

ST. CATHERINE'S BRITISH SCHOOL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st AUGUST 2018

Charity number: 313909

Company number: 00860288





ST. CATHERINE'S BRITISH SCHOOL

(A company limited by guarantee)

DIRECTORS' REPORT FOR THE YEAR ENDED 31st AUGUST 2018

The Governors are pleased to present their annual Directors' Report together with the financial statements of the charity for the year ending 31st August 2018 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 develop fully 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 2017/2018 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.

The school continued to maintain a commitment to high quality CPD (Continuing Professional Development) and student enrichment programmes in 2017-2018. Some of the CPD highlights included EAL (English as an Additional Language) training in September 2017 from UK-based trainers Karen Ardley Associates and Critical Incident Management Planning for the SLT from another UK-based trainer Robin Hamilton in June 2018. Also seven support staff commenced a two year Level Three Diploma programme delivered by the UK-based Teaching Assistant College. On the student front the Performing Arts saw an outstanding production of Jessica Swales' "Blue Stockings" in December 2017 whilst our Debaters continued to excel in local, national and international competitions with two students making the Greek National training squad. Our ICT students ran an inaugural St Cats Hackathon – the first of its kind in Greece! One of the students also made it into the Greek National Under 25 Hackathon squad! Other highlights including success in the World Scholars' Cup as two of our teams, each comprising of three students, made it through to the Global finals held at Yale University in the USA whilst a team of older students performed with great distinction at the 6th International Students' Conference in Istanbul presenting on the work of Greek poet, Odysseas Elytis. In sports once again our Junior and Secondary teams performed really well in their respective international multi-sport events. The Junior team travelled to Dubai for the inaugural World Primary Games in February 2018 whilst the Senior team once again performed with distinction at the COBIS Secondary Games in Sheffield in May 2017. The year also saw the advent of two more international forays: our juniors travelled to Girona in Spain for a basketball tournament whilst our senior boys and girls attended a major European football competition in Verona, Italy.

Charitable Activities

1) Bursaries to pupils

2) The School supported and contributed to the following overseas and local charities:

- Attica Zoo (a Greek Zoological Park)
- Blind Association - Greece
- ELIZA (a Greek charity for the Prevention of Cruelty to Children)
- Smile of the Child (a Greek Charity)
- UNHCR
- WaterAID
- Alma Zois (an organization for Breast Cancer)
- Municipality of Lykovrisi
- Municipality of Kifisia
- Municipality of Mandras
- Nine Lives (an organization that helps stray cats)

- Hellenic Wildlife Care
- KE.TH.I.S. (Rehabilitation of Children with special needs)
- Estia Girls (an organization for the benefit of young girls)
- Kivotos tou Kosmou (Ark of the World – an organization for caring poor Greek & immigrant children)
- Doctors Without Borders
- Anima - Wildlife Conservation Society
- Mporoume Foundation (We Can Foundation – an organisation to help the poor)
- Make a Wish Foundation (an organization for helping children in need)
- Merimna (a Bereavement Counselling charity)

Directors

The Directors of the School, who are also the charity trustees and members of the Board of Governors, who served since 1st September 2017 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 Term End: 01/10/2017
Nicola, Loukia		Appointed 01/10/09	Re-Appointed 01/10/2013 Re-appointed 01/10/2017
Mirasgezi, Domna		Appointed 01/10/09	Re-Appointed 01/10/2013 Term End: 01/10/2017
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	Re-Appointed 20/11/2018
Paleokrassas, George Andreas		Appointed 01/04/13	Re-Appointed 01/04/2017
Sutton, Richard Charles		Appointed 01/10/2014	Term End: 01/10/2018
Coumantaros, Eugenie		Appointed 05/05/2015	
Contomichalos, Sarah Kinney		Appointed 26/02/2016	
Contomichalos, Nathalie Isabelle		Appointed 06/01/2018	
Markou, Christos		Appointed 05/07/2018	
Braimi, Athanasia		Appointed 25/01/2019	

