

**CHARITY COMMISSION COPY**

**CHARITY NO: 1119966**

**LA SCUOLA ITALIANA A LONDRA  
A COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**HERN & COMPANY  
Chartered Certified Accountants  
3 Buckingham Court  
Rectory Lane  
Loughton, Essex  
IG10 2QZ**

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**LA SCUOLA ITALIANA A LONDRA**  
**A COMPANY LIMITED BY GUARANTEE**  
**CHARITY INFORMATION**

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<b>Trustees (who are also directors)</b>	Mr Alberto Pravettoni Mrs Silvia Carrara de Sambuy Ms Ernestina Meloni Mrs Francesca Nelson-Smith Ms Raffaella Celia (resigned 1 September 2019) Mr Domenic Pini Ms Michaela Rees Jones Mr Christian Iachini Ms Ada Cerne
<b>Secretary</b>	Mrs C.M. Kerr
<b>Company number</b>	06046404
<b>Registered Charity number</b>	1119966
<b>Registered office</b>	154 Holland Park Avenue London W11 4SH
<b>Auditors</b>	Hern & Company Chartered Certified Accountants 3 Buckingham Court Rectory Lane Loughton Essex IG10 2QZ
<b>Bankers</b>	HSBC 25 Notting Hill Gate London W11 3JJ
<b>Solicitors</b>	Withers LLP 16 Old Bailey London EC4M 7EG

# LA SCUOLA ITALIANA A LONDRA A COMPANY LIMITED BY GUARANTEE CONTENTS

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# **LA SCUOLA ITALIANA A LONDRA A COMPANY LIMITED BY GUARANTEE REPORT OF THE TRUSTEES AND DIRECTORS**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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The trustees and directors present their report and audited financial statements for the year ended 31 August 2020.

## **Governing document and principal activity**

La Scuola Italiana A Londra was incorporated as a company limited by guarantee (company registration number 06046404) on 9 January 2007. It is governed by its Articles of Association dated 28 November 2017. The company was registered with the Charity Commission (registration number 1119966) on 5 July 2007.

The principal activity of the company continued to be that of a fully bilingual and bicultural Anglo-Italian school in London open for pupils of nursery and primary age, operated from its registered office.

The charity's website is at <https://sial.charity>.

## **Trustees and directors**

The trustees and directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr Alberto Pravettoni  
Mrs Silvia Carrara de Sambuy  
Ms Ernestina Meloni  
Mrs Francesca Nelson-Smith  
Ms Raffaella Celia (resigned 1 September 2019)  
Mr Domenic Pini  
Ms Michaela Rees Jones  
Mr Christian Iachini  
Ms Ada Cerne

## **Leadership staff**

Mr Ben Mearhart - joint head (left 31 August 2020)  
Mrs Ines Saltalamacchia - joint head (appointed head from 1 September 2020)  
Ms. Katharine Whiteside (appointed assistant head 1 September 2020)

## **Trustees' method of recruitment, appointment and election**

Trustees and directors are recruited by identifying areas of expertise which are needed. Each trustee is then asked to propose candidates who provide the board with their CV's. If the board deems them suitable, candidates are invited to introduce themselves at the start of the next scheduled board meeting. They then retire from the meeting and the board decides whether to offer them the position. If they are offered the position, they undergo a three months trial period where they participate in the board meetings. During the first of these meetings they are officially instructed on their duties and liabilities if they were to accept the board appointment and are asked to start helping with the specific tasks for which they are being considered. At the conclusion of the trial period, if the board is satisfied with their contribution and they wish to be appointed to the board, their appointment is confirmed and they are registered with the Charity Commission and Companies House.

