



united world schools
teach the unreachable



2019 **ANNUAL** 2020 **REPORT**

AND STATEMENT OF ACCOUNTS

unitedworldschools.org

UK registered charity number 1129537

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For the year ended 31st December 2019



UWS Lwal Kyal School, Myanmar

Letter from the Chairman of the Board of Trustees

This is the last time I will have the pleasure of addressing you as Chair of United World Schools. Having presided over the movement for two, three-year periods (the maximum allowed by our Trustee terms), I will be stepping down this summer.

It has been a privilege to chair this unique movement. It is doing invaluable work in terms of facilitating children in remote communities to obtain primary education, enabling them to be able to learn to read, write and count. These are transformational skills which will arm them with the appropriate tools to find well-paid work (comparatively) or to continue their education, which will enhance their life opportunities substantially.

Some eight years ago, the founder of UWS and a small group of us decided that we needed to scale up the activities of UWS given the enormous number of children living in remote communities worldwide and who have no chance of obtaining even the most rudimentary education. At that stage, we had fewer than ten schools built by the hard work and commitment of our founder.

Since then, UWS has grown from a tiny organisation to one which is now – as you will see from the CEO’s letter – a viable and successful movement. Our local teams are doing amazing work in the remoter regions of Nepal, Cambodia and Myanmar. Originally, we were only working in Cambodia - however, the simplicity of the UWS model allows it to be transported to other regions/ countries with very few alterations. I have no doubt we will be seeking to take our model to new regions/countries as soon as resources allow. While Covid-19 may be slowing us down in 2020, our commitment to continuing to reach even more children remains.

I, therefore, leave the role of chairman with a deep sense that the UWS team has responded well to the opportunities laid before us. Having successfully completed the early stages of UWS’ journey and having developed an international, if not global, charity, there are many opportunities for doing even more. I have no doubt that UWS will rise to this challenge and will continue to go from strength to strength, building on the incredible work of the UK team and the national teams in the countries we serve. Establishing a presence in the US will also substantially support our global activities.

In closing, it only remains for me to thank our national teams for the groundbreaking work that they are doing and to recognise our London



“I have no doubt that UWS will rise to this challenge and will continue to go from strength to strength”

team for organising, globally, our funding, Partner School recruitment and programmes development worldwide. We would be nothing without their amazing commitment.

Finally, I am delighted to introduce my successor, Peter Taylor, who will take over as Chair from June 2020. I’m sure Peter will continue to build on these strong foundations. For my part, I will continue to support UWS in any way I can.

Chris Outram



Chairman, United World Schools



UWS Wana School, Nepal

Letter from the Chief Executive

By learning to read, write and count, young people can unlock their potential, break free from poverty and transform their lives for good. This is why we remain resolutely focused on making education available to every disadvantaged young person, in every country we work.

With fewer than ten years to go before the world is due to reach the UN's 2030 Global Goals, this mission has never been more important. We continue to focus on delivering Sustainable Development Goal 4 – inclusive and equitable education for all. We know that the best way to achieve this goal is by harnessing the power of communities, governments, schools, individuals, organisations and companies around the world to drive change together.

We seek to 'teach the unreached'. So how well did we do in 2019?

With heartfelt thanks to every single person involved, it fills us with pride to report that 2019 was our most successful year to date.

We established 42 new schools and 21 Community Learning Sites, each serving communities living in some of the world's poorest regions. As a result, we welcomed 10,000 more children into school. This means we have enrolled over 35,000

students since we opened our first school in Cambodia just 12 years ago.

Our sustainable, low-cost and community-anchored model is ensuring that each one of our 174 schools and 43 Community Learning Sites continue to thrive. We know that long-term change comes from keeping students in school and delivering an education that equips young people with the skills they need to break out of poverty. This is why we continue to invest in teacher training and child-centric pedagogy, community leadership, early childhood facilities, child protection and safeguarding.

Thank you to our colleagues in Cambodia, Myanmar and Nepal, whose commitment to the cause is a source of ongoing inspiration. In 2019:

- In Nepal, we more than doubled school attendance to over 4,000 children each day, including the development of nine schools in the new region of Gulmi. In our established schools in the Sankhuwasabha region, academic performance has improved by 9% on average compared to the previous academic year, based on national exam data.

- In Cambodia, we continue to replicate the UWS community school 'blueprint' across several new

provinces, with more than 100 schools operational. In our more mature schools, two out of three of our Grade Six students are now continuing on to secondary school. By developing a roadmap for school transition to local community control and local government responsibility, we have a monitored exit plan in place for 2020 and 2021 – a key part of our sustainability plan.

- UWS Myanmar opened 21 Community Learning Sites, a model that is now being piloted in Cambodia and Nepal. We are transitioning eight of our more established schools into government hands, whilst continuing to work with them to maintain our values and quality. We scaled up our successful evening and summer school programmes, giving almost 1,000 older children and young adults the chance to receive formal education for the first time.

We continue to deliver extremely low-cost education, at less than \$2 per student per week.

In 2019, our achievements have been formally recognised and we were the proud recipient of two national and two international awards - including being a WISE 2019 Award winner for innovation and impact in education (see page 18).

None of this could have happened without our passionate and generous support network of individuals, trusts, corporate and school partners and organisations, to whom our 2019 awards are dedicated. In 2019 we raised almost GBP £3.2m, an 18% increase in our annual income. In 2019, we also completed our successful partnership with Educate a Child (EAC), with whom we have enrolled 27,000 children into school since 2016, and are now exploring further areas of partnership. Thank you also to everyone who joined us and was so generous at our 2019 Gala Dinner, which raised over £400k – a fantastic outcome.

To all our supporters... thank you on behalf of all of us at Team UWS.

In 2020, we continue to commit to sustainable growth and the long-term success of our organisation, including continuing to invest in the breadth and depth of our leadership capabilities. This includes launching UWS USA to support income generation and Partner School recruitment in North America. Whilst we are not expecting to see an immediate return on this investment, we are setting up the charity for even greater success in 2021 and beyond.

At the time of writing, we are supporting each and every one of our communities to manage the impacts of Covid-19. Whilst we do not yet know the full impact of this pandemic, through our trusted relationships with community leaders, we



“None of this could have happened without our passionate and generous support network”

can support and empower each community to do everything we can to reduce the risk of long-term harm and ensure our schools will reopen safely and successfully.

Finally, a personal thank you to Chris Outram, who is stepping down as Chairman of UWS in 2020. Chris's tireless commitment to UWS since 2012 has been a source of inspiration for me personally, and many others around the world.

Thank you for being part of our journey. Together we are transforming lives.

Tim Howarth



Chief Executive, United World Schools



UWS Kam School Cambodia

Who we are

Education transforms lives

United World Schools works in the world's poorest regions to give every child access to free education. We partner with local communities and supporters around the world to develop primary schools and teach the unreached.

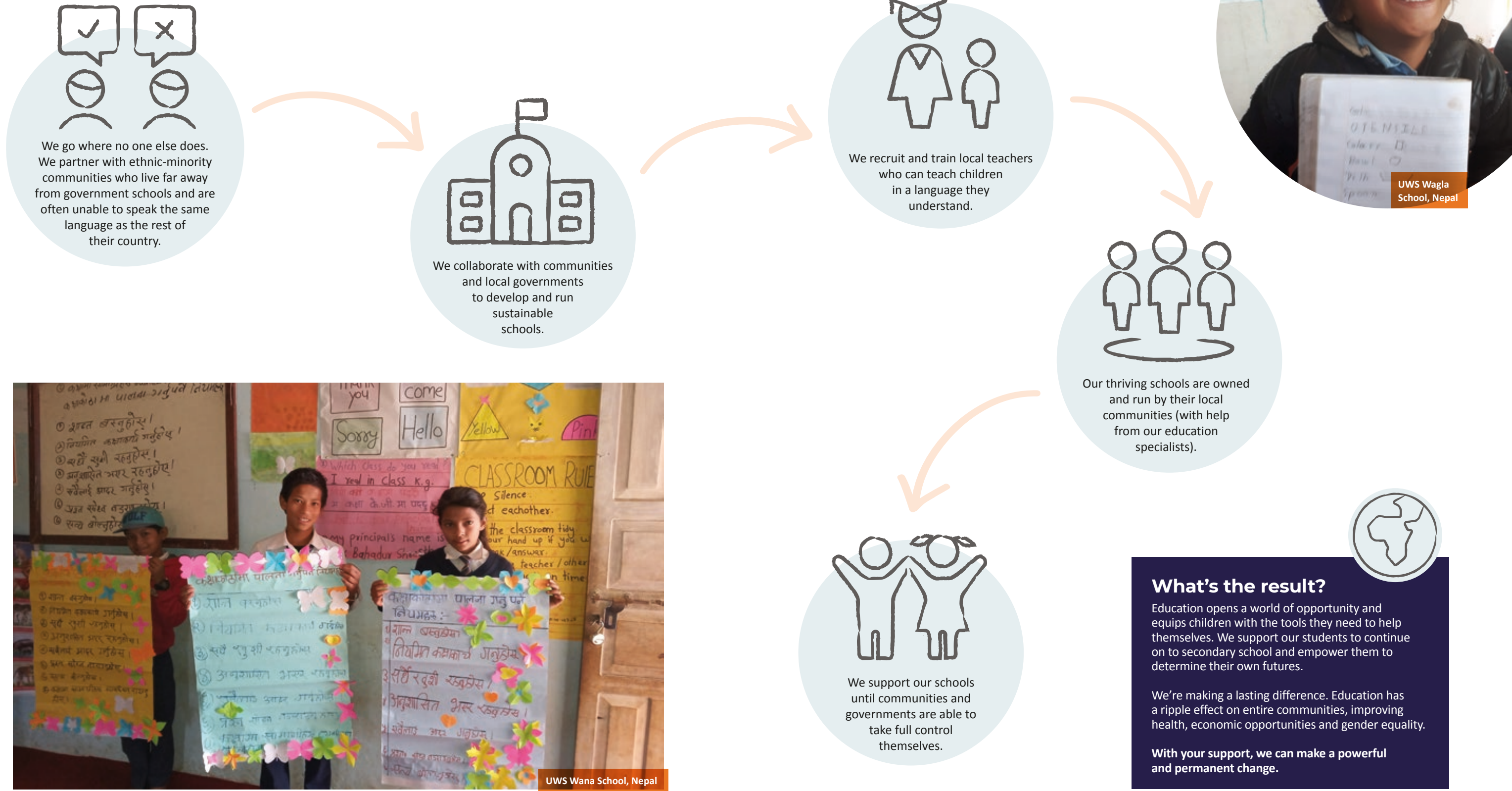
We are helping communities across Asia to break the cycle of illiteracy in one generation. We are empowering children to reach their full potential and build a better life for their families.

