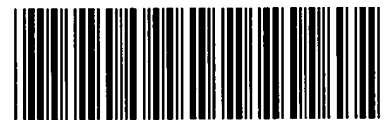


COMPANY NUMBER: 00673076  
CHARITY NUMBER: 525761

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

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 JULY 2015**

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

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# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## GOVERNORS, OFFICERS AND ADVISORS FOR THE YEAR ENDED 31 JULY 2015

### GOVERNORS, DIRECTORS AND CHARITY TRUSTEES

The Governors of United World College of the Atlantic Limited (UWC Atlantic College) are the College's charity trustees under charity law and directors of the charitable company. The members of the Governing Body who served as officers during the year and subsequently are detailed below:

	(1)	(2)	(3)	(4)	(5)	(6)
S J Cox (Chair – retired 30 June 2015)						
J Michie (appointed 17 February 2015 and Chair with effect from 1 July 2015)						
A O Wozencraft (Vice Chair)						
L Davies		✓				
M Davies	✓	✓				✓
L E Evans			✓			
K Gardiner	✓		✓			✓
P G Grau				✓		
E J Hughes	✓			✓		
U L Iwobi		✓				
N Lee (appointed 17 February 2015)						
S M Jones			✓		✓	
D J G Macintosh					✓	
S Pritchard					✓	✓
P Rattazzi-Whittle						
D Ross (resigned 10 February 2015)						
M Schepers				✓		
O S Strugstad						
C J B White	✓			✓		

- (1) Nominations Committee
- (2) Education and Pastoral Committee
- (3) Resources Committee
- (4) Development Committee
- (5) MasterPlan Implementation Committee
- (6) Remuneration Committee

During the year, the activities of the Board of Trustees were carried out through six committees. The membership of each of these committees is shown above for each Governor.

### OFFICERS

A J Walmsley BSc  
P Motte MBA

Principal  
Bursar and Clerk to Governors

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## GOVERNORS, OFFICERS AND ADVISERS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

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<b>Registered Office</b>	St Donat's Castle St Donat's Llantwit Major South Glamorgan CF61 1WF
<b>Auditor</b>	Crowe Clark Whitehill LLP Carrick House Lypiatt Road Cheltenham GL50 2QJ
<b>Bankers</b>	The Royal Bank of Scotland plc 62-63 Threadneedle Street London EC2R 8LA  Lloyds Bank plc 18 Wydham Street Bridgend CF31 1EQ
<b>Solicitors</b>	Eversheds LLP 1 Callaghan Square Cardiff CF10 5BT  Farrer & Co LLP 66 Lincolns Inn Fields London WC2A 3LH
<b>Investment Manager</b>	Brewin Dolphin Limited 2nd Floor 5 Callaghan Square Cardiff CF10 5BT
<b>Insurance Broker</b>	Marsh Brokers Limited Capital House 1-5 Perrymount Road Haywards Heath RH 16 3SY

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## ANNUAL REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2015

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The Governors of United World College of the Atlantic Limited present their Annual Report for the year ended 31 July 2015 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

<b>DIRECTORS' REPORT</b>
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### **CONSTITUTION AND OBJECTS**

The United World College of the Atlantic Limited (UWC Atlantic College) was incorporated in 1960. It is constituted as a company limited by guarantee, registered in England, company number 673076, and is registered with the Charity Commission under charity number 525761. The College is governed by its Memorandum of Association and Articles of Association, last amended in 2006.

The principal activity of UWC Atlantic College, as set out in the Memorandum of Association, is the education and pastoral care of its students. This reflects the principal object of UWC Atlantic College, 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."

In furtherance of these Objects for the public benefit, UWC Atlantic College has established and administers bursaries, grants, awards and other benefactions and acts as the trustee and manager of property, endowments, bequests and gifts given or established in pursuance of these objects.

### **AIMS, OBJECTIVES AND ACTIVITIES**

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. Over fifty years later, the college remains true to the educational philosophy and ethos of its founders, educationalist Dr Kurt Hahn, Air Marshall Sir Lawrence Darvall and Rear Admiral Desmond Hoare. It continues to provide a platform for young people to learn through shared experience and to be empowered to make a positive difference.

In pursuit of the principal objects of the charity, set out above, students are enabled to acquire the skills, tools, knowledge and attitudes to become activists for a better future. Inspired by the impact of positive action, they will become catalysts for change in their societies.

In furtherance of the principal object, the College's aims for the public benefit are:

- To make education a force that unites peoples, nations and cultures for a peaceful and sustainable future;
- To aim to be a world class educational establishment equipping students with the skills and commitment needed to create a more peaceful, socially just and sustainable world; and
- To seek to bring together a diverse range of young people from around the world in a lifelong pursuit of peace and social justice, radical engagement and positive action.

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.

The Board is mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011. In this connection, the Board has monitored closely the guidance on public benefit produced by the Charity Commission together with its supplemental guidance on fee-charging.

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## ANNUAL REPORT TO THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

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### Primary objectives

The primary objectives of UWC Atlantic College to fulfil these aims are:

- To provide a stimulating and challenging environment in which students can develop their academic potential to the full;
- To provide a happy and secure pastoral environment in which students can learn to live together, thus fostering a sense of community, co-education, respect for one another and good citizenship;
- To provide students with the opportunity to experience an exceptional value-based curriculum, which places as much emphasis on the experiential as it does on academic learning;
- To maintain a diverse student body recruited from across the world, which will continue to enhance the multicultural richness that is a key part of the UWC Atlantic College experience;
- To provide financial support to enable students to attend UWC Atlantic College;
- To provide a clear, simple and effective management structure capable of taking timely decisions and allocating necessary resources appropriately; and
- To provide the necessary administrative and logistic framework to meet the needs of students and members of staff alike.

### GOVERNANCE AND MANAGEMENT

#### Governing Body

Details of the members of the Board of Trustees, together with the College's officers and principal advisors, are given on pages 1 and 2.

UWC Atlantic College is governed by the Board of Trustees. The Trustees of the charity are also directors of the limited company and governors of the College. The Governing Body is self-appointing, with Trustees retiring by rotation on a five year cycle. The first appointed, or longest serving since last reappointment, are the first to retire. Members retiring by rotation can be re-elected for a further three year period of office.

On 30 June 2015, Stephen Cox CVO stepped down from the Board of Governors, having served as Chair since 2010. Staff and fellow governors expressed their appreciation for Stephen's support, leadership and guidance during his term of guidance at a lunch following the May Board meeting. Stephen Cox, an alumnus of the college from 1965, was succeeded as Chair on 1 July 2015 by Professor Jonathan Michie, an alumnus from the class of 1975. Professor Michie is currently President of Kellogg College Oxford, Professor of Innovation and Knowledge Exchange and Director of the Department for Continuing Education.

#### Recruitment and training of Governors

A sub-committee 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.