# **LA SCUOLA ITALIANA A LONDRA**

## **A COMPANY LIMITED BY GUARANTEE**

### **REPORT OF THE TRUSTEES AND DIRECTORS (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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#### **Policy and procedures adopted for the induction and training of trustees**

As explained above, new trustees attend an induction meeting and at this meeting they are briefed on their legal obligations under charity and company law, the content of the charity's Articles of Association, the decision making process, the development plan, and recent financial performance of the charity. All trustees are encouraged to attend appropriate external training events which will facilitate their role.

#### **Organisation**

The Board of Trustees and directors administers the charity and meets four times per year as an Executive Committee. The Board takes overall responsibility for ensuring that the financial, legal and contractual responsibilities of the charity are met and that there are appropriate systems for financial and other control. It decides on policy and strategy and ensures the charity fulfils its objectives and public benefit.

The day to day running of the school is delegated to Leadership staff, Primary Teachers, Reception Teachers, Nursery Teachers, School Assistants, and up to five volunteers who help in classrooms and the playground with general teachers' support.

The Board decides remuneration for key personnel on the basis of performance, the financial situation of the school and market levels of pay for personnel of equivalent levels.

#### **Aims and objectives for the public benefit**

The objects of the charity as set out in the Articles of Association are the advancement of education for the benefit of the public by the provision and conduct of a bilingual Anglo-Italian school or schools in or near London and the provision of educational materials or services, including promotion of Italian language, literature and culture.

The trustees consider, with regard to Charity Commission guidance, that the school provides a public benefit as it promotes multiculturalism as a part of providing a bilingual education. Although it is a fee-paying school, it is accessible to children from families with limited means, with some children funded by bursaries.

The school aims to prepare children for a world that not only places a high value on educational achievement, but also on artistic flair, social awareness, independence and diversity. Children are given the opportunity to test and develop their talents across a broadly based and academically stimulating curriculum that promotes intellectual, artistic, aesthetic, physical and social development. Extracurricular activities also allow deeper exploration of subjects of particular interest as well as the development of individual skills and talents.

Its objectives are (1) to ensure that all pupils have the opportunity to learn and make progress, (2) to give pupils experience of all forms of education; linguistic, mathematical, scientific, technological, human and social, physical, aesthetic, and creative, (3) to provide the acquisition of skills in all these areas, (4) to ensure that the subject matter is appropriate for all the ages and aptitudes of its students, (5) to provide learning support to those children who require input to fully access the curriculum and (6) to promote moral, social, spiritual and cultural guidance through assemblies, RE teaching, the PSHE curriculum and the general ethos of the school.

#### **Achievement and performance**

From the initial project in 2005, when a group of Italian citizens reached out to the large community of Italians living in London to gauge interest in setting up an Italian school, the school now operates an Early Years School and Primary School.

# **LA SCUOLA ITALIANA A LONDRA**

## **A COMPANY LIMITED BY GUARANTEE**

### **REPORT OF THE TRUSTEES AND DIRECTORS (CONTINUED)**

#### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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Children start our Early Years School, in the term when they are rising 3. Classes are run five days per week and each class has two class teachers, one Italian and one English.

Our Primary School has a completely bilingual and bicultural curriculum, which allows pupils to move freely into either the Italian or the British school system at any time during their academic career. Classes are run five days per week and each class has two class teachers, one Italian and one English, who share the subjects they teach according to disciplinary group.

Also, the school is a member of the Minimum Funding Entitlement (MFE) scheme, which allows children aged 3 and 4 to be funded automatically by the Royal Borough of Kensington and Chelsea Education Authority for 15 hours per week.

La Scuola A Italiana A Londra continued to provide Italian Courses in the South of England and Wales. The income generated and expenditure incurred as Managing Agents for the Italian Consulate is disclosed as a restricted fund on pages 9 and 10.

The school has become an officially approved examination centre for the CILS exams. Created by the University of Siena in Italy, the CILS certification attests one's linguistic-communicative competence in Italian as a second language. The exams are designed to assess how learners use Italian to communicate in real-life situations. The CILS exams offer a wide range of levels that correspond to increasingly broad degrees of competence, and to different social contexts of language use. There are six levels, following the guidelines in the Common European Framework of Reference for Languages: LLP.

