

Report to the Community 2017 | 2018



The Head's Message

Dear UWCT Community,

It is a pleasure to be sending out our second annual Report to the Community for 2017-18, even if we are very nearly at the end of the 2018-19 school year already! I wrote in last year's Report introduction that schools are complex anywhere, but even more so when we aim to combine pillars such as mindfulness, outdoor education, service, activities and academics in a truly unique manner. As complicated as it might be, our model is the intentional outward expression that UWCT has never sought to be a traditional programme, nor to replicate others on the island, the region or the world. We are different because we believe that the systems—education included—that played a role in creating the challenges we face in the world today can't be replicated and then expected to deliver a different outcome. As Albert Einstein once said, the definition of insanity is doing the same thing over and over again and expecting different results. This is precisely why we don't aim to educate like everyone else.

If we back up for a moment and consider what I would assume most of our schooling experiences looked like, multiple choice tests that required good guessing but little actual thinking, exams that asked for regurgitated answers from a textbook, math that taught there was one way to solve a problem, competitions that set the stage for one person to be a winner and others to not be, and homework that repetitively drilled the curiosity right out of us were likely common features. Yes, there is some benefit in practicing skills for automaticity (particularly in math and spelling) and for some of us the competition to be the best in the classroom or on the pitch seems to have made us better in some ways, but cherry-picking the few features of our own education that "worked" often ends up justifying the whole and maintaining the status quo instead of challenging the way we have always done things. Rarely have I talked to anyone who believes 21st-century students would be best served by a 20th-century education, but as we look around the world, most schools and educational programmes are doing just that.

Yet even when we know that much of the recognizable or familiar way to "educate" a child kills curiosity, stifles individuality, creates winners and losers and generally sets the stage for a world that is more of what we already have, it still takes a leap of—and continued—faith by parents to stay the course in an IB school, with a lofty mission and unique pillars. I joined this school, as I believe most of our community did, because we aim to deliver something different. At UWCT, we balance our five pillars across a student-centered IB curriculum so that:

- Social-emotional learning and mindfulness encourages students to know themselves so that they can care about others and the planet with a good heart;
- Service instills a belief that we can all take action—small or large—to make the world around us better, more united and more peaceful;
- Activities and sporting opportunity build a healthy body that is a prerequisite for a balanced mind;
- Outdoor and experiential education builds resilience and courage through challenge, while also fostering a connection with the planet we all call home; and
- Academics foster the skills students need to understand the world around them and then communicate to others how to make it better.

It is a brave thing to choose a school that looks different. And, like all brave acts, we find ourselves faced with moments of apprehension and self-doubt. Mark Twain said that courage is not the absence of fear or doubt, but acting in spite of them and we believe that what our students, families and the school are doing is participating in and providing a courageous education.

To ease these moments of doubt, we try to provide information and data to help support your choice to break with tradition, knowing that you may be combating differing opinions and spend time fighting rumours; with others, or yourself! Most parents I have talked to over the past two years are happily committed to

the first four pillars, but just want to know that the academics are in good hands—even if those academics look and feel quite different to their own experience.

At UWCT, that different experience looks like play-based early childhood classrooms that don't "push" reading because they emphasize social skills and creativity; or PYP and MYP students pursuing their own questions in an interconnected curriculum to build creativity and problem solving; or DP students maintaining a liberal arts approach to their studies instead of specializing at 15 and 16 years old so that more doors stay open after graduation. Meanwhile, these students are also "out of school" for service and outdoor education, or in the Mindfulness Centre learning how to identify the sensations that arise in their body when they are stressed so that they can recognize, name and choose how to respond to it. The burning question for some is whether after all of that, we are still delivering a sound academic programme? The answer is yes.

Whether we look at the quantified data that comes from the externally assessed MAP scores from Grades 3-10 or the IB DP results and university acceptances, our students are internationally competitive whether they have been here for 2 years or 10. If you prefer anecdotal evidence like the PYP Exhibition or MYP Personal Projects as an example of what students are able to do when they are in charge of their own learning, then those end-of-programme projects speak volumes. If you prefer to know what your fellow parents say about how we are living our mission and delivering on our pillars via the Culture and Climate surveys, then look to that information to either revalidate your choice or show you that we are on the right track. Our internal and external data, our Council of International Schools preliminary report and the World Academy of Sport re-accreditation report all point to UWCT doing well, being on track, having a roadmap for where to improve and a commitment to continuously moving in the right direction.

