

THE UNITED WORLD COLLEGES (INTERNATIONAL)
(Company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 APRIL 2016



UK Company Number: 0908758

UK Registered Charity Number: 313690

THE UNITED WORLD COLLEGES (INTERNATIONAL)
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THE UNITED WORLD COLLEGES (INTERNATIONAL)

PRESIDENTS, PATRONS, DIRECTORS AND OFFICERS

FOR THE YEAR ENDED 30 APRIL 2016

President of the United World Colleges

Her Majesty Queen Noor

Honorary President

Nelson Mandela (†)

International Patrons

M Antonin Besse

Mr Shelby M C Davis

Mr Lu Pat Ng

Mr W Galen Weston

	<i>Country of Residence</i>
Chair	
Sir John Daniel	Canada

Directors

Mr Ricardo Aguirre Arriz	Peru	<i>Until 31 December 2015</i>
Mr Pål Brynsrud	Norway	
Ms Bertha Camacho	Switzerland	<i>Until 12 June 2015</i>
Ms Colleen von Eckartsberg	USA	
Mr Arnett Edwards	Hong Kong	
Mr Chris Edwards	Singapore	
Ms Sunita Gomes	UAE	
Ms Maria Inês Kavamura	USA	
Dr Axel Kravatzky	Trinidad & Tobago	
Ms Jill Longson (<i>Vice Chair</i>)	Spain	
Ms Nandita Parshad	UK	
Mr Marco Provencio	Mexico	<i>From 13 June 2015</i>
Ms Tove Veierød	Norway	
Mr Wayne Yang (<i>Treasurer</i>)	Hong Kong	
Mr Ulhas Yargop	India	
Ms Veronika Zonabend	Russia	<i>From 1 January 2016</i>

Officers

Keith Clark	Executive Director	<i>Until 30 June 2015</i>
Jens Waltermann	Executive Director	<i>From 1 July 2015</i>
Willa Geertsema	Company Secretary	

THE UNITED WORLD COLLEGES (INTERNATIONAL)

MEMBERS

FOR THE FOR THE YEAR ENDED 30 APRIL 2016

UWC Council members at 30 April 2016 were:

Ms Regina Aguirre de Riojas	Guatemala
Ms Magel Alcantar	Philippines
Mr Quique Bassat	Spain
Ms Jasminka Bratić	Bosnia & Herzegovina
Mr Robert Clarence	China
Sir John Daniel (<i>Chair of Board and Council</i>)	Canada
Mr Driek Desmet	Singapore
Ms Rama Diallo Shagaya	Nigeria
Mr Steve Dichter	USA
Dr Karl Dittrich	Netherlands
Amb Gianfranco Facco Bonetti	Italy
Dr Franz Fischler	Austria
Ms Laurie Frank	USA
Mr Christian Hodeige	Germany
Mr Chris Howarth	Cambodia/UK
Mr Peter Howe	Netherlands
Mr Mukul Kumar	USA
Mr Richard Lamont	Norway
Mr Pelham Lindfield Roberts	India
Mr Stephen Lowry	Swaziland
Mr Tony Macoun	Canada
Mr Murray McCartney	Zimbabwe
Ms Désirée McGraw	Canada
Ms Charlotte Meyer	UK
Mr Jonathan Michie	UK
Dr Mark Mills	Swaziland
Ms Valentina Mindoljevic	Bosnia & Herzegovina
Mr Bill Morrison	London
Ms Susan Mullins	Costa Rica
Mr Eric Muñoz	Costa Rica
Mr Laurence Nodder	Germany
Mr David Opoku	Ghana
Mr Charles Ormiston	Singapore
Ms Paulina Ponce de Leon	USA
Mr Michael Price	Italy
Mr John Puddefoot	Armenia
Mr Fred Rogers	USA
Mr Morten Spenner	UK
Mr Pär Stenbäck (<i>Vice-Chair of Council</i>)	Sweden
Mr Leon Toh	Singapore
Mr Robert Tomalin	Colombia
Mr Anthony Tong	Hong Kong
Mr Mauricio Viales	Costa Rica
Mr John Walmsley	UK
Mr Mark Wang	China
Ms Anja Weiss	Germany

THE UNITED WORLD COLLEGES (INTERNATIONAL)

STAFF

FOR THE YEAR ENDED 30 APRIL 2016

Staff of UWC International at Year End

Management

Jens Waltermann	Executive Director (<i>Alumnus UWC Pearson, 1985</i>)
Kate Turner	Director of National Committee Development & Admissions / Deputy Executive Director
Hannah Tümpel	Director of Communications & Engagement (<i>alumnus of UWC Adriatic, 1998</i>)
Willa Geertsema	Director of Finance & Administration / Company Secretary
Peter Verhille	Senior Adviser International Fund Development (<i>alumnus UWC Atlantic, 1982</i>)

Staff (in alphabetical order)

Polly Akhurst	Senior Officer, Alumni Engagement (<i>alumnus of UWC Atlantic, 2006</i>)
Jane Caldwell	Senior Fund Development Officer
Ellen Clague	Senior Officer Major Gift Programmes (<i>maternity cover for Natalie Gopall-Garlick</i>)
Berianne Coutts	Financial Accountant & Office Coordinator
Emma Dillon	Senior Officer, School & College Support and Development
Kasia Dybek	Executive Officer (<i>alumnus of UWC Red Cross Nordic, 2009</i>)
Mia Eskelund Pedersen	Senior Officer National Committee Development (<i>alumnus of UWC Mahindra, 2007</i>)
Natalie Gopall-Garlick	Senior Officer Major Gift Programmes (<i>on maternity leave</i>)
Skaiste Lazdauskaite	Fund Development Officer
Daniela Lipia	Communications Officer
Sylvia Malo	Impact Research Officer
Sheri Uludag	Office Administrator
Jon Warmington	National Committee Development Officer

The Directors wish to thank employees who have left during the year: Siobhan Adeusi, Keith Clark and Greg McCardell, as well as the interns who have made a contribution during the year: Frances Howell, Sunny Lee and Svenja Poppen.

UWC International would not be able to fulfil its mission without the invaluable help of its many volunteers. Although it is impossible to know exactly, our calculation is that at any point in time the global movement is supported by about 4,000 active volunteers who take part in national committees, boards, task forces and other working groups. The Directors feel deeply indebted to the passion of these individuals and wish to express gratitude for their ongoing support.

Commitment to Diversity

UWC International aims to reflect its core value of diversity in every possible way, including the structure of its staff and interns. Throughout the year, 24 staff and interns represented a total of the following 19 nationalities and ethnic backgrounds: American, Belgian, Canadian, Chinese (Cantonese), Chinese (Mandarin), Cypriot, Danish, Dutch, English, German, Irish, Italian, (South) Korean, Lithuanian, Mauritian, New Zealand, Nigerian, Polish and Turkish.

THE UNITED WORLD COLLEGES (INTERNATIONAL)

ADVISERS

FOR THE FOR THE YEAR ENDED 30 APRIL 2016

Auditor

Haysmacintyre
26 Red Lion Square
London WC1R 4AG

Solicitors

Russell Cooke
2 Putney Hill
Putney
London SW16 6AB

Bankers

Royal Bank of Scotland plc
127-128 High Holborn
London WC1H 9LT

Scottish Widows Bank
PO Box 12757
67 Morrison Street
Edinburgh EH3 8YJ

Investment Managers

Cazenove Capital Management
12 Moorgate
London EC2R 6DA

THE UNITED WORLD COLLEGES (INTERNATIONAL)

STATEMENT OF THE CHAIR

FOR THE YEAR ENDED 30 APRIL 2016

I am pleased to introduce the Annual Report and Accounts for the United World Colleges (International) for the year of 1 May 2015 to 30 April 2016.

This period of important developments across UWC has been marked by many celebrations: the magnificent opening of UWC Changshu (China), the 10th year anniversary celebrations of UWC Mostar and seeing two of the most recent UWC colleges, UWC Robert Bosch in Germany and UWC Dilijan in Armenia, waving goodbye to their first generation of graduates.