Our vision is a world in which every child has the chance to go to school. Thanks to you, we're making this a reality.



UWS Bak Kae School, Cambodia

Our approach



Where we work



We partner with remote communities across Cambodia, Myanmar and Nepal who have no access to education, leaving them trapped in an ongoing cycle of poverty.



Our work in Cambodia



186,109
out-of-school children of
primary school age

112
UWS schools

13,431
children enrolled

543
teachers

5
hubs in Ratanakiri, Stung Treng,
Mondulkiri, Kratie and
Koh Kong Provinces



Our work in Myanmar



91,889

out-of-school children of
primary school age

27

UWS schools

41

Community Learning Sites

3,760

children enrolled

210

teachers

5

hubs in the Tachileik, Pekhon, Kyaing
Tong, Mong Hset and Mong Yaung
Townships of Shan State

Our work in Nepal



103,384

out-of-school children of
primary school age

35

UWS schools

2

Community Learning Sites

4,498

children enrolled

270

teachers

2

hubs in Sankhuwasabha and
Gulmi Districts

Our impact



“I think I am very clever and I will achieve great things.”

Meet **Sophea**

Student, Cambodia

Sophea* lives in a remote village in Northern Cambodia. Waking up at dawn, Sophea starts her day by helping with chores, cleaning, cooking, and washing her clothes in the nearby river. She then gets ready for school and meets up with her friends from her village. Together, they walk for 15 minutes to UWS Bak Kae School. Sophea lines up with her classmates for registration and begins her lessons in Grade Four.

Sophea knows how much her family have given up so that she can go to school. When she was 11 years old, Sophea’s uncle advised her family to move villages so that Sophea would have the opportunity to go to a good school - something she had never been able to do before. Her family packed up their possessions, left their home village and moved to Bak Kae Village.

During break time, Sophea loves to read books in the school library with her friends. She says it was her mother who sparked her love of reading. Before Sophea started school, her mother used to walk ten kilometres to the nearest market to buy books for Sophea and her siblings. Khmer books were Sophea’s favourite as a young girl.

“My mother now does not have to use her money from farming to buy me books to learn anymore; I have these in this school.”

Now, Sophea is passionate about learning new things about the world. She particularly enjoys studying history.

“History books are my favourite. I take these home, along with Khmer and mathematics books to read in the evening.”

Sophea’s mother and father recently moved to Phnom Penh as her mother fell ill and needed medical treatment that was not available in the remote region in which they live. Now, she lives with her uncle, aunt, and four cousins in their one-bedroom house. Although Sophea misses her parents dearly, she loves being part of a large family.

Sophea’s parents put her in charge of their family farm when they left. Sophea spends her evenings and Sundays on the farm, growing rice, cashews and beans to sell. Sophea is adamant that she will not miss school to work on the farm, and she attends school everyday. She is determined to improve her future.

‘I see some of my friends skipping school to help their parents on their farm, but if I go and work on the farm, I will get behind on school work and my education. My life is better now with education, because when I finish school I will be able to find a lot of good jobs for me. I won’t have to work on a farm. I want to go onto studying at secondary school. In the future I will become a teacher to teach the next generation of people in my village, so they can become educated and gain skills that are beneficial for their futures, like I have.’

*Name has been changed to protect identity

2019

highlights

↓ Receiving the 2019 WISE Award

In August, we were awarded the 2019 WISE Award for our contribution to tackling global education issues. WISE (World Innovation Summit for Education) recognises projects that are addressing education challenges in an innovative way. We were thrilled to be selected by an international panel of education experts as one of the top six projects worldwide.



↗ Expanding into new regions

We continued to reach more remote communities, entering into new regions within the countries in which we operate. In Myanmar, we expanded into the Kyaing Tong, Mong Hset and Mong Yaung Townships of Shan State. In Cambodia, we expanded into the Kratie Province. By growing our regional reach, we are able to support more children to access education for the first time.



→ Launching our partnership with Tropic

In September, we launched our partnership with Tropic, an ethical skincare brand who are committed to empowering communities around the world. Tropic has pledged to donate one million days of education by the end of 2020 through the sale of their products. This equates to the education of approximately 5,000 children for a year.

"Around the world, 62 million children don't have access to an education, so partnering with United World Schools was the perfect fit. Now every time our customers treat themselves to our products, they know they're supporting children all over the world and helping to shape their futures too."

Susie Ma, Tropic founder and CEO

→ Opening our 100th school in Cambodia

In November, we celebrated the opening of UWS Srae Ample School, our 100th school in Cambodia. Srae Ample village is home to over 450 adults, very few of whom are able to read, write, count or speak the national language. Almost 100 children are now attending the UWS school here.

"Today is a very special day for me because we are opening school number 100! The UWS journey has been immensely rewarding and we are proud of having changed so many lives for the better"

Nan Sitha, UWS Cambodia Country Director



↑ Our Gala Dinner raising over £450,000 towards education

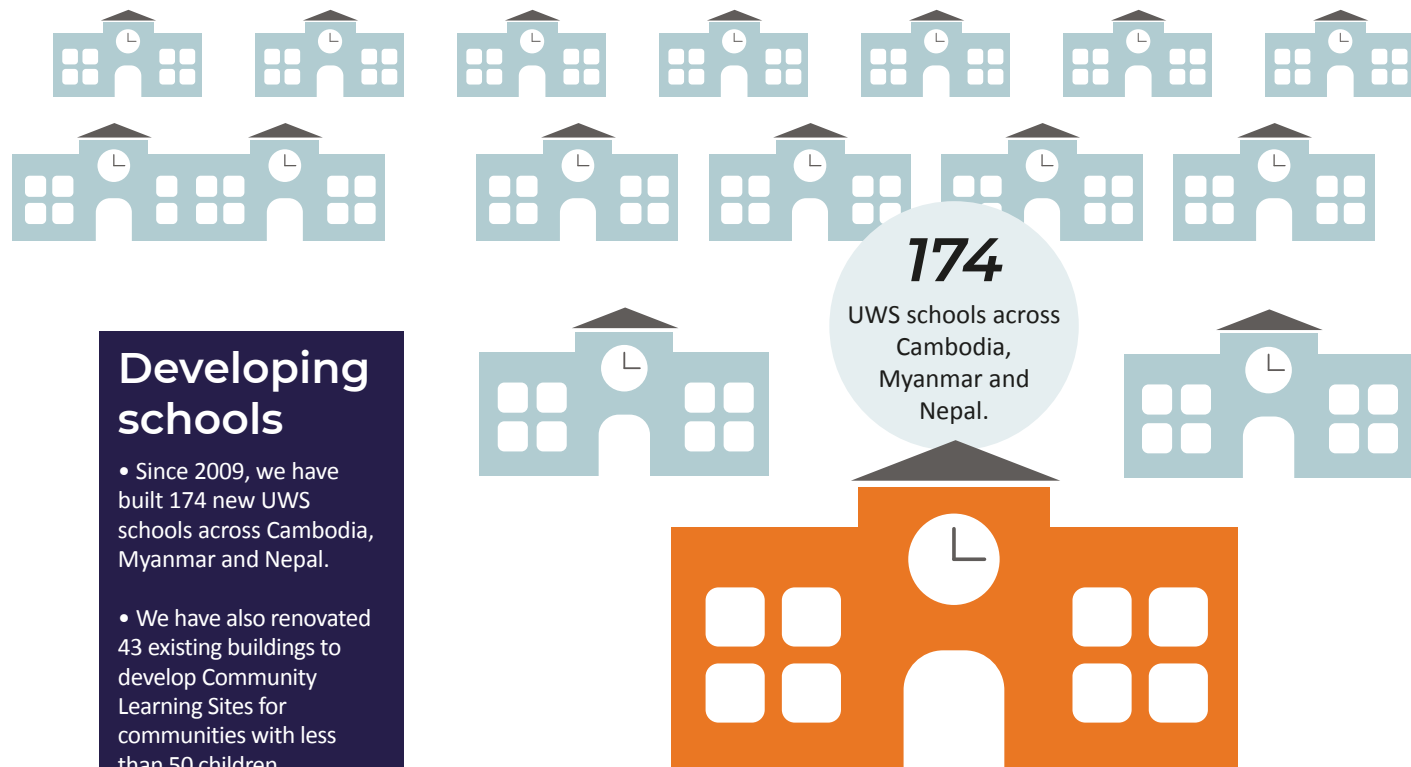
In November, supporters gathered for an evening of celebration and fundraising at our Gala Dinner in London. We heard from our country teams about the children whose lives have been changed by education. Thanks to the generosity of everyone who attended, the event was our most successful ever. The money raised on the evening will be used to support our education programmes in 2020 and beyond.

↓ Hosting our Global Education Conference

In June, we brought together our leadership teams from all the countries we work in for the first time to discuss progress and share best practice. Together, the teams developed our vision of education in remote and marginalised communities and were able to solve common challenges. This cross-country collaboration has resulted in further programmatic innovations, such as expanding our Community Learning Site model, which will ultimately enable us to reach more out-of-school children.

