

COMPANY NUMBER: 00673076
CHARITY NUMBER: 525761

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

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2020

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

CONTENTS FOR THE YEAR ENDED 31 JULY 2020

	Page
Governors, Officers and Advisors	2 - 3
Annual Report of the Trustees	
Directors Report	4
Strategic Report	9
Independent Auditor's Report	18
Consolidated Statement of Financial Activities	22
Consolidated and Charity Balance Sheets	24
Consolidated Statement of Cash Flow	24
Notes to the Financial Statements	26 - 45

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

GOVERNORS, OFFICERS AND ADVISORS FOR THE YEAR ENDED 31 JULY 2020

KEY MANAGEMENT PERSONNEL: GOVERNORS, DIRECTORS AND CHARITY TRUSTEES

The Governors of United World College of the Atlantic Limited (UWC Atlantic) are the College's charity trustees under charity law and directors of the charitable company.

Members of the Governing Body who served as officers during the year and subsequently are detailed below:

Serving Officers now Resigned

S M Jones (resigned 23rd April 2020)
J Michie (resigned 1st July 2020)
M Schepers (resigned 8th March 2021)
O S Strugstad (resigned 8th March 2021)
D J Stacey (resigned 8th March 2021)
C Outram (resigned 10th April 2021)
Sir Adrian Webb (resigned 15th April 2021)

Current Serving Officers

	(1)	(2)	(3)	(4)	(5)	(6)
J Longson (Chair)	✓	✓	✓	✓		✓
P Britton (appointed 8 th March 2021)				C		
Lady Joanna Knatchbull	✓			✓		
I Cooper		C		✓		
D Desmet		✓				
M J H Trickey					C	
L Siddiqi	✓					✓
R Rawling	✓			✓		
A Jones	C					
P Agar (appointed 8 th March 2021)						C
P Brown (appointed 23 rd April 2021)		✓				

- (1) Education & Wellbeing Committee
- (2) Finance & Estates Committee (previously Finance & Resources Committee prior to 24th February 2021)
- (3) Capital Projects Committee (disbanded 24th February 2021)
- (4) Human Resources Committee
- (5) Audit & Risk Committee (previously Audit Committee prior to 24th February 2021)
- (6) External Relations Committee
- C Chair of relevant Committee

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

KEY MANAGEMENT PERSONNEL: OFFICERS

P Howe	Principal
T Bersey	Company Secretary
T Bersey	Clerk to Governors

Principal Address and Registered Office	St Donat's Castle St Donats Llantwit Major CF61 1WF
Auditor	Nexia Smith & Williamson Statutory Auditor Portwall Place Portwall Lane Bristol BS1 6NA
Bankers	The Royal Bank of Scotland plc 62-63 Threadneedle Street London EC2R 8LA The Principality Building Society Principality Buildings PO Box 89 Queen Street Cardiff CF10 1UA
Solicitors	Eversheds Sutherland International LLP 1 Callaghan Square Cardiff CF10 5BT Farrer & Co LLP 66 Lincolns Inn Fields London WC2A 3LH
Investment Manager	Brewin Dolphin Limited 2nd Floor 5 Callaghan Square Cardiff CF10 5BT
Insurance Broker	Marsh Brokers Limited Capital House 1-5 Perrymount Road Haywards Heath RH16 3SY

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

The Governors of United World College of the Atlantic Limited present their Annual Report for the year ended 31 July 2020 under the Charities Act 2011 and the Companies Act 2006, including the Directors' Report and Strategic Report together with the audited financial statements for the year, and the Charities SORP (FRS 102).

CONSTITUTION AND OBJECTS

The United World College of the Atlantic Limited (UWC Atlantic) was incorporated in 1960. It is constituted as a company limited by guarantee, registered in England, company number 00673076, and is registered with the Charity Commission under charity number 525761. The College is governed by its Memorandum of Association and Articles of Association, last amended in 2006.

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

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

AIMS, OBJECTIVES AND ACTIVITIES

UWC Atlantic was established as a pioneering educational initiative at the height of the Cold War and in the aftermath of the Second World War, with the explicit aim of promoting international understanding through education. Nearly sixty years later, the college remains true to the educational philosophy and ethos of its founders, educationalist Dr Kurt Hahn, Air Marshall Sir Lawrence Darvall and Rear Admiral Desmond Hoare. It continues to provide a platform for young people to learn through shared experience and to be empowered to make a positive difference. Giving them the skills, tools and confidence to help shape a better world.

During the year UWC Atlantic published its Vision to Action 2020 which sets out our mission and vision, and a set of 20 Objectives under three headings, People, Purpose and Place. A short summary of progress can be found on page 9 of this report. The full document can be read on the College website: <https://www.atlanticcollege.org/about-us/our-mission-and-vision>

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

The Board is committed to delivering public benefit to underline the College's ethos of positive community engagement, as well as to meet the requirements of the Charities Act 2011. The Board continues to act in accordance with guidance on public benefit produced by the Charity Commission.

GOVERNANCE AND MANAGEMENT

Governing Body

Details of the members of the Board of Trustees, together with the College's officers and principal advisors, are given on pages 2 and 3.

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

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

Recruitment and training of Governors

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

Three Board members retired in 2021, and a comprehensive search was undertaken to source replacements, accessing the wider UWC movement network and beyond, using a charitable recruitment company. The Chair of the Board and the Nominations Lead are conscious of the need to increase the diversity of the Board to better reflect the diverse nature of the College and are committed to continue to strive to improve it.

The three new trustees have been given a clear induction programme. They are provided with a pack which outlines basic information about the charity and includes the Charity Commission booklet, The Charity Governance Code (for larger charities). This pack is supplemented with details of future meetings, the minutes of the previous meeting and the latest Annual Report. They also have induction meetings with key staff members.

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

All trustees give of their time freely and no remuneration was paid during the year except for reimbursed travel and subsistence expenses. Costs amounting to £5,676 (2019 - £8,770) were incurred in the course of their duties by thirteen of the trustees. Public Liability insurance was purchased for the charity at a cost of £14,226 (2019 - £13,758). This insurance includes cover for the actions and omissions of trustees, staff, students and volunteers. The sum directly attributable to the trustees cannot be determined.

Trustees' and Officers' Interests

Jill Longson, the Chair of the Board of Governors, is an ex-officio member of the UWC Council, which is the umbrella organisation of the 18 United World Colleges, as is the Principal of the College.

During the year, UWC Atlantic College made contributions of £203,084 (2019 - £215,627) as it's agreed annual contribution to the help support the UWC International Office, the body that co-ordinates the UWC organisation. These funds, contributed by all schools and colleges under a pre-agreed formula, support the work of UWC International Offices, including National Committee support and global fundraising efforts.

The Principal, Peter Howe, retired as a member of the UWC International Board, and as Chair of the UWC Heads Committee in November 2020 but remains a member of the Heads Committee and became a member of the UWC Council. He is also a member of the Court for Swansea University.

Jill Longson is a co-founder of Go Make a Difference, offering charitable support UWC wide to student led projects outside of college activities. Her husband is the Treasurer of the UWC International Board.

Driek Desmet is a member of the UWC International Board.

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

Michael Trickey is a Trustee of St Donat's Arts Centre.