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 Director:	Mr Konstandinos S. Theodosiou (appointed 11/04/11)	
Development Director:	Ms Georgina Ralston (appointed 16/10/17)	
Senior 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	Alpha Bank Ethniki Odos 17 th km Athinon Lamias Kifissia GR145 64 Greece
	National Bank of Greece Potamou 25 & Galinis Avenue, N. Kifissia GR145 64 Greece	Eurobank P. Maximou 2 & Deligianni, Kefalari 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 Bedford House 16 Bedford Street Belfast BT2 7DT	

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. Following the Board of Governors full day's INSET session with Stuart Westley from AGBIS and the advent of the Key Stage/Curriculum-linking initiative during the academic year 2015-2016, the ISI inspection team in November 2016 rated the "quality of governance as excellent" – the top possible grade. In their report, the inspectors commented: "Governor training has a high priority. Each February there is a joint governor and Senior Leadership workshop which has increased governors' insight into the working of the school...Furthermore governors are invited to attend staff training sessions as appropriate".

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 2018 amounted to €4,014, being reimbursement of airfares, 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 5th June 2018. 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 2018-19 and similarly, staff pay awards were kept at nominal levels.

Strategic Report

• Review

Over the last few years the School has implemented a plan to maintain occupancy at between 1,050 and 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
2016/2017	1,144
2017/2018	1,171
2018/2019 (estimated)	1,196

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 had allowed greater flexibility for the School as it prepared its strategic campus development plan. This resulted in a slight decrease in student numbers to 1,067 in 2012/13. This again was the case in 2016/17 where the number of Year 1 classes was reduced from four forms to three. This resulted in a slight decrease in student numbers to 1,144. In 2017/18, the student numbers increased to 1,176 due to the re-inclusion of a fourth form in year 1. In 2018/19, the student numbers are projected to increase again to around 1,196.

The School's bursary scheme in 2017-2018 supported 142 pupils (prior year 132) in various percentages of which 74 (prior year 67) were staff children (also in various percentages).

• Financial Results

The financial performance for the year 2017-18 was above the budget approved by the Board.

Total Incoming Resources for the year 2017-2018 were €13,209,884 compared to €12,873,288 for 2016-2017 representing an increase of €336,596 or 2.61% compared to the year 2016-2017. Pupil numbers increased by 2.4% in 2017-18 compared to 2016-17.

Total Resources Used for the year 2017-2018 amounted to €11,649,860 compared to €10,899,234 for 2016-2017 representing an increase of €750,626 or 6.89% compared to the year 2016-2017.

Net Incoming Resources for the year 2017-2018 amounted to €1,560,024 compared to €1,974,054 for 2016-2017 representing a decrease of €414,030 or 20.97%.

Net Movement in Funds amounted to €1,567,961 for the year 2017-2018. This was due to the actuarial gain on staff retirement of €7,937. The balance carried forward increased to €20,106,917.

- **Reserves**

The School's restricted reserves relate to funds held for specific purposes. At 31st August 2018 there are €531,683 held under the Land Revaluation Reserve and €146,742 held under the School Reserve totalling €678,425.

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. At 31st August 2018 there are €19,428,492 in unrestricted reserves.

The directors consider that the ideal level of reserves would be between 1 to 2 years' expenditure. The directors believe that the current unrestricted reserves represent a sufficient level to ensure that the going concern assumption is appropriate.

The reserves Policy is reviewed on an annual basis.

- **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 Director produces management reports together with his team 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 due to 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 would see 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. During 2016/17 the school worked with Tombazis and Focal to finalise the architectural plans for the redevelopment. In April 2017, formal agreements were signed with the architects, the Engineers and the Project Management Company involved.

In August 2017 the School acquired the Wella property - adjacent to the Macsolar property. This property will form part of Phase 2 of the redevelopment and it has been decided that it will be reconfigured to create a multi-sports complex for use by all the students of the school.

