

LA SCUOLA ITALIANA A LONDRA
A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

LA SCUOLA ITALIANA A LONDRA

A COMPANY LIMITED BY GUARANTEE

CHARITY INFORMATION

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

LA SCUOLA ITALIANA A LONDRA

A COMPANY LIMITED BY GUARANTEE

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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 2021

The trustees and directors present their report and audited financial statements for the year ended 31 August 2021.

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
Mr Domenic Pini
Ms Michaela Rees Jones
Mr Christian Iachini
Ms Ada Cerne

Leadership staff

Mrs Ines Saltalamacchia - head
Ms. Katharine Whiteside - assistant head
Ms. Eleonora Giovannardi - coordinator of managing agent activity

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.

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.

LA SCUOLA ITALIANA A LONDRA

A COMPANY LIMITED BY GUARANTEE

REPORT OF THE TRUSTEES AND DIRECTORS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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.

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.

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

FOR THE YEAR ENDED 31 AUGUST 2021

Achievement and performance - continued

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 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 is also an officially approved examination centre for the CILS exams, which attest competence in Italian as a second language. 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 £1,651,078 (2020) to £1,425,094 (2021). However, expenditure has decreased from £1,758,832 (2020) to £1,481,582 (2021), thus resulting in a net deficit for 2021 of £56,488. During the year, the school received funding from the Italian Consulate of £34,724 (€39,109). The school's primary source of funding is the term fees paid on behalf of the pupils. Additionally, the Italian Consulate provided funding of £401,503 in respect of the language course programme.

The School's 2021 net deficit of £110,643 resulted because unrestricted income decreased by 24.95% due to a lower level of term fees income, even though £36,096 of the Job Retention Scheme was claimed during the year. The school's expenditure decreased by 18.22% due to lower staff costs for the year. The charity's deficit for the year was decreased by a surplus of £54,155 generated from its restricted activity so resulting in a global net deficit of £56,488.

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.

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. £35,841 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 2021, the school held total funds of £2,077,985, of which £1,796,790 was designated for the building fund. Total funds include tangible fixed assets of £174,737, of which £168,012 relates to the building fund. Reserves of the charity, after allowing for the designated fund and fixed assets were £276,955.

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

FOR THE YEAR ENDED 31 AUGUST 2021

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 them.

As the school has a large base of Italian families, the recent outbreak of Coronavirus COVID-19 has created some uncertainty with regard to the number of Italian pupils attending the School. During the year 2021, the School has 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, and the number of children enrolled in the next academic year shows a slight increase compared to the previous years.

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 2021

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
20 May 2022

LA SCUOLA ITALIANA A LONDRA

A COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LA SCUOLA ITALIANA A LONDRA

Opinion

We have audited the financial statements of La Scuola Italiana A Londra (the 'charitable company') for the year ended 31 August 2021 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 2021 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

LA SCUOLA ITALIANA A LONDRA

A COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LA SCUOLA ITALIANA A LONDRA

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

TO THE MEMBERS OF LA SCUOLA ITALIANA A LONDRA

Auditor's responsibilities for the audit of the financial statements - continued

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, and Tax and Pensions legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the charitable company and therefore may have a material effect on the financial statements include educational, child welfare and health and safety legislation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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.

Use of our report

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



24 May 2022

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 2021
INCLUDING THE INCOME AND EXPENDITURE ACCOUNT

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
Income from:				
Donations				
Italian Consulate Donation	34,724	-	34,724	35,345
Other Donations	8,573	-	8,573	12,000
Grants	750	-	750	787
Christmas fair	1,350	-	1,350	1,494
	<u>45,397</u>	<u>-</u>	<u>45,397</u>	<u>49,626</u>
Charitable activities				
After school club	7,200	-	7,200	19,625
Term fees	677,332	-	677,332	952,720
Language school income	-	547,895	547,895	481,074
Minimum Funding Entitlement	29,319	-	29,319	42,250
Registration fees	3,803	-	3,803	3,547
Italian courses	58,140	-	58,140	31,608
Other income	6,699	-	6,699	1,618
	<u>782,493</u>	<u>547,895</u>	<u>1,330,388</u>	<u>1,532,442</u>
Investments				
Bank interest received	7,942	-	7,942	5,751
Interest on AUGB loan	5,271	-	5,271	12,405
	<u>13,213</u>	<u>-</u>	<u>13,213</u>	<u>18,156</u>
Other income				
Job Retention Scheme grant	36,096	-	36,096	50,854
Total	<u>877,199</u>	<u>547,895</u>	<u>1,425,094</u>	<u>1,651,078</u>

LA SCUOLA ITALIANA A LONDRA
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES OF INCOME FUNDS
FOR THE YEAR ENDED 31 AUGUST 2021
INCLUDING THE INCOME AND EXPENDITURE ACCOUNT

