

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED  
(limited by Guarantee and not having a  
Share Capital)

REPORT OF THE GOVERNING BODY  
AND FINANCIAL STATEMENTS

31st JULY 1995

Registered Number 673076

Registered Charity Number 525761

KPMG  
8 Salisbury Square, London, EC4Y 8BB



UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

(limited by Guarantee and not having a Share Capital)

REPORT OF THE GOVERNING BODY

The Governing Body has pleasure in submitting its annual report, together with the financial statements for the year ended 31 July 1995.

ACTIVITIES

The Company continues to own and administer the United World College of the Atlantic, St Donat's Castle, South Glamorgan.

The College had students from over 70 countries, 90% of them on full or substantial scholarship support. Our international community was enriched by significant additions to our entry from Malaysia, Eastern and Central Europe and Africa as a result of support from Governments, Corporations and Trusts.

The academic results of exceptional quality were marked by high overall achievement and outstanding individual performance. It is a matter of pride that female students undertake science and mathematics courses in high numbers and against national trends.

The service life of the College, central to its ideals, continues to flourish. The Social Service Unit and our Extramural Centre continue to commit students to working with and for people who are in some way disadvantaged. The numbers benefiting are between 2,500-3,000 people in a year. The emergency rescue services of HM Coastguards and the RNLI, manned by students, have undertaken many rescues and contributed to the total of 203 lives saved since their inception.

The cultural and aesthetic life of the College has never been more active. Drama, Music, the Arts and Design provide constant challenges and continuing entertainment for the College community and beyond. The plans for 1995/96 are even more ambitious.

STUDENTS

The average number of students in the College during the year was 363 (1994: 360) comprising 183 second year students and 180 first year students. The total amount of charges receivable was £3,259,810 (1994: £3,095,690) of which approximately 70% (1994: 70%) was from overseas.

RESULTS

The deficit for the year considered by the Governing Body to arise from normal operations amounted to £170,478 (1994: £213,412) as shown on page 4.

The charges receivable are shown net of reductions (otherwise called bursaries) of up to 100% of the annual student charge. The Scholarship Income Fund is used to underwrite these bursaries.

The non-operational income is divided into scholarship income (comprising donations, investment income, interest and miscellaneous income), and other income (comprising capital gains on investments sold).

## POLITICAL AND CHARITABLE CONTRIBUTIONS

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The Company made no political contributions during the year. Donations of £16,000 were made to St Donat's Arts Centre and £60,639 were made to United World Colleges (Int) Ltd.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the financial activities of the company for that period. In preparing those financial statements, 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 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 company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and hence to prevent and detect fraud and irregularities.

## GOVERNING BODY (DIRECTORS OF THE COMPANY)

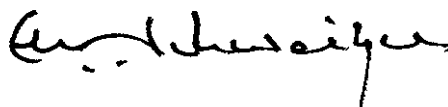
The Governors during the year were :

Mr M C Webb, FCA	(Chairman) - Resigned 1st May 1995
The Lady Prior	(Chairman from 1st May 1995)
Sir Carron Greig, KCVO, CBE, DL	(Deputy Chairman)
Miss J I Besse	
Lady Boothby	
Mr C Campbell, CBE, FCA	
Mr D H Fisher, CBE, DL	
Mr J A Franklin	
The Rt Revd Ian Griggs	
Rabbi Hugo Gryn, CBE MA DHL	
Mr S R Hailey, FCA	
Mr W Thomas Hodgson	(Appointed 5th December 1994)
Mr P W James, MBE, RD, DL	
Mr S W G Jenkin	
Sir Gavin Laird, CBE	
Mr J L Lipscomb, MA MSc	
Mr J H G Senior	
Professor J J Thompson, CBE	
Mr J J I Whitaker FCA	

## AUDITORS

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Governing Body



Secretary

REPORT OF THE AUDITORS, KPMG, TO THE MEMBERS OF UNITED WORLD COLLEGE OF  
THE ATLANTIC LIMITED

We have audited the financial statements on pages 4 to 12.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

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

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

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st July 1995 and of its excess of income over expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

LONDON



16 January 1996

Chartered Accountants  
Registered Auditors

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INCOME & EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31ST JULY 1995

