

**The United World Colleges
(International)**

Annual Report and Accounts
2012

WEDNESDAY



L252CAQ0

LD7

27/03/2013

#106

COMPANIES HOUSE

**The United World Colleges
(International)**

a company limited by guarantee

**Annual Report and Accounts
for the year ended 30 June 2012**

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 2012
Table of Contents

CONTENTS

Presidents, Patrons and Directors	4
Members, Officers and Advisers	5
Statement of the Chair	7
Directors' Report	8
Statement of Directors' Responsibilities in relation to the Financial Statements	19
Report of the independent auditors to the members of The United World Colleges (International)	20
Statement of Financial Activities	22
Balance Sheet	23
Accounting Policies	24
Statement of Funds	26
Notes to the Financial Statements	27

The United World Colleges (International)
For the year ended 30 June 2012
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

Mr David Burks

Ms Bertha Camacho

Ms Lisa Darling

Mr Tom Dickerson

Mr Terry Guest

Mr David Hawley

Mr Peter Howe

Mr Axel Kravatzky

Ms Jill Longson (*Vice Chair*)

Ms Diana Maughan

Mr Manfred Schepers (*Treasurer*)

Ms Rama Diallo Shagaya

Mr Clark Thom

Denmark

Singapore

Switzerland

USA

USA

From 1 Jan 2012

Canada

Canada

until 31 Dec 2011

Netherlands

from 1 Jan 2012

Trinidad & Tobago

Spain

Canada

UK

Nigeria

Swaziland

The United World Colleges (International)
For the year ended 30 June 2012
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
Mr Stephen Cox	UK
Sir John Daniel	Canada
Mr Arnett Edwards	Hong Kong
Amb Gianfranco Facco Bonetti	Italy
Mr Franz Fischler	Austria
Ms Laurie Frank	USA
Ms Paulina Gándara Rofrio	Ecuador
Mr Giuliano Giovanetti	UK
Ms Sunita Gomes	Bahrain
Mr Randy Gossen	Canada
Ms Anne Louise Grinstead	Mozambique
Mr David Hawley	Canada
Mr Henk van Hoof	Netherlands
Mr Chris Howarth	Cambodia/UK
Mr Richard Lamont	Norway
Mr David Lloyd	Costa Rica
Mr Keshub Mahindra	India
Dr Luis Marcano González	Venezuela
Ms Charlotte Meyer	USA
Ms Valentina Mindoljevic	Bosnia & Herzegovina
Mr Theotonio Monteiro de Barros	Brazil
Mr Laurence Nodder	Swaziland
Mr Fayyaz Nurmohamed	France
Mr Babatunde Onitiri	Mozambique
Mr Mike Price	Italy
Ms Regina Aguirre de Ríojas	Guatemala
Mr Pelham Roberts	India
Mr Peter Sands	UK
Mr Jeff Thompson	UK
Mr Leon Toh	Singapore
Mr Anthony Tong	Hong Kong
Ms Tove Veierød	Norway
Mr Mauricio Viales	Costa Rica
Mr John Walmsley	UK
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 2012
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

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

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 2012
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 2012

This year has seen important progress towards a number of the objectives of UWC's strategic plan for 2010-2015. I am particularly delighted that we are close to having in place a Memorandum of Understanding between the UWC schools and colleges and UWC International and a new framework for the national committee system. Although the relationships between UWC International and the many UWC constituencies across the world are as strong as they have ever been, these steps will be important in strengthening our organisational structure.

Among the many successes of the year has been one major disappointment: the closure of Simón Bolívar UWC of Agriculture in Venezuela, following the actions of the Venezuelan government. Simón Bolívar UWC was unique as UWC's only vocational college, and was a pioneering institution in so many other ways – we should not forget that it was only relatively recently that the World Bank took the college's approach to rural development as a model for other such programmes. Our thoughts are with our colleagues in Venezuela who have been confronted by a government position that has been, in my view, unnecessary and inexplicable.

On a far more positive note, I am greatly encouraged by the partnership with the Bosch Foundation to establish a college in Freiburg, Germany. We have now given Preliminary Approval to this project, which promises to add significantly to the movement's capacity to address the sustainability challenge of our mission statement.

19 September 2012 will be UWC's 50th anniversary, and it seems fitting that in the last year we have started to focus much more strongly on UWC's distinctiveness in terms of the impact of our alumni. We are developing a vision around the concept of impact, and I believe this is exactly where our focus should be. With 50 years of experience, but more importantly with 50,000 alumni, we know that we are getting something right. While we must get better at measuring impact, the evidence from the stories of our alumni demonstrates the point that we must only ever see a UWC education as a means to an end, the end is the lifelong commitment of our alumni to make a difference that will lead us to a more peaceful and sustainable future. As well as following our 50th anniversary theme and 'celebrating with action', the anniversary should also give us an opportunity to reflect, and more importantly to recommit ourselves to face the challenges of the decades to come.

This was my last full year as Chair. I step down on 31 December 2012 after two terms that I have enjoyed immensely. I am pleased at how much we have achieved: a much stronger sense of unity, direction and shared purpose, a first strategic plan, an awareness of the important role of UWC International at the 'centre' of the movement, a willingness to look carefully at how we can enhance a scholarship programme which we can truly say is the biggest of its kind in the world, a shared view about how to move forward.

I have had an exhilarating journey through the last six years. UWC is an extraordinary organisation, and I have met and worked with some remarkable people – my fellow Board and UWC Council members, staff in our schools and colleges, volunteers on college boards and national committees, and most of all our alumni and our students. I see it as a sign of strength that we were able to identify a first class new Chair more than a year ahead of time and after a rigorous search with plenty of interest in the position, and I wish Sir John Daniel well for 1 January when he takes up the reins. I must express my appreciation to all those with whom I have had the great fortune to work. Naturally, there are many challenges ahead, not least financial as global economic uncertainty continues, but I am very pleased to step down at a time when UWC's commitment to making our mission a reality is stronger, and more necessary, than ever.