The Building Permit for Phase 1 was obtained on the 21st May 2018. Following a rigorous tender process, Redex SA was selected to redevelop the Macsolar site into a new Upper School and incorporating some whole school facilities eg: a theatre. Construction began at the beginning of June 2018. Although it was hoped that the new Upper School campus would be operational by September 2019, this has been delayed by the uncovering of a range of archaeological findings. It is hoped that the School can be operational during the first quarter of 2020.

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:

- Renovation of Upper School Administration offices.
- Creation of two new classrooms utilising existing spaces.
- Painting the outside of the Lower school buildings, The Hall and parts of the Upper school buildings.
- Painting all gates and fencing around the school.
- Renovating the Year 1 courtyard with stamped concrete.
- Lower School flooring in all corridors.
- Installation of three electric shutters to improve the security of facilities after hours.
- Installation of new cooling system for electrical substation.
- Solar Heating system for the swimming pool.

Key Information Technology Upgrades included the following:

- Replacement of old security cameras with new digital cameras.
- Continued technology upgrades in classrooms resulting in the purchase of new technology smartboards.
- Replacement of old desktops and laptops.

Disclosure of Information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Re-Appointment of auditors

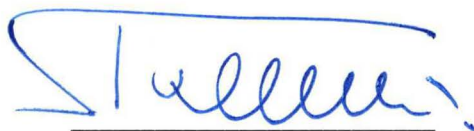
In accordance with s485 of the Companies Act 2006, a resolution is to be proposed at the Board Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

Approval of the Directors' Report and Financial Statements

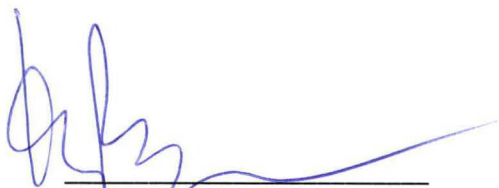
A resolution approving this Directors' Report and the School's Financial Statements for the year ended 31st August 2018 will be put forward at the Board meeting to be held on **9th April 2019**. In signing this report the Directors confirm that they have approved the Strategic Report in their capacity as Company Directors of St. Catherine's British School.

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Approved by the Board of Directors at its meeting on **9th April 2019** 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

Opinion

We have audited the financial statements of St. Catherine's British School for the year ended 31st August 2018 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the charitable company's affairs as at 31st August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 9, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ▶ the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▶ The strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the directors' report included within the trustees' report.

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. [or
- ▶ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime

Responsibilities of trustees

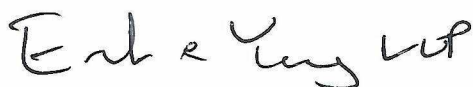
As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Richard Frostick (Senior statutory auditor)

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

Belfast

Date: 10 April 2019

ST. CATHERINE'S BRITISH SCHOOL**STATEMENT OF FINANCIAL ACTIVITIES****FOR THE YEAR ENDED 31st AUGUST 2018**

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

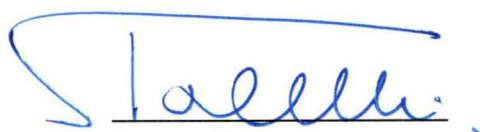
		31-Aug-18	31-Aug-17
	Notes		
Incoming Resources			
Income from charitable activities:			
Fees Receivable		12,613,961	12,236,705
Other Income		595,357	636,296
Bank Interest		566	287
Total Incoming Resources		13,209,884	12,873,288
Resources Used			
Direct Charitable Expenditure:			
Staff Costs	2	8,950,271	8,422,801
Educational Consumables		308,868	259,892
Maintenance & Utilities		548,690	494,310
Real Estate, VAT and other Sundry Duties	3	255,419	255,146
Governance Costs		17,784	22,454
General Administration Expenses		771,721	768,644
		10,852,753	10,223,247
Other Expenditure:			
Interest		0	0
Money Market gains/losses		18,257	23,215
Foreign Exchange gains/losses		4,688	2,411
Depreciation	5	583,598	609,369
Bad Debts		183,296	35,774
Normal Taxation		7,268	5,218
		797,107	675,987
Total Resources Used		11,649,860	10,899,234
Net Incoming Resources			
Before Other Recognised Gains & Losses	4	1,560,024	1,974,054
- unrestricted Funds			
Devaluation of Fixed Assets		0	0
- restricted funds			
Actuarial (loss)/gain on Staff Retirement	8	7,937	(103,733)
Indemnities - unrestricted funds			
Net Movement In Funds		1,567,961	1,870,321
Balance Brought Forward at 1st September		18,538,956	16,668,635
Balance Carried Forward at 31st August		20,106,917	18,538,956