New trustees are required to undertake a clear induction programme which is currently under review. They will be provided with a pack which outlines basic information about the charity and includes the Charity Commission 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. New governors will also be encouraged to attend specialist external courses on the role and responsibilities of charity trustees, and be allocated a mentor from the existing trustees.

Members of the Governing Body are encouraged to meet with senior management of the organisation and receive minutes of the various committees. All members are encouraged to serve on at least one committee of the Board.

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## ANNUAL REPORT TO THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

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All trustees give of their time freely and no remuneration was paid during the year except for reimbursed travel expenses. Costs amounting to £10,119 (2014 - £10,485) were incurred in the course of their duties by ten of the trustees. Public Liability insurance was purchased for the charity at a cost £12,177 (2014 - £9,802). 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.

### Trustees' and Officers' Interests

Stephen Cox, the Chair of the Board of Trustees until 30 June 2015, was an ex-officio member of the UWC (International) Council, which is the umbrella organisation of the 15 United World Colleges, as is John Walmsley, the Principal. Jonathan Michie, Chair of the Board of Trustees from 1 July 2015, is an ex officio member of the UWC (International) Council. During the year, UWC Atlantic College made contributions of £169,956 (2014 - £133,997) to the organisation.

Ms Priscilla Rattazzi-Whittle is Chair of the Board of the US Foundation for the United World College of the Atlantic, a foundation established to raise and receive charitable donations in the United States of America for the benefit of UWC Atlantic College. The Principal is also a member of the 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. David Ross retired as a trustee of UWC Atlantic College in December 2014 and was succeeded by Ms Nicole Lee of the Canadian Foundation in February 2015.

Manfred Schepers is a member of the Board of Directors of UWC Dilijan and the Council of UWC Maastricht. Pedro Gonzalez Grau is a member of the Spanish National Committee.

### Organisational Management

The members of the Governing Body, as the charity trustees, are legally responsible for the overall management and control of the College, including general policy and strategic planning. The detailed work of the governors is delegated to six sub committees, all of which report to the Governing Body on a quarterly basis:

- The Resources Committee scrutinises revenue, the budget and capital expenditure. It is also responsible for the supervision of the College buildings and estate. It supervises and finalises the audited financial statements and the annual report for approval by the Governing Body. The Committee is chaired by Kevin Gardiner;
- The Education and Pastoral Committee considers educational and pastoral policy, student welfare and pastoral developments. The Committee is chaired by Mal Davies;
- The Development Committee considers the raising of funds from donors- including trusts, former students and other supporters of the College- to support individual students through scholarships and bursaries and to contribute to the work of the College generally. The Committee is chaired by Manfred Schepers;
- The Remuneration Committee is responsible for setting remuneration policy and levels for those employed by UWC Atlantic College. The Committee is chaired by Anne Wozencraft;
- The Nominations Committee is responsible for recruiting new members of the Governing Body, together with oversight of the governance arrangements. The Committee is chaired by John White;
- The Masterplan Implementation Committee is responsible for the effective implementation of the college's Master Plan which was adopted in 2013. In addition, it takes a general interest in other works relating to the estate and buildings that make up the college. The Committee is chaired by Duncan MacIntosh.

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## ANNUAL REPORT TO THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

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The Principal, John Walmsley, took up his position at the College on 1 January 2012. During the early part of 2014 he was absent from his duties due to ill health and Nick Lush, the Vice Principal (Pastoral), was appointed by Governors to the post of Acting Principal in his absence. The day to day running of the College is delegated to the senior leadership team, made up of the Principal, Bursar, two Vice-Principals, Deputy Bursar, Development Director, Director of Curriculum and Director of Outreach.

### **Group structure and relationships**

United World College of the Atlantic Limited has one wholly owned subsidiary, Atlantic College Enterprises Limited, which carries out non-charitable trading activities for the College. These activities include the letting of the facilities for functions, including weddings and the operation of activities courses through the Atlantic Outdoor centre. During the year ended 31 July 2015, the company accrued £58,766 (2014 - £151,892) for a gift aid payment to the College. The operating profit for the year before the gift aid payment was £63,848 (2014 - £167,815).

### **Employment Policy**

UWC Atlantic College supports the attainment of the highest standards of education through a rigorous and continuous evaluation of quality and performance, the application and development of best practice and a widespread desire to improve standards.

The College is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs.

Consultation with employees, or their representatives, takes place at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial and economic performance of the College. Two members of staff attend meetings of the Board of Governors and, in addition, the Staff Consultative Committee meets regularly with members of the Senior Leadership team.

The Governing Body is particularly grateful to the teaching and non-teaching staff who continue to support the College through their dedication to the mission statement of the College and the whole UWC movement and through their loyalty and hard work. It is also appreciative of the very valuable contribution made by parents, alumni and other friends of UWC Atlantic College.

### **STATEMENT OF ACCOUNTING AND REPORTING 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 Annual Report to the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting practice (United Kingdom Accounting Standards).

Company law requires the Board of Trustees to prepare financial statements for each financial year. Under company law the Board of 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 charity for that period. In preparing these financial statements, the Board of Trustees are required to:

- Select the most suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP;
- Make judgements and accounting 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.



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

## **ANNUAL REPORT TO THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015**

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The members of the Board of 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the Directors, as members of the Board of Trustees, at the date of approval of this report is aware there is no relevant audit information (information needed by the Company's auditor in connection with preparing the audit report) of which the Company's auditor is unaware. Each member of the Governing Body has taken all the steps that he or she should have taken as a member of the Governing Body in order to make himself or herself aware of the relevant audit information and to establish that the Company's auditor is aware of that information.

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## ANNUAL REPORT TO THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

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<b>STRATEGIC REPORT</b>
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### **MISSION STATEMENT**

The principle mission of the UWC Atlantic College is that "United World College of the Atlantic Limited aims to be a world class educational institution equipping students with the skills and developing the commitment and confidence needed to create a more peaceful, socially just and sustainable world." The College has a 5 year plan to enable it to work toward achieving its strategic objectives in pursuit of this mission.

The inspirational philosophy on which the College was founded came from Kurt Hahn. He believed that improving international understanding and tolerance was both desirable and possible. The means would be a two-year course for students at the end of their secondary education from all over the world. They would be selected on personal merit, irrespective of race, religion and politics and regardless of the ability to pay, as far as funds allowed. The explicit aim would be to show how conflict and hostility could be overcome if young people from different nations, races and religions could be brought together and challenged physically and academically and could learn how to live in harmony with each other. It is now over 50 years since UWC Atlantic College admitted its first students and Kurt Hahn's philosophy remains as relevant today as it was at that time.

UWC Atlantic College today is the living embodiment of these ideals. It is a thriving community with a clear set of core values. These address issues of diversity, equality, environmental responsibility, social justice, peace, personal challenge and academic learning. Our values across these fields help to define the College and the distinctive educational experience that students go through.

