

ST. CATHERINE'S BRITISH SCHOOL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st AUGUST 2016

Charity number: 313909

Company number: 00860288





ST CATHERINE'S BRITISH SCHOOL

(A company limited by guarantee)

DIRECTORS' REPORT FOR THE YEAR ENDED 31st AUGUST 2016

The Governors are pleased to present their annual Directors' Report together with the financial statements of the charity for the year ending 31st August 2016 which are also prepared to meet the requirements for a Directors' Report and accounts for Companies Act purposes.

The financial statements comply with the Companies Act 2006, the Memorandum and Articles of Association, 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 (FRS 102).

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.

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 (Years 10 and 11) and the International Baccalaureate Diploma Course for Years 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 2015/2016 academic year the School continued to offer the National Curriculum for England and Wales for all pupils, both girls and boys, from the age of three up to fourteen, an IGCSE/GCSE programme up to sixteen and thereafter the International Baccalaureate Diploma 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 was re-inspected in the autumn of 2016 as part of the BSO (British Schools Overseas) three year inspection cycle. The findings of the most recent ISI inspection were excellent in all categories. 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 with its operation.

After from hosting the 'Excellence and Happiness' COBIS Conference for Teachers and Support Staff in 2015, the school maintained its commitment to high quality CPD (Continuing Professional Development) and student enrichment programmes in 2016. Highlights included in September 2015 a Whole School Staff/Governor Child Protection Training delivered by Kidscape; "Socrates Now" – an inspirational Socratic dialogue presentation by the renowned Greek American writer/film-maker, Yannis Simonides in October 2015; a "Growth Mindsets" week in April 2016 for pupils, staff governors and parents with Will Ord and Barry Hymer, two highly regarded UK educationalists; an intensive INSET week in late April 2016 for our Learning Support staff delivered by Anne Bradbury from the UK-based TA College.

Having set the bar extremely high by successfully hosting both the Junior and Secondary COBIS Games in Athens the previous year, our Senior team competed in the Secondary Games in Dubai in March 2016 whilst the Junior team went even further afield to Astana in Kazakhstan in May. Both teams performed really well with the Seniors finishing fourth overall and the Juniors ending as Runners-up.

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:
 - ANIMA (Wildlife Protection Agency) (Greek Charity)
 - Attica Zoo (Greek Zoological Park)
 - Blind Association - Greece
 - Caritas Athens Refugee Programme (Greek Charity)
 - Che Jon Fernandez - Para Olympian Greece (Purchase of special hand bike)
 - ELIZA (Society for prevention of Cruelty to Children) (Greek Charity)
 - Make a Wish (Greek Charity)
 - Mind Charity Organization
 - Panos & Cressida 4 Life (Greece)
 - Refugees on Lesbos Island Greece
 - Smile of the Child (Greek Charity)
 - Special Olympics Greece
 - Therapeutic Riding Centres - Serres, Greece
 - Tositsa Foundation For Scholarship to Triantafillos Balioukas (Greece)

- UNHCR
- World Vision

Directors

The Directors of the School, who are also the charity trustees and members of the Board of Governors, who served since 1st September 2015 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
Outwin-Flinders, Roger		Appointed 01/09/2016	
Peel, Roger Victor		Appointed 04/10/11	Re-Appointed 04/10/2015
Tinios, Platon		Appointed 24/04/12	Re-Appointed 24/04/16
Sabatakakis, Kyriacos	Appointed Hon. Treasurer 31/5/2014	Appointed 20/11/12	
Paleokrassas, George Andreas		Appointed 01/04/13	
Sutton, Richard Charles		Appointed 01/10/2014	
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)
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

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 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 staff as appropriate. The minutes of the meetings are distributed to the Board for ratification. Each committee has Terms of Reference and their role is to monitor, review and evaluate all appropriate matters and bring 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 (the British Ambassador, the Director of the British Council and the Director of the British School at Athens) or by the Nomination Committee (the Chair, Vice-Chair and 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 Headmaster, Executive Leadership Team, Company Secretary and the Chairman's Committee. 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. On Tuesday, 14th June, 2016 the Board of Governors also had a full day's INSET with Stuart Westley from AGBIS focusing on a wide-range of governor issues from the role of governors in Child Protection and Health & Safety to governance of Risk and Crisis, from the inspection of Regulatory Compliance to Relationships, Confidentiality and Transparency amongst others.

The Directors receive no remuneration or financial assistance. Directors' expenses as they relate in their 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 2016 amounted to €8,531, being reimbursement of air fares, taxi fares and hotel costs to enable those 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 potential reduction in student numbers, to high inflation and a significant worsening of the economic conditions in Greece and therefore 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.