Tim Toyne Sewell
Chair

The United World Colleges (International)

For the year ended 30 June 2012

Directors' Report

The Directors of The United World Colleges (International) present their statutory report for the year ended 30 June 2012. 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 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 UWC international movement seeks to achieve its mission and ambitions through 12 UWC schools and colleges and UWC national committees, currently in approximately 140 countries. The total number of students in the schools and colleges in 2011-2012 was approximately 6,500. There are almost 50,000 UWC alumni.

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

Governance and Management

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

The Memorandum and Articles of Association provide for an International Board of Directors of up to 16 members. Of this number, three are required to be chairpersons of the governing bodies of the UWC schools and colleges, two to be heads/principals of the schools 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

The United World Colleges (International) For the year ended 30 June 2012 Directors' Report

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 thirteen Directors on 1 July 2011 and fourteen on 30 June 2012. One Director stood down during the year and there were two new members.

The Memorandum and Articles of Association also provide for a UWC Council of up to 60 members who are the members of the company, the chairpersons of the governing bodies of all the UWC schools and colleges, the heads/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 53 members of the UWC Council on 1 July 2011, and 55 members on 30 June 2012. Nine members retired and there were eleven new members.

In 2011-2012, the Board met three times (21 and 23 October at Li Po Chun UWC of Hong Kong, 3-4 February at UWC in Mostar, Bosnia-Herzegovina, and 31 May-1 June in London). The UWC Council met on 21-22 October at Li Po Chun UWC of Hong Kong. The Directors are grateful to the two UWC colleges for hosting these meetings.

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

The Chair of the Board and UWC Council, Tim Toyne Sewell, will complete his second term on 31 December 2012. Sir John Daniel was duly elected to serve for a first three-year term from 1 January 2013. Sir John, who is based in Vancouver, Canada, has had a highly distinguished career in education and is internationally known both for his leading positions in educational management and for his scholarship and leadership in the field of distance learning strategies and technologies. The search committee was unanimous in its recommendation, and news of the election has been welcomed within the UWC movement. The Directors were delighted with the outcome of the search process and took great confidence from the rigour of the process.

In the previous UWC Council meeting it had been discussed whether it would be appropriate to consider separate Chairs for the Board and UWC Council. A consultation was undertaken on this issue and it was further discussed by the UWC Council at its 2011 meeting. The conclusion was to remain with a single Chair, but to expect the Vice Chair of the UWC Council, who according to the Articles of Association cannot be a Board member, to play an increased role at UWC Council meetings, particularly during the report of the Board.

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, and has chosen to implement an annual nominating process. The Nominating and Governance Committee's membership 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.

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

The United World Colleges (International)
For the year ended 30 June 2012
Directors' Report

terms of skills, attributes, experience and background and identifies gaps in the skills and experience represented on the Board and UWC Council

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

Committees

The Board has eight committees: Nominating and Governance Committee, Finance and Audit Committee, College Chairs' Committee, College Heads' Committee, National Committee Development 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 both the Board and UWC Council and 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 2011-2012, the Executive Director was supported by eight full-time and four part-time staff, two of whom became full-time during the course of the year.

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

At the end of 2010-11, UWC International received an unrestricted donation of €1.5 million from HH The Emir of Qatar to support its work, and took the decision in effect to spread the impact of this income over four years. The donation has had a very significant effect in securing UWC International's budget for 2011-12, and the Directors remain immensely grateful for this gift.

Strategy and Development

The Board and UWC Council are committed to the implementation of a strategic plan for 2010-2015, with 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 work of the Board in 2011-12 was closely aligned with the strategic objectives. Each Board meeting 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. The annual budget was also aligned with the expectations and requirements of strategic plan implementation.

The Directors are conscious that implementation of the strategic plan presents the Board and the UWC movement as a whole with a considerable challenge, and that its successful implementation will require a strong degree of collective responsibility. As part of this, the Board remains conscious of the need to maximise cross-organisational engagement with the strategic plan.

The United World Colleges (International)

For the year ended 30 June 2012

Directors' Report

During 2011-12, it became even clearer that two key elements of UWC's distinctiveness underpin the overall strategic objectives: the importance of student diversity in driving the UWC experience, and the critical importance of UWC's impact being assessed through the commitment and capacity of its alumni to make a positive difference in the world.

Education and School and College Support

The College Heads' Committee undertook some important work during the year to define and articulate more clearly UWC's educational model, and the Directors have been able to view and comment on a first draft of a visual representation of this model. This follows the earlier agreement on the Guiding Principles of a UWC Education. This work to define a unified model is accompanied by some important initiatives in individual UWC schools and colleges, for example to define competencies and to describe more clearly programme pathways through the UWC educational experience.

The College Heads' Committee and the Board have also agreed that an appropriate accreditation model should replace the previous school and college self-evaluation process. One concern has been to avoid a new accreditation system adding a significant burden on top of existing requirements. Each college has therefore been asked to propose how any existing accreditation requirements or commitments can be used to fulfil UWC's own requirement for appropriate accreditation.

The work to build a better understanding of UWC's current student diversity and to consider strategies for extending it has become a major project that will have the potential to shape UWC's future. An important concept to emerge during the year was that of 'deliberate diversity', which in effect means the intentional targeting of specific population groups in order to build more diverse student communities rather than the more traditional approach of 'selection on merit'. The results of a survey of current students undertaken in the previous year were analysed in some detail, and a follow-up survey was undertaken. This project is led by the Board's Admissions Policy and Procedure (APP) task force. An admissions meeting towards the end of year brought together at least one representative from all the UWC schools and colleges and was an important opportunity to develop this work further.