	1995	1994
	£	£
<b>OPERATING INCOME</b>		
Total scholarship charges	3,750,653	3,535,550
less: College underwritten scholarships	(490,843)	(439,860)
External charges receivable	3,259,810	3,095,690
Fellowships donations receivable	26,000	46,000
Charges receivable from		
Extramural Centre courses	385,063	363,359
	<u>3,670,873</u>	<u>3,505,049</u>
<b>OPERATING EXPENSES</b>		
Tuition	1,674,106	1,591,754
Boarding	775,087	768,010
Property upkeep and utilities	807,325	769,400
Depreciation	105,633	111,966
Administration	336,713	317,822
Provision for charges not received	1,614	14,617
Retirement provision	10,000	9,414
Youth Training allowances	54,234	59,970
Donations to:		
United World Colleges (Int) Ltd	60,639	59,508
St Donat's Arts Centre	16,000	16,000
	<u>3,841,351</u>	<u>3,718,461</u>
<b>OPERATING DEFICIT carried forward</b>	<u>(170,478)</u>	<u>(213,412)</u>

The notes on pages 9 to 12 form part of these financial statements

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED  
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INCOME & EXPENDITURE ACCOUNT (continued)  
FOR THE YEAR ENDED 31ST JULY 1995

	1995	1994
	£	£
OPERATING DEFICIT brought forward	(170,478)	(213,412)
SCHOLARSHIP INCOME		
Specific donations to building fund	209,243	-
General donations	159,264	236,121
Income from listed investments	172,067	153,937
Interest receivable	26,643	32,000
Miscellaneous income	22,084	16,839
	<u>589,301</u>	<u>438,897</u>
EXTERNAL SCHOLARSHIPS AWARDED	(146,401)	(105,761)
	<u>442,900</u>	<u>333,136</u>
SCHOLARSHIP SURPLUS	272,422	119,724
OTHER INCOME		
Profit on sale of investments	42,084	102,684
EXCESS OF INCOME OVER EXPENDITURE	<u>314,506</u>	<u>222,408</u>

There were no recognised gains or losses other than the excess of income over expenditure. A note on historical cost profits and losses has not been included as part of these financial statements as there is no difference between the excess of income over expenditure on the historical cost basis and that disclosed in the income and expenditure account.

RECONCILIATION AND ANALYSIS OF MOVEMENTS ON UNRESTRICTED FUNDS :

	TOTAL FUNDS	General Fund	Schol'ship Capital Fund	Schol'ship Income Fund	Building Fund
	£	£	£	£	£
FUNDS AT 31ST JULY 1994	6,591,858	3,904,591	2,830,757	101,401	(244,891)
OPERATING DEFICIT FOR THE YEAR	(170,478)	(170,478)	-	-	-
SCHOLARSHIP INCOME	589,301	-	90,187	289,871	209,243
PROFIT ON SALE OF INVESTMENTS	42,084	-	42,084	-	-
BURSARY SUPPORT	-	170,478	-	(170,478)	-
- INTERNAL	-	-	-	(146,401)	-
- EXTERNAL SCHOLARSHIP	(146,401)	-	-	-	-
CORN EXTENSION - ADDITION	-	73,621	-	-	(73,621)
CORN EXTENSION - SHORTFALL	-	(109,269)	-	-	109,269
FUNDS AT 31ST JULY 1995	<u>6,906,364</u>	<u>3,868,943</u>	<u>2,963,028</u>	<u>74,393</u>	<u>-</u>

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UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED  
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BALANCE SHEET AT 31ST JULY 1995

	Note	1995	1994
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	5	4,556,698	4,566,888
Investments	6	2,243,078	2,225,784
		<u>6,799,776</u>	<u>6,792,672</u>
<b>CURRENT ASSETS</b>			
Stocks	7	99,038	102,374
Debtors	8	282,497	230,805
Cash at bank and in hand	9a	591,019	704,475
		<u>972,554</u>	<u>1,037,654</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Charges received in advance	9b	(389,446)	(330,274)
Trade and other creditors	10	(318,254)	(444,356)
Short Term Loan		-	(200,000)
		<u>(707,700)</u>	<u>(974,630)</u>
<b>NET CURRENT ASSETS</b>		<u>264,854</u>	<u>63,024</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>7,064,630</u>	<u>6,855,696</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>			
Charges received in advance	9b	(158,266)	(263,838)
<b>NET ASSETS</b>		<u>6,906,364</u>	<u>6,591,858</u>
<b>FUNDS</b>	11	<u>=====</u>	<u>=====</u>
General fund		3,868,943	3,904,591
Scholarship capital fund		2,963,028	2,830,757
Scholarship income fund		74,393	101,401
Building fund		-	(244,891)
		<u>6,906,364</u>	<u>6,591,858</u>
		<u>=====</u>	<u>=====</u>

