

**ST CATHERINE'S BRITISH  
EMBASSY SCHOOL**

**ANNUAL REPORT AS PER  
31ST AUGUST 1999**

S.M.A. 860282



# **ST CATHERINE'S BRITISH EMBASSY SCHOOL**

**(A company Limited by Guarantee)**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 1999**

### **Status and Administration**

St Catherine's British Embassy School was founded in 1956. The Company is a not for profit organisation, a registered charity, number 313909, and is also a company limited by guarantee, registered company number 00860288.

### **Directors**

The Directors of the Company, who are also the charity trustees and members of the Committee of Management who served since 1 September 1998 through to the date of this report were:

Peter Millett, Chairman

Emil Yiannopoulos, Honorary Treasurer (appointed 23 September 1998)

Mrs Vivian J Asimacopoulos

David Gordon-MacLeod (appointed 30 September 1999)

John Krzywkowski (appointed 5 October 1999)

Stephen Martin (appointed 22 March 1999)

Graham Millington

Martin Murphy (appointed 28 March 2000)

Richard Lanny Steinberg (appointed 23 September 1998)

Mrs Barbara Terzopoulos

Mrs Evangelia Arapoglou (resigned 7 January 1999)

Gordon Bernard (resigned 30 June 1999)

Adrian Odell (resigned 30 June 1999)

Robert Peck (resigned 1 September 1998)

Michael Sursock (appointed 7 January 1999, resigned 20 March 2000)

The Directors are appointed by the Governors of the School, H E the British Ambassador, H E The Australian Ambassador and H E the Canadian Ambassador.

### **Professional Advisers and Key Personnel**

The Headmaster: Ronald Morton BEd (Hons) MA

Address: St Catherine's British Embassy School  
73, Sophocles Venizelou str.  
Lykovrissi, Athens GR 141 23

Company secretary: Mrs Annette Hadjis

# **ST CATHERINE'S BRITISH EMBASSY SCHOOL**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 1999**

**Bankers:** Barclays Bank Plc  
3 Papdiamanti & Dionissou Street  
Kifissia 145 62, Athens

National Westminster Bank  
Hampstead Village  
25 Hampstead High Street  
London NW3 1RL

**Solicitors:** Slaughter & May  
35 Basinghall Street  
London EC2V 5DB

**Auditors:** Kypris & Associates  
12, Delos Street  
145 62 Kifissia  
Athens

### **Activities**

During 1998/1999 and 1999/2000 academic years the Company was engaged in the education of girls and boys up to the age of 13. With effect from 1 September 2000 the school shall be educating children up to the age of 16 and with a strategy to extend beyond this.

### **Governance**

The Directors determine the general policies of the School. The day to day management of the School is delegated to the Headmaster.

### **Policy**

The School is a day school based in Athens, which follows the English educational curriculum. Classes are conducted in English although Greek language teaching also figures prominently in the School's programme.

### **Review**

In the 1998/1999 academic year the School occupancy has been at around 280 children. This number has increased to around 320 in the 1999/2000 academic year. The School's bursary scheme, in 1998/99 supported 14 pupils of which 10 are staff children.

The School is currently building a new multipurpose hall, which will also serve as a theatre and gymnasium and sports facility, as well as eight new classrooms and two science laboratories.

### **The Financial Results**

The measures taken in 1998/1999 have resulted in a surplus as compared to a deficit in 1997/1998.

**ST CATHERINE'S BRITISH EMBASSY SCHOOL**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 1999**

**Resources**

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

**Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the reappointment of Kypris & Associates Ltd. as auditors to the company will be put to the annual general meeting.

Approved by the Board of the Directors at its meeting on 29 May 2000 and signed on its behalf by:



Peter Millett, Chairman



Emil Yiannopoulos, Honorary Treasurer  
(appointed 28 September 1998)

**ST CATHERINE'S BRITISH EMBASSY SCHOOL**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The purpose of this statement is to distinguish the directors' responsibilities for the accounts from those of the auditors as stated in their report.

