

**Association for the Establishment and Encouragement  
of the German International School in Zagreb**

**Financial statements and review of financial  
statements for the year ended on 31 December 2019**

## TABLE OF CONTENT

Responsibility for preparation and approval of the annual financial statements .....	<b>Pogreška!</b>
<b>Knjižna oznaka nije definirana.</b>	
Independent Practitioner's report .....	<b>Pogreška! Knjižna oznaka nije definirana.</b>
Balance sheet .....	4
Income statement .....	9
Notes to the financial statements .....	<b>Pogreška! Knjižna oznaka nije definirana.</b>

## RESPONSIBILITY FOR PREPARATION AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The President of the Association represent the Association, together with his deputy or another member of the Management Board, chairs the session of the Assembly as well as the sessions of the Board of Directors and performs other tasks related to the management of the Association. In case of impediment, the President may authorize another member of the Board to chair the sessions of the Assembly and the Board of Directors.

The financial statements on pages 4 to 25 were approved on June 10, 2020 and signed as a token of approval.

Association for the  
Establishment and  
Encouragement of the  
German International School  
in Zagreb  
Fratrovac 36  
10 000 Zagreb

President of the  
Management Board

  
\_\_\_\_\_  
Andrea Krepelnik



Deputy President of the  
Management Board

  
\_\_\_\_\_  
Monika Poldružač

---

## INDEPENDENT PRACTITIONER'S REVIEW REPORT

We have reviewed the accompanying financial statements of Association for the Establishment and Encouragement of the German International School in Zagreb, which comprise the statement of financial position as at December 31, 2019 in the form BIL-NPF and the statement of income and expenses in the form PR-RAS-NPF for the year then ended, and a summary of significant accounting policies and other explanatory information

### **Non-profit organization responsibility for the Financial Statements**

Legal representative of non-profit organization is responsible for the preparation of financial statements in accordance with Law on financial operation and accounting for non-profit organization (Narodne novine, br. 121/14), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Practitioner's Responsibility**

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the financial statements of Association for the Establishment and Encouragement of the German International School in Zagreb are not prepared, in all material respects, in accordance with the Law on financial operation and accounting for non-profit organization (Narodne novine, br. 121/14).

---

**Emphasis of matter**

We draw attention to the Note 2.4. *Events after the Balance Sheet Date* which describes the impact of COVID 19 on future business. Our audit opinion is not modified in respect of this matter.

Zagreb, June 10, 2020

**MAZARS CINOTTI AUDIT D.O.O.**

Strojarska cesta 20

10 000 Zagreb

Croatia

For and on behalf of Mazars Cinotti Audit d.o.o.



Katarina Rosić

*Audit Manager*

*Croatian Certified Auditor*



Mirela Copot Marjanović

*Director*

*Croatian Certified Auditor*

## BALANCE SHEET

Acc. num	Description	AOP	Note number	December 31, 2018	December 31, 2019
1	2	3		4	5
<b>ASSETS</b>					
	<b>ASSETS (AOP 002+074)</b>	001		11,234,282	12,058,161
<b>0</b>	<b>Non-financial assets (AOP 003+018+047+051+055+064)</b>	002		395,633	450,115
<b>01</b>	<b>Non-produced fixed assets (AOP 004+008-017)</b>	003	<b>3</b>	91,441	79,517
011	Tangible assets – natural resources (AOP 005 to 007)	004			
0111	Land	005			
0112	Mineral resources	006			
0113	Other natural tangible assets	007			
012	Intangible assets (AOP 009 to 016)	008		190,152	190,152
0121	Patents	009			
0122	Concessions	010			
0123	Licenses	011			
0124	Other rights	012		180,152	180,152
0125	Goodwill	013			
0126	Founding costs	014		10,000	10,000
0127	Development costs	015			
0128	Other intangible assets	016			
019	Value adjustment of non-produced fixed assets	017		98,711	110,635
<b>02</b>	<b>Produced fixed assets (AOP 019+023+031+034+039+042-046)</b>	018	<b>4</b>	275,317	341,723
021	Construction premises (AOP 020 to 022)	019			
0211	Residential premises	020			
0212	Commercial premises	021			
0213	Other construction premises	022			
022	Facilities and equipment (AOP 024 to 030)	023		1,743,269	1,928,679
0221	Office equipment and furniture	024		1,675,767	1,861,177
0222	Communication equipment	025			
0223	Equipment for maintenance and security	026		5,391	5,391
0224	Medical and laboratory equipment	027			
0225	Instruments, devices and machinery	028		2,300	2,300
0226	Sport and musical equipment	029		59,811	59,811
0227	Devices, machinery and equipment for other uses	030			
023	Transportation resources (AOP 032+033)	031			
0231	Transportation resources for road transport	032			
0232	Other transportation resources	033			
024	Books, art works and other exhibition valuables (AOP 035 to 038)	034			
0241	Books in libraries	035			
0242	Works of art (exhibited in galleries, museums and similar premises)	036			
0243	Musical exhibits and items of natural rarity	037			
0244	Other exhibition valuables not mentioned	038			