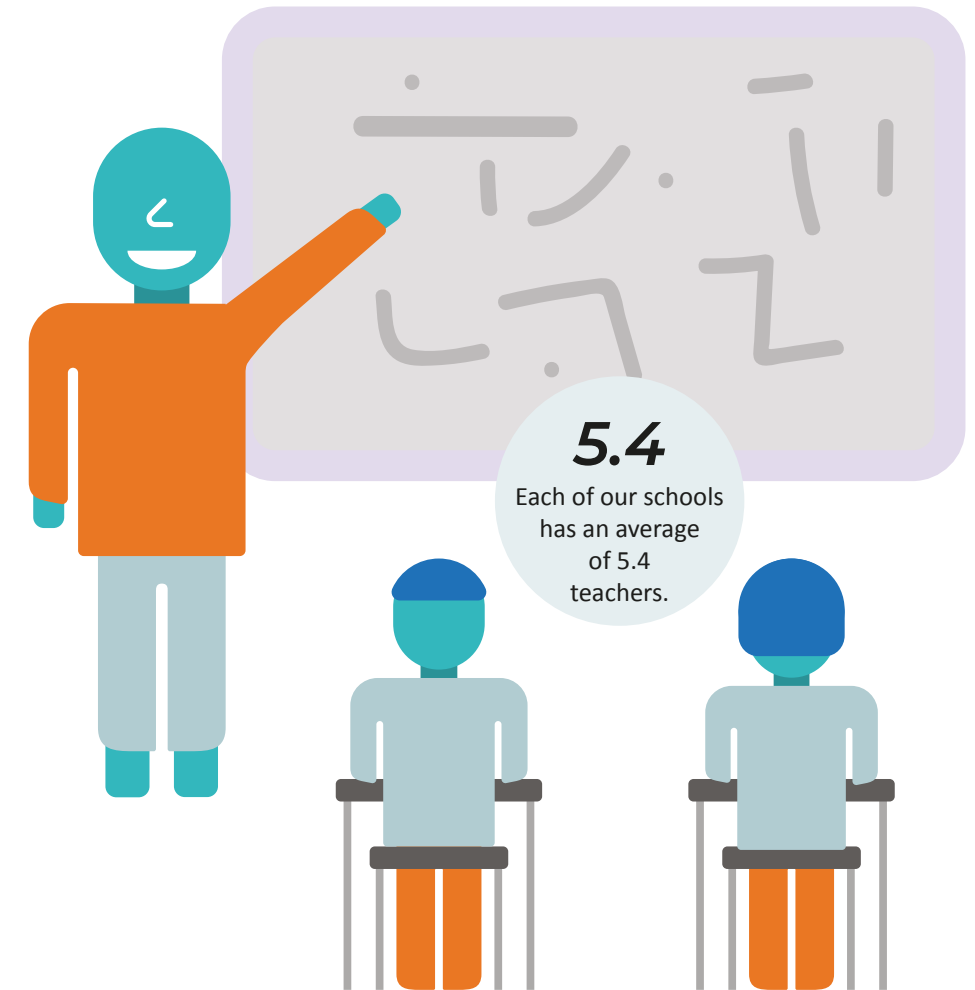


Our impact



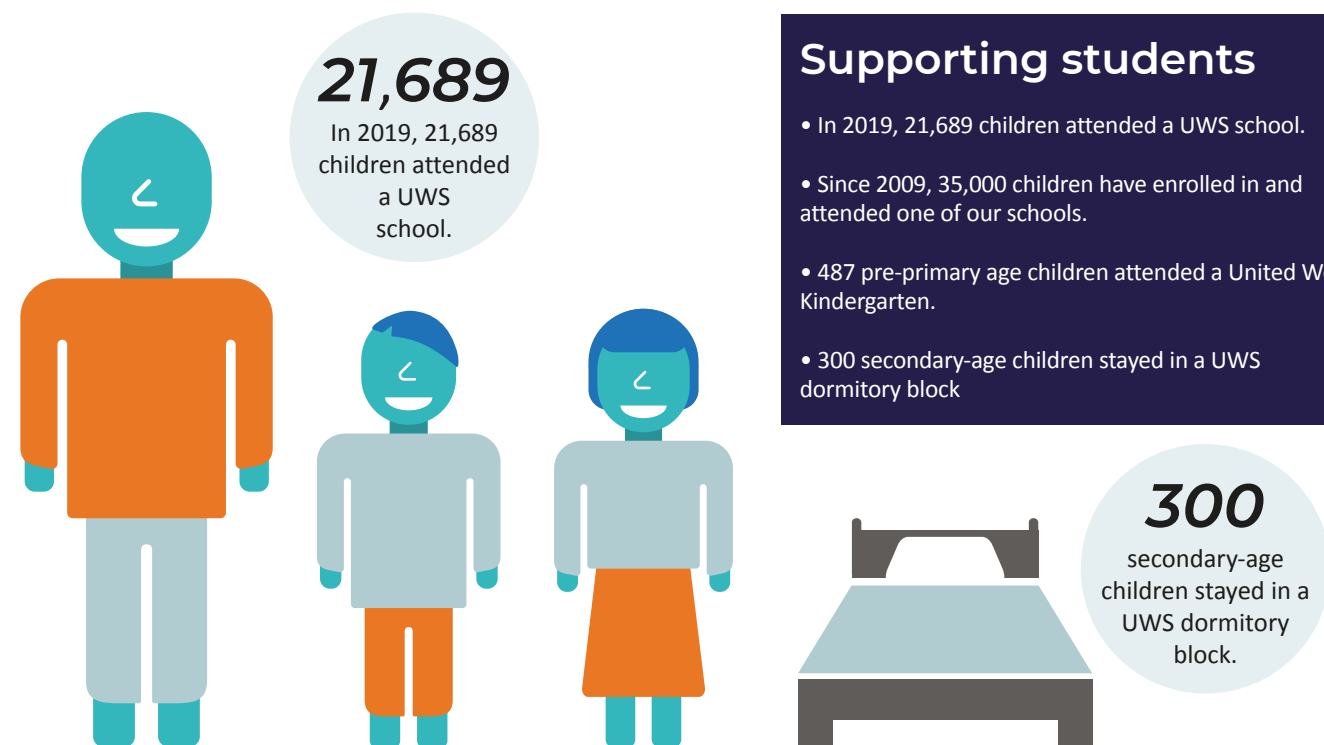
Training teachers

- We have employed and trained 971 teachers to deliver inspiring lessons across our schools.
- Each of our schools has an average of 5.4 teachers.
- We have employed 37 Education Officers to oversee the quality of education in each of our schools and deliver teacher training.



Supporting students

- In 2019, 21,689 children attended a UWS school.
- Since 2009, 35,000 children have enrolled in and attended one of our schools.
- 487 pre-primary age children attended a United World Kindergarten.
- 300 secondary-age children stayed in a UWS dormitory block.



Empowering communities

- The 217 communities we have partnered with benefitted from new employment opportunities and capacity building sessions.
- 92% of our schools had a functioning School Support Committee to help manage schools locally, with the remaining 8% receiving additional support.



Our commitment to quality education



UWS Gufa School, Nepal

Building a school is simply the first step in giving a child an education that will set them up for success. We know that the best way to help students to thrive is with the support of enthusiastic, inspiring and skilled teachers. In 2019, we continued to focus on the quality of teaching in our schools.

Investing in our Education Officers

Our Education Officers are crucial to ensuring high-quality teaching. These individuals travel to remote communities to train and mentor the teachers working in our schools. They coach them in technical skills and empower them to deliver engaging lessons. We continued to build the capacity of our Education Officers so they can deliver effective teacher training. Focus areas throughout the year included early childhood development, child-centred and interactive learning, classroom and behaviour management, and child protection.

Launching lead teachers

In 2019, we introduced 'lead teachers' to our education model. These are positions that experienced community teachers can take on to support newer teachers in nearby villages. Lead teachers complement our Education Officers by visiting nearby schools regularly and upskilling teachers. This ensures newly established schools have constant support and offers ongoing professional development opportunities for our teachers.

Developing our Fellowship Programme in Nepal

Our Nepal Fellowship Programme entered its third year, having proven successful in improving the quality of education across our schools. This scheme places ambitious Nepali

"Our Education Officers are crucial to ensuring high-quality teaching"

graduates into our rural schools to support English and maths teaching. Many Fellows have also implemented evening classes within their schools to support students who are falling behind. We are proud that a number of Fellows have graduated the programme to become UWS Education Officers.

Our child protection policy

We are committed to ensuring that our beneficiaries and their communities are safe and protected. All direct delivery staff receive extensive training on child protection. All teams in our countries of operation and head office receive regular safeguarding updates and sign a declaration that they have read, understood and will adhere to our child protection and safeguarding policy. Our full child protection policy can be found on our website:

www.unitedworldschools.org/our-child-protection-policy

Meet Madhav

Community teacher, Nepal



In 2017, Madhav began teaching at the newly-opened UWS Helu Besi School in Eastern Nepal. Before this, Madhav had spent over ten years working in government schools across Nepal. As part of our partnership with the Nepali government, the regional education authorities provide government-trained teachers to work alongside our local teachers. This helps to ensure that we are delivering the national curriculum and supports our long-term goal of transitioning our schools into national education systems. Madhav was one of the government teachers allocated to UWS Helu Besi School.

Madhav has seen firsthand the impact of education in Helu Besi village. Before we began working here, the closest school was a two-hour walk away. Most parents in the village were reluctant to send their children on the long, time-consuming journey. Living in extreme poverty meant that parents relied on their children's help to put food on the table. They often needed their children to stay at home to help with cooking and water collection, or to work on their family farms. Education had to wait.

However, this changed when UWS Helu Besi School opened in the heart of the community. Now, parents and children no longer have to choose between education

and earning a living. Madhav has seen a huge change in the community and children over the past three years as education has become embedded in their daily lives. Madhav shares:

"By involving community members in the decision making process, they felt ownership towards the school"

"Before any intervention from UWS, some of the local community members and parents were not aware about the importance of education, so were less interested in sending their kids to school. When the project started in 2017, by involving community members in the decision making process, they felt ownership towards the school. Parents are now more aware of the importance of sending their kids to school."

Madhav works alongside nine other teachers, including three who have been recruited and trained from the local community. All the teachers take part in regular training sessions with our Education Officers, who ensure the quality of education is high across all of our schools. Madhav has witnessed the benefits of this ongoing support.

"All the teachers here are dedicated to their duties, which has resulted in greater enrollment, high attendance rates and better learning achievements of the students."

Madhav thinks he has also benefited from ongoing training and support.

