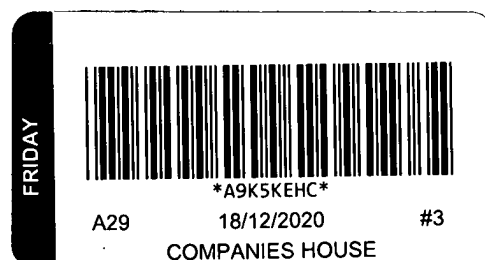


Registered number: 00910010
Registered Charity number: 1179820

ACS INTERNATIONAL SCHOOLS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020



ACS INTERNATIONAL SCHOOLS LIMITED

CHARITY INFORMATION

TRUSTEES

C J E Ferguson
S Beurier
N E Bobay
R C Prior (resigned 01/08/2020)
J B S Swallow
C J Wille
N Louis (resigned 10/10/2020)
R M Macnaughton - Chairman
P Mundy
S B Jackson (appointed 05/09/2019)

COMPANY SECRETARY

G Charles

REGISTERED COMPANY NUMBER 00910010

REGISTERED CHARITY NUMBER 1179820

REGISTERED OFFICE

Heywood
Portsmouth Road
Cobham
Surrey
KT11 1BL

INDEPENDENT AUDITOR

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

BANKERS

NatWest Bank Plc
135 Bishopsgate
London
EC2M 3UR

SOLICITORS

Eversheds Sutherland
1 Wood Street
London

ACS INTERNATIONAL SCHOOLS LIMITED

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ACS INTERNATIONAL SCHOOLS LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

The Trustees present their Annual Report for the year ended 31 July 2020 under the Charities Act 2011, including the Trustees' and Strategic Reports, under the Companies Act 2006, together with the audited financial statements for the year and confirm that the latter comply with the requirements of the Charities Act 2011 and the Charities SORP 2015.

ACS International Schools Limited is a Registered Charity (registered charity number 1179820).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The Charity is governed by its Memorandum and Articles of Association, last amended on 1 October 2017.

Governing Body

The Governing Body of ACS International Schools Limited is known as the Board. There is one Governing Body for the three UK Schools and the one Qatar School. The Board is the main decision-making body of ACS International Schools Limited (the "Charity" also known as "ACS"). ACS and each subsidiary company are governed by a separate board (together the "ACS Group"). The Board is accountable to the Members and the public for setting the strategy and directing the performance of the ACS Group.

The Board is collectively responsible for promoting the long-term success and viability of the ACS Group by directing and supervising the ACS Group's affairs, exercising the powers of the Charity, subject to any relevant laws and regulations and in accordance with the Articles.

The Board conducts a full internal review of its activities and effectiveness annually. The Board also assesses its activities and effectiveness via an external third party every two years.

Recruitment and Training of Trustees

Appointments to the Board will be recommended by the People Committee for approval by the Board or will be approved by the Members by an ordinary resolution at a general meeting.

Appointments to the Board will be subject to the terms and conditions set out in an appointment letter recommended to the Board by the People Committee.

The term of appointment for a Trustee will normally be for an initial three year period, renewable by the Board on the recommendation of the People Committee for a further three year period, and thereafter annually for a maximum term of nine years in total. Exceptions may be made if deemed by the Board to be in the best interests of the Charity.

Prospective candidates for vacancies on the Board are considered in light of the skills and experience required at the time, which will include personal competence, professional qualities, specialist skills and experience. The Board is committed to being as diverse as practicable, balanced with ACS's needs for high quality Trustees. To ensure that Trustees' roles and responsibilities are carried out effectively, the new Board members attend a detailed brief by the Chairman, Chief Executive and other relevant members of the Leadership Team.

Overall the Trustees meet a significant proportion of the recommended and best practice for governance contained within the Charity Governance Code across the seven areas and are comfortable there are no significant areas of review required. Trustees continue to monitor the best practice principles contained within the Code.

ACS INTERNATIONAL SCHOOLS LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

Organisational Management

The Board is legally responsible for the overall management and control of the schools.

The Board meets at least four times a year and is supported by the following committees:

- The Audit and Risk Committee investigate, advise and report to the Board on certain matters relating to financial reporting, external audit, internal controls and risk management. The Committee was chaired by C Ferguson until 16th June 2020. From 17th June 2020 the Committee is chaired by S Beurier;
- The Education Committee investigate, advise and report to the Board on certain matters relating to the educational philosophy, programmes and student learning outcomes of ACS Group schools. The Committee is chaired by P Mundy;
- The People Committee investigate, advise and report to the Board on certain matters relating to appointments, remuneration and governance. The Committee is chaired by C Wille.

All Board sub-committees meet at least three times a year.

In accordance with the Articles of Association, the Board has the power to delegate responsibility (but not accountability) to committees, directors, and the management of the Charity, and to that end the Board has established a Schedule of Delegated Authorities.

All powers, duties and decision-making responsibilities conferred on the Board by the Articles that are not set out in the Schedule of Matters Reserved for the Board and have not been delegated to a committee, the Company Secretary or a Director, are delegated to the Chief Executive.

The Chief Executive is Timothy Cagney. The Chief Executive is responsible for proposing and delivering the Group's strategy, and for managing the day-to-day activities, operations and resources of the Group.

The Chief Executive is the most senior member of the Leadership Team. The Leadership Team is the key management team. The Leadership Team includes the following employees:

- Chief Executive
- Chief Finance and Estates Officer
- Advancement Director
- Human Resources Director
- Education Strategy Director
- Partnerships Director
- ACS Cobham Head of School
- ACS Egham Head of School
- ACS Hillingdon Head of School
- ACS Doha Head of School

The People Committee consider remuneration and make recommendations to the Board on the remuneration policy for the Chief Executive and Leadership Team and the annual pay review and material changes to Group-wide compensation policy and practice. The Board reviews the People Committees' recommendations and determines the Group's remuneration policy.

The appropriateness and relevance of the remuneration policy is reviewed annually including reference to comparisons with the local labour market and to comparisons with other independent schools to ensure that the Group remains sensitive to broader issues of pay and employment terms and conditions elsewhere.

ACS INTERNATIONAL SCHOOLS LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

The Group's ability to deliver its charitable purpose and objectives is primarily dependent on its key management personnel and staff.

Promotion of the success of the organisation to provide public benefit

The Trustees confirm that in accordance with Section 172 (1) of the Companies Act they act in a way they consider would be most likely to achieve the purposes of the Group. In making this assessment the Trustees have considered the following:

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

The long-term sustainability of the operating model is considered by the Trustees as set out in the going concern statement in the Strategic Report section of the Trustees' Report. Specifically, the Trustees consider both short and longer term financial projections and the key risks that could negatively impact the sustainability of the Group. The Trustees are presented with management information, budgets, forecasts, cashflow projections and progress against the financial plan on a regular basis.

Risk management is embedded at all levels across the Group. The most significant risks are discussed at each Board meeting. See the risk management section for further details.

The Trustees review and endorse all policies to ensure consistent long term regulatory compliance.

b. The interests of the Group's employees

Frequent communication with employees is essential, especially during the Covid-19 lockdown when most employees were working remotely. This has been conducted by regular meetings and routine weekly written communications to employees.

See the employee policy section for further details.

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

All suppliers are treated fairly and promptly with business terms adhered to. The Company complies with the UK's Payment Practices Regulations that require the publication of information on the supplier terms offered and average payment statistics.

The parent contract forms the basis of the relationship with fee payers. This is reviewed regularly to ensure best practice and applied fairly and consistently.

A fair policy of bursary awards, consistently applied, support families who may not otherwise be able to access education at the school.

The Group works with a range of donors in support of furthering its fundraising aims and objectives. Group fundraising is bound by the Fundraising Policy and Gift Acceptance and Review Policy. The Group is transparent with information and prides itself on building mutually beneficial relationships.

d. The impact of the Group's operations on the community and the environment

The Group has completed the Energy Savings Opportunity Scheme (ESOS) reporting requirements and is preparing for reporting under the Streamlined Energy and Carbon Reporting (SECR). The Group is concerned about its energy consumption and carbon emissions and wishes to utilise the mandatory SECR legislation to identify ways of saving energy and reduce on carbon emissions. Further details of this are in the Strategic Report section of the Trustees' Report.

ACS INTERNATIONAL SCHOOLS LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

e. The desirability of the Group in maintaining a reputation for high standards of business conduct

The Group's Procurement policy outlines the responsibility of company employees to undertake procurement processes that ensure procurement best practice is followed. This requires employees to produce an approved Purchase Order in order to procure goods and services. The policy also requires quotation and tender procedures with suppliers as the value of the order being placed rises. Preferred suppliers are used wherever possible with new suppliers going through an authorisation process. The Group may withhold payment of an invoice that doesn't include a Purchase Order but otherwise adheres to supplier payment terms wherever possible upon receipt of an invoice from the supplier. The Group would seek to resolve any supplier disputes on a case-by-case basis.

The Group's Anti-Bribery policy sets out the responsibilities of staff to report any incidents or suspicion of fraud, bribery or corruption arising in the course of their work and to cooperate fully with related investigations; and comply with applicable Finance policies and procedures. The Group takes a zero tolerance approach towards fraud, bribery and corruption. It is committed to complying with all applicable laws and regulations relating to fraud, bribery and corruption wherever it operates.

The Group has an Anti-money laundering policy which seeks to prevent the organisation and its staff being exposed to money laundering, to identify the potential areas where it may occur, and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases.

f. The need to act fairly between members of the Group.

All Trustees and senior staff complete an annual Conflict of Interest declaration. There were no conflicts of interest identified in the year to 31st July 2020.

Group structure and relationships

ACS was established in 1967 as a commercial organisation founded and originally owned by Mr EJ Poularas and Mr G Speed but subsequently ultimately owned by The Emmanuel John Poularas Will Trust (registered charity number 1169800) following the death of Mr Poularas.