025	Aged plantations and basic stock (AOP 040+041)	039			
0251	Aged plantations	040			
0252	Other stock	041			
026	Intangible produced assets (AOP 043 to 045)	042			
0261	Investments in computer equipment	043			
0262	Works of art, literature and scientific works	044			
0263	Other intangible produced assets	045			
029	Value adjustment of produced non-current assets	046		1,467,952	1,586,956
<b>03</b>	<b>Noble metals and other stores of values (AOP 048)</b>	047			
031	Noble metals and other stores of values (AOP 049+050)	048			
0311	Noble metals and other stones	049			
0312	Archived books, works of art and similar values	050			
<b>04</b>	<b>Minor inventory (AOP 052+053-054)</b>	051			
041	Minor inventory on stock	052			
042	Minor inventory in use	053		393,019	440,322
049	Value adjustment of small inventory	054		393,019	440,322
<b>05</b>	<b>Non-financial assets in preparation (AOP 056 do 059+062+063)</b>	055	<b>5</b>	28,875	28,875
051	Buildings under construction	056		28,875	28,875
052	Facilities and equipment under construction	057			
053	Transport equipment under construction	058			
054	Aged plantations and the basic stock in preparation (AOP 060+061)	059			
0541	Aged plantations in preparation	060			
0542	Basic stock in preparation	061			
055	Other intangible produced assets in preparation	062			
056	Other non-financial assets in preparation	063			
<b>06</b>	<b>Produced current assets (AOP 065+070+073)</b>	064			
061	Stocks for undertaking operating activities (AOP 066 to 069)	065			
0611	Stocks for distribution to others	066			
0612	Stocks of materials for regular purposes	067			
0613	Stocks of spare parts	068			
0614	Stocks of materials for special purposes	069			
062	Work in progress and finished products (AOP 071+072)	070			
0621	Work in progress	071			
0622	Finished products	072			
063	Goods for sale	073			
<b>1</b>	<b>Financial assets (AOP 075+083+100+105+125+133+142)</b>	074		10,838,649	11,608,046
11	Cash and cash equivalents (AOP 076+080+081+082)	075	<b>6</b>	8,539,212	7,767,144
111	Cash in bank (AOP 077 do 079)	076		8,529,911	7,746,617
1111	Cash in domestic commercial banks	077		3,452,649	1,466,921
1112	Cash in foreign commercial banks	078		5,077,262	6,279,696
1113	Transit accounts	079			
112	Allocated cash	080			
113	Cash on hand	081		9,301	20,527
114	Securities in hand	082			

12	Deposits, guarantees given and receivables from employees and for excessive taxes payments and other (AOP 084+087+088+089+095)	083	7	42,874	67,688
121	Deposits in banks and other financial institutions (AOP 085+086)	084			
1211	Deposits in domestic banks and other financial institutions	085			
1212	Deposits in foreign banks and other financial institutions	086			
122	Given guarantees deposits	087			
123	Receivables from employees	088		716	17,005
124	Receivables for excessive tax payments and contributions (AOP 090 to 094)	089		3,064	1,962
1241	Receivables for excessive tax payments	090		3,064	1,962
1242	Receivables for VAT and custom duty charges	091			
1243	Receivables for excessive customs and customs duty charges	092			
1244	Receivables from excessive payments for other taxes	093			
1245	Receivables for excessive contribution payments	094			
129	Other receivables (AOP 096 to 099)	095		39,094	48,721
1291	Receivables for reimbursement fees	096			
1292	Receivables for damage fees	097			
1293	Receivables for advance payments	098		39,094	48,721
1294	Other receivables	099			
13	Loans (AOP 101+102+103-104)	100			
131	Loans to residential and households	101			
132	Loans to legal entities engaged in entrepreneurial activity	102			
133	Loans to other entities	103			
139	Value adjustment of loans	104			
14	Securities (AOP 106+109+112+115+118+121-124)	105			
141	Cheques (AOP 107+108)	106			
1411	Cheques-domestic	107			
1412	Cheques-foreign	108			
142	Commercial and treasury bills (AOP 110+111)	109			
1421	Commercial and treasury bills-domestic	110			
1422	Commercial and treasury bills-foreign	111			
143	Promissory notes (AOP 113+114)	112			
1431	Promissory notes-domestic	113			
1432	Promissory notes-foreign	114			
144	Bonds (AOP 116+117)	115			
1441	Bonds-domestic	116			
1442	Bonds-foreign	117			
145	Options and other financial derivatives (AOP 119+120)	118			
1451	Options and other financial derivatives-domestic	119			
1452	Options and other financial derivatives-foreign	120			
146	Other securities (AOP 122+123)	121			
1461	Other domestic securities	122			
1462	Other foreign securities	123			
149	Value adjustment of securities	124			
15	Shares and stocks (AOP 126+129-132)	125			
151	Shares and stocks in banks and other financial institutions (AOP	126			