To deliver these objectives will require the on-going help of many supporters. The College intends to ensure that selection of students continues to be principally on merit and potential and embraces the unique UWC national Committee system. A substantial scholarship fund must be maintained along with funding for not only recurrent but also new capital expenditure, to ensure that UWC Atlantic College's place as an innovative, inspirational and leading College, in a unique historical setting, aspiring to create a more peaceful, socially just and sustainable world.

Nelson Mandela became President of United World Colleges and our Honorary President in 1995 and was an inspiration to our movement throughout the 18 years of his involvement. His death in December 2013 was felt by all at the College. A huge part of his legacy will be the example he set of striving to spread peace and justice in the world, his ability to forgive and inspire others to do the same and his understanding of the role education plays in bringing about positive change. As a reminder of this legacy, the new boarding facility for pre-Diploma students was named Madiba House when it opened in August 2014.

On 30 April 2014, Her Majesty the Queen, Patron of UWC Atlantic College and His Royal Highness the Duke of Edinburgh, visited Atlantic College. This was the third occasion on which Her Majesty had visited St Donat's and the fact that Her Majesty elected to stay longer than expected at the College was a testament to the passion and dedication the students expressed for their studies, the mission and UWC life.

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## ANNUAL REPORT TO THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

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### **STRATEGIES TO ACHIEVE THE PRIMARY OBJECTIVES**

#### **Access to the College**

The College provides places for up to 350 IB Diploma students and, currently, 21 Pre Diploma 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 will benefit from the education provided here. Students continue to be selected on merit and potential, without regard to an individual's gender, ethnicity, race, religion or disability, nor, as far as funds allow, economic status.

In the year ended 31 July 2015, the College continued to work closely with the network of UWC National Committees across the globe. College staff attended regional meetings of the committees in Europe, the Far East and Central America to build on going relationships. The support of the National Committees is greatly appreciated and welcomed as it assists the College in its selection processes and the promotion of the College. In the year to 31 July 2015, there were 81 different countries represented in the student body.

Overall, some 55% of students receive financial assistance either directly from the College or from the government of their home country, local industry or other benefactors. Bursaries range in value from 10%-100% and in exceptional cases the College also provides funding for travel costs and pocket money. Generous financial support from benefactors this year has enabled the college to initiate a new initiative to recruit students from across the Middle East and this will be reflected in the student intake in August 2015.

Following selection by the GB National Committee, British students, who have requested fee assistance, are means-tested by the College. This model for assessment is being rolled out to other National Committees to try to ensure that bursaries are made available to those in need of them. The College supports the GBNC admissions process by facilitating the interview processes on site and by providing professional administrative support. A carefully targeted campaign, using social media as well as other more traditional routes, increased the number of applications to the GB National Committee to 200, compared with 148 in 2014. Following a short listing exercise, 80 prospective students were interviewed at St Donat's in the week before Christmas, of whom 50 were then offered places. During the course of the year, discussions have been held with the GB National Committee with a view to improvements and developments in the recruiting process for students from Great Britain.

Where students do not meet the application criteria of their local National Committee, they may apply directly to the College. Such students are assessed by the College according to the same criteria as those applying through a National Committee but will not receive any fee assistance. In the year to 31 July 2015, these students represented 29% of the student body. No student put forward by a National Committee was refused a place in favour of a direct entry applicant.

#### **Educational Developments**

The Atlantic College Diploma programme seeks to combine the academic rigour of the International Baccalaureate curriculum and examination system with an enhanced programme that recognises the contribution to the UWC ideals, ethos and values. The College calendar now allows mission based periods, conferences, festivals and challenge camps and a fully developed co-curricular programme of activities for students. The benefit of the Diploma programme, whilst challenging, is recognised by students and staff and also by university admissions deans, who welcome applications from AC graduates.

Governors took the decision during 2014 to introduce a Pre-Diploma programme for a small group of younger students, who spent a year improving their English language skills, whilst following a number of International GCSE courses. Interest in this new programme was encouraging and the first 21 students arrived in August 2014. All students on the course are full fee payers and there is no intention at this stage to establish a bursary scheme for these younger students. They are accommodated in the former Cavalry

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

## **ANNUAL REPORT TO THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015**

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Barracks on the sea front, where they also have lessons. The students share the college's dining room and other facilities and mix socially with Diploma students during evening activities. The unique course introduces the younger students to a transformative educational experience, enabling them to develop core independent learning skills that provide preparation for the IB Diploma course, A levels or Higher Education study. Students also follow a challenging co-curricular programme of environmental education, outdoor activities and the Duke of Edinburgh Award. Of the first cohort of 21 students, 12 chose to continue their studies at Atlantic College and will begin the International Baccalaureate Diploma course in August 2015. A further 2 students were accepted to study at UWC Mahindra College in India, while the remaining students will either return to their home country or continue their studies elsewhere. The group, whilst small, is culturally diverse and students who do wish to continue at Atlantic College are assessed and interviewed in the same way as other prospective students.

### **Welfare Provisions**

Governors have continued to work on the implementation of the Masterplan for the site which will enhance residential, study and leisure facilities available to students. A major refurbishment of the College Library commenced in the late Spring 2014, supported by a generous donation from a long term supporter of the College. The refurbishment work was completed in Spring 2015. As is often the case with buildings of the age and nature of St Donat's Castle, the project encountered a number of challenges – most notably, the presence of asbestos - which added considerably to the cost and timing and inevitable inconvenience for students and staff. The senior management of the college are very grateful for the understanding and forbearance of the community during the completion of the works. The resulting space now provides an excellent research and study space for students, entirely in sympathy with the historically significant building. A further donation from 2 alumnae enabled the Long Gallery adjoining the Library to be refurbished to form a valuable new computer study area. Both projects were formally opened in February 2015 in the presence of the donors.

Work on the building of a new Sports Hall was expected to commence at the beginning of 2015, bringing together existing facilities found elsewhere on the site and adding new ones, including a Dance Studio and new student social spaces. The commencement of building works was delayed while issues concerning the cost, design and sustainability of the building were resolved through the medium of the Masterplan Implementation Committee. It is now expected that building works will begin in either late Autumn 2015 or early in 2016. Governors remain very appreciative of the understanding and continued support of the donor who is providing funding for this important project.

### **Site and facilities**

Reference has been made above to the work that has taken place in the last year to improve welfare and facilities for students. The College Masterplan underlies the building programme and will continue to drive further developments in coming years. Planning work will commence shortly on the replacement of the college's Maintenance Facility and the building of a new boarding house for students. This will continue the programme of upgrading the boarding facilities.

### **Staff**

Governors recognise that the calibre of staff and their commitment to the ideals of the UWC movement are critical to the success of UWC Atlantic College and the experience offered to students. High quality teaching and support staff continue to be recruited, aligned to our objectives and the need of students. The student/teacher ratio stands at 8:1.