As a parent myself, I understand the temptation to look at where a child is academically in KG, Grade 3 or Grade 7 and compare with friends, family or other programmes elsewhere, or to wish that we had a football academy onsite or that we would

jump on the STEM bandwagon like other schools (much to the detriment of the Arts, languages, sport, etc., but I digress), but I offer this instead.

Know that our students are in a programme that is designed to create the kind of human beings who can actually make the world a better place by thinking for themselves, caring about one another and the planet, and are willing to take action to do so. For young people who are curious and creative thinkers to thrive; you have to put children and their interests at the centre of learning, as we do in an IB programme. To nurture young people who are aware of global issues and have the skills to lead themselves and others towards a more united, peaceful future, they need autonomy and encouragement to take initiative, knowing that they will make mistakes at times. To raise self-aware, compassionate adults, children have to learn to understand themselves so that they can understand others.

And still, while students are involved in all those less-than-traditional aspects of an education at UWCT, it is wonderful that our graduates over the past few years have scored well above the international averages on DP exams, and we have helped students choose their best path forward whether that is to an Art College or Ivy League school, an international internship or a service-based gap year. Most importantly, our graduates are young people that we are proud to send out into the world as ambassadors for UWC Thailand because they are great human beings.

As Marshall Goldsmith said, "what got us here, won't get us there" and our 2017-18 Report to the Community, along with the information from eBriefs, head's letters, and in this introduction, is our way of showing the community that our approach is working on all fronts. There are always ways to improve teaching, learning, the programme, facilities and more, but we are unapologetically on the right track to build the future we fundamentally believe humankind and the planet needs.

Sincerely,

Jason McBride
Head of School



Situated next to one of Phuket's largest National Parks, UWC Thailand is a not-for-profit school that welcomes students from Nursery to Grade 12. At UWCT, our students are given the unique opportunity to study the International Baccalaureate, but in a way that is indelibly enriched by the United World College movement and our location in the "Land of Smiles." Our programme seeks to develop well-rounded, balanced human beings capable of being the change they want to see in the world.

UWCT Guiding Principles

Mission

UWC (United World College) is a global movement that makes education a force to unite people, nations and cultures for peace and a sustainable future. This mission is shared by all 18 UWC's around the world.

Educational Goal

We seek to realise our highest human potential, to cultivate genuine happiness, and to take mindful and compassionate action. We believe this foundation creates the ideal circumstances for superior academic performance (as seen on page 14 in our graduating class' results).

Values

- Intercultural and international understanding
- Celebration of diversity
- Independence with integrity
- Interdependence with respect
- Compassion and service
- Environmental stewardship
- Personal example
- Resilience and a growth mindset
- Idealism and courageous action

Vision

To be a transformational learning community rooted in compassionate action.

Our Perspective

At UWCT, we view the understanding of our minds, our bodies, and our emotions as a key life skill, fostering the development of our students by tending to both intrapersonal awareness and interpersonal sensitivity in order to create a positive school culture. Our aim is to cultivate genuine happiness. In an increasingly interdependent world, we treat others and the planet with respect, kindness and consideration, helping even in the smallest of ways.

Mindful, Mission-Centric Education

Underpinning the IB framework, all UWC schools also share a common mission and set of values—at the centre of which is the creation of a deliberately diverse community. Learning in a diverse community helps create opportunities for students to appreciate multiple perspectives, to understand the power of collaboration and communication in all its forms, and to experience first-hand that our similarities far outweigh our differences.

In addition, UWCT is considered UWC's pioneer in embedding social-emotional learning and mindfulness (SEL&M) into the IB curriculum. Under the direction of our Mindfulness Mentor, our staff, students, and parents develop their ability to think and act mindfully using strategies inside and outside the classroom.

While each United World College is united by a common mission and values, each UWC operates uniquely, with a distinct local and regional identity.

The diagram below outlines the educational model specific to UWC Thailand, which aims to focus on—and balance—five core areas.

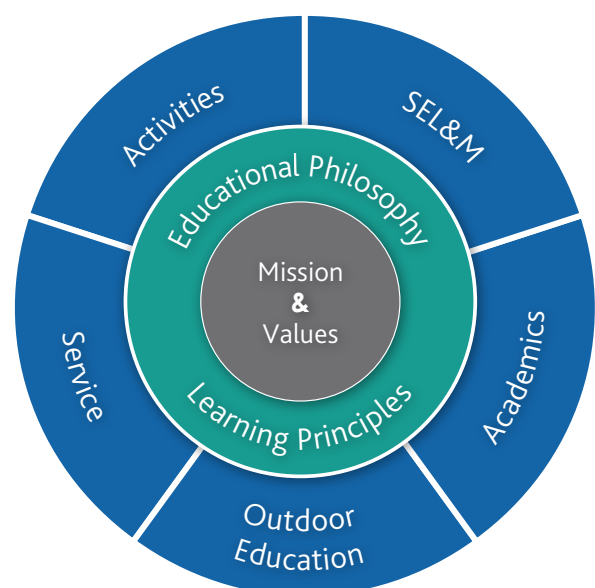




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Message from the Chairman of the Board