	127+128)				
1511	Shares and stocks in domestic banks and other financial institutions	127			
1512	Shares and stocks in foreign banks and other financial institutions	128			
152	Shares and stocks in companies (AOP 130+131)	129			
1521	Shares and stocks in companies-domestic	130			
1522	Shares and stocks in companies-foreign	131			
159	Value adjustment of shares and stocks	132			
16	Receivables from revenues (AOP 134 to 137+140-141)	133	8	2,229,699	3,766,374
161	Trade receivables	134		2,229,699	3,766,374
162	Receivables for membership fees and membership contributions	135			
163	Receivables for revenues from special regulations	136			
164	Receivables for revenue from assets (AOP 138+139)	137			
1641	Receivables for revenue from financial assets	138			
1642	Receivables for revenue from non-financial assets	139			
165	Other receivables not mentioned	140			
169	Value adjustment of receivables	141			
19	Prepaid expenses and accrued revenue (AOP 143+144)	142	9	26,864	6,840
191	Prepaid expenses	143		26,864	6,840
192	Accrued revenue	144			
	<b>LIABILITIES AND OWN RESOURCES (AOP 146+195)</b>	145		11,234,282	12,058,162
<b>2</b>	<b>Liabilities (AOP 147+174+182+190)</b>	146	<b>10</b>	4,521,015	5,044,315
24	Liabilities for expenditures (AOP 148+156+164+168+169+170)	147		113,048	156,605
241	Liabilities for employees (AOP 149 do 155)	148			10,047
2411	Liabilities for wages	149			
2412	Liabilities for wage additions	150			
2413	Liabilities for remuneration in kind - net	151			
2414	Liabilities for taxes on salaries	152			
2415	Liabilities for contributions from salaries	153			
2416	Liabilities for contributions for salaries	154			
2417	Other liabilities for employees	155			10,047
242	Liabilities for material expenditures (AOP 157 to 163)	156		105,979	139,488
2421	Cost reimbursements to employees	157			3,310
2422	Fees to members in representative and executive bodies, commissions and the like	158			
2423	Volunteers fee	159			
2424	Fee to other persons outside the employment relationship	160			
2425	Domestic trade payables	161		95,966	130,096
2426	Foreign trade payables	162		10,013	6,082
2429	Other liabilities for financing operating expenditures	163			
244	Liabilities for financial expenses (AOP 165 to 167)	164			
2441	Interest payable for securities issued	165			
2442	Interest payable on loans and borrowings	166			
2443	Liabilities for other financial expenses	167			
245	Liabilities for the funds raised	168			

246	Liabilities for penalties, compensation for damages occurred	169			
249	Other liabilities (AOP 171 do 173)	170		7,069	7,070
2491	Liabilities for taxes	171		5	
2492	Liabilities for VAT	172			106
2493	Liabilities for advance payments, deposits, sureties received and other unspecified liabilities	173		7,064	6,964
25	Liabilities for securities (AOP 175+178-181)	174			
251	Liabilities for cheques (AOP 176+177)	175			
2511	Liabilities for cheques-domestic	176			
2512	Liabilities for cheques-foreign	177			
252	Liabilities for bills of exchange (AOP 179+180)	178			
2521	Liabilities for bills of exchange-domestic	179			
2522	Liabilities for bills of exchange-foreign	180			
259	Value adjustments for liabilities for securities	181			
26	Liabilities for loans (AOP 183+186-189)	182			
261	Liabilities for bank loans and other creditors (AOP 184+185)	183			
2611	Liabilities for loans-domestic	184			
2612	Liabilities for loans-foreign	185			
262	Liabilities for commodity and other loans (AOP 187+188)	186			
2621	Liabilities for loans - domestic	187			
2622	Liabilities for loans - foreign	188			
269	Value adjustments for liabilities for loans	189			
29	Accrued expenses and deferred income (AOP 191+192)	190	11	4,407,967	4,887,710
291	Accrued expenses	191			10,999
292	Deferred income from future periods (AOP 193+194)	192		4,407,967	4,876,711
2921	Deferred income	193			
2922	Deferred revenues recognition	194		4,407,967	4,876,711
<b>5</b>	<b>Proprietary sources (AOP 196+199-200)</b>	<b>195</b>	<b>12</b>	<b>6,713,267</b>	<b>7,013,847</b>
51	Proprietary sources (AOP 197+198)	196			
511	Proprietary sources	197			
512	Revaluation reserves	198			
5221	Revenue surplus	199		6,713,267	7,013,847
5222	Revenue deficit	200			
<b>OFF BALANCE SHEET RECORDS</b>					
61	Off-balance sheet notes - assets	201			
62	Off-balance sheet notes - liabilities	202			

## INCOME STATEMENT

Account from the acc. plan	DESCRIPTION	AOP	Note number	2018	2019
1	2	3		4	5
<b>REVENUE</b>					
<b>3</b>	<b>REVENUE (AOP 002+005+008+011+024+040+049)</b>	001		8,281,995	8,965,943
31	Revenue from sale of goods and services rendering (AOP 003+004)	002	13	6,980,315	7,878,582
3111	Revenue from sale of goods	003			
3112	Revenue from services rendering	004		6,980,315	7,878,582
32	Revenue from membership fees and membership contributions (AOP 006+007)	005			
3211	Membership fees	006			
3212	Membership contributions	007			
33	Revenue under special regulations (AOP 009+010)	008			
3311	Revenue under special regulations from the budget	009			
3312	Revenue under special regulations from other sources	010			
34	Income from assets (AOP 012+021)	011	14	7,441	32,684
341	Income from financial assets (AOP 013 do 020)	012		7,441	32,684
3411	Interest income on loans	013			
3412	Interest income on securities	014			
3413	Interest on time deposits and demand deposits	015		262	186
3414	Revenue from penalty interest	016			
3415	Income from foreign exchange differences	017		7,179	32,498
3416	Dividends	018			
3417	Revenue from the profits of companies, banks and other financial institutions under special regulations	019			
3418	Other revenue from financial assets	020			
342	Revenue from non-financial assets (AOP 022+023)	021			
3421	Revenue from rental property	022			
3422	Other revenue from non-financial assets	023			
35	Revenue from donations (AOP 025+030+033+036+037)	024	15	1,077,902	977,162
351	Revenue from donations from the state budget (AOP 026 do 029)	025			
3511	Revenue from donations from the state budget	026			
3512	Revenue from donations from the budget of local and regional self-government units	027			
3513	Revenue from donations from the state budget for EU projects	028			
3514	Revenue from donations from the budget of local and regional self-government units for EU project	029			
352	Revenue from foreign governments and international organizations (AOP 031+032)	030		1,075,526	968,579
3521	Revenue from foreign governments and international organizations	031		1,075,526	968,579
3522	Revenues from EU institutions and bodies	032			
353	Revenue from companies and other legal entities (AOP 034+035)	033			4,989

