

Company Number 00673076  
Charity Number 525761

**UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 JULY 2012**



# **UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED**

## **CONTENTS FOR THE YEAR ENDED 31 JULY 2012**

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	<b>Page</b>
<b>Legal and Administrative Information</b>	<b>2 - 3</b>
<b>Trustees' Report</b>	<b>4 – 12</b>
<b>Statement of Trustees' Responsibilities</b>	<b>13</b>
<b>Independent Auditor's Report</b>	<b>14 - 15</b>
<b>Consolidated Statement of Financial Activities</b>	<b>16</b>
<b>Balance Sheets</b>	<b>17</b>
<b>Consolidated Cash Flow Statement</b>	<b>18</b>
<b>Notes to the Financial Statements</b>	<b>19 - 36</b>

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 JULY 2012

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<b>Patron</b>	Her Majesty Queen Elizabeth 11
<b>Presidents</b>	Her Majesty Queen Noor Mr Nelson Mandela, Former President, Republic of South Africa
<b>Honorary Fellows</b>	Mr Antonin Besse Mr Lu Pat Ng
<b>Trustees</b>	Mr Stephen Cox CVO (Chairman) Miss Jill Longson (Vice-Chair) <sup>5 2</sup> Mr Richard Alford CMG OBE <sup>3 6</sup> Mr Kevin Gardiner <sup>1</sup> Dr John Hughes <sup>2 6</sup> Mrs Priscilla Rattazzi-Whittle Mr David Ross Mrs Deborah Stewart Lewis <sup>1</sup> Mr David Vokes <sup>1</sup> (resigned 31 September 2011) Dr Anne Wozencraft <sup>3 4, 6</sup> Mr Mal Davies <sup>3 6</sup> Dr Mary Stiasny <sup>3</sup> (appointed 6 December 2011) Mrs Sian Jones <sup>1</sup> (appointed 1 September 2011) Mr John White <sup>2</sup> (appointed 21 February 2012) Mr Duncan Macintosh <sup>1</sup> (appointed 21 May 2012)  <sup>1</sup> Member of the Resources Committee <sup>2</sup> Member of the Development Committee <sup>3</sup> Member of the Education and Pastoral Committee <sup>4</sup> Member of Remuneration Committee <sup>5</sup> Member of UWC International Board <sup>6</sup> Member of Nominations Committee
<b>College Principal</b>	Mr John Walmsley (appointed 1 January 2012)
<b>Acting Principal (to 31 December 2011), Bursar and Company Secretary &amp; Clerk to Governors</b>	Mr Paul Motte
<b>Acting Director of College Operations (to 31 December 2011) and Business Manager (from 1 January 2012)</b>	Mr Nicholas Marten
<b>Company Number</b>	00673076
<b>Charity Number</b>	525761
<b>Registered Office</b>	St Donat's Castle St Donat's Llantwit Major CF61 1WF

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

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**Auditor**

Crowe Clark Whitehill LLP  
Statutory Auditor  
Carrick House  
Lypiatt Road  
Cheltenham  
Gloucestershire  
GL50 2QJ

**Bankers**

The Royal Bank of Scotland plc  
62-63 Threadneedle Street  
London  
EC2R 8LA

Lloyds Bank plc  
18 Wyldham Street  
Bridgend  
CF31 1EQ

**Solicitor**

Eversheds LLP  
1 Callaghan Square  
Cardiff  
CF10 5BT

**Investment Manager**

To 30 September 2011  
Morgan Stanley & Co International plc  
25 Cabot Square  
Canary Wharf  
London  
E14 4QA

From 1 October 2011  
Brewin Dolphin Limited  
2nd Floor,  
5 Callaghan Square,  
Cardiff  
CF10 5BT

**Insurance Broker**

Marsh Brokers Limited  
Capital House  
1-5 Perrymount Road  
Haywards Heath  
RH16 3SY

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2012

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The Governors of United World College of the Atlantic Limited ('UWC Atlantic College'), who are also the Trustees of the Charity, are delighted to present their Annual Report and audited financial statements for the year ended 31 July 2012. The Governing Body confirms that the financial statements comply with the Charity's governing document, with current statutory requirements, with applicable accounting standards in the United Kingdom, with the Statement of Recommended Practice on Accounting and Reporting by Charities (the Charities SORP 2005) and with Charities legislation.

Incorporated in 1960, the United World College of the Atlantic Limited is a company limited by guarantee and constituted under Memorandum and Articles of Association and is also a registered charity, number 525761.

Located in a 12th century castle located on the South Wales coast between Cardiff and Swansea, the College accepted its first students in September 1962. It educates young people from throughout the world, aged between 16 and 19, who follow a challenging two year course combining academic and service elements.

### **The College's Objectives**

The College's principal activity is the education and pastoral care of its students. This reflects the principal object as expressed in the Memorandum of Association, which is "the advancement of education and learning, providing an environment likely to encourage enterprise and experiences designed to develop self-reliance, co-operation, regard for others and deeper international understanding".

UWC Atlantic College was established as a pioneering educational initiative, at the height of the Cold War and in the aftermath of the Second World War, with the explicit aim of promoting international understanding through education. Fifty years later the College remains true to the educational philosophy and ethos of its founders, educationalist Dr Kurt Hahn, Air Marshal Sir Lawrence Darvall and Rear Admiral Desmond Hoare, and continues to provide a platform for young people to learn through shared experience and to be empowered to make a positive difference.

UWC Atlantic College was the founding college of the UWC (United World Colleges) movement, whose mission is "to make education a force that unites peoples, nations, and cultures for a peaceful and sustainable future". The College's own mission further states that 'Atlantic College aims to be a world class educational institution equipping students with the skills and commitment needed to create a more peaceful, socially just and sustainable world'.

Diversity is the key to the UWC Atlantic College experience. UWC Atlantic College's vision is that the College will continue to be a world-class centre of excellence as well as being a reference site for pre-University education. Its diverse student body of around 350 will experience an exceptional values-based curriculum that places as much emphasis on the experiential as it does on academic learning. Its students will be inspired, by our intercultural richness, our dynamic service opportunities and by their immersion in the global issues of peace, social justice and sustainability. They will become catalysts for change in their societies, will challenge society to embrace intercultural understanding and develop a life-long commitment to making a positive difference. They will acquire the skills, tools, knowledge and attitudes to become activists for a better future being inspired by the impact of positive action and they will gain outstanding academic results. Our site in its stunning coastal position with the opportunity for physical challenge in sea and mountains will inspire our learning community of both students and staff.

The College's innovative and distinctive programme provides a truly transformational educational experience. Based on the International Baccalaureate Diploma, which the College helped to create in the early 1970s, UWC Atlantic College nurtures amongst its students a commitment to lifelong service and delivers a programme of the highest academic standards. It creates a culture of environmental responsibility and action, it inspires leadership in and commitment to social responsibility and it encourages young people to take the initiative and embrace personal challenge.

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

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Students emerge as globally aware and socially responsible graduates who, through their own personal example and action, go out and make a real and positive difference in the world. It is a fascinating and transformative experience that has inspired and shaped the lives of not only generations of students (over 7,000 to date) but also the communities in which they live and work.

The latest strategic plan has redrawn the objectives for the next five years which aim broadly to extend the diversity of the student and staff body, to develop the curriculum and pastoral care, to aim for a well-funded and more sustainable future, with improved facilities and a well-developed outreach programme.

### **Access to the College**

The College provides places for up to 350 boarding students. Prospective students undertake interviews and assessments, designed to satisfy both the College and the student that they will cope with the style of teaching and learning and benefit from the education provided. Students are selected on merit and potential, the assessment process is not influenced by an individual's gender, ethnicity, race, religion and disability nor, as far as funds allow, economic status. Non-European Union students also have to satisfy the terms of the United Kingdom Border Agency regulations for the granting of student visas.

In the year to 31 July 2012 over 80 different nationalities were represented within the student body. A thriving global network of 140 UWC National Committees, whose support is greatly appreciated and gladly acknowledged, assists the College in its selection process, and the promotion of the College.