Organisational Management

The members of the Governing Body, as the charity trustees, are legally responsible for the overall management and control of the College, including general policy and strategic planning. The work of the Governing Body is delegated to five sub-Committees, each chaired by a member of the Board as follows:

- The Education and Well Being Committee considers educational and pastoral policy, student welfare and pastoral developments. The Committee is currently chaired by Ann Jones.
- The Finance and Resources Committee scrutinises revenue, the budget and capital expenditure. It is also responsible for the supervision of the College buildings and estate. The Committee is currently chaired by Ian Cooper.
- The Human Resources Committee has a monitoring and advisory role relating to the college's staff establishment and appointment procedures, terms and conditions of employment, and levels of remuneration. The Nominations Group, reporting to the HR Committee conducts regular skills audits of the Board of Governors and coordinates the appointment process of new members. The Committee is currently chaired by incoming Governor Pippa Britton, replacing Oscar Strugstad.
- The Audit and Risk Committee oversees the college's external audit, internal management systems and mitigation of risk. It scrutinises the audited financial statements and the annual report for approval by the Governing Body. The Committee recommends the appointment of the External Auditors to the Board. The Committee is currently chaired by Michael Trickey.
- The External Relations Committee oversees all aspects of college external relations. This includes; proactive engagement and developing transparent relationships with a wide range of external stakeholders, this includes the wider UWC movement, partners, donors, alumni, alumni, parents, public entities, regulatory bodies, the wider community, and other supporters. The Committee is currently chaired by incoming Governor, Peter Agar, who replaces Chris Outrum.

Group structure and relationships

United World College of the Atlantic Limited has one wholly owned subsidiary, Atlantic College Enterprises Limited, which carries out non-charitable trading activities for the College. These activities include the letting of the facilities for functions, including weddings and the outdoor activity courses through the Atlantic Outdoor centre. During the year ended 31 July 2020, the Subsidiary paid £Nil (2019 - £125,595) as a gift aid payment to the College relating to the 2018/2019 financial year.

Employment Policy

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

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

Consultation with employees, or their representatives, takes place at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial and economic performance of the College.

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

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure of the charity for that period. In preparing these financial statements, the Governors are required to:

- Select the most suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's and the group transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and the group, and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

STRATEGIC REPORT

GUIDING STATEMENTS

UWC Atlantic is the founding college of UWC, (formerly known as United World Colleges), a global education movement. We are a mission-driven international college with a deliberated diverse highly motivated student body and a strong commitment to the educational principles of Kurt Hahn, our founder, and a passionate belief in the importance of education as a force for good in the world.

Our mission is 'to make education a force to unite people, nations and cultures for peace and a sustainable future'.

Our mission combined with the three founding principles of UWC Atlantic provides a very strong foundation from which to build.

Our Founding Principles:

- To be innovators in education
- To provide opportunity to deserving students from around the world to access this education irrespective of their ability to pay
- This education to take place in a unique and exceptional setting where the entire campus is the classroom

Our vision is to reclaim our position at the core of the UWC movement, recognised for the radical and experimental spirit that defines our history and drives our impact on the world.

We also commit to living the nine values that we share with the other 17 UWC colleges which underpin the movement and its success:

- International and intercultural understanding
- Personal responsibility and integrity
- Compassion and service
- A sense of idealism
- Personal challenge
- The celebration of difference
- Mutual responsibility and respect
- Respect for the environment
- Action and personal example

Our History

The College was founded in 1962 on the inspirational philosophy of Kurt Hahn who believed that improving international understanding and tolerance was both desirable and achievable and should be accessible to all.

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

Students on a two-year course, at the end of their secondary education, and pre-university, would be selected on personal merit, irrespective of gender, race, religion or politics and regardless of the ability to pay, as far as funds allowed. The explicit aim would be to show how conflict and hostility could be overcome if young people from different nations, races and religions could be brought together and challenged physically and academically and could learn how to live in harmony with each other. The College's philosophy remains as powerfully relevant and resonant today as it ever was.

UWC Atlantic is proud to develop a unique peer group of potential change makers drawn from across the globe, from a diverse range of backgrounds and drawn towards a shared purpose – to embody the UWC spirit, to challenge cynicism with courage and belief, shape the future and to make the world a better place to live.

To deliver these objectives will require the on-going help of many supporters. The College intends to ensure that the selection of students continues to be principally on promise and potential, and embraces the unique UWC National Committee system (a global network comprising of largely 3,000 volunteers). A substantial scholarship fund must be maintained along with funding for recurrent and new capital expenditure, to ensure that UWC Atlantic retains and capitalises upon its place at the core of the UWC movement.

Our goal is to continue to pioneer innovative and inspirational 21st Century education within our unique 12th Century castle.

STRATEGIES TO ACHIEVE THE PRIMARY OBJECTIVES

In 2019, the College adopted a co-created Vision to Action Strategic Plan, to refresh the College's strategic objectives and vision for the next five years and beyond.

Our Vision to Action Framework

Our future focuses on creating sustainable impact in three key areas:

For our People

We have focused our actions on student selection, responsibility, wellbeing and empowering employees to deliver on our mission

For our Purpose

We have focused on educational innovation; culture and engagement with our wider community; communications and developing the network for success.

For our Place

We have focused on our financial future, a sustainable campus and our governance.

Our priorities reflect and build on the Seek, Educate and Inspire pillars outlined in the 'UWC 2018 and Beyond Strategy'.

We will seek a deliberately diverse group of students for our schools and colleges from across the globe through the UWC national committees and strive to enable access to a UWC education for these students independent of socio-economic means.

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

We will educate our students based on trust, responsibility and autonomy in order for them to develop agency, experience, values and gain the attitudes and competences to be forces for peace, sustainability and social justice.

We will inspire members of the UWC community to live and act in accordance with the UWC mission and we will inspire our partners and other actors in education to embrace values-based education, celebrating diversity and promoting peace, sustainability and social-justice.

2020 Update

The 2020 update will cover all three areas of our Vision to Action Plan.

People – our students

The College provides places for up to 380 students aged 16-19 years old, selected via two routes, the majority through our unique global UWC National Committee system and a smaller number through a UWC's relatively newly created Global Selection Programme.

Students are selected on promise and potential, without regard to an individual's gender, ethnicity, race, religion or disability, nor, as far as funds allow, socio economic background.

Prospective students undertake a comprehensive series of interviews and assessments, designed to satisfy both the College and the student that they will thrive in a UWC environment given the style of teaching and learning and will benefit from the UWC education provided here.

Thanks to the appointment in 2019 of a new National Committee Liaison, the College continues to work closely with the network of UWC National Committees, building relationships in over 150 countries across the globe. The support of the National Committees is greatly appreciated and welcomed as it assists the College in its selection processes and the promotion of the College. In the year to 31 July 2020, there were 90 different countries represented in the student body.

Overall, some 45% of students receive financial assistance either directly from the National Committee, College or from the government of their home country, local industry or other. In all circumstances students' families are means tested and pay whatever they can accordingly. Bursaries range in value from 10% to 100% and in exceptional cases the College also provides funding for travel costs and pocket money.

The Global Selection Programme underwent significant process changes in 2020 to make it a more flexible and efficient system by which some full fee payers can apply.

People – Our Staff

Our community spirit has been remarkably strong and positive during the COVID pandemic, and our staff continue to be a source of inspiration. The Governors are extremely thankful to everyone who has worked so tirelessly to support the College over what has been a very difficult and challenging year.

July 2021 will see a change in Principal, as the College wishes Peter Howe and his family all the best for the future, and thanks him for his remarkable 16 years of dedicated service to the UWC movement. During his four year tenure at UWC Atlantic, Peter has focused on bringing significant changes and improvements to the College, and the Governing body owe him a huge debt of gratitude.

