

ST. CATHERINE'S BRITISH SCHOOL
ANNUAL REPORT
FOR THE YEAR ENDED 31st AUGUST 2015





ST CATHERINE'S BRITISH SCHOOL

(A company limited by guarantee)

DIRECTORS' REPORT FOR THE YEAR ENDED 31st AUGUST 2015

Status and Administration

St Catherine's British School ("the School" or the "Company") was founded in 1956. The School is a non-profit company limited by guarantee, registered number 00860288 and is also a registered charity, number 313909.

Directors

The Directors of the School, who are also the charity trustees and members of the Board of Governors, who served since 1st September 2014 through to the date of this report, were:

Name	Chairman, Vice Chair & Honorary Treasurer Appointments	First Appointment	Changes
Taki, Stavros	Chairman 25/08/09	Appointed 05/06/08	Retired 30/09/09 on Board Dissolution, Re-Appointed 01/10/09, 2 nd Term Re-Appointed 01/10/2015
Dheere, Maurice Jean	Resigned as Hon. Treasurer on 31/5/2014 and appointed Vice Chairman on the same date	Appointed 21/06/01	Retired 30/09/09 on Board Dissolution, Re-Appointed 01/10/09, 2 nd Term Re-Appointed 01/10/2015
Typaldos, Sophia Anna Maria		Appointed 01/10/09	Re-Appointed 01/10/2013
Nicola, Loukia		Appointed 01/10/09	Re-Appointed 01/10/2013
Mirasgezi, Domna		Appointed 01/10/09	Re-Appointed 01/10/2013
Groves, Richard William Lewis	Vice-Chairman 26/6/12 Resigned as Vice Chairman 31/5/2014 and remained as ordinary member	Appointed 4/10/11	Resigned 22.06.2015
Peel, Roger Victor		Appointed 4/10/11	Re-Appointed 04/10/2015
Tinios, Platon		Appointed 24/04/12	
Sabatakakis, Kyriacos	Appointed Hon. Treasurer 31/5/2014	Appointed 20/11/12	
Spiliopoulos Eliades, Annia		Appointed 1/4/13	Resigned 02/07/2015
Paleokrassas, George Andreas		Appointed 1/4/13	
Sutton, Richard Charles		Appointed 1/10/2014	
Coumantaros, Eugenie		Appointed 05/05/2015	
Contomichalos, Sarah Kinney		Appointed 26/02/2016	

Key Personnel & Advisors:-

Headmaster:	James Stuart Smith, BA (Hons) Oxon (appointed Head 01/09/13)
Company Secretary:	Company Secretary: Mrs Deborah Eleftheriou (appointed 20/11/12) Joint Company Secretary: Tyrolese (Secretarial) Limited (appointed 26/11/11 and resigned 23/5/14)
Business Manager:	Mr Konstandinos S. Theodosiou (appointed 11/04/11)
Accountant:	Mr Anastasios Koutsoukos (appointed 27/06/11)
School's address:	Leoforos Venizelou 77 Lycovrissi GR141 23 Athens Greece
Website:	www.stcatherines.gr
Registered Office:	66 Lincoln's Inn Fields LONDON WC2A 3LH ENGLAND
Bankers:	HSBC Bank Kifissias Avenue, Kifissia GR145 62 Greece
Solicitors (U.K.):	Farrer & Co LLP 66 Lincoln's Inn Fields LONDON WC2A 3LH ENGLAND
Solicitors (Greece):	C. & S. Dimitriou & Associates 28 Didotou Street ATHENS 106 80 GREECE
Auditors:	Ernst & Young LLP Barony House Stoneyfield Business Park Inverness IV2 7PA United Kingdom

Mission Statement

St. Catherine's British School endeavours to foster a love of learning through a well taught, appropriately challenging and clearly defined, broad and balanced curriculum. Our aim is to fully develop pupils' intellectual, social, physical and creative potential, in anticipation that they will develop into sensitive, informed, decisive and capable global citizens of the future.

Objectives

To provide for and promote the moral, cultural, intellectual social, physical and aesthetic development and the teaching and instruction of pupils according to the National Curriculum for England and Wales, IGCSE and International Baccalaureate, with the overall objective of preparing pupils for the opportunities, responsibilities and experiences of adult life in national and international society.

In setting our objectives and planning our activities our Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

Policy

The School is a day school based in Athens, Greece which follows the National Curriculum for England and Wales, the International General Certificate of Secondary Education (Grades 10 and 11) and the International Baccalaureate Diploma Course for Grades 12 and 13. Classes are conducted in the English language, although Greek language, history and culture lessons also feature prominently in the School's programme.

Our School welcomes pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that our School will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's gender, ethnicity, race, religion or disability do not form part of our assessment processes.

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Activities

During the 2014/2015 academic year the School continued to offer a complete curriculum for girls and boys from the age of three up to eighteen. The School's principal funding source continued to be application, registration, development fund, nursery and main school fees.