From 4th December 2018 (law 1st Dec 2018, n. 132) all those who apply for Italian citizenship, whether they are married to an Italian or are a resident in Italy, must prove to have an adequate knowledge of the Italian language at a level no lower than B1 Cittadinanza of the Common Reference Framework for the knowledge of languages.

The school offers several CILS exam sessions per year, and also preparation courses for those who wish to sit the exams.

The achievements and performance this year once again ensure that the general plan of the initial project in 2005 continues to be fulfilled.

#### **Financial review and reserves policy**

The total income for the year has decreased from £1,675,814 (2019) to £1,651,078 (2020). However, expenditure has increased from £1,706,748 (2019) to £1,758,832 (2020), thus resulting in a net deficit for 2020 of £107,754. During the year, the school received funding from the Italian Consulate of £35,345 (€40,698). The school's primary source of funding is the term fees paid on behalf of the pupils. Additionally, the Italian Consulate provided funding of £251,711 in respect of the language course programme.

The School's 2020 net deficit of £39,053 resulted because unrestricted income decreased by 8.32% due to a lower level of term fees income, even though £49,734 of the Job Retention Scheme was claimed during the year. The school's expenditure decreased by 8.64% due to a lower amortisation charge for the year, as the lease is now expected to continue until at least 2026. The charity's deficit for the year was increased by a deficit of £68,701 generated from its restricted activity so resulting in a global net deficit of £107,754.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and four month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been exceeded throughout the year.

# **LA SCUOLA ITALIANA A LONDRA**

## **A COMPANY LIMITED BY GUARANTEE**

### **REPORT OF THE TRUSTEES AND DIRECTORS (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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#### **Financial review and reserves policy - continued**

The building fund has been established, in anticipation of a move to larger premises in the future and is intended to cover the increased costs of these premises. £35,159 has been transferred this year as disclosed in note 10 of the financial statements on page 19 to cover the cost of amortisation charged against the fund. As the school was not able to find suitable freehold property, the governors decided to enter into a long lease agreement for part of 156 Holland Park Avenue, which expires in May 2031. This lease may be terminated as early as May 2026, so the building fund will not incur significant expenditure prior to that date other than the amortisation of leasehold improvements.

At 31 August 2020, the language teachers restricted income fund was in deficit by £52,461. This has arisen because the funding cycle for this income is on a calendar year basis. Between September and December 2020, additional funding has been received from the Italian Consulate to cover this deficit.

At 31 August 2020, the school held total funds of £2,134,473, of which £1,796,790 was designated for the building fund. Total funds include tangible fixed assets of £216,857, of which £203,853 relates to the building fund. Reserves of the charity, after allowing for the designated fund and fixed assets were £381,905.

#### **Future plans**

The school aims to continue to offer a safe, nurturing and inspiring learning environment, and to increase its other activities linked to its charitable objective of promotion of the Italian language and culture. It is planned to expand the offer of its Italian language classes run outside of school hours and to offer Italian language classes to adults, with a view to increasing the number exam sessions run each year by the Italian CILS exam centre. The school will also increase support for its bursaries scheme, for those who have been more affected by current economic disruptions.

#### **Risk factors**

The trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

As the school has a large base of Italian families, the recent outbreak of Coronavirus COVID-19 outbreak has created some uncertainty with regard to the number of Italian pupils will be attending the School in the next Academic year. The School have minimised the impact on the children's learning by moving their teaching online, using a mix of Google Classroom platform and online lessons via Zoom. The Board continues to monitor the situation very closely, but the future performance of the school could be affected by a diminishing number of students.

The trustees are covered by third party indemnity insurance.

#### **Compliance with requirements**

The financial statements have been prepared in accordance with the accounting policies set out in note 1 on pages 13-16 and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland" published on 16 July 2014.