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

Following a comprehensive recruitment process led by our Chair of the Education and Well Being Committee, the Board were delighted to announce in December 2020 the appointment of Naheed Bardai as the incoming Principal at UWC Atlantic. Naheed and his family will arrive in July and will take over from Peter 1st August 2021. Naheed comes with years of experience in education, currently the Head of Upper School at Upper Canada College, Toronto. Naheed will continue to implement the Vision to Action Plan.

During the autumn of 2020 we welcomed our new Director of Facilities and Operations, Stephen Thomas, who had worked at the College previously. He will play a key role going forward and we are delighted about his return.

People – Alumni Engagement

Much progress has been made during the last 12 months to engage with our alumni base, including on line lectures and panel discussions under the InConversation and InTouch series. The College welcomes more involvement by alumni going forward, including mentoring programmes and expansion of the Lighthouse Project (see later). Offering Time and Talent to the College and the wider UWC Movement, as well as Treasure.

Purpose – Our Educational Developments

UWC Atlantic's driver is to be innovative in education. In October 2020 we have launched our Change Maker Curriculum, trialling seven new Change Maker units, including Ocean System and Coastal Management and Dialogue for Social Justice. This initiative has the potential to be the most important reform in education since the start of the College.

In conjunction with UWC International, the College's incoming Principal will strive to develop this curriculum in order to influence the future direction of the International Baccalaureate, whilst also ensuring that we will combine the academic rigour of the International Baccalaureate curriculum and examination system with our newly created enhanced programme that recognises the contribution to the UWC ideals, ethos and values.

The College calendar continues to create space for mission-aligned project weeks, conferences, challenge camps and a fully developed co-curricular programme of activities for students. The benefit of a UWC Atlantic education, whilst challenging, is recognised by students and staff and also by university admissions deans, who welcome applications from UWC Atlantic graduates.

2019/20 saw the Lighthouse Project become embedded into the College's activities. Two Lighthouse Interns have been appointed to oversee the student lead incubator initiatives. Both are recent University Graduates and UWC alumni. It is hoped for further alumni/student partnerships to develop over time. For more information visit:

<https://www.atlanticcollege.org/changemaker-initiatives/lighthouse> and <https://twitter.com/uwcalighthouse>

We would like to pay tribute to all members of Faculty, for their ability to adapt so quickly and professionally to online learning and teaching from mid-March 2020 and rising to the challenges of blended learning, teaching approaches needed during the ongoing months of the pandemic in this current academic year.

Governors recognise that the calibre of staff, their commitment to the mission, values, ideals of the UWC movement are critical to the success of UWC Atlantic and the experience offered to students. High quality teaching and support staff continue to be recruited, aligned to our objectives and the need of students.

The student/teacher ratio stands at 9.5:1.

Recruitment to senior executive posts requires approval by the HR Committee and the Board of Governors; this includes approval of the role description and proposed remuneration packages prior to advertising the

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

position. Selection of senior executive candidates requires two governors to be part of the interview panel including the Chair of the respective committee to whom the post will be responsible.

Annual pay awards are proposed by the College executive considering the wider economy and local employment market, this pay award must then be agreed and approved by the HR Committee before being approved by the Board of Governors.

Purpose – Our Welfare Provisions

The well-being of our students is of major importance to staff and Governors alike. We have continued to work on both the implementation of plans to the site that will enhance residential, study and leisure facilities available to students, as well as enhancing the well-being support and systems that are in place. This was particularly challenging during COVID quarantining periods. The Governors are grateful to all concerned.

Safeguarding systems continue to be enhanced with further improvements to our staffing structure.

Place – Our Site and Facilities

Reference has been made above to the work that has taken place in the last year to improve welfare and facilities for students.

The construction of the two new residential blocks is now complete which both accommodate 48 students. A recording studio has been added to the Arts Centre and a central Administration space has been created in the Schweitzer building.

The replacement of the college's Maintenance Workshop Facility has been finalised and is now fully operational.

A project to enhance and improve the seafront is advanced, with work anticipated to start very shortly on reinvigorating the whole area and enabling better access to not only our students but also to the whole local community.

Work will start on the renovation of the Music Department thanks to a significant donation and remedial work will take place on various student houses and the Academic Block over the summer of 2021. A survey of the castle is currently being undertaken. The campus Master Plan is in the process of being completed and an Energy Review will be done as the first part in the process to improve our carbon footprint.

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

Given the challenges that the whole world has seen as part of the ongoing COVID pandemic, the Chair is extremely proud that the College managed to continue to operate so effectively, especially considering the many restrictions and difficulties faced with regard to international travel and quarantining.

It is particularly heartening to see that our regular committed donors have continued to support us, especially in regard to our scholarship funding, and we are very grateful to them for their ongoing support.

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

Student numbers:

The College met its targets for student numbers during the year, as seen in the following table, student numbers improved slightly on those of the previous year:

	2020		2019	
	No	%	No	%
Number of students	361		352	
Male	127	35%	137	39%
Female	234	65%	215	61%
Nationalities represented	90		81	
Students financially supported by college	161	45%	116	33%
Value of support provided by the college	£3,423,000		£3,056,000	

Student Performance

UWC Atlantic prides itself on bringing together students who want to make a difference in the world. Our IB Diploma results are only a part of how we determine the success of our students. As important to us is that students make an effort and are engaged in their two years with the UWC mission and being an active and participative UWC student. We therefore have metrics to track Effort and Engagement on an ongoing basis for each student.

With regard to the IB Diploma, the International Baccalaureate cancelled all IB Diploma final year exams in 2020 due to the pandemic. IB Diploma results below were based on an algorithm including amongst other things historic data. Despite on-line learning for a number of weeks, students once again achieved outstanding results:

- 12% of students achieved 40+ points; (2019 – 11%)
- 45.5% of students achieved 35+ points; (2019 – 39%)
- 81.6% of students achieved 30+ points; (2019 – 77%)
- 98.2% of students achieved the full IB Diploma; (2019 – 92%)
- The average IB Diploma score for UWC Atlantic students was 34.8 points (2019 – 34.5 points), compared with a worldwide average of 30 points.

2020 was a very successful year for UWC Atlantic students seeking university places. 12 students took up an offer to study at either The University of Oxford or Cambridge University or a US Ivy League University and 25 students opted to attend a Russell Group University in the UK.

A total of 182 offers were received from 50 different US Universities, which also included offers from other elite institutions in the US e.g. Swarthmore, Northwestern, The University of Chicago, Rutgers University, Harvey Mudd College, The University of Florida, Johns Hopkins University, RISD, Williams College, NYU, and UC Berkeley and Davis. 52 students accepted places at US universities. 45 students choose to study in their home country, this is for the majority, British and Dutch students followed by Canada, Japan, Norway and the USA.

The IB have again cancelled examinations for UK based IB Diploma 2nd year students in May 2021. The College is creating an innovative and exciting 5 week UWC Atlantic programme for 2nd years to participate in instead.

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

Fundraising Performance

2019/20 was an unprecedented year for UWC Atlantic with the start of the COVID-19 pandemic but despite this, the College's Philanthropy, Partnerships and Engagement team performed exceptionally well.

UWC Atlantic relies extensively on philanthropic support to achieve its strategic goals and ambitions and we are enormously grateful to our donors, alumni and friends who continued to support us during such a difficult year.

We are especially thankful to everyone who contributed to our COVID-19 appeal to raise funds for flights to get our students home safely when the College had to close in March 2020. We thank the growing number of donors – alumni, parents, Trusts and Foundations and philanthropists – who help fund the College's work.