Countless other moments also made us proud. They demonstrated how UWC students, as well as many UWC alumni and other members of the UWC community act as change-makers in creating a more peaceful and sustainable future. Let me just highlight two examples: We were proud to observe how Selina, a current student at UWC Robert Bosch from the Marshall Islands, spoke as a member of her official national delegation alongside heads of state at the plenary session of COP21 in Paris and reminded the world what the climate crisis means for the future of her home country. We were also proud to see how the UWC community welcomed and embraced the launch of the UWC Refugee Initiative - a new programme responding to the acute refugee crises across the world that will enable more refugee students to have a UWC education.

These milestones in the growth of UWC would not have been achieved without the input, support and dedication of many: teachers, staff and board members at the UWC schools and colleges and UWC International, volunteers working for the 154 UWC National Committees, parents, alumni, organisations and partners, donors - and of course our committed and inspiring students. I thank them all for working together to make UWC grow.

The last year has also seen important changes: Jens Waltermann took office as Executive Director of UWC International and is working proactively with all UWC schools and colleges and our diverse stakeholders. We have welcomed new Heads and Chairs to some of the institutions. We welcome all of them to the UWC community and are looking forward to their contributions during this important time.

Political developments over these past months have emphasised that education which brings together students from across the world, bridging socio-economic, cultural and religious divides, is of paramount importance. At a time when the fear of "otherness" triumphs too often over the celebration of diversity, the UWC mission of uniting people while acknowledging their differences is needed more than ever.

We intend that the UWC institutions will grow from strength to strength - so increasing UWC's impact in preparing a more peaceful and sustainable future. We seek ways of bringing the UWC educational experience to more people - and we want to support the UWC community in developing projects that will change the world for the better.

We have a challenging agenda. I look forward to working with the entire UWC movement to carry it out.



Sir John Daniel, O.C.
Chair

THE UNITED WORLD COLLEGES (INTERNATIONAL)

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2016

The Directors of The United World Colleges (International) present their statutory report for the year ended 30 April 2016. The Directors make up the International Board of Directors ('the Board') of the United World Colleges International ('UWC') organisation. The members of the company form the UWC Council.

Identity and constitution

The United World Colleges (International) ('the company') is a United Kingdom company limited by guarantee (Company Number 908758) and a United Kingdom registered charity (Charity Number 313690). The liability of members in the event of the company being dissolved is limited to not more than £1 per member. There is no share capital. The governing document of the company is the Memorandum and Articles of Association, the current version of which is dated 26 October 2015.

Object

The object of the company is to advance the purposes of the UWC International movement and its constituent parts in line with the UWC mission:

UWC makes education a force to unite people, nations and cultures for peace and a sustainable future.

This mission gives the UWC organisation an overall aim and sense of purpose and direction. The mission is embraced throughout the organisation and the Directors believe that it encapsulates the commitment of UWC's members and supporters while at the same time articulating a continuing challenge.

The UWC international movement seeks to achieve its mission and ambitions through 15 UWC schools and colleges (16 from August 2016) and UWC national committees, currently in 154 countries. The total number of students in the schools and colleges in 2015-16 was approximately 9,100. There are some 60,000 UWC alumni.

The Directors confirm that they have had due regard to the Charity Commission guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting policies.

Governance and Management

The current governance model came into effect on 26 October 2015.

The Articles of Association provide for an International Board of Directors of up to 16 members. Of this number, three are required to be chairpersons of the governing bodies of the UWC institutions, two to be heads/principals of the institutions, and up to eleven other individuals of whom at least three will be drawn from national committees according to the policy in force for the election of such members. At least five members of the Board should be UWC alumni. Several Directors fall into more than one of these categories, which allows further scope for Directors with no other role within UWC. Directors serve for a term of three years and may be re-appointed for a second term of three years, and potentially for one extra year in the case of officers and Board committee chairs.

The full list of Directors is given on page 3. There were fifteen Directors on 1 May 2015 and fifteen on 30 April 2016. Two Directors stood down during the year and there were two new Directors.

The Articles of Association also provide for a UWC Council of up to 60 members, who are the members of the company: the chairpersons and heads/principals of the governing bodies of all the UWC institutions (except those who form part of the International Board), the chairperson of the International Board, persons drawn from national committees according to the policy in force for the appointment of such members, the number of which shall be equivalent to the number of UWC schools and colleges, and other members not covered by these categories. At least 12 of all UWC Council members should be UWC alumni. UWC Council members serve for terms of three years and may be re-appointed for one second term of three years.

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DIRECTORS' REPORT *(continued)*

FOR THE YEAR ENDED 30 APRIL 2016

The full list of members of the UWC Council is given on page 4. There were 59 members of the UWC Council on 1 May 2015, and 46 members on 30 April 2016. Twenty-seven members retired (including those on the International Board who left the Council following the decoupling of the International Board and UWC Council, see below) and there were fourteen new members. The membership of the UWC Council will be rebuilt gradually, so as to provide for natural growth in line with the increase in UWC schools and colleges, as well as to make sure there will not be a disproportionate turnover of members at any particular year.

The Nominating and Governance Committee of the International Board has been aware of the need for adjustments to UWC International's governance structure due to growth in the number of UWC institutions. In October 2015 the UWC Council approved to decouple the International Board and UWC Council and adjust the membership of school and college representatives on the UWC Council, so as to ensure that as the number of schools and colleges grow, there will not be a disproportionate representation on the UWC Council. In addition to this, in light of the need for a more formal system of representation of national committees, the UWC Council endorsed the forming of a new Board committee, and the Committee of National Committees was formed in 2015. These changes were approved during the AGM on 24 October 2015 and the Board meeting on 25 October, and formally implemented on 26 October 2015.

In 2015-2016, the International Board met three times (12-13 June 2015 in London; 23 and 25 October 2015 at UWC Mostar in Bosnia and Herzegovina, and 26-27 February 2016 at UWC Red Cross Nordic in Norway). The UWC Council met on 23-24 October 2015 at UWC Mostar in Bosnia and Herzegovina. The Directors are grateful to the various UWC colleges for their involvement in hosting these meetings. A further Board meeting took place in London after the close of the year on 17-18 June 2016.

The Directors are satisfied that the current pattern of meetings gives sufficient scope to attend to matters of UWC's organisational and strategic development as well as items of governance and financial oversight.

Appointment and Induction of Directors and Company Members

The Articles of Association stipulate that the Directors are elected by the UWC Council and give the Board responsibility for appointing members of the UWC Council. The Nominating and Governance Committee is responsible for making recommendations for election and appointment, usually following an annual nominating process preceded by a public call for nominations. Following the decoupling of the International Board and UWC Council, a greater than usual number of new members (fourteen in total) joined the UWC Council after a rigorous recruitment process managed by the Nominating and Governance Committee. Vacancies at 30 April 2016 stood at twelve, leaving sufficient space for further expansion of the UWC Council as the number of schools and colleges will grow in the coming years.

In making recommendations for election and appointment, the Nominating and Governance Committee seeks to achieve a level of diversity that goes some way to reflecting the diversity of the UWC international movement. The Committee also monitors the mix of skills, attributes, experience and backgrounds and identifies gaps.

Potential nominees to the Board and UWC Council are provided with information about the work of both bodies, together with a copy of a policy on the expectations and responsibilities of membership. The Nominating and Governance Committee has further responsibility for issues associated with the induction, training and evaluation of Board Members.

Committees

The Board has eight committees: Finance and Audit, Committee for Governance of the National Committee System, Committee of National Committees, Development, Personnel and Remuneration, Nominating and Governance, College Chairs' and College Heads'. In 2014 the Nominating and Governance Committee has undertaken a review of the Board

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DIRECTORS' REPORT *(continued)*

FOR THE YEAR ENDED 30 APRIL 2016

committee system and as a result, in 2015 the National Committee Development Committee was suspended and replaced by the Committee for Governance of the National Committees, which governs the entire national committee system. Additionally, a Committee of National Committees has been formed that represents the national committees through representatives on the International Board who have been elected by national committees.

Day-to-day Management

The Directors have delegated day-to-day management responsibilities to the Executive Director based at the company's office ('the International Office') in London. In 2015-2016, the Executive Director was supported by an average of fifteen staff, two of whom were part-time, as well as several interns.

In July 2015, Mr Jens Waltermann succeeded Mr Keith Clark as Executive Director of UWC International. Keith Clark had given 17 years of service to UWC International, 12 of which as Executive Director. The Board is extremely grateful to him for his great service to the movement and pleased to welcome Jens Waltermann, who is the first Executive Director who is also an alumnus (of UWC Pearson College, Canada).

