

**The United World Colleges
(International)**

**Annual Report and Accounts
2011**

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**The United World Colleges
(International)**

a company limited by guarantee

**Annual Report and Accounts
for the year ended 30 June 2011**

UK Company no 908758

UK Registered Charity no. 313690

Registered Office 17-21 Emerald Street, London WC1N 3QN

The United World Colleges (International)
For the year ended 30 June 2011
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The United World Colleges (International)
For the year ended 30 June 2011
Presidents, Patrons and Directors

President of the United World Colleges

Her Majesty Queen Noor

Honorary President

Nelson Mandela

International Patrons

Lord Richard Attenborough

M Antonin Besse

Mr Shelby M C Davis

Mr Lu Pat Ng

Mr W Galen Weston

Chair

Maj Gen Tim Toyne Sewell

Country of Residence

UK

Directors

Count Frants Bernstorff-Gyldensteen

Professor Derek Blackman (*Vice Chair until 31 Dec 2010*)

Mr David Burks

Ms Bertha Camacho

Ms Lisa Darling

Mr Terry Guest

Dr David Hawley

Mr Axel Kravatzky

Dr John Lawrenson

Mrs María Isabel León Gomez

Ms Jill Longson (*Vice Chair from 1 Jan 2011*)

Ms Diana Maughan

Mr John Nickson

Mr Babatunde Onitiri (*Treasurer until 28 April 2011*)

Dr Anthony Richards

Mr Manfred Schepers (*Treasurer from 29 April 2011*)

Ms Rama Diallo Shagaya

Mr James Taylor

Mr Clark Thom

Professor Jeffrey Thompson

Denmark

UK

Singapore

Switzerland

USA

Canada

Canada

Trinidad & Tobago

Norway

Colombia/USA

Spain

Canada

UK

Mozambique

Canada

UK

Nigeria

USA

Swaziland

UK

Until 31 Dec 2010

From 28 April 2011

From 1 Jan 2011

From 1 Jan 2011

Until 31 Dec 2010

Until 31 Dec 2010

Until 18 June 2011

Until 28 April 2011

Until 31 Dec 2010

From 1 Jan 2011

Until 31 Dec 2010

Until 31 Dec 2010

The United World Colleges (International)
For the year ended 30 June 2011
Executive Committee, Company Members, Management

Members of the Company at Year End

All serving Directors from the date of their election, plus

Mr David Aikman	Switzerland
Ms Jasminka Bratic	Bosnia & Herzegovina
Mr Paul Brynsrud	Norway
Mr Santiago Cabanas Ansorena	Spain/USA
Dr Stephen Codrington	Hong Kong
Mr Stephen Cox	UK
Mr Tom Dickerson	USA
Amb Gianfranco Facco Bonetti	Italy
Mr Franz Fischler	Austria
Ms Paulina Gándara Rofrío	Ecuador
Mr Giuliano Giovanetti	UK
Ms Anne Louise Grinstead	Mozambique
Mr Henk van Hoof	Netherlands
Mr Peter Howe	Italy
Mr Chris Howarth	Cambodia/UK
Mr John Lawrenson	Norway
Mr David Lloyd	Costa Rica
Dr Jonathan Long	India
Mr Keshub Mahindra	India
Dr Luis Marcano González	Venezuela
Ms Valentina Mindoljevic	Bosnia & Herzegovina
Mr Theotonio Monteiro de Barros	Brazil
Mr Paul Motte	UK
Mr Simon Murray	Netherlands
Mr Laurence Nodder	Swaziland
Mr Fayyaz Nurmohamed	France
Mr Babatunde Onitiri	Mozambique
Ms Regina Aguirre de Riojas	Guatemala
Mr Peter Sands	UK
Mr Francis Saville	Canada
Mr Einar Steensnaes (<i>Vice Chair</i>)	Norway
Ms Geshe Sugandh	India
Mr Jeff Thompson	UK
Mr Leon Toh	Singapore
Mr Anthony Tong	Hong Kong
Ms Tove Veierød	Norway
Mr Mauricio Viales	Costa Rica
Ms Tammy Margaret Wan	Hong Kong
Mr Mark Wang	China
Mr Julian Whiteley	Singapore
Mr Richard Wise	UK

Executive Director

Mr Keith Clark

Company Secretary

Ms Willa Geertsema

The United World Colleges (International)
For the year ended 30 June 2011
Advisers

Auditors

PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London EC1M 3AP

Solicitors

Russell Cooke
2 Putney Hill
Putney
London SW16 6AB

Bankers

Bank of Scotland
38 Threadneedle Street
London EC2P 2EH

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

Investment Managers

Blackrock Investment Management (UK) Limited
33 King William Street
London EC4R 9AS

CCLA Investment Managers Limited
80 Cheapside
London EC2V 6DZ

The United World Colleges (International)
For the year ended 30 June 2011
Directors' Report

Statement of the Chair

I am pleased to introduce the Annual Report and Accounts of The United World Colleges (International) for the year ended 30 June 2011

This year seems to have been even busier than usual, largely because it has encompassed the first full year of implementation of UWC's five-year strategic plan. This plan has set us some challenging objectives and addresses issues across six broad areas of activity. However, time and again this year we have identified just how relevant the strategic plan is and I am confident that it has us on the right track.

One of the challenges of the strategic plan is that it cannot just be the responsibility of UWC International; its successful implementation will require a collective responsibility that extends through the whole organisation. I am pleased with the way the organisation has responded. There truly is a view that we are stronger when we work together.

We received a huge boost towards the end of the year thanks to the extraordinary gift of €1.5 million from HH The Emir of Qatar. This donation was organised through our colleagues in UWC Netherlands and was matched by a gift of the same size to UWC Maastricht. The donation is for unrestricted purposes and will help to secure our basic budget for the next three years. In turn, this will enable our international fund development function to focus on major fundraising for the UWC movement as a whole. I am enormously grateful to HH The Emir for this commitment and the strong vote of confidence in our work, and I look forward to developing our relationship with our friends in Qatar.

All our work in UWC International level aims to enable our schools, colleges and national committees to do the most effective job and as always my deep appreciation goes to all who are involved on a professional and volunteer basis throughout the movement. The work in our schools and colleges is an inspiration and even a brief visit demonstrates the transformational power of a UWC experience. The remarkable national committee system also deserves great credit for the unique role it plays in enabling us to admit such a diversity of students. We are all striving to increase that diversity still further, and that will depend on further strengthening the financial position of the whole organisation.

These accounts will give a sense of UWC International's role at the centre of UWC. The strategic plan may map out our future development, but it cannot convey that crucial daily work of coordinating the continued functioning of the whole UWC movement. I thank all my colleagues on the Board and UWC Council, and the staff of our International Office, for their support and commitment.

We have made good progress in the last year. As I enter my last full year as Chair, I am confident that my successor will find an organisation in a strong position. Naturally there are challenges, but we are constantly working to address them. More than anything, we must continue to attract the funding and support that will make our ambitions possible.

Tim Toyne Sewell
Chair

The United World Colleges (International)

For the year ended 30 June 2011

Directors' Report

The Directors of The United World Colleges (International) present their statutory report for the year ended 30 June 2011. The Directors make up the International Board of Directors ('the Board') of the United World Colleges ('UWC') international organisation. The members of the company form the UWC Council.

Identity and constitution

The United World Colleges (International) ('the company') is a United Kingdom company limited by guarantee (Company Number 908758) and a United Kingdom registered charity (Charity Number 313690). The liability of members in the event of the company being dissolved is limited to not more than £1 per member. There is no share capital. The governing document of the company is the Memorandum and Articles of Association, the current version of which is dated 1 January 2009.