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
Expenditure on:				
Charitable activities				
School trips and travel	313	11,081	11,394	14,414
Advertising and marketing	11,585	2,007	13,592	260
Website costs	1,283	15,001	16,284	14,941
Lunch costs	6,121	-	6,121	8,243
Salaries	500,888	397,875	898,763	1,048,176
Employers national insurance	43,375	24,209	67,584	79,127
Staff pensions	62,079	-	62,079	93,132
Staff training	383	-	383	3,185
Redundancy	3,766	-	3,766	7,000
Recruitment	-	-	-	7,920
Rent	207,485	7,244	214,729	288,152
Rates	8,843	98	8,941	11,359
Light & heat	6,275	3	6,278	113
Insurance	13,411	-	13,411	13,083
Postage & stationery	6,748	74	6,822	6,790
Educational supplies	5,862	97	5,959	7,706
Examination fees	14,456	-	14,456	3,608
Telephone	700	120	820	909
Computer costs	3,857	14,205	18,062	24,681
Repairs & renewals	1,960	590	2,550	4,792
Legal and professional fees	2,900	1,000	3,900	12,482
Accountancy fees	7,056	11,580	18,636	14,070
Audit fees	2,430	2,430	4,860	4,830
Cleaning	28,538	572	29,110	24,133
Staff welfare	811	50	861	1,245
Bank charges	3,097	2,867	5,964	5,332
Sundry expenses	2,086	278	2,364	2,151
Depreciation	5,693	1,546	7,239	21,766
Amortisation	35,841	-	35,841	35,159
Loss on disposal of fixed assets	-	485	485	-
	987,842	493,412	1,481,254	1,758,759
Interest payable	-	328	328	73
Total	(987,842)	(493,740)	(1,481,582)	(1,758,832)
Net expenditure for the year	(110,643)	54,155	(56,488)	(107,754)
Reconciliation of funds:				
Total funds brought forward	2,186,934	(52,461)	2,134,473	2,242,227
Total funds carried forward	2,076,291	1,694	2,077,985	2,134,473

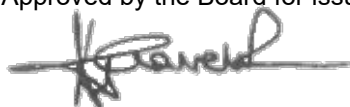
LA SCUOLA ITALIANA A LONDRA
A COMPANY LIMITED BY GUARANTEE
BALANCE SHEET

AS AT 31 AUGUST 2021

		2021		2020	
	Notes	£	£	£	£
Non-current assets					
Tangible assets	6		174,737		216,857
Investments	7		219,340		278,061
			<u>394,077</u>		<u>494,918</u>
Current assets					
Debtors due within one year	8	191,174		232,715	
Debtors due after more than one year	8	90,000		90,000	
Investments	7	55,360		53,399	
Cash at bank and in hand		1,763,073		1,652,897	
		<u>2,099,607</u>		<u>2,029,011</u>	
Creditors: amounts falling due within one year	9	<u>(415,699)</u>		<u>(389,456)</u>	
Net current assets			<u>1,683,908</u>		<u>1,639,555</u>
Total assets less current liabilities			<u><u>2,077,985</u></u>		<u><u>2,134,473</u></u>
Funds of the Charity					
Operational and designated funds	10		2,076,291		2,186,934
Restricted income funds	10		1,694		(52,461)
			<u>2,077,985</u>		<u>2,134,473</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 20 May 2022



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 2021

	Notes	2021 £	2020 £
Operating activities:			
Receipts from donations and fund raising		77,233	91,375
Receipts from term fees and other educational activities		1,449,503	1,397,097
Interest received		7,942	3,843
Payments to suppliers of goods and services		(403,600)	(499,967)
Payments to and on behalf of staff		(1,051,309)	(1,226,850)
Net cash provided by (used in) operating activities	15	79,769	(234,502)
Investing activities:			
Purchase of property, plant and equipment		(1,854)	(7,435)
Proceeds on disposal of property, plant and equipment		409	-
Loan repayments from AUGB		56,760	53,300
Interest received		7,407	15,617
Net cash provided by investing activities		62,722	61,482
Financing activities:			
Interest paid		(294)	(73)
Net cash used in financing activities		(294)	(73)
Cash flow for the year		142,197	(173,093)
Opening cash and cash equivalents		1,620,876	1,793,969
Closing cash and cash equivalents		1,763,073	1,620,876

LA SCUOLA ITALIANA A LONDRA

A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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 2023.

1.3 Incoming resources

Incoming resources are 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. Donations are recognised on receipt. Term fees, after school club fees, income of the language school, Minimum Funding Entitlement and course fees are recognised in the period in which the related services are performed.

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 2021

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 2021

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 2021

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.