The company's activities are funded in part through annual payments from the UWC schools and colleges and in part through investment income and individual donations. For several years, the Directors have been conscious of the need to identify a more secure income stream to replace a major donation in 2010 that provided surplus funds to build more organisational capacity. In 2013, representatives of the schools and colleges agreed to increase their annual fees to UWC International from 1.4% of gross expenditure to 1.8% in 2014-2015, and to 1.9% from 2015-2016 onwards. This level is being reviewed on an annual basis and given the natural growth of the number of institutions paying this fee, it is deemed sufficient for the foreseeable time.

UWC International successfully registered a UK and EU trade mark in 2015, and is currently extending this to several other countries globally.

UWC International has been upgrading its use of technology not only within its own London office, but across the many volunteers and constituent organisations. The Extranet system has been discontinued and global email communications, calendar and information management has been moved over to a google-based platform, accessible for the entire UWC movement. Preparations to roll out an extensive alumni platform for UWC's 60,000 alumni in 2016 have been underway during all of 2015. UWC International is extremely grateful to UWC SEA in Singapore for the generous support it has given to achieve this important shift in technological capacity.

Memoranda of Understanding

The relationship between the schools and colleges and UWC International is set out in Memoranda of Understanding (MoU). These define mutual responsibilities and expectations and set down UWC International's responsibilities on behalf of the organisation as a whole.

A similar MoU is currently being rolled out between UWC International and the national committees, which the majority will be in a position to sign by December 2016. During a systematic process to support the national committees in achieving the required governance standards, it became clear how important direct representation of the national committees at International Board level is, and as mentioned above, the Committee of National Committees was formed in late 2015. This caused a delay in the MoU process but ensures greater organisational cohesion for the movement.

Strategy and Development

The final indicators on progress on the strategic plan for 2010-2015 were presented to the International Board after the year end in June 2016 and the Board felt satisfied that the indicators had been sufficiently met. Some indicators had been de-prioritised or taken over by newly emerging strategic issues of importance, leading into the next strategy cycle.

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DIRECTORS' REPORT *(continued)*

FOR THE YEAR ENDED 30 APRIL 2016

In early 2016 a strategy drafting group was formed with representatives from the International Board, school and college heads and chairs, national committees, the broader UWC community and UWC International staff. This group continued the strategy work started in 2014 and will deliver a first iteration of the new strategy "Beyond 2016" at the UWC Council meeting and Congress in October 2016. This strategic plan will come with a 5-year budget plan.

A UWC Congress is being planned for October 2016 for 500 participants. This is three years sooner than expected, but sharing and gaining input into the draft strategy "Beyond 2016" is seen as a critical step in the development of the UWC movement. To this end, a reserve of £50,000 was put aside during the year 2015-2016.

Current strategic work is informed by newly collected data from across the movement. At the International Board and UWC Council meetings in October 2015, a "State of UWC" presentation was given to show the current challenges and opportunities that UWC is facing and that will need to be addressed by the strategy process. Further data in the form of a "data dash board" was shared with members of the Board and Council, and it was decided that both the presentation and the dash board will be updated annually.

At meetings of the school and college heads in March 2016 and the chairs in April, agreement in principle was reached on the establishment of a new fund that will allocate 3% of all funds raised by national committees to capacity building of the national committee system. A detailed plan and budget will be considered in October 2016. As the number of UWC schools and colleges is growing steadily and the selection requirements for many national committees have become more complex as a result of sharply targeted donor-funded programmes that aim to reach new student populations, it is of vital importance to support the volunteer network that student selection so greatly depends on. The purpose of this new fund is to build capacity both for administration and fundraising needs of the national committees.

With a view to systematically measuring and exploring the impact a UWC education has on individuals, a research project was launched as a partnership between UWC SEA, researchers from the Harvard School of Education and the UWC International Office. The researchers conducted a pilot-project with students and alumni from UWC SEA, UWC-USA, UWC Red Cross Nordic and UWC Waterford Kamhlaba. The results will be shared with the International Board and Council in October 2016. The lessons learned from the pilot project will inform the development of a theory of change, which can form the basis for the scope of a possible longitudinal study.

UWC Schools and Colleges

An important part of UWC International's responsibilities is to co-ordinate the schools and colleges so that they are able to support each other and work more effectively together. There is a growing understanding, reflected in the Memoranda of Understanding, that an issue in one part of the UWC movement can rapidly have an impact elsewhere and with that comes a growing expectation that UWC International will act on behalf of the wider organisation when those issues are identified. The Board views good governance as important risk mitigation and the board committees representing the school and college heads and chairs are continuously working to improve matters of governance, global policy and organisational cohesion.

During the year, UWC International worked with several colleges to address governance and management issues. The Board has been pleased to see not only the positive outcome of this, but also the considerable mutual support expressed among peers.

As part of this support function, the Board had taken the unusual step of offering a financial guarantee to UWC Mostar in 2014. The college's unique location in Bosnia and Herzegovina provides ample opportunities to embody the UWC mission; students have great scope to promote their humanitarian and social work within the local post-conflict context. However, due to circumstances outside its control the college has undergone considerable hardship. It was therefore decided that the entire movement would be served if the college were to receive financial support to bridge a period of capacity building, and €104,000 was provided by UWC International in the summer of 2015, followed by a final €66,008

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DIRECTORS' REPORT *(continued)*

FOR THE YEAR ENDED 30 APRIL 2016

at year end. Evidence over 2015 and 2016 has shown that the college has been able to make significant improvements to its operational efficiency and capacity to raise funds, not in the least as a result of generous contributions by global UWC alumni, supporters and the German National Committee. A newly established endowment fund will give the college access to sufficient funds.

Growth of the movement

The Directors welcome the addition of new schools and colleges, but are also determined that this growth should strengthen the overall UWC movement both financially and in terms of its educational mission. To this end, there is a rigorous process in place for the approval of new schools and colleges. This has three stages: Initial Notification, Preliminary Approval and Final Approval. Following Initial Notification, a task force is initiated to work with a local project team to undertake due diligence and ultimately recommend a project for the two stages of approval. These task forces enable the Board to scrutinise every aspect of a project, and in particular to build a good understanding of issues of distinctiveness, financial sustainability and governance when a new school or college joins the movement.

A clear set of criteria for the agreement of new schools and colleges was rolled out in early 2016, including financial, educational and residential targets in order to ensure that any new schools and colleges will be of overall benefit to the UWC movement. This framework was received well by those proposals currently under consideration and the Board feels it has strengthened the process of admitting new schools and colleges to the movement.

In August 2015 UWC Changshu in China opened its doors to the first students, with a festive opening ceremony attended by UWC President Her Majesty Queen Noor in October 2015. UWC Thailand and UWC Japan were both granted preliminary approval in February. Subsequently, UWC Thailand has been granted final approval in June 2016 for opening in August 2016, and UWC Japan is aiming for opening in 2017. A project in South Korea lost its Initial Notification status during the year, but the International School Moshi in Tanzania was granted Initial Notification in February 2016, followed by a proposal in Ghana in June 2016. Other proposals in various countries remain under consideration but have not yet formally entered the Board's process.

National Committee Development

National committees in 154 countries play a critical role in the UWC movement. It is through the national committee system, which relies on an enormous volunteer commitment of time, energy, creativity and resources, that the diverse student populations in the schools and colleges are made possible; indeed they form the heart of what makes UWC a unique educational offer among international schools. National committees promote UWC in their countries and are responsible for the selection and preparation of students. They act as a hub for alumni engagement and many also raise funds to cover scholarship and other costs. A growing number are extending their reach through other programmes such as short courses, projects and events.

As mentioned elsewhere, work continues regarding the Memorandum of Understanding (MoU) between national committees and UWC International. Each national committee has been contacted regarding the expectations of the MoU and UWC International has successfully worked with some of them to achieve the required governance standard. It is estimated that the majority of national committees will be able to sign the MoU by the end of 2016.

UWC International keeps increasing its opportunities for previously hard to reach student populations. Support continued for the national committees involved in externally funded scholarship programmes, currently in Pakistan and across Central and Eastern Europe. These programmes are funded by major donors and focus particularly on students from marginalised communities. The opening of a new college in Changshu, China in 2015 has brought renewed focus on the Chinese mainland, and the expected opening of UWC Thailand in 2016 will open up further opportunities for Asian students from various marginalised communities across Asia. In addition to this, an outreach framework for short courses was launched in early 2015.