Object

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

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

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

The Board and UWC Council have adopted a strategic plan for the period 2010-2015. This plan lays out a number of strategic objectives grouped into six themes – education, impact, national committees, funding and finance, communications, organisational effectiveness. In addition, the strategic plan sets out three important ambitions which flow from the mission and give a stronger sense of direction:

- To produce UWC alumni each year who, through their own action and personal example, can become leaders in their communities and demonstrate their commitment to making a positive difference in the world
- To become recognised internationally for its distinctive model of education
- To provide an example for other schools, educational organisations and governments which recognise the role of education as a force for peace and a sustainable future

The international movement seeks to achieve its mission and ambitions through 13 UWC schools and colleges and UWC national committees, currently in approximately 120 countries. The total number of students in the schools and colleges in 2010-2011 was approximately 6,500. There is also an individual membership of approximately 42,000 members, the majority of whom are alumni of the UWC schools and colleges.

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

Governance and Management

The current governance model came into effect on 1 January 2009 following a substantial review of governance.

The Memorandum and Articles of Association provides for an International Board of Directors of up to 16 members (19 in a transitional period until 1 January 2011). Of this number, three are required to be chairpersons of the governing bodies of the UWC schools and colleges, two to be principals of the schools

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For the year ended 30 June 2011

Directors' Report

and colleges, three to be drawn from the national committee system, and five to be UWC alumni, several Directors fall into more than one of these categories which also allows further scope for Directors with no other role within UWC. Directors serve for three-year terms and may be re-elected for a second term and potentially for a third term in the case of officers and Board committee chairs.

The full list of Directors is given on page 4. There were 17 Directors on 1 July 2010 and 13 on 30 June 2011. 8 Directors stood down during the year and there were 4 new members.

The Memorandum and Articles of Association also provide for a UWC Council with up to 60 members who are also the members of the company: the chairpersons of the governing bodies of all the UWC schools and colleges, the principals of all the UWC schools and colleges, at least 12 members drawn from the national committee system and at least 12 alumni. A number of UWC Council members fall into more than one category which also allows scope for members with no other role within the organisation. The Directors are all members of the UWC Council. UWC Council members serve for terms of three years and may be re-elected for second and third terms.

The full list of members of the UWC Council is given on page 5. There were 54 members of the UWC Council on 1 July 2010, and 54 members on 30 June 2011. 13 members retired and there were 13 new members.

In 2010-2011, the Board met three times in person (15 October and 17 October at UWC South East Asia in Singapore, 18-19 March in London, and 17-18 June in New York) and once by conference call (12 January). The UWC Council met on 15-16 October at UWC South East Asia in Singapore. The Directors are grateful to UWC South East Asia and to the Dance Theatre of Harlem for hosting these meetings.

The Directors feel that Board meetings have become increasingly effective under the current governance model, the size of the Board allowing for good decision-making but with sufficient perspectives being brought into discussions. The Directors are aware that more attention is needed to develop the role of the UWC Council, particularly as a channel for the Board's accountability to the wider UWC organisation and to benefit from its broader perspectives on issues of fundamental, developmental and strategic importance.

The Chair of the Board and UWC Council, Tim Toyne Sewell, will complete a second term at the end of 2012. In early 2011, a committee initiated the search for his successor, and has engaged professional consultants to support this process. The search committee's aim is to make a recommendation to the UWC Council at its meeting in October 2011 so that the new Chair will have been identified more than a year ahead of taking up the position.

The UWC Council meeting in October 2010 also questioned whether it would be appropriate to consider separate Chairs of the Board and UWC Council. This discussion has been further developed during the year and will be considered by the next UWC Council meeting.

The Vice Chair of the Board, Professor Derek Blackman, retired after three terms of service on 31 December and was succeeded as Vice Chair by Jill Longson.

Appointment and Induction of Directors and Company Members

The Articles of Association stipulate that the Directors are elected by the UWC Council and give the Board responsibility for appointing members of the UWC Council. The Nominating and Governance Committee is responsible for making recommendations for election and appointment.

A Board policy guides the Nominating and Governance Committee's work on nominations. In particular, the policy requires the Committee to seek a level of diversity that goes some way to reflecting the diversity of the UWC international movement, especially on the UWC Council. The Committee monitors diversity in terms of skills, attributes, experience and background and identifies gaps in the skills and experience represented on the Board and UWC Council.

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The Nominating and Governance Committee, the membership of which is defined by the Articles of Association (a Chair who is a Director and five members who are UWC Council members but not also members of the Board), implements an annual nominating process. At the close of the year, the 2011 nominating process was nearing completion.

Potential nominees to the Board and UWC Council are provided with information about the work of both bodies, together with a copy of a policy on the expectations and responsibilities of membership. The Nominating and Governance Committee has further responsibility for issues associated with the induction, training and evaluation of Board Members. A governance self-evaluation is planned for 2011.

Committees

The Board has nine committees: Nominating and Governance Committee, Audit & Finance Committee, College Chairs' Committee, College Heads' Committee, Education Committee, National Committee, Development Committee, Communications Committee and Personnel and Remuneration Committee.

Apart from the Nominating and Governance, College Chairs' and College Heads' Committees, the committees may comprise members of the Board and UWC Council and, if considered appropriate in order to introduce identifiable skills and experience, members drawn from outside the governing bodies.

Day-to-day Management

The Directors have delegated day-to-day management responsibilities to the Executive Director based at the company's office ('the International Office') in London. In 2010-2011, the Executive Director was supported by eight full-time and three part-time staff.

The company's activities are funded in part through annual contributions from the UWC schools and colleges and in part through investment income and individual donations.

The Directors are exceptionally grateful to HH The Emir of Qatar for an unrestricted donation of €1.5 million to support the work of UWC International.

Strategy and Development

The Board and UWC Council are committed to the implementation of a strategic plan for 2010-2015. Implementation of the plan will require a level of collective responsibility that would not previously have been feasible; it is therefore an important signal of the unity that has developed within UWC.

The strategic plan has six primary strategic objectives:

- To ensure that UWC's model of education maintains relevance and becomes more widely known as an example of education for a peaceful and sustainable future
- To extend UWC's impact
- To strengthen and develop the UWC national committee system
- To create a secure and sustainable financial and funding model
- To increase awareness, recognition and understanding of UWC
- To continue to strengthen organisational effectiveness and unity

Supporting these main themes are 29 further objectives.

The agenda of Board meetings in 2010-11 have been closely aligned with the six primary objectives and this has helped to ensure that the Directors remain focused on the strategic plan. Each meeting has received a detailed update on progress, as well as an indication of future plans, and has had the scope to focus on those strategic issues requiring its particular consideration. A detailed budgeting exercise was also aligned with the expectations and requirements of strategic plan implementation.

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The Directors are conscious that implementation of the plan will present the Board and the UWC organisation as a whole with considerable challenges. As part of this, the Board has considered how to increase the cross-organisational engagement that will be a necessary support for the strategic plan.

Education

For some time there has been discussion of the idea of a UWC Diploma to provide a clearer framework for the UWC educational experience. During the year, and led by the College Heads' Committee, there was a change in emphasis so that the focus is now on a clearer articulation of UWC's educational theory and practice, it is seen to be more appropriate for a diploma framework to follow this work rather than to drive this fundamental thinking on education.