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

## REPORT OF THE AUDITORS TO THE MEMBERS OF THE ST CATHERINE'S BRITISH EMBASSY SCHOOL, ATHENS

We have audited the accounts on pages 6 to 11, which have been prepared under the historical cost convention and the accounting policies set out on page 8.

### Respective responsibilities of directors and auditors

As described on page 4 the School's directors, who also act as the Charity's trustees, are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

### Basis of opinion

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

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

### Fundamental uncertainty

As explained in note 10(b) there is a contingent liability regarding the taxation of the School's real property.

### Opinion

In our opinion, subject to the effects of the above, the accounts give a true and fair view of the state of affairs of the School as at 31 August 1999 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Acts 1985.

Kypris & Associates Ltd.  
Registered Auditors

29 May 2000



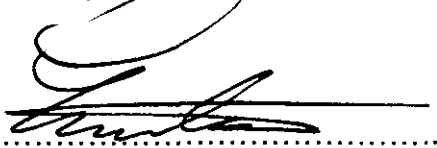
**ST CATHERINE'S BRITISH EMBASSY SCHOOL  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST, 1999**

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	Notes	<u>1998/1999</u> GRD'000	<u>1997/1998</u> GRD'000
<b>TURNOVER</b>	3		
Operating Revenue		547,238	442,900
Service Income (Expense) (net)		<u>12,167</u>	<u>(4,346)</u>
		<u>559,405</u>	<u>438,554</u>
 <b>ADMINISTRATIVE EXPENSES</b>			
Staff Costs	4 & 5	390,126	384,330
Utilities/Maintenance		32,866	16,412
General Costs/Supplies		33,735	28,742
Educational Costs/Supplies		<u>21,000</u>	<u>26,376</u>
		<u>477,727</u>	<u>455,860</u>
 <b>CASH OPERATING PROFIT (DEFICIT)</b>		81,678	(17,306)
Add (deduct):			
Bank interest		10,316	6,659
Provision for bad debts		(5,333)	-
Depreciation		(13,929)	(13,416)
Staff retirement indemnities provision		<u>(2,313)</u>	<u>(10,033)</u>
 <b>SURPLUS (DEFICIT) FOR THE YEAR</b>		<u>70,419</u>	<u>(34,096)</u>

The School has no recognised gains and losses other than the surplus for the year. The notes on pages 8 to 11 form part of these accounts.

  
.....  
Peter Millett, Chairman


  
.....  
Emil Yiannopoulos, Honorary Treasurer (appointed 23 September 1998)


**ST CATHERINE'S BRITISH EMBASSY SCHOOL**  
**BALANCE SHEET AS AT 31 AUGUST, 1999**

	<u>Notes</u>	<u>1998/1999</u> GRD'000	<u>1997/1998</u> GRD'000
<b>FIXED ASSETS</b>	6		
Freehold Land		28,703	28,703
Freehold Buildings and Estate		73,795	75,377
New buildings		<u>14,942</u>	<u>5,534</u>
Furniture & Equipment		<u>20,301</u>	<u>22,688</u>
		<u>137,741</u>	<u>132,302</u>
<b>CURRENT ASSETS</b>			
Debtors	7	15,448	4,906
Cash and banks		<u>97,272</u>	<u>38,021</u>
		112,720	42,927
<b>CURRENT LIABILITIES</b>			
Amounts falling due within one year:			
Creditors	8	24,017	24,251
Accruals		<u>19,171</u>	<u>16,437</u>
		<u>43,188</u>	<u>40,688</u>
<b>NET CURRENT ASSETS</b>			
(Current Assets less Current Liabilities)		69,532	2,239
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
(Fixed & Currents Assets less Current Liabilities)		207,273	134,541
<b>LONG TERM LIABILITIES</b>			
Provision for retirement indemnities	9	<u>86,851</u>	<u>84,538</u>
<b>TOTAL ASSETS LESS TOTAL LIABILITIES</b>		<u>120,422</u>	<u>50,003</u>
<b>UNRESTRICTED FUNDS</b>		<u>120,422</u>	<u>50,003</u>

The notes on pages 8 to 11 form part of these accounts.