"The training and continued care provided by UWS has enhanced my teaching skills and provided me with strategies for effective and interactive classes. I have also become more responsible towards my school as well as the growth and development of my students."



Our innovations

We continued to develop our programmes to give more children the opportunity to go to school and receive a quality education.

Expanding our Community Learning Site model

We have now developed Community Learning Sites in over 43 remote villages in Myanmar and Nepal. These villages have so few people living in them that they have been largely overlooked by their wider societies. However, as these communities often speak indigenous languages and are far-removed from the nearest towns, this leaves them with no access to education. Our Community Learning Site model renovates existing community buildings and trains local teachers, so that we can provide education to these small communities in a cost-efficient way.

In 2019, we continued to develop this model, including breaking ground on our first Community Learning Sites in Nepal. We plan to continue expanding this model in 2020 by developing Community Learning Sites in Cambodia.

Summer schools and evening classes in Myanmar

Our summer school programme takes place during the three-month school break in Myanmar. These catch-up lessons are targeted at children who are unable to speak the national language, Burmese. Over 2,000 children attended one of our summer schools in 2019, which focused on language skills and reading abilities.

We also offer evening classes in Myanmar throughout term time to children who are unable to attend school during the day. Often these children are from the poorest families and work during the daytime to provide essential income to their households. This barrier to education perpetuates the cycle of illiteracy. Our flexible education provision is breaking this by giving them the opportunity to learn to read, write and count.



UWS Kalleri School, Nepal

“We have now developed Community Learning Sites in over 43 remote villages in Myanmar and Nepal”

Supporting girls' education

In Nepal, we trialled a programme aimed at removing barriers to girls attending our schools. The aim was to increase female attendance across our schools and shift attitudes towards educating girls within their communities. The pilot was extremely successful, with 200 previously out-of-school girls enrolled into a UWS school. We gave them essential materials including bags, books, stationery and school uniforms. We also conducted household visits to increase community understanding of the importance of female education. We will continue to focus on inclusion and girls' education in 2020.

Beyond primary education

While our focus is on primary schooling, our complementary programmes are ensuring that children can unlock the power of education to reach their full potential.

Expanding education pathways

Our thriving kindergartens continue to support the youngest members of communities. This programme prepares pre-primary age children to attend school, with research showing that children who attend kindergarten are more likely to enrol in primary school. Our kindergartens also allow older students to attend lessons without the responsibility of having to care for their younger siblings.

We are also focused on the next steps of our students. Our four dormitories in Cambodia are giving children who have graduated from our primary schools the chance to continue on to secondary school. Often government secondary schools are far away from the remote communities we work with, so our dormitories provide a place to stay during the week and give our students the opportunity to earn their high school diploma. 64% of our final year students in Cambodia progressed to high school in 2018/19 after graduating from primary school in July 2018. We are working hard to increase this further in 2020.



UWS La Tart Thmey School, Cambodia

Sanitation and hygiene

Our water, sanitation and hygiene programmes provide our students with access to clean water, bathrooms and health education. Across our schools, we teach children about the importance of hygiene practices such as hand-washing and teeth-brushing. By providing suitable facilities and arming children with knowledge of good hygiene behaviour, we are ensuring children are healthy and happy to attend lessons.

“64% of our final year students in Cambodia progressed to high school in 2018/19”

Nutrition

All the countries we work in suffer from food insecurity, and families with low incomes may struggle to source a balanced diet. Nutrition has a huge impact on mental capacity, performance and development in school-age children so it is important that we support our students to stay healthy. We do this by developing vegetable gardens within our school grounds, meaning children can take home a range of vegetables to share with their families. We also provide our kindergarten students with breakfast everyday to ensure they have the energy for a busy day of learning and playing.



UWS Gufa School, Nepal

Support in 2019



UWS La Tart Thmey School, Cambodia



UWS Wein Wa School, Myanmar

Thank you

Our work is made possible by our incredible network of supporters around the globe who share our commitment to education for all. In 2019, our global community helped us reach more children through fundraising, financial support and advocacy.

Thank you to the individuals, companies and foundations around the world who have invested in our current students and teachers, supported our teams on the ground and funded the construction of new schools. Your support is ensuring thousands of children receive a high-quality education from the moment they step foot in one of our classrooms to their primary-school graduation.

We are grateful to our Global Guardians who invest in our core operations. You are giving us the resources we need to grow and develop. It is thanks to your belief in our mission that we are able to reach more children every year.

We have a committed Board of Trustees, who use their expertise to guide our strategy and lead our governance. Their oversight is essential in achieving our mission.

We are fortunate to receive in-kind contributions from a number of dedicated volunteers and supporters. In 2019, this included:

- Our Gala Committee, who organised our most successful Gala Dinner to date. We are also grateful to everyone who donated auction prizes and attended the event.
- English language training provided by language school Stafford House, part of the CATS group, for two UWS Myanmar education staff.
- Pro-bono work by Deloitte consultants to implement an improved monitoring and evaluation tool.
- Management of our Google Ad grant by Brainlabs digital marketing agency.

On behalf of every child you have given the chance to go to school, thank you. You are transforming lives.

“Thank you to the individuals, companies and foundations around the world”

School fundraising

We are proud to partner with a range of schools around the world, each of whom is twinned with one of our schools in Cambodia, Myanmar or Nepal. We are inspired by the diversity of this group, which includes a mix of state, independent and international schools, and an age range from nursery through to university.

Students from our Partner Schools learn about children on the other side of the world and what it

means to be a Global Citizen. They also fundraise towards the community they are linked with, making a tangible difference to the lives of others and empowering other students to access the same opportunities as them. Thank you to all of our amazing Partner Schools.

Here are a few examples of our Partner Schools in 2019:



Bryanston School

The sixth form students at Bryanston ran an entire week of fundraising, with the aim of raising £28,000. Each student took on their own individual challenge, including rowing the equivalent distance of the Atlantic Ocean to climbing Mount Snowdon. They also organised a full week of events for the school community and parents. This included a silent auction, a dog show, a parent's lunch, a photography exhibition and a comedy event. They smashed their target, raising an amazing £54,500. This money has been used to build and support schools in both Myanmar and Cambodia.



Russell House School

In 2019, Russell House partnered with a new UWS school in Nepal. Their fantastic fundraising events have included 'climbing Everest' on the climbing wall and making tea towels to sell. They also enjoyed a visit from our Nepal country director, who took some drawings back to share with their fellow students in Nepal.



First Place Nurseries

First Place Nurseries have been getting parents, staff and children involved to support our kindergartens in Cambodia. In addition to inviting parents to personally purchase bricks, they held a number of sponsored activities including a dance-a-thon, a pancake race and obstacle courses. The team at First Place Nurseries have also organised bake sales and breakfast clubs so that parents can learn about our work. Nursery students have been enjoying using the 'Friendship Book' to see and understand the lives of other children across the world.



Swanlea School

From lunchtime staff to parents, the entire community at Swanlea School came together to support a brand new UWS school in Cambodia. Their fundraising events included teachers running marathons and a 'wear your trainers to school' day. Thanks to their support, we have been able to construct a new school in Cambodia which is now giving over 100 children the chance to go to school for the first time.

Partnerships

Our corporate and foundation partners are integral to our growth and continued to enable us to reach more children. In 2019, these partners included:



Educate a Child



Arnold Ash



Baillie Gifford



Bridgepoint



British & Foreign School Society



Change Group



ConCultures



Dubai Cares



Reiner Meutsch Stiftung Foundation FLY & HELP



Global Development Group



Global HR Executive



Global Mobility Executive



Kishinchand Chellaram Foundation



Lloyds Bank



RELX



Search Associates



Seventh Street Ventures (Jacaranda Foundation)



Sloane Robinson Foundation



St James's Place Charitable Foundation



Terrapinn



Tropic



Vida Vida

Learning through play with the **LEGO Foundation**

We have been working in partnership with the LEGO Foundation since 2017 when they provided 3,000 kg of LEGO to our schools. In 2019, they donated even more LEGO play boxes to support our schools.

Traditional teacher training in Cambodia focuses on rote-style learning, which isn't the most effective way to engage children. LEGO boxes are helping us to introduce a learning-through-play approach to all the teachers working in our schools. Teachers have been trained in incorporating LEGO into their lesson plans, helping children with language skills, shapes, colours, counting, describing and storytelling. Our students also love using LEGO in their free time, giving them a chance to express their creativity and enjoy having a safe space to play.



UWS Katcham School, Cambodia

Finance and governance



UWS Bak Kae School, Cambodia

Finance summary

We had another successful year in 2019 – with a small overall deficit of £(76)k (2018: £30k surplus).

Our total income in 2019 increased by 18% year-on-year from £2,662k to £3,137k. This allowed us to increase our expenditure from £2,632k to £3,213k, an overall increase of £581k or 22%. The increase in our expenditure on charitable activities accounted for £476k (or 82%) of this increase, as we looked to support many more marginalised communities across our three countries.

Total charity reserves decreased to £1,301k at the end of 2019 from £1,377k, reflecting the £(76)k deficit in the year. However, free reserves, being reserves that UWS can freely spend on any of our charitable purposes, increased from £919k at the end of 2018 to £1,177k at the end of 2019.

“These additional reserves provide UWS with a degree of flexibility”

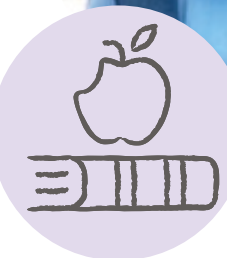
Our policy is to maintain free reserves equivalent to at least three months of running costs. Free reserves at 31st December 2019 of £1,177k represented approximately 6 months of operating costs. These additional reserves provide UWS with a degree of flexibility to continue with future school builds, support existing schools and their associated commitments, whilst also giving us additional headroom to cope with any significant external factors impacting our ability to generate income and deliver programmes, such as the Covid-19 pandemic. The 2018 funds included donations received in advance from Educate A Child (EAC) which were designated to specific projects at the last year end and were spent down in the first half of 2019.

The UWS executive team and trustees review the key risks to the charity and any mitigating actions on an ongoing basis. One of the risks already identified is the ‘inadequate overall income generation for growth, specifically impacted by significant events such as financial crises and pandemics.’