#### **Auditors**

In accordance with the company's articles, a resolution proposing that Hern & Company be reappointed as auditors of the company will be put at a General Meeting.

**LA SCUOLA ITALIANA A LONDRA**  
**A COMPANY LIMITED BY GUARANTEE**  
**REPORT OF THE TRUSTEES AND DIRECTORS (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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**Trustees' responsibilities**

The trustees (who are also the directors for the purpose of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees must prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

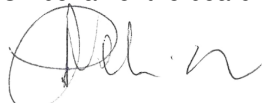
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements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

**Statement of disclosure to auditors**

The trustees confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

On behalf of the board



Mrs Francesca Nelson-Smith  
Member of the Board of Trustees  
29 July 2021



# **LA SCUOLA ITALIANA A LONDRA A COMPANY LIMITED BY GUARANTEE INDEPENDENT AUDITOR'S REPORT**

## **TO THE MEMBERS OF LA SCUOLA ITALIANA A LONDRA**

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### **Opinion**

We have audited the financial statements of La Scuola Italiana A Londra (the 'charitable company') for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the 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 charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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 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 trustees' report and financial statements 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. 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.

# **LA SCUOLA ITALIANA A LONDRA**

## **A COMPANY LIMITED BY GUARANTEE**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF LA SCUOLA ITALIANA A LONDRA**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 5 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

**LA SCUOLA ITALIANA A LONDRA  
A COMPANY LIMITED BY GUARANTEE  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF LA SCUOLA ITALIANA A LONDRA**

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**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 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.



29 July 2021

**Philip Robert Hern (Senior Statutory Auditor)**  
**for and on behalf of Hern & Company**  
**Chartered Certified Accountants**  
**Statutory Auditor**  
3 Buckingham Court  
Rectory Lane  
Loughton  
Essex  
IG10 2QZ

**LA SCUOLA ITALIANA A LONDRA  
A COMPANY LIMITED BY GUARANTEE  
STATEMENT OF FINANCIAL ACTIVITIES OF INCOME FUNDS  
FOR THE YEAR ENDED 31 AUGUST 2020  
INCLUDING THE INCOME AND EXPENDITURE ACCOUNT**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
<b>Income from:</b>				
Donations				
Italian Consulate Donation	35,345	-	35,345	40,231
Other Donations	12,000	-	12,000	1,419
Grants	787	-	787	500
Christmas fair	1,494	-	1,494	1,826
	49,626	-	49,626	43,976
Charitable activities				
After school club	19,625	-	19,625	28,545
Term fees	952,720	-	952,720	1,139,544
Language school income	-	481,074	481,074	400,770
Minimum Funding Entitlement	42,250	-	42,250	39,550
Registration fees	3,547	-	3,547	3,523
Italian courses	31,608	-	31,608	-
Other income	1,618	-	1,618	-
	1,051,368	481,074	1,532,442	1,611,932
Investments				
Bank interest received	5,751	-	5,751	7,801
Interest on AUGB loan	12,405	-	12,405	12,105
	18,156	-	18,156	19,906
Other income				
Job Retention Scheme grant	49,734	1,120	50,854	-
<b>Total</b>	1,168,884	482,194	1,651,078	1,675,814
<b>Expenditure on:</b>				
Raising funds				
Christmas fair	-	-	-	50
	-	-	-	50