3531	Revenue from companies and other legal entities	034			4,989
3532	Revenue from companies and other legal entities for EU projects	035			
354	Revenue from citizens and households	036		2,376	3,594
355	Other revenue from donations (AOP 038+039)	037			
3551	Other revenue from donations	038			
3552	Other revenue from donations for EU projects	039			
36	Other revenues (AOP 041+044+045)	040	16	216,337	77,515
361	Revenue from compensation and damages,(AOP 042+043)	041			53,691
3611	Revenue from compensation for damages	042			
3612	Revenue from refunds	043			53,691
362	Revenue from sale of fixed assets	044			
363	Other revenue not mentioned (AOP 046 do 048)	045		216,337	23,824
3631	Write-off of liabilities	046		4,865	
3632	Paid written-off receivables	047			
3633	Other unmentioned revenue	048		211,472	23,824
37	Revenue from other undertakings non-profit organizations (AOP 050 do 053)	049			
3711	Current revenue from undertakings non-profit organizations	050			
3712	Capital revenue from undertakings non-profit organizations	051			
3713	Current revenue from undertakings non-profit organizations for EU projects	052			
3714	Capital revenue from undertakings non-profit organizations for EU projects	053			
<b>EXPENSES</b>					
4	<b>EXPENSES (AOP 055+067+108+109+120+128+139)</b>	054		7,559,076	8,665,364
41	Expenses for employees (AOP 056+061+062)	055	17	3,532,977	4,076,773
411	Wages (AOP 057 do 060)	056		3,044,876	3,532,142
4111	Wages for regular work	057		3,031,515	3,478,451
4112	Benefit in kind	058		13,361	53,691
4113	Wages for overtime work	059			
4114	Salaries for special working conditions	060			
412	Wages for particular working conditions	061			2,912
413	Contributions for wages (AOP 063 do 066)	062		488,101	541,719
4131	Contributions for health insurance	063		439,858	541,719
4132	Contributions for employment	064		48,243	
4133	Contributions for pension	065			
4134	Special contribution to encourage employment of persons with disabilities	066			
42	Material expenses (AOP 068+072+077+082+087+097+102)	067	20	3,554,595	4,245,133
421	Personnel expenses (AOP 069 do 071)	068		319,521	570,930
4211	Business trips expenses	069		170,356	185,143
4212	Transportation, fieldwork and separate living costs	070		130,210	138,015
4213	Professional training for employees	071		18,955	247,772
422	Allowances to members in representative and executive bodies, committees and similar (AOP 073 do 076)	072		243	
4221	Allowances for conducting activities	073			
4222	Business trips expenses	074			
4223	Reimbursement of other expenses	075			

4224	Other expenses	076		243	
423	Volunteer fees (AOP 078 do 081)	077			
4231	Activity fees	078			
4232	Business trips expenses	079			
4233	Reimbursement of other expenses	080			
4234	Other expenses	081			
424	Expenses to other persons outside the employment relationship (AOP 083 do 086)	082			
4241	Activity fees	083			
4242	Business trips expenses	084			
4243	Reimbursement of other expenses	085			
4244	Other expenses	086			
425	Expense for services (AOP 088 do 096)	087		1,817,014	2,083,391
4251	Telephone and transportation expenses	088		138,447	114,675
4252	Services for current and investment maintenance	089		82,100	121,279
4253	Promotion and information services	090		20,500	58,600
4254	Municipal services	091		213,550	261,489
4255	Rent and rentals	092		817,719	903,867
4256	Health and veterinary services	093		2,715	1,471
4257	Intellectual and personal services	094		314,219	437,676
4258	Computer services	095		186,357	156,722
4259	Other services	096		41,407	27,612
426	Expenses for material and energy (AOP 098 do 101)	097		1,338,302	1,510,906
4261	Office material and other material expenses	098		99,058	108,032
4262	Material and raw materials	099		1,112,948	1,283,358
4263	Energy	100		81,446	72,213
4264	Small inventory and car tires	101		44,850	47,303
429	Other not mentioned material expenses (AOP 103 do 107)	102		79,515	79,906
4291	Insurance premiums	103		43,899	38,868
4292	Representation	104		24,399	20,362
4293	Membership fees	105		10,278	20,676
4294	Registration fees	106			
4295	Other not mentioned material expenses	107		939	
43	Depreciation	108	<b>18</b>	97,050	130,926
44	Financial expenses (AOP 110+111+115)	109	<b>21</b>	141,239	56,248
441	Interest on issued securities	110			
442	Interest for received loans (AOP 112 do 114)	111			
4421	Interest for loans received from banks and other lenders	112			
4422	Interest for received commodities and other loans	113			
4423	Interest for approved but unrealized loans and loans	114			
443	Other financial expenses (AOP 116 do 119)	115		141,239	56,248
4431	Banking and payment services	116		25,399	25,282
4432	Negative exchange rate differences and foreign currency clauses	117		100,741	21,244
4433	Default interest	118		14	86
4434	Other not mentioned financial expenses	119		15,085	9,636
45	Donations (AOP 121+125)	120			