Approved by the Governing Body at  
a meeting on 4<sup>th</sup> December 1995

*[Signature]*

)  
) Governors  
)

*[Signature]*

The notes on pages 9 to 12 form part of these financial statements

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED  
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CASHFLOW STATEMENT  
FOR THE YEAR ENDED 31 JULY 1995

	1995	1994
	£	£
Net cash outflow from operating activities	(285,703)	(106,538)
Returns on investments and servicing of finance		
Dividends received	172,067	153,937
Interest received	26,643	32,000
	198,710	185,937
Other income		
Donations received	368,507	236,121
Miscellaneous income	22,084	16,839
	390,591	252,960
Investing activities		
Payments to acquire tangible fixed assets	(95,443)	(294,813)
Payments to acquire scholarship investments	(283,395)	(545,710)
Received from sale of scholarship investments	308,185	346,883
	(70,653)	(493,640)
Scholarships to other Colleges	(146,401)	(126,261)
Net cash inflow/(outflow) before financing items	86,544	(287,542)
Short term loan finance	(200,000)	200,000
Decrease in cash and cash equivalents	(113,456)	(87,542)
	=====	=====
RECONCILIATION OF OPERATING DEFICIT TO NET CASH OUTFLOW		
Operating deficit	(170,478)	(213,412)
Depreciation charges	105,633	111,966
Decrease/(increase) in stocks	3,336	(4,730)
(Increase) in debtors	(51,692)	(6,988)
(Decrease)/increase in creditors	(126,102)	84,871
(Decrease) in amounts received in advance	(46,400)	(78,245)
	(285,703)	(106,538)
	=====	=====
ANALYSIS OF CASH BALANCES:		
Opening balance	704,475	792,017
Closing balance	591,019	704,475
	(113,456)	(87,542)
	=====	=====



UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED  
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ANALYSIS OF UNRESTRICTED FUND BALANCES BETWEEN THE NET ASSETS  
AT 31ST JULY 1995

	Total Funds	General Fund	Schol'ship Capital Fund	Schol'ship Income Fund
	£	£	£	£
Tangible fixed assets	4,556,698	4,556,698	-	-
Investments	2,243,078	-	2,243,078	-
Net current assets/(liabilities)	264,854	(529,489)	719,950	74,393
Long term liabilities	(158,266)	(158,266)	-	-
	<u>6,906,364</u>	<u>3,868,943</u>	<u>2,963,028</u>	<u>74,393</u>
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

1. CAPITAL STATUS

The company is limited by guarantee, but does not have a share capital. The liability of the members is limited to £1 per member.

2. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

(a) Basis of accounting

The financial statements have been prepared under the historical cost accounting rules and in accordance with applicable accounting standards.

(b) Stock

Stock is stated at the lower of cost and net realisable value.

(c) Depreciation

Depreciation is provided on a straight line basis at such rates as to write off the assets over their estimated useful lives. The following annual rates are used:

Freehold buildings	1.5%
Temporary buildings	7.5%
Plant, fixtures and fittings	5% - 20%
Motor vehicles	25%

Assets in the course of construction are not depreciated until they become operational.

(d) Investments

Investments are stated at cost.

(e) Investment Income

Investment income is credited on receipt.

(f) Operating Income

Operating income comprises external charges receivable for the tuition, board and lodging of students, donations to support teachers' fellowships, and amounts receivable from extra mural courses.

(g) Donations

Donations are accounted for on receipt.