More than £3.4m was raised in donations during 2019/20, this includes £649k raised through donors via the UWC International Office. The majority of this (£2.1m) was donations for scholarships; £458k was raised through our Atlantic Fund appeals and the remaining £537k for other projects including:

- Significant long term investment in our incubator initiative, the Lighthouse Project
- Phase one funding for our Seafront Rejuvenation Project
- A new Recording Studio
- The renovation of our Music Department
- Part funding for phase two of the Seafront Rejuvenation Project.

Donations from alumni, trusts and friends of UWC Atlantic and UWC International supported scholarships for 97 students from 59 countries, including Niger, Uganda, Egypt, Argentina, Zimbabwe, Palestine and Syria. The remaining scholarships were funded by the College or through support from National Committees.

The Charity does not engage third parties to carry out fundraising activities on its behalf and has a Philanthropy, Partnership and Engagement Team, tasked with raising funds from private donors, from alumni, parents, trusts and corporate entities. The Charity is in contact with parents and alumni via an annual engagement programme and engages with private donors, trusts and corporate entities through direct personal contact and approaches. Major fundraising campaigns are focused on supporting the Charity's scholarship, bursary provision and its campus and curriculum development programmes. The Charity is a member of CASE (Council for Advancement and Support of Education) and the Institute of Fundraising.

Public Benefit

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

The bursary awards from the College provide direct benefit to a high proportion of students. The Board takes the view that bursaries awarded to those who would not otherwise be able to afford the fees are important but not to the exclusion of the much wider benefit that the College provides within the community. Those students who attend UWC Atlantic and who receive financial support to do so contribute to the College community in many ways and so the benefit is not purely to those individual students but to the whole College and also to the wider community.

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

FINANCIAL REVIEW

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

All incoming resources have been recorded in the Statement of Financial Activities.

Donations, gifts and grants received during the year amounted to £3,456,000 (2019 - £2,814,000). The total value of bursaries and scholarships for the year was £2,444,000: 17.5% of gross income (2019 - £3,105,000: 28.0% of gross income).

The College's net movement in funds for the year to 31 July 2020 amounted to £955,000 (2019 - £965,000). The net cash inflow from operating activities was £2,384,000 (2019 - £767,000). The net cash outflow after taking into account a reduction in the value of investments, capital expenditure and financial investment was £1,794,000 (2019 - £184,000 inflow).

Investment policy, objectives and performance

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

The investment strategy and policy is monitored by the Finance & Resource Committee, as is investment performance. The trustees have a financial management policy which is reviewed each year to ensure that it is up to date.

Reserves level and policy

At the year end, the Group had tangible fixed assets with a book value of £16,505,000 (2019 - £13,074,000). At year end the total funds of the Group held amounted to £25,626,000 (2019 - £24,676,000) of which £18,303,000 (2019 - £15,408,000) was unrestricted and £7,323,000 (2019 - £9,268,000) was restricted. Reserves are maintained at a level that enables the College to manage financial risk and short term volatility. They allow the College to sustain its core business over the long term, ensuring financial commitments can be met as they fall due.

Whilst it is the trustees long term policy to establish a level of free reserves of not more than six month's gross operating costs (currently in the order of £6 million). They are committed to the on-going requirement to maintain and develop the College's buildings and facilities to a satisfactory standard to enable the delivery of effective teaching and learning and to the provision of appropriate residential accommodation. At the balance sheet date, bank and cash balances in hand stood at £4,052,000 (2019 - £5,846,000).

At the time of writing, there are severe economic uncertainties in the world, particularly the ongoing impact of Covid-19 and whilst UWC Atlantic is a well-established International College being supported by its close contacts with Alumni there are clearly significant short-term challenges for all educational establishments.

As noted above, the College's finances are strong with substantial cash balances and undrawn facilities with the Principality Building Society. We have stress tested our forecasts with severe scenarios including loss of student numbers, reduced fee income all relating to the impact of coronavirus. We have also examined actions

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

we may take to preserve cash resources and have discussed covenant headroom. At this stage the Board remain confident that the Group can overcome the challenges posed by Covid-19.

UWC Atlantic is a mature college and we are confident that UWC Atlantic will continue to thrive although there will undoubtedly be another difficult year ahead caused by Covid-19 which will affect our workforce and students in ways that cannot always be accurately predicted as we publish these results. The UWC movement has always emerged stronger through difficulties and we see no reason why this should not be the case now with our committed and able workforce, positive financial position and unique position in the market place.

RISK MANAGEMENT

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

- Detailed terms of reference together with formal agendas for Committee and Board activity;
- Formal strategic development planning, reviewed annually;
- Comprehensive budgeting and management accounting;
- Established organisational structures and lines of reporting;
- Formal written policies including clear authorisation and approval levels;
- Vetting procedures as required by law for the protection of the vulnerable.
- An annual review of college Safeguarding policies and practices.

Principal risks and uncertainties

At the point of approving the financial statements some of the Covid-19 restrictions continue to remain in place in the UK and with the effects reading across the world. Executive members have taken steps to protect the business of the College. Whilst it is hoped that Covid-19 will not have a significant impact on the College going forward, it is extremely difficult to assess or quantify the full financial impact.

The heightened risks faced by the charity include the on-going changes introduced by the government to limit immigration; the need for a robust financial plan in support of the proposed site development, including the responsibility for the Grade 1 listed buildings and structures; external factors and influences from across the globe which may impact on recruitment and scholarship funding continue to give cause for concern.

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

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

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

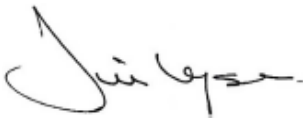
UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

Auditor

Following a tender process it is proposed pending approval at the Annual General Meeting that Bevan Buckland LLP are appointed as Auditors for the 2020-2021 financial year. The Trustees and College Leadership would like to thank Nexia Smith and Williamson for the professional service they have provided over the past 4 years.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governing Body of United World College of the Atlantic Limited on 26th May 2021 including, in their capacity as company directors, approving the Strategic Report contained therein and is signed as authorised on its behalf by:



Jill Longson
(Chair of Governing Body)

16th June 2021

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

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

Opinion

We have audited the financial statements of United World College of the Atlantic Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2020 which comprise the Consolidated Statement of Financial Activities (including income and expenditure accounts), the Consolidated and Charity Balance Sheet, The Consolidated Statement of Cashflows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 July 2020 and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Reports and Financial Statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Annual Report of the Trustees, which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Annual Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Annual Report of the Trustees.

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 and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the Statement of Accounting and Reporting Responsibilities on pages 7 & 8, the trustees (who are directors of the parent charitable 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and under section 151 of the Charities Act 2011, and report in accordance with those Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

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

anyone other than the parent charitable company, and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nigel Hardy

Senior Statutory Auditor, for and on behalf
Nexia Smith & Williamson
Statutory Auditor

Portwall Place
Portwall Lane
Bristol
BS1 6NA

Date: 25 June 2021

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED
COMPANY REGISTRATION NUMBER 00673076

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNTS)
FOR THE YEAR ENDED 31 JULY 2020

		Unrestricted Funds	Restricted Funds	Endowed Funds	Total 2020	Total 2019
	Note	£000	£000	£000	£000	£000
Income and endowments from:						
Donations		-	3,396	60	3,456	2,814
Charitable activities	4	9,864	-	-	9,864	9,811
Other trading activities	5	230	-	-	230	279
Investments	6	32	139	54	225	259
Other	7	390	-	-	390	166
Total		10,516	3,535	114	14,165	13,329
Expenditure on:						
Raising funds	8	(616)	(15)	(28)	(659)	(849)
Charitable activities	8	(8,716)	(2,669)	(92)	(11,477)	(11,328)
Other	8	(484)	-	-	(484)	(380)
Total		(9,816)	(2,684)	(120)	(12,620)	(12,557)
Net (loss)/gains on investments		-	(218)	(399)	(617)	138
Net income		700	633	(405)	928	910
Corporation Tax		(6)	-	-	(6)	-
Gains on defined benefit pension scheme	21	33	-	-	33	55
Transfer between Funds		2,173	(2,173)	-	-	-
NET MOVEMENT IN FUNDS		2,900	(1,540)	(405)	955	965
Fund balances at 1 August 2019		15,403	3,798	5,470	24,671	23,711
FUND BALANCES AT 31 JULY 2020	19	18,303	2,258	5,065	25,626	24,676

The trustees have prepared group financial statements in accordance with section 398 of the Companies Act 2006 and section 38 of the Charities Act 2011. All amounts relate to continuing operations. There were no recognised gains or losses other than those stated above.