On the 12th January 2011 the School received the report of its first inspection by the Independent Schools Inspectorate (ISI). As a result the School was granted full membership of the Council of British International Schools (COBIS). It should be noted that the school was subsequently re-inspected in November 2013. Both reports had excellent outcomes and can be found on the school website. The School is also a member of the "Headmasters and Headmistresses" Conference (HMC) and the Association of Governing Bodies of Independent Schools (AGBIS). In November 2012 the School became a member of the "Independent Schools' Bursars Association" (ISBA). The School now has the four leading UK regulatory bodies to advise and assist.

In March 2015 the School hosted the '**Excellence and Happiness**' COBIS Conference for Teachers and Support Staff on the School's premises. Over 50 delegates attended from various countries such as El Salvador, Kazakhstan, Sweden, Saudi Arabia, Brazil and Kuwait. Over 100 of our own staff also attended this stimulating and exhilarating educational conference. The outstanding speakers included Sir John Jones, Gervase Phinn, Will Ord, Pie Corbett, Peter Worley and many other leading educationalists. All our visitors were impressed by the St. Catherine's school community and how welcome we made everyone feel. Running parallel to the Conference was a Leaders' programme that engaged on an intensive 4 day training package designed to prepare staff to take on senior leadership positions. This was a brilliant start for our COBIS year.

The School also hosted the **COBIS Games Athens 2015**. This was a fabulous three days of sporting competition and international camaraderie. The Headmaster, Mr Smith commented "I have never been involved in such an amazing student sporting competition - the staff organisers, the parental support and many generous contributors laid the foundations for a wonderful Games. Yes, the arenas were awesome! Yes, the student competitors were inspiring! Yes, the volunteers were tireless! However, my best memories will be of the student friendships made across the globe". Sir Roger Fry, the COBIS Honorary President, wrote to the school with the following comment "The Games were an outstanding success and the organisation by the St. Catherine's team was brilliant. Please pass on to all involved my warmest congratulations. Everyone was full of praise and I enjoyed every moment - this year's Games will be a hard act to follow!"

The competing Schools represented various countries such as the UAE, Switzerland, Czech Republic, Hong Kong, France, Russia, Spain, Nigeria, Turkey, Kazakhstan, Romania, Netherlands, Egypt, Germany, Norway, Luxembourg, Uganda and of course Greece.

The final results were:

Primary Competition: 1st place: St. Saviour's School, **Lagos. 2nd Place:** The British School of Al Khubairat, Abu Dhabi. **Joint 3rd:** The British School of the Netherlands and St. Catherine's British School.

Secondary Competition: 1st place: Dubai College, **2nd place:** King's College, Madrid and **Joint 3rd place:** Champion School and St. Catherine's British School.

Charitable Activities

- 1) Bursaries to pupils;
- 2) Scholarship fund for underprivileged pupils entering higher education;
- 3) Emergency funds for pupils with critical disabilities;
- 4) The School supported and contributed to the following overseas and local charities:
 - Alma Zois - Women with Breast Cancer (Greek Charity)
 - ANIMA (Wildlife Protection Agency) (Greek Charity)
 - Attica Zoo (Greek Zoological Park)
 - Aura Freedom International (Nepal)
 - Caritas Athens Refugee Programme (Greek Charity)
 - Desmos (Greek Charity)
 - ELIZA (Society for prevention of Cruelty to Children) (Greek Charity)
 - Hadzipaterion Rehabilitation Centre for Children with Cerebral Palsy (Greek Charity)
 - Helping Hands Athens Refugee Ministry (Greek Charity)
 - Helping Hands (UK Charity)
 - Institution for Children with Special Needs "Hara" (Greek Charity)
 - Just Giving (UK Charity)
 - Make a Wish (Greek Charity)
 - National Association For The Blind (Greek Charity)
 - Pamakaristos (Foundation for the Child) (Greek Charity)
 - Smile of the Child (Greek Charity)
 - Special Olympics Armenia
 - Sue Ryder Hospice & Neurological Care (UK Charity)
 - Theotokos (Foundation for the Protection of Children with Mental Disabilities)
 - Tositsa Foundation For Scholarship to Sotirios Dekoumas (Greece)

Governance

The Directors ratify specific school policies; some, such as Health & Safety and Child Protection are reviewed and endorsed on an annual basis, others are reviewed periodically. The day to day management of the School is delegated to the Headmaster.

The School operates four standing sub-committees:

- Finance/Resources Committee
- Curriculum/Standards Committee
- Human Resources Committee
- Health and Safety Committee

All the above committees are chaired by a Director and include other Directors and employees. The minutes of the meetings are distributed to the Board for ratification. The sub-committees' role is to monitor, review and evaluate all appropriate matters and bring their recommendations to the Board.

The School also has a Bursary Committee that is chaired by the Chairman of the Board which meets to discuss and decide on the granting of means tested bursaries.

