

THE BRITISH-GERMAN ASSOCIATION

THE BRITISH-GERMAN ASSOCIATION
REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR
FROM 1 JANUARY 2004 TO 31 DECEMBER 2004



THE BRITISH-GERMAN ASSOCIATION

COMPANY REGISTRATION NUMBER: 601207

CHARITY REGISTRATION NUMBER: 206062

DIRECTORS / TRUSTEES (who have served during the year)

Sir N Broomfield KCMG

Lord Watson of Richmond CBE

Maj-General P.G. Brooking CB CMG MBE DL (resigned 29 May 2004)

J.S. Faulder

P.J. Singer (resigned 14 July 2004)

Dr. B. Atenstaedt

R. Kappler (retired 14 July 2004)

F. Norman (retired 14 July 2004)

D.G.J. Paterson FCA (resigned 20 May 2005)

Prof. D.B. Southern

G. Storch (resigned 6 May 2004)

Dr. J. Thum (retired 14 July 2004)

M-A Von Simson (retired 14 July 2004)

M. Withers

Lord Dykes

C. Urban

Miss C. McDowell

J.A. Hobley

K.W. Ifould CBE AFC (retired 14 July 2004)

B.P. Norman

P.B. Rawlins MBE (retired 14 July 2004, co-opted 31 March 2005)

F. Steer MBE (elected 14 July 2004)

R. Woodthorpe-Browne

Prof. J. Ryan (co-opted 5 October 2004)

SECRETARY

P.J. Singer (resigned 14 July 2004)

J.S. Faulder (appointed 14 July 2004; resigned 5 October 2004)

R. Woodthorpe-Browne (appointed 5 October 2004)

AUDITORS

Steele Robertson Goddard

Chartered Accountants & Registered Auditors

39 Cloth Fair

London

EC1A 7NR

REGISTERED OFFICE

34 Belgrave Square

London

SW1X 8QB

Website address www.britishgermanassociation.org

E-mail address BGALondon@btconnect.com

THE BRITISH-GERMAN ASSOCIATION

Report of the Trustees

The trustees, who are also Directors for the purposes of the Companies Act, present their report and the financial statements of the charity for the year ended 31 December 2004.

INTRODUCTION

The British German Association is a company limited by guarantee (number 601207) and a registered charity (number 206062) governed by its Memorandum and Articles of association.

The financial statements comply with the current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

OBJECTIVES

The objective (in essence, the promotion of cultural and educational links between the people of the United Kingdom and Germany) and powers of the Association are laid down by its Memorandum and Articles of Association, which are available for inspection upon application to the Honorary Treasurer. The Association aims to sustain and increase its membership in order to support existing, and develop new, activities furthering relations between the UK and Germany and to maintain adequate resources for these purposes.

MEMBERSHIP

The membership consists of individual and affiliated members paying by annual subscriptions, a smaller number of corporate members paying a higher annual subscription and a limited number of sustaining corporate members who currently pay annual subscriptions of at least £1,000 each, together with affiliated societies.

ORGANISATION

The Trustees, as directors, are responsible for overall policy and the Executive Committee of this trust meets on a quarterly basis. They provide their time and services to the Association without charge.

The Trustees who have served during the year are shown on Page 2. In accordance with Article 24, Dr. Bernd Atenstaedt, Lord Dykes and Mr John Hobley retire by rotation.

REVIEW OF THIS YEAR'S ACTIVITIES AND RESULTS

The results for the year are shown on page 7. There was a fund inflow of £8,807 overall during the year. This is mainly due to increased Nutcracker Ball profits and BGOA fund inflow. Due to the major investment in the web-portal, there were net outgoing resources of £1,914 in the unrestricted funds. The directors are aware that the level of additional subscriptions received in 2005 has already more than offset not only these net outgoing resources, but indeed the total remaining investment costs in the web-portal not covered by income received in 2004 (see also note 10).

THE BRITISH-GERMAN ASSOCIATION

Report of the Trustees (continued)

Office computers and fixtures and fittings have been gifted during the year by Siemens. The Trustees have estimated the assets value at £8,000 and believe this valuation to be correct. The donation is shown as income in the accounts and the assets are included on the balance sheet.

A summary of the fundraising activities can be found in note 2 of the accounts. The main event was the annual Nutcracker Ball.

RESERVES, CASHFLOW AND POLICY AND RISK MANAGEMENT

The trustees monitor the risk management objectives continually, and review these formally, annually at an Executive Committee Meeting.