Following selection by the GB National Committee, British students who have requested fee assistance are means-tested by the College. This model for the assessment of fee assistance is in the process of being rolled out across all National Committees. Bursaries are awarded with the objective of trying to ensure that those students who would best benefit from an Atlantic College experience are able to do so, regardless of the financial circumstances of their parents.

Some 40% of students receive financial assistance directly from the College. Bursaries range in value from 10% and 100%. In the year to 31 July 2012, 61 students benefited from a full 100% remission of fees. The total value of bursaries for the year was £2,147,205, 28% of gross income (2011 - £1,997,336, 27%). Where there is an identified need, further financial assistance may be provided to cover other costs such as travel and pocket money.

In addition, an estimated 12% of students receive financial support from their home country. This support might come from their own governments, local industry or other benefactors, and is administered by the appropriate National Committee.

Where students do not meet the application criteria of their local UWC National Committee they may apply directly to the College. These students are assessed by the College according to the same criteria as those applying through their respective National Committees. In the 2011-2012 academic year 17% of students fell into this category.

The GB National Committee is also responsible for the selection of British students who wish to study overseas at one of the 12 other Schools and Colleges within the UWC organisation.

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

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### Public Benefit

The Trustees confirm that they have complied with their duty under section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales

In addition to the financial benefits enjoyed by a high proportion of the students, as a result of the bursary awards the College provides, it encourages its students to take an active role in providing additional benefits to the community through various activities. Every student commits to a service that occupies two afternoons or evenings per week, many choose to give far more than this. The College also prides itself on its excellent reputation for commitment to meaningful community service. Services provided by the students include

- Manning an RNLI station,
- Providing a lifeguard service on local beaches,
- Providing music therapy for dementia patients,
- Using the college facilities to provide free swimming sessions, and other outdoor education opportunities, to groups from local primary schools,
- Working with disadvantaged children and adults from the local community,
- Marine Environment Monitoring Service

### Review of the Year's Principal Achievements and Performance

#### *Pupil Numbers*

Overall the College met its targets for pupil numbers during the year. An analysis of the number of students is shown below

	2012	2011
Number of students	340	342
Nationalities	83	79
Male	139 (41%)	148 (44%)
Female	201 (59%)	187 (56%)
Financially supported through AC	119 (35%)	131 (39%)
Value of support given	£2,147,205	£1,997,336

#### *Staff*

The pupil/teacher ratio stands at 10/1. High quality teaching staff continue to be recruited and the College also aims to attract and retain high calibre support staff who are aligned to its objectives and the needs of its students.

#### *Educational Performance*

The College is very proud of the high academic standards, which were maintained during the year, with 94% (2011 - 94%) of 2nd year students obtaining the International Baccalaureate Diploma, 28% of those attaining 40 points or more, placing them in the top 10% worldwide. UWC Atlantic College students achieved an average IB score of 36, the world average this year was 30 points.

Despite changing fee structures and the general economic climate, 2012 was again a successful year for students seeking university places. 15% of the year group have taken up offers from Oxbridge and Ivy League institutions, others being offered places in Europe, Canada and their home countries around the world. Of those taking up places in the UK, 75% are at Russell Group universities. In keeping with the College's reputation for educational innovation, students have also accepted places at new educational institutions such as Quest in Canada and the international NYU Abu Dhabi.

The College aims to offer far more than a strong academic performance. The Governing Body and staff place particular importance on robust and effective systems and processes for the pastoral care, support and guidance of our students.

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

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### *Atlantic College Diploma*

In response to The UWC Strategic Plan, UWC Atlantic College has introduced an enhancement programme that seeks to recognise the contribution of students to the UWC ideals, ethos and values. The 2012 leaving students at Atlantic College (AC 2010-12) have completed the two year cycle of the first AC Diploma. Central to the programme has been a reorganisation to the College calendar in order to introduce mission based periods, conferences, festivals and challenge camps, and the incremental restructuring of the co-curricular programme to meet the objectives of the mission.

The experience culminated for students with a twenty minute interview in March 2012, which required them to reflect on their time at the College, and demonstrate an engagement with the mission, showing the impact on their lives and possible directions they may follow in future years.

### *United Kingdom Border Agency Inspection*

As the College receives many of its students from non-EU countries, it is required to have a highly-trusted status awarded by the United Kingdom Border Agency (UKBA) in order to enable those students to obtain visas. In September 2012 the College was inspected by an agency of the Independent Schools' Inspectorate (ISI) on behalf of the UKBA.

In all three areas of the inspection, Curriculum, Pastoral and Governance and Management, the College was graded as exceeding expectations and there was not a single criticism of any areas of the College in the feedback after the inspection had been completed.

The Board is extremely grateful to all teaching and support staff for their dedication and is delighted that the inspectors recognised committed all members of the community are towards UWC Atlantic College's mission, aims and ethos.

### **Fundraising Performance**

During the year to 31 July 2012 the College's fundraising activities have focused on providing for bursaries. New funding sufficient to financially support a further 34 students throughout the 2012-2014 International Baccalaureate course was secured, thanks to the generous support of former students, charitable trusts, foundations and individuals sympathetic to the aims of the College.

### *50th Anniversary*

2012 marks UWC Atlantic College's fiftieth anniversary. The College accepted its first students in September 1962 thus realising the ground-breaking vision of its founders and leading to the development of the global UWC movement. UWC Atlantic College commemorated this historic milestone and the College's many significant achievements during the past fifty years with a visit from HRH Queen Noor of Jordan, a President of UWC and other dignitaries. There were also many other activities with students, staff, current and former, and friends. It was also an opportunity to involve UWC schools, Colleges, and various other constituents within the movement in the celebrations to acknowledge the College's founders and supporters and to raise the profile of UWC Atlantic College and the UWC movement worldwide. The celebrations were broadcast live across the internet.

UWC Atlantic College is determined to build on its unique and rich history and to create a solid foundation for the next fifty years and beyond. The focus is on increasing alumni support to generate a regular and sustainable income stream that will fund the College's bursary programme, and on enhancing the College's facilities, so that Atlantic College retains a truly diverse student body, continues to pioneer and to provide a transformational and relevant educational experience. The College is embracing a future where its students continue to broaden their horizons and strive to make the world a better place, creating the next generation of leaders and global citizens.



# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

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### Financial Review

The financial activities, financial position and cash flows of the College are set out in the accompanying financial statements

All incoming resources have been recorded in the Statement of Financial Activities. Donations, gifts and grants received during the year amounted to £1,448,037 (2011 - £1,020,233). In the year to 31 July 2012, concessions in the form of bursaries provided from the charity's funds, amounting to £2,147,205, equivalent to 28% of gross income (2011 - £1,997,336, equivalent to 27%) were granted to 159 students (2011 - 130). Thirty eight British students attended other UWC schools and colleges and benefited from awards amounting to £86,557 (2011 - £84,633). The College continues to operate without the need for bank loans.

The trustees have a financial management policy which is reviewed each year to ensure that it is up to date. In addition they ask the Auditors to undertake reviews against elements of the policy to ensure compliance. The Auditor report on their findings at the audit review meeting.

### Reserves Policy

At the year end the College had tangible fixed assets with a book value of £7,113,976 (2011 - £6,768,914) and unrestricted funds of £7,901,541 (2011 - £6,817,528). The Trustees consider that the College needs a certain level of free reserves to enable it to continue to meet its obligations in the unlikely event of a future shortfall in revenue.

Whilst it is the Trustees long term policy to establish a level of free reserves of not more than six month's gross operating costs (currently in the order of £3.7million) they are committed to the on-going requirement to maintain and develop the College's buildings and facilities to a satisfactory standard for the delivery of effective teaching and learning and to the provision of appropriate residential accommodation. At the balance sheet date bank and cash balances in hand stood at £2,402,050 (2011 - 1,874,355).