**LA SCUOLA ITALIANA A LONDRA**  
**A COMPANY LIMITED BY GUARANTEE**  
**STATEMENT OF FINANCIAL ACTIVITIES OF INCOME FUNDS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**  
**INCLUDING THE INCOME AND EXPENDITURE ACCOUNT**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Charitable activities				
School trips and travel	2,346	12,068	14,414	18,237
Advertising and marketing	260	-	260	8,832
Website costs	332	14,609	14,941	4,739
Lunch costs	8,243	-	8,243	15,396
Salaries	669,664	378,512	1,048,176	953,995
Employers national insurance	58,169	20,958	79,127	66,332
Staff pensions	93,132	-	93,132	48,014
Staff training	1,439	1,746	3,185	9,868
Redundancy	7,000	-	7,000	-
Recruitment	7,920	-	7,920	2,900
Rent	207,148	81,004	288,152	279,867
Rates	8,528	2,831	11,359	8,551
Light & heat	82	31	113	5,249
Insurance	13,083	-	13,083	12,671
Postage & stationery	6,441	349	6,790	7,688
Educational supplies	7,262	444	7,706	11,944
Examination fees	3,608	-	3,608	-
Telephone	759	150	909	1,129
Computer costs	904	23,777	24,681	5,451
Repairs & renewals	4,792	-	4,792	2,677
Legal and professional fees	12,482	-	12,482	13,918
Accountancy fees	8,808	5,262	14,070	14,238
Audit fees	2,415	2,415	4,830	4,290
Cleaning	23,678	455	24,133	29,567
Staff welfare	422	823	1,245	1,725
Bank charges	1,836	3,496	5,332	4,848
Bad debts	-	-	-	10,400
Sundry expenses	1,895	256	2,151	2,407
Depreciation	20,130	1,636	21,766	20,374
Amortisation	35,159	-	35,159	141,391
	<u>1,207,937</u>	<u>550,822</u>	<u>1,758,759</u>	<u>1,706,698</u>
Interest payable	-	73	73	-
<b>Total</b>	<u>(1,207,937)</u>	<u>(550,895)</u>	<u>(1,758,832)</u>	<u>(1,706,748)</u>
<b>Net expenditure for the year</b>	(39,053)	(68,701)	(107,754)	(30,934)
<b>Reconciliation of funds:</b>				
Total funds brought forward	2,225,987	16,240	2,242,227	2,273,161
<b>Total funds carried forward</b>	<u><u>2,186,934</u></u>	<u><u>(52,461)</u></u>	<u><u>2,134,473</u></u>	<u><u>2,242,227</u></u>

**LA SCUOLA ITALIANA A LONDRA**  
**A COMPANY LIMITED BY GUARANTEE**  
**BALANCE SHEET**

**AS AT 31 AUGUST 2020**

		2020		2019	
	Notes	£	£	£	£
<b>Non-current assets</b>					
Tangible assets	6		216,857		266,347
Investments	7		278,061		333,293
			<u>494,918</u>		<u>599,640</u>
<b>Current assets</b>					
Debtors due within one year	8	232,715		285,996	
Debtors due after more than one year	8	90,000		97,031	
Investments	7	53,399		51,468	
Cash at bank and in hand		1,652,897		1,793,969	
		<u>2,029,011</u>		<u>2,228,464</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(389,456)</u>		<u>(585,877)</u>	
<b>Net current assets</b>			<u>1,639,555</u>		<u>1,642,587</u>
<b>Total assets less current liabilities</b>			<u><u>2,134,473</u></u>		<u><u>2,242,227</u></u>
<b>Funds of the Charity</b>					
Operational and designated funds	10		2,186,934		2,225,987
Restricted income funds	10		(52,461)		16,240
			<u>2,134,473</u>		<u>2,242,227</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board for issue on 29 July 2021