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## ANNUAL REPORT TO THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

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### ACHIEVEMENTS AND PERFORMANCE

#### Review of achievements and performance for the year

##### Student numbers:

The College met its targets for pupil numbers during the year. An analysis of the number of students is as follows:

	2015		2014	
	No	%	No	%
Number of students	367		359	
Male	140	38%	149	41%
Female	226	62%	212	59%
Nationalities represented	81		82	
Students financially supported by college	121	33%	126	35%
Value of support provided	£2,764,000		£2,247,000	

#### Academic Performance

UWC Atlantic College students once again achieved outstanding results in their International Baccalaureate Diploma examinations:

- 20% of students achieved 40+ points;
- 51% of students achieved 35+ points;
- 83% of students achieved 30+ points;
- 94% of students achieved the full IB Diploma;
- The average IB Diploma score for UWC Atlantic College students was 35 points, compared with a worldwide average of 29 points; and
- Three students gained the maximum of 45 points - a remarkable feat achieved by only 0.2% of students worldwide.

2015 was again a very successful year for AC students seeking university places. Several students were able to take up places at Oxbridge and Ivy League universities, many of whom received scholarships. Students remaining in the UK were placed at many of the leading Russell Group universities, whilst others chose to return to their home countries for further studies. This year students applied to universities in 20 countries. Of those applying to colleges in the US, offers were received from 106 different colleges, including Harvard, Yale, Princeton MIT and Stanford.

#### Fundraising Performance

During the year to 31 July 2015 the charity's fundraising activities have focused on providing for bursaries and supporting the capital campaign. New funding has been sourced sufficient to financially support a growing number of students throughout the 2015-17 International Baccalaureate course, thanks to the generous support of former students, charitable trusts, foundations and individuals sympathetic to the aims of the College. Individual donors have also been instrumental in enabling both the major refurbishment of the Library to be completed and the Sports Hall project to proceed.

Much of the fundraising work is on increasing alumni support to generate a regular and sustainable income stream that will fund the College's bursary programme. This is crucial to the commitment to maintaining a truly diverse student body. Alumni Reunion events are an important way in which contact is maintained with former students. July 2015 saw a Reunion weekend at the college for alumni from 1965, 1975, 1985, 1995 and 2005, during which the magnificent sum of £330,000 was raised.

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## ANNUAL REPORT TO THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

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Governors and senior staff recognise the huge importance to the College of donors and alumni. The work of the Development Department is critical in this area and it continues to work to maintain and strengthen relationships with existing and new donors. A new member of staff has been recruited to focus specifically on targeted approaches to trusts and other major donors outside the immediate alumni body.

### **Public Benefit**

United World College of the Atlantic remains committed to the aim of providing public benefit in accordance with its founding principles. Charity law has recently introduced a requirement to demonstrate public benefit for charitable purposes where it has hitherto been presumed in the absence of evidence to the contrary.

The bursary awards from the College provide direct benefit to a high proportion of students. The Board takes the view that bursaries awarded to those who would not otherwise be able to afford the fees are important but not to the exclusion of the much wider benefit that the College provides within the community. Those students who attend UWC Atlantic College and who receive financial support to do so contribute to the school community in many ways and so the benefit is not purely to those individual students but to the whole College and also to the wider community. All students are encouraged to take an active role in contributing to the local community through various activities. As an integral part of the Atlantic College diploma, every student commits to a service that occupies two afternoons per week and many choose to give far more than this. The College also prides itself on its excellent reputation for commitment to meaningful community service. Activities undertaken by students include:

- Providing a lifeguard service on local beaches;
- Providing music therapy sessions for dementia sufferers;
- Providing computer classes for elderly local residents;
- Working with disadvantaged children and adults from the local community;
- Working with members of the refugee community in Cardiff;
- Marine Environmental Monitoring Service; and
- Using College facilities to provide free swimming sessions and other outdoor education opportunities, to groups from local primary schools.

### **FINANCIAL REVIEW**

The financial activities, financial position and cashflows 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 £2,941,000 (2014 - £2,348,000). In the year to 31 July 2015, 42 students benefited from a full 100% remission of fees. The total value of bursaries for the year was £2,764,000: 28.0% of gross income (2014 - £2,247,000: 25.6% of gross income).

The College's net incoming resources for the year to 31 July 2015 amounted to £1,674,000 (2014 - £1,349,000). The net cash inflow from operating activities was £2,237,000 (2014 - £1,952,000). The net cash inflow after taking into account returns on investments, capital expenditure and financial investment was £1,404,000 (2014 - £550,000).

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## ANNUAL REPORT TO THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

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### **Investment policy, objectives and performance**

In their investment policy, the trustees are mindful of the needs of future, as well as current, students. Accordingly, the charity has two main investments objectives. The investment fund helps to provide income, in order to provide bursaries for current students and to cushion against any shortfall. It is also intended to deliver real growth over the longer term to assist the charity in meeting its objectives in the future. The Charity Commissioners have given approval for the funds to be invested on a "total return" basis. The portfolio is managed by Brewin Dolphin.

The investment strategy and policy is monitored by the Resources Committee, as is investment performance. 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 Auditors report on their findings at the audit review meeting.

### **Reserves level and policy**

At the year end, the College had tangible fixed assets with a book value of £8,500,000 (2014 - £7,981,000) and unrestricted funds of £10,817,000 (2014 - £9,367,000). 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 £5 million) 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 £4,068,000 (2014 - £2,937,000).

### **FUTURE PLANS**

These objectives are to:

- Admit a broader based student entry that is committed to the UWC Atlantic College ethos;
- Deliver transformative education combining academic excellence with an immersion in global issues of peace, social justice, sustainability and community service;
- Provide welfare provisions for students that ensure a safe and caring environment;
- Implement a financial model that generates a surplus of income over recurrent expenditure and secures grants for the balance of capital spending needs;
- Maintain and develop the site and facilities of the College on a sustainable basis to cater for the target student population and consequential level of staffing needed;
- Employ a well-trained, motivated and managed academic, support and pastoral staff; and
- Develop clear, consistent messaging based on the AC mission and AC values, engaging with alumni, the public and other stakeholders effectively.