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED  
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NOTES TO THE FINANCIAL STATEMENTS

3 OPERATING DEFICIT

The operating deficit is arrived at after charging the following :

Auditors' expenses

No director received any remuneration during the year (1994: £nil)

1995 £	1994 £
1,250	1,140

4 STAFF COSTS

Salaries & wages

Social security costs

Other pension costs

1995	1994
1,990,078	1,963,551
167,120	163,671
90,607	89,153

2,247,805      2,216,375

The average number of staff employed during the year was :

141      141

5 TANGIBLE ASSETS

	Freehold land and buildings £	Plant, fixtures & fittings £	Motor Vehicles £	Total £
Cost:				
At 31st July 1994	4,756,845	797,017	131,810	5,685,672
Additions	73,621	-	21,822	95,443
At 31st July 1995	4,830,466	797,017	153,632	5,781,115
Depreciation:				
At 31st July 1994	346,420	649,846	122,518	1,118,784
Charge for the year	71,918	23,613	10,102	105,633
At 31st July 1995	418,338	673,459	132,620	1,224,417
Net book values:				
at 31st July 1995	4,412,128	123,558	21,012	4,556,698
at 31st July 1994	4,410,425	147,171	9,292	4,566,888

The Governing Body is of the opinion that the market value of the castle, grounds and buildings is not less than that shown in the financial statements.

Included in freehold land & buildings are assets in the course of construction totalling £nil (1994: £294,813)

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED  
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NOTES TO THE FINANCIAL STATEMENTS

6 INVESTMENTS

	Government Stock £	Quoted securities £	Total £
At 31 July 1994	400,509	1,825,275	2,225,784
Additions	104,036	179,359	283,395
Disposals	(100,771)	(165,330)	(266,101)
At 31 July 1995	403,774	1,839,304	2,243,078
Market value at 31 July 1994	404,352	2,135,919	2,540,271
Market value at 31 July 1995	432,195	2,191,434	2,623,629

7 STOCKS

	1995 £	1994 £
Consumables	53,975	52,915
Goods for resale	17,195	22,612
Livestock	27,868	26,847
	99,038	102,374

8 DEBTORS

	1995 £	1994 £
Trade and other debtors	219,561	157,292
Income tax recoverable	12,637	12,742
Prepayments	50,299	60,771
	282,497	230,805

9 CASH AT BANK AND IN HAND

	1995 £	1994 £
(a) Special bank deposit account	547,712	594,112
Other cash at bank and in hand	585,463	699,090
Overdraft offset	1,133,175 (542,156)	1,293,202 (588,727)
	591,019	704,475

There is a set-off arrangement in respect of the above bank accounts.

(b) The special bank account is set up to hold sums received in advance in respect of charges and scholarships as follows:

	1995 £	1994 £
for allocation within one year	389,446	330,274
for allocation after one year	158,266	263,838
	547,712	594,112

NOTES TO THE FINANCIAL STATEMENTS

10. TRADE AND OTHER CREDITORS

	1995	1994
	£	£
Trade creditors	22,887	40,522
Other creditors	241,059	354,185
PAYE and social security costs	54,308	49,649
	<u>318,254</u>	<u>444,356</u>
	=====	=====

11. FUNDS

THE GENERAL FUND represents the balance of funds which have not been otherwise allocated.

THE SCHOLARSHIP CAPITAL FUND represents donations and gifts used to generate income for scholarship allocation.

THE SCHOLARSHIP INCOME FUND is used to underwrite the operating deficit in respect of student charges not receivable from external sources, and to fund the award of external scholarships for British students at other United World Colleges. It is anticipated that the whole of the balance will be awarded as scholarships during the following year.

THE BUILDING FUND. The shortfall was funded out of the General Fund.

12. DEEDS OF COVENANT

No account has been taken of amounts due under deeds of covenant, entered into prior to 31st July 1995, receivable during the period 1st August 1995 to 31st July 1999, which total approximately £13,680 (1994: £17,960).

13. CAPITAL COMMITMENT

At 31st July 1995, there was no capital commitment (1994: £ 50,000).

14. PENSIONS

Academic staff are members of a defined contribution scheme operated by the Teachers' Pension Agency. The contribution rates throughout the year were as follows; employers 8.05%, employees 6%. The charge for the year represents contributions payable by the Company and amounted to £90,607 (1994: £89,153). Contributions totalling £nil (1994: £13,898) were payable to the fund at the year-end and are included in other creditors.