As a starting point, the Board approved the 'Guiding Principles of the UWC Schools and Colleges' which had been developed by the College Heads' Committee. Work is now ongoing in the schools and colleges to audit current educational practice to understand where there is both alignment and dissonance with the Principles, and the outcome of this work will provide a platform for further educational development. Several initiatives are also under way in the schools and colleges to explore and pilot new educational frameworks that can embrace UWC's distinctive approach to education.

The Board also approved an organisation-wide Code of Conduct for students, again on the recommendation of the College Heads' Committee. The Directors welcomed these initiatives coming from that Committee as ways of building on UWC's shared core and of developing a culture of common expectations and standards.

No significant progress has been made in developing a new model of evaluation or accreditation to succeed the current self-evaluation instrument. This partly reflects divergent views on the two approaches, and more work is required to establish common ground, as well as an awareness that in some cases any new model must provide UWC with a strong quality assurance tool without adding to the already substantial accreditation or inspection burdens in several of the schools and colleges.

Considerable work has been undertaken during the year to understand more about UWC's current diversity, particularly in terms of socioeconomic diversity. This work brings together educational objectives with those relating to national committee development and UWC's scholarship model. It is clear that a stronger financial position will enable UWC to increase further its diversity, but work in the last year has also demonstrated the importance of stronger coordination in the shaping of admissions policies and of a better supported need-based approach to scholarship allocation. Another dimension of this issue is the support given to national committees to select students on the basis of their potential as much as their merit, particularly in situations where formal educational opportunities have been lacking, as well as the capacity of the schools and colleges to offer support to students from more diverse educational backgrounds.

The Board has adopted a policy on sustainability and environmental impact, which commits the schools and colleges and UWC International to a reduction in the consumption of energy, water and paper, as well as to research, share and implement best practice on sustainability issues. Reports by the schools and colleges to the Board show that good progress continues, as is the case in the International Office where paper consumption has been dramatically reduced and there have also been energy savings. These targets complement the significant and often innovative environmental work being undertaken in the schools and colleges.

Growth and Impact

The Directors remain committed to UWC's growth through the addition of new schools and colleges, but continue to exercise caution in particular to minimise any adverse financial impact of growth on the existing organisation. The Board has a process for the approval of new schools and colleges which it is confident can be both flexible and rigorous.

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A proposal for a new UWC college in Spain reached the stage of Preliminary Approval in the previous year, and an effective Board task force continues to work with the project team in Spain and to monitor progress on behalf of the Board. The target remains an opening date in 2013, and the Board looks forward to considering the granting of Final Approval at the appropriate time.

The Board has also granted 'Initial Notification' status to proposals for schools and colleges in Freiburg, Germany and Beijing, China. Initial Notification does not indicate approval, but is a signal that the Board is aware of a proposal and is prepared to work further with the local project team, usually through the appointment of a task force. The Directors had previously expressed caution about further expansion in Europe for the time being, but believed that some impressive and innovative environmental credentials and the opportunity to incorporate a professional development facility made the German proposal sufficiently compelling to allay such caution. In China, the Board is aware that it will need to consider the overall feasibility of a UWC college in Mainland China as well as the specific proposal. In this regard, a UWC Council discussion about the issues relevant to an assessment of the suitability of countries to host a college was useful. A series of questions has subsequently been drawn up dealing with matters like student admission, freedom of expression and access to information, safety and security. The Directors recognise that these questions may not have clear answers but will facilitate a risk assessment-type approach and enable the Board to understand if compromises will need to be made.

The Board gave initial consideration to the concept of 'affiliated' or 'associate' school status. While this would bring potentially significant benefits in terms of impact, it was agreed to hold the idea until further work has been completed to articulate UWC's educational practice more clearly.

The strategic plan recognises that UWC's impact can be strengthened not only through the core programmes in the schools and colleges. This other activity has been given the generic heading 'outreach' and the definition of 'any programme/project that enables UWC to deliver transformational learning experiences, which embody the UWC mission and values, beyond existing UWC constituencies'. An outreach consultancy project continued in this year and has undertaken fact-finding in a number of the schools and colleges. The Directors have asked for the emphasis of this work to be on UWC short programmes in the first instance, and the next phase of work will seek to understand the nature of the framework necessary to support the further development of such programmes.

A number of schools, colleges and national committees organised short programmes during the year, including in Bosnia and Herzegovina, Canada, China, Hong Kong, India, Israel, Mexico, Netherlands, Spain, Timor Leste and the USA.

The Directors have also started to turn their attention to UWC's impact through its alumni. At present, alumni relations activity is the responsibility of the schools and colleges and national committees, which coordinate national groups, but there is a growing understanding that a complementary international capacity would play a role in encouraging alumni engagement.

National Committees

National committees in approximately 120 countries play a critical role in the UWC movement, it is through the national committees that the schools' and colleges' diverse student populations are possible. National committees promote UWC in their countries and are responsible for the selection and preparation of students. In many cases they also raise funds to cover some scholarship and other costs. A growing number are extending their scope through community service projects and their own courses and events. The national committee system, which relies on an enormous volunteer commitment of time, energy, creativity and resources, undoubtedly plays a major part in defining UWC's distinctiveness.

The Board's National Committee Development Committee and the national committee team in the International Office have been focusing on ways to implement standards across the national committee system that nevertheless recognise and embrace the diversity of the system. The outcome is a framework that

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will support the more effective management of the national committee system, and which the Directors view as an essential step in establishing a clear set of expectations and assuring quality

A regional meeting for Africa was held in Ethiopia in February. This was an extremely successful meeting and reinforced the importance of regional meetings as a tool for national committee development

The Board has welcomed efforts to target the support provided to national committees through an extended resource network of staff members and volunteers from UWC International, several of the schools and colleges and other national committees. 26 national committees received support visits in 2010-11. Support tends to be required either because of perceived weaknesses or to help a well-functioning national committee move to the next stage of development. 'Training the trainer' workshops have also been used to focus support on particular themes

It has also been possible in the past year to focus support on particular sub-regions or groups of countries where the national committee system has not traditionally been strong. The Middle East and North Africa Initiative has continued, following a successful regional meeting towards the end of the previous year, and has combined the strengthening of existing national committees with the development of student selection in new countries; selection now takes place in 14 countries in the region. The Directors are grateful to the Spanish National Committee for supporting some of the costs of this work. Other current areas of focus include French-speaking West Africa and Central Asia. The first unified selection process in Mainland China was also a significant step

The Directors recognise that alongside development priorities it is essential to maintain a focus on the routine coordination, support and management of UWC's national committees. This responsibility falls to the national committee team in the International Office, which maintains regular contact with many national committees and is heavily engaged in providing support, guidance and where necessary monitoring and follow-up action. The Board has approved a set of protocols to cover some aspects of the relationship between national committees and the schools and colleges

A major piece of work is ongoing under the auspices of the Admissions Policy and Procedure task force. This task force started life with a specific mandate to consider how to implement a more coherent system of means-based scholarships, but has expanded considerably to encompass other aspects of UWC's scholarship allocation model and the relationship between financial structures, scholarship allocation and admissions policies. This is a complex area of work but the Directors believe that it is fundamental to UWC's future organisation and financial strength

Funding and Finance

The primary purposes of the international fund development function, which was established in 2009, is to strengthen UWC's overall financial position by accessing sources of funds that would not ordinarily be available at local level, to raise the level of fundraising capacity across the organisation, to ensure a degree of coordination in approaches to donors, and to help to build a stronger culture of fundraising across UWC. A decision was taken in this year to focus on the first of these priorities in the interests both of short-term success and the ability to demonstrate the impact of the function on the whole organisation. A four-part case for support has been developed, an outline strategy based on a campaign construct agreed and a level of aspiration established. A number of relationships with prospective major donors are under way, and the Directors anticipate that some significant successes will be forthcoming in the next year

Alongside the need to raise funds for UWC as a whole, there was also a pressing need in the last year to raise funds for UWC International's own operations, which have grown in recent years as a result of the expectations of the strategic plan. In this respect, the remarkable donation from HH The Emir of Qatar has eased at least some of this pressure, allowing the fundraising focus to be on major gift fundraising for the movement as a whole

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A major success, both in terms of fundraising potential and awareness, has been UWC's admission to the Clinton Global Initiative in September 2011. UWC has been admitted on the basis of its commitment to provide scholarships and a mentoring programme for 100 young women from conflict-affected countries over a five year period, the cost of the commitment is \$6 million and participation in CGI provides a hugely significant opportunity to seek funding partners to cover this cost as well as collaborating and knowledge partners.