During the first few months of 2020 the executive team and trustees have reviewed in detail the potential impact of the Covid-19



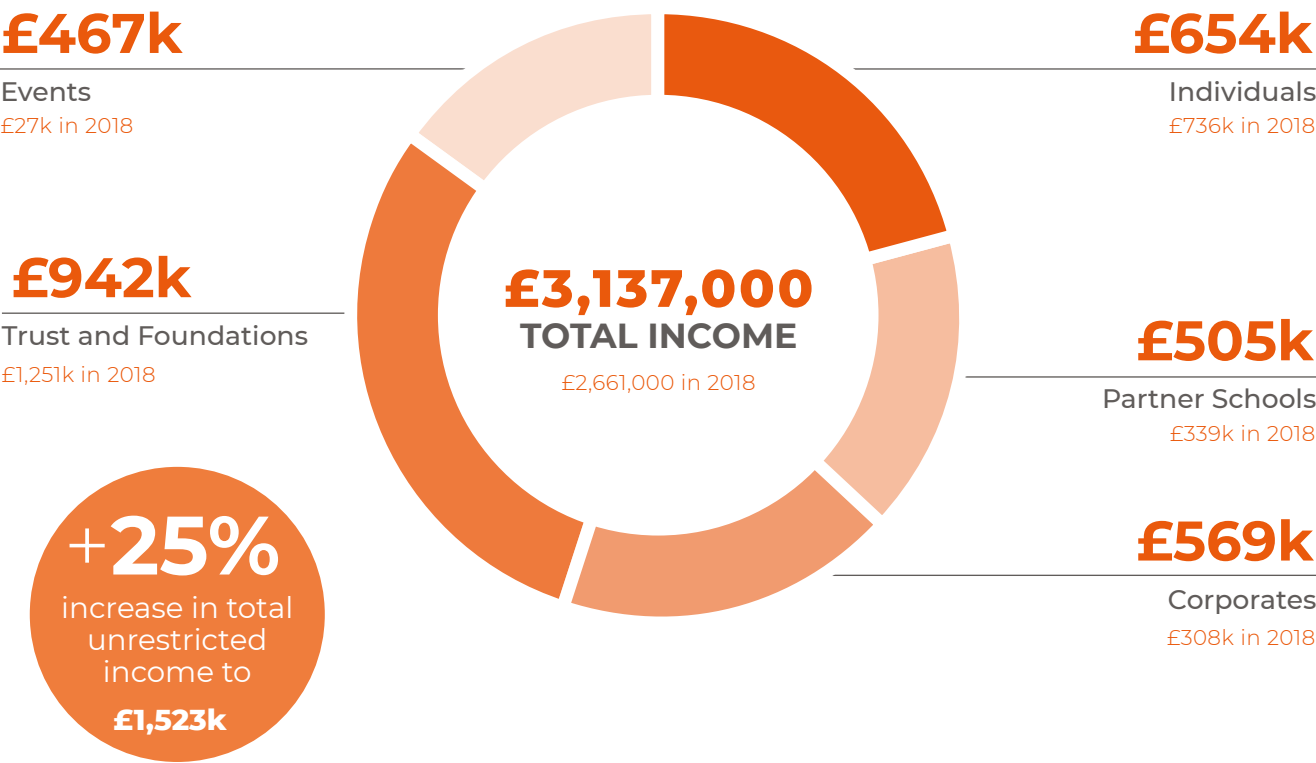
UWS Hedangnagadi School, Nepal



| £000s | 2019 | 2018 |
|----------------------|--------------|------------|
| Total funds | 1,301 | 1,377 |
| Less: | | |
| Restricted funds | 0 | (11) |
| Fixed assets | (120) | (124) |
| Designated Funds | 0 | (309) |
| Operating Lease | (4) | (14) |
| Free reserves | 1,177 | 919 |

pandemic on income levels and on our work in general, in order to satisfy the going concern test. Specifically we have prepared a number of scenarios for significantly reduced income levels, and as a result have already implemented a number of actions to reduce expenditure, and therefore preserve our reserves and protect the long term viability of the charity. We will continue to stress test the income and expenditure assumptions and will monitor the impact of the Covid-19 pandemic on income levels, introducing further measures as they are needed.

Finance **income**



We were particularly successful in growing income from our school and corporate partnerships, which grew by 49% and 85% respectively. These increases were partially offset by a reduction in Trust and Foundation income, reflecting the final year of support from our largest supporter, EAC, under their current contract. We hope to continue this successful, award-winning relationship with EAC in 2020 and beyond.

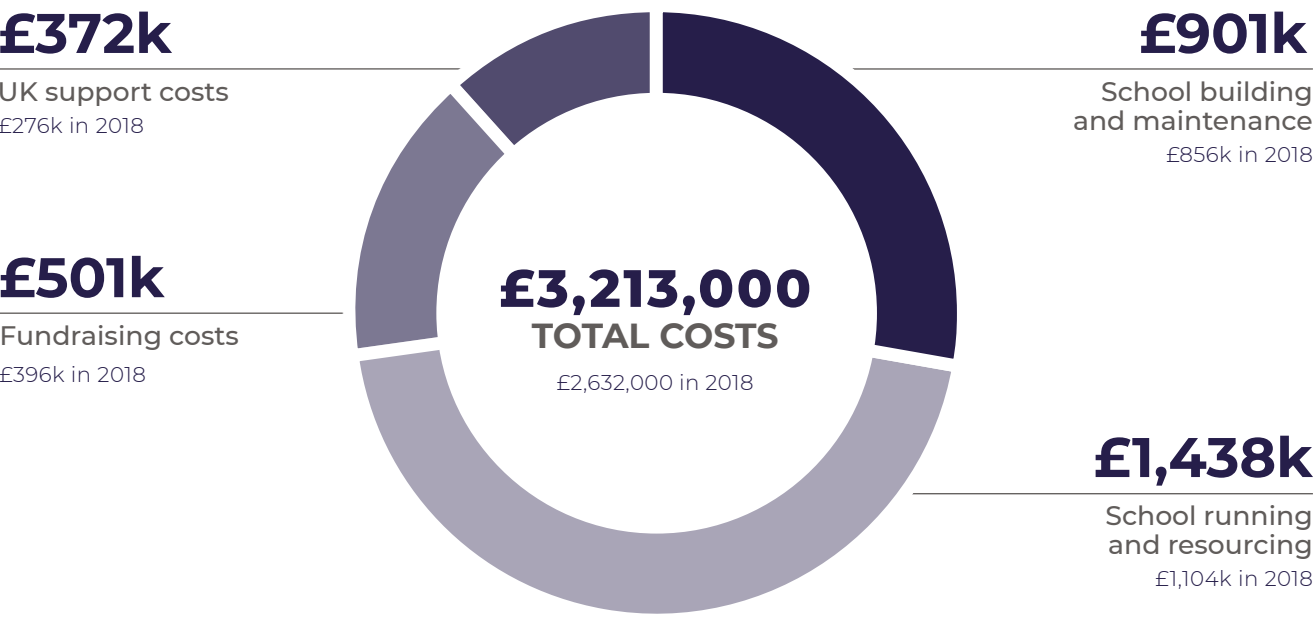
We held an extremely successful gala dinner in November 2019, with the aim of raising unrestricted funds to support the medium- to long-term objectives of UWS. The dinner raised £467k of income with a return on investment of approximately 8.5 to 1.

Our overall fundraising return on investment remained a healthy £6.3 raised for every £1 spent in 2019 (2018 ratio: £6.7 to £1). The slight dip in overall return reflected the lower income from EAC in 2019 compared to 2018.

We continued to grow our unrestricted income in 2019 to £1,523k (2018: £1,214k), a year-on-year increase of 25%. Unrestricted income therefore grew to be 49% of total income in 2019 (2018: 45%).



Finance **expenditure**



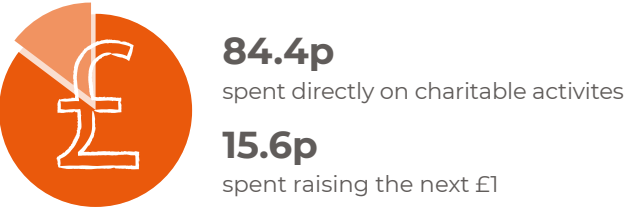
The running and resourcing of schools, alongside building and maintaining schools continue to be our biggest areas of expenditure within our charitable activities. In particular, our expenditure on running and resourcing existing schools grew by £334k (or 30%) in the year, reflecting a growth in the number of active learning sites of 39%.

The average direct cost to build a school in 2019 grew slightly to £22.6k compared to £22.0k in 2018, reflecting some inflationary pressure on the cost of materials and labour in our countries. The average direct cost of supporting a child attending one of our schools fell slightly to £41 (2018: £43). As we grow the number of schools in our network, and our schools become more established, we gain efficiencies in our operating cost base through better purchasing and improved relationships with local and national governments who are able to take on a proportion of our costs. We, therefore, expect this trend to continue into the future.

In 2019, 84.4p out of every £1 was spent directly on charitable activities (2018: 85.0p), with 15.6p spent on raising the next £1 (2018: 15.0p). The slight drop in the year reflected the £55k cost of the gala dinner which occurs every other year – excluding this cost, the amount spent on charitable activities was consistent year on year at around 85p.