Although the school is debt free at the time of the preparation of the Financial Statements, future financial obligations and covenants associated with loan funding to be obtained from our bankers for the building of Phase 1 of a new school may give rise to additional risk factors and possible constraints for the School Business plan - approved by the Board on 7th December 2016. 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 result in a default under the terms and conditions of such loan agreements. 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 school therefore carefully evaluates its funding and endeavours to ensure that its business plans are prudent and ensure adequate liquidity to cover for potential uncertainties.

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 years from 2010-11 to 2015-16 and similarly, staff pay awards were kept at nominal levels.

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	1,155
2016/17 (estimated)	1,144

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. This will again be the case in 2016/17 where the number of Year 1 classes will be reduced from 4 forms to three. The impact is expected to be a slight decrease in student numbers to 1,144.

The School's bursary scheme in 2015-2016 supported 138 pupils (prior year 115) in various percentages of which 61 (prior year 53) were staff children (also in various percentages).

• Financial Results

The financial performance for the year 2015-16 was above the budget approved by the Board.

Total Incoming Resources for the year 2015-2016 were €12,772,847 compared to €12,371,394 for 2014-2015 representing an increase of €401,453 or 3.25% compared to the year 2014-2015. Pupil numbers increased by 3.49% in 2015-16 compared to 2014-15.

Total Resources Used for the year 2015-2016 amounted to €10,461,238 compared to €10,203,716 for 2014-2015 representing an increase of €257,522 or 2.52% compared to the year 2014-2015.

Bank interest for the year 2015-2016 was €56,543 compared to €185,042 for the year 2014-2016. The decrease was due to the continuing reduction and final settlement of the loan prior to the year end.

Net Incoming Resources for the year 2015-2016 amounted to €2,311,609 compared to €2,167,678 for 2014-2015 representing an increase of €143,931 or 6.64%.

Net Movement in Funds amounted to €2,162,657 for the year 2015-2016. This was due to the actuarial loss on staff retirement of €148,952. The balance carried forward increased to €16,668,635.

- **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 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 had 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. On the 16th November 2016 the Municipal Council of Kifissia formally approved the introduction of the development into the city's town plan. As mentioned earlier, the Board had approved the Business plan on the 7th December 2016 which approved the redevelopment of the Macsolar building as Phase 1 of the new school. In anticipation of the above council approval, the school had over the previous two years selected the architects (Tombazis Associates) and project management company (Focal) following competitive tendering processes. As part of these processes, concept designs for Phase 1 had also been produced. The school is currently working with Tombazis and Focal to finalise the architectural plans and begin the redevelopment. The School has also been in meetings with the banks to obtain the required funding. The length of Phase 1 of the project is expected to be over two years. The School is also in the process of formalising its plans for Phase 2 – a building which enable the whole school to operate in new accommodation. Provision has also been made for this in the approved Business Plan.

The School continues to be concerned about the current economic climate and does not wish to undertake inappropriate risks. The School will make careful allocation of its resources to the development budgets and manage the associated risks and exposures in a prudent manner.

Due to the delay in the development of the Macsolar property, numerous improvements have been made to the current accommodation during the year under review. These included the following:

- Resurfacing of two football pitches with state of the art artificial turf;
- Restoration of basketball and tennis courts;
- Renovation of Upper School toilets and changing rooms;
- Repainting of Lower School and Hall.

Key Information Technology Upgrades included the following:

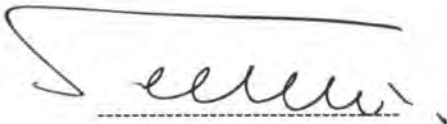
- A new phone system;
- Tannoy System for use in emergency situations;
- Security & Network ID Video System;
- Continued technology upgrades in classrooms resulting in the purchase of new technology smartboards;
- Replacement of old desktops and laptops;
- Acquisition of CHQ software for the management of after school club activities.

Approval of the Directors' Report and Financial Statements

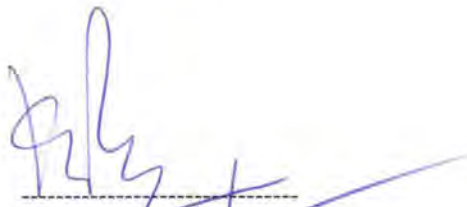
A resolution approving this Directors' Report and the School's Financial Statements for the year ended 31st August 2016 will be put forward at the Board meeting to be held on 5th April 2017. In signing this report the Directors confirm that they have approved the Strategic Report in their capacity as Company Directors of St. Catherine's British School.

