

**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 2020**

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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 September 22, 2021 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



Marc Rappalie



Member of the
Management Board



Jakov Rimac

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, 2020 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 insight, nothing drew our attention which would cause us to believe that the financial statements of the Non-Profit Organization Association for the Establishment and Encouragement of the German International School in Zagreb for 2020 do not provide an objective and realistic picture of financial position and operations in accordance with the Law on Financial Operations and Accounting of Non-Profit Organizations (Official Gazette, 121/14).

Zagreb, September 22, 2021

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

**MAZARS CINOTTI
AUDIT
d.o.o. ZAGREB**



Mirela Copot Marjanović

Director

Croatian Certified Auditor

BALANCE SHEET

Acc. num	Description	AOP	Not e number	December 31, 2019	December 31, 2020
1	2	3		4	5
ASSETS					
	ASSETS (AOP 002+074)	001		12,058,161	12,105,966
0	Non-financial assets (AOP 003+018+047+051+055+064)	002		450,115	948,567
01	Non-produced fixed assets (AOP 004+008-017)	003	3	79,517	665,090
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	756,958
0121	Patents	009			
0122	Concessions	010			
0123	Licenses	011			
0124	Other rights	012		180,152	746,958
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		110,635	91,868
02	Produced fixed assets (AOP 019+023+031+034+039+042-046)	018	4	341,723	283,477
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		1,928,679	781,451
0221	Office equipment and furniture	024		1,861,177	751,239
0222	Communication equipment	025			
0223	Equipment for maintenance and security	026		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	27,912
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		1,586,956	497,974
03	Noble metals and other stores of values (AOP 048)	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			
04	Minor inventory (AOP 052+053-054)	051			
041	Minor inventory on stock	052			
042	Minor inventory in use	053		440,322	127,783
049	Value adjustment of small inventory	054		440,322	127,783
05	Non-financial assets in preparation (AOP 056 do 059+062+063)	055	5	28,875	
051	Buildings under construction	056		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			
06	Produced current assets (AOP 065+070+073)	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			
1	Financial assets (AOP 075+083+100+105+125+133+142)	074		11,608,046	11,157,399
11	Cash and cash equivalents (AOP 076+080+081+082)	075	6	7,767,144	7,634,992
111	Cash in bank (AOP 077 do 079)	076		7,746,617	7,631,610
1111	Cash in domestic commercial banks	077		1,466,921	1,249,858
1112	Cash in foreign commercial banks	078		6,279,696	6,381,752
1113	Transit accounts	079			
112	Allocated cash	080			
113	Cash on hand	081		20,527	3,382

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	67,688	63,768
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		17,005	17,640
124	Receivables for excessive tax payments and contributions (AOP 090 to 094)	089		1,962	44,087
1241	Receivables for excessive tax payments	090		1,962	79
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			44,008
129	Other receivables (AOP 096 to 099)	095		48,721	2,041
1291	Receivables for reimbursement fees	096			
1292	Receivables for damage fees	097			
1293	Receivables for advance payments	098		48,721	2,041
1294	Other receivables	099			
13	Loans (AOP 101+102+103-104)	100			
131	Loans to residentials 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 derivates (AOP 119+120)	118			
1451	Options and other financial derivates-domestic	119			
1452	Options and other financial derivates-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 127+128)	126			
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	3,766,374	3,390,723
161	Trade receivables	134		3,766,374	3,390,723
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	6,840	67,916
191	Prepaid expenses	143		6,840	11,182
192	Accrued revenue	144			56,734
	LIABILITIES AND OWN RESOURCES (AOP 146+195)	145		12,058,162	12,105,965
2	Liabilities (AOP 147+174+182+190)	146	10	5,044,315	4,174,286
24	Liabilities for expenditures (AOP 148+156+164+168+169+170)	147		156,605	134,429
241	Liabilities for employees (AOP 149 do 155)	148		10,047	14,437
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	14,437
242	Liabilities for material expenditures (AOP 157 to 163)	156		139,488	112,489
2421	Cost reimbursements to employees	157		3,310	222
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		130,096	109,719
2426	Foreign trade payables	162		6,082	2,548
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		7,070	7,503
2491	Liabilities for taxes	171			
2492	Liabilities for VAT	172		106	7,503
2493	Liabilities for advance payments, deposits, sureties received and other unspecified liabilities	173		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	4,887,710	4,039,857
291	Accrued expenses	191		10,999	
292	Deferred income from future periods (AOP 193+194)	192		4,876,711	4,039,857
2921	Deferred income	193			
2922	Deferred revenues recognition	194		4,876,711	4,039,857
5	Proprietary sources (AOP 196+199-200)	195	12	7,013,847	7,931,679
51	Proprietary sources (AOP 197+198)	196			
511	Proprietary sources	197			
512	Revaluation reserves	198			
5221	Revenue surplus	199		7,013,847	7,931,679
5222	Revenue deficit	200			
OFF BALANCE SHEET RECORDS					
61	Off-balance sheet notes - assets	201			
62	Off-balance sheet notes - liabilities	202			