Directors' Induction and Training

Governors/Directors shall be nominated by the Nominators from time to time (British Ambassador, Director of the British Council or Director of the British School at Athens) or by the Nomination Committee (Chair, Vice-Chair, Hon. Treasurer) and presented to the Governing Board for consideration. On a resolution by the Board, once appointed, Governors become Members/Directors of the "School" for a four year term. Following the fourth anniversary (six years for Executive Governors/Chairman's Committee) Governors shall be entitled to be considered for re-appointment for up to one additional four year term (for Governors) or six year term (Executive Governors). At any one time there shall be no more than two persons nominated by a single Nominator sitting on the Governing Body. No Nominator shall be a member of the School.

Governors follow an induction programme with the Chairman's Committee and Senior members of the School Staff. Upon appointment a Director receives a detailed file with the School's constitution, its corporate documentation and its by-laws. The Board of Governors in consultation with its advisors are constantly looking for ways to broaden the skills and experience of the School's Governing Body. During May 2014 Mr. Platon Tinios (Chairman of Curriculum/Standards Committee and Member on the Board of Governors) attended the COBIS Conference together with the Executive Leadership Team.

The Directors do not receive any remuneration or financial assistance. Directors' expenses as they relate in the capacity to carry out their duties and responsibilities may be recovered from the School. The amount of Directors' expenses in the financial year ended 31st August 2015 amounted to €5,853, being reimbursement of air fares, taxi fares and hotel costs to enable the Directors who are based in the UK, to attend meetings. The Directors are indemnified by the School in accordance with its Memorandum and Articles of Association.

Principal Risks and Uncertainties

The principal financial risks of the School relate to a significant reduction in the student numbers, to high inflation and significant worsening of the economic conditions in Greece and the risk of currency change. The most significant overhead relates to staff costs. Staff payment awards and School fee increases are set by the Board each year together with the approval of the budget and therefore the School has some control over the payroll overhead and its revenue. The School does not have significant hard currency exposure.

The financial obligations and covenants associated with the loan obtained from HSBC Bank Plc in July 2009 may give rise to additional risk factors and possible constraints for the School. A reduction in revenues, increase in overheads or reduction in the values of the School's fixed properties may result in the School's failure to meet its obligations which may be a default under the terms and conditions of the loan agreement. Increases in interest rates may also adversely affect the School's ability to meet its obligations. These defaults may result in the bankruptcy or insolvency of the School. In addition, the loan covenants may restrict the School's business and financing activities.

The principal risks to which the School is exposed, as identified by the Directors, are reviewed systematically from time to time in order to mitigate those risks. An example of risk mitigation was when the Directors took into consideration the current economic climate in Greece and decided not to raise tuition fees for the academic year 2010-11 and similarly, staff pay awards were kept at the same levels. Similarly, both tuition fees and staff pay awards were kept at similar levels for the school year 2014-15.

Strategic Report

• Review

The School is in the process of implementing a plan to maintain occupancy of between 1,050 to 1,150 until its development plan for the Macsolar property is activated. Recent occupancy data is summarised as follows:

<u>Academic Year</u>	<u>approx. no. of pupils</u>
2008/2009	890
2009/2010	938
2010/2011	1,030
2011/2012	1,100
2012/2013	1,067
2013/2014	1,071
2014/2015	1,116
2015/2016 (estimated)	1,155

Another example of risk mitigation, on this occasion including a qualitative aspect, was that for the 2012/13 academic year, the Directors took the decision to reduce the number of classes in the nursery and lower year groups in order to allow for the accommodation of organic growth in the higher year groups. This decision to halt the on-going growth has allowed greater freedom for the School as it unfolds its strategic campus development plan. This resulted in a slight decrease in student numbers to 1,067 in 2012/13.

The School's bursary scheme in 2014-2015 supported 115 pupils (prior year 95) in various percentages of which 53 (prior year 41) were staff children (also in various percentages).

• Financial Results

The financial performance for the year 2014-15 was above the budget approved by the Board.

Total Incoming Resources for the year 2014-2015 were €12,371,394 compared to €11,728,868 for 2013-2014 representing an increase of €642,526 or 5.48% compared to the year 2013-2014. Pupil numbers increased by 3.49% in 2014-15 compared to 2013-14.

Total Resources Used for the year 2014-2015 amounted to €10,203,716 compared to €9,419,952 for 2013-2014 representing an increase of €783,764 or 8.32% compared to the year 2013-2014.

Bank interest for the year 2014-2015 was €185,042 compared to €299,793 for the year 2013-2014. The decrease was due to the continuing reduction in the loan.

Net Incoming Resources for the year 2014-2015 amounted to €2,167,678 compared to €2,308,916 for 2013-2014 representing a decrease of €141,238 or 6.12%.

Net Movement in Funds amounted to €1,309,758 for the year 2014-2015. This was due to the devaluation of properties by €871,000 as well as an actuarial gain of €13,080. The balance carried forward increased to €14,505,978.

• Reserves

The School's restricted reserves relate to funds held for specific purposes. At present these are €531,683 held under the Land Revaluation Reserve and €146,742 held under the School Reserve.