ST. CATHERINE'S BRITISH SCHOOL**BALANCE SHEET AS AT 31st AUGUST 2018**

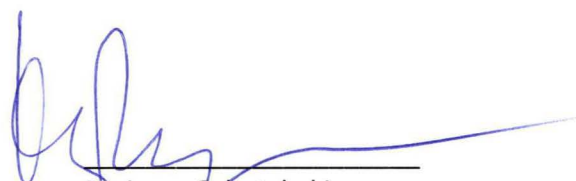
(All amounts in tables and notes are presented in € unless otherwise stated)

		31-Aug-18	31-Aug-17
	Notes		
Fixed Assets			
Tangible Fixed Assets			
School's Land, Buildings and Equipment	5	20,215,156	19,769,130
Current Assets			
Debtors	6	834,647	292,483
Cash and Banks		5,682,488	4,891,708
		<u>6,517,135</u>	<u>5,184,191</u>
Current Liabilities			
Creditors Due Within 1 Year	7	(5,187,974)	(5,143,195)
		<u>(5,187,974)</u>	<u>(5,143,195)</u>
Net Current Assets		1,329,161	40,996
Total Assets Less Current Liabilities		<u>21,544,317</u>	<u>19,810,126</u>
Long Term Liabilities			
Retirement Benefits	8	(1,437,400)	(1,271,170)
		<u>(1,437,400)</u>	<u>(1,271,170)</u>
Total Net Assets		<u>20,106,917</u>	<u>18,538,956</u>
Restricted Funds	9	678,425	678,425
Unrestricted Funds	9	19,428,492	17,860,531
Total Funds		<u>20,106,917</u>	<u>18,538,956</u>

Approved by the Board of Directors at its meeting on **9th April 2019** 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 2018**

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

	31-Aug-18	31-Aug-17
Net Cash Inflow From Operating Activities	1,827,659	4,499,776
Taxation	(7,268)	(5,218)
Cashflow from Investing Activities	(1,029,611)	(4,673,533)
Capital Expenditure And Financial Investment	(1,030,177)	(4,674,110)
Proceeds on Disposal of Tangible & Intangible Assets	0	290
Interest Received	566	287
Cashflow from Financing Activities	0	0
Repayment of loan	0	0
Interest Paid	0	0
Increase / (Decrease) In Cash	790,780	(178,975)
Cash and cash equivalents at the beginning of the year	4,891,708	5,070,683
Cash and cash equivalents at the end of the period	5,682,488	4,891,708
Reconciliation of net incoming resources to net cash inflow from operating activities		
Net incoming resources	1,560,024	1,974,054
Interest	(566)	(287)
Taxation paid	7,268	5,218
Depreciation	583,598	609,369
Bad debt provision	183,296	35,774
(Profit)/loss on disposal of assets	553	1,421
Increase/(Decrease) in provision for retirement indemnities	174,167	127,609
Increase in debtors	(725,460)	57,455
Increase in creditors - excluding loan	44,779	1,689,163
Net Cash Inflow From Operating Activities	1,827,659	4,499,776

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 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 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 2018 was £1 / €1.115 (31st August 2017: £1 / €1.082). 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.

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.

ST. CATHERINE'S BRITISH SCHOOL**Notes to the Accounts as at 31st August 2018**

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

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

	31 Aug 2018	31 Aug 2017
Wages & salaries	6,600,642	6,131,411
Social security costs	1,647,939	1,514,499
Pension contributions	237,610	219,012
Other costs	464,080	557,879
	<u>8,950,271</u>	<u>8,422,801</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.