In 2018 ACS became a charity to advance education and secure the longevity of ACS. ACS operates under the registered charity number 1179820. In 2018 the Inland Revenue accepted the Company as a charity for tax purposes with effect from the date it adopted charitable articles.

On 12th November 2019, the entire issued share capital of ACS International Schools Limited was transferred from David Thomas, as the sole trustee of the Emmanuel John Poularas Will Trust, to the Members of ACS International Schools Limited. At the same time, David Thomas ceased to be the company's person with significant control and ACS International Schools Limited became the relevant legal entity.

Subsidiaries and holding companies

The group accounts of ACS International Schools Limited incorporate the results of the following subsidiaries:

ACS Commercial Enterprises Limited

ACS has a wholly owned non-charitable subsidiary, ACS Commercial Enterprises Limited (ACSCE), whose annual profits are donated to ACS under the Gift Aid Scheme. The trading activities of ACS Commercial Enterprises Limited primarily comprise revenue from the Sports Centres and lettings of the campus facilities when not in use by the Schools. The subsidiary's aims, objectives and achievements are covered in the relevant sections of this report.

ACS INTERNATIONAL SCHOOLS LIMITED

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ACS International Schools Overseas Holdings Limited

ACS International Schools Overseas Holdings Limited acts as a holding company for ACS's investment in ACS Doha International School LLC. It was established to limit the risk exposure of the investment, and should ACS decide in the future to operate other schools overseas, it would be used to do the same for such operations.

ACS Doha International School LLC

ACS Doha International School LLC (ACS Doha) was incorporated in 2011 in Qatar and is a programme related investment to enable ACS to establish and operate a school in Doha. The objects of ACS Doha are to advance education and the school has grown since 2011 to approximately 900 students from ages 2-18.

Risk Management

ACS Group has established formal mechanisms that facilitate the identification and management of risk, thus safeguarding the delivery of strategic and operational objectives.

The risk management framework includes:

- A Risk Management Policy and Risk Appetite Statement;
- A Risk Register to identify, evaluate and manage significant risks;
- A standard Risk Matrix, identifying likelihood and impact used throughout the organisation;
- Assurance and audit processes;
- Governance processes;
- The underlying policy and control environment.

By applying the risk management framework throughout the organisation the ACS Group ensures:

- risks are identified, reviewed and where appropriate proactively managed;
- the parameters within which ACS Group would want to conduct its activities are clearly identified;
- controls and processes are designed and implemented to help mitigate identified risks to acceptable levels;
- the effectiveness of controls and processes are regularly reviewed and where necessary tested;
- there are crisis management and business continuity systems in place with clear accountabilities.

The Board has overall responsibility for the Risk Management Policy and Risk Appetite Statement, assisted by the Audit and Risk Sub-Committee whose activities include working with senior management to compile and review the Risk Register.

Principal risks and uncertainties facing the business

The principal risks that have been identified include:

- Significant decline in enrolment that could lead to financial loss, restriction on growth and educational offering. To grow, the ACS Group must continue to target other market segments including students from overseas (boarding) and local self-paying families, in addition to expat families. This enables the ACS Group to react quickly with improvements as necessary and maintain its word of mouth referrals;
- Along with other international schools in the UK and overseas, together with many British independent fee-paying schools, the Covid-19 pandemic has dampened demand for the upcoming year. ACS acted quickly to recognise this global impact and monitor demand, manage the enrolment pipeline and budget prudently. Marketing and Admissions programmes remain flexible to support a hybrid of virtual and face to face or move back to virtual only activity, if required, due to the continued pandemic and a change in government regulations. ACS continues to monitor the pandemic and the resultant economic and travel

ACS INTERNATIONAL SCHOOLS LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

- consequences closely and assess the impact on enrolment.
- Brexit remains a risk to enrolment, particularly if there is no deal, should this result in an economic downturn and a significant reduction in EU citizens living and working in London and the South East. ACS works closely with Corporate mobility service providers and corporates to monitor the situation and impact on global mobility. ACS works closely with diplomatic, and international entities, including the US government to secure enrolment from these sectors unaffected by Brexit. Additionally, programmes to target non-EU citizens, both local and overseas, have been increased to secure enrolment both day and boarding.
 - Risk of cyber attack on IT systems and data that could lead to reputational damage or financial loss. Policies, procedures and training are in place to protect the IT systems and data;
 - Safeguarding and Health and Safety. ACS Group wishes to create an environment in ACS schools where all feel safe and secure and can thrive and therefore policies, procedures and training are in place to mitigate these risks;
 - Additional risks associated with the current Coronavirus pandemic have been identified which are included in the Coronavirus Pandemic Impact section of the Trustees report.

Careful and prudent financial management of the ACS Group ensures that it is not exposed to significant financial risks, providing a stable base for the future development of the organisation.

Employment policy

ACS is an equal opportunities employer. The ACS Group is committed to the fair treatment of all employees, potential employees or users of its services, regardless of race, gender, religion, sexual orientation, responsibilities for dependants, age, physical/mental disability or background.

ACS is committed to acting ethically and with integrity in all business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere within the ACS Group.

ACS are proud advocates of the London Living Wage, ensuring that staff receive a fair working wage.

In line with legislation, ACS reports its UK gender pay gap on an annual basis and takes measures to address any gender related bias identified.

The Group's policy is to consult and discuss with employees, hold staff forums and encourage meetings where matters that are likely to affect employees' interests can be discussed. Staff are also consulted on specific issues via pulse surveys – these have been run on specific topical issues such as support for wellbeing during the Coronavirus pandemic.

In addition to staff forums, information on matters of concern to employees is provided on a regular basis via staff meetings, all staff communications, and maintenance of information on the all staff portal, PowerSchool Learning.

ACS provides a strong level of support to staff for their wellbeing through the provision of private medical insurance, an employee assistance programme, counselling support, self-help guidance, low cost sports centre access and a range of wellbeing activities on campus.

CORONAVIRUS PANDEMIC IMPACT (COVID-19)

The Coronavirus pandemic has impacted the lives of citizens globally. ACS has responded proactively to the challenges brought about by Covid-19. Operationally, ACS's primary focus has been to comply fully with government regulations and guidelines. Within this framework, ACS has then sought to deliver the best possible education to its children and to support parents and staff as much as possible during this very challenging period. The financial impact of Covid-19 is included in the Financial Review later in the Trustees report.

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In line with the Government guidelines, in March 2020 we closed our campuses and focused on providing high quality online education to our students. Some grades returned to campus from early June 2020 and students from all grades returned to campuses in August 2020 for the start of the 2020/2021 academic year.

ACS responded quickly to legislative changes and the needs of its employees by taking the following actions:

- arranged for staff to work from home during lockdown;
- increased the level of wellbeing support for all staff;
- participated in the UK government's Job Retention Scheme, topping up payments for any furloughed staff to 100% of their normal pay. The costs of furloughed staff have been successfully reclaimed from the UK government;
- made all necessary arrangements to ensure a Covid secure educational setting and workplace when the schools returned to campus;
- communicated more frequently with staff on a wide range of issues including changes to working practices and government requirements for reporting suspected and confirmed cases of Covid-19.

Additional risks associated with Covid-19

- Risk of lower enrolment. Along with other international schools in the UK and overseas, together with many British independent fee-paying schools, Covid-19 has dampened demand for the upcoming year, impacting enrolment. ACS acted quickly to recognise this global impact and monitor demand, manage the enrolment pipeline and budget prudently. Whilst enrolment for the academic year 2020/21 is lower compared to last year, it is ahead of budget. Marketing and Admissions programmes and communications have pivoted to digital and virtual channels successfully to target securing interest in the schools, attendance at student recruitment virtual events and open days. Marketing and Admissions programmes remain flexible to support a hybrid of virtual and face to face or move back to virtual only activity, if required, due to the continued pandemic and a change in government regulations. ACS continues to monitor the pandemic and the resultant economic and travel consequences closely and assess the impact on enrolment.
- Increased risk to financial viability. This is predominantly driven by the risk of lower enrolment and fee levels. These risks have been extensively modelled and mitigated against with a wide range of cost reduction programmes.
- Impact on educational outcomes. The risk that student progress is reduced due to distanced learning or hybrid programmes, has been minimized by extensive planning and operational execution to provide the best possible distanced learning.
- Health and Safety risk. There are a wide range of potential Health & Safety risks associated with Covid-19. Led by the Health & Safety Manager, ACS has conducted extensive risk analysis, developed risk assessments in line with Government guidance and undertaken mitigation work in this area.

OBJECTS, AIMS, OBJECTIVES and ACTIVITIES

Charitable objects

ACS's charitable object, as set out in the Articles of Association, is to advance education in particular by the provision and conduct of schools. In furtherance of this object for the public benefit ACS has established and administers a Financial Assistance Programme and a Partnership, Grants and Access Programme. The Board is mindful of the longstanding need to provide public benefit and the requirements of the Charities Act 2011.

ACS INTERNATIONAL SCHOOLS LIMITED

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Aims

Within its charitable object, ACS's intention is to operate schools that provide a high-quality education within an internationally diverse context with the highest standards of teaching, pastoral care, facilities and support for students.

ACS prepares its students to be ready. Ready for cultures that crossover, boundaries that blur and ideas that interconnect. Ready for a world that demands a new kind of learning, and a new kind of citizen. ACS is a dynamic learning community. ACS's character is built on integrity, open-mindedness and empathy. ACS is proud of its international community, and their commitment to make a difference. ACS welcomes people of all cultures from around the world to create a powerful, shared experience that shapes the way ACS teach and learn, and actively defines ACS's international character. ACS strives to build strong partnerships with parents and stakeholders. Above all, ACS appreciates that happiness enriches learning.

Objectives for the year

The main objective of ACS is to continue to provide education of the highest quality that meets the needs of an ever-changing future.