451	Current donations (AOP 122 do124)	121			
4511	Current donations	122			
4512	Scholarships	123			
4513	Current donations from EU funds	124			
452	Capital donations (AOP 126+127)	125			
4521	Capital donations	126			
4522	Capital donations from EU funds	127			
46	Other expenses (AOP 129+134)	128	19	233,215	156,284
461	Penalties, compensation for damages (AOP 130 do 133)	129			
4611	Compensation for damages to legal entities and persons	130			
4612	Penalties, demurrage fees and other	131			
4613	Compensation for damages to employees	132			
4614	Contractual fines and other compensation for damages	133			
462	Other expenses not mentioned (AOP 135 do 138)	134		233,215	156,284
4621	Not written-off value and other expenditure alienated and disposed off non-current assets	135			
4622	Receivable written off	136			
4623	Expenses for other taxes	137			
4624	Other not mentioned expenses	138		233,215	156,284
47	Expenses related to financing of related non-profit organizations (AOP 140 to 143)	139			
4711	Current expenses related to the financing of related non-profit organizations	140			
4712	Capital expenses related to the financing of related non-profit organizations	141			
4713	Current expenses related to the financing of related non-profit organizations for EU projects	142			
4714	Capital expenses related to the financing of related non-profit organizations for EU projects	143			
	Balance of stocks in production and finished products at the beginning of the period	144			
	Balance of stocks in production and finished products at the end of the period	145			
	Increase of stocks in production and finished products (AOP 145-144)	146			
	Decrease of stocks in production and finished products (AOP 144-145)	147			
	TOTAL EXPENSES (AOP 054-146 or 054+147)	148		7,559,076	8,665,364
	Revenue surplus (AOP 001-148)	149		722,919	300,579
	Revenue deficit (AOP 148-001)	150			
5221	Revenue surplus - carried over	151		5,990,348	6,713,268
5222	Revenue deficit - carried over	152			
	Liabilities for corporate income tax	153			
	Revenue surplus available in the coming period (AOP 149+151-150-152-153)	154		6,713,267	7,013,847
	Revenue deficit for collateral in the coming period (AOP 150+152-149-151+153)	155			
<b>ADDITIONAL INFORMATION</b>					
11	Balance of money assets at the commencement of the year	156		7,509,740	8,539,211
11-debit	Total inflows to cash accounts and cash registers	157		18,329,094	8,365,638
11-debit	Total outflows from cash accounts and cash registers	158		17,299,623	9,137,706

11	Balance of money assets at the end of the period (AOP 156+157-158)	159		8,539,211	7,767,143
	Average number of employees on the basis of the state at the end of the reporting period (integer)	160		24	26
	Average number of employees based on work hours	161		24	26
	Number of volunteers	162			
	Number of hours of volunteering	163			

The financial statements were approved on June 10, 2020 and signed as a token of approval.

Association for the  
Establishment and  
Encouragement of the  
German International School  
in Zagreb  
Fratovac 36  
10 000 Zagreb

President of the  
Management Board



Andrea Kiepelnik



Deputy President of the  
Management Board

Monika Poldrugač

## NOTES TO THE FINANCIAL STATEMENTS

### 1. General information about the Association

Association for the Establishment and Encouragement of the German International School in Zagreb was founded on March 10, 2014.

The shortened name of the association is: German School Association (hereinafter: the Association). The registration was made under the registration number 21003552 on June 1, 2004, on which day the Association acquires the status of a legal entity.

#### *The aim*

The aim of the Association is to establish and encourage a general education school, including a kindergarten / preschool for German-speaking students. The aim of the Association is to provide students with school education that is oriented towards German educational goals, using German curricula, and as a rule according to German final exams, taking into account current Croatian regulations and relevant bilateral agreements between the Federal Republic of Germany and the Republic of Croatia.

As at 31 December 2019, the Association had 26 employees (2018.: 24 employees).

The bodies of the Association are the Assembly of the Association and the Board of Directors of the Association.

The Board of Directors of the Association consists of 7 members, headed by a president who represents the Association in legal transactions. President of the Association is Ms. Andrea Krepelnik.

The persons authorized to represent are:

- Andrea Krepelnik, President of the Association;
- Monika Poldrugač, Vice President of the Association.