Ongoing support and governance both in the UK and in the countries in which we operate is vital to ensure all money raised is spent efficiently and effectively, and to provide the best value for money for our donors. In particular, we continued to invest in the monitoring and evaluation of all areas of our work, and in the training of our staff in child protection and safeguarding. 2019 also included a full year of a full time Director of Finance and Operations, a new website platform and a donor relationship management system. As a result of all of the above investment our annual support costs increased from £276k in 2018 to £372k in 2019.

| Key Performance Indicator | 2019 | 2018 |
|--|-----------|-----------|
| Number of active schools | 174 | 132 |
| Number of community learning sites | 43 | 24 |
| Total number of learning sites (at year end) | 217 | 156 |
| Number of children enrolled (at year end) | 23,334 | 16,057 |
| Number of children enrolled (cumulative to year end) | 35,000 | 25,000 |
| Average direct cost to build a school (excl. community learning sites) | £22,637 | £22,000 |
| Average direct cost of education per child per year | £41 | £43 |
| Fundraising return on investment | £6.3 : £1 | £6.7 : £1 |
| Pence in £ on charitable activities | 84.4p | 85p |



Statement of accounts

United World Schools
Financial Statements
Year Ended 31 December 2019

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United World Schools

Charity Reference and Administrative Details

Year Ended 31 December 2019

| | |
|--|--|
| Charity registration number | 1129537 |
| Trustees | Chris Outram (Chairman) Stephen Warshaw (Vice-Chairman) Vicky Unwin John Siebert Fergus Brownlee (Vice-Chairman) Ronald Graham Stuart Fletcher (Vice-Chairman) Matthew Lester (Honorary Treasurer) John Lovering Nirmala Rao (appointed 17/09/19) Boudewijn Peter Theodoor de Wit (appointed 21/06/19) Jean-Paul Rigaudeau (appointed 17/09/19) |
| UK Executive Team | Tim Howarth (Chief Executive Officer) Jack Clark (Schools Partnerships Director) (Resigned 31/01/19) Irahyma Paredes (Head of Fundraising) (Resigned 14/03/19) Fiona Stancombe (Consultant) (Resigned 30/04/19) Richard Chadwick (Finance & Operations Director) Peter Campling (Global Programmes Director) (Appointed 23/04/19) Sofeena Lalani (Development Director) (Appointed 24/02/20) |
| Cambodia, Myanmar & Nepal teams | Katy Brand (Programmes Director) (Resigned 31/12/19) Nan Sitha (Cambodia Country Director) Surya Karki (Nepal Country Director) Dr Kay Khaing Win (Myanmar Country Director) |
| Registered office | Unit 138 Southbank House Black Prince Road London SE1 7SJ |
| Website | www.unitedworldschools.org |
| Email | info@unitedworldschools.org |
| Auditor | UHY Hacker Young Chartered Accountants 14 Park Row Nottingham NG1 6GR |
| Bankers | National Westminster Bank 151 High Street Guildford GU1 3AH |

United World Schools

Trustees' Annual Report

Year Ended 31 December 2019

The Trustees present their report and the audited financial statements of the charity for the year ended 31 December 2019. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) "The Financial Reporting Standard applicable in the UK and Republic of Ireland" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016 and Update Bulletin 2 published on 5 October 2018).

Trustees of the charity

The Trustees who have served during the year and since the year end were as follows:

Chris Outram (Chairman)
Stephen Warshaw (Vice-Chairman)
Vicky Unwin
John Siebert
Fergus Brownlee (Vice-Chairman)
Ronald Graham
Stuart Fletcher (Vice-Chairman)
Matthew Lester (Honorary Treasurer)
John Lovering
Nirmala Rao (appointed 17/09/19)
Boudewijn Peter Theodoor de Wit (appointed 21/06/19)
Jean-Paul Rigaudeau (appointed 17/09/19)

Objectives and activities

The objectives of the charity are to build schools and advance education and well-being in countries such as Cambodia, Myanmar and Nepal.

Public benefit statement

In meeting objectives and formulating future plans the Trustees have considered the Charity Commission's guidance on public benefit. The charity continues to build schools and advance well-being in countries such as Cambodia, Myanmar and Nepal.

Achievements and performance

The achievements and performance of the charity are outlined in detail on pages 16 to 25 of the Annual Report.

Financial review (including reserves policy)

A review of the charity's activities and financial position is summarised on pages 33 and 35 of the Annual Report.

In accordance with Charity Commission guidelines, the charity is required to ensure the sustainability of the organisation and maintain operating reserves to offset the impact of unforeseen events and operating cash flows. The charity's policy is to maintain free reserves equivalent to three months of running costs. Free reserves at 31 December 2019 of £1,177,314 exceeded this by £600,720.

United World Schools

Trustees' Annual Report

Year Ended 31 December 2019

Structure, governance and management

United World Schools was registered as a charity on 12 May 2009, under registered number 1129537. It is governed by a Trust Deed dated 14 April 2009. It is an unincorporated charity.

The charity is governed by a Board of Trustees which acts in an honorary capacity. The Board meets up to 4 times a year to set overall policy and strategy and to scrutinise financial matters relating to the operation of the charity. The number of Trustees shall not be less than 2.

The Trustees administer the charity through the Chief Executive (a non-Board member), who leads the UK Executive Team comprising the Development Director, the Programmes Director and the Finance & Operations Director. The Programme Director works with a team of country Directors and Managers for Cambodia, Myanmar and Nepal. Lines of responsibility within the charity are clearly drawn and communicated to all staff members. There is a meeting structure to ensure effective communication and co-ordination of activities.

The Trustees are appointed through the charity's Board recruitment procedure. The charity advertises Board vacancies from time to time and actively seeks suitable candidates. On appointment, new Trustees undergo an induction period during which their duties and responsibilities are explained to them. They receive a comprehensive pack of information including a copy of the Trust Deed, recent accounts and budgets, Board meeting minutes and a schedule of future meetings and events. Trustees are encouraged to attend meetings with the executive team to understand the day-to-day running of the charity.

The Board of Trustees operates two sub-committees – the Audit and Risk Committee and the Remuneration and Nomination Committee.

The Audit and Risk Committee is responsible for:

- assisting the Board in its oversight of the integrity of the charity's financial reporting, including supporting the Board in meeting its responsibilities regarding financial statements and the financial reporting systems and internal controls;
- monitoring the effectiveness and objectivity of external auditors; and
- assisting the Board in its oversight of the charity's risk management framework and the use of its comprehensive risk register, including the charity's performance, to protect against and mitigate risks.

The major risks discussed by Trustees over the last 18 months since the beginning of 2019 are categorised as either Global risks or those that are specific to individual Countries, and are summarised in the table below. Trustees discuss mitigation plans for each of these risks with the Executive team.

| Major UWS Global Risks | Major UWS Country Risks |
|--|---|
| 1. Lack of funding for core costs and in country teams / running costs (income mix; restricted vs unrestricted) | 1. Major road traffic incident impacting UWS staff or volunteers |
| 2. Unable to transfer ownership of schools to local authority / community control | 2. Child protection or safeguarding issues |
| 3. Incomplete or inaccurate monitoring and evaluation of projects | 3. Natural disaster e.g. landslide, earthquake |
| 4. Staff capacity alignment to growth – over reliance on key individuals and loss of high performing staff particularly in Fundraising | 4. Political instability e.g. constitutional reform, militia activity |
| 5. Inadequate overall income generation for growth, specifically impacted by significant events such as financial crises, pandemics | |

United World Schools

Trustees' Annual Report

Year Ended 31 December 2019

The Remuneration and Nomination Committee is responsible for assisting the Board and making recommendations on:

- the appointment and remuneration of the senior Executives of the charity; and
- where relevant agreeing any material changes to the terms of the service contracts of any senior Executives.

Trustees also regularly visit projects in the countries in which UWS operates, ensuring that the charity continues to meet its objectives by providing quality, cost effective education to children in remote communities in Cambodia, Myanmar and Nepal. In 2019 there were four separate visits by Trustees to projects. These complement visits to our projects by the experienced Executive Team and by other key UWS stakeholders, for example a number of our major funding partners who have significant experience of supporting education in remote communities.

During 2019 the Trustees agreed to set up a Charitable Incorporated Organisation (CIO) which has been approved by the Charity Commission and will replace the existing charity in 2020.

Trustees' responsibilities

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board of Trustees



Chris Outram, Chairman

Date: 12th June 2020

United World Schools

Independent Auditor's Report

Year Ended 31 December 2019

Independent Auditor's Report to the Trustees of United World Schools

Opinion

We have audited the financial statements of United World Schools (the 'charity') for the year ended 31 December 2019 which comprise the Statement of Financial Activities (including Income and Expenditure Account), Balance Sheet, Statement of Cash Flows and 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 Financial Reporting Standard 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 charity's affairs as at 31 December 2019, and of its incoming resources and application of resources, 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 Charities Act 2011.

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 charity 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 charity'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.

United World Schools

Independent Auditor's Report

Year Ended 31 December 2019

Independent Auditor's Report to the Trustees of United World Schools (continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 39, the trustees are responsible for the preparation of financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

United World Schools

Independent Auditor's Report

Year Ended 31 December 2019

Independent Auditor's Report to the Trustees of United World Schools (continued)

Auditor's responsibilities for the audit of the financial statements

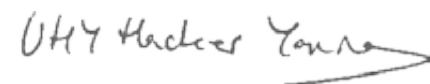
We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



UHY Hacker Young, Statutory Auditor

Date 12th June 2020

UHY Hacker Young is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

United World Schools

Statement of Financial Activities (Including Income and Expenditure Account)

Year Ended 31 December 2019

| | | | 2019 | | 2018 |
|------------------------------------|------|-------------------------|-----------------------|------------|------------|
| | Note | Unrestricted funds £ | Restricted funds £ | Total £ | Total £ |
| Income and endowments from: | | | | | |
| Donations and legacies | 2 | 1,053,653 | 1,579,024 | 2,632,677 | 2,618,880 |
| Charitable activities | 3 | - | 34,871 | 34,871 | 15,406 |
| Other trading activities | 4 | 466,822 | - | 466,822 | 26,702 |
| Investments | 5 | 2,700 | - | 2,700 | 755 |
| Total income | | 1,523,175 | 1,613,895 | 3,137,070 | 2,661,743 |
| Expenditure on: | | | | | |
| Charitable activities | 6 | 422,760 | 2,288,910 | 2,711,670 | 2,235,447 |
| Raising funds | 7 | 501,161 | - | 501,161 | 396,077 |
| Total expenditure | | 923,921 | 2,288,910 | 3,212,831 | 2,631,524 |
| Net income / (expenditure) | | 599,254 | (675,015) | (75,761) | 30,219 |
| Transfers between funds | 18 | (663,976) | 663,976 | | - |
| Net movement in funds | 18 | (64,722) | (11,039) | (75,761) | 30,219 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | 18 | 1,366,052 | 11,039 | 1,377,091 | 1,346,872 |
| Total funds carried forward | 18 | 1,301,330 | - | 1,301,330 | 1,377,091 |

All income and expenditure derive from continuing activities.