INCOME STATEMENT

Account from the acc. plan	DESCRIPTION	AOP	Not e number	2019	2020
1	2	3		4	5
REVENUE					
3	REVENUE (AOP 002+005+008+011+024+040+049)	001		8,965,943	10,151,293
31	Revenue from sale of goods and services rendering (AOP 003+004)	002	13	7,878,582	7,684,986
3111	Revenue from sale of goods	003			
3112	Revenue from services rendering	004		7,878,582	7,684,986
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	32,684	104,099
341	Income from financial assets (AOP 013 do 020)	012		32,684	104,099
3411	Interest income on loans	013			
3412	Interest income on securities	014			
3413	Interest on time deposits and demand deposits	015		186	86
3414	Revenue from penalty interest	016			
3415	Income from foreign exchange differences	017		32,498	104,013
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	977,162	2,281,688
351	Revenue from donations from the state budget (AOP 026 do 029)	025			46,773
3511	Revenue from donations from the state budget	026			
3512	Revenue from donations from the budget of local and regional self-government units	027			46,773
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		968,579	2,209,913
3521	Revenue from foreign governments and international organizations	031		968,579	2,209,913
3522	Revenues from EU institutions and bodies	032			
353	Revenue from companies and other legal entities (AOP 034+035)	033		4,989	17,846

3531	Revenue from companies and other legal entities	034		4,989	17,846
3532	Revenue from companies and other legal entities for EU projects	035			
354	Revenue from citizens and households	036		3,594	7,156
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	77,515	80,520
361	Revenue from compensation and damages, (AOP 042+043)	041		53,691	1,515
3611	Revenue from compensation for damages	042			1,515
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		23,824	79,005
3631	Write-off of liabilities	046			
3632	Paid written-off receivables	047			
3633	Other unmentioned revenue	048		23,824	79,005
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			
EXPENSES					
4	EXPENSES (AOP 055+067+108+109+120+128+139)	054		8,665,364	9,233,460
41	Expenses for employees (AOP 056+061+062)	055	17	4,076,773	4,589,410
411	Wages (AOP 057 do 060)	056		3,532,142	3,841,832
4111	Wages for regular work	057		3,478,451	3,841,832
4112	Benefit in kind	058		53,691	
4113	Wages for overtime work	059			
4114	Salaries for special working conditions	060			
412	Wages for particular working conditions	061		2,912	132,510
413	Contributions for wages (AOP 063 do 066)	062		541,719	615,068
4131	Contributions for health insurance	063		541,719	606,130
4132	Contributions for employment	064			
4133	Contributions for pension	065			
4134	Special contribution to encourage employment of persons with disabilities	066			8,938
42	Material expenses (AOP 068+072+077+082+087+097+102)	067	20	4,245,133	3,417,711
421	Personnel expenses (AOP 069 do 071)	068		570,930	145,725
4211	Business trips expenses	069		185,143	10,234
4212	Transportation, fieldwork and separate living costs	070		138,015	133,140
4213	Professional training for employees	071		247,772	2,351
422	Allowances to members in representative and executive bodies, committees and similar (AOP 073 do 076)	072			
4221	Allowances for conducting activities	073			
4222	Business trips expenses	074			
4223	Reimbursement of other expenses	075			