The trustees have reviewed the expected cashflow forecasts for the next twelve months. The trustees are satisfied that these are sufficient to enable the charity to sustain its operation over that period.

The trustees consider £5,000 to be a reasonable amount of free reserves.

METHOD OF APPOINTMENT OF TRUSTEES

The trustees are appointed by the members or co-opted by the Executive Committee in accordance with Article 23.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

UK Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the profit or loss of the charity for that period. In preparing those financial statements, the trustees confirm that they have:

- * selected suitable accounting policies and then applied them consistently;
- * made judgements and estimates that are reasonable and prudent;
- * stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- * prepared the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees confirm that the financial statements comply with the above requirements.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985 and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities'.

THE BRITISH-GERMAN ASSOCIATION

Report of the Trustees (continued)

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

AUDITORS

A resolution to reappoint Steele Robertson Goddard. as auditors of the company will be proposed at the next annual general meeting.

34 Belgrave Square
LONDON SW1X 8QB

B.P. Norman . 30.11.2015

By Order of the Board
B.P. Norman
Treasurer and Trustee

THE BRITISH-GERMAN ASSOCIATION

Independent auditors' report to the members of The British-German Association

We have audited the financial statements which comprise the statement of financial activities, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The trustees are also directors of The British German Association for the purpose of Company Law. Their responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume any responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of Audit Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and of the judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company at 31 December 2004 and of its net outgoing resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

SRG

Steele Robertson Goddard, 39 Cloth Fair, London EC1A 7NR



5th July 2005

THE BRITISH-GERMAN ASSOCIATION

Consolidated Statement of Financial Activities for the year ended 31 December 2004

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2004	Total Funds 2003
<u>Incoming resources</u>						
Subscriptions		32,178	-	-	32,178	32,577
Functions and Fundraising activities	2	101,758	13,405	-	115,163	129,789
Journals, ties, pins and badges		334	-	-	334	3,004
Investment income	3	967	636	-	1,603	2,984
Donation		8,000	-	-	8,000	2,750
Portal income		13,000	-	-	13,000	-
BGOA fund		-	9,000	-	9,000	-
Total incoming resources		156,237	23,041	-	179,278	171,104
<u>Resources expended</u>						
Functions and Fundraising activities	2	80,750	8,209	-	88,959	112,221
New Age-New Skills awards		-	4,111	-	4,111	-
Journal and tie costs		6,234	-	-	6,234	7,017
Management and admin.	4	41,300	-	-	41,300	47,371
Portal costs		29,867	-	-	29,867	-
Total resources expended	5	158,151	12,320	-	170,471	166,609
<u>Net (outgoing) / incoming resources</u>		<u>(1,914)</u>	<u>10,721</u>	<u>-</u>	<u>8,807</u>	<u>4,495</u>
Net (decrease)/increase of resources on funds						
• BGA fund		886	-	-	886	529
• Other funds	11	(2,800)	10,721	-	7,921	3,966
						4,495
Balances brought forward		16,176	71,812	14,025	102,013	97,518
Balances carried forward		<u>14,262</u>	<u>82,533</u>	<u>14,025</u>	<u>110,820</u>	<u>102,013</u>

The charity had no recognized gains or losses other than the result for the year.
All items included in the above statement of financial activities relate to continuing operations.

The notes on pages 9 to 13 form part of these accounts.

THE BRITISH-GERMAN ASSOCIATION

Balance Sheet as at 31 December 2004

	Notes	2004 £	2004 £	2003
Fixed Assets				
Tangible fixed assets	6		6,072	251
Current Assets				
Stock	7	2,914		1,958
Debtors	8	9,336		6,673
Cash in bank	9	143,188		113,044
Creditors: Amounts falling due within one year		155,438		121,675
	10	(50,690)		(19,913)
Net Current Assets			104,748	101,762
Net Assets			110,820	102,013
Funds				
Unrestricted:				
Designated funds	11		1,000	3,800
Undesignated funds:				
- BGA accumulation reserve			6,340	5,454
- Westman bequest fund			6,922	6,922
			14,262	16,176
Restricted funds	12		82,533	71,812
Endowment	13		14,025	14,025
Total Funds			110,820	102,013