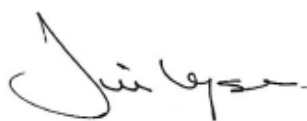
The notes on pages 26 to 46 form part of these financial statements.

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED
COMPANY REGISTRATION NUMBER 00673076

CONSOLIDATED AND CHARITY BALANCE SHEET
AS AT 31 JULY 2020

		Group		Charity	
	Note	2020 £000	2019 £000	2020 £000	2019 £000
Fixed assets					
Tangible assets	10	16,505	13,074	16,499	13,064
Investments	11	<u>8,124</u>	<u>8,591</u>	<u>8,124</u>	<u>8,591</u>
		24,629	21,665	24,623	21,655
Current assets					
Stocks	12	6	9	5	5
Debtors	13	254	310	275	517
Cash at bank and in hand		<u>4,052</u>	<u>5,846</u>	<u>3,922</u>	<u>5,555</u>
		4,312	6,165	4,202	6,077
Creditors: due within one year	14	(2,795)	(2,924)	(2,701)	(2,807)
Provision: Commitments due within one year	16	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net current assets		1,517	3,241	1,501	3,270
Total assets less current liabilities		26,147	24,906	26,124	24,925
Creditors: due after one year	15	(349)	(26)	(349)	(26)
Defined benefit pension scheme liability	21	<u>(171)</u>	<u>(204)</u>	<u>(171)</u>	<u>(204)</u>
TOTAL NET ASSETS		25,626	24,676	25,604	24,695
FUNDS					
Endowment Funds	19b	5,065	5,470	5,065	5,470
Restricted Funds	19c	2,258	3,798	2,258	3,800
Unrestricted Funds	19d	<u>18,303</u>	<u>15,408</u>	<u>18,281</u>	<u>15,425</u>
TOTAL FUNDS	19	25,626	24,676	25,604	24,695

The financial statements were approved and authorised for issue by the Board on 26th May 2021 and were signed on its behalf by:



Jill Longson
Chair

16th June 2021



Ian Cooper
Trustee

The notes on pages 26 to 46 form part of these financial statements.

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 JULY 2020

	Note	Group 2020 £000	2019 £000
Cash from operating activities	(i)	2,398	767
Cash flows from investing activities:			
Purchase of tangible fixed assets		(4,218)	(1,346)
Received directly into investment portfolio		(225)	(237)
Transfer out of Investment portfolio		-	1000
Net cash used in investing activities		(4,443)	(583)
Cash from financing activities:			
Drawdown of loan		251	-
(Decrease) / Increase in cash and cash equivalents in the year		(1,794)	184
Cash and cash equivalents at the beginning of the year		5,846	5,661
Total cash and cash equivalents at the end of the year	(ii)	4,052	5,846

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

NOTES TO THE CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 JULY 2020

(i) Reconciliation of net incoming resources to net cash flow from operations

	Group	
	2020	2019
	£000	£000
Net incoming resources	955	965
Non-operating cash flows:		
Loss / (Gain) on Investment	617	(138)
Investment management charges	43	46
Depreciation charge	786	729
Decrease in stocks	3	7
Decrease / (Increase) in debtors	57	(172)
(Decrease) Increase in creditors (excluding fees in advance)	504	31
Increase / (Decrease) in bursary provision	-	(42)
(Decrease) / Increase in fees in advance creditors	(534)	(604)
Movement on pension provision	(33)	(55)
	1,443	(198)
Net cash inflow from operations	2,398	767

(ii) Analysis of cash and cash equivalents

	Group	
	2020	2019
	£000	£000
Cash at Bank	4,052	5,846

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

1. STATEMENT OF ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial Statements

The Financial Statements have been prepared in accordance with Accounting and Reporting by activities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) (Charities SORP (FRS102)), the financial reporting standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

United World College of the Atlantic Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The functional currency of the Charity is considered to be pounds sterling because that is the currency of the primary economic environment in which the Charity operates. The financial statements are also presented in pounds sterling.

The amounts in the financial statements are presented to the nearest £000, unless otherwise stated.

1.2 Consolidation

The financial statements present the consolidated statement of financial activities (SOFA), the consolidated cash flow statement and the consolidated and Charity balance sheets comprising the consolidation of the College and with its wholly owned subsidiary Atlantic College Enterprises Limited.

A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

The amount of the net income for the year dealt with in the Charity's entity-only financial statements is £883,000 (2019: £1,034,000).

1.3 Going Concern and the impact of COVID-19

The College's business activities, together with the factors likely to affect its future development, performance and position are set out in the Trustees' Report.

The College meets its day-to-day working capital requirements through cash balances. An Additional loan facility has not been drawn down in full, with £1.235m remaining of the £1.5m initially available.

At the point of approving the financial statements vaccines of COVID-19 were being distributed across the world while the UK had already made significant inroads to immunising its population. The directors believe this will have a significant beneficial impact on the Company.

The College continues to follow the lockdown rules and guidelines directive of the Welsh Assembly Government. Restrictions have started to be relaxed and the College expects to be able to return to normal at the start of the new academic year.

Since the start of 2020 and up to the start of June 2021, the College has been conducting business in line with Board expectations. The College's forecasts and projections, taking account of a range of possible impacts of COVID-19 on trading performance, show that it should be able to operate within its facilities and have assessed a number of mitigating actions that could be taken in the event of further waves of the virus.

The Trustees have a reasonable expectation that the College has sufficient resources to continue in operational existence for the foreseeable future. Thus they continue to believe the going concern basis

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

of accounting appropriate in preparing the annual financial statements for the foreseeable future being a period of at least 12 months from the date of approval of these financial statements

1.4 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donations are accounted for as and when the entitlement arises, the amount can be reliably quantified and the economic benefit to the College is considered probable. They are accounted for in the financial period during which they are received. Donations receivable for the general purposes of the College are credited to Unrestricted Funds. Donations for purposes which are restricted by the wishes of the donor are taken to Restricted Funds, other than any amounts which the donor has stipulated should be retained as capital, which are accounted for as Endowment Funds, permanent or expendable, according to the nature of the restriction.

Other Trading Activities Income comprises the trading activities of the subsidiary, and is credited to the Statement of Financial Activities on a receivable basis.

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

1.5 Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

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

Other expenses represent those items not falling into any other heading.

Expenditure on raising funds comprise the costs of fundraising, investment management fees and the commercial trading activities of the subsidiary.

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

1.6 Creditors and Provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.7 Fund Accounting

Funds held are as follows:

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

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

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

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

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

1.8 Tangible Fixed Assets

Tangible fixed assets are initially recorded at cost.