### 2. Summary of significant accounting policies

The following accounting policies have been consistently applied to all periods presented in the financial statements

#### 2.1. Statement of compliance

The financial statements for 2019 have been prepared in accordance with the Financial Operations and Accounting of Non-Profit Organizations Act, the Ordinance on Non-Profit Accounting and the Accounting Plan (OG 1/15) and the Ordinance on Reporting in Non-Profit Accounting and the Register of Non-Profit Organizations (OG 31/15) , according to the principle of double-entry bookkeeping, and according to the schedule of accounts from the accounting plan for non-profit organizations. The financial statements were prepared and approved on June 1, 2020.

## **2.2. Bases for compositing the statement**

The financial statements have been prepared on the historical cost basis (purchase cost and on a going concern basis).

## **2.3. Functional and presentation currency**

These financial statements are presented in the Croatian currency, Kuna (HRK), which is the Company's functional currency. The official exchange rate of the Croatian National Bank on 31<sup>st</sup> December 2019 was HRK 7,442580 for one euro (2018: 7,417575)

## **2.4. Events occurring after the Balance Sheet date**

On 30<sup>th</sup> December 2020, the World Health Organization (WHO) declared the epidemic COVID-19, outbreak a Public Health Emergency of International Concern (PHEIC) due to the rapid spread of the epidemic and the large number of unknowns regarding it. On 11<sup>th</sup> March 2020, the WHO declared a global pandemic due to COVID-19. These events will have significant negative consequences on the global economy, and Association's business in the future.

Except the mentioned event, from 31<sup>st</sup> December 2019 until the date of approval of these financial statements, no other business events or transactions occurred that would have a material effect on the financial statements for the period then ended or that are of such significance to the Association's business that required disclosure in the notes to the financial statements.

## **2.5. Long- term non-financial assets**

Assets are initially stated at cost (cost value), ie at estimated value.

Fixed assets are financial and non-financial assets whose useful life is longer than one year and which retain the same appearance for more than one year.

Long-term non-financial tangible assets whose individual acquisition cost (Purchase value) is lower than HRK 3,500 can be written off once, by putting them into use, with the obligation of individual or group monitoring during the useful life.

The cost of acquisition (purchase value) of non-financial assets consists of the purchase price increased by customs duties, non-refundable taxes, transportation costs and all other costs that can be directly added to the acquisition and training costs for the start of use.

The value of an individual item of long-term non-financial assets is depreciated, ie adjusted using the straight-line method over their useful lives, starting from the first day of the month following the month in which the asset was put into use.

As an exception to paragraph 1 of this Article, the values of land, renewable natural resources, books, works of art and other exhibition values, as well as precious metals and other stored values shall not be depreciated or corrected.

The basis for the value adjustment of a fixed asset is its initial or revalued acquisition cost (Purchase value), ie the estimated value.

## 2.5. Long-term non- financial assets (continued)

The depreciation rates use in the depreciation calculation are shown in the following table:

Depreciation groups	Annual rate	Annual rate
	Previous year 2018	Current year 2019
Computers and computer equipment	25%	25%
Office furniture	12,5%	12,5%
Other office equipment	20%	20%
Investing in computer programs	100%	100%

Depreciation rates are harmonized with the Ordinance on non-profit accounting and the chart of accounts, which prescribes depreciation rates according to groups of fixed assets and the estimated useful life of fixed assets.

## 2.6. Minor inventory

Minor inventory, consists of stocks of small inventory and small inventory in use. Small inventory is long-term tangible assets which, due to the individual purchase value of less than HRK 3,500, can be monitored separately from fixed assets in group 04.

Small inventory is written off once by putting it into use or calculated in proportion to consumption.

Small inventory in use is kept in the records and stated in the balance sheet until the moment of sale, donation, other method of disposal or destruction.

## 2.7. Cash and cash equivalents

Cash and cash equivalents includes: cash in bank, cash on hand, allocated cash and securities in hand.

## 2.8. Receivables

Receivables for business income contains receivables: from customers, for membership fees, for income under special regulations, for property income and other unmentioned receivables.

## 2.9. Liabilities for expenditures

Liabilities for expenses contain liabilities that are recognized as an expense in the accounts of class 4 - expenses, and these are liabilities for: employees, material expenses, financial expenses, collected aid funds, penalties and damages and other current liabilities.

## 2.10. Revenues and expenses

Revenue and expenses are recognized on an accrual basis.

The accrual basis of accounting means that:

- reciprocal revenues (revenues based on delivered goods and services) are recognized in the reporting period to which they relate, provided that they can be measured independently of collection
- non-reciprocal revenues (revenues under special regulations, donations, membership fees, donations, contributions and other similar revenues) are recognized in the reporting period to which they relate, provided that they are available (collected) in the reporting period, and can be recognized in the reporting period if collected no later than the time of presentation of the financial statements for the same period
- donations related to the execution of contracted programs (projects and activities) are recognized in the balance sheet as deferred income with recognition in the income of the reporting period in proportion to the costs of implementation of contracted programs (projects and activities)
- donations related to depreciable non-financial assets are recognized in the balance sheet as deferred income with recognition in the income of the reporting period on a systematic basis in proportion to the cost of using non-financial assets in the period of use.
- expenses are recognized in the reporting period to which they relate independently of payment
- expenses for the consumption of short-term non-financial assets are recognized at the time of actual consumption, ie sale, and
- the cost of acquisition of fixed assets is capitalized and recognized as an expense over its useful life.