The primary objectives of ACS during the year were:

- **Progress the Financial Assistance Programme**
- **Progress the Partnerships, Grants and Access Strategy**
- **Focus on the Education Strategy and People Strategy**
- **Progress Fundraising plans and Alumni relations**
- **Progress work on new ACS Doha campus ready for opening in August 2020**

More detail is provided on the progress of each of the above areas, later in the Trustees report.

Supporting ACS's object to Advance Education the following core values have been developed:

- Engage in community
- Drive positive change
- Promote excellence through learning
- Enrich the international experience.

ACS's education philosophy ensures that ACS focuses on being a dynamic learning community. ACS believes that a great education needs to be balanced and so ACS focuses on three core expected school-wide learning results ensuring ACS students become:

- An effective learner
- A confident individual
- A caring contributor to society.

Public Benefit and Community Engagement

ACS was founded in 1967 to operate schools in order to educate students. As a charity ACS is committed to providing public benefit, in accordance with its objects. The Trustees have considered the requirements of the Charities Act 2011 and the charity commissions guidance on public benefit in setting the objectives and activities of the charity. Currently ACS Group operates four schools: ACS Cobham, ACS Egham, ACS Hillingdon and ACS Doha. During the year on average 3,444 students were educated by ACS.

ACS INTERNATIONAL SCHOOLS LIMITED

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ACS's schools actively engage with communities, provide financially assisted places to help advance education and provide resources to develop community partnerships with both local organisations and schools.

Financial Assistance Programme

The ACS financially-assisted places programme, now in its third year will result in 40 students benefitting from a means tested bursary place, worth nearly £1million for the 2020–21 academic year.

Student recruitment commenced in September with an extensive marketing programme, and awards are made in the spring following agreement of the budget with the Board of Trustees. Bursaries are awarded from 10% - 100%. Recruitment of students from diverse backgrounds and economic circumstances has resulted in the average award of over 85% of fees, with a significant cohort of students receiving full fee remission.

Students from our inaugural intake graduated at the end of the school year securing top university placements including Oxbridge.

In addition, ACS also offered shorter period means tested Change of Circumstance Bursaries for families who suddenly and unexpectedly find themselves in serious financial difficulty. Recognising the challenges faced by ACS families due to Covid-19, we have also increased awards for families experiencing financial hardship. The budgeted support has been doubled for our means tested change in circumstances provision for this coming year.

We continue to fully support existing bursary recipients. The recruitment programme will recommence for new bursary students in September 2021 to start school the following year.

Partnerships, Grants and Access Strategy

ACS's ambition is to achieve a step change in engagement by developing partnerships with schools and organisations to advance education in their communities. ACS partnerships will focus on key areas to ensure ACS can provide valuable and ongoing public benefit. ACS's aim is to set up partnerships to widen access to ACS's education facilities and resources, by bringing independent and state school communities together. ACS shares their expertise and promotes active participation in a number of areas including:

- the sharing of teaching facilities with state schools (for example music facilities or sciences labs etc.);
- the sharing of teachers with local state schools;
- permitting pupils from state schools to attend instruction in subjects they would not ordinarily be able to study (for example Theory of Knowledge, a range of mother tongue foreign languages);
- making facilities, such as sports pitches, swimming pools, sports halls and theatres available to pupils at state schools;
- sharing teaching materials with state schools; and
- the sharing of expertise in key areas such as Leadership, Teaching, Curriculum development, and overall school improvement, mentoring and support.

ACS has started developing partnership hubs of schools and will continue to build further partnerships in our locality. For example, ACS's relationships with other local state schools include:

- Shared facilities, resources and expertise across partnership schools;
- A Friendship in Music programme, which is an annual festival in partnership with a group of schools. It is held at the beginning of each year and the host is rotated;

ACS INTERNATIONAL SCHOOLS LIMITED

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- Working with special education needs pupils at a local school to help improve their social skills. The work also gives ACS students the opportunity to experience the challenges and opportunities faced by members of the community;
- Establishing a partnership with a school based on mathematics extension learning;
- The development of a partnership choir made up of local primary schools;
- A peer tutoring program where High school students tutor lower school pupils at partner schools.
- A service learning offer to ACS students working with the local community;
- Working with Partners such as Pinewood Studios on film, animation and set design.
- Teacher training and CPD i.e. Literature in education in partnership with Brunel University.
- Development of online training materials to support partner schools i.e. Blended/Hybrid learning (impact of Covid-19)
- Fundraising for local charitable needs and opportunities (i.e. Vulnerable children facing food insecurities)
- Staff from a primary school visit ACS in order to learn about the use of technology in the classroom.

With the employment of a Partnerships Director in January 2019, ACS schools are in the process of forming partnerships hubs around each of our campuses. These hubs will offer educational events, shared resources and facilities, teacher training and a new initiative offering 'outreach boxes' for free loan of modern equipment for classroom topics. These include class sets of virtual reality and augmented reality headsets, various cameras (SLR, 360, Thermal, Go Pro) and high end technology such as Pepper the robot and Nao the robot. ACS won the International Schools Award this year for 'Community' and 'Digital Learning' for this initiative.

ACS is also developing a mobile application to assist our campuses with running these partnership hubs, monitor and evaluate impact and formulate high quality, useful partnerships with business, charities, schools, universities and parents. This application will also form the base of our Service learning offer, outside of what we already do with PYP, MYP, DP and DOE. This pilot application is now live on Apple and Google Play Stores (ACS School Partnerships).

During the Covid-19 pandemic ACS worked closely with the NHS ICU teams in the development of a 3D printed respirator project to fill a gap in medical provision. This was funded with generous donations from ACS parents and our educational network.

ACS supports many projects outside of the UK and Doha, to advance education of both ACS students and students abroad. Some of these projects include:

- Namibia Project (registered charity number 1163681) - Since 1999, ACS Cobham has been sending groups of students and teachers to Namibia, to participate in lasting partnerships with different schools and projects. During the summer break, the Grade 11 students travelled to Namibia and Zambia, to work on different projects to create global awareness for the students.
- Project Nepal - Through the Project Nepal, the community of ACS Egham supports Nepalese school communities while simultaneously providing ACS students with social action and emotional development opportunities and the chance to make a sustainable difference.
- ACS supported Orbis with a yearly donation and our students are actively involved in an internship with their flying eye hospital. Whilst they were grounded due to Covid-19 this year our relationship and collaboration has continued through a scheme to loan technology to support their work.

Unfortunately, due to Covid-19 no International trips were undertaken this year but contact with our international communities has been maintained.

ACS students also take part in practical voluntary service in the local community, as part of ACS providing them with a broad education. For example providing clothing, toiletries and food; volunteering at community centres; fundraising for the benefit of local communities and working with the elderly and the homeless.

Our service learning program is currently undergoing a full review as part of the Partnerships Strategy. This will be a vital element of our charitable work, in the future. Everything we do across our campuses will involve ACS

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student participation in some way, enhancing skills and knowledge for the future workplace, whilst teaching valuable experiential life skills.

A full evaluation and process of due diligence is underway for all our charitable projects. Partnership agreements are now in place for the majority of our collaborations and we hope to finalise this process in 2020/2021.

In Doha, ACS has also employed a Partnerships Manager. We are piloting an ACS 'Pathways' approach to education, partnering with local businesses to enhance the education of all children in our schools and local to the ACS Campus. In partnership with Paragon One we will launch our 'externships' programme in January 2021 for Doha Students.

When ACS Group is not using its facilities, ACS makes them available to the community. Schools that have signed up as registered partners will have access to facilities and resources free of charge.

Whilst many of our events were cancelled in 2020 due to Covid-19, wherever possible we have moved initiatives online or postponed activities to a time when restrictions ease. Our large launch event at Thorpe Park was cancelled for 2020. We plan to hold the event, which will benefit 10,000 children, once restrictions ease.

In 2020 our outreach boxes were used by 11,312 individual children, bringing the latest technologies to classrooms in our region. Our technology loan scheme and twilight CPD offer, provided training in new technologies to 1,412 local educators. The ACS partnerships app has been downloaded 4,412 times. The 27,842 hours of interaction with local students also delivered 10,253 hours of service learning for ACS students in partnership activities.

In addition, through our partnerships work, over £5,000 was raised for the Magic Breakfasts charity, which has provided 13,000 meals to children of families experiencing hardship in the local communities around our three UK schools.

Education Strategy

In November 2019, the Board approved a new Education Strategy that describes the desired position for ACS schools in 2025. Its principal objective is to increase the unique quality and value of the ACS educational experience.

Over the next five years, the Education Strategy intends to deliver significant change, including:

- a sharper focus on inspirational teaching that continually improves academic results
- demonstrated public benefit and global competence through a greater range of educational experiences
- an expanded and carefully monitored notion of what it means to belong to a healthy international learning community
- equitable, distinctive, and systematically implemented support for all students to achieve challenging educational goals.

Our highest level strategic objective is to ensure that we are ready for the future, empowering students to become more effective, confident and caring. The strategy's focus is on transformational learning, driving results through by inspirational teachers, allied leaders, and demonstrated impact through the application of education data. The strategy is organised around 4 objectives which are important thematic opportunities for growth, delivered through 10 challenging projects, over five years, that will make a positive difference in student learning outcomes.

While the new strategy formally launches with the 2020-21 school year, it anticipated and facilitated the group's successful pivot to online learning during the Covid-19 lockdown. Its emphasis on building resilient community, strengthening mutual support, and attending to health and wellbeing provided guidance for navigating a very challenging academic year.

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People Strategy

A new People Strategy has been in development throughout 2019/2020, focusing on key areas of people policies and practices that can ensure ACS both attracts and retains high quality talent and have extensive potential to influence organisational culture:

- Leadership – Role model leadership. Ensure Leadership Team joint ownership and alignment across divisions strategies and plans. Right people are in the right place to take the organisation forward and provide continuity of staff leadership.
- Talent – Understand and address personal motivations to join and stay. Identify, attract, develop, engage and retain staff who can help to build a high education performance and diverse workplace.
- Performance - Align goals to ACS strategy and engage and motivate staff to develop and improve performance.
- Reward - Reward people fairly within clearly communicated and appropriate remuneration frameworks whilst at the same time remaining competitive.