Mr Alberto Pravettoni  
 Director

Company Registration No. 06046404  
 Charity Registration No. 1119966

**LA SCUOLA ITALIANA A LONDRA**  
**A COMPANY LIMITED BY GUARANTEE**  
**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	2020 £	2019 £
<b>Operating activities:</b>			
Receipts from donations and fund raising		91,375	43,080
Receipts from term fees and other educational activities		1,397,097	1,571,587
Interest received		3,843	4,645
Payments to suppliers of goods and services		(499,967)	(507,195)
Payments to and on behalf of staff		(1,226,850)	(1,029,885)
<b>Net cash provided by (used in) operating activities</b>	<b>15</b>	<u>(234,502)</u>	<u>82,232</u>
<b>Investing activities:</b>			
Purchase of property, plant and equipment		(7,435)	(41,097)
Loan repayments from AUGB		53,300	51,775
Interest received		15,617	12,706
<b>Net cash provided by investing activities</b>		<u>61,482</u>	<u>23,384</u>
<b>Financing activities:</b>			
Interest paid		(73)	-
<b>Net cash used in financing activities</b>		<u>(73)</u>	<u>-</u>
Cash flow for the year		(173,093)	105,616
Opening cash and cash equivalents		1,793,969	1,688,353
Closing cash and cash equivalents		<u>1,620,876</u>	<u>1,793,969</u>

# LA SCUOLA ITALIANA A LONDRA A COMPANY LIMITED BY GUARANTEE NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 AUGUST 2020**

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## **1 Accounting policies**

### **Company information**

La Scuola Italiana A Londra is a company limited by guarantee, incorporated in England and Wales. The registered office is 154 Holland Park Avenue London W11 4SH.

### **1.1 Accounting convention**

The charity is a public benefit entity. These financial statements have been prepared in accordance with the SORP, the Companies Act 2006, FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' and FRC abstracts.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. There are no material uncertainties regarding going concern.

In assessing going concern, trustees have considered the period up to August 2022.

### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business. The fair value of consideration takes into account volume discounts.

### **1.4 Expenditure**

Expenses are included in the financial statements as they become due.

Expenses include VAT where applicable.

### **1.5 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	over the minimum lease term (8 May 2026)
Fixtures, fittings & equipment	25% on cost.



**LA SCUOLA ITALIANA A LONDRA**  
**A COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1 Accounting policies (continued)**

**1.6 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**1.7 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.8 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

***Basic financial assets***

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Impairment of financial assets***

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in income or expenditure.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in income or expenditure.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

***Classification of financial liabilities***

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

**LA SCUOLA ITALIANA A LONDRA**  
**A COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1 Accounting policies (continued)**

**1.8 Financial instruments (continued)**

***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

**1.9 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

**1.10 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.11 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

**1.12 Fund Accounting**

The Charity maintains various types of funds as follows:

Unrestricted Funds

Designated funds are amounts which have been put aside at the discretion of the Trustees for a designated purpose. Operational reserves are unrestricted funds, which are expendable at the discretion of the Trustees in the furtherance of the objects of the Charity.

Restricted Funds

Restricted funds represent a grant from Consolate Generale d'Italia Londra, to provide a financial contribution to fund the Managing Agent operation for all the Italian courses in the south of England and Wales.

**LA SCUOLA ITALIANA A LONDRA**  
**A COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**1 Accounting policies (continued)**

**1.13 Government grants**

Government grants, including the Job Retention Scheme, are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

<b>2 Charitable activities</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Expenditure on charitable activities consists of:</b>		
Activities undertaken directly	1,411,715	1,408,851
Support costs	347,044	297,847
	<u>1,758,759</u>	<u>1,706,698</u>
<b>3 Support costs</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Governance (staff) (% non-contact time of senior management)	149,512	134,187
Administration (staff)	103,249	73,430
Professional fees	39,302	35,346
Rent (10% of total rent)	21,716	20,685
Amortisation	3,516	14,139
Other expenses	29,749	20,060
	<u>347,044</u>	<u>297,847</u>
<b>4 Net income for the year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Net income for the year is stated after charging:		
Auditors' remuneration - audit	4,830	4,290
Auditors' remuneration - other	14,149	14,317
	<u>19,979</u>	<u>18,607</u>

**5 Taxation**

The company is not subject to corporation tax on its investment income as it is a charity, which is exempt from tax.