Approved by the board on 29 May 2000 and signed on its behalf by:

  
 .....  
 Peter Millett, Chairman

  
 .....  
 Emil Yiannopoulos, Honorary Treasurer (appointed 23 September 1998)



**ST CATHERINE'S BRITISH EMBASSY SCHOOL**  
**NOTES TO THE ACCOUNTS**  
**AS AT 31 AUGUST, 1999**

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**1 The School**

The School is a not for profit organisation incorporated in the United Kingdom as a company limited by guarantee. The members' liability is limited to GBP 2 each. The School operates in Athens, Greece.

**2 Accounting Policies**

The accounts have been prepared on a going concern basis and under the historical cost convention. The accounts have been prepared in accordance with applicable accounting standards.

***Recognition of income***

Income is recognised at the point related bills are issued.

***Depreciation***

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write off the assets over their expected useful lives by the straight-line method. The depreciation rates are 5% for buildings and estate and 10% for furniture and equipment items.

***Foreign currencies***

The accounts are expressed in Greek drachmas (GRD). 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 income and expenditure statement.

**3 Turnover**

The School's revenue derives from the following sources:

Operating revenue, which comprises non-refundable application fees, main school and nursery fees and miscellaneous income (net of bursaries).

Service income and expense, which comprises bus service and swimming pool income, net.

The auditors' report is on page 5

**ST CATHERINE'S BRITISH EMBASSY SCHOOL**  
**NOTES TO THE ACCOUNTS**  
**AS AT 31 AUGUST, 1999**

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**4 Staff and staff costs**

The average monthly number of full time employees during the year is shown below. In addition the School uses the services of free-lance professional and maintenance personnel, both regularly and for part-time/supply to meet specialist or short term needs.

	<u>1998/1999</u>	<u>1997/1998</u>
Full-time teaching staff	23	25
Part-time teaching staff	5	4
Teaching assistants	3	3
Administration staff	4	4
Caretaker staff	<u>3</u>	<u>4</u>
	<u>38</u>	<u>40</u>

The Directors received no remuneration nor reimbursement of expenses during the year.

**5 Pension arrangements**

During 1998/1999 the School continued to operate a defined contribution scheme in the UK which provided life and retirement benefits to twelve of its employees. The scheme is managed by a life assurance company and its assets are held separately for each individual member.

During 1998/1999 three members of staff also continued to be members of the UK State pension scheme for teachers, administered by the Teacher's Pension Agency (TPA), to which both the employee and employer made contributions. The assets of this scheme are also held separately in an independent administered fund.

All other staff are members of the Greek State Social Security and pension arrangements.

**6 Fixed assets (GRD'000)**

	Freehold land	Freehold buildings and estate	Furniture and equipment	Total
Cost				
At 1 September 1998	28,702	142,304	68,136	239,143
Additions	<u>-</u>	<u>14,942</u>	<u>4,427</u>	<u>19,368</u>
At 31 August 1999	28,702	157,246	72,563	258,511
Depreciation				
At 1 September 1998	-	61,394	45,448	106,842
Charge for the year	<u>-</u>	<u>7,115</u>	<u>6,814</u>	<u>13,929</u>
At 31 August 1999	-	68,509	52,262	120,771
Net Book Value				
At 31 August 1999	<u>28,702</u>	<u>88,737</u>	<u>20,301</u>	<u>137,740</u>
At 31 August 1998	<u>28,702</u>	<u>80,911</u>	<u>22,688</u>	<u>132,301</u>

The auditors' report is on page 5

**ST CATHERINE'S BRITISH EMBASSY SCHOOL**  
**NOTES TO THE ACCOUNTS**  
**AS AT 31 AUGUST, 1999**

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**7 Debtors**

	<u>1998/1999</u> GRD'000	<u>1997/1998</u> GRD'000
Fees	5,333	
Less provision for bad debts	<u>5,333</u>	1,271
Other debtors	<u>15,448</u>	<u>3,635</u>
	<u>15,448</u>	<u>4,906</u>