### Investments

The College looks to its investments to generate income to provide bursaries for current and future students and as a reserve for any future shortfall in income. During the year to 1 October 2011 its portfolio was managed by Morgan Stanley & Co. In June 2011 the College undertook a review of the management of its portfolio and held discussions with several other investment managers. It was decided to move the College's portfolio from Morgan Stanley to Brewin Dolphin starting as soon after August 2011 as possible.

The objective of the portfolio is to achieve average growth over an investment horizon of 5-10 years of 7% per annum in sterling terms, which the College's Resources Committee and the fund managers consider to be consistent with a moderate level of investment risk. The members of the Resources Committee review the performance against the mandate on a termly basis and make recommendations, where necessary, for amendment of the mandate. In the year to 31<sup>st</sup> July 2012 the portfolio had performed as required.

The Charity Commissioners have given approval for the funds of the College to be invested on a "total return" basis. The Trustees' aim is to at least maintain the value of the real invested funds and are mindful of the necessity to balance the needs of future, as well as current, beneficiaries. In the twelve months to 31 July 2012 the level of return made an allocation to bursaries and other purposes as appropriate.

### Recruitment and Appointment of Trustees

The College is governed by the Board of Trustees. Trustees are appointed by the members. Service on the board is for a set term. Trustees retire by rotation on a three year cycle, but may offer themselves for re-election.

A sub-group of the board, the Nominations Committee, receives and prepares proposals for membership, and re-election, and places these proposals before the members. Proposals are based on the board's specifications concerning eligibility, personal competence and specialist skills.

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

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New Trustees are provided with a pack which outlines basic information about the Charity and includes the Charity Commissioners' booklet CC3 The Essential Trustee. This pack is supplemented with details of future meetings, the minutes of the previous meeting and the latest annual report. Trustees are offered training and briefing courses provided periodically by the College's auditor, legal advisors and the Governing Bodies Association. They are encouraged to meet with senior management of the organisation and receive minutes of the various committees.

### **Structure, Governance and Management**

The Trustees of the College are also directors of the company and Governors of the College.

The Trustees are responsible for the general management and administration of the College, including general policy and strategic planning. The detailed work of the Trustees is delegated to sub committees, all of which report to the full Governing Body on a quarterly basis. The new Principal, John Walmsley, arrived at the College in January 2012. The day to day running of the College is delegated to the newly-restructured senior leadership team, which is made up of the Principal, Bursar, the two Vice Principals and the Director of University Admissions.

The Governing Body is particularly grateful to the teaching and support staff, who continue to support the College through their dedication, loyalty and hard work. It also appreciates the valuable contribution given by parents, alumni and other friends of the College.

### **Strategic Plan and Future Plans**

One of the new Principal's first tasks on appointment was to formulate a new strategy for the College. The Trustees were involved in consultative sessions along with senior staff and have now received drafts of a new five year strategic plan for the development of the College. At their meeting in August 2012 they approved the basis of the plan and asked the College management to implement or further develop the ideas in the plan, which will be published more widely during the 2012/2013 academic year.

The following outline objectives for the five year strategic plan are arranged under the following 7 headings for effective communication and monitoring.

#### Admissions and our student body

- a) To widen the diversity of the student base by focusing on the major areas of conflict in the world today and by actively seeking and encouraging diversity in all forms,
- b) To produce an Admissions Strategy for the college that includes avenues of direct entry to access students from these areas of conflict,
- c) To seek to select students on their potential to make a positive difference in the world in areas of peace and sustainability,
- d) To maintain a bursary level at a minimum of 50% of students on full or part scholarship, providing funds allow, with an aspiration to increase this when the financial situation allow,
- e) To include within the Admissions Strategy statements regarding gender, age, race, religion, disability and siblings. Selection will be regardless of gender, race, religion and disability. Siblings will not be positively or negatively discriminated against,
- f) To promote actively the concept of accepting parental contributions from parents and assist UWC to implement a system of means testing across National Committee.

#### Curriculum

- a) To implement the new Atlantic College Diploma to start in September 2012,
- b) To develop Atlantic College as a world class centre and reference site for the teaching of Peace and Sustainability,
- c) To put in place a pre-Sixth Form foundation course for international students who wish to prepare for Sixth form age study and improve their academic English to start in September 2013,
- d) To be at the forefront of introducing new approaches to learning and particularly syllabuses such as Global Politics that take a new view of learning,
- e) To increase the number of non-European languages taught at the college,

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

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- f) To ensure that the students have access to appropriate technology and that staff have access to and understanding of modern teaching technologies,
- g) To ensure that our IB results are outstanding,
- h) To create a 21st Century teaching and learning resource centre,

### Pastoral care

- a) To continue the House Parent training programme,
- b) To review the weekend programme to ensure that there is a good range of activities to give students more choice in their balance of work and leisure time,
- c) To review health and safety arrangements including access to the boarding houses at night,
- d) To promote an environment where physical fitness and a healthy lifestyle are integral to the balanced development of the whole person

### Managing for a sustainable future

- a) To grow a substantial surplus,
- b) To work with the UWC organisation and the National Committees to ensure that all scholarships are properly means tested and that NC's are consistent in their approach,
- c) To continue to investigate alternative funding for the upkeep of the castle,
- d) To commit to an environmental strategy that will build upon our strong environmental ethos

### Site and facilities

To construct a site masterplan with local planning input to enable refurbishment of existing buildings and the building of new facilities over a ten year period

### Staff Development

- a) As a pioneering institution to ensure that we have an engaged workforce reflecting existing best-practice and open to innovation,
- b) To ensure we have a strong performance management structure that involves all staff and that is linked to the whole school strategic plan and to staff development,
- c) To ensure that we are accredited by a suitable inspection body

### Outreach, marketing and development

- a) To develop our Vision statement and produce a clear, consistent message to spread locally, nationally and internationally through a wide variety of media,
- b) To develop our website to showcase the work of the college week by week with the use of still and moving image, audio and relevant text,
- c) To work with our alumni to inspire our students, raise our profile and support our development,
- d) To broaden our work with like-minded external organisations and partners (NGOs, charities, educational institutions, etc) in order to raise our profile and support pathways for our students to make a difference in the wider world,
- e) To raise £15 million over the next 5 years for the development of the site,
- f) To raise our level of donations from the current level to £3 million annually by 2015

The Board will receive regular updates at their meetings, in order to monitor performance against the objectives and to review the objectives to ensure that they remain current

### **Sunley House**

Early in April 2011, Sunley House one of the seven boarding houses on campus, suffered considerable damage in a fire. The College's insurers accepted full liability for the cost of reinstatement of the building and for the cost of provision of a temporary building to house displaced students. Sunley House reopened in January 2012. No one was injured in the incident, which was caused by an electrical fault. A disaster recovery plan was in place at the time of the fire. This was activated and worked well.

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

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### **Risk Management**

The Trustees take their responsibilities for the management of risks which may be faced by the College seriously. A detailed process of risk identification, mitigation and management is in place, supported by members of the Senior Leadership Team. Individual risk may then be assigned to one of the board's committees, or remain with the board itself, for closer scrutiny and oversight, with appropriate reporting to the Trustees.

Through this process, Trustees are satisfied that the major risks identified have been adequately and appropriately mitigated. Trustees accept that systems can only provide reasonable but not absolute assurance that the risks to which the College may be exposed have been adequately managed.

Appropriate insurances are in place for those risks that cannot be underwritten by the College.

The principal risk to which the college is exposed would be the inability, for whatever reason, to recruit students from overseas. This risk may materialise if outside agencies, such as the UK Border Agency, limited our ability to recruit students from outside the EU and EEA. To mitigate this risk, the college maintains a positive working relationship with the agencies concerned, and seeks to adopt best practice in relevant areas of operation. The risk may also materialise if the UWC National Network Committees, who recruit on behalf of the college, decided to withdraw its support of UWC Atlantic college. This risk is deemed to be very unlikely. In order that this risk is mitigated, the college is in regular communication with UWC International, and key national committees, and participates fully in regional meetings, etc.