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

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

Land and buildings	2% straight line
Fixtures, fittings and equipment	4 - 33.3% straight line
Motor Vehicles	25% straight line

1.9 Investments

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

1.10 Stock

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

1.11 Foreign Currencies

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

1.12 Total Return Accounting

The Charity Commission permitted the College to adopt the use of total return in relation to its permanent endowment funds on 14 June 2006. The power permits the Trustees to invest these funds to maximise total return and to make available an appropriate portion of the total return for expenditure each year. Until this power is exercised the total return shall be an 'unapplied total return' and remain as part of the permanent endowment. The Trustees have decided that it is in the interests of the College to present its expendable endowment in the same manner, although there is no legal restriction on the power to distribute the expendable endowment. The Trustees have used the values of the endowment funds at 31 July 2006 to represent the 'Preserved Value' of the original gift.

1.13 Operating Leases

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

1.14 Pension Schemes

The College contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The assets of the scheme are held separately from those of the College. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the College. In

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

accordance with Financial Reporting Standard 102 therefore, the scheme is accounted for as a defined contribution scheme.

The charity contributes to the Pensions Trust Growth Plan for certain of its non-teaching staff. This is in most respects is a money purchase arrangement, but does include certain guaranteed benefit elements. The Plan is a multi-employer scheme and it is not possible in the normal course of events to identify the share of the underlying assets belonging to the individual participating employers and accordingly, in accordance with FRS102, is accounted for as a defined contribution scheme with contributions being recorded as they become payable.

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

1.15 Taxation

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

1.16 Financial instruments

The charity only has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. The trustees do not consider that there are significant estimates or judgements made during the preparation of the financial statements.

3. LEGAL STATUS OF THE CHARITY

United World College of the Atlantic Limited is a limited company, limited by guarantee and has no share capital. The Charity is incorporated in the United Kingdom under the Companies Act. The address of the registered office is St Donat's Castle, St Donat's, Llantwit Major, South Glamorgan, CF61 1WF.

4. CHARITABLE ACTIVITIES INCOME

	2020 £000	2019 £000
The College's fee income comprised:		
College fees	11,099	10,955
Less: Total bursaries, scholarships and allowances		
- Restricted	(3,712)	(2,973)
- Unrestricted	33	132
	<u>7,420</u>	<u>7,850</u>
Add back: Bursaries paid for by specific donations	<u>2,444</u>	<u>1,961</u>
	<u>9,864</u>	<u>9,811</u>

Scholarships and bursaries were awarded to 138 pupils (2019: 116).

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

5. INCOME FROM SUBSIDIARY'S TRADING ACTIVITIES

Atlantic College Enterprises Limited is a wholly-owned trading subsidiary (company number: 07734369). The primary purpose of the company is to carry out the trading activities on behalf of the College.

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

	2020 £000	2019 £000
Turnover	230	279
Cost of sales	(89)	(133)
Administrative expenses	(90)	(145)
Corporation Tax	<u>(6)</u>	<u>-</u>
Profit for year	<u>45</u>	<u>1</u>
Shareholders' funds (deficit)	<u>22</u>	<u>(23)</u>

6. INVESTMENT INCOME

	2020 £000	2019 £000
Income from listed investments	193	238
Bank interest receivable	<u>32</u>	<u>21</u>
	<u>225</u>	<u>259</u>

7. OTHER INCOME

	2020 £000	2019 £000
British students overseas income	5	61
Other income	<u>385</u>	<u>105</u>
	<u>390</u>	<u>166</u>

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

8. EXPENDITURE

	Staff costs (note 9) £000	Depreciation (note 10a) £000	Other costs £000	Total 2020 £000	Total 2019 £000
Raising funds					
Trading expenses	71	4	103	178	277
Fundraising and promotion	350	-	88	438	526
Investment management fees	-	-	43	43	46
	<u>421</u>	<u>4</u>	<u>234</u>	<u>659</u>	<u>849</u>
Charitable activities					
Tuition	2,509	175	159	2,843	3,014
Boarding	793	175	950	1,918	2,218
Property maintenance and utilities	554	195	1,325	2,074	2,263
Support costs	1,222	237	684	2,143	1,764
Provision for uncollectable fees	-	-	50	50	74
Student expenses	-	-	5	5	34
Bursaries awarded from Restricted Funds	-	-	2,444	2,444	1,961
College operating costs	<u>5,078</u>	<u>782</u>	<u>5,617</u>	<u>11,477</u>	<u>11,328</u>
Other					
Overseas student costs	-	-	67	67	(1)
Movement in overseas student provision	-	-	-	-	-
Governance costs	-	-	417	417	381
	<u>-</u>	<u>-</u>	<u>484</u>	<u>484</u>	<u>380</u>
Total resources expended	<u>5,499</u>	<u>786</u>	<u>6,335</u>	<u>12,620</u>	<u>12,557</u>

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

8. EXPENDITURE (continued)

	2020 £000	2019 £000
Support costs includes:		
Operating lease payments	51	88
Governance expenditure includes:	2020 £000	2019 £000
United World Colleges International contribution	203	216
Trustees' expenses	3	9
Auditors' remuneration - audit services	42	42
Auditors' remuneration - non-audit services	<u>2</u>	<u>3</u>

Included in Trustees expenses is the reimbursement of the travel and subsistence costs for 14 (2019 - 14) of the Trustees. The costs amounting to £2,978 (2019 - £8,770) were incurred in the course of their duties, no other remuneration was paid to individual Trustees during the year (2019 - £nil).

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

9. STAFF COSTS

	2020 £000	2019 £000
Wages and salaries	4,469	4,553
Social security costs	420	411
Pension contributions	<u>610</u>	<u>463</u>
	<u>5,499</u>	<u>5,427</u>
The average number of employees was:	No.	No.
Tuition and boarding	64	72
Property maintenance and utilities	32	33
Fundraising and publicity	7	7
Management and administration	21	17
Trading activities	<u>3</u>	<u>4</u>
	<u>127</u>	<u>133</u>
The number of higher paid employees was:	No.	No.
£60,001 - £70,000	3	2
£70,001 - £80,000	1	1
£100,001 - £110,000	-	1
£120,001 - £140,000	-	-
£140,001 - £160,000	<u>1</u>	<u>1</u>
	No.	No.
Defined benefit scheme	<u>-</u>	<u>-</u>
Pension contributions made:	£000	£000
Defined benefit scheme	<u>-</u>	<u>-</u>
Aggregate employee benefits of key management personnel	<u>505</u>	<u>387</u>

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

10a. TANGIBLE FIXED ASSETS – GROUP

Cost	Land and buildings £000	Fixtures, fittings and equipment £000	Motor vehicles £000	Total £000
At 1 August 2019	15,046	4,360	133	19,539
Additions	131	604	8	743
Under Construction	3,475	-	-	3,475
Disposals	-	-	(13)	(13)
At 31 July 2020	<u>18,652</u>	<u>4,964</u>	<u>128</u>	<u>23,744</u>
Depreciation				
At 1 August 2019	3,341	3,019	106	6,466
Charge for the year	323	447	16	786
Disposals	-	-	(13)	(13)
At 31 July 2020	<u>3,664</u>	<u>3,466</u>	<u>109</u>	<u>7,239</u>
Net book values				
At 31 July 2020	<u>14,988</u>	<u>1,498</u>	<u>19</u>	<u>16,505</u>
<i>At 31 July 2019</i>	<u>11,705</u>	<u>1,342</u>	<u>27</u>	<u>13,074</u>