### **RISK MANAGEMENT**

The Governors have given consideration to the major risks to which the College and its subsidiary are exposed. The Governing Body has ultimate responsibility for managing any risks faced by the College and the trustees take their responsibilities seriously. A detailed process of risk identification, mitigation and management is in place, led by members of the Senior Leadership Team and reviewed as appropriate. The risk management process and the resulting Report identifies risks, assesses their impact and likelihood and, where necessary, recommends controls to mitigate and monitor those risks that are assessed as high. The generic controls used by the College to minimise risk include:

- Detailed terms of reference together with formal agendas for Committee and Board activity;
- Formal strategic development planning, reviewed annually;

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## ANNUAL REPORT TO THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

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- Formal written policies including clear authorisation and approval levels;
- Vetting procedures as required by law for the protection of the vulnerable;
- Major identified risks brought to the Board and its committees for consideration

### Principal risks and uncertainties

The principal risks faced by the charity include the on-going changes introduced by the government to limit immigration; the need for a robust financial plan in support of the proposed site development, including the responsibility for the Grade 1 listed buildings and structures; the ongoing challenges of maintaining a significant heritage asset and other campus infrastructure; the further development of more UWC schools and colleges across the globe which may impact on recruitment and scholarship funding continue to give cause for concern.

Health and Safety is always a significant area for risk management, particularly given the impressive level and breadth of activity at the College, both on and away from the site. The risks associated with all activities are minimised by thorough planning and risk assessment.

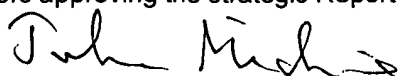
The Governing Body is satisfied that for all major risks identified for the group, appropriate controls have been put in place and maintained to mitigate those risks adequately. It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed.

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

### Auditor

Crowe Clark Whitehill LLP have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted to the forthcoming Annual General Meeting.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governing Body of United World College of the Atlantic on 24 November 2015 including in their capacity as company directors approving the strategic Report contained therein and is signed as authorised on its behalf by:



**Jonathan Michie (Chair)**  
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 2015 set out on pages 18 to 35. 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 and the charitable company's trustees as a body in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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, the charitable company's members as a body and the charitable company's trustees 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 trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic Report and the Trustees' Annual Report and any other surround information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 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 and the Charities Act 2011.

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

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

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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;

Guy Biggin (senior statutory auditor)  
For and on behalf of  
**Crowe Clark Whitehill LLP**  
Statutory Auditor  
Carrick House  
Lypiatt Road  
Cheltenham  
GL50 2QJ

9 March 2016

# 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 2015

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	Total 2015 £000	Total 2014 £000
<b>INCOMING RESOURCES</b>						
Income from charitable activities						
College fees	2	8,835	-	-	8,835	7,898
Income from generated funds						
Donations		64	2,877	-	2,941	2,348
Investment income	5	11	64	151	226	251
Activities for generating funds: - Trading income: Atlantic College Enterprises Limited	3	501	-	-	501	615
Other incoming resources	4	231	-	-	231	441
<b>Total incoming resources</b>		<b>9,642</b>	<b>2,941</b>	<b>151</b>	<b>12,734</b>	<b>11,553</b>
<b>RESOURCES EXPENDED</b>						
Costs of generating funds						
Costs of generating voluntary income		347	-	-	347	324
Investment management fees		2	11	27	40	37
Trading expenditure: Atlantic College Enterprises Limited	3	437	-	-	437	447
		<u>786</u>	<u>11</u>	<u>27</u>	<u>824</u>	<u>808</u>
Charitable activities						
College operating costs	6	7,655	2,223	-	9,878	8,937
Overseas student costs		175	-	-	175	292
Overseas student provision		(63)	-	-	(63)	(3)
Governance costs		246	-	-	246	170
		<u>8,013</u>	<u>2,223</u>	<u>-</u>	<u>10,236</u>	<u>9,396</u>
<b>Total resources expended</b>	6	<b>8,799</b>	<b>2,234</b>	<b>27</b>	<b>11,060</b>	<b>10,204</b>
<b>Net incoming resources before transfers</b>		<b>843</b>	<b>707</b>	<b>124</b>	<b>1,674</b>	<b>1,349</b>
<b>Transfers between funds</b>		<b>596</b>	<b>(463)</b>	<b>(133)</b>	<b>-</b>	<b>-</b>
<b>NET INCOMING/(OUTGOING) RESOURCES</b>		<b>1,439</b>	<b>244</b>	<b>(9)</b>	<b>1,674</b>	<b>1,349</b>
<b>Realised gains on investments</b>		<b>1</b>	<b>6</b>	<b>14</b>	<b>21</b>	<b>101</b>
<b>SURPLUS FOR THE YEAR</b>		<b>1,440</b>	<b>250</b>	<b>5</b>	<b>1,695</b>	<b>1,450</b>
<b>Unrealised gains/(losses) on investments</b>		<b>15</b>	<b>79</b>	<b>187</b>	<b>281</b>	<b>(107)</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>1,455</b>	<b>329</b>	<b>192</b>	<b>1,976</b>	<b>1,343</b>
Fund balances at 1 August 2014		<u>9,402</u>	<u>2,392</u>	<u>3,964</u>	<u>15,758</u>	<u>14,415</u>
<b>FUND BALANCES AT 31 July 2015</b>	15	<b>10,857</b>	<b>2,721</b>	<b>4,156</b>	<b>17,734</b>	<b>15,758</b>

All amounts relate to continuing operations.

The notes on pages 21 to 35 form part of these financial statements.

## AGENDA ITEM 6

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

#### BALANCE SHEETS AS AT 31 JULY 2015

		Group		Company	
	Note	2015 £000	2014 £000	2015 £000	2014 £000
<b>Fixed assets</b>					
Tangible assets	8	8,540	8,016	8,500	7,981
Investments	9	<u>7,117</u>	<u>6,771</u>	<u>7,117</u>	<u>6,771</u>
		<u>15,657</u>	<u>14,787</u>	<u>15,617</u>	<u>14,752</u>
<b>Current assets</b>					
Stocks	10	28	57	11	32
Debtors	11	232	377	646	535
Cash at bank and in hand		<u>4,540</u>	<u>3,136</u>	<u>4,068</u>	<u>2,937</u>
		<u>4,800</u>	<u>3,570</u>	<u>4,725</u>	<u>3,504</u>
<b>Creditors: due within one year</b>	12	(2,479)	(2,293)	(2,404)	(2,227)
<b>Provision: Commitments due within one year</b>	13	<u>(173)</u>	<u>(204)</u>	<u>(173)</u>	<u>(204)</u>
<b>Net current assets</b>		<u>2,148</u>	<u>1,073</u>	<u>2,148</u>	<u>1,073</u>
<b>Total assets less current liabilities</b>		17,805	15,860	17,765	15,825
<b>Provision: Commitments due after more than one year</b>	13	<u>(71)</u>	<u>(102)</u>	<u>(71)</u>	<u>(102)</u>
<b>TOTAL NET ASSETS</b>		<u>17,734</u>	<u>15,758</u>	<u>17,694</u>	<u>15,723</u>
<b>FUNDS</b>					
Endowment Funds	15b	4,156	3,964	4,156	3,964
Restricted Funds	15c	2,721	2,392	2,721	2,392
Unrestricted Funds	15d	<u>10,857</u>	<u>9,402</u>	<u>10,817</u>	<u>9,367</u>
<b>TOTAL FUNDS</b>	15	<u>17,734</u>	<u>15,758</u>	<u>17,694</u>	<u>15,723</u>

The financial statements were approved and authorised for issue by the Board on 24 November 2015 and were signed on its behalf by:



Jonathan Michie  
Chair



Kevin Gardiner  
Trustee

The notes on pages 21 to 35 form part of these financial statements.