The School's unrestricted funds are re-invested back into the School through additions and improvements to its facilities and expenditure in relation to new technology as well as new furniture and fittings.

• Resources

The School's assets are sufficient to meet its obligations.

The results are set out in the attached Statement of Financial Activities, Balance Sheet and Statement of Cash Flows.

The School's Business Manager produces management reports that measure the actual performance of the School compared to the budget as well as interim financial statements. The Financial Statements and management reports are reviewed by the Board and the Headmaster.

After making due enquiries, the Board of Directors confirm its expectation that the School has adequate resources to continue in operational existence for the foreseeable future. Therefore, in preparing the financial statements the Board continues to adopt the going concern basis.

- **Development Plans**

In January 2011 the School received zoning approval under the Single Implementation Act, allowing for the development of the Macsolar building and site that was acquired in 2009.

The acquisition of the Macsolar property was designed to relieve the space constraints created from the pupil growth which resulted from the successful implementation of the School's business plan.

The Board of Governors together with the Headmaster and the Executive Leadership Team of the School have considered different development options for the Macsolar property. The length of this project will be determined by the School's available funds. The School continues to be concerned about the current economic climate and does not wish to undertake inappropriate risks. To this end, the School will only proceed with the development plan once the economic instability in Greece has normalised. In addition, the School will make careful allocation of its resources to the construction budgets and manage the associated risks and exposure in a prudent manner.

The School is carefully considering the funding needs of its capital expenditure programme through its own internally generated funds, EU subsidy schemes, donations as well as through additional bank borrowing.

Given the continuing uncertainty in the Greek Economy and the delay in the development of the Macsolar property numerous improvements were made during the year under review. These included the following:

- Year 2 area stamped concrete outside area to improve the walkway
- Stamped concrete outside entrance to the lower school staff room
- Ramp at the pool area for better access walkway & and new stamped concrete walkway to and from the pool to the Lower School Building
- Remodelling one of the Upper School Art rooms to a smaller Art room & a new Science Lab (new cabinets, student desks & Chairs and Cabinet spacing)
- Reconstruction of year 5B & 6B classrooms to create one big classroom
- IT Room remodelling
- Purchase of a new main heating boiler for the Upper School

Key Information Technology Upgrades included the following:

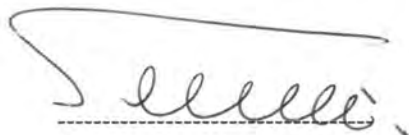
- Purchase of infrastructure to facilitate a move to Cloud based systems. During the year all major services and software were moved offsite to the cloud. This enables our staff to have access to the school's resources offsite as well as onsite
- Continued technology upgrades in classrooms resulting in the purchase of new technology smartboards.
- Replacement of old desktops and laptops
- New and improved Speaker and Sound System in Hall

Approval of the Directors' Report and Financial Statements

A resolution approving this Directors' Report and the School's Financial Statements for the year ended 31st August 2015 will be put forward at the Board meeting to be held on 4th April 2016. In signing this report the Directors confirm that they have approved the Strategic Report in their capacity as Company Directors of St. Catherine's British School.

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Approved by the Board of Directors at its meeting on **4th April 2016** and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Stavros Taki', written over a horizontal dashed line.

Stavros Taki
Chairman

A handwritten signature in blue ink, appearing to read 'Kyriacos Sabatakakis', written over a horizontal dashed line.

Kyriacos Sabatakakis
Hon. Treasurer

ST. CATHERINE'S BRITISH SCHOOL
Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report (including the Strategic Report) and the accounts in accordance with applicable law and regulations.

Company law requires the Directors to prepare accounts for each financial year. Under that law the Directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the School and of the profit or loss of the School for that period. In preparing those accounts the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and 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 accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to assume that the School will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST. CATHERINE'S BRITISH SCHOOL

We have audited the financial statements of St. Catherine's British School for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 9 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the School's affairs as at 31 August 2015 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Ernst & Young LLP

Eunice McAdam (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Inverness

7 April 2016

ST. CATHERINE'S BRITISH SCHOOL**STATEMENT OF FINANCIAL ACTIVITIES****FOR THE YEAR ENDED 31st AUGUST 2015**

(All amounts in tables and notes are presented in € unless otherwise stated)