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

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

10b. TANGIBLE FIXED ASSETS - PARENT

Cost	Land and buildings £000	Fixtures, fittings and equipment £000	Motor vehicles £000	Total £000
At 1 August 2019	15,046	4,293	133	19,472
Additions	131	603	8	742
Under Construction	3,475	-	-	3,475
Disposals	<u>-</u>	<u>-</u>	<u>(13)</u>	<u>(13)</u>
At 31 July 2020	<u>18,652</u>	<u>4,896</u>	<u>128</u>	<u>23,677</u>
Depreciation				
At 1 August 2019	3,341	2,961	106	6,408
Charge for the year	324	443	16	783
Disposals	<u>-</u>	<u>-</u>	<u>(13)</u>	<u>(13)</u>
At 31 July 2020	<u>3,664</u>	<u>3,404</u>	<u>109</u>	<u>7,178</u>
Net book values:				
At 31 July 2020	<u>14,988</u>	<u>1,492</u>	<u>19</u>	<u>16,499</u>
<i>At 31 July 2019</i>	<u>11,705</u>	<u>1,332</u>	<u>27</u>	<u>13,064</u>

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

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

11. INVESTMENTS

Group and Parent	2020 £000	2019 £000
Market value at 1 August 2019	8,591	9,262
Deposits	193	237
Withdrawals	-	(1,000)
Management fees	(43)	(46)
Investment (losses) / gains	<u>(617)</u>	<u>138</u>
Market value at 31 July 2020	<u>8,124</u>	<u>8,591</u>
Historical cost of investments	<u>7,233</u>	<u>7,233</u>

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

	UK £000	Non UK £000	Total £000	%
Cash and short term investments	325	-	325	4
Fixed income	2,649	-	2,649	33
Equities	1,909	2,713	4,622	57
Property	227	-	227	3
Other	<u>301</u>	<u>-</u>	<u>301</u>	<u>3</u>
	<u>5,411</u>	<u>2,713</u>	<u>8,124</u>	<u>100</u>

Funds are held in a combined investment. Each fund is allocated its proportion of investment income and gains and losses, and bears a proportion of expenses. The income earned from invested funds contributes to the bursary fund.

There are no investments at 31 July 2020 that exceeded 5% of the market value of the portfolio.

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

12. STOCKS

	Group		Parent	
	2020 £000	2019 £000	2020 £000	2019 £000
Goods for resale	6	8	5	5
Livestock	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>
	<u>6</u>	<u>9</u>	<u>5</u>	<u>5</u>

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

13. DEBTORS

	Group		Parent	
	2020 £000	2019 £000	2020 £000	2019 £000
Trade debtors	109	231	91	123
Amounts due from subsidiary	-	-	40	331
Other debtors	102	37	102	21
Prepayments	43	42	42	42
	<u>254</u>	<u>310</u>	<u>275</u>	<u>517</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Parent	
	2020 £000	2019 £000	2020 £000	2019 £000
Trade creditors	330	392	330	366
Fees received in advance	1,601	2,136	1,553	2,065
Taxation and social security	-	98	-	98
Other creditors	266	107	247	107
VAT	4	10	-	-
Accruals	594	167	571	157
Pension contributions	-	14	-	14
	<u>2,795</u>	<u>2,924</u>	<u>2,701</u>	<u>2,807</u>

Fees received in advance:

The College academic year begins early in August. At the 31 July 2020 some fees in respect of this new year had already been received. All fees received in advance at the balance sheet date are utilised within the following financial year.

15. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Group		Parent	
	2020 £000	2019 £000	2020 £000	2019 £000
Long Term Loan	251	-	251	-
Retention: New Residential Blocks	98	26	98	26
	<u>349</u>	<u>26</u>	<u>349</u>	<u>26</u>

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

16. PROVISION

Group and Parent	2020	2019
Provision and movement in provision during the year	£000	£000
Commitments at 1 August 2019	-	42
New commitments charged in the year	-	-
Provision utilised during the year:	<u>-</u>	<u>(42)</u>
Commitments at 31 July 2020	<u>-</u>	<u>-</u>

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

17. FINANCIAL INSTRUMENTS

	Group		Parent	
	2020	2019	2020	2019
	£000	£000	£000	£000
Financial assets measured at fair value through statement of financial activities:				
Investments	8,124	8,591	8,124	8,591
Financial assets that are debt instruments measured at amortised cost:				
Trade debtors	108	231	91	123
Amounts due from Group undertakings	-	-	40	331
Cash at bank	4,052	5,846	3,922	5,555
Financial liabilities measured at amortised cost:				
Trade creditors	(330)	(392)	(330)	(366)
Accruals	(594)	(167)	(571)	(157)
The income, expense, gains and losses in respect of financial assets are summarised below:				
Net (loss) / gain on investments	(617)	138	(617)	138
Investment income	225	259	225	259
Bad debt expense	50	74	50	74

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

18. STATEMENT OF TOTAL RETURNS (ENDOWMENTS)

Calculation of Total Return

	Permanent endowments £000	Expendable endowments £000	Total £000
At 1 August 2019:			
Unapplied total return	<u>1,369</u>	<u>249</u>	<u>1,618</u>
Total	1,369	249	1,618
Movements in the reporting period:			
Investment return: realised and unrealised losses	(330)	(69)	(399)
Less: Investment management costs	<u>(23)</u>	<u>(5)</u>	<u>(28)</u>
Total	<u>(353)</u>	<u>(74)</u>	<u>(427)</u>
Unapplied total return allocated to income in the reporting period	<u>10</u>	<u>44</u>	<u>54</u>
Net movements in reporting period	<u>(343)</u>	<u>(30)</u>	<u>(373)</u>
At 31 July 2020:			
Unapplied total return	<u>1,026</u>	<u>219</u>	<u>1,245</u>
Total	<u>1,026</u>	<u>219</u>	<u>1,245</u>

19a. NET ASSETS OF THE FUNDS

	Fixed assets £000	Investments £000	Net current assets £000	Long term liabilities £000	Fund balances £000
Endowment Funds	-	5,065	-	-	5,065
Restricted Funds	-	1,271	987	-	2,258
Unrestricted Funds	<u>16,499</u>	<u>1,788</u>	<u>514</u>	<u>(520)</u>	<u>18,281</u>
Parent	16,499	8,124	1,501	(520)	25,604
Subsidiary's reserves	<u>6</u>	<u>-</u>	<u>16</u>	<u>-</u>	<u>22</u>
Group	<u>16,505</u>	<u>8,124</u>	<u>1,517</u>	<u>(520)</u>	<u>25,626</u>

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

19b. ENDOWMENT FUNDS: MOVEMENTS IN THE YEAR

	Balance at 31 July 2019 £000	Incoming resources £000	Resources expended £000	Investment Gains/(losses) £000	Balance at 31 July 2020 £000
Permanent Endowments:					
Hugo Gryn	417	-	(32)	(30)	355
Duncan Turner Memorial	1,862	-	(9)	(136)	1,717
Evergreen Scholarship	440	-	(2)	(32)	405
London School of Foreign Trade	264	-	(2)	(19)	243
N & D Hoare	683	-	(3)	(50)	630
Atlantic Appeal Scholarship	599	-	(3)	(44)	552
Scholarship Endowment	33	-	-	(3)	30
AF 77	225	16	(1)	(17)	223
Expendable Endowments:					
Dorothy Burns Trust	591	27	(33)	(42)	544
Willem Alexander	356	71	(35)	(26)	366
	<u>5,470</u>	<u>114</u>	<u>(120)</u>	<u>(399)</u>	<u>5,065</u>

The capital of these funds is invested in order to generate income which may be expended by the Charity. During the year £54,403 (2019 - £73,494) was generated of which £54,403 (2019 - £109,313) was transferred to the restricted Bursary Fund.