As the UWC schools and colleges seek to work more closely together, so the expectations grow of UWC International's role in providing support and coordination. The increased interconnectedness of the movement and of the world, including through social media, means that a situation or incident in one part of the organisation can have immediate consequences elsewhere, and this requires ever stronger coordination, communication and at times problem-solving to identify risks in one part of the organisation that can have repercussions elsewhere.

For a variety of good reasons, there has been a significantly higher than usual turnover of heads/principals in the UWC schools and colleges in the last 18 months. The searches for new heads have been conducted with great rigour and professionalism: the same professional consultants have been engaged on a number of the searches, and it has been reassuring to hear about the quality of the candidates applying for each position. The College Heads' Committee recommended in 2011 that the Executive Director should have a role in the final stage of head selections, not with a view to diminishing in any way the responsibility of local boards for their appointment but in order to provide a UWC International perspective in the process and also to be able to give candidates a better sense of the role of a college head within the context of an international movement.

It was with sadness that the Directors formally recognised at their June meeting the loss of one UWC college, Simón Bolívar UWC of Agriculture. This college was UWC's only vocational college and had a distinguished history since its foundation in 1986. It was a highly innovative college, which trained generations of students in agricultural management in a way that was firmly grounded in UWC's mission and values. The college was unable to open for the 2011-12 academic year after its land was appropriated by an agency of the Venezuelan government, and its buildings were subsequently taken over by the government.

The United World Colleges (International)
For the year ended 30 June 2012
Directors' Report

in order to accommodate a national university institution. This was a deeply frustrating experience for the UWC movement, indeed, part of the government's case against the college appeared to be its membership of an international organisation. The Directors were at least reassured by an undertaking given by the government to allow students and staff to continue in the new government institution, although several students were supported to find alternative options, and all were issued with certification and documentation to mark the end of their UWC studies. Despite the circumstances of the college's closure, the Directors are resolved to make sure that the college's contribution to UWC is recognised and celebrated. Its legacy will be the generations of students who are making a positive difference in influential positions in agriculture and related professions.

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 is rigorous but also sufficiently flexible to be able to deal with a variety of scenarios.

A very promising project for a college in northern Spain, which had previously reached the stage of Preliminary Approval, was cancelled during the year as a result of the country's economic situation. The Directors recognised that the Spanish national committee would have been better placed than most organisations in Spain to meet the financial challenges of such a venture and that the decision was a responsible one given the need for a college that was financially secure. The Board commended the Spanish project team, and its own task force, on the exemplary approach to the project, and hopes that the national committee will return with another project in the future.

At its June meeting, the Board granted Preliminary Approval to the proposal to establish a new UWC college in Freiburg, Germany. The proposal is the result of a partnership between the German UWC national committee and the Bosch Foundation. Remarkably, funding pledges already make the college fully-funded, thanks both to the extraordinary commitment of the Bosch Foundation, and the significant financial support of the state of Baden Wurttemberg, the City of Freiburg and B. Braun Melsungen AG. One of the attractions for the Directors is the capacity that the proposed college would add to UWC in terms of environmental innovation: that is part of the motivation of the Bosch Foundation, and the proposed college's location in Freiburg is significant given that city's credentials as 'Europe's greenest city', already an impressive education think-tank is seeking to understand how sustainability can be best integrated into every aspect of the college's programme and life.

A Board task force has also been in place during the year to consider the development of a proposal for a college in Beijing, China, which passed Initial Notification stage in the previous year. The Directors were able to hear from members of that project team at their June meeting. In addition, the Board has granted Initial Notification status to a proposal for a college in Israel. Initial Notification does not signify any form of approval, but rather the willingness of the board to consider a serious proposal further. In both these cases, the task forces established by the Board to look into the projects will be guided by the ability of the proposals to deliver in a range of areas and by a set of questions covering issues such as the admission of staff and students, any restrictions on freedom of expression or access to information, the freedom to teach a full UWC programme and safety and security issues. In the case of the proposal from Israel, the Board has also indicated that it will wish to understand the likely relationships between the project and the wider region, including within the context of UWC's Middle East and North Africa Initiative.

Several other serious proposals are also currently under consideration, but none has yet reached the stage of consideration for Initial Notification.

The strategic plan recognises that UWC's impact can be strengthened through programmes beyond the schools and colleges. The Board has agreed a generic definition for 'outreach' as 'any programme/project that enables UWC to deliver transformational learning experiences, which embody the UWC mission and

The United World Colleges (International)

For the year ended 30 June 2012

Directors' Report

values, beyond existing UWC constituencies ' The Directors have asked for the emphasis to be on UWC short programmes in the first instance. An outreach consultancy project came to an end in the first part of the year, and it will be important for the Directors to find ways of taking this work forward in the coming year.

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

It is very clear that, given UWC's mission to make education a force for a more peaceful and sustainable future, success must be measured primarily through the impact that UWC alumni, both individually and collectively, have in the world. After consultation with the UWC schools and colleges and national committees, the Directors have agreed a strategy to develop an international alumni relations function that will complement the alumni activities at college and national committee level, enable a stronger focus on the impact of alumni internationally and seek to foster a stronger sense of alumni engagement across the movement.

National Committees

National committees in approximately 140 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 scholarship and other costs. A growing number are extending their scope through community service projects and their own outreach programmes and events. The national committee system, which relies on an enormous volunteer commitment of time, energy, creativity and resources, plays a major part in defining UWC's distinctiveness.

A great deal of work in the last year has gone into the further development of a new framework for the national committee system, together with a toolkit and resources to support the framework. The purpose of this new framework will be to articulate expectations, focus support, aid reporting and introduce some consistency of standards across the system, while recognising the very different capacities of national committees. It is anticipated that the framework will be formally launched in October 2012.

Three regional events for national committees were held during the year: a North American regional meeting at UWC-USA in February, a European regional meeting and a meeting for Central Asia and the Caucasus, both in Budapest at the end of June. The North American event represented a new approach by also bringing together committees from other regions that were at similar stages of development. The European regional meeting benefited from taking place alongside an admissions meeting involving all the schools and colleges. The Directors appreciate the great efforts of UWC-USA and the Hungarian national committee in hosting these meetings.