At the end of the year, a slight re-focusing was initiated following the decision of the inaugural Director of Development to move on, having been responsible for the considerable initial progress. This will result in a stronger focus on internal engagement to support the function, particularly to access the networks and contacts that are essential to any successful fund development operation. Alumni receptions were held alongside the Board meetings in London and New York for the same purpose.

Although the priority of the function has been on major gift fundraising, some attention has also been given to coordinating the network of fundraisers throughout the UWC organisation, and a meeting of development professionals was held in June.

The Development Committee has considered ways to mobilise some of UWC's high profile supporters and has developed the concept of 'President's Ambassadors', who will work with UWC's President HM Queen Noor to act as advocates for UWC and help to provide access to other potential supporters.

Considerable effort in the past year has been devoted to financial management matters in the International Office, including the implementation of a new accounting system, this work was led by the Director of Finance and Administration who had taken up her position in the previous year. It has required significant focus, but the Directors believe that the approach to a complex budgeting period and the extremely smooth preparation of the end-of-year accounts have more than justified this work.

The Board is committed to building a financial picture of the whole UWC organisation, but recognised the need to put this work on hold while internal systems have been addressed. A network of the finance professionals from around the organisation is developing, following a first meeting alongside the UWC Council meeting in October 2010.

The work of the Admissions Policy and Procedure task force noted above has a very important financial component. Crucially, the process is seeking to integrate financial decision-making with admissions and scholarship allocation decisions in all the schools and colleges and in so doing to review the current method of distributing and allocation of scholarships.

Communications

The Directors have been pleased with the continuing implementation of the UWC brand, following the branding exercise, which concluded earlier in 2010. This has given the UWC movement a family brand that can accommodate all constituencies. The launch was accompanied by a comprehensive toolkit and accompanying templates to enable constituencies to implement the brand successfully and appropriately, and during the year an accompanying set of brand indicators were drawn up. Although there are inevitably challenges to such a rollout in an organisation like UWC, most UWC schools and colleges and rapidly growing numbers of national committees are implementing the brand to a high level, and its cross-organisation impact is impressive.

A coherent brand was viewed as a prerequisite for building a stronger global profile, and during the year consideration has been given to how this can be managed. A network of communications professionals from around the organisation will play a part in this work.

A major focus of communications work has been the development of the UWC extranet, which was launched during the year. The intention is for this to become a resource centre for all members of the UWC.

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organisation, and it has a level of functionality, including forums, resources and a directory, to support this. Very considerable efforts have been devoted to developing the extranet, and further phases of development remain under way, but the Directors are confident that it will become a vital organisational tool.

Several publications projects have been under way during the year, including a new applicant-oriented promotional leaflet (for the first time available in five languages), a major new multi-audience publication, a fund development campaign brochure, and two issues of United World magazine, which remains the primary communications tool for UWC members.

The addition of a staff member has also enabled a stronger emphasis on social media. Facebook in particular has become an increasingly important way for UWC International to disseminate news and information. There has also been a significant increase in traffic to the UWC website. The website has been translated into Spanish for the first time.

The communications team has been supporting a Board task force established to coordinate plans for UWC's 50th anniversary on 19 September 2012. The Directors made a decision at an early stage not to make the anniversary a major externally-focused occasion, and also not to think in terms of a single event. The emphasis will therefore be on using the anniversary to build stronger member engagement, using the theme 'celebrate with action', and to identify a platform to bring together events throughout the movement in the week of the anniversary.

Organisational Cohesion and Effectiveness

The Directors are aware that more work is required to make UWC International's governance structure function most effectively. The Directors believe that the Board is working very well, but that more attention is required to ensure that the relationship between the Board and the UWC Council is strong and that the UWC Council can play a role in promoting a sense of engagement across the organisation.

The Board has undertaken an initial review of the relationships and structures within the UWC organisation, and has concluded that there is a need for more definition and structure. Its preferred route is Memoranda of Understanding with the schools and colleges that can define mutual roles, expectations and responsibilities. The Board is of the view that the new framework for national committees will meet a similar need.

The Directors have been encouraged by the interest in the Chair search process shown within UWC, which has led to a healthy number of names coming forward.

The Directors recognise the need to have in place a well-resourced International Office. Although it is clear that further fundraising will remain necessary, the impact of the donation from the State of Qatar was warmly welcomed as a means of securing UWC International's basic budget for a three-year period. The Directors are grateful for the hard work and commitment displayed by staff in the International Office.

The Board continues to work with individual schools and colleges to bring about effective governance throughout UWC. The Board has a set of guidelines on governance in the UWC schools and colleges, and it increasingly recognises that the key to successful governance is in the assurance of certain responsibilities rather than an insistence on particular structures. This is an important area for the Directors: assurance of effective governance minimises the risk to UWC's name and reputation arising from the actions of an individual constituent and means that UWC International can avoid detailed engagement with the internal affairs of the schools and colleges. Governance is a key element of the consideration of new school and college proposals. The Directors also recognise the importance of good governance in the national committee system.

It is anticipated that the UWC extranet will become increasingly important as a means of sharing information, news and resources, and thereby enhance the UWC movement's cohesion.

The United World Colleges (International)
For the year ended 30 June 2011
Directors' Report

A great deal of activity is geared either directly or indirectly towards support for the UWC schools and colleges. UWC International works directly with the schools and colleges as they face their own challenges or celebrate their achievements. This is the nature of a role at the centre of the organisation. For the most part, this forms a natural part of day-to-day activity but there are inevitably times when a particular situation can demand dedicated and immediate attention.

Plans for Future Periods

The strategic plan for 2010-2015 defines much of the Board's future planning, and the Board monitors progress against each of the objectives at its meetings. Some specific areas of focus in the coming year will include

- Further work on UWC's educational theory and practice, and consideration of how UWC's educational development can best be supported
- A revised school and college evaluation or accreditation process
- Continued work of the Admissions Policy and Procedure task force to draw together admissions policies with the aim of strengthening UWC's diversity, and to design an admissions process and financial and scholarship allocation model that is best able to meet UWC's objectives
- Consideration of how a short course programme can be best supported and administered
- Examination of how to build a more structured programme of alumni engagement at international level
- Work with the projects to develop schools/colleges in Spain, China and Germany
- Implementation of the new framework for national committee management and support
- Stronger focus on internal engagement as a means to identify prospective donors and supporters
- Participation in the 2011 Clinton Global Initiative
- Launch of a President's Ambassadors programme
- Work to build a clearer picture of UWC's overall financial health
- Development of strategies to build a stronger external profile
- Planning for UWC's 50th anniversary, focusing on the 'celebrate with action' theme
- Agreeing a Memorandum of Understanding to define the mutual roles, responsibilities and expectations of UWC International and the UWC schools and colleges

Statutory and Financial Information

Activities

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

Results

The financial results for the year are set out in the Statement of Financial Activities on page 23.