The second significant risk to which the college is exposed is a financial one based upon it being unable to operate at a suitable surplus to continue with investment in the college's staff, estate, buildings and plant. To mitigate this risk, a medium / long-term financial modelling exercise is underway to underwrite the strategic plan.

The final significant risk would be one of reputation in the unlikely event of an inappropriate act leading to adverse publicity of the college. All appropriate policies, procedures, and risk assessments are in place to mitigate the circumstances leading to such an event, and the college works closely with its various regulators to ensure compliance and development of best practice.

### **Trustees' and Officers' Interests**

Stephen Cox, the Chair of the Board of Trustees, is an ex-officio member of the UWC (International) Council, which is the umbrella organisation of the thirteen United World Colleges. Ms Jill Longson (Vice-Chair) is the Vice-Chair of UWC (International). During the year, the UWC Atlantic College made contributions of £103,278 (2011 - £100,422) to this organisation.

Mrs Priscilla Rattazzi-Whittle is Chair of the Board of the US Foundation for the United World College of the Atlantic, a foundation set up to raise and receive charitable donations in the United States of America for the benefit of UWC Atlantic College. The Principal and Ms Jill Longson, Vice Chair of the Board of UWC Atlantic College, sit on the Foundation's Board.

The Canadian Foundation for the United World College of the Atlantic was established in 2007 to raise and receive donations to benefit students attending UWC Atlantic College. Mr David Ross, a trustee of UWC Atlantic College, is a member of the Foundation's Board.

### **Political and Charitable Contributions**

The College made no political or charitable contributions during the year.

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

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### **St Donat's Arts Centre and Atlantic College Enterprises Limited**

The St Donat's Arts Centre has been operating from premises leased from the College at a peppercorn rent. The lease is due to expire in 2045. The College has been providing all utilities to the Arts Centre premises, together with certain administrative support, free of charge. During the course of the year the College and the management board of the arts centre have been planning the transfer of the running of the arts centre to a newly founded subsidiary company (Atlantic College Enterprises Limited [ACEL]), wholly owned by the College. The arts centre board will remain to assist with fund raising and the planning of the arts programme. The new arrangement started on 1 August 2012, although ACEL was officially founded in August 2011 and became the vehicle for the College's growing commercial activities, including the operation of Atlantic Outdoor Centre.

During the negotiations the College assisted with the administration of the arts centre and provided accounting support. There is a provision made in the financial statements should the Arts Centre board not be able to meet in full the financial support given. Also under the terms of the agreement on 1 August 2012 the staff employed by the Arts Centre Trust transferred to the College under the terms of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE).

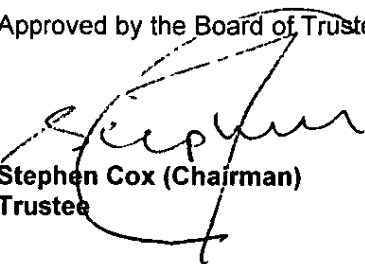
### **Trustees**

All Trustees give of their time freely and no remuneration was paid during the year except for reimbursed travel expenses. Trustees' expenses for the year amounted to £6,294 (2011 - £4,409). Nine Trustees recovered travel expenses incurred in the course of their duties. Public liability insurance was purchased for the Charity at a cost of £5,792 (2011 - £6,505). This insurance includes cover for the actions and omissions of Trustees, staff, students and volunteers. The sum directly attributable to the Trustees cannot be determined.

### **Auditor**

In accordance with Section 435 of the Companies Act 2006, a resolution proposing the re-appointment of Crowe Clark Whitehill LLP as auditor to the College will be put to the Annual General Meeting.

Approved by the Board of Trustees on 27 November 2012 and signed on its behalf by



**Stephen Cox (Chairman)**  
Trustee

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 JULY 2012

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### Statement of Trustees' Responsibilities

The Trustees (who are also directors of United World College of the Atlantic Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards)

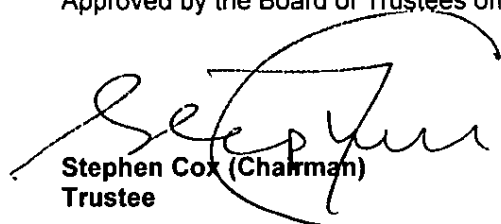
Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the Charity's constitution. 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.

Insofar as each of the Trustees of the College at the date of approval of this report is aware, there is no relevant audit information of which the College's auditor is unaware. Each of the Trustees have each taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the College's auditor is aware of that information.

Approved by the Board of Trustees on 27 November 2012 and signed on its behalf by



Stephen Cox (Chairman)  
Trustee

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

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We have audited the financial statements of United World College of the Atlantic Limited for the year ended 31 July 2012 set out pages 16 to 36 and the related notes numbered 1 to 24

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

### **Respective responsibilities of Trustees and Auditor**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purpose 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 Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2012 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED**

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### **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

- the parent charitable company has not kept adequate accounting records, or
- the parent charitable company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

**Michael Hall**  
Senior Statutory Auditor  
for and on behalf of  
**Crowe Clark Whitehill LLP**  
Statutory Auditor

Carrick House  
Lypiatt Road  
Cheltenham  
Gloucestershire  
GL50 2QJ

4 January 2013



# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating a Consolidated Income and Expenditure account)  
FOR THE YEAR ENDED 31 JULY 2012

		Unrestricted Funds	Restricted Funds	Endowed Funds	Total 2012	Total 2011
	Note	£000	£000	£000	£000	£000
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from charitable activities</b>						
College fees	2	6,519	-	-	6,519	6,304
Extramural centre courses		-	-	-	-	434
<b>Incoming resources from generated funds</b>						
Donations		58	1,390	-	1,448	1,020
Investment income	5	20	20	84	124	77
Activities for generating funds - Trading income Atlantic College Enterprises Limited	3	401	-	-	401	-
Other incoming resources	4	<u>1,842</u>	<u>-</u>	<u>-</u>	<u>1,842</u>	<u>323</u>
<b>Total incoming resources</b>		<u>8,840</u>	<u>1,410</u>	<u>84</u>	<u>10,334</u>	<u>8,158</u>
<b>RESOURCES EXPENDED</b>						
<b>Costs of generating funds</b>						
Costs of generating voluntary income		284	-	-	284	222
Investment management fees		5	5	21	31	22
Trading expenditure Atlantic College Enterprises Limited	3	<u>304</u>	<u>-</u>	<u>-</u>	<u>304</u>	<u>-</u>
		<u>593</u>	<u>5</u>	<u>21</u>	<u>619</u>	<u>244</u>
<b>Charitable activities</b>						
College operating costs	6	6,497	1,881	-	8,378	7,474
Overseas student costs		332	-	-	332	171
Overseas student provision		128	-	-	128	64
<b>Governance costs</b>		<u>142</u>	<u>-</u>	<u>-</u>	<u>142</u>	<u>129</u>
		<u>7,099</u>	<u>1,881</u>	<u>-</u>	<u>8,980</u>	<u>7,838</u>
<b>Total resources expended</b>	6	<u>7,692</u>	<u>1,886</u>	<u>21</u>	<u>9,599</u>	<u>8,082</u>
<b>Net incoming/(outgoing) resources before transfers</b>						
		1,148	(476)	63	735	76
<b>Transfers between funds</b>						
		<u>48</u>	<u>(48)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET INCOMING/(OUTGOING) RESOURCES</b>		<u>1,196</u>	<u>(524)</u>	<u>63</u>	<u>735</u>	<u>76</u>
<b>Realised (losses)/gains on investments</b>						
		<u>(45)</u>	<u>(46)</u>	<u>(192)</u>	<u>(283)</u>	<u>153</u>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>						
Unrealised gains/(losses) on investments		1,151	(570)	(129)	452	229
		31	31	131	193	135
<b>NET MOVEMENT IN FUNDS</b>						
Fund balances at 1 August 2011		<u>6,817</u>	<u>1,914</u>	<u>3,313</u>	<u>12,044</u>	<u>11,680</u>
<b>Fund balances at 31 July 2012</b>	15	<u>7,999</u>	<u>1,375</u>	<u>3,315</u>	<u>12,689</u>	<u>12,044</u>

All amounts relate to continuing operations. The notes on pages 19 to 36 form part of these financial statements.

**UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED**  
**COMPANY REGISTRATION NUMBER 00673076**

**BALANCE SHEETS**  
**AS AT 31 JULY 2012**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2012</b> <b>£000</b>	<b>2011</b> <b>£000</b>	<b>2012</b> <b>£000</b>	<b>2011</b> <b>£000</b>
<b>Fixed assets</b>					
Tangible assets	8	<b>7,131</b>	6,769	<b>7,114</b>	6,769
Investments	9	<b><u>4,868</u></b>	<u>4,890</u>	<b><u>4,868</u></b>	<u>4,890</u>
		<b><u>11,999</u></b>	<u>11,659</u>	<b><u>11,982</u></b>	<u>11,659</u>
<b>Current assets</b>					
Stocks	10	<b>102</b>	103	<b>56</b>	103
Debtors	11	<b>265</b>	379	<b>221</b>	379
Cash at bank and in hand		<b><u>2,402</u></b>	<u>1,874</u>	<b><u>2,402</u></b>	<u>1,874</u>
		<b><u>2,769</u></b>	<u>2,356</u>	<b><u>2,679</u></b>	<u>2,356</u>
<b>Creditors: due within one year</b>	12	<b><u>(1,810)</u></b>	<u>(1,829)</u>	<b><u>(1,720)</u></b>	<u>(1,829)</u>
<b>Provision</b> Commitments due within one year	13	<b><u>(164)</u></b>	<u>(85)</u>	<b><u>(164)</u></b>	<u>(85)</u>
<b>Net current assets</b>		<b><u>795</u></b>	<u>442</u>	<b><u>795</u></b>	<u>442</u>
<b>Total assets less current liabilities</b>		<b>12,794</b>	12,101	<b>12,777</b>	12,101
<b>Provision:</b> Commitments due after more than one year	13	<b><u>(105)</u></b>	<u>(57)</u>	<b><u>(105)</u></b>	<u>(57)</u>
<b>TOTAL NET ASSETS</b>		<b><u>12,689</u></b>	<u>12,044</u>	<b><u>12,672</u></b>	<u>12,044</u>
<b>FUNDS</b>					
Endowment Funds	15b	<b>3,315</b>	3,313	<b>3,315</b>	3,313
Restricted Funds	15c	<b>1,375</b>	1,914	<b>1,375</b>	1,914
Unrestricted Funds (Includes revaluation reserve of £518,000, 2011 - £518,000)	15d	<b><u>7,999</u></b>	<u>6,817</u>	<b><u>7,982</u></b>	<u>6,817</u>
<b>TOTAL FUNDS</b>	15	<b><u>12,689</u></b>	<u>12,044</u>	<b><u>12,672</u></b>	<u>12,044</u>

The financial statements were approved and authorised for issue by the Board on **27 November 2012** and were signed on its behalf by:

  
**Stephen Cox**  
**Chairman**

**Stephen Cox**

  
**Kevin Gardiner**  
**Trustee**



The notes on pages 19 to 36 form part of these financial statements

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2012

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	Note	2012 £000	2011 £000
<b>Net cash inflow from operating activities</b>	16	<b>1,446</b>	<b>751</b>
<b>Returns on investments and servicing of finance</b>			
Bank interest received		<b>25</b>	<b>26</b>
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets		<b>(943)</b>	<b>(363)</b>
Proceeds from sale of tangible fixed assets		<u>-</u>	<u>11</u>
		<b><u>(943)</u></b>	<b><u>(352)</u></b>
<b>Net cash inflow for the year</b>	17	<b><u>528</u></b>	<b><u>425</u></b>

The notes on pages 19 to 36 form part of these financial statements

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012

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### 1. STATEMENT OF ACCOUNTING POLICIES

#### 1.1 Basis of Preparation of Financial Statements

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005,) the Companies Act 2006 and in accordance with the applicable accounting standards, and under the historical cost convention, as modified by the revaluation of investment assets

#### 1.2 Basis of Consolidation

These financial statements consolidate the College and its subsidiary undertaking Atlantic College Enterprises Limited to 31 July 2012, all intra group sales and profits have been eliminated on consolidation

The College has taken advantage of section 408 of the Companies Act 2006 and in accordance with the Charities SORP 2005 by not providing a separate statement of financial activities for the Company Net incoming resources include £628,000 (2011 - £76,000) attributable to the College

#### 1.3 Going Concern

The College has cash resources and has no requirement for external funding The Trustees have a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements

#### 1.4 College Fees and Bursaries

Fee income is accounted for in the period in which the related services are provided Bursaries awarded to students at Atlantic College are accounted for in the academic year to which they relate

Financial assistance offered to British students studying overseas at other United World Colleges is provided for in full at the time the financial commitment is made

#### 1.5 Donations

Donations are accounted for in the financial period during which they are received Donations receivable for the general purposes of the College are credited to Unrestricted Funds Donations for purposes which are restricted by the wishes of the donor are taken to Restricted Funds, other than any amounts which the donor has stipulated should be retained as capital, which are accounted for as Endowment Funds, permanent or expendable, according to the nature of the restriction

#### 1.6 Cost of Generating Funds

Expenditure includes all fundraising and financing costs

#### 1.7 Charitable Activities

Expenditure is accounted for on an accruals basis Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, by reference to staff time or other cost drivers, as appropriate The irrecoverable element of VAT is included with the item of expense to which it relates

#### 1.8 Governance Costs

The costs of running the College, including strategic planning for its future development, external audit, any legal advice for the Trustees, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory financial statements and satisfying public accountability

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

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### 1.9 Liabilities

Liabilities are recognised once there is a legal or constructive obligation that commits the Charity to the obligation

### 1.10 Funds

Funds held are as follows

**Endowment Funds** Restricted Funds where the capital of the fund is invested and only the resulting income may be expended by the College

**Expendable Endowment Funds** Endowment Funds which make provision for capital to be drawn down, as necessary, where the income proves insufficient to achieve the fund's objectives

**Restricted Funds** Funds held in specific trusts which may only be used for particular purposes, as stated in the terms of the relevant trust deed Where such funds are used to purchase fixed assets, an amount equivalent to the cost of the asset is transferred from restricted funds, as the restriction is extinguished on purchase of the asset

**Unrestricted and General Funds** Funds which may be expended, at the discretion of the Trustees, in furtherance of the objectives of the College

**Designated Funds** Unrestricted or General Funds which have been identified, by the Trustees, for specific purposes

### 1.11 Tangible Assets

The decision whether or not to capitalise asset expenditure is made on a case by case basis, guided by an informal de minimus of £1,000

Depreciation is provided on all tangible fixed assets, excluding assets under construction and land, on a straight line basis, at such rates as to write off the cost of the assets over their estimated useful economic lives, as follows

Freehold buildings	2%
Fixtures, fittings and equipment	4 - 33 3%
Motor Vehicles	25%

Land is not depreciated

### 1 12 Investments

Investments are valued at market value at the balance sheet date Realised and unrealised gains or losses arising from the sale or revaluation of investments are dealt with in the Statement of Financial Activities

### 1 13 Stock

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

### 1.14 Foreign Currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of transaction Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the Statement of Financial Activities

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

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### 1.15 Total Return Accounting

The Charity Commission permitted the College to adopt the use of total return in relation to its permanent endowment funds on 14 June 2006. The power permits the Trustees to invest these funds to maximise total return and to make available an appropriate portion of the total return for expenditure each year. Until this power is exercised the total return shall be an 'unapplied total return' and remain as part of the permanent endowment. The Trustees have decided that it is in the interests of the College to present its expendable endowment in the same manner, although there is no legal restriction on the power to distribute the expendable endowment.