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DIRECTORS' REPORT *(continued)*

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Regional meetings continue to prove indispensable for training, peer interaction, the provision of support across regions, and for increasing understanding about policies, expectations and developments. Two regional meetings were held this year: the Europe Regional Meeting in Portugal with over 100 participants (which included a meeting of Admissions professionals from the schools and colleges), and the Middle East/North Africa (MENA) meeting in Turkey. The last meeting included a presentation of "100 Lives", a newly formed programme supporting national committees from across the MENA region with 100 scholarships. All meetings were well attended by national committee volunteers and school and college staff.

A number of national committees required support during this year and these committees were brought to the attention of the Board Committee for Governance of the National Committee system (CGNCS), which supports a development plan for each.

A global online application forum was purchased, tested and adapted for use in the following financial year. This step will significantly increase the efficiency and data security both for UWC International and the volunteer network dealing with the applications all over the world.

As mentioned before, the national committee system, which mainly depends on volunteers, is being stretched to provide the necessary support for the increasing number of schools and colleges, and to this end a new National Committee Fund has been established, which will build capacity in the national committee system across the globe.

Admissions

The emphasis on the co-ordination of admissions as distinct from management of the national committee system has continued to be a significant matter for the Board, both in the short term and in the context of longer term planning. The reason is clear: an effective and distinctive approach to admissions is a necessity for tackling UWC's overall financial sustainability, as well as for continuing to increase the diversity of students selected, which is UWC's hallmark. To build capacity in this area several projects have been achieved during the year. The admissions staff of the schools and colleges met at the aforementioned Europe regional meeting in June 2015.

Work is currently being carried out to test the viability of google-based central collection and dissemination of offers information from the schools and colleges, and then on to the national committees. Work is also being carried out on the viability of a centrally co-ordinated three-year offers strategy to give the national committees greater incentive to strengthen their reach and increase their sense of how they need to develop. The first year of a pilot on an adjusted admissions timeline took place; twenty-three national committees participated and the pilot will be evaluated at the end of the two-year admissions cycle.

Around the end of this financial year a new School and College Support and Development function was formed, which will support not only the admissions strategy at existing schools and colleges, but also support the application process of new schools and colleges that will join the movement in the next few years.

Funding and Finance

The International Fund Development team secured a landmark donation of USD 15 million from longstanding UWC Patron Shelby Davis to be deployed as a matched funding incentive across the 15 schools and colleges by encouraging donations from alumni, parents and friends. This funding will largely be distributed to the schools and colleges directly, without passing through UWC International. The team conceived and rolled out the Davis-UWC IMPACT programme alongside the globally coordinated "Thanks a Million" promotional campaign. This resulted in additional revenue being raised by the schools and colleges worth USD 4.3 million after six months, which is being matched to an equivalent amount by Shelby Davis.

Major emphasis has been placed on positioning UWC as a leading provider of transformational global education for refugees and displaced young people, focused on educating future ethical leaders. Consequently, the UWC movement has

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DIRECTORS' REPORT *(continued)*

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been scaling up its ability to educate up to 100 refugee scholars per year. Promising, scalable funding partnerships in this area have been established with foundations that support refugees and disenfranchised communities, such as 100 Lives, the Cogito Scholarship Foundation and the Horizon Foundation.

A successful training, sharing and learning session was held at Princeton University in September 2015 with 25 advancement staff from most UWC schools and colleges and a few national committees. Several new common strategies and approaches were debated and agreed, notably the so-called A+ programme that will be rolled out as from mid-2016 and involves the active and coordinated cultivation of major donor prospects who have the propensity to donate millions towards scholarships.

Increasing the level of professionalism among core constituents and helping to foster a more overt fundraising culture across UWC's operational practices, the team has continued to provide capacity building support to, among others, schools and colleges in Bosnia and Herzegovina, Costa Rica, Swaziland, Hong Kong and India, and national committees in Pakistan, Bulgaria, Romania, the Gulf Area and Syria. A process of pro-active engagement with constituents is contributing to a greater sense of prioritisation of fundraising across the movement.

The Board continues to carry out a thorough analysis of UWC's overall financial health and the development of a clear definition of future sustainability. Several surveys of financial and admissions data among the schools and colleges have now been made an annual routine and a detailed analysis is presented to the UWC Council each year in October, providing a valuable basis for strategic discussions.

The Directors highly value the work and commitment of the staff in the International Office in supporting the continuing development of the UWC movement. They recognise the need for the International Office to be properly resourced, and they have therefore been pleased to see that the current financial settlement with the schools and colleges continues to provide sufficient support for the current rate of expenditure.

Community Engagement

Significant progress has been made in launching a movement-wide alumni relations plan, which is now embedded in a broader Community Engagement strategy that seeks to embrace not only alumni but other relevant stakeholders including parents, teachers and other staff. The four core elements of this strategy are: a comprehensive, expert governance structure that oversees the development of an overarching operational plan for community engagement jointly with schools, colleges and national committees; an online engagement platform, which was trialled as a pilot during the early part of 2016 prior to its full launch during the second half of 2016; the annual UWC Day which has been run successfully for the past three years; and an accreditation process for events and initiatives led by alumni that seek to be affiliated with the UWC brand, now known as UWCx.

Given the expansion in UWC International's activities in the field of community engagement and their alignment with the movement's broader communications objectives, a management decision was taken towards the end of the financial year to extricate the Community Engagement function from the Fund Development directorate and to place this under the newly formed Communications and Engagement directorate.

Communications

Following significant changes in the team during the previous year, the Communications function at UWC International was not fully staffed for most of the year. An Interim Head of Communications looked after the most essential communications tasks while the Board carried out a survey among constituents about how to best meet the communications needs of the movement. Following the result of this survey and some internal restructuring, it was decided that the activity areas of communications, alumni engagement and strategic partnerships should henceforth be part of one directorate. Accordingly, in late 2015 the search for a new candidates was launched and as of 1 April 2016

THE UNITED WORLD COLLEGES (INTERNATIONAL)

DIRECTORS' REPORT *(continued)*

FOR THE YEAR ENDED 30 APRIL 2016

Hannah Tümpel joined UWC International as the new Director of Communications and Engagement. Daniela Lipia joined as the new Communications Officer. As mentioned above, the Alumni Engagement function, previously seated within the Fund Development directorate, was now added as the Community Engagement function to the new Communications and Engagement directorate.

In spite of the low staff level, several projects were brought to completion prior to the arrival of the new team. A new version of the Impact brochure was brought out, demonstrating how student projects across the UWC schools and colleges, as well as alumni-driven projects, fulfil the UWC mission to contribute to a more peaceful and sustainable future. A new version of the main UWC website was launched in March 2016; there are still areas that need considerable content improvement, which the new communication team will work on. Social media contributions continued sporadically until the new communications team was able to give a significant boost from April 2016 onwards. During the year, the bi-monthly email newsletter continued to be sent out to more than 10,000 contacts worldwide.

Plans for Future Periods

The next year will see a strong focus on the development of the strategy "Beyond 2016". This work will be supported by a greater cooperation between various constituent groups such as the school and college heads, chairs, and the national committee volunteers, as well as a sustained focus on the collection of useful and consistent data from across the movement. Specific areas of focus will include:

- Draft and final design of the strategy "Beyond 2016", which is envisioned to set the course for the future. This will include a 5-year budget projection.
- The UWC Congress, an event planned for 500 attendants to be held in Trieste, Italy in October 2016. This will be an opportunity to share the draft strategy with and seek input from the entire UWC movement.
- Establishment of the National Committee Fund, which will build capacity across the national committee system.
- A new post for a Director of Education at the International Office, who will work with the schools and colleges to develop leadership, research and innovation in the development of the educational model of UWC.
- Establishment of a School and College Support and Development function at the International Office to systematically support the schools and colleges.
- Next phase of implementation of an impact data and research project in partnership with UWC SEA and Harvard School of Education, including a cross-UWC impact survey.
- Continuation of systematic work with individual national committees so that the majority will have signed the new MoU by December 2016.
- Launch of the "UWC Hub", an extensive online communications platform for the 60,000 alumni worldwide.
- New communications strategy following the appointment of a new communications function in April 2016.
- Upgrading a Data Protection and Security suite of policies, agreements and training materials.
- Continuing to build a co-ordinated, robust approach to data collection across the movement, and a new version of the "State of UWC" presentation and a "data dash board" in October 2016.
- Extending trade mark registration beyond the EU to countries that host UWC schools and colleges.