These accounts were approved by the trustees on 30 June 2005


J.S. Faulder, Vice-Chairman and Trustee


B.P. Norman, Treasurer and Trustee

The notes on pages 9 to 13 form part of these accounts

THE BRITISH-GERMAN ASSOCIATION

Notes to the Accounts

1. ACCOUNTING POLICIES

a) ACCOUNTING AND REPORTING BY CHARITIES

The accounts are prepared on an historical cost basis, and in accordance with applicable UK accounting standards and are also prepared in accordance with the Statement of Recommended Practice Accounting by Charities

b) CASHFLOW STATEMENT

The trustees have taken advantage of the exemption in Financial Reporting Standard No.1 (revised) from including a cashflow statement in the financial statements on the grounds that the charity is small.

c) GOING CONCERN

The trustees have adopted a going concern basis of accounting on the grounds that the Nutcracker Ball and income from the Portal will continue to enable the Association to continue its educational endeavours and its day to day operation.

d) INCOMING RESOURCES

i. Donations are recognized as incoming resources when received, unless the conditions attaching to a donation specify its use in a future period. Subscriptions are recognized when receivable subject to provision for amounts received in advance. However, no recognition is given to unpaid ordinary subscriptions as membership is deemed to cease until arrears are paid.

ii. Receipts in respect to Functions and Fundraising activities and Investments are accounted for when receivable.

iii. Income tax recoverable from subscriptions and donations is recognized upon agreement with the Inland Revenue.

iv. Intangible services are recognized only if there is a material financial cost to the donor of the services

e) EXPENDITURE

The annual cost of administration expenditure estimated to be attributable to restricted activities includes a proportion of the salary of the sole full time employee. Expenditure is recognized as incurred, inclusive of Value Added Tax, as the Association is not registered for VAT.

f) DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset. Fixtures and Fittings: 20% per annum of cost, Computer equipment: 33.3% per annum of cost.

Presentation medals are depreciated by writing off costs of unengraved medals proportionally to the awards of engraved medals in the year.

g) STOCKS

Stocks are valued at the lower of cost and net realizable value, after making due allowance for obsolete and slow moving items.

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Notes to the Accounts

h) OPERATING LEASE AGREEMENT

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

i) FUNDS ACCOUNTING

Funds held by the charity are either:

- Unrestricted funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees, of which some are designated for specific purposes, but not irrevocably.
- Restricted funds – these are funds that can be used only for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor. These funds are either endowments (capital base maintained) or restricted income (the entire fund may be used for the restricted purpose).

2. NET INCOME ON FUNCTIONS AND FUNDRAISING ACTIVITIES

	Year ended 31 December 2004 £	Period ended 31 December 2003 £
Income from ticket sales, sponsorship etc:		
• Unrestricted funds	101,758	125,184
• Restricted funds – Youthbridge NKB	9,555	4,500
• Restricted funds – BGOA	3,850	105
	<hr/> 115,163	<hr/> 129,789
Expenditure – Unrestricted funds	80,750	111,245
Restricted income fund – Youthbridge NKB	3,231	369
Restricted income fund – Youthbridge projects	2,978	-
Restricted income fund – BGOA	2,000	100
Endowment fund – Sir Frank Roberts Memorial Lecture	-	507
	<hr/> 88,959	<hr/> 112,221
	<hr/> 26,204	<hr/> 17,568
	<hr/> <hr/>	<hr/> <hr/>

3. BANK INTEREST AND OTHER SIMILAR INCOME

	Year ended 31 December 2004 £	Period ended 31 December 2003 £
Deposit account interest	1,603	2,984
	<hr/> <hr/>	<hr/> <hr/>

THE BRITISH-GERMAN ASSOCIATION

Notes to the Accounts

4. MANAGEMENT AND ADMINISTRATION

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2004	Total Funds 2003
	£	£	£	£	£
Salaries	14,619	-	-	14,619	14,452
Establishment costs	11,357	-	-	11,357	11,179
Professional fees	2,220	-	-	2,220	2,500
Other expenses	10,925	-	-	10,925	15,273
Fixed asset costs	2,179	-	-	2,179	3,967
Total	41,300	-	-	41,300	47,371

The costs of the Association have been incurred in order to fulfil the charitable objectives. £1,796 (2003 £4,827) was reimbursed to trustees for out of pocket expenses.