The Trustees have used the values of the endowment funds at 31 July 2006 to represent the 'Preserved Value' of the original gift.

The Trustees' aim is to at least maintain the value of the real invested funds and are mindful of the necessity to balance the needs of future, as well as current, beneficiaries. There is therefore a policy of apportioning the return on the basis of retaining a minimum of the rate of inflation (RPIX) plus 2% in capital, the balance to be applied to bursaries and other specified purposes.

### 1.16 Operating Leases

Operating lease rentals are charged in the Statement of Financial Activities on a straight line basis over the term of the lease.

### 1.17 Pension Schemes

The College contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The assets of the scheme are held separately from those of the College. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the College. In accordance with Financial Reporting Standard 17 therefore, the scheme is accounted for as a defined contribution scheme.

Non-teaching staff are offered membership of a defined contribution scheme, the assets of which are held separately from those of the College.

Contributions to both schemes are charged in the Statement of Financial Activities as they become payable. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

### 1.18 Taxation

No provision for Corporation Tax is made in these financial statements as the Company is a registered charity and as such is entitled to exemptions on all its income and gains provided that they are properly applied for its charitable purpose.

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

### 2. COLLEGE FEES

	2012 £000	2011 £000
<b>The College's fee income comprised:</b>		
Gross fees	7,781	7,450
Less Total bursaries, scholarships and allowances		
- Restricted	(1,881)	(851)
- Unrestricted	<u>(266)</u>	<u>(1,146)</u>
	5,634	5,453
 Add back Bursaries paid for by specific donations	 885	 851
	<u>6,519</u>	<u>6,304</u>

### 3. INCOME FROM SUBSIDIARY'S TRADING ACTIVITIES

Atlantic College Enterprises Limited is a wholly-owned trading subsidiary. The company was incorporated and commenced trading on 9 August 2011. The primary purpose of the company is to carry out the trading activities on behalf of the College.

Its trading results for the year, as extracted from the audited financial statements, are summarised below.

	2012 £000
Turnover	401
Cost of sales	(298)
Administrative expenses	<u>(6)</u>
Operating profit	97
Gift aid	<u>80</u>
<b>Profit for year</b>	<u>17</u>
 <b>Shareholders' funds</b>	 <u>17</u>

### 4. OTHER INCOMING RESOURCES

	2012 £000	2011 £000
Sunley House fire insurance income (note 22)	1,528	-
British students overseas income	292	213
Other income	<u>22</u>	<u>110</u>
	<u>1,842</u>	<u>323</u>

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

### 5. INVESTMENT INCOME

	2012 £000	2011 £000
Income from listed investments	99	23
Income from unlisted securities	-	44
Bank interest receivable	<u>25</u>	<u>10</u>
	<u>124</u>	<u>77</u>

### 6. EXPENDITURE

	Staff Costs £000	Depreciation £000	Other Costs £000	Total 2012 £000	Total 2011 £000
<b>Cost of generating funds</b>					
Fundraising and promotion	166	-	118	284	222
Investment management	-	-	31	31	22
Trading expenses	<u>196</u>	<u>1</u>	<u>107</u>	<u>304</u>	-
	<u>362</u>	<u>1</u>	<u>256</u>	<u>619</u>	<u>244</u>
<b>Charitable activities</b>					
Tuition	2,458	124	527	3,109	3,004
Boarding	902	124	189	1,215	1,565
Property maintenance and utilities	427	124	902	1,453	1,336
Support costs	435	61	107	603	630
Provision for uncollectable fees	-	-	137	137	15
Student expenses	-	-	39	39	36
IDP training allowances	-	-	-	-	37
Sunley House fire expenditure (note 22)	-	-	937	937	-
Bursaries awarded from Restricted Funds	-	-	885	885	851
<b>College operating costs</b>	<u>4,222</u>	<u>433</u>	<u>3,723</u>	<u>8,378</u>	<u>7,474</u>
<b>Overseas student costs</b>	-	-	332	332	171
<b>Overseas student provision</b>	-	-	128	128	64
<b>Governance costs</b>	-	-	142	142	129
	<u>4,222</u>	<u>433</u>	<u>4,325</u>	<u>8,980</u>	<u>7,838</u>
<b>Total resources expended</b>	<u>4,584</u>	<u>434</u>	<u>4,581</u>	<u>9,599</u>	<u>8,082</u>

	2012 £000	2011 £000
<b>Support costs includes:</b>		
Loss on disposal of fixed assets (note 22)	147	-
Operating lease payments (note 20)	13	14
Gains/(losses) on foreign exchange	<u>1</u>	<u>(3)</u>



# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

### 6. EXPENDITURE (continued)

	2012 £000	2011 £000
<b>Governance expenditure includes:</b>		
UWC subvention	104	101
Trustees' expenses	6	7
Auditors' remuneration - audit services	19	16
Auditors' remuneration - non-audit services	<u>5</u>	<u>5</u>

Included in Trustees expenses is the reimbursement of the travel costs of nine of the Trustees. The costs amounting to £6,294 (2011 - £4,409) were incurred in the course of their duties, no other remuneration was paid to individual Trustees during the year (2011 - £Nil). Further expenses of £Nil (2011 - £2,780) were incurred, attributable collectively to the services provided by the Trustees.

### 7. STAFF COSTS

	2012 £000	2011 £000
Wages and salaries	3,785	3,939
Social security costs	335	309
Pension contributions	<u>310</u>	<u>295</u>
	<u>4,584</u>	<u>4,543</u>

The average number of full time equivalent employees during the year was	No.	No.
Tuition and boarding	106	112
Property maintenance and utilities	17	18
Fundraising and publicity	6	6
Management and administration	9	9
Trading activities	<u>7</u>	<u>-</u>
	<u>145</u>	<u>145</u>

The number of higher paid employees was		
£60,001 - £70,000	3	-
£90,001 - £100,000	<u>1</u>	<u>2</u>

The number of higher paid staff with retirement benefits accruing in Defined benefit scheme	<u>2</u>	<u>1</u>
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Pension contributions made	£000	£000
Defined benefit scheme	<u>15</u>	<u>13</u>

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

### 8a. TANGIBLE FIXED ASSETS - GROUP

	Land and buildings £000	Fixtures, fittings and equipment £000	Motor vehicles £000	Total £000
<b>Cost</b>				
At 1 August 2011	6,832	3,125	135	10,092
Additions	827	67	49	943
Disposals	<u>(204)</u>	<u>(132)</u>	<u>(14)</u>	<u>(350)</u>
At 31 July 2012	<u>7,455</u>	<u>3,060</u>	<u>170</u>	<u>10,685</u>
<b>Depreciation</b>				
At 1 August 2011	1,746	1,468	109	3,323
Charge for the year	139	278	17	434
Disposals	<u>(57)</u>	<u>(132)</u>	<u>(14)</u>	<u>(203)</u>
At 31 July 2012	<u>1,828</u>	<u>1,614</u>	<u>112</u>	<u>3,554</u>
<b>Net book values</b>				
At 31 July 2012	<u>5,627</u>	<u>1,446</u>	<u>58</u>	<u>7,131</u>
At 31 July 2011	<u>5,086</u>	<u>1,657</u>	<u>26</u>	<u>6,769</u>

The Trustees are of the opinion that the market value of the castle, grounds and buildings are not less than that shown in the financial statements