Support has also continued to focus on particular sub-regions, including Central Asia and French-speaking West Africa. The Middle East and North Africa Initiative continued during the year after establishing a presence and selection activity in 15 countries, the challenge now is to integrate this region into the mainstream national committee system, albeit with some continued allocation of resources to maintain committee development activities within the region.

Much work in national committee development is focused on the routine coordination, support and management of individual national committees. The national committee team in the International Office carries the bulk of this responsibility, maintaining regular contact with national committees and providing support, guidance and where necessary monitoring and follow-up action. The team is assisted in this by an extended resource network of volunteers and staff members from a number of the UWC schools, colleges and national committees. About 25 national committees received support visits in 2011-12.

The United World Colleges (International)
For the year ended 30 June 2012
Directors' Report

The national committee system is at the forefront of the work being undertaken by the Admissions Policy and Procedure task force, in particular as it looks at ways in which UWC can extend further the diversity of its student population, and support is being given to national committees in line with these aspirations. One aspect of this is to encourage and assist committees to develop partnerships with organisations in their countries to assist them in targeting particular population groups more effectively. It is equally important to equip and support national committees to make selection decisions based on the potential of applicants in cases where a lack of previous educational opportunities makes proven merit an unsatisfactory measure.

Funding and Finance

The Directors are extremely conscious that the current and future financial security of the UWC movement is critical to its ability to deliver on its mission and objectives. Fundraising is undertaken primarily by the schools and colleges, and a relatively small number of national committees. The primary purposes of the international fund development function, which was established in 2009, are to access 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 throughout UWC.

UWC's participation for the first time in the Clinton Global Initiative presented a wonderful opportunity to raise the movement's profile and reach new donors and supporters. The Directors considered it an honour to be invited to participate in the CGI annual meeting on the basis of UWC's commitment to provide scholarships in the UWC schools and colleges for 100 young women from conflict-affected countries. The Directors appreciated the support of the schools and colleges in agreeing to commit some initial funding to admit a first group of students under this programme, the challenge now is to fund the remainder of the \$6 million required to implement the full programme. Membership of CGI has given a renewed shape and focus to UWC International's fundraising and communications activities, and the Directors are looking forward to the outcomes of participation in a second CGI annual meeting in September 2012.

In 2011-12, efforts were increased to network more intentionally within the UWC movement in order to build a culture of shared responsibility for fundraising and to engage individuals in thinking about how they can make introductions and contacts that can be of benefit to UWC. This networking has borne fruit in the shape of a number of new potential donor relationships at international level. Events were held alongside the Board and UWC Council meeting in Hong Kong in October and alongside the Board meeting in London in June to encourage this level of engagement in fund development. In the latter case, the focus was on UWC's Clinton Global Initiative commitment, the Directors greatly appreciated the generosity of the Belgian Ambassador to the UK in hosting this event.

The progress made during the year convinced the Development Committee, following a review, that the strategy envisaged when the international fund development function was established remained the correct one. Towards the end of the year, the committee agreed that the time was right to review its own mandate with a view to building a membership that is able to give more active leadership in fundraising.

The work to encourage capacity-building in fundraising, to coordinate fundraising across the movement and to support individual UWC constituencies in their own fundraising efforts continued throughout the year. An important initiative early in 2012-13 will be a training session for UWC's fundraising professionals and volunteers organised in partnership with CASE (Campaign for Advancement and Support of Education), this will have the dual benefits of providing a training opportunity and an occasion to develop further the network of UWC fundraisers.

The Directors have given particular consideration to UWC International's own financial security. The unrestricted gift of €15 million in 2010-11 from HH The Emir of Qatar has enabled UWC International's budget to be secured over four years. The Directors have concluded that beyond this period it will be detrimental to the objective of fundraising for the movement as a whole if the development team is also seeking to fund UWC International's core budget, and that a restructured income structure will give more

The United World Colleges (International)

For the year ended 30 June 2012

Directors' Report

scope to focus on fundraising for the wider movement. In addition, the Directors feel that the increasing expectations of UWC constituencies should be reflected in the resources available for UWC International. The Board will be consulting with the schools and colleges about the best means to address this challenge.

The Board remains committed to building a financial picture of the whole UWC movement. It anticipates that much of this work will be accomplished in 2012-13.

The work of the Admissions Policy and Procedure task force includes an essential financial component. The project is seeking to integrate financial decision-making with admissions and scholarship allocation decisions. UWC can confidently claim to represent the biggest scholarship programme of its type in the world, but the APP task force is looking at ways in which this scholarship funding can be used to maximum effect in extending the diversity of the student population.

Communications

Much of the focus of UWC International's communications work in recent years has been to build the tools to enable UWC to develop a stronger global profile, including through the development and rollout of a revised UWC brand. During 2011-12, there was a change of emphasis to enable UWC International to assume a stronger leadership role in building UWC's global profile, both through its own communications work and by building communications capacity within the wider movement.

2012-13 is UWC's 50th anniversary year. The Directors opted not for a single major celebration, but believe that the anniversary will have more impact, both externally and in terms of internal engagement, if it is celebrated – with the 'Celebrate with Action' theme – at local level. The anniversary day, 19 September, will be marked by a ceremony at UWC Atlantic College, and will be followed by events taking place all over the world. The 50th anniversary provides a significant opportunity both for increased engagement with alumni and supporters and for external communication.

There is a growing awareness throughout the movement of the importance of communications, and the appointment of a new Communications Director mid-way through the year was an opportunity to review the mandate of the UWC International communications team with a view to building a better understanding of this importance in all constituencies. Some communications opportunities and challenges during the year demonstrated that an incident or development in one part of UWC can have a communications impact almost immediately elsewhere, emphasising the need for a coordinated approach to communications. There is a growing network of professional communications staff in the schools and colleges, and these individuals, together with some national committee volunteers, came together at a communications meeting in September.