THE UNITED WORLD COLLEGES (INTERNATIONAL)

DIRECTORS' REPORT *(continued)*

FOR THE YEAR ENDED 30 APRIL 2016

Statutory and Financial Information

Activities

The activities of the company did not change significantly during the year and all the activities reported in the financial statements are continuing activities.

Results

The financial results for the year are set out in the Statement of Financial Activities on page 21. Total income amounted to £2,958,000 compared with £2,397,000 in the previous year. Fees from schools and colleges accounted for 51% of the total; grants and other donations received 44%; and investment and other income 5%. Unrestricted income amounted to £1,631,000 (2015: £1,305,000) of which fees from schools and colleges amounted to £1,504,000 (2015: £1,229,000), a net increase of 20% compared with 2014-2015 thanks to a slight increase in the fee structure and the opening of one new college during the year.

Scholarship and other grants made were £1,273,000 (2015: £1,043,000). Total expenditure including grants made was £2,750,000 compared with £2,425,000 in 2014-2015. Unrestricted expenditure amounted to £1,556,000 (2015: £1,421,000).

The result for the year on unrestricted funds was £75,000 (2015: deficit of £116,000). The result on restricted funds was £133,000 (2015: £88,000); these are mainly scholarship funds that will be paid out in the summer of 2016, in advance of the new academic year.

Total funds increased by £31,000 (2015: increase of £64,000) to a total of £3,982,000 (2015: £3,951,000). This includes a £75,000 net realised gain in unrestricted funds (2015: £(116,000) net realised loss), a £133,000 net realised gain in restricted funds (2015: £88,000) and a £(177,000) net unrealised loss on investments for the year (2015: gain of £92,000).

Reserves

At 30 April 2016, total reserves were £3,982,000 of which £394,000 related to restricted reserves, £852,000 related to unrestricted reserves, including £73,000 of designated reserves. Of the designated reserves, £23,000 is allocated to the Special Project Fund, which the Board has discretion over for special projects, and £50,000 is allocated to the UWC Congress Fund and will be spent on the UWC Congress that will be held in October 2016.

The reserves policy states that the organisation should have liquid reserves that equal six months of critical operating expenditure, with half immediately accessible and half accessible within 3 months. At their full value the company's liquid reserves currently require £553,000 (2015: £525,000), representing six months of critical expenditure at the year end, and stood at £825,000 representing 9 months of critical expenditure (2015: £751,000 representing 8.5 months), £208,000 of which is immediately available and £617,000 within seven days. The reserves consist of all cash and debtors, less creditors and obligations toward restricted funds in the next year.

Finance & Audit Committee

The company's Articles of Association stipulate that an Audit Committee needs to be in place. Since June 2011, the Audit and Finance Committees have been merged to a joint Finance & Audit Committee. The Auditors communicate with the Committee about their annual audit of the company and about any matters arising from their audit in respect of the company's financial controls and procedures.

THE UNITED WORLD COLLEGES (INTERNATIONAL)

DIRECTORS' REPORT *(continued)*

FOR THE YEAR ENDED 30 APRIL 2016

Risk Management

The major risks to which the company is exposed have been identified by the Directors and are kept under regular review. The four principal risks are:

1. Operational/People: The UWC movement relies heavily on a network of volunteers. The current growth of the UWC movement is placing additional pressure on the volunteer network and the Directors are currently actively seeking to strengthen the support systems for those volunteers by allocating available funds.
2. Governance/Regulatory: as a federated movement of legally and financially independent constituents, the Board gives great priority to strengthening the governance models that govern the entire movement, as well as establishing best practice in areas such as governance, child protection, health and safety, and financial/legal compliance.
3. Management/Strategic: given the wide-spread nature of the UWC movement, having the right management, personnel and clear strategies in place is essential to mitigate above risks, and therefore this continues to be an important focus of the Directors.
4. Financial/Funding: UWC has been putting a strong focus on making the entire movement more financially sustainable, not only in terms of income generation, but also in terms of scholarship allocation and making sure each pound is stretched as far as possible to enable more students with limited or no financial means to attend our schools and colleges.

Other risks recognised are reputational risks and technology/information risks. A risk manager (the Executive Director) manages the mitigation of risk.

In light of the outcome of the June 2016 referendum for Britain to leave the EU, a risk analysis has been done to consider the potential financial consequences of Brexit for UWC International. As income is largely determined by factors independent from EU politics and economy, the Directors believe there is no immediate financial risk to UWC International beyond the risks already considered.

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with operations and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to material price risk or liquidity risk.

Management of Investments

Pursuant to the company's Memorandum of Association, management of investments, including cash deposits, is delegated to experienced investment managers on a discretionary basis. The delegation arrangements and investment policy are reviewed annually.

Pay Grade System

The company implemented a pay grade system in July 2015, which includes key management personnel and has been approved by the Personnel and Remuneration Committee of the Board. This system consists of eight pay grades, each of which is clearly defined and has several levels of growth an employee can go through. The company has established a clear policy on salary development, which will be considered on an annual basis after a performance review. The entire system is benchmarked against the Central London not-for-profit market and is reviewed by management each year.

Directors' Interests

Chairpersons and principals of the governing bodies of the 15 UWC schools and colleges are members of the company and three school and college chairpersons and two principals serve as Directors; chairpersons or other officers of national committees may also be appointed as company members or elected as Directors. Grants, donations and financial support are provided by the company to UWC schools and colleges and national committees in which these Directors may have an interest, although not a financial interest; the principals are employees of their schools and colleges but the Directors are confident that this does not represent a conflict of interest.

THE UNITED WORLD COLLEGES (INTERNATIONAL)

DIRECTORS' REPORT *(continued)*

FOR THE YEAR ENDED 30 APRIL 2016

Information made available to auditors

Each of the Directors has confirmed that so far as they are aware, each Director has no relevant audit information of which the company's auditors are unaware and that they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board,

A handwritten signature in black ink, appearing to be 'Wayne Yang', with a stylized, cursive script.

Wayne Yang
Treasurer

27 October 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNITED WORLD COLLEGES (INTERNATIONAL)

We have audited the financial statements of The United World Colleges (International) for the year ended 30 April 2016 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the 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.

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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 April 2016 and of its net movement in funds, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the trustees' 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;
- 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, take advantage of the small companies exemption in preparing the directors' report or the exemption from the requirements to prepare a strategic report.



Murtaza Jessa (Senior Statutory Auditor)
for and on behalf of Haysmacintyre, Statutory Auditors

27 October 2016

26 Red Lion Square
London
WC1R 4AG

THE UNITED WORLD COLLEGES (INTERNATIONAL)

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating and income and expenditure account)

FOR THE FOR THE YEAR ENDED 30 APRIL 2016

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2016 £'000	Total 2015 £'000
Income from:						
Donations and legacies						
Fees from schools and colleges	1	1,504	-	-	1,504	1,229
Grants and donations	2	5	1,297	-	1,302	1,065
Investment income						
Interest and investment income	3	111	30	-	141	101
Other income		11	-	-	11	2
Total income		1,631	1,327	-	2,958	2,397
Expenditure on:						
Raising funds						
Fundraising costs	4	277	-	-	277	264
Charitable activities						
Grants towards scholarships and other disbursements	5	83	1,190	-	1,273	1,043
Communications and publications	6	203	-	-	203	308
Services to national committees, schools and colleges	7	424	4	-	428	485
Strategy and development	8	569	-	-	569	325
Total expenditure		1,556	1,194	-	2,750	2,425
Net income/(expenditure) before losses on investment assets		75	133	-	208	(28)
Net Losses on investment assets	10	-	-	(177)	(177)	92
Net income/(expenditure)		75	133	(177)	31	64
Net movement in funds		75	133	(177)	31	64
Total funds brought forward	22	777	261	2,913	3,951	3,887
Total funds carried forward	19	852	394	2,736	3,982	3,951

The notes on pages 29 to 37 form part of these financial statements.