**8 Creditors**

	<u>1998/1999</u> GRD'000	<u>1997/1998</u> GRD'000
Trade creditors	1,209	4,800
Taxes and Social security	21,690	16,281
Other creditors	<u>1,118</u>	<u>3,170</u>
	<u>24,017</u>	<u>24,251</u>

**9 Provision for retirement indemnities**

	<u>1998/1999</u> GRD'000	<u>1997/1998</u> GRD'000
Balance as at 1st September, 1998	84,538	82,267
Payments during the year	<u>-</u>	<u>(7,762)</u>
	84,538	74,505
Additional provision	<u>2,313</u>	<u>10,033</u>
Balance as at 31st August, 1999	<u>86,851</u>	<u>84,538</u>

In accordance with Greek Law, retirement indemnities are provided for employees reaching retirement age at an amount of 40% of the statutory termination indemnity. A commitment to pay the equivalent of the full 100% termination indemnity amount upon retirement of local indefinite contract staff employed before September 1989 has been recognised by the Committee of Management.

Staff employed on fixed term local and expatriate contracts have expressly waived any entitlement to the statutory termination indemnity.

The maximum termination indemnity liability had all employees departed on 31st August 1999, regardless of status or contract terms, amounted to GRD 109,030,542. No actuarial valuation of this liability has been made.

The auditors' report is on page 5

**ST CATHERINE'S BRITISH EMBASSY SCHOOL  
NOTES TO THE ACCOUNTS  
AS AT 31 AUGUST, 1999**

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**10 Contingent liabilities**

- a□ During May 2000 the status of the School in relation to Greek income tax, VAT and the Greek books and records code («KBRC») has been clarified with the tax authorities. The School has now been granted a Greek tax registration number, which confirms its non-taxable income tax status and its VAT and KBRC status. A nominal penalty has been levied by the tax authorities covering the period since 1971 for not having registered its position sooner.

For the reasons described above, the Directors believe that the contingent tax liabilities described in previous years' financial statements, are remote.

- b□ Greek Law provides for a Real Property Ownership tax("RPO"). Such tax, if applicable, is payable at a rate of 0.35% on the part of the real property that exceeds GRD 172,500,000 in value. For the purpose of calculating the tax, the tax authorities determine the value of the land by reference to valuation tables applicable to land and buildings in the area where the property is situated. The directors believe that the amount of RPO tax which may be assessed on the School, is small and that in view of the School's status the risk of any such tax crystallising is remote.

The auditors' report is on page 5

## APPENDIX

Comparative analytical information for 1997/1998 academic year expenses is not readily available.

Analysis of 1998/1999 expenses appearing on page 6 are as follows:

	<u>GRD'000</u>
<u>Utilities – Maintenance</u>	
Electricity	4,270
Heating fule oil	2,068
Water	1,330
Telephone	1,503
Postage	505
Furniture & equipment maintenance	4,022
Building & estate maintenance	14,890
Insurance	4,087
Security services	191
Total	<u>32,866</u>
<u>General costs/Supplies</u>	
Legal & establishment costs	1,763
Memberships & subscriptions	774
General stationery supplies	2,800
Consumables	139
Cleaning materials & services	2,186
Medical supplies	218
Entertaining	2,066
Miscellaneous expenses	476
Milk & sugar	445
Advertising	4,665
Furniture & equipment	4,335
Accounting & audit	13,868
Total	<u>33,735</u>
<u>Educational costs/supplies</u>	
Form supplies	1,591
Specialist subject supplies	15,697
Nursery supplies	223
Library	244
Outings, drama & events	113
Computer lessons	2,442
Computer consumables & repairs	690
Total	<u>21,000</u>

The audit opinion on page 5 does not address the above analysis of expenses.