The UWC extranet has been further developed during the year, and has become a key organisational tool, particularly for sharing news, information and resources.

The further development of a social media presence and the more effective use of the UWC website have been communications priorities during the year. Two editions of United World magazine were also published.

Organisational Cohesion and Effectiveness

The Board has undertaken a significant piece of work to develop a Memorandum of Understanding that can define and articulate more clearly the relative responsibilities of and the relationship between UWC International and the UWC schools and colleges. Many aspects of this relationship are assumed, and the proposed MOU is primarily intended to document established practice and understanding, but the Directors believe that it will be a significant and useful step in establishing better definition and structure within the UWC movement. The schools and colleges responded positively to a draft MOU, which will now be subject

The United World Colleges (International)

For the year ended 30 June 2012

Directors' Report

to further consultation. A similar objective will be met in relation to national committees in the context of the new framework for the national committee system.

As already noted, the Directors felt that the 2011 meeting of the UWC Council established a better understanding of the relative roles of the Board and the UWC Council, the nature of the Board's accountability to the UWC Council and the purpose of the annual UWC Council meeting. The Directors are keenly aware of the importance of the UWC Council not only in ensuring an effectively functioning governance model but also in acting as a bridge between the Board and the wider UWC movement.

The six-yearly UWC International Congress will take place in February 2013 in Cardiff, UK. This date has the advantage of being in UWC Atlantic College's 50th anniversary academic year, and the 50th anniversary year of Waterford Kamhlaba UWC. The focus of the Congress will be UWC's impact.

The Directors were greatly encouraged by the process to identify a new Chair and the interest it generated within the UWC movement and among potential candidates not already associated with UWC. The fact that the new Chair was elected more than a year ahead of time inspired confidence and provided reassurance about the transition. The Directors were grateful to the search committee, chaired by Professor Derek Blackman, and to the professional advisers from Heidrick and Struggles for their leadership of this process. Tim Toyne Sewell's term as Chair comes to an end mid-way through 2012-13, and there will be opportunities then to express appreciation, but the Directors wish formally to record in this annual report their heartfelt gratitude for Tim's exceptional commitment during his two terms as Chair.

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: 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 in the consideration of new school and college proposals. The Directors also recognise the importance of good governance in the national committee system.

The Directors are grateful for the work and commitment displayed by staff in the International Office in supporting the continuing development of the UWC movement. The Directors recognise the need for a well-resourced International Office, and are pleased that the budget for the coming year will allow some strengthening of the staff base within the office.

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:

- Final agreement of a Memorandum of Understanding with the UWC schools and colleges
- Articulation of a vision or aspiration for UWC that looks beyond the current strategic planning period
- A successful 50th anniversary that engages UWC alumni and supporters and capitalises on external communications opportunities
- Further articulation of UWC's educational model
- Agreement on how each school and college will seek accreditation that can meet a common UWC definition
- Continuing work to develop the admissions and scholarship allocation models in a way that meets the objective of further extending UWC's diversity
- Development of a framework to support and administer a short course programme
- Implementation of an international alumni relations strategy and capability

The United World Colleges (International)
For the year ended 30 June 2012
Directors' Report

- Launch and implementation of the new framework for national committee management and support, together with accompanying tools and resources
- Continuing work to build a culture of fundraising, in particular to maintain the flow of prospective donors and supporters
- Strengthening UWC International's income model while focusing fundraising on the needs of the UWC movement as a whole
- Analysis of UWC's overall financial health
- Development of a clearer leadership role in communications, with a view to building external profile and building communications capacity throughout the organisation
- A stronger focus on minimum standards of governance at school, college and national committee level

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 22

Total income amounted to £1,488,000 compared with £2,884,000 in the previous year. College payments accounted for 53% of the total, grants and other donations received 39%, and investment and other income 8%. Unrestricted income amounted to £899,000 (2011 £2,118,000) of which college payments amounted to £794,000 (2011 £744,000), a net increase of £50,000 or 7% compared with 2010-2011.

Scholarship and other grants made were £624,000 (2011 £835,000). Total expenditure including grants made was £1,711,000 compared with £1,948,000 in 2010-2011. Unrestricted expenditure amounted to £1,101,000 (2011 £1,300,300).

The result for the year on unrestricted funds was a deficit of £(202,000) (2011 surplus of £881,000). This deficit turned out smaller than the originally planned deficit of £(313,000), and will be covered by a generous unrestricted donation in the previous year that shall be gradually used up until 30 June 2014, at which date the company expects to have developed an income model that will provide appropriate security for the years to come.

Total funds decreased by £181,000 (2011 increase of £1,076,000) to a total of £3,684,000 (2011 £3,865,000), which includes £42,000 (2011 £139,000) of 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.

At their full value the company's liquid reserves currently require £480,000, representing six months of critical expenditure at the year end, and stood at £1,298,000 representing sixteen months of critical expenditure (2011 £1,066,000 representing fifteen months), £609,000 of which is immediately available, and £493,000 within one week. 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 in the previous 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.

The United World Colleges (International)
For the year ended 30 June 2012
Directors' Report

Finance & Audit Committee

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

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. Currently the management is undertaking the design and implementation of a more rigorous risk assessment, to be maintained annually in the years to come.

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, 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
19 October 2012

The United World Colleges (International)
For the Year Ended 30 June 2012
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 2012 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 2012 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.