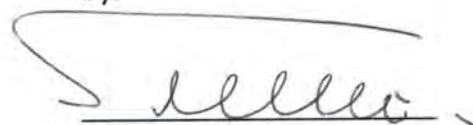
		31-Aug-15	31-Aug-14
	Notes		
Incoming Resources			
Fees Receivable		11,823,373	11,457,653
Other Income		547,094	267,275
Bank Interest		927	3,940
Total Incoming Resources		12,371,394	11,728,868
Resources Used			
Direct Charitable Expenditure:			
Staff Costs	2	7,624,626	7,170,918
Educational Consumables		193,958	206,920
Maintenance & Utilities		427,049	470,910
Real Estate, VAT and other Sundry Duties	3	251,946	165,141
Governance Costs		19,853	19,868
General Administration Expenses		1,029,479	513,537
		9,546,911	8,547,294
Other Expenditure:			
Interest		185,042	299,793
Money Market losses		5,363	0
Foreign Exchange losses		3,222	4,102
Depreciation	5	541,976	485,544
Bad Debts provision/(reversal)		(85,132)	80,261
Normal Taxation		6,334	2,958
		656,805	872,658
Total Resources Used		10,203,716	9,419,952
Net Incoming Resources			
Before Other Recognised Gains & Losses	4	2,167,678	2,308,916
- unrestricted Funds			
Devaluation of Fixed Assets	5	(871,000)	(257,000)
- restricted funds			
Actuarial (loss)/gain on Staff Retirement	9	13,080	(123,387)
Indemnities - unrestricted funds			
Net Movement In Funds		1,309,758	1,928,529
Balance Brought Forward at 1 st September		13,196,220	11,267,691
Balance Carried Forward at 31st August		14,505,978	13,196,220

ST. CATHERINE'S BRITISH SCHOOL**BALANCE SHEET AS AT 31st AUGUST 2015**

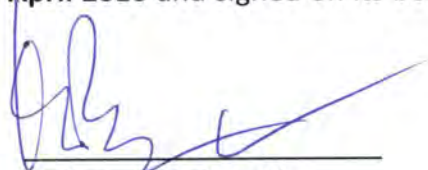
(All amounts in tables and notes are presented in € unless otherwise stated)

	Notes	31-Aug-15	31-Aug-14
Fixed Assets			
Tangible Fixed Assets			
School's Land, Buildings and Equipment	5	15,530,406	16,642,839
Current Assets			
Debtors	6	482,118	346,823
Cash and Banks		5,134,135	5,351,352
		<u>5,616,253</u>	<u>5,698,175</u>
Current Liabilities			
Creditors Due Within 1 Year	7	(3,053,847)	(2,446,150)
Short Term portion of Long term loan	8	(2,725,000)	(1,150,000)
		<u>(5,778,847)</u>	<u>(3,596,150)</u>
Net Current Assets		(162,594)	2,102,025
Total Assets Less Current Liabilities		<u>15,367,812</u>	<u>18,744,864</u>
Long Term Liabilities			
Bank Loans	8	0	(4,650,000)
Retirement Benefits	9	(861,834)	(898,644)
		<u>(861,834)</u>	<u>(5,548,644)</u>
Total Net Assets		<u>14,505,978</u>	<u>13,196,220</u>
Restricted Funds	10	678,425	1,549,425
Unrestricted Funds	10	13,827,553	11,646,795
Total Funds		<u>14,505,978</u>	<u>13,196,220</u>

Approved by the Board of Directors at its meeting on 4th April 2016 and signed on its behalf by:



Stavros Taki
Chairman



Kyriacos Sabatakakis
Hon. Treasurer

ST. CATHERINE'S BRITISH SCHOOL**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31st AUGUST 2015**

(All amounts in tables and notes are presented in € unless otherwise stated)

	31-Aug-15	31-Aug-14
Net Cash Inflow From Operating Activities	3,348,775	2,769,399
Interest Received	927	3,940
Interest Paid	<u>(185,042)</u>	<u>(299,793)</u>
Returns On Investments And Servicing Of Finance	(184,115)	(295,853)
Taxation	(6,334)	(2,958)
Capital Expenditure And Financial Investment	(300,543)	(188,845)
Financing		
Repayment of loan	(3,075,000)	(1,150,000)
Increase/(Decrease) In Cash	(217,217)	1,131,743
Cash and cash equivalents at the beginning of the year	5,351,352	4,219,609
Cash and cash equivalents at the end of the period	<u>5,134,135</u>	<u>5,351,352</u>
Reconciliation of net cash flow to movement in net funds/(debt)		
Increase/(decrease) in cash in the year	(217,217)	1,131,743
Cash outflow resulting from decrease in debt and lease financing	3,075,000	1,150,000
Movement in net debt in the year	2,857,783	2,281,743
Net debt at beginning of the year	<u>(448,648)</u>	<u>(2,730,391)</u>
Net funds/(debt) at 31 August 2015	<u>2,409,135</u>	<u>(448,648)</u>
Reconciliation of net incoming resources to net cash inflow from operating activities		
Net incoming resources	2,167,678	2,308,916
Interest	184,115	295,853
Taxation paid	6,334	2,958
Depreciation	541,976	485,544
Bad debt provision/(reversal)	(85,132)	80,261
Increase/(Decrease) in provision for retirement indemnities	(23,730)	81,665
(Increase) in debtors	(50,163)	(163,602)
(Decrease) / Increase in creditors - excluding loan	607,697	(322,196)
Net Cash Inflow From Operating Activities	<u>3,348,775</u>	<u>2,769,399</u>