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

### 8b. TANGIBLE FIXED ASSETS - COMPANY

	Land and buildings £000	Fixtures, fittings and equipment £000	Motor vehicles £000	Total £000
<b>Cost</b>				
At 1 August 2011	6,832	3,125	135	10,092
Additions	827	50	48	925
Disposals	<u>(204)</u>	<u>(132)</u>	<u>(14)</u>	<u>(350)</u>
At 31 July 2012	<u>7,455</u>	<u>3,043</u>	<u>169</u>	<u>10,667</u>
<b>Depreciation</b>				
At 1 August 2011	1,746	1,468	109	3,323
Charge for the year	139	277	17	433
Disposals	<u>(57)</u>	<u>(132)</u>	<u>(14)</u>	<u>(203)</u>
At 31 July 2012	<u>1,828</u>	<u>1,613</u>	<u>112</u>	<u>3,553</u>
<b>Net book values:</b>				
At 31 July 2012	<u>5,627</u>	<u>1,430</u>	<u>57</u>	<u>7,114</u>
At 31 July 2011	<u>5,086</u>	<u>1,657</u>	<u>26</u>	<u>6,769</u>

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

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

### 9. INVESTMENTS

Group and Company	2012 £000	2011 £000
Market value at 1 August 2011	4,890	4,575
Deposits	99	49
Management fees	(31)	(22)
Investment (losses)/gains	(90)	288
Market value at 31 July 2012	<u>4,868</u>	<u>4,890</u>
Historical cost of investments	<u>4,441</u>	<u>4,373</u>

An analysis of the types of investment held at the year end is as follows

	UK £000	Non UK £000	Total £000	%
Cash and short term investments	148	-	148	3
Fixed income	1,567	-	1,567	32
Equities	1,877	747	2,624	54
Alternative investments	15	-	15	-
Other	-	514	514	11
	<u>3,606</u>	<u>1,261</u>	<u>4,868</u>	<u>100</u>

Funds are pooled for investment. Each fund is allocated its proportion of investment income and gains and losses, and bears a proportion of expenses. The income earned from invested funds contributes to the wholly or partially free education of students.

The Consolidated Balance Sheet shows the same investments as the Company, with the exception of the unlisted investment of £1 in Atlantic College Enterprises Limited.

### 10. STOCKS

	Group		Company	
	2012 £000	2011 £000	2012 £000	2011 £000
Consumables	74	56	48	56
Goods for resale	8	28	8	28
Livestock	20	19	-	19
	<u>102</u>	<u>103</u>	<u>56</u>	<u>103</u>

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

### 11 DEBTORS

	Group		Company	
	2012 £000	2011 £000	2012 £000	2011 £000
Trade debtors	199	206	155	206
Income tax recoverable	-	10	-	10
Other debtors	-	105	-	105
Prepayments	66	58	66	58
	<u>265</u>	<u>379</u>	<u>221</u>	<u>379</u>

### 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2012 £000	2011 £000	2012 £000	2011 £000
Trade creditors	169	378	156	378
Fees received in advance	1,208	946	1,208	946
Taxation and social security	102	106	102	106
Defined pension scheme	35	28	35	28
Other creditors	225	269	145	269
Accruals	71	102	66	102
Amounts due to subsidiary	-	-	8	-
	<u>1,810</u>	<u>1,829</u>	<u>1,720</u>	<u>1,829</u>

#### Fees received in advance:

The College academic year begins early in August. At the 31 July 2012 some fees in respect of this new year had already been received. All fees received in advance at the balance sheet date are utilised within the following financial year.

### 13. PROVISION

Provision and movement in provision during the year	2012 £000	2011 £000
Commitments at 1 August 2011	142	78
New commitments charged in the year	212	115
Provision utilised during the year	(85)	(51)
Commitments at 31 July 2012	<u>269</u>	<u>142</u>

The College makes full provision for the cost of bursaries payable in respect of British Students attending other United World Colleges.

Timing of Commitments	2012 £000	2011 £000
Commitments due within one year	164	85
Commitments due after more than one year	<u>105</u>	<u>57</u>
	<u>269</u>	<u>142</u>

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

### 14 STATEMENT OF TOTAL RETURNS Calculation of Total Return

	Permanent Endowments £000	Expendable Endowments £000	Total £000
<b>Investment Return</b>			
Investment income	74	10	84
Capital losses	(54)	(7)	(61)
Investment management costs	<u>(18)</u>	<u>(2)</u>	<u>(20)</u>
<b>Total Return for the year</b>	<b>2</b>	<b>1</b>	<b>3</b>
<b>Unapplied Total Return.</b>			
At 1 August 2011	<u>(14)</u>	<u>(21)</u>	<u>(35)</u>
At 31 July 2012	<u><u>(12)</u></u>	<u><u>(20)</u></u>	<u><u>(32)</u></u>
 'Preserved Value' at 31 July 2006	 <u><u>2,943</u></u>	 <u><u>405</u></u>	 <u><u>3,348</u></u>

### 15a. NET ASSETS OF THE FUNDS

	Fixed Assets £000	Investments £000	Net Current Assets £000	Long Term Liabilities £000	Fund Balances £000
Endowment Funds	-	3,315	-	-	3,315
Restricted Funds	-	1,375	-	-	1,375
Unrestricted Funds	<u>7,114</u>	<u>178</u>	<u>795</u>	<u>(105)</u>	<u>7,982</u>
<b>Company</b>	<u>7,114</u>	<u>4,868</u>	<u>795</u>	<u>(105)</u>	<u>12,672</u>
Subsidiary's reserves	17	-	-	-	17
<b>Group</b>	<u><u>7,131</u></u>	<u><u>4,868</u></u>	<u><u>795</u></u>	<u><u>(105)</u></u>	<u><u>12,689</u></u>

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

### 15b. ENDOWED FUNDS: MOVEMENTS IN THE YEAR

	<i>Balance at 31 July 2011 £000</i>	<i>Incoming Resources £000</i>	<i>Resources Expended £000</i>	<i>Transfers and Investment Gains £000</i>	<i>Balance at 31 July 2012 £000</i>
<b>Permanent Endowments</b>					
Hugo Gryn	304	8	(2)	(6)	304
Duncan Turner Memorial	1,269	32	(8)	(24)	1,269
Evergreen Scholarship	300	8	(2)	(6)	300
London School of Foreign Trade	181	4	(1)	(1)	183
Naomi & Desmond Hoare	467	12	(3)	(9)	467
Atlantic Appeal Scholarship	408	10	(3)	(8)	407
<b>Expendable Endowments:</b>					
Dorothy Burns Trust	384	10	(2)	(7)	385
	<u>3,313</u>	<u>84</u>	<u>(21)</u>	<u>(61)</u>	<u>3,315</u>

The capital of these funds is invested in order to generate income which may be expended by the Charity. The Trustees' aim is to at least maintain the real value of the invested funds and they have, therefore, adopted a policy of retaining a minimum of the rate of inflation plus 2%, of any income arising, in capital, any balance being applied to bursaries.

### 15c. RESTRICTED FUNDS: MOVEMENTS IN THE YEAR

	<i>Balance at 31 July 2011 £000</i>	<i>Incoming Resources £000</i>	<i>Resources Expended £000</i>	<i>Transfers and Investment Gains £000</i>	<i>Balance at 31 July 2012 £000</i>
Bursary Funds	1,680	1,312	1,885	(25)	1,082
Other Funds	234	98	(1)	(38)	293
	<u>1,914</u>	<u>1,410</u>	<u>(1,886)</u>	<u>(63)</u>	<u>1,375</u>

Restricted bursary funds comprise

The Annual Fund, which was set up to receive donations from College alumni who wished to contribute towards the cost of student bursaries. At the July 2012, the balance on the fund was £677,309.

The Sponsors fund receives donations in respect of bursaries raised for specific students. The balance of £319,945 at the financial year end, comprises monies received from sponsors in respect of fees not yet due. During the year £17,764 was transferred from this fund to the general fund in respect of individual student's expenses financed by their sponsor.

The balance of the bursary fund, £84,303 have been donated to support students of various nationalities and to provide assistance in cases of financial need, as specified by the donors.

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

### 15c. RESTRICTED FUNDS: MOVEMENTS IN THE YEAR (continued)

#### Other Restricted funds

These funds have been donated as contributions towards specific operational costs of the College and are applied in accordance with the conditions imposed by the donor. During the year £30,066 was transferred from these funds to the General Fund. The transfer was in respect of expenditure incurred on the purchase of equipment for seafront activities and the music department, the employment of a student counsellor and the development of an outreach programme, all underwritten by donors.