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2015

	Note	2015		2014	
		£000	£000	£000	£000
<b>Net cash inflow from operating activities</b>	16		<b>2,237</b>		<b>1,952</b>
<b>Returns on investments and servicing of finance</b>					
Bank interest received			<b>21</b>		<b>23</b>
<b>Capital expenditure and financial investment</b>					
Payments to acquire tangible fixed assets		<b>(1,039)</b>		<b>(1,427)</b>	
Proceeds on disposal of tangible fixed assets		<b>65</b>		<b>2</b>	
Receipts from investments		<b>120</b>		<b>-</b>	
			<b>(854)</b>		<b>(1,425)</b>
<b>Net cash inflow for the year</b>	17		<b><u>1,404</u></b>		<b><u>550</u></b>

The notes on pages 21 to 35 form part of these financial statements.

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

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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 certain fixed assets.

#### 1.2 Basis of Consolidation

These financial statements consolidate the College and its subsidiary undertaking Atlantic College Enterprises Limited to 31 July 2015; 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 £1,971,000 (2014 - £1,325,000) 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 Activities for Generating Funds

This income comprises the trading activities of the subsidiary, and is credited to the Statement of Financial Activities on a receivable basis.

#### 1.7 Other Incoming Resources

All other income is included in the Statement of Financial Activities when the College is legally entitled to the income and the amount can be quantified with reasonable accuracy.

#### 1.8 Cost of Generating Funds

Expenditure includes all fundraising, financing costs and trading expenditure of the subsidiary accounted for on an accruals basis.

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

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### 1.9 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.

### 1.10 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.

### 1.11 Liabilities

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

### 1.12 Funds

Funds held are as follows:

**Endowment Funds:** 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.

### 1.13 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% straight line
Fixtures, fittings and equipment	4 - 33.3% straight line
Motor Vehicles	25% straight line

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

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### 1.14 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.

### 1.15 Stock

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

### 1.16 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.

### 1.17 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.

### 1.18 Operating Leases

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

### 1.19 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.

The charity contributes to the Pensions Trust Growth Plan for certain of its non-teaching staff. This is in most respects is a money purchase arrangement, but does include certain guaranteed benefit elements. The Plan is a multi-employer scheme and it is not possible in the normal course of events to identify the share of the underlying assets belonging to the individual participating employers and accordingly, in accordance with FRS17, is accounted for as a defined contribution scheme with contributions being recorded as they become payable.

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.



# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

### 1.20 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.

### 2. COLLEGE FEES

	2015 £000	2014 £000
<b>The College's fee income comprised:</b>		
Gross fees	9,855	8,771
Less: Total bursaries, scholarships and allowances		
- Restricted	(2,180)	(1,833)
- Unrestricted	(584)	(414)
	7,091	6,524
Add back: Bursaries paid for by specific donations	1,744	1,374
	<u>8,835</u>	<u>7,898</u>

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

Atlantic College Enterprises Limited is a wholly-owned trading subsidiary. 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:

	2015 £000	2014 £000
Turnover	501	615
Cost of sales	(172)	(176)
Administrative expenses	(265)	(271)
Payment under gift aid	(59)	(152)
<b>Profit for year</b>	<u>5</u>	<u>16</u>
<b>Shareholders' funds</b>	<u>40</u>	<u>35</u>

### 4. OTHER INCOMING RESOURCES

	2015 £000	2014 £000
British students overseas income	77	230
Other income	154	211
	<u>231</u>	<u>441</u>

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

### 5. INVESTMENT INCOME

	2015 £000	2014 £000
Income from listed investments	205	228
Bank interest receivable	<u>21</u>	<u>23</u>
	<u>226</u>	<u>251</u>

### 6. EXPENDITURE

	Staff Costs £000	Depreciation £000	Other Costs £000	Total 2015 £000	Total 2014 £000
<b>Cost of generating funds</b>					
Fundraising and promotion	180	-	167	347	324
Investment management fees	-	-	40	40	37
Trading expenses	<u>242</u>	<u>9</u>	<u>186</u>	<u>437</u>	<u>447</u>
	<u>422</u>	<u>9</u>	<u>393</u>	<u>824</u>	<u>808</u>
<b>Charitable activities</b>					
Tuition	2,700	129	717	3,546	3,428
Boarding	613	129	1,188	1,930	1,433
Property maintenance and utilities	474	129	950	1,553	1,570
Support costs	646	43	367	1,056	1,018
Provision for uncollectable fees	-	-	1	1	78
Student expenses	-	-	48	48	36
Bursaries awarded from Restricted Funds	-	-	1,744	1,744	1,374
<b>College operating costs</b>	<u>4,433</u>	<u>430</u>	<u>5,015</u>	<u>9,878</u>	<u>8,937</u>
<b>Overseas student costs</b>	-	-	175	175	292
<b>Overseas student provision</b>	-	-	(63)	(63)	(3)
<b>Governance costs</b>	-	-	246	246	170
	<u>4,433</u>	<u>430</u>	<u>5,373</u>	<u>10,236</u>	<u>9,396</u>
<b>Total resources expended</b>	<u>4,855</u>	<u>439</u>	<u>5,766</u>	<u>11,060</u>	<u>10,204</u>
			2015 £000		2014 £000
<b>Support costs includes:</b>					
Loss on disposal of fixed assets			12		-
Operating lease payments (note 20)			12		7
Gains on foreign exchange			<u>-</u>		<u>1</u>

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

### 6. EXPENDITURE (continued)

	2015 £000	2014 £000
<b>Governance expenditure includes:</b>		
United World Colleges International contribution	170	134
Trustees' expenses	10	10
Auditors' remuneration - audit services	25	21
Auditors' remuneration - non-audit services	<u>4</u>	<u>4</u>

Included in Trustees expenses is the reimbursement of the travel costs for ten (2014 - ten) of the Trustees. The costs amounting to £10,119 (2014 - £10,485) were incurred in the course of their duties, no other remuneration was paid to individual Trustees during the year (2014 - £nil).