4224	Other expenses	076			
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			12,266
4241	Activity fees	083			12,266
4242	Business trips expenses	084			
4243	Reimbursement of other expenses	085			
4244	Other expenses	086			
425	Expense for services (AOP 088 do 096)	087		2,083,391	2,177,000
4251	Telephone and transportation expenses	088		114,675	60,561
4252	Services for current and investment maintenance	089		121,279	107,992
4253	Promotion and information services	090		58,600	18,526
4254	Municipal services	091		261,489	351,877
4255	Rent and rentals	092		903,867	970,587
4256	Health and veterinary services	093		1,471	2,083
4257	Intellectual and personal services	094		437,676	474,708
4258	Computer services	095		156,722	134,712
4259	Other services	096		27,612	55,954
426	Expenses for material and energy (AOP 098 do 101)	097		1,510,906	1,014,461
4261	Office material and other material expenses	098		108,032	84,108
4262	Material and raw materials	099		1,283,358	809,335
4263	Energy	100		72,213	106,912
4264	Small inventory and car tires	101		47,303	14,106
429	Other not mentioned material expenses (AOP 103 do 107)	102		79,906	68,259
4291	Insurance premiums	103		38,868	45,091
4292	Representation	104		20,362	4,388
4293	Membership fees	105		20,676	18,780
4294	Registration fees	106			
4295	Other not mentioned material expenses	107			
43	Depreciation	108	18	130,926	217,814
44	Financial expenses (AOP 110+111+115)	109	21	56,248	973,126
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		56,248	973,126
4431	Banking and payment services	116		25,282	53,612
4432	Negative exchange rate differences and foreign currency clauses	117		21,244	26,566
4433	Default interest	118		86	25
4434	Other not mentioned financial expenses	119		9,636	892,923
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	156,284	35,399
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		156,284	35,399
4621	Not written-off value and other expenditure alienated and disposed off non-current assets	135			28,875
4622	Receivable written off	136			
4623	Expenses for other taxes	137			
4624	Other not mentioned expenses	138		156,284	6,524
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		8,665,364	9,233,460
	Revenue surplus (AOP 001-148)	149		300,579	917,833
	Revenue deficit (AOP 148-001)	150			
5221	Revenue surplus - carried over	151		6,713,268	7,013,846
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		7,013,847	7,931,679
	Revenue deficit for collateral in the coming period (AOP 150+152-149-151+153)	155			
ADDITIONAL INFORMATION					
11	Balance of money assets at the commencement of the year	156		8,539,211	7,767,143
11-debit	Total inflows to cash accounts and cash registers	157		8,365,638	13,912,598
11-debit	Total outflows from cash accounts and cash registers	158		9,137,706	14,044,749

11	Balance of money assets at the end of the period (AOP 156+157-158)	159		7,767,143	7,634,992
	Average number of employees on the basis of the state at the end of the reporting period (integer)	160		26	29
	Average number of employees based on work hours	161		26	29
	Number of volunteers	162			
	Number of hours of volunteering	163			

The financial statements were approved on September 22, 2021 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



Marc Rappalie



Member of the
Management Board



Jakov Rimac

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 2020, the Association had 29 employees (2019.: 26 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 Mr. Marc Rapparlé.

The persons authorized to represent are:

- Marc Rapparlé, President of the Management Board;
- Jakov Rimac, Member of the Management Board.

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 2020 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 September 22, 2021.