The strategy's implementation is being designed around exploration of a renewed employee value proposition that highlights growth, purpose and wellbeing. It was presented to the Board in Autumn 2020:

- Growth - Provide career support to give people the best possible start and develop people's personal and professional skills and knowledge throughout their careers.
- Purpose – Ensure that the ethos and DNA of ACS's charitable purpose and educational mission is understood and staff are proactively engaged.
- Wellbeing - Provide an environment where health and wellbeing are actively promoted, where people feel engaged and valued.

During the 2019/2020 financial year, the People Committee reviewed arrangements for executive level pay against the background of both the educational and charitable sectors and made recommendations for reform which were accepted by the Board and have now been implemented.

During the summer of 2020, ACS responded to the Black Lives Matter movement by engaging proactively with its staff and students and setting out a six point plan to take its policy and practices on Diversity & Inclusion to the next stage of development.

ACS INTERNATIONAL SCHOOLS LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

Fundraising performance and Alumni relations

The Development & Alumni Relations team engages with and mobilises the ACS global alumni and friends communities which includes all current and former parents, former students and former staff.

There were no professional fundraising organisations used and no monitoring processes required during the year.

ACS works closely with the PSOs (Parent School Organisations) at each school which assists ACS with its philanthropic programmes.

Donations were raised for the benefit of the three UK schools for bursaries, teaching excellence and specific capital projects to further improve students' facilities and learning spaces.

Philanthropic giving has continued with founding donors from the parent communities of each of the three UK campuses, which has established a new bursary at our Hillingdon school as well as supporting campus development programmes. The majority of donations received have come from ACS parents. ACS has received donations during the year of £252,166 (2019: £322,000).

Fundraising commenced following the transition to a charity in September 2018. The costs of ACS's Development & Alumni Relations team are expected to be weighted at the beginning of the fundraising activity and will be initially higher than donations received whilst the fundraising programme develops.

The Development & Alumni Relations team engages ACS international alumni and former parents in informal alumni associations called Chapters, predominantly in the USA with the aim of reconnecting alumni with their school. Chapter Presidents host regional events and are preparing to support the first annual appeal to raise funds for financial assistance. A successful inaugural event took place in New York in October 2019 and resulted in establishing a new Chapter in New York.

Due to Covid-19, there was a shift to virtual/digital alumni channels and events engaging international alumni and friends. During the period April to July 2020, there has been a 9% increase in alumni engagement due to new alumni communications and virtual events, which also identified new donors and alumni Chapter leaders in the USA.

Alumni connections with the schools continues to grow and this year included virtual fora at the Staff Welcome Back event focusing on diversity and inclusion.

As the ACS international alumni community spans Europe, Asia, the Americas, Russia, Africa and Australia, ACS has launched an exclusive alumni social network called ACS Global Connect, facilitating friendships and networks for all alumni from current and previous campuses. ACS Global Connect has 2,300 members and enables:

- Reconnecting with old school friends through a world map and directory
- Career Mentoring and networking with peers
- Reconnecting with ACS through the digital archive of yearbooks and photos from all three UK campuses
- Joining International Alumni Chapters led by ACS alumni Chapter Presidents

Planning for further Development and Alumni Relations programmes was also undertaken during the year.

ACS INTERNATIONAL SCHOOLS LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

ACS has a Fundraising Policy in place which sets out ACS's approach to fundraising and to protect vulnerable people and other members of the public from behaviour which:

- *is an unreasonable intrusion on a person's privacy;*
- *is unreasonably persistent;*
- *places undue pressure on a person to give money or other property.*

During the year ACS or any person acting on its behalf for the purposes of fundraising did not receive any complaints about fundraising activity.

ACS works closely with ACS International Schools in America Inc. which is a non-profit organisation based on the East Coast of America. The organisation supports education around the world with the mission to raise awareness of and support for ACS International Schools education allowing more students to benefit from the opportunities offered by the schools.

CHARITABLE DONATIONS

ACS International Schools Foundation was dissolved in May 2019 and therefore the Group did not make any charitable donation to the ACS International Schools Foundation or other entities (2019: £Nil).

ACS INTERNATIONAL SCHOOLS LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

STRATEGIC REPORT

Review of achievements and performance for the year

During the year ACS Group continued to provide a first-class educational experience for students between the ages of 2-18.

ACS Group students delivered another above average set of academic results reflecting the joint effort of ACS teachers and school leaders. 210 (2019: 142) students at ACS International Schools in the UK achieved the International Baccalaureate (IB) Diplomas, with average total points of 35 (2019: 32.6) and a pass rate of 98.6% (2019: 94%), which is higher than worldwide average of 29.9 points (2019: 30) and a 79.1% pass rate (2019: 77.8) and exceeds our Key Performance Indicators for DP assessment.

The IB Diploma was awarded under special conditions in May 2020 when examinations were cancelled on account of Covid-19. Initial results were improved for some students when the IB revised its grade awarding processes in late July. 203 (2019:181) Students took Advanced Placement exams, with 76% (2019: 79%) qualifying to receive college credit. In total, 288 ACS UK students earned American High School Diplomas (2019: 228). Modified AP Exams were administered securely online at students' homes during the Covid-19 lockdown

At ACS Doha 58 students (2019: 39) successfully completed their High School Diploma, of whom 21 (2019: 8) received IB Diplomas (100% pass rate, average total points 32 [2019: 30.63]).

At the beginning of the year ACS launched a new brand narrative, logo and visual identity. The new branding was developed to command a unique and differentiated position in the market following extensive research and customer and stakeholder engagement. The new brand narrative 'Ready for whatever comes next' was launched internally to all staff and externally across all touchpoints from August 2019. Feedback from the wider ACS community and externally was extremely positive. Interest in the school measured by open day registrations, digital and website views and engagement was ahead of the previous year until lockdown. The new brand has been successfully implemented across all assets at the Doha new campus.

In addition, there has been progress in the Financial Assistance Programme and the Partnerships, Grants and Access Strategy as previously discussed in the Trustees report.

The trustees have a reasonable expectation that ACS International Schools Limited, ACS Doha International School LLC, ACS International Schools Overseas Holdings Limited and ACS Commercial Enterprises Limited have adequate resources to continue in operational existence for the foreseeable future and it remains appropriate to prepare their financial statements on a going concern basis.

ACS International Schools Overseas Holdings Limited continues to act as a holding company.

ACS Commercial Enterprises Limited (ACSCE) continues to be profitable and profit of £120,311 (2019: £150,510) was donated to ACS under the Gift Aid Scheme.

ACS INTERNATIONAL SCHOOLS LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

Capital Investment (including progress on Doha campus)

ACS Group continues to invest in its first-class educational facilities. At ACS Cobham, work on the Early Childhood and Lower School redevelopment progressed during the year. The initial undertaking was completed in spring/summer 2020 and provides new and enhanced classroom accommodation. Work on the High School Library refurbishment also took place during the year. The existing library was modernised and developed into a more contemporary and flexible environment, to enhance student work and social use of the facilities.

At ACS Hillingdon, the Pavilions Redevelopment was completed during the year. The existing Pavilions building was modernised to provide better organised learning space.

Work on the Egham Masterplan and new Barn project progressed as expected during the year. Planning permission was secured for this in June 2020, with works required to commence within three years. The Lower School consolidation and Maple workshop refit were completed in the summer of 2019 alongside the purchase of the existing Portakabin, providing an improved working environment for the Lower School and new equipment for Upper School students.

A number of other capital projects that were planned for Summer 2020 have been postponed as part of a re-prioritisation of capital spends due to Covid 19.

The construction and fit-out of a new ACS Doha campus progressed during the year, despite the challenges presented by Covid-19, culminating in its opening for the start of the 2020/2021 academic year, in September 2020. The new ACS Doha campus has increased capacity from 980 in the old campus, to 2,400 students.

ACS Group also invested significantly in educational equipment, I.T. and general campus improvements during the year.

Streamlined Energy and Carbon Reporting (SECR).

The Group has completed the Energy Savings Opportunity Scheme (ESOS) reporting requirements and is preparing for reporting under the Streamlined Energy and Carbon Reporting (SECR).

The Group has measured scope 1 and scope 2 emissions in the UK in accordance with UK Government's guidance on how to measure and report greenhouse gas emissions. Electricity and gas are the primary and only utilities used. There is no internal transport activity, heating or cooling purchases outside of electricity and gas.

The total annual net emissions in the UK to 31st July 2020 were 2,493 global tonnes of CO₂. The Group is targeting to reduce gross, global scope 1 and 2 emissions in tonnes of CO₂ by 5% from 2019-2020 to 2020-2021. The measures and projects that were initiated and planned, prior to Covid-19, will be implemented in 2020-2021 and centre around the upgrade to LED lighting in the UK campuses. It is anticipated that this upgrade will achieve the targeted emissions reduction.

The Group has engaged with an external sustainability company which will be compiling the first annual ESG Impact Report to the year ended 31 July 2020. The document will cover key statistics, actions undertaken during the year and plans for 2021 as well as longer term goals. A carbon reduction plan has already begun with us planting trees to reduce our carbon footprint. It is our desire to offset any carbon we create such that we are carbon neutral.

ACS INTERNATIONAL SCHOOLS LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

FINANCIAL REVIEW

ACS Group results for the year

ACS Group has enjoyed another satisfactory year of operation despite the challenges associated with Covid-19. The financial performance for the year and the year-end financial position were both considered satisfactory by the Board, performing well against budget. Net income was £6,722,571 (2019: £8,254,212).