BALANCE SHEET

AT 30 APRIL 2016

	Note	2016 £'000	2015 £'000
FIXED ASSETS			
Tangible fixed assets	9	27	25
Investment fixed assets	10	2,736	2,913
		<u>2,763</u>	<u>2,938</u>
CURRENT ASSETS			
Debtors	11	184	122
Cash at bank and in hand		1,315	1,023
		<u>1,499</u>	<u>1,145</u>
CREDITORS: amounts falling due within one year	12	(280)	(133)
NET CURRENT ASSETS		<u>1,219</u>	<u>1,012</u>
NET ASSETS		<u>3,982</u>	<u>3,951</u>
Unrestricted funds		852	777
Restricted funds		394	261
Endowment funds		2,736	2,913
TOTAL FUNDS		<u>3,982</u>	<u>3,951</u>

The notes on pages 29 to 37 form part of these financial statements.

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved and authorised for issue by The Board of Trustees on 27 October 2016 and were signed below on its behalf by:

.....
Sir John Daniel
Chair

.....
Wayne Yang
Treasurer

THE UNITED WORLD COLLEGES (INTERNATIONAL)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2016

	2016	2015
	£	£
Cash flows from operating activities:		
<i>Net cash provided by (used in) operating activities</i>	168	(138)
Cash flows from investing activities:		
Dividends, interest and rents from investments	141	101
Purchase of property, plant and equipment	(17)	(17)
Proceeds from sale of investments	-	2,806
Purchase of investments	-	(2,806)
<i>Net cash provided by (used) in investing activities</i>	124	84
Change in cash and cash equivalents in the reporting period	292	(54)
Cash and cash equivalents at the beginning of the reporting period	1,023	1,077
Cash and cash equivalents at the end of the reporting period	1,315	1,023

RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016	2015
	£	£
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	31	64
Adjustments for:		
Depreciation charges	15	22
Losses/(gains) on investments	177	(92)
Dividends, interest and rents from investments	(141)	(101)
Loss/(profit) on the sale of fixed assets	-	1
Decrease/(increase) in debtors	(61)	(30)
Increase/(decrease) in creditors	147	(2)
Net cash provided by/(used) in investing activities	168	(138)

ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016	2015
	£	£
Cash in hand	1,315	1,023
Total cash and cash equivalents	1,315	1,023

THE UNITED WORLD COLLEGES (INTERNATIONAL)

STATEMENT OF FUNDS

FOR THE FOR THE YEAR ENDED 30 APRIL 2016

	At 1 May 2015 £'000	Income £'000	Expenditure £'000	Unrealised losses on investment assets £'000	Transfers and other movements £'000	At 30 April 2016 £'000
Unrestricted funds						
General fund (see note 19)	754	1,631	(1,556)	-	(50)	779
Designated fund						
Special projects fund	23	-	-	-	-	23
UWC Congress fund	-	-	-	-	50	50
Total unrestricted funds	777	1,631	(1,556)	-	-	852
Restricted funds						
Scholarship funds						
Velux Scholarship fund	136	237	(197)	-	-	176
Aman Scholarship Fund	(11)	417	(344)	-	-	62
Andresen/UWC Norway Fund	52	19	(12)	-	-	59
Int'l Scholarship Fund	16	6	-	-	-	22
Mountbatten Income Fund	14	4	-	-	-	18
HM Queen Noor Fund	12	-	-	-	-	12
Kelly Income Fund	11	2	(4)	-	-	9
Sudan Scholarship Support Fund	10	-	(1)	-	-	9
United X Fund	4	6	(2)	-	-	8
Gildred Income Fund	6	1	-	-	-	7
Sudan Scholarship Fund	-	20	(14)	-	-	6
MECT Scholarship Fund	-	400	(400)	-	-	-
Mohn Scholarship Fund	-	18	(18)	-	-	-
Other Scholarship Funds	2	5	(6)	-	-	1
	252	1,135	(998)	-	-	389
Project Funds						
Gourlay Fund	4	-	(1)	-	-	3
	4	-	(1)	-	-	3
Other Restricted Funds						
Donations for schools and colleges	-	185	(185)	-	-	-
Donations for nat'l committees	2	7	(7)	-	-	2
Other Funds	3	-	(3)	-	-	-
	5	192	(195)	-	-	2
Total Restricted Funds	261	1,327	(1,194)	-	-	394

THE UNITED WORLD COLLEGES (INTERNATIONAL)

STATEMENT OF FUNDS *(continued)*

FOR THE YEAR ENDED 30 APRIL 2016

	At 1 May 2015 £'000	Income £'000	Expenditure £'000	Unrealised losses on investment assets £'000	Transfers and other movements £'000	At 30 April 2016 £'000
Endowment Funds						
UWCI Endowment Fund	2,126	-	-	(128)	-	1,998
Andresen/UWC Norway Fund	492	-	-	(32)	-	460
UWC International Scholarship Fund	106	-	-	(6)	-	100
Mountbatten Fund	102	-	-	(6)	-	96
Kelly Fund	51	-	-	(3)	-	48
Gildred Fund	36	-	-	(2)	-	34
Total Endowment Funds	2,913	-	-	(177)	-	2,736
Total Funds	3,951	2,958	(2,750)	(177)	-	3,982

THE UNITED WORLD COLLEGES (INTERNATIONAL)

ACCOUNTING POLICIES

FOR THE FOR THE YEAR ENDED 30 APRIL 2016

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared 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 Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. No restatement has been required in making the transition to FRS 102 and the Charities SORP FRS 102.

Preparation of accounts on a going concern basis

The trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives trustees confidence the charity remains a going concern for the foreseeable future.

Income and expenditure account

To satisfy the requirements of the Companies Act 2006, an income and expenditure account has been incorporated in the Statement of Financial Activities (SOFA).

Income

Voluntary income is received by way of donations and gifts and is included in full in the SOFA when receivable.

Revenue grants are credited to the SOFA when received or receivable whichever is earlier.

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the company's control, income is recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the company can meet such conditions the income is deferred.

Other income in relation to sale of services is recognized in the year where the services are delivered.

Expenditure

All expenditure is recognised in the SOFA. Expenditure is recognised on an accruals basis and is categorised and aggregated under headings which reflect the nature of the expenditure and the activities of the company. Expenditure which cannot be attributed directly to a single heading is apportioned and allocated on a basis which reflects the use of the resources the expenditure represents. In most instances, apportionment is by reference to head-count and employment costs; in other cases apportionment is related to the specific objectives and outcomes of the expenditure.

Resources expended include attributable VAT which cannot be recovered.

Categorisation of expenditure

Expenditure is categorised according to its nature and purpose having regard to the company's status as a charity:

- costs of raising funds
- costs of activities in furtherance of the company's objects ("charitable activities")
- costs directly in support of the company's charitable activities ("support costs")

THE UNITED WORLD COLLEGES (INTERNATIONAL)

ACCOUNTING POLICIES (continued)

FOR THE FOR THE YEAR ENDED 30 APRIL 2016

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Transactions in foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the exchange rate prevailing at or about the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Translation differences are dealt with in the SOFA.

Taxation

The company is a charity within the meaning of Paragraph 1, Schedule 6 of the Finance Act 2010. Accordingly the company is potentially exempt from taxation in respect of income within categories covered by Chapter 3 of Part II of the Corporation Tax Act 2010, to the extent that such income is applied exclusively to charitable purposes. No tax charge arose in the period.

Tangible fixed assets

Tangible fixed assets are stated at cost less provision for depreciation. Assets costing more than £1,000 are capitalised.

Depreciation is provided on cost in equal annual instalments over the estimated useful economic lives of the assets. The rates of depreciation are:

- Office furniture and equipment 20%
- Computer equipment and software 33%

Investments

Investments are a form of basic financial instruments and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Investments held as fixed assets are stated at market value at the balance sheet date. Net gains and losses arising on revaluations and disposals are recognised in the SOFA.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

Operating Leases

Operating lease rentals are charged in the SOFA on a straight line basis over the year of the lease.