Total income amounted to £2,881,700 compared with £1,462,000 in the previous year. College contributions accounted for 25.8% of the total, grants and other donations received 69.9%, and investment and other income 4.3%. Unrestricted income amounted to £2,117,500 (2010: £811,100) of which college contributions amounted to £744,300 (2010: £654,900), a net increase of £89,400 or 13.7% compared with 2009-2010.

Scholarship and other grants made were £835,200 (2010: £590,800). Total expenditure including grants made was £1,947,900 compared with £1,604,800 in 2009-2010. Unrestricted expenditure amounted to £1,300,300 (2010: £882,700).

The result for the year on unrestricted funds was a surplus of £877,600 (2010: a deficit of £71,600). After transferring £33,200 for recovery of expenses relating to the International Fund Development Fund, and £13,900 (2010: £12,000) to Benevolent Fund, the surplus was £830,500 (2010: deficit of £96,600). This year

The United World Colleges (International)
For the year ended 30 June 2011
Directors' Report

there was no transfer to the designated fund for future International Congress and Global National Committee Meetings (2010 £25,000)

Total funds increased by £1,078,800 (2010 £5,300) to a total of £3,868,800 (2010 £2,790,000), of which £145,000 (2010 £148,100) is attributable to an increase in unrealised gains on investments for the year

Reserves

The reserves policy states that the organisation should have liquid reserves that equal six months of critical operating expenditure, with half immediately accessible and half accessible within 3 months

In 2008 the Board approved a temporary reduction of 50% in order to support implementation of the new international fund development function, and committed to build up to full reserves by 30 June 2013 while during this period at no point moving below 3 months of liquid critical operating expenditure. The generous gift of €1.5M from HH The Emir of Qatar meant that the reserves could be restored to their full value at 30 June 2011.

At their full value the company's liquid reserves currently require £430,000 representing six months of critical expenditure at the year end, and stood at £1,066,100 representing fifteen months of critical expenditure (2010 £183,600 representing three months), £829,900 of which is immediately available. The reserves consist of all cash and debtors, less creditors and obligations toward restricted funds in the next year. The amount immediately available consists of the reserves less all debtors.

The Board decided that the surplus achieved as a result of the generous donation received at the end of the year will be spent over the course of the next three years, thus giving the organisation a fair amount of security during the period of implementation of the Strategic Plan.

Audit Committee

The company's Articles of Association stipulates that an Audit Committee needs to be in place. In June 2011 the Board decided to merge the Audit and Finance Committee. The Auditors communicate with the Committee about their annual audit of the company and about any matters arising from their audit in respect of the company's financial controls and procedures.

Risk Management

The major risks to which the company is exposed have been identified by the Directors and are kept under regular review. The principal risks are financial, especially the need to attract sufficient scholarship funding throughout the UWC organisation and to attract funds to support the implementation of the strategic plan as approved by the members of the company in October 2010, and reputational in terms of the use of the UWC and United World Colleges name and identity in a diverse international organisation. A risk manager (the Executive Director) manages the mitigation of risk.

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

Management of Investments

Pursuant to the company's Memorandum of Association, management of investments, including cash deposits, is delegated to experienced investment managers on a discretionary basis. The delegation arrangements and investment policy are reviewed annually. No new instructions have been issued during the year.

Directors' Interests

Chairpersons and principals of the governing bodies of the thirteen UWC schools and colleges are members of the company and three College chairpersons and two principals serve as Directors, chairpersons or other officers of National Committees may also be appointed as company members or elected as Directors. Grants,

The United World Colleges (International)
For the year ended 30 June 2011
Directors' Report

donations and financial support are provided by the company to UWC schools and colleges and national committees in which these Directors may have an interest, although not a financial interest, the principals are employees of their schools and colleges but the Directors are confident that this does not represent a conflict of interest

Information made available to auditors

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

On behalf of the Board



Manfred Schepers
Treasurer
22 October 2011

The United World Colleges (International)
For the Year Ended 30 June 2011
Statement of Directors' Responsibilities

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

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

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

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

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

We have audited the financial statements of United World Colleges (International) for the year ended 30 June 2011 which comprise Statement of Financial Activities, the Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed as auditor under the Companies Act 2006 and report in accordance with that Act. 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 charity'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 Annual Report and Accounts 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 charity's affairs as at 30 June 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept in respect of the charity, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements do not accord with the accounting records, or
- certain disclosures of trustee's remuneration specified by law are not made, or
- any information or explanation to which we are entitled has not been afforded to us

PKF (UK) LLP

Karen Thompson (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditor
London

19. December. 2011

The United World Colleges (International)
For the year ended 30 June 2011
Statement of Financial Activities
incorporating an Income and Expenditure Account

	Note	Unrestricted Funds (£'000)	Designated Funds (£'000)	Restricted Funds (£'000)	Endowment Funds (£'000)	Total 2011 (£'000)	Total 2010 (£'000)
Incoming resources:							
<i>Contributions, grants and donations</i>							
Contributions schools & colleges	1	744.3	-	-	-	744.3	654.9
Grants and donations	2	1,326.7	-	687.6	-	2,014.3	682.9
<i>Other incoming resources</i>							
Interest and investment income	3	86.1	0.3	16.0	-	102.4	101.2
Other income		23.6	-	0.3	-	23.9	23.0
Total incoming resources		2,180.7	0.3	703.9	-	2,884.9	1,462.0
Resources expended:							
<i>Costs of generating resources</i>							
Fundraising & funds management	4	249.5	-	-	-	249.5	216.6
<i>Costs of activities in furtherance of the company's objects</i>							
Grants to schools and colleges, and other disbursements	5	200.8	4.9	629.6	-	835.3	590.8
Communications and publications	6	288.4	-	-	-	288.4	272.6
Services to national committees, schools and colleges	7	320.4	-	18.0	-	338.4	302.9
Strategy and development	8	168.5	-	-	-	168.5	147.7
<i>Other costs</i>							
Governance	9	67.8	-	-	-	67.8	74.2
Total resources expended		1,295.4	4.9	647.6	-	1,947.9	1,604.8
Net incoming /(outgoing) resources before transfers, unrealised gains on investments							
		885.3	(4.5)	56.2	-	937.0	(142.8)
Transfers between funds		(47.1)	-	47.1	-	-	-
Gains/(losses) on revaluation of investments		-	-	-	138.5	138.5	148.1
Net movement in funds		838.2	(4.5)	103.3	138.5	1,075.5	5.3
Total funds beginning of year		348.3	85.2	(23.0)	2,379.5	2,790.0	2,784.7
Total funds end of year	21	1,186.5	80.7	80.3	2,518.0	3,865.5	2,790.0

All incoming resources and resources expended derive from continuing activities

All gains and losses recognised in the year are included in the Statement of Financial Activities

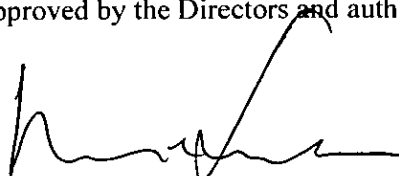
The net movement in funds includes £64,300 of unrealised investment gains. Net realised incoming resources for the year were £1,011,200.

