132,603 | 254,958 | 3,200 | - | 14,390,762 |
| At the start of the year | 14,795,607 | - | 8,803 | 1,021 | 14,805,431 |

15. Investments

| | 2023 £ | 2022 £ |
|-------------------------------------|------------------|-----------|
| Fair value at the start of the year | - | - |
| Additions at cost | 1,000,000 | - |
| Disposal proceeds | - | - |
| Net gain on change in fair value | 39,713 | - |
| | 1,039,713 | - |

Investment comprise deposits in a managed unit portfolio.

16. Debtors

| | 2023 £ | 2022 £ |
|--|----------------|-----------|
| Pupils' accounts: fees, extras and recharges | 16,720 | 37,057 |
| Prepayments | 201,229 | 150,518 |
| German Government Grant due | 73,307 | 72,659 |
| | 291,256 | 260,234 |

17. Creditors: amounts falling due within one year

| | 2023 £ | 2022 £ |
|---------------------------------|------------------|-----------|
| Trade creditors | 302,704 | 180,615 |
| Fees received in advance | 3,603,558 | 3,469,639 |
| Security deposits | 3,102,500 | 3,263,500 |
| Social security and other taxes | 159,079 | 134,297 |
| Accruals | 343,956 | 312,487 |
| Other creditors | 253,368 | 234,932 |
| Loan due within one year | 368,166 | 387,210 |
| | 8,133,330 | 7,982,680 |

18. Deferred income

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

| | 2023 £ | 2022 £ |
|---------------------------------------|--------------------|-------------|
| Balance at the beginning of the year | 3,469,639 | 3,146,233 |
| Amount released to income in the year | (3,469,639) | (3,146,233) |
| Amount deferred in the year | 3,603,558 | 3,469,639 |
| Balance at the end of the year | 3,603,558 | 3,469,639 |

19. Creditors: amounts falling due after one year

| | 2023 £ | 2022 £ |
|-----------|-----------|-----------|
| Bank Loan | - | 368,166 |
| | - | 368,166 |
| The loan | | |

20. 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.

21a. Analysis of net assets between funds (current year)

| | Restricted funds £ | Designated funds £ | General funds £ | Total funds £ |
|-----------------------------------|--------------------------|-----------------------|--------------------|------------------|
| Tangible fixed assets | 8,075,322 | 1,389,188 | 4,926,252 | 14,390,762 |
| Managed Longterm Investments | - | - | 1,039,713 | 1,039,713 |
| Current assets | - | 426,632 | 8,259,901 | 8,686,533 |
| Current liabilities | - | - | (8,133,330) | (8,133,330) |
| Net assets at the end of the year | 8,075,322 | 1,815,820 | 6,092,536 | 15,983,678 |

21b. Analysis of net assets between funds (prior 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 | 8,565,032 | 1,726,952 | 5,103,746 | 15,395,730 |

Notes to the financial statements

For the year ended 31 August 2023

22a. Movements in funds (current 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 | - | 21,900 | (21,900) | - | - |
| German Government Grant | 8,565,032 | - | (489,710) | - | 8,075,322 |
| Total restricted funds | 8,565,032 | 21,900 | (511,610) | - | 8,075,322 |
| Unrestricted funds | | | | | |
| <i>Designated funds:</i> | | | | | |
| Capital Project Fund | 242,257 | 184,375 | - | - | 426,632 |
| Main Building Renovation/Extension | 856,580 | - | (71,878) | - | 784,702 |
| Sports hall asset fund | 628,115 | - | (23,629) | - | 604,486 |
| <i>Total designated funds</i> | <i>1,726,952</i> | <i>184,375</i> | <i>(95,507)</i> | <i>-</i> | <i>1,815,820</i> |
| General funds | 5,103,746 | 12,239,006 | (11,250,216) | - | 6,092,536 |
| Total unrestricted funds | 6,830,698 | 12,423,381 | (11,345,723) | - | 7,908,356 |
| Total funds | 15,395,730 | 12,445,281 | (11,857,333) | - | 15,983,678 |

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

22b. 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 | - | 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 | 9,101,258 | 22,980 | (512,689) | (46,517) | 8,565,032 |
| 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> | <i>1,580,202</i> | <i>242,257</i> | <i>(95,507)</i> | <i>-</i> | <i>1,726,952</i> |
| General funds | 4,211,744 | 11,011,452 | (10,165,968) | 46,517 | 5,103,746 |
| Total unrestricted funds | 5,791,946 | 11,253,709 | (10,261,475) | 46,517 | 6,830,698 |
| Total funds | 14,893,204 | 11,276,689 | (10,774,164) | - | 15,395,730 |

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.

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

| | 2023 £ | 2022 £ |
|---|------------------|------------------|
| Net income for the reporting period (as per the statement of financial activities) | 548,235 | 502,524 |
| Investment income | (176,367) | (13,447) |
| Interest paid | 22,108 | 36,457 |
| Increase in debtors | (31,022) | (34,997) |
| Increase in stock | (11,679) | (28,162) |
| Increase in creditors | 141,335 | 368,189 |
| Depreciation | 816,797 | 838,712 |
| Net cash provided by operating activities | 1,309,407 | 1,669,277 |

24. 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 2023 £ | 2022 £ |
|--------------------|------------------------|---------------|
| Less than one year | 23,755 | 19,406 |
| 1 - 5 years | 41,572 | 2,123 |
| | 65,327 | 21,529 |

25. Capital commitments

As at the balance sheet date the charity had capital commitments of £2,168,229 (2022: £Nil) relating to the school expansion project.

26. 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.