### 7. STAFF COSTS

	2015 £000	2014 £000
Wages and salaries	4,073	4,245
Social security costs	342	324
Pension contributions	<u>443</u>	<u>370</u>
	<b><u>4,855</u></b>	<b><u>4,939</u></b>

The average number of full time equivalent employees was:	No.	No.
Tuition and boarding	90	107
Property maintenance and utilities	19	19
Fundraising and publicity	5	6
Management and administration	10	10
Trading activities	<u>5</u>	<u>5</u>
	<b><u>129</u></b>	<b><u>147</u></b>

The number of higher paid employees was:	No.	No.
£60,001 - £70,000	2	-
£70,001 - £80,000	-	2
£90,001 - £100,000	1	1
£100,001 - £110,000	-	1
£110,001 - £120,000	<u>1</u>	<u>-</u>

	No.	No.
Defined benefit scheme	<u>3</u>	<u>2</u>
Pension contributions made:	£000	£000
Defined benefit scheme	<u>30</u>	<u>28</u>

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

### 8a. TANGIBLE FIXED ASSETS - GROUP

	Land and buildings	Fixtures, fittings and equipment	Motor vehicles	Total
Cost	£000	£000	£000	£000
At 1 August 2014	8,622	3,476	155	12,253
Additions	881	144	14	1,039
Disposals	<u>(90)</u>	<u>(113)</u>	<u>-</u>	<u>(203)</u>
<b>At 31 July 2015</b>	<b><u>9,413</u></b>	<b><u>3,507</u></b>	<b><u>169</u></b>	<b><u>13,089</u></b>
<b>Depreciation</b>				
At 1 August 2014	2,129	1,971	137	4,237
Charge for the year	179	245	15	439
Disposals	<u>(14)</u>	<u>(113)</u>	<u>-</u>	<u>(127)</u>
<b>At 31 July 2015</b>	<b><u>2,294</u></b>	<b><u>2,103</u></b>	<b><u>152</u></b>	<b><u>4,549</u></b>
<b>Net book values</b>				
<b>At 31 July 2015</b>	<b><u>7,119</u></b>	<b><u>1,404</u></b>	<b><u>17</u></b>	<b><u>8,540</u></b>
<i>At 31 July 2014</i>	<i><u>6,493</u></i>	<i><u>1,504</u></i>	<i><u>19</u></i>	<i><u>8,016</u></i>

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.

### 8b. TANGIBLE FIXED ASSETS - COMPANY

	Land and buildings	Fixtures, fittings and equipment	Motor vehicles	Total
Cost	£000	£000	£000	£000
At 1 August 2014	8,622	3,433	155	12,210
Additions	881	130	14	1,025
Disposals	<u>(90)</u>	<u>(113)</u>	<u>-</u>	<u>(203)</u>
<b>At 31 July 2015</b>	<b><u>9,413</u></b>	<b><u>3,450</u></b>	<b><u>169</u></b>	<b><u>13,032</u></b>
<b>Depreciation</b>				
At 1 August 2014	2,129	1,963	137	4,229
Charge for the year	179	236	15	430
Disposals	<u>(14)</u>	<u>(113)</u>	<u>-</u>	<u>(127)</u>
<b>At 31 July 2015</b>	<b><u>2,294</u></b>	<b><u>2,086</u></b>	<b><u>152</u></b>	<b><u>4,532</u></b>
<b>Net book values:</b>				
<b>At 31 July 2015</b>	<b><u>7,119</u></b>	<b><u>1,364</u></b>	<b><u>17</u></b>	<b><u>8,500</u></b>
<i>At 31 July 2014</i>	<i><u>6,493</u></i>	<i><u>1,470</u></i>	<i><u>18</u></i>	<i><u>7,981</u></i>

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 2015

### 9. INVESTMENTS

Group and Company	2015 £000	2014 £000
Market value at 1 August 2014	6,771	6,586
Deposits	204	228
Withdrawals	(120)	-
Management fees	(40)	(37)
Investment gains/(losses)	<u>302</u>	<u>(6)</u>
<b>Market value at 31 July 2015</b>	<b><u>7,117</u></b>	<b><u>6,771</u></b>
<b>Historical cost of investments</b>	<b><u>6,171</u></b>	<b><u>6,038</u></b>

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	153	-	153	2
Fixed income	1,969	-	1,969	28
Equities	2,665	1,742	4,407	62
Property	245	-	245	3
Other	<u>170</u>	<u>173</u>	<u>343</u>	<u>5</u>
	<b><u>5,202</u></b>	<b><u>1,915</u></b>	<b><u>7,117</u></b>	<b><u>100</u></b>

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 bursary fund.

The market value of the following investments at 31 July 2015 exceeded 5% of the market value of the portfolio at that date: -

	£'000
Fund Partners Ltd Argonaut Eurp Inc	396
Standard Life Investments AAA Inc Fund	<u>357</u>

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	
	2015 £000	2014 £000	2015 £000	2014 £000
Consumables	8	22	8	22
Goods for resale	13	24	3	10
Livestock	<u>7</u>	<u>11</u>	<u>-</u>	<u>-</u>
	<b><u>28</u></b>	<b><u>57</u></b>	<b><u>11</u></b>	<b><u>32</u></b>

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

### 11. DEBTORS

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Trade debtors	116	240	52	139
Amounts due from subsidiary	-	-	548	294
Other debtors	78	45	8	10
Prepayments	<u>38</u>	<u>92</u>	<u>38</u>	<u>92</u>
	<u>232</u>	<u>377</u>	<u>646</u>	<u>535</u>

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

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Trade creditors	107	345	98	344
Fees received in advance	1,924	1,666	1,924	1,666
Taxation and social security	106	24	100	23
Defined pension scheme	16	-	16	-
Other creditors	104	89	44	37
Accruals	<u>222</u>	<u>169</u>	<u>222</u>	<u>157</u>
	<u>2,479</u>	<u>2,293</u>	<u>2,404</u>	<u>2,227</u>

#### Fees received in advance:

The College academic year begins early in August. At the 31 July 2015 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

Group and Company	2015	2014
Provision and movement in provision during the year	£000	£000
Commitments at 1 August 2014	306	309
New commitments charged in the year	142	204
Provision utilised during the year:	<u>(204)</u>	<u>(207)</u>
<b>Commitments at 31 July 2015</b>	<u><b>244</b></u>	<u><b>306</b></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	2015	2014
	£000	£000
Commitments due within one year	173	204
Commitments due after more than one year	<u>71</u>	<u>102</u>
	<u><b>244</b></u>	<u><b>306</b></u>

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

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

	Permanent Endowments £000	Expendable Endowments £000	Total £000
<b>Investment Return</b>			
Investment income	134	17	151
Capital gains	178	23	201
Investment management costs	<u>(24)</u>	<u>(3)</u>	<u>(27)</u>
	<u>288</u>	<u>37</u>	<u>325</u>
<b>Total Return for the year</b>			
<b>Unapplied Total Return:</b>			
At 1 August 2014	563	54	617
Unapplied return allocated to the restricted Bursary Fund	<u>(133)</u>	<u>-</u>	<u>(133)</u>
<b>At 31 July 2015</b>	<u>718</u>	<u>91</u>	<u>809</u>
<b>'Preserved Value' at 31 July 2006</b>	<u>2,943</u>	<u>405</u>	<u>3,348</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	-	4,156	-	-	4,156
Restricted Funds	-	2,721	-	-	2,721
Unrestricted Funds	<u>8,500</u>	<u>240</u>	<u>2,148</u>	<u>(71)</u>	<u>10,817</u>
<b>Company</b>	<u>8,500</u>	<u>7,117</u>	<u>2,148</u>	<u>(71)</u>	<u>17,694</u>
Subsidiary's reserves	<u>40</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40</u>
<b>Group</b>	<u>8,540</u>	<u>7,117</u>	<u>2,148</u>	<u>(71)</u>	<u>17,734</u>