### 15d. UNRESTRICTED FUNDS: MOVEMENTS IN THE YEAR

	Balance as at 1 August 2011 £000	Incoming funds £000	Amounts Expended £000	Transfers and Investment Gains £000	Balance as at 31 July 2012 £000
<b>Funds:</b>					
General Fund	6,440	7,686	(7,120)	41	6,967
Subsidiary	-	401	(304)	-	97
<b>Designated Funds:</b>					
General Bursary	345	832	(236)	(6)	935
Named Funds	32	1	(32)	(1)	-
	<u>6,817</u>	<u>8,840</u>	<u>(7,692)</u>	<u>34</u>	<u>7,999</u>

#### General Fund

This fund represents the operating income and expenditure of the College, together with its fixed assets and liabilities.

#### Designated Funds

These funds have been donated to the College without any conditions and have been identified by the Trustees for specific purposes, in this case to support the College bursary programme.

### 16. NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012 £000	2011 £000
<b>Reconciliation to changes in resources:</b>		
Net incoming resources for the year	735	76
Investment income	(124)	(77)
Investment management fees	31	22
Depreciation	434	377
Loss on disposal of fixed assets	147	-
Decrease/(increase) in stocks	1	(16)
Decrease/(increase) in debtors	114	(138)
(Decrease)/increase in creditors	(19)	443
Increase in bursary provision	127	64
Net cashflow from operating activities	<u>1,446</u>	<u>751</u>



# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

### 17. RECONCILIATION OF NET CASH FLOW TO MOVMENT IN NET FUNDS

	2012 £000	2011 £000
Net cash at 1 August 2011	1,874	1,449
Increase in cash	528	425
Net cash at 31 July 2012	<u>2,402</u>	<u>1,874</u>

### 18. CAPITAL COMMITMENTS

At 31 July 2012 the Charity had no outstanding authorised contractual commitments in respect of capital projects (2011 – £Nil)

### 19. PENSION SCHEME

#### Teaching Staff

The College participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the College. As required by FRS17 "Retirement Benefits", the College financial statements for this scheme as if it were a defined contribution scheme.

On 4 July 2012 the Chief Secretary to the Treasury confirmed that the Government will be taking forward legislation based on the reformed scheme design for the Teachers' Pension Scheme to be introduced in 2015 as set out in the Teachers' Pension Scheme – Proposed Final Agreement ("the TPS Agreement"). The TPS Agreement sets out the main parameters for both the provision of future pension benefits and the structuring of the future contributions to the TPS including the basis for increasing average employee contribution rates up to 2015.

Under the TPS Agreement, employer contribution rates from 1 April 2012 are continuing at 14.1% with employee rates varying between 6.4% and 8.8%. For subsequent years data and information is being collated to inform a Government review of the tiering structures in advance of the Department for Education consulting on contribution increases for 2013/14 onwards.

The Government have set a gross cost ceiling for the main public service pension schemes of 21.7% with a net cost ceiling of 12.1% and an average employee contribution of 9.6%.

The Government Actuary's Department has in a report dated 9 March 2012 concluded that the TPS Agreement scheme design is within this required cost ceiling. This conclusion is dependent on and sensitive to the data, methodology and assumptions adopted and further details on these are available in the full Government Actuary's report which is available on the Department for Education website.

The pension charge for the year includes contributions payable to the TPS of £230,370 (2011-£231,602). At the year-end £18,281 (2011 - £27,967) was accrued in respect of contributions to this scheme.

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

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### 19. PENSION SCHEME (continued)

#### Other staff

The College participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

The College paid contributions at rates between 5% and 15% during the accounting period. Members paid contributions at a minimum rate of 5% during the accounting period.

As at the balance sheet date there were 45 active members of the Plan employed by the College, which continues to offer membership of the Plan to its employees.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme where the Plan assets are co-mingled for investment purposes, and benefits are paid from the total Plan assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The valuation results at 30 September 2011 were completed in 2012 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £928 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.



# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

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### 19. PENSION SCHEME (continued)

The financial assumptions underlying the valuation as at 30 September 2011 were as follows

	% per annum
Investment return pre-retirement	4.9
Investment return post-retirement	
Actives/deferred	4.2
Pensioners	4.2
Bonuses on accrued benefits	-
Rate of inflation (RPI)	2.9
Rate of inflation (CPI)	2.4

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions, such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012, as is required by legislation.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan. The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. (Our recent correspondence to all employers refers). The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time. As at 31 March 2012 the estimated employer debt on withdrawal liability for United World College of the Atlantic Limited was £573,866.

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

### 19. PENSION SCHEME (continued)

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2008 valuation was forwarded to The Pensions Regulator on 18 December 2009, as is required by legislation.

The charge for the year represents the College's contributions to the scheme of £73,181 (2011 - £64,062) which includes contributions due to the fund, at the year end, of £11,225 (2011 - £11,760).

### 20. LEASE COMMITMENTS

At 31 July 2012, the Company had annual commitments under non-cancellable operating leases as follows:

	<b>Plant and Machinery</b>	
	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
Annual commitments under non-cancellable leases are:		
Leases expiring within 1 year	-	1
Leases expiring in 2 to 5 years	<u>13</u>	<u>13</u>

### 21. RELATED PARTY TRANSACTIONS

Under the provisions of Financial Reporting Standard No 8, related party transactions with Atlantic College Enterprises Limited are exempt from disclosure, as the company is a wholly owned subsidiary of United World College of the Atlantic Limited, the immediate parent charity.

#### **United World Colleges International**

The United World College of the Atlantic Limited (Atlantic College) is one of thirteen colleges worldwide which together are represented by the United World Colleges International movement. The Chairman of the Board of Trustees of each of the Colleges also sits on the Board of United World Colleges International. Atlantic College is represented by Mr Stephen Cox. Ms Jill Longson (Vice Chair) is also a member of this Board. Each of the Colleges contribute to the running costs of the International office. In the year to 31 July 2012 Atlantic College contributed £103,278 (2011 - £104,022).

#### **St Donat's Arts Centre**

St Donat's Arts Centre, a registered charity, operates from premises within the College grounds, which it leases from the College at a peppercorn rent. The College supports the Arts Centre by absorbing the cost of all utilities consumed and by providing certain administrative services without charge. The value of utilities and administrative services provided in the year to 31 July 2012 is estimated to be in the region of £15,000 (2011 - £15,000). In exchange College students benefit from the use of the Arts Centre facilities.

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

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### 21 RELATED PARTY TRANSACTIONS (continued)

During the year the College incurred expenditure of £68,896 (2011- £Nil) on behalf of the Arts Centre. At the balance sheet date a bad debt provision of £50,896 (2011 - £Nil) has been provided against this expenditure and the net debt due from the Arts Centre included within trade debtors was £18,000 (2011 - £Nil).

Under the constitution of the Arts Centre the College is entitled to nominate three Trustees to sit on its Board. At 31 July 2012 the College had declined to exercise its right to do so.

On 1 August 2012 the running of the Art Centre was transferred to Atlantic College Enterprises Limited.

### 22. EXCEPTIONAL INCOME AND EXPENDITURE

Early in April 2011, Sunley House, one of the boarding houses suffered considerable damage in a fire. The College's insurers accepted full liability for the cost of reinstatement of the building and for the cost of provision of a temporary building to house displaced students. The following transactions are included in the financial statements:

	2012 £000
<b>INCOMING RESOURCES</b>	
Other Incoming Resources (note 4)	
Insurance income received	<u>1,528</u>
<b>RESOURCES EXPENDED</b>	
Expenditure - Charitable Activities (note 6)	
Temporary Portakabin, emergency accommodation and contents	790
Original cost of Sunley House destroyed in the fire	<u>147</u>
	<u>937</u>
<b>TANGIBLE FIXED ASSETS</b>	
Land and building additions (note 8)	<u>787</u>