5. TOTAL RESOURCES EXPENDED

	Staff costs	Depreciation	Other costs	Total funds 2004	Total funds 2003
	£	£	£	£	£
Fundraising and publicity	-	-	99,304	99,304	119,238
Management and admin.	14,619	2,179	24,502	41,300	47,371
Portal Costs	-	-	29,867	29,867	-
	14,619	2,179	153,673	170,471	166,609

The aggregate payroll costs were:

	2004	2003
	£	£
Wages and salaries	14,619	14,452
Social security costs	-	-
	14,619	14,452

The average number of staff employed by the charity during the financial year was one (2003 one).

Other costs:

	2004	2003
	£	£
Office costs	2,531	2,179
Audit fee	1,500	1,500
Legal and professional	720	1,000
Operating lease rentals	9,000	9,000
Fundraising, awards and journal costs	99,304	119,238
Portal costs	29,867	-
Other	10,751	16,672
	153,673	149,588

THE BRITISH-GERMAN ASSOCIATION

Notes to the Accounts

6. TANGIBLE FIXED ASSETS

	Computers	Fixtures & Fittings	Medals	Total
	£	£	£	£
COST				
At 1 January 2004	6,777	-	1,717	8,494
Additions	3,220	4,780	-	8,000
	=====	=====	=====	=====
At 31 December 2004	9,997	4,780	1,717	16,494
	=====	=====	=====	=====
DEPRECIATION				
At 1 January 2004	6,626	-	1,617	8,243
Charge for year	1,223	956	-	2,179
	=====	=====	=====	=====
At 31 December 2004	7,849	956	1,617	10,422
	=====	=====	=====	=====
NET BOOK VALUE				
At 31 December 2004	2,148	3,824	100	6,072
	=====	=====	=====	=====
At 31 December 2003	151	-	100	251
	=====	=====	=====	=====

7. STOCKS

	2004	2003
	£	£
Goods for resale (ties, tiepins and nutcrackers)	2,914	1,958
	=====	=====

8. DEBTORS

	2004	2003
	£	£
Other debtors	6,650	6,673
Youthbridge prepayment	2,686	-
	=====	=====
	9,336	6,673
	=====	=====

9. CASH AT BANK

	2004	2003
	£	£
Lloyds TSB current account	9,142	8,435
Lloyds TSB deposit account	94,624	62,021
New Age – New Skills Fund Account	37,151	41,263
Lloyds TSB Youthbridge Account	-	501
Lloyds TSB Euro Account	2,097	824
Cash in hand	174	-
	=====	=====
	143,188	113,044
	=====	=====

THE BRITISH-GERMAN ASSOCIATION

Notes to the Accounts

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004	2003
	£	£
Young Koenigswinter creditor	13,224	2,077
Accruals	3,888	10,016
Accrued Portal income	9,000	-
Prepaid incoming resources	14,495	7,820
Loan	10,083	-
	<u>50,690</u>	<u>19,913</u>
	=====	=====

The loan was granted to assist the development of the web-portal. The web-portal went live in 2005, at that point, the loan was converted into a subscription, and will be taken to income in 2005.

11. DESIGNATED FUNDS

	Balance at 1 Jan 2004	Movement in resources: Utilised/Released	Balance at 31 Dec 2004
Millennium Concerts – General Purpose	3,800	(2,800)	1,000
	=====	=====	=====

12. RESTRICTED FUNDS

	Balance at 1 Jan 2004	Incoming & Transfers	Outgoing	Balance at 31 Dec 2004
Youthbridge funds	22,545	10,004	(6,209)	26,340
BGOA	5	13,037	(2,000)	11,042
Krone funds	8,000	-	-	8,000
New age – new skills	41,262	-	(4,111)	37,151
	<u>71,812</u>	<u>23,041</u>	<u>(12,320)</u>	<u>82,533</u>
	=====	=====	=====	=====

The Youthbridge Fund is to support the charity's educational programme. The Krone Fund was donated to assist with any future project related to Youth of the British German Association, as specifically approved by its Chairman. The New Age – New Skills Fund was donated by a number of German companies through the auspices of His Excellency the German Ambassador at the time and is intended to make grants to persons or bodies engaged in promoting the learning of languages and/or cross cultural communication skills.

13. ENDOWMENT FUNDS

	Balance at 1 Jan 2004	Incoming & Transfers	Outgoing	Balance at 31 Dec 2004
Sir Frank Roberts Memorial Fund	12,025	-	-	12,025
Prince Friedrich Lecture Fund	2,000	-	-	2,000
	<u>14,025</u>	<u>-</u>	<u>-</u>	<u>14,025</u>
	=====	=====	=====	=====

The funds were endowed to provide income for the funding of annual memorial lectures