All expenditure on endowments is restricted to scholarships with the Dorothy Burns Trust to be spent on a Jamaican student.

19c. RESTRICTED FUNDS: MOVEMENTS IN THE YEAR

	Balance at 31 July 2019 £000	Incoming resources £000	Resources expended £000	Investment Gain/(loss) £000	Transfer to Unrestricted £000	Balance at 31 July 2020 £000
Bursary Funds	1,615	2,795	(2,596)	(59)	(81)	1,674
Capital Funds	2,087	442	(79)	(152)	(1,953)	345
Other Funds	97	298	(10)	(7)	(139)	239
	<u>3,799</u>	<u>3,535</u>	<u>(2,685)</u>	<u>(218)</u>	<u>(2,173)</u>	<u>2,258</u>

Restricted bursary funds comprise:

The Annual Fund, which was set up to receive donations from College alumni who wished to contribute towards the cost of student bursaries. At the 31 July 2020, the balance on the fund was Nil (2019 £179,150). The Annual Fund has been replaced over a two year period by the Essential Atlantic Fund the balance of the fund being £452,650 (2019 £64,586).

The Sponsors fund receives donations in respect of bursaries raised for specific students. The balance of £986,597 (2019 - £814,581) at the financial year-end, comprises monies received from sponsors in respect of fees not yet due.

The balance of the bursary fund, £235,606 (2019 - £620,746) has been donated to support students of various nationalities and to provide assistance in cases of financial need, as specified by the donors.

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

ANNUAL REPORT TO THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

19c. RESTRICTED FUNDS: MOVEMENTS IN THE YEAR (continued)

Restricted Capital funds:

These funds have been donated as contributions towards capital projects.

Other Restricted funds:

These funds have been donated as contributions towards specific operational costs of the College and are applied in accordance with the conditions imposed by the donor.

19d. UNRESTRICTED FUNDS: MOVEMENTS IN THE YEAR

	Balance as at 1 August 2019	Incoming funds	Amounts expended	Corporation Tax, Pension & Investment gains	Transfer from Restricted	Balance as at 31 July 2020
	£000	£000	£000	£000	£000	£000
Funds:						
General Fund	15,403	10,483	(9,783)	27	2,173	18,303
Designated Funds:						
General Bursary	-	33	(33)	-	-	-
Unrestricted Funds	<u>15,403</u>	<u>10,516</u>	<u>(9,816)</u>	<u>27</u>	<u>2,173</u>	<u>18,303</u>

General Fund:

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

Designated Funds:

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

20. CAPITAL COMMITMENTS

Outstanding authorised contractual commitments in respect of the student residences capital project as at 31 July 2020:

Due < 1 year	£955,928
Due > 1 year	£119,873

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

21. PENSION SCHEME

Teachers' Pension Scheme

The College participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £444,882 (2019 – £314,706) and at the year-end there was no accrual (2019 - £67) in respect of contributions to this scheme.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- An employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

Scheme Changes

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, rejected the Government's application for permission to appeal the Court of Appeal's ruling and subsequently referred the case to an Employment Tribunal to determine a remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

Since then, claims have also been lodged against the main public service schemes including the TPS. The Department has conceded those in line with the rest of the government. In July 2020 HM Treasury launched a 12-week public consultation which will provide evidence to support the delivery of an appropriate remedy for the affected schemes, including TPS.

A final remedy will be determined once the results of the consultation are established.

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

In December 2019, a further legal challenge was made against the TPS relating to an identified equalities issue whereby male survivors of opposite-sex marriages and civil partnerships are treated less favourably than survivors in same-sex marriages and civil partnerships. The Secretary of State for Education agreed not to defend the case. In June 2020, the Employment Tribunal recorded its findings in respect of the claimant. DfE is currently working to establish what changes are necessary to address this discrimination.

Any impact of these events will be taken into account when the next scheme valuation is implemented. This is scheduled to be implemented in April 2023, based on April 2020 data.

Other staff

For non-teaching staff the College participates in pensions provided by either The Pensions Trust, or, since the implementation of auto-enrolment in April 2014, The National Employment Savings Trust (NEST) scheme which was set up by the government to ensure every employer has access to a high-quality workplace pension scheme.

The Pensions Trust

The College participates in The Pensions Trust Retirement Solutions, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The College paid contributions at the rate of 5-10% totalling £86,295 (2019 - £73,943) plus a £35,569 historic deficit payment. During the accounting period, members' contributions were made at 5%, with 44 members at the balance sheet date. At the year-end there was no accrual (2019 - £13,725) in respect of contributions to this scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £795m, liabilities of £926m and a deficit of £132m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

Deficit contributions

From 1 April 2019 to 31 January 2025:	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)
---------------------------------------	--

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)
---	--

From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)
---	--

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

PRESENT VALUES OF PROVISION

	31 July 2020 £000	31 July 2019 £000	31 July 2019 £000
Present value of provision	<u>171</u>	<u>204</u>	<u>259</u>

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Year Ended 31 July 2020 £000	Year Ended 31 July 2019 £000
Provision at start of year	204	259
Unwinding of the discount factor (interest expense)	1	4
Deficit contribution paid	(35)	(35)
Remeasurements - impact of any change in assumptions	1	4
Remeasurements - amendments to the contribution schedule	<u>-</u>	<u>(28)</u>
Provision at end of year	<u>171</u>	<u>204</u>

INCOME AND EXPENDITURE EFFECT

	Year Ended 31 July 2020 £000s	Year Ended 31 July 2019 £000s
Interest expense	1	4
Remeasurements – impact of any change in assumptions	1	4
Remeasurements – amendments to the contribution schedule	-	(29)
Costs recognised in income and expenditure account	445	420

UNITED WORLD COLLEGE OF THE ATLANTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

21. PENSION SCHEME (continued)

Assumption

	31 July 2020 % per annum	31 July 2019 % per annum	31 July 2019 % per annum
Rate of discount	0.60	1.00	1.72

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

National Employment Savings Trust

The College also participates in the National Employment Trust (NEST) Pension scheme, a multi-employer defined contribution (money purchase) scheme which was set up by the government in support of auto-enrolment to ensure every employee has access to a high-quality workplace pension scheme. The overall scheme has net assets under management of £9.5bn as per the 2019/20 Annual Report.

Employees are able to select between the NEST scheme and the Pensions Trust scheme upon starting their employment and may elect to change at any time. Those who are members of the NEST scheme contributed 3% (employee contribution), with an employers' contribution of 5%. The employee's contributions increased as part of the scheme implantation in April 2019 to 5%.

The pension charge for the year includes employer contributions payable to the NEST schemes of £45,787 (2019 – £47,793) there were 43 members at the balance sheet date. At the year-end there was no accrual (2019 - £167) in respect of contributions to this scheme.

22. LEASE COMMITMENTS

At 31 July 2020, the Charity had future minimum lease payments under non-cancellable operating leases are:

	Plant and Machinery	
	2020	2019
	£000	£000
Total commitments under non-cancellable leases are:		
Within 1 year	60	55
In 2 to 5 years	<u>46</u>	<u>41</u>

23. RELATED PARTY TRANSACTIONS

United World Colleges International

The United World College of the Atlantic Limited (Atlantic College) is one of sixteen colleges worldwide which together are represented by the United World Colleges International (UWCI) movement.

Driek Desmet and Jill Longson act as members of the UWCI board.

Each of the Colleges contributes to the running costs of the International office. In the year to 31 July 2020 Atlantic College contributed £203,084 (2019 - £215,627).