**LA SCUOLA ITALIANA A LONDRA**  
**A COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**6 Tangible fixed assets**

	<b>Land and buildings (short lease) £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 September 2019	645,262	102,170	747,432
Additions	4,422	3,013	7,435
At 31 August 2020	<u>649,684</u>	<u>105,183</u>	<u>754,867</u>
<b>Depreciation</b>			
At 1 September 2019	410,672	70,413	481,085
Eliminated on disposal	-	-	-
Charge for the year	35,159	21,766	56,925
At 31 August 2020	<u>445,831</u>	<u>92,179</u>	<u>538,010</u>
<b>Net book value</b>			
At 31 August 2020	<u>203,853</u>	<u>13,004</u>	<u>216,857</u>
At 31 August 2019	<u>234,590</u>	<u>31,757</u>	<u>266,347</u>

Land and buildings represent improvements to 156 Holland Park Avenue, which is held under an operating lease with a minimum term until 8 May 2026. In previous years, the minimum lease term was assessed as being to 8 May 2021, but this has been extended as the break clause has not been exercised.

If the minimum lease term had still been 8 May 2021, depreciation of £142,010 would have been charged in these accounts, with the remaining net book value being written off in the year ended 31 August 2021.

**LA SCUOLA ITALIANA A LONDRA**  
**A COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

<b>7 Investments</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
AUGB investment		
Non-current	278,061	333,293
Current	53,399	51,468
	<u>331,460</u>	<u>384,761</u>
Balance as at 1 September	384,761	436,536
Repayments	(64,167)	(64,167)
Interest	10,866	12,392
	<u>331,460</u>	<u>384,761</u>

The investment is a programme related concessionary loan to the landlord of the property from which the company operates. The landlord has provisionally agreed to repay £593,551 over a ten year period, interest free. For financial reporting purposes, the present value of the cash flows at inception of the agreement was estimated at £515,606, with the balance being treated as finance income over the term of the agreement.

This is a debt instrument measured at amortised cost.

<b>8 Debtors</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade debtors	189,300	245,505
Other debtors	4,305	4,305
Prepayments and accrued income	129,110	133,217
	<u>322,715</u>	<u>383,027</u>

Included in prepayments and accrued income is £90,000, which is due after one year, (2019 - £97,031).

<b>9 Creditors: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank overdraft	32,021	-
Trade creditors	5,420	2,938
Accruals and deferred income	246,123	454,483
Taxation and social security	9,014	15,264
Other creditors	96,878	113,192
	<u>389,456</u>	<u>585,877</u>

Accruals and deferred income includes £228,781 of deferred income (2019 - £405,713). Deferred income represents term fees and language school tuition fees for the following autumn paid before the year end. The entire amount is recognised as income in the following accounting period.

**LA SCUOLA ITALIANA A LONDRA**  
**A COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**10 Statement of movements on funds**

	Balance 1 September 2019	Transfers	Increased / (Decreased)	Balance 31 August 2020
	£	£	£	£
Operational reserves as previously stated	429,197	(35,159)	(3,894)	390,144
Building Fund - Designated	1,796,790	35,159	(35,159)	1,796,790
Restricted Fund - Language Teachers	16,240	-	(68,701)	(52,461)
	<u>2,242,227</u>	<u>-</u>	<u>(107,754)</u>	<u>2,134,473</u>

The building fund has been established, in anticipation of a move to larger premises, in the future. The fund is intended to cover the increased costs of these premises, until they can be operated at capacity.

The language teachers fund represents the surplus or deficit achieved for the provision of language tuition. This is partly funded by the Italian Government, and any money not used for the provision of the service is to be refunded to the government. The funding cycle is from January to December, so any surplus at December will normally be repaid in the following year.

**11 Employees**

**Number of employees**

The average monthly number of employees (including directors) during the year was:

	2020 Number	2019 Number
Administration	7	5
Teaching	14	16
Cafeteria	2	2
Language teachers	27	20
	<u>50</u>	<u>43</u>

**Employment costs**

	2020 £	2019 £
Wages and salaries	1,048,176	953,995
Social security costs	79,127	66,332
Other pension costs	93,132	48,014
	<u>1,220,435</u>	<u>1,068,341</u>

Two employees earn between £60,000 and £70,000 (excluding employer's pension contributions) (2019 - no employee earned in excess of £60,000).