Revenue is the increase in economic benefits or service potential during the reporting period in the form of an inflow of assets without concurrent increase of liabilities or a decrease in liabilities without concurrent outflows of assets.

Expenditure is a reduction in economic benefits or service potential in the form of a reduction in assets or increasing liabilities without concurrent increase of financial assets.

**3. Intangible assets**

Changes in intangible assets in the Association's balance sheet are shown in the following table:

In HRK

Previous year 2018	Other rights	Founding expenses	Total
<b>Purchase value</b>			
Balance as of December 31, 2017	162,064	-	162,064
Additions	18,088	10,000	28,088
Disposal	-	-	-
<b>Balance as of December 31, 2018</b>	<b>180,152</b>	<b>10,000</b>	<b>190,152</b>
<b>Value adjustment</b>			
Balance as of December 31, 2017	89,387	-	89,387
Amortization for the year	9,324	-	9,324
Disposal	-	-	-
<b>Balance as of December 31, 2018</b>	<b>98,711</b>	<b>-</b>	<b>98,711</b>
<b>Net book value</b>			
<b>Balance as of December 31, 2018</b>	<b>81,441</b>	<b>10,000</b>	<b>91,441</b>
Balance as of December 31, 2017	72,677	-	72,677

In HRK

Current year 2019	Other rights	Founding expenses	Total
<b>Purchase value</b>			
Balance as of December 31, 2018	180,152	10,000	190,152
Additions	-	-	-
Disposal	-	-	-
<b>Balance as of December 31, 2019</b>	<b>180,152</b>	<b>10,000</b>	<b>190,152</b>
<b>Value adjustment</b>			
Balance as of December 31, 2018	98,711	-	98,711
Amortization for the year	11,924	-	11,924
Disposal	-	-	-
<b>Balance as of December 31, 2019</b>	<b>110,635</b>	<b>-</b>	<b>110,635</b>
<b>Net book value</b>			
<b>Balance as of December 31, 2019</b>	<b>69,517</b>	<b>10,000</b>	<b>79,517</b>
Balance as of December 31, 2018	81,441	10,000	91,441

**4. Tangible assets**

Changes in tangible assets in the Association's balance sheet are shown in the following table:

In HRK

<b>Previous year 2018</b>	<b>Plant and equipment</b>	<b>Total</b>
<b>Purchase value</b>		
Balance as of December 31, 2017	1,511,458	1,511,458
Additions	231,811	231,811
Disposal	-	-
<b>Balance as of December 31, 2018</b>	<b>1,743,269</b>	<b>1,743,269</b>
<b>Value adjustment</b>		
Balance as of December 31, 2017	1,380,225	1,380,225
Depreciation for the year	87,726	87,726
Disposal	-	-
<b>Balance as of December 31, 2018</b>	<b>1,467,952</b>	<b>1,467,952</b>
<b>Net book value</b>		
<b>Balance as of December 31, 2018</b>	<b>275,318</b>	<b>275,318</b>
Balance as of December 31, 2017	131,231	131,231

In HRK

<b>Current year 2019</b>	<b>Plant and equipment</b>	<b>Total</b>
<b>Purchase value</b>		
Balance as of December 31, 2018	1,743,269	1,743,269
Additions	185,410	185,410
Disposal	-	-
<b>Balance as of December 31, 2019</b>	<b>1,928,679</b>	<b>1,928,679</b>
<b>Value adjustment</b>		
Balance as of December 31, 2018	1,467,952	1,467,952
Depreciation for the year	119,004	119,004
Disposal	-	-
<b>Balance as of December 31, 2019</b>	<b>1,586,956</b>	<b>1,586,956</b>
<b>Net book value</b>		
<b>Balance as of December 31, 2019</b>	<b>341,723</b>	<b>341,723</b>
Balance as of December 31, 2018	275,316	275,316

**5. Tangible assets under construction**

	In HRK	
	Previous year 2018	Current year 2019
Buildings under construction	28,875	28,875
<b>Total</b>	<b>28,875</b>	<b>28,875</b>

**6. Cash and cash equivalents**

	In HRK	
	Previous year 2018	Current year 2019
Cash in a bank – domestic currency	3,452,649	1,466,921
Cash in a bank – foreign currency	5,077,262	6,279,696
Cash in hand – domestic currency	9,301	20,527
<b>Total</b>	<b>8,539,212</b>	<b>7,767,144</b>

**7. Deposits and receivables**

	In HRK	
	Previous year 2018	Current year 2019
Receivables from employees	716	17,005
Receivables for excessive tax payments	3,064	1,962
Other receivables	39,094	48,721
<b>Total</b>	<b>42,874</b>	<b>67,688</b>

**8. Receivables from revenues**

	In HRK	
	Previous year 2018	Current year 2019
Trade receivables	2,229,699	3,766,374
<b>Total</b>	<b>2,229,699</b>	<b>3,766,374</b>

**9. Prepaid expenses and accrued revenue**

	In HRK	
	Previous year 2018	Current year 2019
Prepaid expenses	26,864	6,840
<b>Total</b>	<b>26,864</b>	<b>6,840</b>