°oo000oo°

Approved by the Board of Directors at its meeting on **5th April 2017** and signed on its behalf by:



Stavros Taki
Chairman



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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 2016 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) including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

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 Annual 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 2016 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, including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland"; 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 Directors' Report (including the Strategic 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

Eunice McAdam (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Inverness

20 April 2017

ST. CATHERINE'S BRITISH SCHOOL**STATEMENT OF FINANCIAL ACTIVITIES****FOR THE YEAR ENDED 31st AUGUST 2016**

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

		31-Aug-16	31-Aug-15
	Notes		
Incoming Resources			
Income from charitable activities:			
Fees Receivable		12,270,084	11,823,373
Other Income		502,621	547,094
Bank Interest		142	927
Total Incoming Resources		12,772,847	12,371,394
Resources Used			
Direct Charitable Expenditure:			
Staff Costs	2	7,959,621	7,624,626
Educational Consumables		246,911	193,958
Maintenance & Utilities		474,464	427,049
Real Estate, VAT and other Sundry Duties	3	273,361	251,946
Governance Costs		24,031	19,853
General Administration Expenses		708,874	1,029,479
		9,687,262	9,546,911
Other Expenditure:			
Interest		56,543	185,042
Money Market gains/losses		14,830	5,363
Foreign Exchange gains/losses		2,570	3,222
Depreciation	5	586,649	541,976
Bad Debts		110,282	(85,132)
Normal Taxation		3,102	6,334
		773,976	656,805
Total Resources Used		10,461,238	10,203,716
Net Incoming Resources			
Before Other Recognised Gains & Losses	4	2,311,609	2,167,678
- unrestricted Funds			
Devaluation of Fixed Assets		0	(871,000)
- restricted funds			
Actuarial (loss)/gain on Staff Retirement	9	(148,952)	13,080
Indemnities - unrestricted funds			
Net Movement In Funds		2,162,657	1,309,758
Balance Brought Forward at 1 st September		14,505,978	13,196,220
Balance Carried Forward at 31st August		16,668,635	14,505,978

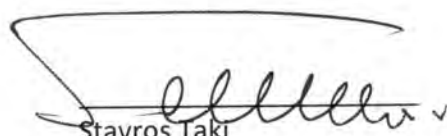
All income and expenditure derives from continuing activities

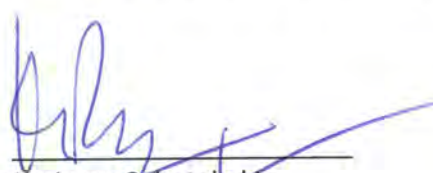
ST. CATHERINE'S BRITISH SCHOOL**BALANCE SHEET AS AT 31st AUGUST 2016**

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

		31-Aug-16	31-Aug-15
	Notes		
Fixed Assets			
Tangible Fixed Assets			
School's Land, Buildings and Equipment	5	15,706,100	15,530,406
Current Assets			
Debtors	6	385,712	482,118
Cash and Banks		5,070,683	5,134,135
		5,456,395	5,616,253
Current Liabilities			
Creditors Due Within 1 Year	7	(3,454,032)	(3,053,847)
Short Term portion of Long term loan	8	0	(2,725,000)
		(3,454,032)	(5,778,847)
Net Current Assets		2,002,363	(162,594)
Total Assets Less Current Liabilities		17,708,463	15,367,812
Long Term Liabilities			
Bank Loans	8	0	0
Retirement Benefits	9	(1,039,828)	(861,834)
		(1,039,828)	(861,834)
Total Net Assets		16,668,635	14,505,978
Restricted Funds	10	678,425	678,425
Unrestricted Funds	10	15,990,210	13,827,553
Total Funds		16,668,635	14,505,978

Approved by the Board of Directors at its meeting on 5th April 2017 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 2016**

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

	31-Aug-16	31-Aug-15
Net Cash Inflow From Operating Activities	3,483,394	3,348,775
Taxation	(3,102)	(6,334)
Cashflow from Investing Activities	(762,201)	(299,616)
Capital Expenditure And Financial Investment	(762,343)	(300,543)
Interest Received	142	927
Cashflow from Financing Activities	(2,781,543)	(3,260,042)
Repayment of loan	(2,725,000)	(3,075,000)
Interest Paid	(56,543)	(185,042)
Decrease In Cash	(63,452)	(217,217)
Cash and cash equivalents at the beginning of the year	5,134,135	5,351,352
Cash and cash equivalents at the end of the period	<u>5,070,683</u>	<u>5,134,135</u>
Reconciliation of net incoming resources to net cash inflow from operating activities		
Net incoming resources	2,311,609	2,167,678
Interest	56,401	184,115
Taxation paid	3,102	6,334
Depreciation	586,649	541,976
Bad debt provision	110,282	(85,132)
Increase/(Decrease) in provision for retirement indemnities	29,042	(23,730)
Increase in debtors	(13,876)	(50,163)
Increase in creditors - excluding loan	400,185	607,697
Net Cash Inflow From Operating Activities	<u>3,483,394</u>	<u>3,348,775</u>