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 31st December 2020 was HRK 7,536898 for one euro (2019: 7,417575)

2.4. 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.

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

Depreciation groups	Annual rate	Annual rate
	Previous year 2019	Current year 2020
Computers and computer equipment	25%	25%
Office furniture	12,5%	12,5%
Other office equipment	20%	20%
Investing in computer programs	100%	100%

2.4. Long- term non-financial assets (continued)

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.

2.5. 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.

2.6. Cash and cash equivalents

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

2.7. Receivables

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

2.8. 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.

2.9. 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 2019	Other rights	Founding expenses	Total
Purchase value			
Balance as of December 31, 2018	180,152	10,000	190,152
Additions	-	-	-
Disposal	-	-	-
Balance as of December 31, 2019	180,152	10,000	190,152
Value adjustment			
Balance as of December 31, 2018	98,711	-	98,711
Amortization for the year	11,924	-	11,924
Disposal	-	-	-
Balance as of December 31, 2019	110,635	-	110,635
Net book value			
Balance as of December 31, 2019	69,517	10,000	79,517
Balance as of December 31, 2018	81,441	10,000	91,441

In HRK

Current year 2020	Other rights	Founding expenses	Total
Purchase value			
Balance as of December 31, 2019	180,152	10,000	190,152
Additions	722,969	-	722,969
Disposal	(156,163)	-	(156,163)
Balance as of December 31, 2020	746,958	10,000	756,958
Value adjustment			
Balance as of December 31, 2019	110,635	-	110,635
Amortization for the year	97,774	-	97,774
Disposal	(116,541)	-	(116,541)
Balance as of December 31, 2020	91,868	-	91,868
Net book value			
Balance as of December 31, 2020	655,090	10,000	665,090
Balance as of December 31, 2019	69,518	10,000	79,518

4. Tangible assets

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

In HRK

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

In HRK

Current year 2020	Plant and equipment	Total
Purchase value		
Balance as of December 31, 2019	1,928,679	1,928,679
Additions	22,171	22,171
Disposal	(1,169,399)	(1,169,399)
Balance as of December 31, 2020	781,451	781,451
Value adjustment		
Balance as of December 31, 2019	1,586,956	1,586,956
Depreciation for the year	1,013,071	1,013,071
Disposal	(2,102,053)	(2,102,053)
Balance as of December 31, 2020	497,974	497,974
Net book value		
Balance as of December 31, 2020	283,477	283,477
Balance as of December 31, 2019	341,723	341,723

5. Tangible assets under construction

	In HRK	
	Previous year 2019	Current year 2020
Buildings under construction	28,875	0
Total	28,875	0

6. Cash and cash equivalents

	In HRK	
	Previous year 2019	Current year 2020
Cash in a bank – domestic currency	1,289,454	702,422
Cash in a bank – foreign currency	6,457,163	6,929,188
Cash in hand – domestic currency	20,527	3,382
Total	7,767,144	7,634,992

7. Deposits and receivables

	In HRK	
	Previous year 2019	Current year 2020
Receivables from employees	17,005	17,640
Receivables for excessive tax payments	1,962	44,087
Other receivables	48,721	2,041
Total	67,688	63,768

8. Receivables from revenues

	In HRK	
	Previous year 2019	Current year 2020
Trade receivables	3,766,374	3,390,723
Total	3,766,374	3,390,723

9. Prepaid expenses and accrued revenue

	In HRK	
	Previous year 2019	Current year 2020
Prepaid expenses	6,840	11,182
Accrued revenue	-	56,734
Total	6,840	67,916

10. Liabilities

	In HRK	
	Previous year 2019	Current year 2020
<i>Accounts payable to employees</i>		
Net wage liabilities	10,047	14,437
Total accounts payable to employees	10,047	14,437
<i>Liabilities for material expenditures</i>		
Domestic trade payables	130,096	109,719
Foreign trade payables	6,082	2,548
Cost reimbursement to workers	3,310	222
Total liabilities for material expenditures	139,488	112,489
<i>Other liabilities</i>		
Liabilities for advances, deposits, guarantees received and other unmentioned liabilities	6,964	-
VAT liabilities	106	7,503
Total other liabilities	7,070	7,503
Total	156,605	134,429