The notes on pages 48 to 59 form part of these financial statements.

United World Schools

Balance Sheet

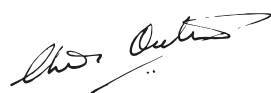
Year Ended 31 December 2019

| | Note | 2019 £ | 2018 £ |
|---|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 14 | 119,826 | 123,455 |
| Current assets | | | |
| Debtors | 15 | 19,875 | 19,558 |
| Cash at bank and in hand | | <u>1,232,645</u> | <u>1,270,691</u> |
| | | 1,252,520 | 1,290,249 |
| Creditors: amounts falling due within one year | 16 | (71,016) | (36,613) |
| Net current assets | | <u>1,181,504</u> | <u>1,253,636</u> |
| Net assets | | <u>1,301,330</u> | <u>1,377,091</u> |
| Charity Funds | | | |
| Restricted funds | 18 | - | 11,039 |
| Unrestricted funds | 18 | 1,301,330 | 1,366,052 |
| Total charity funds | 18 | <u>1,301,330</u> | <u>1,377,091</u> |

The notes on pages 48 to 59 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees on...12th June 2020.

Signed on behalf of the Board of Trustees



Chris Outram, Chairman

Charity registration number: 1129537

United World Schools

Statement of Cash Flows

Year Ended 31 December 2019

| | Note | 2019 £ | 2018 £ |
|--|------|------------------|------------------|
| Net cash flow from operating activities | 20 | 30,234 | 34,046 |
| Cash flow from investing activities | | | |
| Payments to acquire tangible fixed assets | | (38,673) | (65,001) |
| Net cash flow from investing activities | | <u>(8,439)</u> | <u>(30,955)</u> |
| Net increase in cash and cash equivalents | | (8,439) | (30,955) |
| Cash and cash equivalents at 1 January 2019 | | 1,270,691 | 1,277,246 |
| Exchange differences | | (29,607) | 24,400 |
| Cash and cash equivalents at 31 December 2019 | | <u>1,232,645</u> | <u>1,270,691</u> |
| Cash and cash equivalents consists of: | | | |
| Cash at bank and in hand | | 1,232,645 | 1,270,691 |
| Cash and cash equivalents at 31 December 2019 | | <u>1,232,645</u> | <u>1,270,691</u> |

The notes on pages 48 to 59 form part of these financial statements.

United World Schools

Notes to the Financial Statements

Year Ended 31 December 2019

1 Summary of significant accounting policies

(a) General information and basis of preparation

United World Schools is an unincorporated charity, registered in England & Wales under registration number 1129537. The address of the registered office is given in the charity information on page 38 of these financial statements. The nature of the charity's operations and principal activities are building schools and advancing education and well-being in countries such as Cambodia, Myanmar and Nepal.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016 and Update Bulletin 2 published on 5 October 2018), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

United World Schools

Notes to the Financial Statements

Year Ended 31 December 2019

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have received the funds. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled. No income was deferred as at the year end.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Income from fundraising events is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Income from volunteers represents the contributions made by volunteers towards the cost of their visits to the schools.

Interest income is recognised using the effective interest method on a receivable basis.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds
- Expenditure on charitable activities

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

The construction of new schools, wells, teacher accommodation and the related furnishings and equipment is viewed by the trustees as charitable activities expenditure as it is incurred in delivering the objects of the charity. As such this expenditure is included within charitable activities resources expended within the statement of financial activities and not capitalised.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a pro rata basis to the percentage of staff time spent working in each area.

The analysis of these costs is included in notes 8 and 9.

United World Schools

Notes to the Financial Statements

Year Ended 31 December 2019

(f) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

| | |
|----------------|-------------|
| Equipment | 25% on cost |
| Motor vehicles | 25% on cost |

We build schools on land owned by the community, and the schools are gifted to the community on completion. Whilst we agree to repair and maintain the schools, we do not capitalise them on our balance sheet as we do not own them or the land.

(g) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(h) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

To facilitate the budgeting process of the charity all USD transactions are translated into the functional currency at a fixed rate across the accounting period. This represents a departure from UK Generally Accepted Practice.

This departure has no impact on the net income or expenditure for the year as monetary assets and liabilities denominated in a foreign currency are re-translated at the balance sheet date into the functional currency using the closing rate.

Net foreign exchange gains or losses are charged or credited to the Statement of Financial Activities (SoFA) as outlined in note 10 to the financial statements.

(i) Operating leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

(j) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. Redundancy payments are recognised immediately as an expense when the charity is demonstrably committed to make an employee redundant or to provide redundancy benefits.

The charity operates a defined contribution pension plan for the benefit of its employees. Pension contributions are expensed as they become payable.

Under FRS 102, the charity is required to accrue for all short-term compensated absences as holiday entitlement earned but not taken at the balance sheet date. As the charity's holiday year is coterminous with the balance sheet date accrual is only made within the financial statements where material.

United World Schools

Notes to the Financial Statements

Year Ended 31 December 2019

(k) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

The UWS executive team and trustees review the key risks to the charity and any mitigating actions on an ongoing basis. One of the risks already identified is the **'inadequate overall income generation for growth, specifically impacted by significant events such as financial crises and pandemics.'**

During the first few months of 2020 the executive team and trustees have reviewed in detail the potential impact of the Covid-19 pandemic on income levels and on our work in general, in order to satisfy the going concern test. Specifically we have prepared a number of scenarios for significantly reduced income levels, and as a result have already implemented a number of actions to reduce expenditure, and therefore preserve our reserves and protect the long term viability of the charity. We will continue to stress test the income and expenditure assumptions and will monitor the impact of the Covid-19 pandemic on income levels, introducing further measures as they are needed.

(l) Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Central office support costs are allocated to expenditure on raising funds or charitable activities as a percentage of a person(s) time spent on those activities or a percentage usage of goods or services relating to those activities.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Income from donations and legacies

| | 2019 £ | 2018 £ |
|----------------------|------------------|------------------|
| Individuals | 654,307 | 736,425 |
| Partner schools | 467,806 | 323,698 |
| Corporate | 568,504 | 308,268 |
| Trusts & foundations | 942,060 | 1,250,489 |
| | <u>2,632,677</u> | <u>2,618,880</u> |

Income from donations and legacies was £2,632,677 (2018 - £2,618,880) of which £1,579,024 (2018 - £1,431,994) was attributable to restricted funds and £1,053,653 (2018 - £1,186,886) was attributable to unrestricted funds.

United World Schools

Notes to the Financial Statements

Year Ended 31 December 2019

3 Income from charitable activities

| | 2019 £ | 2018 £ |
|------------------------|---------------|---------------|
| Income from volunteers | 34,871 | 15,406 |
| | <u>34,871</u> | <u>15,406</u> |

Income from charitable activities was £34,871 (2018 - £15,406) of which £34,871 (2018 - £15,406) was attributable to restricted funds and £nil (2018 - £nil) was attributable to unrestricted funds.

Partner schools visit our schools in country, and the students and teachers volunteer to help teaching in school. These costs are their funding of the in-country travel which we arrange, and also a contribution to the local administrative costs.

4 Income from other trading activities

| | 2019 £ | 2018 £ |
|--------------------|----------------|---------------|
| Fundraising events | 466,822 | 26,702 |
| | <u>466,822</u> | <u>26,702</u> |

Income from other trading activities was £466,822 (2018 - £26,702) of which £nil (2018 - £nil) was attributable to restricted funds and £466,822 (2018 - £26,702) was attributable to unrestricted funds.

We held a Gala dinner fundraising event in November 2019, with the aim of raising funds to support the medium to long term objectives of the charity. The event cost £55,204 (see note 7) with an associated return on investment of 8.5 to 1. The event is organised by volunteers and staff.

5 Income from investments

| | 2019 £ | 2018 £ |
|---------------------|--------------|------------|
| Interest – deposits | 2,700 | 755 |
| | <u>2,700</u> | <u>755</u> |

Income from investment was £2,700 (2018 - £755) of which £nil (2018 - £nil) was attributable to restricted funds and £2,700 (2018 - £755) was attributable to unrestricted funds.

United World Schools

Notes to the Financial Statements

Year Ended 31 December 2019

6 Analysis of expenditure on charitable activities

| | 2019 £ | 2018 £ |
|--|------------------|------------------|
| Building costs | 647,216 | 585,262 |
| Building maintenance | 253,942 | 270,969 |
| Local country management and administrative salaries | 499,009 | 277,435 |
| Educational resources | 131,136 | 159,725 |
| Teachers' salaries | 274,716 | 165,216 |
| UWK project costs (Cambodia) | 22,873 | 136,168 |
| Travel & subsistence in country | 125,003 | 112,082 |
| Administrative costs | 74,288 | 50,977 |
| UK salaries | 261,603 | 158,236 |
| Volunteer costs | 51,474 | 37,450 |
| Vehicle hire, maintenance & running costs | 97,203 | 94,804 |
| Telephone / internet | 33,441 | 20,488 |
| Rent in country | 25,748 | 24,555 |
| Foreign exchange losses / (gains) | 13,309 | (10,735) |
| Depreciation | 42,300 | 34,648 |
| Pensions | 23,548 | 13,330 |
| Support costs (see note 8 overleaf) | 134,861 | 104,837 |
| | <u>2,711,670</u> | <u>2,235,447</u> |

£2,288,910 (2018 - £1,835,357) of the above costs were attributable to restricted funds, and £422,760 (2018 - £400,090) of the above costs were attributable to unrestricted funds.

7 Analysis of expenditure on raising funds

| | 2019 £ | 2018 £ |
|-------------------------------------|----------------|----------------|
| Charity portal fundraising fees | 6,149 | 3,364 |
| Fundraising event costs | 55,204 | 3,094 |
| UK salaries | 311,852 | 277,645 |
| Support costs (see note 8 overleaf) | 127,956 | 111,974 |
| | <u>501,161</u> | <u>396,077</u> |

£Nil (2018 - £75,894) of the above costs were attributable to restricted funds, and £501,161 (2018 - £320,183) of the above costs were attributable to unrestricted funds.