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

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

	Balance at 31 July 2014 £000	Incoming Resources £000	Resources Expended £000	Transfers and Investment Gains £000	Balance at 31 July 2015 £000
<b>Permanent Endowments:</b>					
Hugo Gryn	365	14	(3)	5	381
Duncan Turner Memorial	1,520	58	(11)	19	1,586
Evergreen Scholarship	358	14	(2)	5	375
London School of Foreign Trade	218	8	(1)	3	228
Naomi & Desmond Hoare	557	21	(4)	7	581
Atlantic Appeal Scholarship	488	19	(3)	6	510
<b>Expendable Endowments:</b>					
Dorothy Burns Trust	458	17	(3)	23	495
	<u>3,964</u>	<u>151</u>	<u>(27)</u>	<u>68</u>	<u>4,156</u>

The capital of these funds is invested in order to generate income which may be expended by the Charity. During the year £133,000 was transferred to the restricted Bursary Fund.

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

	Balance at 31 July 2014 £000	Incoming Resources £000	Resources Expended £000	Transfers and Investment Gains £000	Balance at 31 July 2015 £000
Bursary Funds	1,374	2,415	(2,186)	16	1,619
Capital Funds	972	486	(7)	(390)	1,061
Other Funds	46	40	(41)	(4)	41
	<u>2,392</u>	<u>2,941</u>	<u>(2,234)</u>	<u>(378)</u>	<u>2,721</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 31 July 2015, the balance on the fund was £520,485 (2014 - £568,245).

The Sponsors fund receives donations in respect of bursaries raised for specific students. The balance of £997,878 (2014 - £711,420) at the financial year end, comprises monies received from sponsors in respect of fees not yet due.

The balance of the bursary fund, £101,427 (2014 - £93,896) has been donated to support students of various nationalities and to provide assistance in cases of financial need, as specified by the donors.

During the year £133,000 was transferred from Endowed Funds to the Bursary Fund.



# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

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

#### Restricted Capital funds:

These funds have been donated as contributions towards capital projects. During the year £436,000 was transferred from the Capital Fund to the General Fund in respect of the completed library capital project.

#### 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.

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

	<i>Balance as at 1 August 2014 £000</i>	<b>Incoming funds £000</b>	<b>Amounts Expended £000</b>	<b>Transfers and Investment Gains £000</b>	<b>Balance as at 31 July 2015 £000</b>
<b>Funds: General Fund</b>	9,209	9,066	(8,058)	538	10,755
<b>Designated Funds:</b>					
General Bursary	158	75	(304)	133	62
<b>College Funds</b>	9,367	9,141	(8,362)	671	10,817
Subsidiary	35	501	(437)	(59)	40
	<u>9,402</u>	<u>9,642</u>	<u>(8,799)</u>	<u>612</u>	<u>10,857</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

	<b>2015 £000</b>	<b>2014 £000</b>
<b>Reconciliation to changes in resources:</b>		
Net incoming resources for the year	1,674	1,349
Investment income	(226)	(251)
Investment management fees	40	37
Depreciation	439	457
Loss on disposal of fixed assets	12	-
Decrease in stocks	29	20
Decrease in debtors	145	133
Increase in creditors	186	210
Decrease in bursary provision	<u>(62)</u>	<u>(3)</u>
Net cashflow from operating activities	<u>2,237</u>	<u>1,952</u>

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

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

	2015 £000	2014 £000
Net cash at 1 August 2014	3,136	2,586
Increase in cash	<u>1,404</u>	<u>550</u>
Net cash at 31 July 2015	<u>4,540</u>	<u>3,136</u>

### 18. CAPITAL COMMITMENTS

At 31 July 2015 the Charity had £Nil outstanding authorised contractual commitments in respect of capital projects (2014 – £3,590,481).

### 19. PENSION SCHEME

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £272,105 (2014 – £258,792) and at the year-end £Nil (2014 - £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2012 and was published in June 2014. This report confirmed that the employer contribution rate for the TPS will increase from 14.1% to 16.4% although, recognising that teaching establishments work on an academic and not financial year, the Government has deferred the implementation of this increase to 1 September 2015. Employers will in addition from 1 September 2015 pay a scheme administration levy of 0.08% of the employers' salary costs which will increase the total employer payment rate from 16.4% to 16.48%.

The next revision to the employer contribution rate is not expected to take effect until 1 April 2019. This will follow on from the next actuarial valuation which is due at 31 March 2016. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

#### Other staff

Certain employees of the College are entitled to membership of the Pension Trust Growth Plan ("the Plan"). This is a multi-employer pension plan which in most respects is a money purchase arrangement, although it does include certain guarantee elements as described below.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from normal retirement dates. 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.

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

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### 19. PENSION SCHEME (continued)

The rules of the Plan give the Trustees 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.

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 assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total 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%.

The Scheme Actuary is currently finalising the 2014 valuation and results will be communicated in due course. At 30 September 2013, the market value of the Plan's assets was £772 million and the Plan's Technical Provisions (i.e. past service liabilities) was £927 million. The update, therefore, revealed a shortfall of assets compared with the value of liabilities of £155 million, equivalent to a funding level of 83%. 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 College paid contributions at the rate of 5-15% totalling £85,580 (2014 - £87,297) during the accounting period. Members paid contributions were paid at the 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.

The College has been advised by the Plan trustee that, in the event that it was to withdraw its membership of the Plan, it had an estimated contingent liability of £715k at 30 September 2014. This debt will not crystallise while the College continues to have one or more active members in the scheme.

The amount of the above potential debt depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the College, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of the debt can therefore be volatile over time.

The Growth Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore, jointly and severally liable for the deficit in the Growth Plan.

# UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

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### 20. LEASE COMMITMENTS

At 31 July 2015, the Company had annual commitments under non-cancellable operating leases as follows:

	<b>Plant and Machinery</b>	
	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Annual commitments under non-cancellable leases are:		
Leases expiring within 1 year	<b>10</b>	<b>7</b>
Leases expiring in 2 to 5 years	<b><u>2</u></b>	<b><u>6</u></b>

### 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 fourteen 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 was represented by Mr Stephen Cox during the financial year. Each of the Colleges contributes to the running costs of the International office. In the year to 31 July 2015 Atlantic College contributed £169,956 (2014 - £133,997).