Total income reduced by 4% from £82,006,813 to £79,145,917, mainly due to the credits given for tuition, boarding and bussing fees as a result of Covid-19 and associated reductions in catering and trip income at the end of the 2019/2020 academic year. School fees income decreased by 2% from £73,591,456 to £72,147,820 for the same reason. School fees income was the primary source of revenue for the ACS Group.

Total expenditure also decreased by 3% from £74,072,356 to £71,969,093, mainly due to decreases in catering, trips and clubs and bussing costs, again associated with Covid-19 interruption. Staff costs represent 62% of total charitable expenditure.

Net Assets at 31st July 2020 were £88,759,794 compared to £82,036,723 as at 31st July 2019. The Group has a loan facility in place to enable it to manage its cash flow requirements.

ACS's net income decreased from £7,796,587 to £7,564,086 at a company level. ACS's income includes fundraising income of £372,477 (2019: £472,917), including the amounts donated from ACSCE under the Gift Aid Scheme.

ACS Doha produced a net loss before foreign exchange translation differences of £2,291,839 (2019: £26,903 net income before foreign exchange translation). The increase in expenditure compared to 2019 was mainly due to an unrealised loss on revaluation of Group inter-company balances of £686,865 (2019: unrealised gain of £662,045).

ACSCE continued to perform well in the months prior to Covid-19 but was adversely affected by lockdown. Despite this it remained profitable. Details of its results are given in Note 7.

Reserves Level and Policy and Financial Viability

The ACS Group reserves policy is that it should have access to sufficient financial resources to be able to ensure the sustainability of the ACS Group. In determining what level of financial resources are required we have considered the following:

- Current and projected levels of free reserves;
- What level of working capital the ACS Group needs to be able to operate effectively;
- The impact of seasonality;
- ACS Group capacity and appetite to borrow funds;
- ACS Group risk appetite;
- The likely financial impact of a range of unlikely but plausible scenarios linked to the most significant risks that the ACS Group faces. For each of these risks we have considered:
 - The timings of the risk and any potential mitigating steps associated with the risk;
 - If the risk happened, any impact on the ACS Group's capability to borrow money.

ACS INTERNATIONAL SCHOOLS LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

This analysis led to the Board concluding that ACS Group's Reserves Policy is to target an annual minimum cash/net debt level between zero and a debt of £15,300,000. The minimum cash, net of borrowing, during the year was £7,100,000. ACS Group has a loan facility in place to enable it to manage its cash flow requirements. The ACS board has plans to bring its minimum cash balance back into line with the policy once the financial risk caused by Covid-19 has reduced. This involves reviving some of the Capital Expenditure plans, currently on hold as a result of the pandemic.

The Group Reserves Policy is reviewed annually by the Audit & Risk Committee and reflects the need to manage cash flow seasonality and not merely look at the year-end position.

The total reserves for the ACS Group at the year end were £88,759,794 (2019: £82,036,723) which were unrestricted. No unrestricted funds have been designated for specific purposes. Included within unrestricted funds are fixed assets with a net book value of £101,701,338 (2019: £100,175,809)

Since the initial impact of Covid-19 in March 2020, ACS has been conducting extensive financial reviews to ensure its ongoing financial viability. In March 2020 this work led to severe expenditure reduction programmes, which, alongside the government furlough scheme, has protected ACS's financial position. The review work undertaken has considered a wide range of potential scenarios and ensured ACS has plans in place to remain financially viable under all of them.

After reviewing the forecasts and projections, the trustees have a reasonable expectation that ACS has adequate resources to continue in operational existence for the foreseeable future. ACS Group therefore continues to adopt the going concern basis in preparing its financial statements.

FUTURE PLANS

The future plans include:

- To increase the overall amount of financial assistance provided and the number of children benefiting from the financial assistance. This will be achieved through ACS's Finance Assistance Programme and Partnerships, Grants and Access Strategy.
- Progress with redevelopment of the Early Childhood and Lower School at ACS Cobham;
- Fundraising initiatives to support bursaries, scholarships and to develop campuses;
- To progress the Education Strategy and People Strategy; and
- To ensure that ACS Group continues to play a significant part in the life of the local community.

ACS INTERNATIONAL SCHOOLS LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (FRS102, The Financial Reporting Standard applicable in the UK and Republic of Ireland) and applicable law. Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group including income and expenditure of the group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RELEVANT AUDIT INFORMATION

Insofar as each of the Trustees, as members of the Board, at the date of approval of this report is aware there is no relevant audit information (information needed by the Charity's auditor in connection with preparing the audit report) of which the Charity's auditor is unaware. Each member of the Board has taken all the steps that he or she should have taken as a member of the Board in order to make himself or herself aware of the relevant audit information and to establish that the Charity's auditor is aware of that information.

Approved by the Board of ACS International Schools Limited on 8 December 2020 including, in their capacity as trustees, approving the Trustees' and Strategic Reports contained therein, and signed on its behalf by:



R M Macnaughton
(Chairman)

ACS INTERNATIONAL SCHOOLS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ACS INTERNATIONAL SCHOOLS LIMITED

OPINION

We have audited the financial statements of ACS International Schools Limited (the "parent company") and its subsidiaries (the "group") for the year ended 31 July 2020 which comprise the Consolidated Statement of Financial Activities, Consolidated and Parent Company Balance Sheet, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2020 and of the group's 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

ACS INTERNATIONAL SCHOOLS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ACS INTERNATIONAL SCHOOLS LIMITED

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

We have nothing to report in this regard.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

ACS INTERNATIONAL SCHOOLS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES
OF ACS INTERNATIONAL SCHOOLS LIMITED**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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



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

Date: **10 December 2020**

ACS INTERNATIONAL SCHOOLS LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2020**

	Note	Unrestricted Funds £	Restricted Funds £	2020 Total £	2019 Total £
Income from charitable activities					
School fees	2	72,147,820	-	72,147,820	73,591,456
Ancillary trading income	3	5,344,378	-	5,344,378	7,196,182
Non-ancillary trading income	4	414,124	-	414,124	621,939
Other income		151,787	-	151,787	235,523
Investment income	5	40,946	-	40,946	39,306
Donations & Grants	6	794,796	252,066	1,046,862	322,407
Total Income		78,893,851	252,066	79,145,917	82,006,813
Expenditure on					
Cost of raising funds	8	(451,538)	-	(451,538)	(736,463)
Charitable activities	8	(71,382,428)	(129,566)	(71,511,994)	(73,290,087)
Other expenditure	8	(5,561)	-	(5,561)	(45,806)
Total expenditure		(71,839,527)	(129,566)	(71,969,093)	(74,072,356)
Gain/(loss) on translation of foreign results		(454,253)	-	(454,253)	319,755
Net(expenditure) /income before transfers		6,600,071	122,500	6,722,571	8,254,212
Transfers		122,500	(122,500)	-	-
NET MOVEMENT IN FUNDS		6,722,571	-	6,722,571	8,254,212
Funds brought forward		82,036,723	-	82,036,723	73,784,011
Debentures repaid		500	-	500	(1,500)
Funds carried forward	23	88,759,794	-	88,759,794	82,036,723

The notes on pages 27 to 47 form part of these financial statements.

ACS INTERNATIONAL SCHOOLS LIMITED

**CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2020**

	Note	2020	2019
		£	£
FIXED ASSETS			
Tangible assets	12	100,566,747	98,723,054
Intangible assets	14	<u>1,134,591</u>	<u>1,452,755</u>
		101,701,338	100,175,809
CURRENT ASSETS			
Debtors	17	10,025,874	8,727,031
Cash at bank and in hand		<u>20,603,517</u>	<u>21,631,731</u>
		30,629,391	30,358,762
CREDITORS: amounts falling due within one year	18	<u>(41,296,083)</u>	<u>(46,331,698)</u>
NET CURRENT (LIABILITIES)		<u>(10,666,692)</u>	<u>(15,972,936)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		91,034,646	84,202,873
LONG TERM LIABILITIES			
Other provisions	21	(1,274,852)	(1,166,150)
Long term loan	20	<u>(1,000,000)</u>	<u>(1,000,000)</u>
		<u>(2,274,852)</u>	<u>(2,166,150)</u>
NET ASSETS		<u>88,759,794</u>	<u>82,036,723</u>
REPRESENTED BY:			
Restricted funds	23	-	-
Unrestricted funds	23	<u>88,759,794</u>	<u>82,036,723</u>
		<u>88,759,794</u>	<u>82,036,723</u>

Net result for the year for the charity before consolidation was a surplus of £7,564,086 (2019: £7,796,587).
The financial statements were approved and authorised for issue by the board and were signed on its behalf

on 8th December 2020



R M Macnaughton (Chairman)

The notes on pages 27 to 47 form part of these financial statements.