	2017-2018	2016-2017
Full-time teaching staff	78	72
Part-time teaching staff	19	18
Teaching Assistants	33	30
Administration staff	33	32
Site Maintenance & Cleaning	23	23
Management	12	12
PE Coaches	26	24
Supply Teachers & Assistants	10	7
	<u>234</u>	<u>218</u>

The staffing headcount increases are due mainly to the employment of staff associated with teaching and learning support. Growing student numbers, the nature of IB and GCSE subject choices and a number of maternity covers have contributed to this increase whilst the increase in Teaching Assistants is due to the continuing strategic decision to strengthen learning support across the whole school.

The key management personnel of the School comprise the Directors, the Headmaster, the Deputy Head/Head of Upper School, the Head of Lower School, the Business Director and the Development Director. The total employee benefits of key management personnel of the School were €506,632 for 2017/18 (€460,416 for 2016/17).

ST. CATHERINE'S BRITISH SCHOOL**Notes to the Accounts as at 31st August 2018**

(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 €255,419. This comprised mainly VAT payable on local goods and services to the Greek tax authorities and amounted to €206,078 (€223,289 in 2016-17). VAT payable on purchases made within the European Union amounted to €38,564 (€28,556 in 2016-17).

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

Included in Net Incoming Resources are the following discloseable items:

- (a) Audit remuneration for 2017/18 amounted to €13,770 (2016/17 - €15,300)
- (b) Operating leases - Land & Buildings for 2017/18 amounted to €151,307 (2016/17 - €123,658)
- (c) Operating Lease - Car for 2017/18 amounted to €3,869 (2016/17 - €2,333)

5. TANGIBLE FIXED ASSETS

	Freehold & Leased Land & Buildings	Furniture & Equipment	Improvements	Total
<u>Cost or Deemed Cost:</u>				
At 1st September 2017	23,404,147	3,104,574	969,644	27,478,365
Additions	874,462	155,715	0	1,030,177
Devaluations/Disposals	0	(11,067)	0	(11,067)
At 31 August 2018	24,278,609	3,249,222	969,644	28,497,475
<u>Depreciation:</u>				
At 1st September 2017	4,479,611	2,512,037	717,587	7,709,235
Charge for the year	364,353	166,746	52,499	583,598
Disposals	0	(10,514)	0	(10,514)
At 31 August 2018	4,843,964	2,668,269	770,086	8,282,319
<u>Net book value:</u>				
At 31 August 2018	19,434,645	580,953	199,558	20,215,156
At 31st August 2017	18,924,536	592,537	252,057	19,769,130

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.

ST. CATHERINE'S BRITISH SCHOOL
Notes to the Accounts as at 31st August 2018

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

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.

In August 2017 the School acquired the property adjacent to the Macsolar site as part of its strategic campus development.

6. DEBTORS

	2017-2018	2016-2017
	€	€
Fees (Net of Bad Debt)	143,256	107,005
Guarantees	13,623	13,396
Other debtors (a)	569,136	65,653
Prepaid expenses (a)	108,632	106,429
	<u>834,647</u>	<u>292,483</u>

- (a) The amount of other debtors and 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

	2017-2018	2016-2017
	€	€
Trade creditors	230,023	241,709
Reservation deposits (a)	2,863,795	2,594,944
Sundry creditors	1,431,664	1,701,827
Taxes & social security	274,745	257,917
Accruals	387,747	346,798
	<u>5,187,974</u>	<u>5,143,195</u>

- (a) The School received €2,863,795 representing part of the annual fees in advance for the next school year.