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

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

PKF (UK) LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

London, *2 November* 2012

The United World Colleges (International)
Statement of Financial Activities
(incorporating an income and expenditure account)
For the year ended 30 June 2012

	Note	Unrestricted Funds (£'000)	Designated Funds (£'000)	Restricted Funds (£'000)	Endowment Funds (£'000)	Total 2012 (£'000)	Total 2011 (£'000)
Incoming Resources							
Incoming resources from generated funds							
Voluntary income							
Payments from schools & colleges	1	794	-	-	-	794	744
Grants and donations	2	7	-	573	-	580	2,014
Investment income							
Interest and investment income	3	95	1	16	-	112	102
Other incoming resources							
		2	-	-	-	2	24
Total incoming resources		898	1	589	-	1,488	2,884
Resources expended:							
Costs of generating funds							
Costs of generating voluntary income	4	186	-	10	-	196	250
Charitable activities							
Grants towards scholarships and other disbursements	5	30	-	594	-	624	835
Communications and publications	6	272	-	-	-	272	288
Services to national committees, schools and colleges	7	330	-	5	-	335	338
Strategy and development	8	178	-	1	-	179	169
Governance Costs							
	9	105	-	-	-	105	68
Total resources expended		1,101	-	610	-	1,711	1,948
Net (deficit)/surplus for the year before other recognised gains and losses		(203)	1	(21)	-	(223)	936
Unrealised gains on investment assets		-	-	-	42	42	139
Net movement in funds		(203)	1	(21)	42	(181)	1,075
Total funds brought forward		1,186	81	80	2,518	3,865	2,790
Total funds carried forward	20	983	82	59	2,560	3,684	3,865

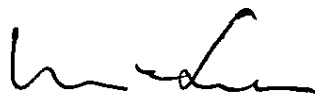
All of the above results are derived from continuing activities

There were no other recognised gains or losses other than those stated above

The United World Colleges (International)
Balance Sheet
at 30 June 2012
Company number: 00908758

	Note	2012 (£'000)	(£'000)	2011 (£'000)	(£'000)
Fixed assets					
Tangible fixed assets	10		61		60
Investment fixed assets	11		2,266		2,224
Current assets					
Debtors	12		196		236
Cash at bank and in hand			1,309		1,774
			<u>1,505</u>		<u>2,010</u>
Creditors (amounts falling due within one year)	13		<u>(148)</u>		<u>(429)</u>
Net current assets			<u>1,357</u>		<u>1,581</u>
Net assets			<u>3,684</u>		<u>3,865</u>
Unrestricted funds			1,065		1,267
Restricted funds			59		80
Endowment funds			2,560		2,518
			<u>3,684</u>		<u>3,865</u>

Approved by the Directors on  19/10/2012 and signed on their behalf by



Tim Toyne Sewell
Chair



Manfred Schepers
Treasurer

The United World Colleges (International)
For the year ended 30 June 2012
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

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

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

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

Investment income is recognised in the SOFA in the period it is due

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

Resources expended include attributable VAT which cannot be recovered

Categorisation of expenditure

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

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

The United World Colleges (International)
For the year ended 30 June 2012
Accounting Policies (*contd*)

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

Pension contributions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the company to the fund. The company has no liability under the scheme other than for the payment of those contributions.

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 the Statement of Funds.

The United World Colleges (International)
Statement of Funds
For the year ended 30 June 2012

	Note	At 1 July 2011 (£'000)	Incoming Resources (£'000)	Outgoing Resources (£'000)	Transfers and other movements (£'000)	At 30 June 2012 (£'000)
Unrestricted Funds						
General Fund		1,186	899	(1,101)	-	984
Designated						
International Congress Fund		55	-	-	-	55
New Projects Fund		26	-	-	-	26
Total Unrestricted Funds		1,267	899	(1,101)	-	1,065
Restricted Funds						
Scholarship Funds						
International Scholarship Fund		16	6	(22)	-	-
Mountbatten Fund		6	6	(11)	-	1
Gildred Fund		4	2	(5)	-	1
Kelly Fund		20	3	-	-	23
HM Queen Noor Fund		15	-	(3)	-	12
Prince of Wales Fund		-	73	(73)	-	-
MECT Fund		-	186	(186)	-	-
World Petroleum Council Fund		-	20	(20)	-	-
MUWCI Scholarship Funds		2	-	-	-	2
Channel Swim Scholarship Fund		1	-	-	-	1
NBS Pilot Scholarship Fund		2	50	(52)	-	-
MENA Scholarship Fund		-	11	(11)	-	-
ADEC Scholarship Fund		-	56	(56)	-	-
Croydon Scholarship Fund		-	50	(50)	-	-
		66	463	(489)	-	40
Project Funds						
Gourlay Fund		9	-	(5)	-	4
National Committee Pilots		(11)	11	-	-	-
Anniversary Fund		-	-	-	-	-
		(2)	11	(5)	-	4
Other Restricted Funds						
Donations for schools & colleges		-	94	(94)	-	-
Donations for national committees		-	7	(4)	-	3
Other Funds		16	14	(18)	-	12
		16	115	(116)	-	15
Total Restricted Funds		80	589	(610)	-	59
Endowment Funds						
UWCI Endowment Fund		2,233	-	-	23	2,256
UWCI Scholarship Fund		98	-	-	7	105
Mountbatten Fund		102	-	-	7	109
Gildred Fund		35	-	-	2	37
Kelly Fund		50	-	-	3	53
Total Endowment Funds		2,518	-	-	42	2,560
		3,865	1,488	(1711)	42	3,684

The United World Colleges (International)
For the year ended 30 June 2012
Notes to the Financial Statements

1	Annual payments of schools and colleges:	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2012	Total 2011
		(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
	UWC Atlantic College	103	-	-	103	100
	UWC of South East Asia	202	-	-	202	191
	UWC Lester Pearson of the Pacific	61	-	-	61	59
	Waterford Kamhlaba UWC of Southern Africa	30	-	-	30	28
	UWC of the USA	92	-	-	92	86
	UWC of the Adriatic	55	-	-	55	53
	Simon Bolivar UWC of Agriculture	-	-	-	-	3
	Li Po Chun UWC of Hong Kong	50	-	-	50	49
	UWC Red Cross Nordic	74	-	-	74	66
	Mahindra UWC of India	20	-	-	20	22
	UWC Costa Rica	26	-	-	26	25
	UWC Mostar	18	-	-	18	18
	UWC Maastricht	38	-	-	38	32
	New Applications	25	-	-	25	12
		794	-	-	794	744