2 Charitable activities	2021 £	2020 £
Expenditure on charitable activities consists of:		
Activities undertaken directly	1,145,489	1,411,715
Support costs	335,765	347,044
	<u>1,481,254</u>	<u>1,758,759</u>
3 Support costs	2021 £	2020 £
Governance (staff) (% non-contact time of senior management)	103,195	149,512
Administration (staff)	139,363	103,249
Professional fees	27,396	39,302
Rent (10% of total rent)	20,749	21,716
Amortisation	3,584	3,516
Other expenses	41,478	29,749
	<u>335,765</u>	<u>347,044</u>
4 Net income for the year	2021 £	2020 £
Net income for the year is stated after charging:		
Auditors' remuneration - audit	4,860	4,830
Auditors' remuneration - other	18,715	14,149

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 2021

6 Tangible fixed assets

	Land and buildings (short lease) £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 September 2020	649,684	105,183	754,867
Additions	-	1,854	1,854
Disposals	-	(7,672)	(7,672)
Reallocations	-	-	-
At 31 August 2021	649,684	99,365	749,049
Depreciation			
At 1 September 2020	445,831	92,179	538,010
Eliminated on disposal	-	(6,778)	(6,778)
Charge for the year	35,841	7,239	43,080
At 31 August 2021	481,672	92,640	574,312
Net book value			
At 31 August 2021	168,012	6,725	174,737
At 31 August 2020	203,853	13,004	216,857

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, the opening net book value would have been £97,002, which would have been charged in these accounts.

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

FOR THE YEAR ENDED 31 AUGUST 2021

7 Investments	2021	2020
	£	£
AUGB investment		
Non-current	219,340	278,061
Current	55,360	53,399
	<u>274,700</u>	<u>331,460</u>
Balance as at 1 September	331,460	384,761
Repayments	(64,167)	(64,167)
Interest	7,407	10,866
	<u>274,700</u>	<u>331,460</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.

8 Debtors	2021	2020
	£	£
Trade debtors	141,234	189,300
Other debtors	5,822	4,305
Prepayments and accrued income	134,118	129,110
	<u>281,174</u>	<u>322,715</u>

Included in prepayments and accrued income is £90,000, which is due after one year, (2020 - £90,000).

9 Creditors: amounts falling due within one year	2021	2020
	£	£
Bank overdraft	-	32,021
Trade creditors	1,824	5,420
Accruals and deferred income	292,605	246,123
Taxation and social security	16,863	9,014
Other creditors	104,407	96,878
	<u>415,699</u>	<u>389,456</u>

Accruals and deferred income includes £268,015 of deferred income (2020 - £228,781). 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 2021

10 Statement of movements on funds

	Balance 1 September 2020	Transfers	Increased / (Decreased)	Balance 31 August 2021
	£	£	£	£
Operational reserves	390,144	(35,841)	(74,802)	279,501
Building Fund - Designated	1,796,790	35,841	(35,841)	1,796,790
Restricted Fund - Language Teachers	(52,461)	-	54,155	1,694
	<u>2,134,473</u>	<u>-</u>	<u>(56,488)</u>	<u>2,077,985</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.

11 Employees

Number of employees

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

	2021 Number	2020 Number
Administration	5	7
Teaching	13	14
Cafeteria	2	2
Language teachers	33	27
	<u>53</u>	<u>50</u>

Employment costs

	2021 £	2020 £
Wages and salaries	898,763	1,048,176
Social security costs	67,584	79,127
Other pension costs	62,079	93,132
	<u>1,028,426</u>	<u>1,220,435</u>

One employee earns between £60,000 and £70,000 (excluding employer's pension contributions) (2020 - two employees 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 £198,661 (2020 - £163,401).

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

FOR THE YEAR ENDED 31 AUGUST 2021

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 2021 the company was committed to making the following payments under non-cancellable operating leases:

	2021 £	2020 £
Within one year	218,502	143,381
Between one and five years	798,887	-
	<u>1,017,389</u>	<u>143,381</u>

14 Analysis of net assets between funds

	Restricted - Language Teachers	Operational Reserves	Building Fund	2021 Total
	£	£	£	£
Tangible assets	4,179	2,546	168,012	174,737
Non-current investments	-	-	219,340	219,340
Current debtors	465	190,709	-	191,174
Non-current debtors	-	-	90,000	90,000
Current investments	-	-	55,360	55,360
Cash at bank and in hand	1,621	497,374	1,264,078	1,763,073
Less: Creditors: Amounts falling due within one year	(4,571)	(411,128)	-	(415,699)
	<u>1,694</u>	<u>279,501</u>	<u>1,796,790</u>	<u>2,077,985</u>

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

FOR THE YEAR ENDED 31 AUGUST 2021

14 Analysis of net assets between funds (continued)

	Restricted - Language Teachers	Operational Reserves	Building Fund	2020 Total
	£	£	£	£
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>

15 Reconciliation of cash flow from operating activities to income

	2021 £	2020 £
Net expenditure for the year	(56,488)	(107,754)
Change in debtors	41,238	57,175
Change in creditors	58,263	(228,443)
Depreciation	7,239	21,766
Amortisation	35,841	35,159
Disposal of fixed assets	485	-
Interest from investing activities	(6,809)	(12,405)
	<u>79,769</u>	<u>(234,502)</u>

In calculating the change in debtors £1,529 has been excluded from the balance in respect of accrued finance income as at 31 August 2021 (2020 - £1,832).

16 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 £36,096 in respect of the UK government Job Retention Scheme for the period January 2021 to August 2021.

17 Related party transactions

Except as shown in note 11 there have been no transactions with related parties during the year.