The United World Colleges (International)
(Companies House Number: 00908758)

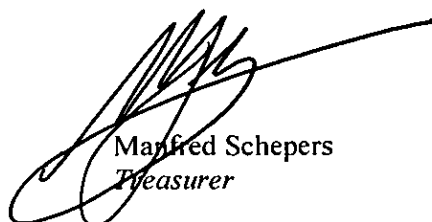
Balance Sheet
at 30 June 2011

		2011	2010
	Note	(£'000)	(£'000)
Fixed assets			
Tangible fixed assets	10	60.00	46 0
Investments	11	2,224.2	2,085 7
Current assets			
Debtors and prepayments	12	236.2	367 7
Cash on deposit, at bank, and in hand	13	1,774.3	597 6
		<u>2,010.5</u>	<u>965 3</u>
Creditors: amounts falling due within one year	14	<u>(429.1)</u>	<u>(307 0)</u>
Net current assets		<u>1,581.4</u>	<u>658 3</u>
Total assets less current liabilities		<u>3,865.5</u>	<u>2,790 0</u>
Net assets		<u>3,865.5</u>	<u>2,790 0</u>
Funds:			
Unrestricted funds		1,267.2	433 5
Restricted funds		80.3	(23 0)
Endowment funds		<u>2,518.0</u>	<u>2,379 5</u>
	21	<u>3,865.5</u>	<u>2,790 0</u>

Approved by the Directors and authorised for issue on 22 October 2011, and signed on their behalf by



Tim Toyne Sewell
Chair



Manfred Schepers
Treasurer

The United World Colleges (International)
For the year ended 30 June 2011
Accounting Policies

The following policies have been applied consistently in accounting for items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Companies Act 2006, the Statement of Recommended Practice for Accounting and Reporting by Charities ("The Charities SORP 2005") and applicable accounting standards

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard No 1 (Revised) ("Cash Flow Statements") to prepare a cash flow statement on the grounds that it is a small company under Section 382 of the Companies Act 2006

Income and expenditure account

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

Incoming resources

All incoming resources are recognised in the SOFA. Incoming resources are recognised upon receipt or, if earlier, when the company has become legally entitled to, or can reasonably expect to, receive the income concerned, the income relates to the accounting period and the amount can be determined with reasonable accuracy

Resources expended

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

Categorisation of expenditure

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

- costs of generating resources
- payments in furtherance of the company's objects made voluntarily ("grants")
- costs of activities in furtherance of the company's objects ("activity costs")
- costs directly in support of the company's grant making and activities ("support costs")
- costs of governance and management and administration of the company

Transactions in foreign currencies

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

Taxation

No provision is made for taxation as the company is a charity entitled to the exemption afforded by Section 505 of the Income and Corporation Taxes Act 1988

The United World Colleges (International)
For the year ended 30 June 2011
Accounting Policies (*contd*)

Tangible fixed assets

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

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

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

Investments

Investments held as fixed assets are stated at market value at the balance sheet date.

Net gains and losses arising on revaluations and disposals are recognised in the SOFA.

Operating Leases

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

Funds accounting

Funds held by the company are:

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

Further information about the aim and use of the company's funds is contained in Note 21.

The United World Colleges (International)
For the year ended 30 June 2011
Statement of Funds (forming part of the notes to the accounts)

	Note	At 1 July 2010 (£'000)	Incoming Resources (£'000)	Outgoing Resources (£'000)	Transfers and other movements (£'000)	At 30 June 2011 (£'000)
<i>Unrestricted Funds</i>						
- <i>undesignated</i>						
General Fund		348.3	2,180.7	(1,295.4)	(47.1)	1,186.5
- <i>designated</i>						
International Congress Fund		54.4	0.2	-	-	54.6
Special Projects Fund		30.8	0.1	(4.9)	-	26.1
Total unrestricted funds		433.5	2,181.0	(1,300.3)	(47.1)	1,267.2
<i>Restricted Funds</i>						
- <i>scholarship funds</i>						
MECT Scholarship Fund		-	183.7	(183.7)	-	-
The Prince of Wales Int'l Fund		-	68.1	(68.1)	-	-
NBS Scholarship Fund		-	63.3	(61.1)	-	2.1
World Petroleum Council Fund		-	20.0	(20.0)	-	-
MENA Scholarship Fund		-	10.5	(10.5)	-	-
UWC Int'l Scholarship Fund		35.0	6.7	(25.9)	-	15.8
Mountbatten Income Fund		-	5.6	-	-	5.6
Kelly Income Fund		22.6	2.8	(5.0)	-	20.5
Gildred Income Fund		1.6	1.9	-	-	3.5
Bike Ride Fund		3.4	0.7	(4.0)	-	-
Polar Challenge Scholarship Fund		-	0.5	(0.5)	-	-
MUWCI Scholarship Funds		2.5	0.3	(0.6)	-	2.3
HM Queen Noor Fund		14.8	0.1	-	-	14.9
Channel Swim Fund		0.7	-	-	-	0.7
		80.6	364.1	(379.5)	-	65.3
- <i>project funds</i>						
International Fund Development Fund		(116.0)	82.9	-	33.2	-
Anniversary Fund		-	0.2	-	-	0.2
Gourlay Fund		10.3	-	(1.1)	-	9.1
National Committee Pilot		-	-	(11.3)	-	(11.3)
		(105.7)	83.1	(12.4)	33.2	(1.9)
- <i>other restricted funds</i>						
Other funds		15.1	8.6	(7.1)	-	16.6
Donations for schools and colleges		0.5	243.7	(244.3)	-	-
Donations for nat'l committees		0.4	4.4	(4.4)	-	0.4
Benevolent Fund		(13.9)	-	-	13.9	-
		2.1	256.7	(255.8)	13.9	17.0
Total restricted funds		(23.0)	703.9	(647.6)	47.1	80.3
Total restricted & unrestricted funds		410.5	2,884.9	(1947.9)	-	1,347.5
<i>Endowment Funds</i>						
UWC Int'l Office Endowment Fund		2,088.5	-	-	144.6	2,233.1
UWC Int'l Scholarship Capital Fund		100.4	-	-	(2.1)	98.3
Mountbatten Capital Fund		104.6	-	-	(2.2)	102.4
Gildred Capital Fund		35.4	-	-	(0.7)	34.7
Kelly Capital Fund		50.6	-	-	(1.1)	49.6
Total endowment funds		2,379.5	-	-	138.5	2,518.0
Total funds	21	2,790.0	2,884.9	(1947.9)	138.5	3,865.5

The National Committee Pilot Fund is in deficit in anticipation of pledged funds

The United World Colleges (International)
For the year ended 30 June 2011
Notes to the Financial Statements

1	Annual contributions of schools and colleges:	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2011	Total 2010
		(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
	UWC Atlantic College	100.4	-	-	100.4	101.4
	UWC of South East Asia	190.8	-	-	190.8	161.1
	UWC Lester Pearson of the Pacific	59.1	-	-	59.1	54.3
	Waterford Kamhlaba UWC of Southern Africa	27.6	-	-	27.6	20.5
	UWC of the USA	85.6	-	-	85.6	80.6
	UWC of the Adriatic	53.1	-	-	53.1	66.4
	Simon Bolivar UWC of Agriculture	3.2	-	-	3.2	4.5
	Li Po Chun UWC of Hong Kong	49.3	-	-	49.3	47.2
	UWC Red Cross Nordic	66.2	-	-	66.2	64.2
	Mahindra UWC of India	21.8	-	-	21.8	18.1
	UWC Costa Rica	25.2	-	-	25.2	24.0
	UWC Mostar	17.6	-	-	17.6	-
	UWC Maastricht	32.3	-	-	32.3	12.6
	New Applications	12.1	-	-	12.1	-
		744.3	-	-	744.3	654.9

The basic formula for calculating Annual Contributions is 1.4% of the audited expenditure of each existing school or college, with a variant in the formula for the schools with students below the IB or equivalent years