11. Accrued expenses and deferred income

	In HRK	
	Previous year 2019	Current year 2020
Deferred income	4,886,711	4,039,857
Accrued expenses	10,999	-
Total	4,887,710	4,039,857

12. Own sources

In HRK

	Previous year 2019	Current year 2020
Revenue surplus	7,013,847	7,931,679
Total	7,013,847	7,931,679

13. Revenue from the sale of goods and services rendering

In HRK

	Previous year 2019	Current year 2020
Revenue from services rendering	7,878,582	7,684,986
Total	7,878,582	7,684,986

14. Income from assets

In HRK

	Previous year 2019	Current year 2020
Income from foreign exchange differences	32,498	104,013
Interest income	186	86
Total	32,684	104,099

15. Revenue from donations

In HRK

	Previous year 2019	Current year 2020
Revenue from donations from abroad	968,579	2,209,913
Revenue from donations from the state budget	-	46,773
Revenue from donations of legal entities	4,989	17,846
Revenue from citizens and household	3,594	7,156
Total	977,162	2,281,688

16. Other revenues

	In HRK	
	Previous year 2019	Current year 2020
Revenue from compensation for damages	-	1,515
Revenue from refunds	53,691	-
Other income	23,824	79,005
Total	77,515	80,520

17. Expenses for employees

	In HRK	
	Previous year 2019	Current year 2020
Wages	3,532,142	3,841,832
Health insurance contributions	541,719	615,068
Other expenses for employees	2,912	132,510
Total	4,076,773	4,589,410

18. Amortization

	In HRK	
	Previous year 2019	Current year 2020
Depreciation of tangible assets	119,002	193,841
Amortization of intangible assets	11,924	23,973
Total	130,926	217,814

19. Other expenses

	In HRK	
	Previous year 2019	Current year 2020
Other expenses	156,284	35,399
Total	156,284	35,399

20. Material expenses

	In HRK	
	Previous year 2019	Current year 2020
<i>Personnel expenses</i>		
Business trips expenses	185,143	10,234
Transportation costs	138,015	133,140
Professional training for employees	247,772	2,351
Total compensation of employees	570,930	145,725
<i>Expenses to other persons outside the employment relationship</i>		
Activity fees	-	12,266
Total remuneration of members of representative and executive bodies and commissions	-	12,266
<i>Expenses for services</i>		
Rent and rentals	903,867	970,587
Intellectual and personal services	437,676	474,708
Municipal services	261,489	351,877
Telephone and transportation expenses	114,675	60,561
Computer services	156,722	134,712
Services for current and investment maintenance	121,279	107,992
Promotion and information services	58,600	18,526
Health and veterinary services	1,471	2,083
Other services	27,612	55,954
Total service costs	2,083,391	2,177,000
<i>Expenses for material and energy</i>		
Material and raw materials	1,283,358	809,335
Office material	108,032	84,108
Energy	72,213	106,912
Small inventory	47,303	14,106
Total material and energy costs	1,510,906	1,014,461
<i>Other unmentioned material costs</i>		
Insurance premiums	38,868	45,091
Membership fees	20,676	18,780
Representation	20,362	4,388
Other unmentioned material costs	-	-
Total other unmentioned material costs	79,906	68,259
Total	4,245,133	3,417,711

21. Financial expenses

	In HRK	
	Previous year 2019	Current year 2020
Banking and payment services	25,282	53,612
Negative exchange rate differences	21,244	26,566
Default interest	86	25
Other financial expenses	9,636	892,923
Total	56,248	973,126

22. Subsequent events

There were no subsequent events that should request for disclosure or adjustment of the financial statements at balance sheet date.

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