8. 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 2018 is as follows:

ST. CATHERINE'S BRITISH SCHOOL**Notes to the Accounts as at 31st August 2018**

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

Net liability recognised in the Balance Sheet	2017-2018	2016-2017
	€	€
Present value of defined benefit obligation	1,437,400	1,271,170
Net liability	1,437,400	1,271,170
Actuarial assumptions	2017-2018	2016-2017
	%	%
Rate of salary increases	3.00%	3.00%
Discount rate	1.50%	1.50%
Average price inflation	1.75%	1.75%
Net expense recognised in the Statement of Financial Activities	2017-2018	2016-2017
	€	€
Service cost component	134,353	119,063
Past Service Cost due to amendments	46,008	21,649
Interest cost component	19,608	9,358
Termination benefits	(17,296)	(22,461)
Less: Benefits paid	(7,964)	0
	174,169	127,609
Other recognised gains and losses recognised in the Statement of Financial Activities	2017-2018	2016-2017
	€	€
Actuarial (gains)/losses	7,939	(103,733)
	7,939	(103,733)
Change in the present value of the defined benefit obligation	2017-2018	2016-2017
	€	€
Present value of defined benefit obligation as at 1 st September	1,271,170	1,039,828
Service cost component	134,353	119,063
Past Service Cost due to amendments	46,008	21,649
Interest cost component	19,068	9,358
Termination benefits	(17,296)	(22,461)
Less: Benefits paid	(7,964)	0
Actuarial (gains)/losses	(7,939)	103,733
Present value of defined benefit obligation as at 31st August	1,437,400	1,271,170

The cumulative actuarial losses taken to the statement of other recognised gains and losses at 31st August 2018 were losses of €354,294 (2017: €362,233 losses).

ST. CATHERINE'S BRITISH SCHOOL**Notes to the Accounts as at 31st August 2018**

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

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

	2017-2018	2016-2017
	€	€
Land Revaluation Reserve	531,683	531,683
School Reserves	146,742	146,742
	<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.

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 2018 unrestricted reserves amounted to €19,428,492 (2017: €17,860,531).

10. RELATED PARTY TRANSACTIONS

There were no related party transactions in the year.

11. CONTRACTS AND COMMITMENTS

At 31st August 2018 the School had commitments under non-cancellable operating leases as set out below:

	2017-2018	2016-2017
	€	€
Operating leases:		
Less than one year	152,817	151,311
In 2 to 5 years	380,063	233,975
Greater than 5 years	0	0
	<u>632,336</u>	<u>385,286</u>

Additionally, at 31st August 2018 the School had commitments related mainly to the redevelopment of the Macsolar site as set out below:

	2017-2018	2016-2017
	€	€
Less than one year	11,401,809	191,229
In 2 to 5 years	2,883	52,479
Greater than 5 years	0	0
	<u>632,336</u>	<u>385,286</u>

12. 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.

13. Post Balance Sheet Events

Following approval by the Board of Governors by ordinary written resolution dated 18th December 2017, the Chairman of the Board signed an EIB loan agreement with Alpha Bank SA amounting to €7.5m dated 22 December 2017 representing 50% of the funding required for the redevelopment of the new upper school on the Macsolar site. No drawdown has been made as of the date of the approval of the financial statements.

On 21st June 2018, the Headmaster signed an EIB loan agreement with National Bank of Greece for a loan of €7.5m. This NBG loan together with the loan above amounts to the required loan funding of €15m that the school needs to complete phase 1 (Macsolar) and phase 2 (Wella) of the building project. No drawdown has been made against the NBG loan as of the date of the approval of the financial statements.

In September 2018, the school was notified by NBG that the loan of €7.5m could not exceed €5m due to the rules of the EIB. NBG has informed the school, however, that it will fund the required €2.5m through a normal building loan. As of the date of the approval of the financial statements, no new formal agreement has been put in place.

Following the start of the Macsolar redevelopment in June 2018, the construction company uncovered archaeological findings below ground. The construction company immediately notified the Ministry of Culture with respect to the findings. The law requires that the site be investigated by the Archaeology Department and costs related to the dig are for the account of the landowner. As at date of signing the financial statements, additional costs, mainly arising as a result of the archaeological dig, amounted to €399,082.