2	Grants and donations receivable:	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2011	Total 2010
		(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
	<i>- towards scholarships</i>					
	MECT Scholarship Fund	-	183.7	-	183.7	209.2
	The Prince of Wales' Inter'l Fund	-	68.1	-	68.1	96.5
	NBS Scholarship Fund	-	63.3	-	63.3	-
	World Petroleum Council Scholarship Fund	-	20.0	-	20.0	-
	MENA Scholarship Fund	-	10.6	-	10.6	12.0
	UWC Int'l Scholarship Fund	-	1.1	-	1.1	13.4
	Other	-	1.4	-	1.4	4.2
	<i>- for other purposes</i>					
	General fund	1,326.7	-	-	1,326.7	48.1
	Donations to schools and colleges	-	243.7	-	243.7	185.7
	Int'l Fund Development Fund	-	82.9	-	82.9	100.1
	Other	-	12.8	-	12.8	13.7
		1,326.7	687.6	-	2,014.3	682.9

The United World Colleges (International)
For the year ended 30 June 2011
Notes to the Financial Statements (contd)

3 Interest and investment income:	Unrestricted Funds (£'000)	Restricted Funds (£'000)	Endowment Funds (£'000)	Total 2011 (£'000)	Total 2010 (£'000)
Dividends and distributions	84.7	15.6	-	100.3	98.1
Deposit fund and bank interest	1.7	0.4	-	2.1	3.1
	86.4	16.0	-	102.4	101.2

4 Fundraising costs:	Unrestricted Funds (£'000)	Restricted Funds (£'000)	Endowment Funds (£'000)	Total 2011 (£'000)	Total 2010 (£'000)
Staff costs	137.5	-	-	137.5	125.3
Other allocated costs	35.9	-	-	35.9	44.6
Direct Costs	76.1	-	-	76.1	46.7
	249.5	-	-	249.5	216.6

5 Grants and donations disbursed:	Unrestricted Funds (£'000)	Restricted Funds (£'000)	Endowment Funds (£'000)	Total 2011 (£'000)	Total 2010 (£'000)
Scholarship grants	-	379.5	-	379.5	334.3
Donations to schools and colleges	177.4	244.3	-	421.7	209.1
Benevolent grants	4.9	-	-	4.9	4.9
Other	0.3	5.8	-	6.1	22.4
Staff costs	18.3	-	-	18.3	14.8
Other allocated costs	4.8	-	-	4.8	5.3
	205.7	629.6	-	835.3	590.8

In accordance with the provisions of The Charities SORP, a record of the recipients of the grants and donations made by the company during the year is available for inspection at the company's offices

6 Communications and publications:	Unrestricted Funds (£'000)	Restricted Funds (£'000)	Endowment Funds (£'000)	Total 2011 (£'000)	Total 2010 (£'000)
Staff costs	137.4	-	-	137.4	97.5
Other allocated costs	35.8	-	-	35.8	34.7
Design and production	52.6	-	-	52.6	28.6
Distribution	19.4	-	-	19.4	52.6
Website and database development	22.3	-	-	22.3	14.3
Brand development	15.3	-	-	15.3	36.5
Other direct costs	5.6	-	-	5.6	8.4
	288.4	-	-	288.4	272.6

The United World Colleges (International)
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Notes to the Financial Statements (contd)

7 Services to national committees, schools and colleges:	Unrestricted Funds (£'000)	Restricted Funds (£'000)	Endowment Funds (£'000)	Total 2011 (£'000)	Total 2010 (£'000)
Staff costs	148.6	-	-	148.6	130.8
Other allocated costs	38.8	-	-	38.8	46.6
Regional meetings	21.1	-	-	21.1	41.1
Regional representation	15.1	-	-	15.1	9.2
Pilots, training & development	16.1	11.9	-	28.0	-
Middle East & North Africa region	40.4	6.1	-	46.5	37.4
Outreach development	39.3	-	-	39.3	26.6
Other	1.0	-	-	1.0	11.2
	320.4	18.0	-	338.4	302.9

8 Strategy and development:	Unrestricted Funds (£'000)	Restricted Funds (£'000)	Endowment Funds (£'000)	Total 2011 (£'000)	Total 2010 (£'000)
Cost of meetings and directors' expenses & reimbursements	14.6	-	-	14.6	19.0
Other direct costs	21.0	-	-	21.0	3.0
Staff Costs	105.4	-	-	105.4	92.7
Other allocated costs	27.5	-	-	27.5	33.0
	168.5	-	-	168.5	147.7

9 Governance of charity:	Unrestricted Funds (£'000)	Restricted Funds (£'000)	Endowment Funds (£'000)	Total 2011 (£'000)	Total 2010 (£'000)
Costs of meetings and directors' expenses & reimbursements	12.0	-	-	12.0	14.3
Staff costs	27.8	-	-	27.8	23.9
Other allocated costs	7.3	-	-	7.3	8.4
Other costs	4.3	-	-	4.3	13.4
Audit fees and expenses	12.0	-	-	12.0	11.0
Indemnity insurance	4.4	-	-	4.4	3.2
	67.8	-	-	67.8	74.2

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Notes to the Financial Statements (contd)

10 Tangible fixed assets:	Furniture & Fixtures (£'000)	Equipment (£'000)	IT Hardware (£'000)	Stock (£'000)	Data Systems (£'000)	Total (£'000)
<i>Cost</i>						
At 1 July 2010	66.3	2.6	16.9	5.0	20.9	111.8
Additions	1.2	0.7	9.2	-	33.7	44.7
Disposals	-	-	-	(5.0)	-	(5.0)
At 30 June 2011	67.5	3.3	26.1	-	54.6	151.5
<i>Accumulated depreciation</i>						
At 1 July 2010	(51.3)	(0.2)	(14.1)	(0.1)	-	(65.8)
Depreciation for the year	(13.4)	(0.6)	(4.9)	0.1	(7.0)	(25.8)
Depreciation on disposals	-	-	-	-	-	-
At 30 June 2011	(64.8)	(0.8)	(19.0)	-	(7.0)	(91.5)
<i>Net book value</i>						
At 30 June 2010	15.0	2.4	2.8	4.9	20.9	46.0
At 30 June 2011	2.7	2.5	7.1	-	47.7	60.0

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

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Notes to the Financial Statements (contd)

11 Investments:	(£'000)
<i>Cost</i>	
At 1 July 2010	1,742.9
Additions	74.2
Disposals	-
At 30 June 2011	<u>1,817.1</u>
<i>Unrealised gains</i>	
At 1 July 2010	342.8
Increase during the year	64.3
At 30 June 2011	<u>407.1</u>
<i>Market value</i>	
At 30 June 2010	2,085.7
At 30 June 2011	<u>2,224.2</u>

Investments comprise units in Charinco Common Investment Fund and Charishare Common Investment Fund, both of which are investment funds for UK registered charities managed by Blackrock Investment Management (UK) Limited. At 30 June 2011 the company held 643,136 Charinco units (2010 643,136) and 238,970 Charishare units (2010 238,970). The units were allocated to funds as follows:

	Holdings (fund units)		Value (£'000)
	Charinco	Charishare	
UWCI Office Endowment Fund	487,151,372	238,970,128	1,939.2
Mountbatten Capital Fund	53,828,000		98.3
UWCI Scholarship Capital Fund	56,037,527		102.4
Kelly Capital Fund	18,993,448		34.7
Gildred Capital Fund	27,125,345		49.6
	<u>643,135,692</u>	<u>238,970,128</u>	<u>2,224.2</u>