THE UNITED WORLD COLLEGES (INTERNATIONAL)

ACCOUNTING POLICIES (continued)

FOR THE FOR THE YEAR ENDED 30 APRIL 2016

Funds accounting

Funds held by the company are:

- *Unrestricted general funds*, which are funds that may be expended in the furtherance of the objects of the company at the discretion of the Directors.
- *Designated funds*, which are unrestricted general funds that have been identified by the Directors for specific purposes.
- *Restricted funds*, which are funds subject to specific trusts or undertakings and that may only be used for particular purposes consistent with those trusts or undertakings. Restrictions may arise, for example, when specified by a donor or when funds are being raised and a particular purpose is stated.
- *Endowment funds* are restricted funds where the assets of the fund are required to be invested and only the resulting income may be expended in support of the purposes.

Further information about the aim and use of the company's funds is contained in the Statement of Funds.

Employee benefits

Short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Pension scheme

The charity operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of the charity in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the year.

THE UNITED WORLD COLLEGES (INTERNATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FOR THE YEAR ENDED 30 APRIL 2016

1. ANNUAL FEES OF SCHOOLS AND COLLEGES	Unrestricted Funds £'000	Restricted Funds £'000	Total 2016 £'000	Total 2015 £'000
UWC Atlantic College	194	-	194	170
UWC of South East Asia	431	-	431	332
UWC Pearson College	69	-	69	73
UWC Waterford Kamhlaba	28	-	28	34
UWC USA	153	-	153	127
UWC of the Adriatic	58	-	58	62
Li Po Chun UWC of Hong Kong	89	-	89	79
UWC Red Cross Nordic	79	-	79	92
Mahindra UWC of India	35	-	35	30
UWC Costa Rica	37	-	37	33
UWC Bosnia and Herzegovina	16	-	16	17
UWC Maastricht	76	-	76	68
UWC Robert Bosch	54	-	54	43
UWC Dilijan	63	-	63	36
UWC Changshu China	82	-	82	-
New Applications	40	-	40	33
	1,504	-	1,504	1,229

The basic formula for calculating Annual Fees is 1.9% of the audited expenditure of each existing school or college (previous year: 1.8%), with a variant in the formula for the schools with students below the IB Diploma or equivalent years.

2. GRANTS AND DONATIONS RECEIVABLE	Unrestricted Funds £'000	Restricted Funds £'000	Total 2016 £'000	Total 2015 £'000
<i>towards scholarships</i>				
Aman Foundation Scholarship Fund	-	417	417	96
MECT Scholarship Fund	-	400	400	378
Velux Foundations Scholarship Fund	-	237	237	204
Sudan Scholarship Fund	-	20	20	6
Mohn Scholarship Fund	-	18	18	-
United X Scholarship Fund	-	6	6	11
UWC International Scholarship Fund	-	2	2	2
Weickart Scholarship Fund	-	-	-	77
Prince of Wales International Fund	-	-	-	60
Other Scholarship Funds	-	5	5	19
<i>for other purposes</i>				
Donations for schools and colleges	-	185	185	199
Donations for national committees	-	7	7	10
General fund	5	-	5	2
Other	-	-	-	1
	5	1,297	1,302	1,065

THE UNITED WORLD COLLEGES (INTERNATIONAL)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FOR THE YEAR ENDED 30 APRIL 2016

3. INTEREST AND INVESTMENT INCOME	Unrestricted Funds £'000	Restricted Funds £'000	Total 2016 £'000	Total 2015 £'000
Dividends and distributions	82	30	112	98
Deposit fund and bank interest	29	-	29	3
	111	30	141	101
4. FUNDRAISING COSTS	Unrestricted Funds £'000	Restricted Funds £'000	Total 2016 £'000	Total 2015 £'000
Staff costs	74	-	74	76
Other allocated costs	29	-	29	35
Direct costs	174	-	174	153
	277	-	277	264
5. GRANTS TOWARDS SCHOLARSHIPS AND OTHER DISBURSEMENTS	Unrestricted Funds £'000	Restricted Funds £'000	Total 2016 £'000	Total 2015 £'000
Scholarship grants	-	999	999	778
Donations to schools and colleges	-	191	191	226
Staff costs	60	-	60	27
Other allocated costs	23	-	23	12
	83	1,190	1,273	1,043
6. COMMUNICATIONS AND PUBLICATIONS	Unrestricted Funds £'000	Restricted Funds £'000	Total 2016 £'000	Total 2015 £'000
Staff costs	95	-	95	111
Other allocated costs	36	-	36	51
Design and production	21	-	21	40
Distribution	13	-	13	21
Website and database development	35	-	35	54
Other direct costs	3	-	3	31
	203	-	203	308

THE UNITED WORLD COLLEGES (INTERNATIONAL)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 APRIL 2016

7.	SERVICES TO NATIONAL COMMITTEES, SCHOOLS AND COLLEGES	Unrestricted Funds £'000	Restricted Funds £'000	Total 2016 £'000	Total 2015 £'000	
	Staff costs	203	-	203	247	
	Other allocated costs	75	-	75	113	
	Regional meetings	55	-	55	46	
	Pilots, training & development	78	4	82	47	
	Middle East & North Africa region	11	-	11	26	
	Other	2	-	2	6	
		<u>424</u>	<u>4</u>	<u>428</u>	<u>485</u>	
8.	STRATEGY AND DEVELOPMENT	Unrestricted Funds £'000	Restricted Funds £'000	Total 2016 £'000	Total 2015 £'000	
	Cost of meetings and director's expenses & reimbursements	7	-	7	11	
	Other direct costs	171	-	171	46	
	Governance costs	51	-	51	95	
	UWC Congress costs	3	-	3	-	
	Staff costs	244	-	244	119	
	Other allocated costs	93	-	93	54	
		<u>569</u>	<u>-</u>	<u>569</u>	<u>325</u>	
9.	TANGIBLE FIXED ASSETS	Furniture & Fixtures £'000	Equipment £'000	IT Hardware £'000	Data Systems £'000	Total £'000
	Cost					
	At 1 May 2015	76	5	56	84	221
	Additions	2	-	15	-	17
	At 30 April 2016	<u>78</u>	<u>5</u>	<u>71</u>	<u>84</u>	<u>238</u>
	Accumulated Depreciation					
	At 1 May 2015	(72)	(5)	(39)	(80)	(196)
	Depreciation for the year	(2)	-	(10)	(3)	(15)
	At 30 April 2016	<u>(74)</u>	<u>(5)</u>	<u>(49)</u>	<u>(83)</u>	<u>(211)</u>
	Net Book Value					
	At 30 April 2016	<u>4</u>	<u>-</u>	<u>22</u>	<u>1</u>	<u>27</u>
	At 30 April 2015	<u>4</u>	<u>-</u>	<u>17</u>	<u>4</u>	<u>25</u>

Fixed assets comprise office furniture, computer hardware and software, and database systems.

UNITED WORLD COLLEGES (INTERNATIONAL)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FOR THE YEAR ENDED 30 APRIL 2016

10. INVESTMENTS	£'000
Carrying Value (market value) as at 1 May 2015	2,913
Net loss at revaluation	(177)
Carrying Value (market value) as at 30 April 2016	2,736

Investments at 30 April 2016 comprised 5,483,291.5 units in the Charity Multi-Asset Fund from Schroders, managed by Cazenove Capital (2015: 5,483,291.5 units). The units were allocated to funds as follows:

	Holdings (fund units)	Value
	Charity Multi-Asset Fund	£'000
UWCI Office Endowment Fund	3,999,796.5	1,998
Andresen/UWC Norway Fund	926,638.6	460
Mountbatten Fund	200,051.1	100
UWC Intern'l Scholarship Fund	192,163.2	96
Kelly Scholarship Fund	96,836.1	48
Gildred Scholarship Fund	67,806.0	34
		2,736

11. DEBTORS	2016	2015
	£'000	£'000
Payments due from schools and colleges	123	41
Other debtors	50	51
Prepayments	11	30
	184	122

In the case of three schools and colleges, annual fees are settled after the year end from income collected on behalf of those schools and colleges by the company.

THE UNITED WORLD COLLEGES (INTERNATIONAL)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 APRIL 2016

12. CREDITORS

	2016	2015
	£'000	£'000
Trade creditors	167	77
Other creditors	1	27
Taxation and social security	15	14
Accruals	97	15
	280	133

13. INDEMNITY INSURANCE

Indemnity insurance on behalf of the Directors has been embedded in a Comprehensive Charity Insurance which the company has purchased.