1. ACCOUNTING POLICIES

a) Basis of Preparation

The accounts have been prepared on a going concern basis and, except for the revaluation of land, under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice, Accounting and Reporting by Charities 2005.

b) Tangible Fixed Assets

Land is stated at its revalued amount, while the remainder of the tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets in use, other than freehold land, at rates and bases calculated to write-off the cost of the assets over their expected useful lives by the straight-line method. The depreciation rates are 4% to 5% for buildings and general improvements, 10% for furniture and equipment items, and 20% for computers and software. Leasehold improvements are depreciated over the lease term.

c) Fees

The School's revenue comprises non-refundable application fees and main school and nursery fees, net of bursaries and other discounts. Fee income is recognised over the period to which it relates. Registration fees and development funds are treated as income in the year they are received.

d) Expenditure

Expenditure is generally inclusive of irrecoverable V.A.T. and is reflected in the accompanying accounts by nature. However, with effect from 1st January 2014, all VAT is separately disclosed in Real Estate, VAT and Other Sundry Duties. Purchases made in Europe which give rise to a Greek VAT obligation are also reflected separately in Real Estate, VAT and Other Sundry Duties under direct charitable expenditure.

e) Pension scheme

The School operates a defined benefit scheme in Greece which provides a savings/pension scheme for employees that choose to participate. The School matches up to 5% of the contributions to the scheme. The School continued to operate a defined contribution scheme in the UK, which provides life and retirement benefits to certain of its employees. The scheme is managed by a life assurance company and its assets are held separately for each individual member. All staff are also members of the Greek state social security and Pension arrangements.

f) Reserve for Staff Retirement Indemnities

The School's staff retirement obligations under the Greek State Social Security and pension arrangements are calculated in accordance with the provisions of FRS 17 "Retirement Benefits", at the discounted value of the future retirement benefits accrued. Retirement obligations are calculated on the basis of financial and actuarial assumptions and are determined using the projected unit credit actuarial valuation method (Project Unit Credit Method). The pension expense for the period is included in staff costs and consists of the present value of benefits earned in the year, interest cost on the benefit obligation and any past service cost. Actuarial

ST CATHERINE'S BRITISH SCHOOL

Notes to the Accounts as at 31st August 2015

(All amounts in tables and notes are presented in € unless otherwise stated)

gains and losses are recognised in full in other recognised income and expense in the period in which they occur.

g) Foreign currencies

The accounts are expressed in Euros. The exchange rate at 31st August 2015 was £1 / €1.366 (31st August 2014: £1 / €1.257). Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Differences on translations are reflected in the statement of financial activities.

h) Taxation

The School is a not-for-profit organisation and is therefore exempt from income tax (except for activities not related to education). Irrespective of the School's exempt income tax status, it is subject to Real Estate Property Tax.

i) Leases

Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

j) Funds

The School's restricted funds are held for specific purposes. They consist of €531,683 held under the Land Revaluation Reserve and €146,742 held under the School Reserves. The School's unrestricted funds are re-invested back into the School through additions and improvements to its facilities and expenditure in relation to new technology as well as new furniture and fittings.

k) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand.

l) Interest rate swaps

The interest differentials on interest swaps are recognised by accruing the net interest payable. Interest rate swaps are not re-valued to fair value or shown on the balance sheet at the year-end.

m) Resources expended

Direct Charitable Expenditure represents the full cost of teaching, welfare, premises and support costs associated with running the school. Governance costs represent the necessity of compliance with statutory and constitutional requirements.

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(All amounts in tables and notes are presented in € unless otherwise stated)

2. STAFF COSTS

	2014-2015	2013-2014
	€	€
Wages & salaries	5,668,385	5,428,344
Social security costs	1,368,334	1,456,850
Pension contributions	201,069	184,670
Other costs	386,838	101,054
	<u>7,624,626</u>	<u>7,170,918</u>

The Directors received no remuneration or reimbursement of expenses during the year except for amounts directly related to attending the governors meetings such as taxis, airfares, meals and hotel costs. There is no employee whose emoluments exceeded €75,000.

The average monthly number of employees (both full-time and part-time) during the year is shown below.

	2014-2015	2013-2014
Full-time teaching staff	75	66
Part-time teaching staff	18	16
Teaching assistants	27	29
Administration staff	30	27
Cleaning staff	21	22
Management	10	10
	<u>181</u>	<u>170</u>

The increase in Staffing is due mainly to the increase in student numbers and staff maternities resulting in more teachers being needed over the period under review.

3. REAL ESTATE PROPERTY TAX, VAT & OTHER SUNDRY DUTIES

In the current fiscal year, the School paid various sundry duties and taxes amounting to €251,946 comprising mainly VAT payable to the Greek tax authorities on purchases made within the European Union amounting to €26,212 (€25,961 in 2013-2014). With effect from 1st January 2014, VAT on local goods and services is also disclosed separately and amounts to €218,761 (€123,381 in 2013-2014).