ACS INTERNATIONAL SCHOOLS LIMITED

**CHARITY BALANCE SHEET
AS AT 31 JULY 2020**

	Note	£	2020 £	£	2019 £
FIXED ASSETS					
Tangible assets	13		91,623,881		91,807,989
Intangible assets	15		1,118,555		1,416,543
Investments	16		<u>1,100</u>		<u>1,100</u>
			92,743,536		93,225,632
CURRENT ASSETS					
Debtors	- 17	23,340,510		16,341,620	
Cash at bank and in hand		<u>15,752,399</u>		<u>20,116,028</u>	
		39,092,909		36,457,648	
CREDITORS: amounts falling due within one year	18	<u>(38,851,761)</u>		<u>(44,263,182)</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>241,148</u>		<u>(7,805,534)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			92,984,684		85,420,098
LONG-TERM LIABILITIES					
Long term loan	20	<u>(1,000,000)</u>		<u>(1,000,000)</u>	
			<u>(1,000,000)</u>		<u>(1,000,000)</u>
NET ASSETS			<u>91,984,684</u>		<u>84,420,098</u>
REPRESENTED BY:					
Restricted funds			-	-	
Unrestricted funds			<u>91,984,684</u>		<u>84,420,098</u>
			<u>91,984,684</u>		<u>84,420,098</u>

ACS has elected to not publish a charity only statement of financial activities. The unconsolidated surplus generated by the parent charity was £7,564,086 (2019: £7,796,587).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8th December 2020



R M Macnaughton(Chairman)

The notes on pages 27 to 47 form part of these financial statements

ACS INTERNATIONAL SCHOOLS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2020**

	Note	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		6,722,571	8,254,212
Adjustments for:			
Depreciation of property, plant and equipment		4,430,748	4,949,533
Amortisation of intangible assets		544,024	497,136
Loss on disposal of property, plant and equipment		5,335	-
Interest paid		63,395	65,439
Interest received		(40,946)	(39,306)
Taxation charge		-	45,806
(Increase)/ decrease in debtors		(1,298,843)	308,895
(Decrease)/ increase in creditors		(5,035,615)	1,657,840
Increase in provisions		108,702	424,355
CASH FROM OPERATIONS		<u>5,499,371</u>	<u>16,163,910</u>
Interest paid		(63,395)	(65,439)
Income taxes recovered		-	3,366
NET CASH GENERATED FROM OPERATING ACTIVITIES		<u>5,435,976</u>	<u>16,101,837</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(6,279,776)	(8,723,918)
Purchases of intangible assets		(225,860)	(339,105)
Interest received		40,946	39,306
NET CASH FROM INVESTING ACTIVITIES		<u>(6,464,690)</u>	<u>(9,023,717)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue/ (repayment) of debenture loans		500	(1,500)
Proceeds from loan		-	1,000,000
NET CASH USED IN FINANCING ACTIVITIES		<u>500</u>	<u>998,500</u>
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		<u>(1,028,214)</u>	<u>8,076,620</u>
Cash and cash equivalents at beginning of the year	24	<u>21,631,731</u>	<u>13,555,111</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	24	<u><u>20,603,517</u></u>	<u><u>21,631,731</u></u>

The notes on pages 27 to 47 form part of these financial statements.

ACS INTERNATIONAL SCHOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

1.1 Company information

ACS International Schools Limited is a registered charity and public benefit entity in England and Wales and a company limited by guarantee. It was incorporated on 5 July 1967 (company number: 00910010) and registered as a charity on 5th September 2018 (charity number: 1179820). The registered office is Heywood, Portsmouth Road, Cobham, Surrey KT11 1BL.

1.2 Basis of preparation of financial statements

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

The charity has taken the advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cashflow Statement with the consolidated financial statements.

The account presents the consolidated statement of financial activities (SOFA), the consolidated and charity balance sheets and the consolidated cash flow statement comprising the consolidation of the Charity and its subsidiaries ACS International School Doha LLC, ACS Overseas Holdings Limited and ACS Commercial Enterprises Limited.

The trustees have a reasonable expectation that ACS International Schools Limited, ACS Doha International School LLC, ACS Overseas Holdings Limited and ACS Commercial Enterprises Limited have adequate resources to continue in operational existence for the foreseeable future. The trustees have further considered going concern implications in light of Covid-19 and believe it remains appropriate to prepare their financial statements on a going concern basis.

1.3 Judgement and estimation uncertainty

In application of the accounting policies, trustees are required to make judgements, estimates and assumptions about carrying value of assets and liabilities that are based on historical experience and other relevant factors. The estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised in either the period of revision and/or in future periods if relevant.

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

The particular accounting policies adopted and applied consistently are described below.

1.4 School fees and trading income

School fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Scholarships and bursaries granted by the Charity against those fees are deducted in the school term to which they relate.

Trading income and other income is recognised in the period to which it relates.

ACS INTERNATIONAL SCHOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

1.5 Investment income

Investment income from bank balances is accounted for on an accruals basis.

1.6 Grants and donations

Voluntary incoming resources are accounted for as and when the entitlement arises, the amount can be reliably quantified and the economic benefit to the charity is considered probable.

Donations are restricted in accordance with the donor's intention. Where no restrictions are noted donations are utilised within unrestricted funds.

1.7 Expenses

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is included with the item of expenditure to which it relates. Intra-group sales and charges between the charity and its subsidiaries are excluded from trading income and expenditure.

Charitable activities include teaching staff salaries, depreciation of items related to education and classroom supplies.

Investment and estates management includes investment in new buildings and maintenance of existing ones, as well as depreciation relating to buildings.

Support activities include expenditure on salaries of non-teaching staff, depreciation and purchase of items not directly related to provision of education. The costs are allocated based on spend by department.

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation with the exception of freehold land and buildings which are carried at open market value and revalued every five years by professionally qualified surveyors. The properties were last revalued in July 18 by Gerald Eve, Chartered Surveyors. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases and recognised within the statement of financial activities:

Freehold buildings	-	Straight line over 15-25 or 50 years
Leasehold improvements	-	Straight line over the period of the lease
Motor vehicles	-	Straight line over 4 or 10 years
Fixtures, fittings and equipment	-	Straight line over 2-15 years

Assets in the course of construction are capitalised at cost but are not depreciated until they become available for use.

1.9 Intangible fixed assets and amortisation

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following basis:

Computer software	-	Straight line over 3-5 years
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Amortisation is included within expenditure in the statement of financial activities.

ACS INTERNATIONAL SCHOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

1.10 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.11 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the charity. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to expenditure in the statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.12 Operating leases

Rentals under operating leases are charged to expenditure in the statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.13 Funds

The total funds of the charity and its subsidiaries are allocated to unrestricted and restricted based on the terms set by the donors.

Unrestricted income belongs to the charity's corporate reserves, spendable at the direction of the trustees either to further the charity's objects or to benefit the schools itself.

Restricted funds comprise gifts, legacies and grants where the donors have earmarked funds for specific purposes.

1.14 Cash

Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Cash balances are recognised at amortised cost.

1.15 Debtors and Creditors

Short term debtors and creditors are measured at transaction price less any impairment and are subsequently held at amortised cost. £7,730,000 (2019: £6,591,000) included in trade debtors at 31 July 2020 relates to 2020/21 fees invoiced in advance, of which there is a corresponding entry included in deferred income.

1.16 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the statement of financial activities.

ACS INTERNATIONAL SCHOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

1.17 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

1.18 Fees in advance

Fees in advance represent the following year's tuition, extras and bussing fees invoiced in the current year.

1.19 Management of liquid resources

Liquid resources are defined as cash, cash held at bank and treasury deposits.

1.20 Employee benefits

The liability recognised in the statement of financial position in respect of end of service benefits is the present value of the defined benefit obligation at the end of the reporting year. This is calculated annually by management using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the effective interest rate

1.21 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation because of past events, it is probable that a transfer of economic benefits will be required to settle the obligation and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense

1.22 Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost, with the exception of investments which are held at fair value.

Financial assets held at amortised cost comprise cash at bank and in hand, together with debtors excluding prepayments. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in bank accounts.

Financial liabilities held at amortised cost comprise all creditors excluding social security and other taxes, provisions and deferred income. Investments in subsidiary undertakings are held at cost less impairment.

1.23 Redundancy payments

Termination benefits are payable when employment is terminated by ACS or whenever an employee accepts voluntary redundancy in exchange for these benefits. ACS recognises termination benefits when a fully signed settlement agreement is in place, or when the cost has otherwise been confirmed and committed to.

ACS INTERNATIONAL SCHOOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

2. CHARITABLE ACTIVITIES – FEES RECEIVABLE

	2020 £	2019 £
Fees receivable consist of:		
ACS school fees	57,118,182	59,478,460
ACS Doha school fees	<u>15,029,638</u>	<u>14,112,996</u>
	<u><u>72,147,820</u></u>	<u><u>73,591,456</u></u>

School fees are net of bursaries and scholarships.

3. ANCILLARY INCOME

Ancillary income includes income from application fees, bussing fees, student catering, trips and clubs.

	2020 £	2019 £
ACS ancillary income	4,908,229	6,746,547
ACS Doha ancillary income	<u>436,149</u>	<u>449,635</u>
	<u><u>5,344,378</u></u>	<u><u>7,196,182</u></u>

4. NON-ANCILLARY INCOME

	2020 £	2019 £
Non-student catering and shop income	219,094	278,812
Sports membership and activity fees	137,748	176,374
Hire of facilities	<u>57,282</u>	<u>166,735</u>
	<u><u>414,124</u></u>	<u><u>621,939</u></u>

5. INVESTMENT INCOME

	2020 £	2019 £
UK bank interest	<u>40,946</u>	39,306
	<u><u>40,946</u></u>	<u><u>39,306</u></u>

ACS INTERNATIONAL SCHOOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

6. DONATIONS & GRANTS

	2020 £	2019 £
Donations	252,166	322,407
Grants - Coronavirus Job Retention Scheme	<u>794,696</u>	<u>-</u>
	<u><u>1,046,862</u></u>	<u><u>322,407</u></u>

7. PRINCIPAL SUBSIDIARIES AND HOLDING COMPANIES

Company name and registered address	Country/ Company number	Percentage Shareholding	Description
ACS International School Doha ¹ LLC, Building 10, Street 161 Al Kheesa, P.O. 200568, Doha	Qatar	49	Operation of overseas educational establishment
ACS International Schools Overseas Holdings Limited, Heywood, Portsmouth Road, Cobham, KT11 1BL	England and Wales 07537434	100	Intermediate holding company
ACS Commercial Enterprises Limited, Heywood, Portsmouth Road, Cobham, KT11 1BL	England and Wales 10887569	100	Trading company

1. *ACS International School Doha LLC is a subsidiary undertaking by a virtue of the fact that ACS International Schools Limited has a participating interest in the undertaking and actually exercises a dominant influence over it.*