12 Debtors and prepayments:	2011 (£'000)	2010 (£'000)
Contributions due from schools and colleges	149.3	55.8
Accrued Income	21.3	-
Donations in transit	-	113.5
General debtors	2.5	82.7
Gift Aid to be claimed	35.8	27.9
Prepayments	27.1	87.6
Rental and other deposits	0.2	0.2
	<u>236.2</u>	<u>367.7</u>

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

The United World Colleges (International)
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Notes to the Financial Statements (contd)

13	Cash on deposit, at bank and in hand:	2011 (£'000)	2010 (£'000)
	Charities Deposit Fund	1,380.8	377.7
	Interest bearing accounts at banks	392.8	219.7
	Cash on hand	0.7	0.2
		<u>1,774.3</u>	<u>597.6</u>

14	Creditors:	2011 (£'000)	2010 (£'000)
	Trade creditors	23.8	35.8
	Taxes due	14.7	13.3
	Due to schools and colleges	245.5	174.6
	Accrued expenditure	52.7	16.5
	Deferred income	92.4	66.8
		<u>429.1</u>	<u>307.0</u>

15 Indemnity insurance:

The company has purchased indemnity insurance on behalf of the Directors at a cost of £4,058 (2010 £4,200)

16 Information about Directors and employees:

Directors

Directors do not receive remuneration but they are entitled to reimbursement of expenses in connection with the company's activities. During the year eight directors (including the Chair) received £9,882 by way of reimbursement of expenses (2010 six directors and £11,644) and two directors received £3,664 by way of expenses paid for by the company (2010 six and £2,087). All expenses related to travel and accommodation.

Employees

The average number of persons employed by the company during the year was	2011 12	2010 10
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The number of employees earning in excess of £60,000 during the year was

£70,000 - £79,999	1	0
£80,000 - £89,000	1	1
£100,000 - £109,999	1	0

The United World (International)
For the year ended 30 June 2011
Notes to the Financial Statements (contd)

17 Information about directors and employees contd:

<i>Employees contd</i>	2011	2010
	(£'000)	(£'000)
Aggregate payroll costs were as follows		
- salaries	519.6	421.5
- social security costs	45.8	40.4
- pension contributions	9.3	9.0
	574.7	470.9

The company contributes to employees' individual pension schemes. The cost of contributions by the company to the scheme during the year is shown above. Two employees earning in excess of £70,000 received pension contributions of £4,705 during the year (2010: one employee earning in excess of £80,000 and £2,670).

18 Movement in total funds:

	2011	2010
	(£'000)	(£'000)
The movement in total funds for the year is stated after charging		
- operating lease rentals of land and buildings	51.5	51.5
- operating lease rentals of equipment	5.6	6.8
- depreciation	25.8	19.0
- auditors' remuneration	12.0	11.0

19 Lease commitments:

	2011		2010	
	Land and Buildings	Other	Land and Buildings	Other
	(£'000)	(£'000)	(£'000)	(£'000)
Annual commitments under non-cancellable operating leases are				
- leases expiring within one year	-	3.5	51.5	-
- leases expiring in the second to fifth years, inclusive	51.5	2.1	-	6.8
- leases with more than five years unexpired	-	-	-	-
	51.5	5.6	51.5	6.8

20 Capital commitments

At year end the company had capital commitments of £10,000 for the build of a new database system (2010: £31,000).

21 Information about funds:

<i>Analysis of net assets by fund category</i>	Unrestricted Funds	Restricted Funds	Endowment Funds	Total
	(£'000)	(£'000)	(£'000)	(£'000)
Funds at 30 June, 2011	1,267.2	80.3	2,518.0	3,865.5
<i>Represented by</i>				
Tangible fixed assets	60.0	-	-	60.0
Investment fixed assets	-	-	2,224.2	2,224.2
Net current assets	1,207.2	80.3	293.8	1,581.4
	1,267.2	80.3	2,518.0	3,865.5

The United World Colleges (International)
for the year ended 30 June 2011
Notes to the Financial Statements (*contd*)

21 Information about funds *contd* :

Unrestricted Funds

Unrestricted funds may be applied at the discretion of the Directors in furtherance of the objects of the company. The General Fund is available to finance the day-to-day operations of the company. At present there are two designated funds. The International Meetings Fund is available to fund the six-yearly International Congress and the three-yearly Global National Committee Meetings, and holds monies transferred from the General Fund at a rate agreed by the International Board (previously £25,000 each year, this year it was decided not to transfer the funds). No expenses were incurred from this fund during the year 2009-2010. The Special Projects fund holds monies available for special projects.

Restricted Funds

Restricted funds are subject to trusts or undertakings and may be used only for purposes consistent with those trusts or undertakings. Restricted funds are classified in the Statement of Funds according to their principal purposes. The scholarship funds hold monies to be disbursed to schools and colleges as scholarship awards. In the case of endowed scholarship funds, the monies held are the investment earnings on the capital of the related scholarship endowment funds. All other scholarship funds hold donated monies. The principal funds are the MECT Fund and The Prince of Wales' International Scholarships Fund. The UWC International Scholarship Fund holds both investment income and donated monies. Project funds hold donated monies towards the costs of projects. The Gourlay Fund is available to meet emergency needs of National Committees and UWC alumni. The NBS Scholarship Fund is available to fund a scholarship pilot project running between September 2010 and August 2012. The International Fund Development Fund held monies for the purpose of establishing a significant international fundraising capacity, and was closed at 30 June 2011.

Endowment Funds

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

Funds in deficit

The National Committee Pilots Fund is currently in deficit to the extent of £11,300. The fund is expected to receive a pledged grant donation in the second part of 2011.

The Benevolent Fund, a restricted fund that was in deficit to the extent of £13,900 at 30 June 2010, was closed this year with a transfer from unrestricted reserves. The International Fund Development Fund, which was in deficit to the extent of £116,000 at 30 June 2010, has received £82,900 in previously pledged donations during the year, and was closed with a transfer of £33,200 from unrestricted reserves at 30 June 2011.

Transfers between funds

There was a transfer of £13,900 from Unrestricted Reserves to the Benevolent Fund (a restricted fund) and a transfer of £33,200 from Unrestricted Reserves to the International Fund Development Fund.

Dormant funds

Funds on which no movement has occurred for a period of one year or longer are reviewed to determine whether or not they could have become dormant. No funds were considered dormant at 30 June 2011.

The United World Colleges (International)
For the year ended 30 June 2011
Notes to the Financial Statements (contd)

22 Information about allocated costs:	2011	2010
	(£'000)	(£'000)
<i>allocated costs</i>		
Payroll costs	574.7	470.9
Temporary Staff	0.3	14.1
Other costs		
Rent	43.9	51.5
Other premises costs	38.7	34.0
Computer and equipment costs	30.0	23.1
Telephone, post and other communication costs	19.2	17.2
Travel and subsistence	1.8	9.4
Recruitment	0.2	10.8
Other management and administration costs	16.2	26.6
	725.0	657.6

	Staff	Other	Total	Total
	costs	costs	2011	2010
	(£'000)	(£'000)	(£'000)	(£'000)
<i>allocation</i>				
Fundraising	137.5	35.9	173.4	169.9
Grants and donations	18.3	4.7	23.0	20.1
Communications and publications	137.4	35.8	173.2	132.2
Services to nat'l c'tees, schools and colleges	148.6	38.8	187.4	177.4
Strategy and development	105.3	27.5	132.8	125.7
Governance	27.8	7.3	35.1	32.3
	575.0	150.0	725.0	657.6

23 Business names:

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