4. NET INCOMING RESOURCES - Before Other Recognised Gains & Losses

Included in Net Incoming Resources are the following discloseable items:

- (a) Audit remuneration for 2014/15 amounted to €14,000 (2013/14 - €13,750)
- (b) Operating leases – Land & Buildings for 2014/15 amounted to €98,136 (2013/14 - €95,093)
- (c) Operating Lease – Car for 2014/15 amounted to €2,125 (2013/14 - €0)

ST CATHERINE'S BRITISH SCHOOL**Notes to the Accounts as at 31st August 2015**

(All amounts in tables and notes are presented in € unless otherwise stated)

5. TANGIBLE FIXED ASSETS

	Freehold Land	Freehold & Leased Buildings	Furniture & Equipment	Improve- ments	TOTAL
<u>Cost or revaluation:</u>					
At 1st September 2014	12,925,000	6,571,365	2,595,986	649,854	22,742,205
Additions	0	73,717	226,826	0	300,543
Devaluation	(871,000)	0	0	0	(871,000)
At 31st August 2015	12,054,000	6,645,082	2,822,812	649,854	22,171,748
<u>Depreciation:</u>					
At 1st September 2014	0	3,455,809	2,017,411	626,146	6,099,366
Charge for the year	0	334,084	203,388	4,504	541,976
At 31st August 2015	0	3,789,893	2,220,799	630,650	6,641,342
<u>Net book value:</u>					
At 31st August 2015	12,054,000	2,855,189	602,013	19,204	15,530,406
At 31st August 2014	12,925,000	3,115,556	578,575	23,708	16,642,839

On 31st August 2015 a valuation of freehold land was conducted by Proprius S.P. LLC (a member of the Cushman & Wakefield Alliance). The basis of valuation was the market value of each property in its current condition, assuming vacant possession and not considering any business aspect. The School's land was valued at €12,054,000. This resulted in a devaluation of €871,000 which reduced the revaluation reserve created in previous years of €1,402,683 at 31st August 2014 to €531,683 at 31st August 2015.

Had the School's land been carried at historical cost, its carrying value would have amounted to €11,522,317.

6. DEBTORS

	2014-2015 €	2013-2014 €
Fees, net of provision for doubtful accounts of €813,838 as at 31 st August 2015 (2014 €898,970)	294,044	202,216
Guarantees	40,785	41,233
Other debtors	5,225	9,151
Prepaid expenses (a)	142,064	94,223
	<u>482,118</u>	<u>346,823</u>

- (a) The amount of prepaid expenses includes advances to suppliers relating to construction activity of various projects, as well as purchases of books and educational material, which will be used in the following school year.

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(All amounts in tables and notes are presented in € unless otherwise stated)

7. CREDITORS: Due within one year

	2014-2015	2013-2014
	€	€
Trade creditors	174,072	146,980
Reservation deposits (a)	2,068,940	1,551,710
Sundry creditors	288,822	121,240
Taxes & social security	263,855	316,070
Accruals	258,158	310,150
	<u>3,053,847</u>	<u>2,446,150</u>

(a) The School received part of the annual fees in advance (€2,068,940) for the next school year.

8. LONG TERM LIABILITIES – BANK LOAN

On 29th June 2009, the School obtained a loan of €11,000,000 from HSBC Bank Plc, Greece. The loan is repayable in 14 semi-annual instalments beginning on 31st January 2010 and ending on 31st July 2016, as follows:

	2014-2015	2013-2014
	€	€
Due within one year (short term portion)	2,725,000	1,150,000
Due within two to five years	0	4,650,000
	<u>2,725,000</u>	<u>5,800,000</u>

The loan bears interest at three month Euribor plus a margin.

The loan is secured by a first preferred mortgage on the School's immovable property. In addition the insurance policies on the School's immovable property have been assigned as collateral for this loan facility. In April 2013 the loan agreement with HSBC was amended retroactively. The amended loan agreement included the following terms:

- An additional payment of €350,000 made in April 2013;
- The excess cash clause was removed;
- The outstanding loan balance is no more than 55% of the market value of the School's mortgaged immovable property;
- The Debt Cover Ratio (EBITDA/Debt Service excluding unscheduled repayments made such as the €350,000 above) is greater than or equal to 1.20 for the year ended 31st August 2015 (greater than or equal to 1.15 for the year ended 31st August 2014) ;
- The Debt to Equity ratio is less than 85% for the year ended 31st August 2015 (85% in 2014).

ST CATHERINE'S BRITISH SCHOOL**Notes to the Accounts as at 31st August 2015**

(All amounts in tables and notes are presented in € unless otherwise stated)

The School had an interest rate swap agreement that matured at 30th January 2015. The terms and the conditions of the swap were:

Trade date	9th December 2009
Start date	1st February 2010
Maturity date	30 January 2015
Notional amount	€5,325,000
Counter party A pays St. Catherine	2.57%
Counter party B pays HSBC	3 month Euribor

The fair value of the interest rate swap at 31st August 2015 was a €0 (31st August 2014 was a €37,406 liability).