14. DIRECTORS' REMUNERATION AND REIMBURSED EXPENSES

Directors do not receive remuneration but they are entitled to reimbursement of expenses in connection with the company's activities. During the year five Directors (including the Chair) received £12,848 by way of reimbursement of expenses (2015: five Directors and £19,285) and five Directors including the Chair received £32,148 by way of expenses paid for by the company (2015: nine and £37,600). All expenses related to travel and accommodation.

15. STAFF COSTS AND NUMBER

	2016	2015
	£'000	£'000
<i>Aggregate payroll costs were as follows:</i>		
Salaries	619	552
Social security costs	51	57
Pension contributions	6	10
	676	619

	2016	2015
	£'000	£'000
The average number of persons employed by the company during the year was:	16	15
The number of employees earning in excess of £60,000 during the year was:		
£110,000 - £119,999	1	-
£100,000 - £109,999	-	1
£60,000 - £69,000	2	-

Total remuneration for key management personnel for the year was £323,236 (2015: £314,404). Key management personnel includes the Trustees, who are all volunteers.

The company contributes to employees' individual pension schemes. The cost of contributions by the company to the scheme during the year is shown above. Two employees earning in excess of £60,000 received pension contributions of £4,486 during the year (2015: one employee and £3,105).

THE UNITED WORLD COLLEGES (INTERNATIONAL)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FOR THE YEAR ENDED 30 APRIL 2016

16. NET INCOME/(EXPENDITURE) FOR THE YEAR	2016 £'000	2015 £'000
This is stated after charging:		
- operating lease rentals of land and buildings	64	53
- operating lease rentals of equipment	6	7
- depreciation	15	22
- auditor's remuneration	12	10
	<u>12</u>	<u>10</u>

17. LEASE COMMITMENTS	2016		2015	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Amounts due as follows:				
- Within one year	105	2	53	3
- Between two and five years	209	10	-	4
- After five years	-	-	-	-
	<u>314</u>	<u>12</u>	<u>53</u>	<u>7</u>
Total payments due to be disclosed	<u>314</u>	<u>12</u>	<u>53</u>	<u>7</u>

18. CONTINGENT LIABILITY

A financial guarantee of Euros 300,000 was made to UWC Mostar, intended to bridge the expected year-end deficit until the college's endowment is able to generate the required funding. Clear requirements relating to the guarantee are set out in the letter of agreement with the college and the endowment fund. During the year, UWC (International) paid Euros 104,000 and subsequent to year end a final amount of Euros 66,008 to UWC Mostar towards this guarantee. With this, the liability has been brought to an end.

19. ANALYSIS OF NET ASSETS BY FUND CATEGORY	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Funds at 30 April 2016	852	394	2,736	3,982
<i>Represented by:</i>				
Tangible fixed assets	27	-	-	27
Investment fixed assets	-	-	2,736	2,736
Net current assets	825	394	-	1,219
	<u>852</u>	<u>394</u>	<u>2,736</u>	<u>3,982</u>

19. ANALYSIS OF NET ASSETS BY FUND CATEGORY (continued)

Unrestricted Funds

Unrestricted funds may be applied at the discretion of the Directors in furtherance of the objects of the company. The General Fund is available to finance the day-to-day operations of the company.

At present there are two designated funds. The Special Projects fund holds monies available for special projects. The UWC Congress fund holds monies available for the 6-yearly UWC Congress, an event for the wider UWC movement. There were no expenses generated for either fund during the year 2015-2016.

Restricted Funds

Restricted funds are subject to trusts or undertakings and may be used only for purposes consistent with those trusts or undertakings. Restricted funds are classified in the Statement of Funds according to their principal purposes. The scholarship funds hold monies to be disbursed to schools and colleges as scholarship awards. In the case of endowed scholarship funds, the monies held are the investment earnings on the capital of the related scholarship endowment funds. All other scholarship funds hold donated monies.

The UWC International Scholarship Fund, Mountbatten Scholarship Fund and Gildred Scholarship Fund hold both investment income and donated monies, and can be used for scholarship awards at the discretion of the Directors. The Kelly Scholarship Fund meets the needs of students from the Bahamas and can be used at the discretion of the Bahamas National Committee. The Andresen/UWC Norway Scholarship Fund generates income towards scholarships for students from low income and/or conflict-ridden countries, and is disbursed at the discretion of the International Office subject to approval of the donors.

The principal donated funds that are currently active are the MECT Fund, which funds scholarships at UWC-USA; the Velux Foundations Scholarship Fund, which funds students from marginalised communities in central and eastern European countries through its Young Change Makers programme; the Aman Foundation Scholarship Fund, which funds Pakistani students; the Sudan Scholarship Fund, which meets the needs of students from Sudan and South Sudan; the Weickart Fund, which funds students from Germany; the Mohn Scholarship Fund, which funds students from the Nordic countries; HM Queen Noor Fund, which holds scholarship monies that can be disbursed at the discretion of the Directors; and the United X Fund, which funds students from Poland. The Prince of Wales' International Scholarships Fund has made a last contribution towards scholarships in 2015 and has now been closed.

Project funds hold donated monies towards the costs of specific projects. The Gourlay Fund is available to meet emergency needs of national committees and UWC students and alumni, and the UWC Forum finances periodic thematic gatherings and fundraising events for alumni.

Endowment Funds

The company owns, and is the beneficiary of, the UWC International Endowment Fund. The capital of the fund may not be expended. The investment earnings on the capital are transferred to the General Fund and are utilised to finance day-to-day operations. The company's other endowment funds are the scholarship endowment funds. The capital may not be used and the investment earnings are credited to the related scholarship income funds, as mentioned above.

Dormant funds

Funds on which no movement has occurred for a period of one year or longer, are reviewed to determine whether or not they could have become dormant. No funds were considered dormant at 30 April 2016.

THE UNITED WORLD COLLEGES (INTERNATIONAL)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FOR THE YEAR ENDED 30 APRIL 2016

20. INFORMATION ABOUT ALLOCATED COSTS	2016 £'000	2015 £'000
Allocated costs		
Payroll costs	676	619
Other costs		
Rent	64	53
Other premises costs	27	28
Computer and equipment costs	21	32
Telephone, post and other communication costs	18	16
Travel and subsistence	12	3
Recruitment	9	63
Other management and administration costs	105	88
	932	902

	Staff Costs £'000	Other Other £'000	Total 2016 £'000	Total 2015 £'000
Allocation				
Fundraising	74	29	103	111
Grants towards scholarships and other disbursements	60	23	83	39
Communications and publications	95	36	131	162
Services to national committees, schools and colleges	203	75	278	360
Strategy and development	244	93	337	230
	676	256	932	902

The basis of cost allocation is staff time, applied to core costs like administration, management, premises and other overheads.

21. BUSINESS NAMES:

The company carries on business in its own name and other names, which include "UWC", "UWC Int.", "UWCIO", and "UWCI". None of these names is registered, whether in the United Kingdom or elsewhere.

THE UNITED WORLD COLLEGES (INTERNATIONAL)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 APRIL 2016

22. ACTIVITIES BY FUND IN PREVIOUS YEAR	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2015 £'000
Income from:				
Donations and legacies				
. Fees from schools and colleges	1,229	-	-	1,229
. Grants and donations	2	1,063	-	1,065
Investment income				
Interest and investment income	74	27	-	101
Other income	-	2	-	2
Total income	<u>1,305</u>	<u>1,092</u>	<u>-</u>	<u>2,397</u>
Expenditure on:				
Raising funds				
. Fundraising costs	264	-	-	264
Charitable activities				
. Grants towards scholarships and other disbursements	39	1,004	-	1,043
. Communications and publications	308	-	-	308
. Services to national committees, schools and colleges	485	-	-	485
. Strategy and development	325	-	-	325
Total expenditure	<u>1,421</u>	<u>1,004</u>	<u>-</u>	<u>2,425</u>
Net income for the year before gains on investments	(116)	88	-	(28)
Net gains on investments assets	-	-	92	92
Net income/(expenditure)	<u>(116)</u>	<u>88</u>	<u>92</u>	<u>64</u>
Transfers between funds	-	-	-	-
Net movement in funds	<u>(116)</u>	<u>88</u>	<u>92</u>	<u>64</u>
Total funds brought forward	893	173	2,821	3,887
Total funds carried forward	<u>777</u>	<u>261</u>	<u>2,913</u>	<u>3,951</u>