United World Schools

Notes to the Financial Statements

Year Ended 31 December 2019

8 Allocation of support costs

| Support cost - 2019 | Raising funds £ | Charitable Activities £ | Total £ |
|-------------------------------|--------------------|----------------------------|------------|
| UK rent | 16,680 | 12,018 | 28,698 |
| Travel & subsistence | 36,403 | 26,228 | 62,631 |
| Foreign exchange losses | 9,473 | 6,825 | 16,298 |
| Governance (see note 9 below) | 65,400 | 89,790 | 155,190 |
| Total | 127,956 | 134,861 | 262,817 |

| Support cost - 2018 | Raising funds £ | Charitable Activities £ | Total £ |
|-------------------------------|--------------------|----------------------------|------------|
| UK Rent | 14,240 | 13,144 | 27,384 |
| Travel & subsistence | 43,258 | 36,803 | 80,061 |
| Foreign exchange gains | (7,106) | (6,559) | (13,665) |
| Governance (see note 9 below) | 61,582 | 61,449 | 123,031 |
| Total | 111,974 | 104,837 | 216,811 |

Support costs are allocated on the basis of staff time spent on each activity.

9 Governance costs

| Governance cost - 2019 | Raising funds £ | Charitable Activities £ | Total £ |
|--|--------------------|----------------------------|------------|
| Consultancy fees | 6,950 | 47,676 | 54,626 |
| Auditor's remuneration (see note 11 below) | 6,306 | 4,544 | 10,850 |
| Recruitment fees | 13,265 | 9,558 | 22,823 |
| Legal fees | 8,946 | 6,446 | 15,392 |
| Bank charges | 2,461 | 1,773 | 4,234 |
| Office supplies | 16,326 | 11,761 | 28,087 |
| Telephone and internet | 5,884 | 4,240 | 10,124 |
| Insurance | 5,262 | 3,792 | 9,054 |
| Total | 65,400 | 89,790 | 155,190 |

United World Schools

Notes to the Financial Statements

Year Ended 31 December 2019

| Governance cost - 2018 | Raising funds £ | Charitable Activities £ | Total £ |
|--|--------------------|----------------------------|------------|
| Consultancy fees | 6,918 | 14,943 | 21,861 |
| Auditor's remuneration (see note 11 below) | 5,508 | 4,692 | 10,200 |
| Recruitment fees | 19,419 | 16,521 | 35,940 |
| Legal fees | 1,951 | 1,653 | 3,604 |
| Bank charges | 2,203 | 1,874 | 4,077 |
| Office supplies | 18,643 | 15,861 | 34,504 |
| Telephone and internet | 4,553 | 3,874 | 8,427 |
| Insurance | 2,387 | 2,031 | 4,418 |
| Total | 61,582 | 61,449 | 123,031 |

Governance costs are allocated on the basis of staff time spent on each activity except for consultancy fees which are allocated on a direct basis.

10 Net income / (expenditure) for the year

Net income / (expenditure) is stated after charging / (crediting):

| | 2019 £ | 2018 £ |
|---------------------------------------|-----------|-----------|
| Depreciation of tangible fixed assets | 42,300 | 34,648 |
| Net losses on foreign exchange | 29,607 | (24,400) |

11 Auditor's remuneration

The auditor's remuneration amounts to an audit fee of £10,850 (2018 – £10,200).

12 Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during the year (2018: £Nil).

The total amount of employee benefits received by key management personnel were £344,040 (2018 - £314,888).

The charity considers its key management personnel comprise the UK Executive Team and the Cambodia, Myanmar & Nepal teams.

The Trustees did not have any expenses reimbursed during the year (2018 - £Nil).

The Trustees donated a total of £321,142 to the charity during the year (2018 - £55,834).

United World Schools

Notes to the Financial Statements

Year Ended 31 December 2019

13 Staff costs and employee benefits

The average monthly number of employees on the central office payroll during the year was as follows:

| | 2019 Number | 2018 Number |
|-----------------------|----------------|----------------|
| Raising funds | 9 | 8 |
| Charitable activities | 7 | 6 |
| | <u>16</u> | <u>14</u> |

The total staff costs and employees benefits for the central office payroll were as follows:

| | 2019 £ | 2018 £ |
|------------------------------------|----------------|----------------|
| Wages and salaries | 613,461 | 478,399 |
| Social security | 51,987 | 49,939 |
| Defined contribution pension costs | 23,548 | 13,330 |
| | <u>688,996</u> | <u>541,668</u> |

The number of employees whose total employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | 2019 Number | 2018 Number |
|-------------------|----------------|----------------|
| £60,001 - £70,000 | 1 | 1 |
| £70,001 - £80,000 | 1 | 1 |
| | <u>2</u> | <u>2</u> |

Local country management and administrative salaries of £499,009 (2018: £277,435) include 100% (2018: 100%) of the programme director's salary costs. 100% of the programme director's salary is reflected within the total staff costs and employees benefits for the central office payroll above.

United World Schools

Notes to the Financial Statements

Year Ended 31 December 2019

14 Tangible fixed assets

Cost or valuation:

At 1 January 2019

Additions

At 31 December 2019

Depreciation:

At 1 January 2019

Charge for the year

At 31 December 2019

Net book value:

At 31 December 2019

At 31 December 2018

| Equipment £ | Motor vehicles £ | Total £ |
|----------------|------------------------|----------------|
| 10,301 | 219,459 | 229,760 |
| 638 | 38,035 | 38,673 |
| <u>10,939</u> | <u>257,494</u> | <u>268,433</u> |
| 3,660 | 102,646 | 106,306 |
| 1,921 | 40,379 | 42,300 |
| <u>5,581</u> | <u>143,025</u> | <u>148,606</u> |
| <u>5,358</u> | <u>114,468</u> | <u>119,826</u> |
| <u>6,641</u> | <u>116,813</u> | <u>123,454</u> |

We build schools on land owned by the community, and the schools are gifted to the community on completion. Whilst we agree to repair and maintain the schools, we do not capitalise them on our balance sheet as we do not own them or the land.

Vehicles represent motorbikes, boats and 4x4 trucks owned in Cambodia, Myanmar and Nepal, which staff use locally to travel to the remote school locations.

15 Debtors

| | 2019 £ | 2018 £ |
|---------------|---------------|---------------|
| Prepayments | 9,573 | 18,134 |
| Other debtors | 10,302 | 1,424 |
| | <u>19,875</u> | <u>19,558</u> |

16 Creditors: amounts falling due within one year

| | 2019 £ | 2018 £ |
|-------------------------------|---------------|---------------|
| Accruals | 53,993 | 21,577 |
| Other tax and social security | 13,532 | 15,036 |
| Pensions | 3,491 | - |
| | <u>71,016</u> | <u>36,613</u> |

United World Schools

Notes to the Financial Statements

Year Ended 31 December 2019

17 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2019 £ | 2018 £ |
|-----------------|--------------|---------------|
| Within one year | 4,190 | 14,364 |
| | <u>4,190</u> | <u>14,364</u> |

18 Fund reconciliation

Unrestricted funds

General funds

| | Brought forward £ | Income £ | Expenditure £ | Transfers £ | Gains / (losses) £ | Closing balance £ |
|---------|----------------------|------------------|------------------|------------------|-----------------------|----------------------|
| General | 1,366,052 | 1,523,175 | (923,921) | (663,976) | - | 1,301,330 |
| | <u>1,366,052</u> | <u>1,523,175</u> | <u>(923,921)</u> | <u>(663,976)</u> | <u>-</u> | <u>1,301,330</u> |

The closing balance of £1,301,330 of unrestricted funds includes a balance of £Nil (2018: £309,268), received from Educate A Child (EAC), which is designated under an agreement that the funds are spent on the shared charitable objects of supporting children to overcome barriers to educational access and retention.

Restricted funds

| | Brought forward £ | Income £ | Expenditure £ | Transfers £ | Gains / (losses) £ | Closing balance £ |
|----------|----------------------|------------------|--------------------|----------------|-----------------------|----------------------|
| Cambodia | - | 1,056,381 | (1,256,101) | 199,720 | - | - |
| Myanmar | - | 186,206 | (381,231) | 195,025 | - | - |
| Nepal | - | 311,182 | (564,717) | 253,535 | - | - |
| UWK | 11,039 | 60,126 | (86,861) | 15,696 | - | - |
| | <u>11,039</u> | <u>1,613,895</u> | <u>(2,288,910)</u> | <u>663,976</u> | <u>-</u> | <u>-</u> |

49% of the income received in 2019 (2018: 45%) were unrestricted, meaning the charity can use them as we see fit to further our aims. Where needed, we transferred the funds to the appropriate restricted pots where the activity was greater than the specific restricted funds.

United World Schools

Notes to the Financial Statements

Year Ended 31 December 2019

19 Analysis of net assets between funds

| | Unrestricted funds £ | Restricted funds £ | Total £ |
|--------------------|-------------------------|-----------------------|------------------|
| Fixed assets | 119,826 | - | 119,826 |
| Net current assets | 1,181,504 | - | 1,181,504 |
| Total | <u>1,301,330</u> | <u>-</u> | <u>1,301,330</u> |

Fixed assets held are used in country for charitable activities and, in line with the accounting policies outlined in note 1, the depreciation of these assets is treated as a restricted fund expense. However, there is no restriction on the charity in the use or future sale or disposal of these fixed assets and, as such, they are analysed under unrestricted funds above.

20 Reconciliation of net income to net cash flow from operating activities

| | 2019 £ | 2018 £ |
|---|---------------|---------------|
| Net income for year | (75,761) | 30,219 |
| Depreciation of tangible fixed assets | 42,300 | 34,648 |
| (Increase) / decrease in debtors | (315) | (7,402) |
| Increase / (decrease) in creditors | 34,403 | 981 |
| (Gains) / losses on foreign exchange | 29,607 | (24,400) |
| Net cash flow from operating activities | <u>30,234</u> | <u>34,046</u> |

21 Pensions and other post-retirement benefits

Defined contribution pension plans

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £23,548 (2018 - £13,330).



UWS Wagla School, Nepal



UWS Kalleri School, Nepal



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