Furthermore, the School is in compliance with the terms and conditions of the loan agreement as of 31st August 2015.

9. PROVISION FOR RETIREMENT INDEMNITIES

Under Greek labour law, employees are entitled to termination payments in the event of dismissal or retirement, with the amount of payment varying in relation to the employee's compensation, length of service and manner (dismissed or retired) of termination, which if due to retirement is 40% of the amount payable upon dismissal. Employees who resign or are dismissed with cause are not entitled to termination payments. The number of employees who will eventually be dismissed or retire in subsequent years is not known.

An actuarial valuation of the retirement indemnities liability was performed during the year by independent actuaries. The movement and components of the retirement indemnities liability for the year ended 31st August 2015 is as follows:

Net liability recognised in the Balance Sheet	2014-2015	2013-2014
	€	€
Present value of defined benefit obligation	861,834	898,644
Net liability	861,834	898,644
Actuarial assumptions	2014-2015	2013-2014
	%	%
Rate of salary increases	3.0%	3.0%
Discount rate	2.0%	1.9%
Average price inflation	2.0%	2.0%
Net expense recognised in the Statement of Financial Activities	2014-2015	2013-2014
	€	€
Service cost component	88,669	64,729
Past Service Cost due to amendments	59,990	0
Interest cost component	17,074	23,582
Termination benefits	(25,161)	(6,646)
	140,572	81,665

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(All amounts in tables and notes are presented in € unless otherwise stated)

Other recognised gains and losses recognised in the Statement of Financial Activities	2014-2015 €	2013-2014 €
Actuarial losses/(gains)	(13,080)	123,387
	<u>(13,080)</u>	<u>123,387</u>
Change in the present value of the defined benefit obligation	2014-2015 €	2013-2014 €
Present value of defined benefit obligation as at 1 st September	898,644	693,592
Service cost component	88,669	64,729
Past Service Cost due to amendments	59,990	0
Interest cost component	17,074	23,582
Termination benefits	(25,161)	(6,646)
Less: Benefits paid	(164,302)	0
Actuarial losses/(gains)	<u>(13,080)</u>	<u>123,387</u>
Present value of defined benefit obligation as at 31st August	<u>861,834</u>	<u>898,644</u>

The cumulative actuarial losses taken to the statement of other recognised gains and losses at 31st August 2015 were losses of €109,548 (2014: €122,627 losses).

10. RESTRICTED AND UNRESTRICTED FUNDS**Restricted Funds**

	2014-2015 €	2013-2014 €
Land Revaluation Reserve	531,683	1,402,683
School Reserves	<u>146,742</u>	<u>146,742</u>
	<u>678,425</u>	<u>1,549,425</u>

The Land Valuation Reserve reflects the revaluation of the School's freehold land.

Unrestricted Funds

The School's funds are held to finance the freehold property and to cover normal fluctuations in working capital. As at 31st August 2015 unrestricted reserves amounted to €13,827,553 (2014: €11,646,795).

11. RELATED PARTY TRANSACTIONS

There are no related party transactions.

ST CATHERINE'S BRITISH SCHOOL**Notes to the Accounts as at 31st August 2015**

(All amounts in tables and notes are presented in € unless otherwise stated)

12. CONTRACTS AND COMMITMENTS

At 31 August 2015 the School had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	2014-2015	2013-2014
	€	€
Operating leases which expire:		
Within one year	0	31,192
In 2 to 5 years	62,160	62,160
Greater than 5 years	49,852	0
	<u>112,012</u>	<u>93,352</u>
	Other	
	2014-2015	2013-2014
	€	€
Operating leases which expire:		
Within one year	0	0
In 2 to 5 years	2,304	0
Greater than 5 years	0	0
	<u>2,304</u>	<u>0</u>

13. CONTINGENT LIABILITIES

During May 2000, the School's tax status was clarified with the tax authorities and the School was granted a Greek tax registration number. According to Greek tax legislation, tax returns are filed annually but the profits or losses declared for tax purposes remain provisional until such time as the tax authorities examine the returns and the records of the tax payer and a final assessment is issued. As the School has never been audited by the tax authorities since inception, its liability for taxes, fines, duties and any other dues or actions that may be levied or taken against it by the said authorities is not considered finalised.

Given the clarification of the School's income tax status described above, the School's principal activities are not subject to income taxes; as a result, the Directors believe that the possibility of realisation of such contingent tax liabilities is remote.

Greek tax law 3842/2010 imposed, among others a special tax of 15% to various categories (entities or individuals) of real estate owners in Greece, simultaneously providing for certain exceptions. The School, as a not for profit organization, is exempted from the above mentioned tax. The law specified that a formal procedure of submitting an exception application and a zero tax return to the tax authorities had to be followed. The School did not file an exception application with the tax authorities, for the calendar year 2010 but it directly submitted a zero tax return. Management believes that, because the School is exempted of the above mentioned tax non strict implementation of the above formalities will not result in any additional tax burden.