1. ACCOUNTING POLICIES

a) Statement of compliance and Basis of Preparation

The financial statements have been prepared on a going concern basis, and in accordance with 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 (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The company transitioned from previously extant UK GAAP to FRS 102 as at 1 September 2014. The transition adjustments had no impact on the reported assets and liabilities or the net movement in funds in any period presented, and accordingly no reconciliation of UK GAAP to FRS 102 has been presented.

The financial statements are presented in Euros which is the functional currency of the School.

b) Tangible Fixed Assets

Land is stated at deemed historical cost (previously revalued cost) following change to FRS 102, 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

Income is recognised when the School has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

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

ST CATHERINE'S BRITISH SCHOOL

Notes to the Accounts as at 31st August 2016

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

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 102, 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 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 2016 was £1 / €1.175 (31st August 2015: £1 / €1.366). 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 including any short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

ST CATHERINE'S BRITISH SCHOOL**Notes to the Accounts as at 31st August 2016**

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

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.

2. STAFF COSTS

	2015-2016	2014-2015
	€	€
Wages & salaries	5,839,521	5,668,385
Social security costs	1,394,803	1,368,334
Pension contributions	202,400	201,069
Other costs	522,897	386,838
	<u>7,959,621</u>	<u>7,624,626</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.

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

	2015-2016	2014-2015
Full-time teaching staff	74	76
Part-time teaching staff	19	18
Teaching assistants	27	26
Administration staff	32	30
Cleaning staff	22	21
Management	9	10
	<u>183</u>	<u>181</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.

The key management personnel of the School comprise the Directors, the Headmaster, the Deputy Head & Head of Upper School, the Head of Lower School and the Business Manager. The total employee benefits of key management personnel of the School were €415,168 (2015: €561,265).

ST CATHERINE'S BRITISH SCHOOL**Notes to the Accounts as at 31st August 2016**

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

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

In the current fiscal year, the School paid various sundry duties and taxes amounting to €273,361. This comprised mainly VAT payable on local goods and services to the Greek tax authorities and amounted to €235,293 (€218,761 in 2014-2015). VAT payable on purchases made within the European Union amounted to €34,660 (€26,212 in 2014-2015).

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

Included in Net Incoming Resources are the following discloseable items:

- (a) Audit remuneration for 2015/16 amounted to €15,500 (2014/15 - €14,000)
- (b) Operating leases – Land & Buildings for 2015/16 amounted to €113,196 (2014/15 - €98,136)
- (c) Operating Lease – Car for 2015/16 amounted to €2,333 (2014/15 - €2,125)

5. TANGIBLE FIXED ASSETS

	Freehold Land	Freehold & Leased Buildings	Furniture & Equipment	Improve- ments	TOTAL
<u>Cost or Deemed Cost:</u>					
At 1st September 2015	12,054,000	6,645,082	2,822,812	649,854	22,171,748
Additions	0	232,122	216,631	313,590	762,343
Devaluation	0	0	0	0	0
At 31st August 2016	12,054,000	6,877,204	3,039,443	963,444	22,934,091
<u>Depreciation:</u>					
At 1st September 2015	0	3,789,893	2,220,799	630,650	6,641,342
Charge for the year	0	340,257	211,787	34,605	586,649
At 31st August 2016	0	4,130,150	2,432,586	665,255	7,227,991
<u>Net book value:</u>					
At 31st August 2016	12,054,000	2,747,054	606,857	298,189	15,706,100
At 31st August 2015	12,054,000	2,855,189	602,013	19,204	15,530,406

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.

In applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, the school has elected that the revalued value of the land be deemed cost as from the Balance Sheet date. Accordingly, the Revaluation reserve of has been frozen at €531,683.

ST CATHERINE'S BRITISH SCHOOL**Notes to the Accounts as at 31st August 2016**

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

6. DEBTORS

	2015-2016	2014-2015
	€	€
Fees, net of provision for doubtful accounts of €924,120 as at 31 st August 2016 (2015 €813,838)	200,424	294,044
Guarantees	44,625	40,785
Other debtors	18,514	5,225
Prepaid expenses (a)	122,149	142,064
	<u>385,712</u>	<u>482,118</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.