ACS INTERNATIONAL SCHOOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

7. PRINCIPAL SUBSIDIARIES AND HOLDING COMPANIES (continued)

	ACS Commercial Enterprises	ACS International Schools Overseas Holdings	ACS Doha International School	Total 2020	Total 2019
	£	£	£	£	£
Income	285,754	-	15,465,787	15,751,541	14,844,112
Expense	<u>(165,443)</u>	<u>(5,561)</u>	<u>(17,572,624)</u>	<u>(17,743,628)</u>	<u>(14,303,940)</u>
Net (loss)/ profit	<u>120,311</u>	<u>(5,561)</u>	<u>(2,106,837)</u>	<u>(1,992,087)</u>	540,172
Amount gift aided	<u>(120,311)</u>	-	-	<u>(120,311)</u>	<u>(150,510)</u>
Retained in subsidiary	<u>-</u>	<u>(5,561)</u>	<u>(2,106,837)</u>	<u>(2,112,398)</u>	<u>389,662</u>
Net assets	<u>100</u>	<u>(12,983)</u>	<u>(4,448,177)</u>	<u>(4,461,060)</u>	<u>(2,416,625)</u>

ACS INTERNATIONAL SCHOOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

8. ANALYSIS OF EXPENDITURE

(a) Total expenditure

	Staff costs	Depreciation & amortisation	Other	Total 2020	Total 2019
	£	£	£	£	£
Expenditure on raising funds					
Fundraising costs	226,565	-	59,530	286,095	456,662
Other costs of raising funds	79,629	-	85,814	165,443	279,801
Total costs of raising funds	<u>306,194</u>	<u>-</u>	<u>145,344</u>	<u>451,538</u>	<u>736,463</u>
Charitable expenditure					
Education and grant making					
Teaching	32,299,346	2,080,874	10,760,154	45,140,374	46,522,253
Boarding and welfare	1,619,233	727,162	1,399,898	3,746,293	4,111,882
Premises repair and maintenance	1,683,752	354,652	1,560,245	3,598,649	3,888,288
Support costs and governance	9,354,290	2,190,579	7,471,094	19,015,963	18,755,040
Grants, awards and prizes	-	-	10,715	10,715	12,624
Total charitable expenditure	<u>44,956,621</u>	<u>5,353,267</u>	<u>21,202,106</u>	<u>71,511,994</u>	<u>73,290,087</u>
Other expenditure					
Taxation	-	-	-	-	45,806
Other	-	-	-	-	-
Total other expenditure	<u>-</u>	<u>-</u>	<u>5,561</u>	<u>5,561</u>	<u>45,806</u>
Total expended	<u>45,262,815</u>	<u>5,353,267</u>	<u>21,353,011</u>	<u>71,969,093</u>	<u>74,072,356</u>

ACS INTERNATIONAL SCHOOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

8. ANALYSIS OF EXPENDITURE (continued)

(b) Grants, awards and prizes

	2020	2019
	£	£
From Unrestricted Funds		
UK prizes and leaving awards	<u>10,715</u>	<u>12,624</u>

**(c) Governance included in support costs
(inclusive of VAT)**

	2020	2019
	£	£
Remuneration paid to Crowe UK LLP in respect of:		
Statutory audit	33,210	32,400
Tax compliance	6,600	36,390
Advisory services	732	13,020
Remuneration paid to PWC in respect of:		
Statutory audit (Doha)	22,922	17,466
Tax compliance and advisory	51,498	10,733
Reimbursement of personal expenses to Trustees – travel costs	<u>20,264</u>	<u>12,383</u>

Expenses were reclaimed by 7 Trustees (2019:7). No trustees have been paid any remuneration or received any other benefits during the year.

ACS INTERNATIONAL SCHOOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

9. STAFF COSTS

Staff costs, including director's remuneration, were as follows:

	2020 £	2019 £
ACS wages and salaries	31,617,601	31,514,268
ACS Doha wages and salaries	8,702,199	8,529,607
ACS social security costs	3,133,265	3,154,326
ACS other pension costs	1,402,778	1,232,533
ACS Doha other pension costs	406,972	509,710
	<u>45,262,815</u>	<u>44,940,444</u>

Aggregate employee benefits of key management personnel	2,045,819	1,825,497
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	2020 No.	2019 No.
Number of higher paid employees with aggregate employee benefits in bands of:		
£60,001 to £70,000	26	26
£70,001 to £80,000	12	9
£80,001 to £90,000	11	8
£90,001 to £100,000	4	4
£100,001 to £110,000	3	-
£110,001 to £120,000	-	2
£120,001 to £130,000	2	2
£130,001 to £140,000	1	-
£140,001 to £150,000	1	-
£150,001 to £160,000	1	-
£160,001 to £170,000	-	2
£170,001 to £180,000	2	1
£180,001 to £190,000	2	2
£200,001 to £210,000	-	1
£210,001 to £220,000	1	-
£240,001 to £250,000	1	-
£260,001 to £270,000	1	-
£270,001 to £280,000	-	1

ACS INTERNATIONAL SCHOOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

The average number of employees during the year was 968 (2019: 991).

	2020 No.	2019 No.
Executive directors	-	-
Academic staff	561	581
Substitute staff	78	92
Welfare	58	57
Support staff	271	261
	<u>968</u>	<u>991</u>

During the year redundancy payments of £463,692 (2019: £235,361) were awarded of which £147,016 remained outstanding at year end (2019: £123,914)

10. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the funds. Contributions of £246,144 (2019: £244,019) are outstanding at the balance sheet date.

11. FINANCE COSTS

	2020 £	2019 £
Interest payable and charges	63,395	65,439
	<u>63,395</u>	<u>65,439</u>

ACS INTERNATIONAL SCHOOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

12. TANGIBLE FIXED ASSETS

Consolidated

Group	Freehold land and buildings £	Motor vehicles £	Fixtures, fittings and equipment £	Capital work in progress £	Total £
Cost					
At 1 August 2019	86,457,836	761,870	26,200,397	6,521,360	119,941,463
Additions	2,333,531	-	2,105,030	2,943,189	7,381,750
Disposals	-	(10,722)	(536,347)	-	(547,069)
Revaluation	-	-	-	-	-
Exchange difference	-	(1,501)	(399,394)	(701,078)	(1,101,973)
At 31 July 2020	<u>88,791,367</u>	<u>749,647</u>	<u>27,369,686</u>	<u>8,763,471</u>	<u>125,674,171</u>
Depreciation					
At 1 August 2019	2,152,627	606,817	18,458,965	-	21,218,409
Charge for the year	2,275,661	40,522	2,488,134	-	4,804,317
Disposals	-	(10,722)	(531,012)	-	(541,734)
Revaluation	-	-	-	-	-
Exchange difference	-	(1,308)	(372,260)	-	(373,568)
At 31 July 2020	<u>4,428,288</u>	<u>635,309</u>	<u>20,043,827</u>	<u>-</u>	<u>25,107,424</u>
Net book value					
At 31 July 2020	<u>84,363,079</u>	<u>114,338</u>	<u>7,325,859</u>	<u>8,763,471</u>	<u>100,566,747</u>
At 31 July 2019	<u>84,305,209</u>	<u>155,053</u>	<u>7,741,432</u>	<u>6,521,360</u>	<u>98,723,054</u>

All properties were revalued on 31 July 2018 by Gerald Eve, Chartered Surveyors, on basis of open market value for current use at £80,870,000. The valuation was incorporated in the financial statements for the year ended 31 July 2018.

Included in land and buildings is freehold land valued at £14,663,000 which is not depreciated.

Land and buildings include £1,446,686 (2019: £3,241,807) in respect of assets under the course of construction.

The historic cost of assets included at valuation at the balance sheet date is £131,431,108 (2019: £129,097,577). At the balance sheet date there was no material difference between the historical cost depreciation and the actual depreciation charged in the accounts.

ACS INTERNATIONAL SCHOOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

13. TANGIBLE FIXED ASSETS

Charity only

	Freehold property £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost or valuation				
At 1 August 2019	86,457,836	741,597	20,920,320	108,119,753
Additions	2,333,531	-	1,993,284	4,326,815
Disposals	-	(10,722)	(536,347)	(547,069)
Revaluation	-	-	-	-
At 31 July 2020	<u>88,791,367</u>	<u>730,875</u>	<u>22,377,257</u>	<u>111,899,499</u>
Depreciation				
At 1 August 2019	2,152,627	591,190	13,567,947	16,311,764
Charge for the year	2,275,661	36,069	2,193,858	4,505,588
Disposals	-	(10,722)	(531,012)	(541,734)
Revaluation	-	-	-	-
At 31 July 2020	<u>4,428,288</u>	<u>616,537</u>	<u>15,230,793</u>	<u>20,275,618</u>
Net book value				
At 31 July 2020	<u>84,363,079</u>	<u>114,338</u>	<u>7,146,464</u>	<u>91,623,881</u>
At 31 July 2019	<u>84,305,209</u>	<u>150,407</u>	<u>7,352,373</u>	<u>91,807,989</u>

All properties were revalued on 31 July 2018 by Gerald Eve, Chartered Surveyors, on basis of open market value for current use at £80,870,000. The valuation was incorporated in the financial statements for the year ended 31 July 2018.

Included in land and buildings is freehold land valued at £14,663,000 which is not depreciated.

Land and buildings include £1,446,686 (2019: £3,241,807) in respect of assets under the course of construction.

The historic cost of assets included at valuation at the balance sheet date is £131,431,108 (2019: £129,097,577). At the balance sheet date there was no material difference between the historical cost depreciation and the actual depreciation charged in the accounts.