**10. Liabilities**

	In HRK	
	Previous year 2018	Current year 2019
<i>Accounts payable to employees</i>		
Net wage liabilities	-	10,047
<b>Total accounts payable to employees</b>	<b>-</b>	<b>10,047</b>
<i>Liabilities for material expenditures</i>		
Domestic trade payables	95,966	130,096
Foreign trade payables	10,013	6,082
Cost reimbursement to workers	-	3,310
<b>Total liabilities for material expenditures</b>	<b>105,979</b>	<b>139,488</b>
<i>Other liabilities</i>		
Liabilities for advances, deposits, guarantees received and other unmentioned liabilities	7,064	6,964
VAT liabilities	-	106
Other taxes liabilities	5	-
<b>Total other liabilities</b>	<b>7,069</b>	<b>7,070</b>
<b>Total</b>	<b>113,048</b>	<b>156,605</b>

**11. Accrued expenses and deferred income**

	In HRK	
	Previous year 2018	Current year 2019
Deferred income	4,407,967	4,886,711
Accrued expenses	-	10,999
<b>Total</b>	<b>4,407,967</b>	<b>4,887,710</b>

**12. Own sources**

	In HRK	
	Previous year 2018	Current year 2019
Revenue surplus	6,713,267	7,013,847
<b>Total</b>	<b>6,713,267</b>	<b>7,013,847</b>

**13. Revenue from the sale of goods and services rendering**

	In HRK	
	Previous year 2018	Current year 2019
Revenue from services rendering	6,980,315	7,878,582
<b>Total</b>	<b>6,980,315</b>	<b>7,878,582</b>

**14. Income from assets**

	In HRK	
	Previous year 2018	Current year 2019
Income from foreign exchange differences	7,179	32,498
Interest income	262	186
<b>Total</b>	<b>7,441</b>	<b>32,684</b>

**15. Revenue from donations**

	In HRK	
	Previous year 2018	Current year 2019
Revenue from donations from abroad	1,075,526	968,579
Revenue from donations of legal entities	-	4,989
Revenue from citizens and household	2,376	3,594
<b>Total</b>	<b>1,077,902</b>	<b>977,162</b>

**16. Other revenues**

	In HRK	
	Previous year 2018	Current year 2019
Revenue from refunds	-	53,691
Write-off of liabilities	4,865	-
Other income	211,472	23,824
<b>Total</b>	<b>216,337</b>	<b>77,515</b>

**17. Expenses for employees**

	In HRK	
	Previous year 2018	Current year 2019
Wages	3,044,876	3,532,142
Health insurance contributions	439,858	541,719
Employment contributions	48,243	-
Other expenses for employees	-	2,912
<b>Total</b>	<b>3,532,977</b>	<b>4,076,773</b>

**18. Amortization**

	In HRK	
	Previous year 2018	Current year 2019
Depreciation of tangible assets	87,726	119,002
Amortization of intangible assets	9,324	11,924
<b>Total</b>	<b>97,050</b>	<b>130,926</b>

**19. Other expenses**

	In HRK	
	Previous year 2018	Current year 2019
Other expenses	233,215	156,284
<b>Total</b>	<b>233,215</b>	<b>156,284</b>

**20. Material expenses**

	In HRK	
	Previous year 2018	Current year 2019
<i>Personnel expenses</i>		
Business trips expenses	170,356	185,143
Transportation costs	130,210	138,015
Professional training for employees	18,955	247,772
<b>Total compensation of employees</b>	<b>319,521</b>	<b>570,930</b>
<i>Remuneration of members of representative and executive bodies and commissions</i>		
Other fees	243	-
<b>Total remuneration of members of representative and executive bodies and commissions</b>	<b>243</b>	<b>-</b>
<i>Expenses for services</i>		
Rent and rentals	817,719	903,867
Intellectual and personal services	314,219	437,676
Municipal services	213,550	261,489
Telephone and transportation expenses	138,447	114,675
Computer services	186,357	156,722
Services for current and investment maintenance	82,100	121,279
Promotion and information services	20,500	58,600
Health and veterinary services	2,715	1,471
Other services	41,407	27,612
<b>Total service costs</b>	<b>1,817,014</b>	<b>2,083,391</b>
<i>Expenses for material and energy</i>		
Material and raw materials	1,112,948	1,283,358
Office material	99,058	108,032
Energy	81,446	72,213
Small inventory	44,850	47,303
<b>Total material and energy costs</b>	<b>1,338,302</b>	<b>1,510,906</b>
<i>Other unmentioned material costs</i>		
Insurance premiums	43,899	38,868
Membership fees	10,278	20,676
Representation	24,399	20,362
Other unmentioned material costs	939	-
<b>Total other unmentioned material costs</b>	<b>79,515</b>	<b>79,906</b>
<b>Total</b>	<b>3,554,595</b>	<b>4,245,133</b>


**21. Financial expenses**

		In HRK
	Previous year 2018	Current year 2019
Banking and payment services	25,399	25,282
Negative exchange rate differences	100,741	21,244
Default interest	14	86
Other financial expenses	15,085	9,636
<b>Total</b>	<b>141,239</b>	<b>56,248</b>

The financial statements on pages 4 to 25 were approved on June 10, 2020 and signed as a token of approval.

Association for the  
Establishment and  
Encouragement of the  
German International School  
in Zagreb  
Fratovac 36  
10 000 Zagreb

President of the  
Management Board

  
Andrea Krepelnik



Deputy President of the  
Management Board

  
Monika Poldrugáč