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 2012	Total 2011
		(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
	<i>- towards scholarships</i>					
	MECT Scholarship Fund	-	186	-	186	184
	The Prince of Wales' Inter'l Fund	-	73	-	73	68
	ADEC Scholarship Fund	-	56	-	56	-
	NBS Pilot Scholarship Fund	-	50	-	50	63
	Croydon Scholarship Fund	-	50	-	50	-
	World Petroleum Council Scholarship Fund	-	20	-	20	20
	MENA Scholarship Fund	-	11	-	11	11
	UWCI Scholarship Fund	-	1	-	1	1
	<i>- for other purposes</i>					
	Donations for schools and colleges	-	101	-	101	244
	National committee pilots	-	11	-	11	-
	CGI participation	-	10	-	10	-
	General fund	7	-	-	7	1,327
	Int'l Fund Development Fund	-	-	-	-	83
	Other	-	4	-	4	13
		7	573	-	580	2,014

The United World Colleges (International)
For the year ended 30 June 2012
Notes to the Financial Statements (contd)

3 Interest and investment income:	Unrestricted Funds (£'000)	Restricted Funds (£'000)	Endowment Funds (£'000)	Total 2012 (£'000)	Total 2011 (£'000)
Dividends and distributions	86	15	-	101	100
Deposit fund and bank interest	10	1	-	11	2
	96	16	-	112	102

4 Fundraising costs:	Unrestricted Funds (£'000)	Restricted Funds (£'000)	Endowment Funds (£'000)	Total 2012 (£'000)	Total 2011 (£'000)
Staff costs	39	-	-	39	138
Other allocated costs	14	-	-	14	36
Direct Costs	133	10	-	143	76
	186	10	-	196	250

5 Grants and donations disbursed:	Unrestricted Funds (£'000)	Restricted Funds (£'000)	Endowment Funds (£'000)	Total 2012 (£'000)	Total 2011 (£'000)
Scholarship grants	-	489	-	489	379
Donations to schools and colleges	-	98	-	98	422
Benevolent grants	-	-	-	-	5
Other	-	7	-	7	6
Staff costs	22	-	-	22	18
Other allocated costs	8	-	-	8	5
	30	594	-	624	835

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 2012 (£'000)	Total 2011 (£'000)
Staff costs	142	-	-	142	137
Other allocated costs	50	-	-	50	36
Design, production and distribution	52	-	-	52	53
Distribution	-	-	-	-	19
Website and database development	13	-	-	13	22
Brand development	2	-	-	2	15
Other direct costs	13	-	-	13	6
	272	-	-	272	288

The United World Colleges (International)
For the year ended 30 June 2012
Notes to the Financial Statements (contd)

7 Services to national committees, schools and colleges	Unrestricted Funds (£'000)	Restricted Funds (£'000)	Endowment Funds (£'000)	Total 2012 (£'000)	Total 2011 (£'000)
Staff costs	180	-	-	180	149
Other allocated costs	64	-	-	64	39
Regional meetings	46	-	-	46	21
Regional representation	7	-	-	7	15
Pilots, training & development	14	1	-	15	28
Middle East & North Africa region	9	4	-	13	39
Outreach development	-	-	-	-	1
Other	10	-	-	10	46
	330	5	-	335	338

8 Strategy and development:	Unrestricted Funds (£'000)	Restricted Funds (£'000)	Endowment Funds (£'000)	Total 2012 (£'000)	Total 2011 (£'000)
Cost of meetings and directors' expenses & reimbursements	12	-	-	12	15
Other direct costs	26	1	-	27	22
Staff Costs	103	-	-	103	105
Other allocated costs	37	-	-	37	27
	178	1	-	179	169

9 Governance of charity:	Unrestricted Funds (£'000)	Restricted Funds (£'000)	Endowment Funds (£'000)	Total 2012 (£'000)	Total 2011 (£'000)
Costs of meetings and directors' expenses & reimbursements	13	-	-	13	12
Staff costs	31	-	-	31	28
Other allocated costs	11	-	-	11	7
Other costs	39	-	-	39	5
Audit fees and expenses	11	-	-	11	12
Indemnity insurance	-	-	-	-	4
	105	-	-	105	68

Indemnity insurance has been incorporated into an overall insurance cover, and therefore is not shown separately

The United World Colleges (International)
For the year ended 30 June 2012
Notes to the Financial Statements (contd)

10 Tangible fixed assets	Furniture & Fixtures (£'000)	Equipment (£'000)	IT Hardware (£'000)	Data Systems (£'000)	Total (£'000)
<i>Cost</i>					
At 1 July 2011	68	3	26	55	152
Additions	1	-	2	22	25
At 30 June 2012	69	3	28	77	177
<i>Accumulated depreciation</i>					
At 1 July 2011	(65)	(1)	(19)	(7)	(92)
Depreciation for the year	(2)	(1)	(4)	(17)	(24)
At 30 June 2012	(67)	(2)	(23)	(24)	(116)
<i>Net book value</i>					
At 30 June 2012	2	1	5	53	61
At 30 June 2011	3	2	7	48	60

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

The United World Colleges (International)
For the year ended 30 June 2012
Notes to the Financial Statements (contd)

11 Investments:	(£'000)
<i>Cost</i>	
At 1 July 2011	1,817
Additions	-
Disposals	-
At 30 June 2012	<u>1,817</u>
<i>Unrealised gains</i>	
At 1 July 2011	407
Increase during the year	42
At 30 June 2012	<u>449</u>
<i>Market value</i>	
At 30 June 2011	2,224
At 30 June 2012	<u>2,266</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 2012 the company held 735,448 Charinco units (2011 643,136) and 198,000 Charishare units (2011 238,970). The units were allocated to funds as follows:

	Holdings (fund units)		Value (£'000)
	Charinco	Charishare	
UWCI Office Endowment Fund	579,646 164	198,000 363	1,961
Mountbatten Capital Fund	53,828 000	-	105
UWCI Scholarship Capital Fund	56,037 527	-	110
Kelly Capital Fund	18,993 448	-	37
Gildred Capital Fund	27,125 345	-	53
	<u>735,448 484</u>	<u>198,000 363</u>	<u>2,266</u>

12 Debtors and prepayments:	2012 (£'000)	2011 (£'000)
Payments due from schools and colleges	136	149
Other debtors	21	3
Prepayments	34	27
Accrued Income	5	57
	<u>196</u>	<u>236</u>

In the case of three 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)
For the year ended 30 June 2012
Notes to the Financial Statements (contd)

13 Creditors:	2012 (£'000)	2011 (£'000)
Trade creditors	77	23
Taxation and social security	16	15
Grants payable to schools and colleges	33	246
Accruals	22	53
Deferred income	-	92
	148	429

14 Indemnity insurance:

Indemnity insurance on behalf of the Directors has been embedded in a newly structured Comprehensive Charity Insurance which the company has purchased (at no specific cost, 2011 - £4,058)

15 Directors' remuneration and reimbursed expenses:

Directors

Directors do not receive remuneration but they are entitled to reimbursement of expenses in connection with the company's activities. During the year nine directors (including the Chair) received £9,227 by way of reimbursement of expenses (2011 eight directors and £9,882) and five directors received £8,951 by way of expenses paid for by the company (2011 two and £3,664). All expenses related to travel and accommodation.

16 Staff costs and number:

Aggregate payroll costs were as follows	2012 (£'000)	2011 (£'000)
- salaries	457	520
- social security costs	51	46
- pension contributions	11	9
	519	575

The company contributes to employees' individual pension schemes. The cost of contributions by the company to the scheme during the year is shown above. One employee earning in excess of £70,000 received pension contributions of £2,850 during the year (2011 two employees and £4,705).

	2012	2011
The average number of persons employed by the company during the year was	11	12

The number of employees earning in excess of £60,000 during the year was

£70,000 - £79,999	0	1
£80,000 - £89,000	0	1
£90,000 - £99,999	1	0
£100,000 - £109,999	0	1

The United World (International)
For the year ended 30 June 2012
Notes to the Financial Statements (contd)

17	Net income/(expenditure) for the year.	2012	2011
		(£'000)	(£'000)
	This is stated after charging		
	- operating lease rentals of land and buildings	53	52
	- operating lease rentals of equipment	6	6
	- depreciation	24	26
	- auditors' remuneration	9	12

18	Lease commitments:	2012		2011	
		Land and	Other	Land and	Other
		Buildings	(£'000)	Buildings	(£'000)
		(£'000)		(£'000)	
	Operating leases are				
	- leases expiring within one year	-	-	-	4
	- leases expiring in the second to fifth years, inclusive	53	6	52	2
		53	6	52	6

19	Capital commitments
	At year end the company had capital commitments of £6,150 for the build of a new database system (2011 £10,000)

20	Analysis of net assets by fund category:	Unrestricted	Restricted	Endowment	Total
		Funds	Funds	Funds	
		(£'000)	(£'000)	(£'000)	(£'000)
	Funds at 30 June 2012	1,065	59	2,560	3,684
	<i>Represented by</i>				
	Tangible fixed assets	61	-	-	61
	Investment fixed assets	-	-	2,266	2,266
	Net current assets	1,004	59	294	1,357
		1,065	59	2,560	3,684

The United World Colleges (International)
for the year ended 30 June 2012
Notes to the Financial Statements (contd)

20 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. No expenses were incurred from this fund during the year 2011-2012. 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 UWC International Scholarship Fund, Mountbatten Scholarship Fund, and Gildred Scholarship Fund hold both investment income and donated monies, and can be used for scholarship awards at the discretion of the Directors. The Kelly Scholarship Fund meets the needs of students from the Bahamas and can be used at the discretion of the Bahamas National Committee. The principal donated funds are the MECT Fund, which meets the needs of students at UWC USA, and The Prince of Wales' International Scholarships Fund, which is disbursed in equal portions to all colleges. The ADEC Scholarship Fund was established in cooperation with the Abu Dhabi Education Council to send Emirati students to UWC colleges. The NBS Scholarship Fund is available to fund a scholarship pilot project running between September 2010 and August 2012. The Croydon Scholarships Fund is available to meet the needs of students from Croydon (London) at UWC Maastricht. The World Petroleum Council Scholarship Fund is available for students from agreed countries. Project funds hold donated monies towards the costs of specific projects. The Gourlay Fund is available to meet emergency needs of national committees and UWC students and alumni. Other restricted funds include small, specific funds to meet the needs of students and alumni.

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.

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 2012.

The United World Colleges (International)
For the year ended 30 June 2012
Notes to the Financial Statements (contd)

21 Information about allocated costs:	2012	2011
	(£'000)	(£'000)
<i>allocated costs</i>		
Payroll costs	519	575
Other costs		
Rent	53	44
Other premises costs	29	39
Computer and equipment costs	37	30
Telephone, post and other communication costs	18	19
Travel and subsistence	2	2
Recruitment	7	-
Other management and administration costs	38	16
	703	725

	Staff costs	Other costs	Total	Total
	(£'000)	(£'000)	2012	2011
			(£'000)	(£'000)
<i>allocation</i>				
Fundraising	39	14	53	173
Grants and donations	22	8	30	23
Communications and publications	142	51	193	173
Services to nat'l cttees, schools and colleges	180	64	244	188
Strategy and development	103	37	140	133
Governance	32	11	43	35
	518	185	703	725

22 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