7. CREDITORS: Due within one year

	2015-2016	2014-2015
	€	€
Trade creditors	225,963	174,072
Reservation deposits (a)	2,498,371	2,068,940
Sundry creditors	133,146	288,822
Taxes & social security	244,394	263,855
Accruals	352,158	258,158
	<u>3,454,032</u>	<u>3,053,847</u>

- (a) The School received part of the annual fees in advance (€2,498,371) 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 was repayable in 14 semi-annual instalments beginning on 31st January 2010 and ending on 31st July 2016, as follows:

	2015-2016	2014-2015
	€	€
Due within one year (short term portion)	0	2,725,000
Due within two to five years	0	0
	<u>0</u>	<u>2,725,000</u>

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

The loan was secured by a first preferred mortgage on the School's immovable property. In addition the insurance policies on the School's immovable property had been assigned as

ST CATHERINE'S BRITISH SCHOOL**Notes to the Accounts as at 31st August 2016**

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

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).

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 2016 was a €0 (31st August 2015 was a €0).

The loan was settled in full as required by the terms of the agreement.

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 2016 is as follows:

Net liability recognised in the Balance Sheet	2015-2016	2014-2015
	€	€
Present value of defined benefit obligation	1,039,828	861,834
Net liability	1,039,828	861,834
Actuarial assumptions	2015-2016	2014-2015
	%	%
Rate of salary increases	3.00%	3.00%
Discount rate	0.90%	2.00%
Average price inflation	1.75%	2.00%

ST CATHERINE'S BRITISH SCHOOL**Notes to the Accounts as at 31st August 2016**

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

Net expense recognised in the Statement of Financial Activities	2015-2016 €	2014-2015 €
Service cost component	89,326	88,669
Past Service Cost due to amendments	3,492	59,990
Interest cost component	17,237	17,074
Termination benefits	(34,455)	(25,161)
	<u>75,600</u>	<u>140,572</u>
 Other recognised gains and losses recognised in the Statement of Financial Activities	 2015-2016 €	 2014-2015 €
Actuarial (gains)/losses	(148,952)	(13,080)
	<u>(148,952)</u>	<u>(13,080)</u>
 Change in the present value of the defined benefit obligation	 2015-2016 €	 2014-2015 €
Present value of defined benefit obligation as at 1 st September	861,834	898,644
Service cost component	89,326	88,669
Past Service Cost due to amendments	3,492	59,990
Interest cost component	17,237	17,074
Termination benefits	(34,455)	(25,161)
Less: Benefits paid	(46,558)	(164,302)
Actuarial (gains)/losses	148,952	(13,080)
Present value of defined benefit obligation as at 31st August	<u>1,039,828</u>	<u>861,834</u>

The cumulative actuarial losses taken to the statement of other recognised gains and losses at 31st August 2016 were losses of €258,500 (2015: €109,548 losses).

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

	2015-2016 €	2014-2015 €
Land Revaluation Reserve	531,683	531,683
School Reserves	<u>146,742</u>	<u>146,742</u>
	<u>678,425</u>	<u>678,425</u>

The Land Valuation Reserve reflects the revaluation of the School's freehold land. The revaluation reserve has been frozen due to the decision of the school to record the land at deemed cost following the adoption of FRS 102.

ST CATHERINE'S BRITISH SCHOOL

Notes to the Accounts as at 31st August 2016

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

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 2016 unrestricted reserves amounted to €15,990,210 (2015: €13,827,553).

11. RELATED PARTY TRANSACTIONS

On the 31st of May 2016 the school purchased a motor vehicle valued at €25,715 from Sfakianakis SA. Sfakianis SA's Managing Director is Mr S Taki who is also Chairman of the school board. This was done following due diligence by the Business Manager and the Headmaster resulting in three quotes been obtained of which Sfakianis was the best. In order to ensure full disclosure and transparency, the Board was informed at a Board meeting of the 4th April 2016 of the school's intention to purchase in keeping with the requirements of article 9.8, 9.9 and 10.2 of the Articles of Association. Following discussion, the purchase was approved.

12. CONTRACTS AND COMMITMENTS

At 31 August 2016 the School had commitments under non-cancellable operating leases as set out below:

	2015-2016	2014-2015
	€	€
Operating leases:		
Less than one year	135,593	114,316
In 2 to 5 years	357,139	445,223
Greater than 5 years	50,932	112,222
	<u>543,664</u>	<u>671,761</u>

The comparatives have been restated in line with the requirements of FRS 102.

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.