ACS INTERNATIONAL SCHOOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

14. INTANGIBLE FIXED ASSETS

Consolidated

**Computer
Software
£**

Cost

At 1 August 2019

3,126,527

Additions

232,857

Exchange difference

(6,997)

At 31 July 2020

3,352,387

Depreciation

At 1 August 2019

1,673,772

Charge for the year

548,952

Exchange difference

(4,928)

At 31 July 2020

2,217,796

Net book value

At 31 July 2020

1,134,591

At 31 July 2019

1,452,755

15. INTANGIBLE FIXED ASSETS

Charity only

**Computer
Software
£**

Cost

At 1 August 2019

3,032,061

Additions

232,857

Disposals

-

At 31 July 2020

3,264,918

Depreciation

At 1 August 2019

1,615,518

Charge for the year

530,845

Disposals

-

At 31 July 2020

2,146,363

Net book value

At 31 July 2020

1,118,555

At 31 July 2019

1,416,543

ACS INTERNATIONAL SCHOOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

16. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Charity	
Cost or valuation	
At 1 August 2019	1,100
At 31 July 2020	<u>1,100</u>
Net book value	
At 31 July 2020	<u>1,100</u>
At 31 July 2019	<u>1,100</u>

Details of the principal subsidiaries can be found under note number 7.

17. DEBTORS

	<u>Group</u>		<u>Charity</u>	
Due within one year	2020	2019	2020	2019
	£	£	£	£
Trade debtors	8,000,399	5,895,817	6,637,822	4,839,845
Corporation tax	21,044	62,561	21,044	62,561
Other debtors	697,530	146,906	696,641	146,906
Prepayments and accrued income	1,306,901	2,621,747	1,301,281	2,285,595
Amounts owed by group undertakings	-	-	14,683,722	9,006,713
	<u>10,025,874</u>	<u>8,727,031</u>	<u>23,340,510</u>	<u>16,341,620</u>

ACS INTERNATIONAL SCHOOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

18. CREDITORS:
Amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	1,392,623	2,741,407	766,857	2,174,294
Social security and other taxes	1,143,157	1,119,025	1,143,157	1,119,025
Other creditors	407,423	430,615	238,702	227,599
Student deposits	3,698,650	3,571,990	3,698,650	3,571,990
Accruals and prepaid income	1,733,654	3,274,410	1,733,654	3,274,410
Deferred income	32,920,576	35,194,251	31,270,741	33,895,864
	41,296,083	46,331,698	38,851,761	44,263,182

19. DEFERRED INCOME

Deferred income relates to tuition fees and related income. Movements on deferred income balance during the year are as follows:

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Deferred income b/f	35,194,251	34,351,890	33,895,764	32,869,276
Income released to SOFA in the year	(35,194,251)	(34,351,890)	(33,895,764)	(32,869,276)
Income deferred during the year	32,920,276	35,194,251	31,270,741	33,895,864
	32,920,276	35,194,251	31,270,741	33,895,864

ACS INTERNATIONAL SCHOOLS LIMITED

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20. BANK LOANS DUE IN OVER ONE YEAR

In March 2019 ACS International Schools Limited secured a bank facility with a maximum loan value of £15 million. Current borrowings against the bank facility are £1 million. Interest on the loan is 1.35% above LIBOR and is payable quarterly. The loan is repayable in full 60 months after the loan is drawn. The loan contains financial covenants which apply to the Group's consolidated financial information. All financial covenants were met at 31 July 2020.

Loan repayable is as follows:	2020	2019
	£	£
Within one year	-	-
Between two to five years	1,000,000	1,000,000
More than five years	-	-
	<u>1,000,000</u>	<u>1,000,000</u>

National Westminster Bank PLC hold the following charges on ACS assets located at Heywood, Portsmouth Road, Cobham for continuing security:

- i. A fixed charge over the following property, owned now or in the future:
 - a. All land and fixtures and fittings related to the land and all rents receivable.
 - b. All plant and machinery, including any associated warranties and maintenance contracts.
 - c. All the goodwill.
 - d. Any uncalled share capital.
 - e. All stocks, shares and other securities in any subsidiaries and income and rights relating to them.
 - f. All intellectual property, licences, claims, insurance policies, proceeds of any insurance and any other legal rights.
 - g. The benefit of any hedging arrangements, futures transactions or treasury instruments.
- ii. A floating charge over all other property, assets and rights owned now or in the future which are not subject to an effective fixed charge.

The aggregate revalued amount of secured assets is £47,179,016 (2019: £44,556,029).

ACS INTERNATIONAL SCHOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

21. PROVISIONS

Group	Provision for employees £
At 1 August 2019	1,166,150
Additions	406,972
Paid	(205,053)
Exchange difference	<u>(93,217)</u>
At 31 July 2020	<u>1,274,852</u>

Provision for employees

Provision has been made for the net present value of ACS International School Doha's obligations at 31 July 2020 in respect of employees' end of service benefits payable under Qatar labour law. The provision assumes average increment / promotion costs of 2.25% (2019: 2.25%). The expected liability at the date of leaving service has been discounted to its net present value using a discount rate of 2.81% (2019: 4.39%).

22. SHARE CAPITAL

	2020 £
<u>Allotted, called up and fully paid</u>	
500,000 Ordinary shares of £1 each	<u>500,000</u>

ACS INTERNATIONAL SCHOOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

23a. FUNDS

	B/fwd £	Income £	Expenditure £	Transfers £	Gains and losses £	C/fwd £
Restricted funds						
Cobham	-	37,663	(25,163)	(12,500)	-	-
Hillingdon	-	88,500	(88,500)	-	-	-
Egham	-	120,497	(10,497)	(110,000)	-	-
Doha	-	5,406	(5,406)	-	-	-
	-	252,066	(129,566)	(122,500)	-	-
Unrestricted funds						
Share capital	500,000	-	-	-	-	500,000
Debentures	10,658,750	500	-	-	-	10,659,250
General reserves	<u>70,877,973</u>	<u>78,893,851</u>	<u>(71,839,527)</u>	<u>122,500</u>	<u>(454,253)</u>	<u>77,600,544</u>
	82,036,723	78,894,351	(71,839,527)	122,500	(454,253)	88,759,794
Total funds	<u>82,036,723</u>	<u>79,146,417</u>	<u>(71,969,093)</u>	<u>-</u>	<u>(454,253)</u>	<u>88,759,794</u>

Restricted funds include donations which the donors have earmarked for specific UK campuses. Restricted funds have been released to general reserves as their restrictions have been met during the year.

Unrestricted funds belong to the charity's corporate reserves, spendable at the direction of the Trustees to further the charity's objects.

Debentures (5th series)

The director considers that the nature and terms of the fifth issue debentures, issued by ACS International Schools Limited, more accurately reflect equity and therefore they were reclassified from long term creditors to equity within the balance sheet in the year ended 31 July 2011.

During the year ACS International Schools Limited adjusted £500 (2019: Nil) and repaid £Nil (2019: £1,500) fifth issue debentures of £250 each.

The fifth issue debentures are unsecured, non interest bearing and repayable only by ACS International Schools Limited giving debenture holders not less than one month's notice of its intention to repay the principal sum or on a winding up. As at 31 July 2020 this issue comprised 42,637 debentures of £250 each (2019: 42,635 debentures of £250 each).

ACS INTERNATIONAL SCHOOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

23b. NET ASSETS SPLIT BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total £
Intangible assets	1,134,591	-	1,134,591
Tangible fixed assets	100,566,747	-	100,566,747
Net current liabilities	(10,666,692)	-	(10,666,692)
Liabilities due in more than one year	(1,000,000)	-	(1,000,000)
Provisions	(1,274,852)	-	(1,274,852)
At 31 July 2020	<u>88,759,794</u>	<u>-</u>	<u>88,759,794</u>

24. ANALYSIS OF CHANGES IN NET DEBT

	1 August 2019 £	Cash flow £	Exchange Movement £	31 July 2020 £
Cash at bank and in hand	20,631,731	(1,482,467)	454,253	19,603,517
Loan	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Net funds	<u>21,631,731</u>	<u>(1,482,467)</u>	<u>454,253</u>	<u>20,603,517</u>

25. CAPITAL COMMITMENTS

At 31 July 2020 the group and charity had capital commitments as follows:

	<u>Group</u>		<u>Charity</u>	
	2020 £	2019 £	2020 £	2019 £
Contracted for but not provided in these financial statements	<u>644,520</u>	<u>1,630,223</u>	<u>644,520</u>	<u>1,630,223</u>

ACS INTERNATIONAL SCHOOLS LIMITED

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26. OPERATING LEASE COMMITMENTS

At 31 July 2020 the group had commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2020	2019	2020	2019
	£	£	£	£
Within 1 year	1,339,764	2,881,346	-	16,167
Between 2 and 5 years	7,516,225	77,400	-	-
After more than 5 years	17,930,221	737,942	-	-
	<u>26,786,210</u>	<u>3,696,688</u>	<u>-</u>	<u>16,167</u>

27. RELATED PARTY TRANSACTIONS

ACS International Schools Limited recharged £172,115 (2019: £251,089) to ACS Commercial Enterprises Limited for the provision of staff and expenditure incurred on its behalf. At year end the balance of £131,542 (2019: £162,676) was owed to ACS International Schools Limited. ACS Commercial Enterprises Limited gift aided its profit of £120,311 (2019: £150,510) to ACS International Schools Limited.

ACS International Schools Limited recharged £2,695,966 (2019: £675,015) to ACS Doha International School LLC for expenditure incurred on its behalf and royalty and management charges. At year end the amount owed by ACS Doha International School LLC to ACS International Schools Limited was £14,444,592 (2019: £8,744,037).

A member of the senior management of ACS International Schools Limited is Chairman of the Board of Focus Information Services Limited. During the year ACS International Schools Limited paid £Nil (2019: £4,000) for marketing sponsorship and advertising to Focus Information Services Limited. This transaction was at an arm's length basis.

A member of the senior leadership team of ACS International Schools Doha is a director of Marqeeepro Limited. During the year ACS International Schools Doha paid £11,200 (2019: £Nil) for goods and services to Marqeeepro Limited. All transactions were at arms' length basis.