No trustee receives any remuneration, benefits or expenses from the charity.

Members of key management received remuneration (including employer's pension and national insurance contributions) of £163,401 (2019 - £146,653).

**LA SCUOLA ITALIANA A LONDRA**  
**A COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**12 Contingent liabilities**

On cessation of the lease for 156 Holland Park Avenue, the landlord may require the charity to remove some of the improvements that have been made. No provision has been made for this cost in these financial statements, as it is not certain that the landlord will require this work, the cost cannot be evaluated with any certainty, and the timing of any expenditure would be dependent on whether the break clause in the lease was triggered and when. The earliest date at which the lease can be terminated is 8 May 2026.

**13 Financial commitments**

At 31 August 2020 the company was committed to making the following payments under non-cancellable operating leases:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Within one year	143,381	218,502
Between one and five years	-	143,381
	<u>143,381</u>	<u>361,883</u>

**14 Analysis of net assets between funds**

	<b>Restricted -</b>	<b>Operational</b>	<b>Building</b>	<b>2020</b>
	<b>Language</b>	<b>Reserves</b>	<b>Fund</b>	<b>Total</b>
	<b>Teachers</b>			
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible assets	4,765	8,239	203,853	216,857
Non-current investments	-	-	278,061	278,061
Current debtors	3,872	221,992	6,851	232,715
Non-current debtors	-	-	90,000	90,000
Current investments	-	-	53,399	53,399
Cash at bank and in hand	-	482,800	1,170,097	1,652,897
Less: Creditors: Amounts falling due within one year	(61,098)	(322,887)	(5,471)	(389,456)
	<u>(52,461)</u>	<u>390,144</u>	<u>1,796,790</u>	<u>2,134,473</u>

**LA SCUOLA ITALIANA A LONDRA**  
**A COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**14 Analysis of net assets between funds (continued)**

	<b>Restricted - Language Teachers</b>	<b>Operational Reserves</b>	<b>Building Fund</b>	<b>2019 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible assets	3,389	28,368	234,590	266,347
Non-current investments	-	-	333,293	333,293
Current debtors	4,842	271,154	10,000	285,996
Non-current debtors	-	180	96,851	97,031
Current investments	-	-	51,468	51,468
Cash at bank and in hand	66,245	630,311	1,097,413	1,793,969
Less: Creditors: Amounts falling due within one year	(58,236)	(500,816)	(26,825)	(585,877)
	<u>16,240</u>	<u>429,197</u>	<u>1,796,790</u>	<u>2,242,227</u>

**15 Reconciliation of cash flow from operating activities to income**

	<b>2020 £</b>	<b>2019 £</b>
Net expenditure for the year	(107,754)	(30,934)
Change in debtors	57,175	(39,090)
Change in creditors	(228,443)	5,752
Depreciation	21,766	20,374
Amortisation	35,159	141,391
Disposal of fixed assets	-	-
Interest from investing activities	(12,405)	(15,261)
	<u>(234,502)</u>	<u>82,232</u>

In calculating the change in debtors £1,832 has been excluded from the balance in respect of accrued finance income as at 31 August 2020 (2019 - £4,969).

**16 Post balance sheet events**

The charity elected not to exercise the break clauses in its leases for buildings. As a result, the charity now has a commitment to continue renting its premises until 8 May 2026.

**17 Government Grants**

The Covid-19 pandemic began in January 2020, which has had an impact throughout the economy. The company has applied for and received grants of £50,854 in respect of the UK government Job Retention Scheme for the period April to August 2020. It is expected that further comparable payments will be received for the duration of the scheme.