The 2017-18 school year was another busy one as we grew in many important areas and focused on consolidation in others. In welcoming our new Head of School Jason McBride, we continued to strengthen our identity as a United World College, incorporating all the elements of who we were as PIA, including outdoor education, service and mindfulness; while adding others including greater and deliberate diversity, an increased number of—and focus on—student-led initiatives, and more. As we approach the 10-year mark, student enrolment continues to grow and we ended the year with 461 students. Co-curricular opportunities in sports, the arts, technology and service continue to expand, offering students myriad ways to embody a “Healthy Body, Balanced Mind, Good Heart”.

To make sure that we knew how the UWCT community felt about the direction we were headed, we conducted our first culture and climate survey in February. The results provided good feedback on what is important to our parents both in terms of what they want us to fix and what they do not want us to break. The results were woven into the three-year school priority plan. A second round of the survey was run in February 2019 to see how we are progressing and the results are extremely encouraging.

In 2017-18 we also graduated our largest class to date, sending 43 young women and men across four continents to pursue their goals and dreams. This collection of bright-eyed, enthusiastic and—perhaps most importantly—idealistic young people, are wonderful representatives of UWC Thailand and ambassadors for the UWC shared mission to promote peace and sustainability.

With the mission, values, teaching and learning in new—but capable—hands, the Board’s main focus has been on improving our financial sustainability. Although smaller than the year before, we once again ran an operational deficit as you will see in the audited financials at the end of this Report to the Community. It is our hope that 2018-19 will see this shortfall continue to shrink as we balance the cash-flow needs of the school with a desire to improve the school’s facilities, add staff in key areas, expand the athletic programme, and more.

As always, we are happy to accept donations towards both the school’s development and towards the UWCT NC Scholarship Programme in order to supplement the significant pledge already in place from the Thanyapura Foundation. To learn more about how to support our scholars, please [click here](#).

Globally, the UWC International Office is working on a world-wide awareness campaign for 2019 to promote UWC as a movement in order to increase the number of applicants and to attract new donors.

If you know someone who is passionate about helping to create a peaceful and more sustainable future, please talk to them about your experience with the UWC movement.

Thank you for being a member of our community and an ambassador to UWC Thailand’s mission and values.

Yours in moving forward,

Klaus Hebben
Founder & Board Chair



Gifts that Change Lives

In order to become a UWC three years ago, we made a significant financial commitment to funding the scholarships that allow us to bring exceptional Grade 11 and 12 students from around the world to our campus. Like the scholarship created by the UWCT Benefit Gala, these scholarships indelibly change lives—including those of our day students—and it is through the generosity of our community that these scholarships are made possible.

In particular, the Thanyapura Foundation, created by the school's Founder Klaus Hebben, has made a significant commitment toward funding our UWCT scholars. It is a gift that is both extraordinary and inspiring.

There is a Chinese proverb that says: "One generation plants the trees, so that another may enjoy the shade." We are grateful that our children are the beneficiaries of Khun Klaus' vision, but there are still many trees to be planted. To learn more about how you can help, [click here](#).

In early 2019, the school received another transformative donation of USD\$800,000 to fund two female UWC scholars each year, for five years, through the DP programme. The first recipients of the **"Future Women Leaders Scholarship"**, will attend UWCT in September 2019 from Thailand and Syria respectively.

Ultimately, we will work toward the creation of an Annual Fund and the establishment of a UWCT Endowment, so that both the short-term and long-term financial viability of the school is secure. Annual Funds allow us to enhance student programming in innumerable ways—from supporting the arts, athletics, and classroom learning to funding innovative tech, sustainable facilities, and keeping teacher's on the cutting edge of education with relevant professional development, equipment and facilities.

While we build upon the culture of giving at UWCT, there are a number of ways you can make a gift that will change a life today.

Four Ways to Give Today:

1. Cash: Cash gifts can always be put to good use at UWCT and **the school can now issue tax receipts applicable against Thai income taxes.** If you visit the 'Support Us' page on the school's website, it is possible to make a donation to UWCT directly through PayPal. If you are considering a significant cash gift as part of your legacy planning, please contact [Khun Samantha](#) to discuss what possibilities are available with regard to naming rights.

In addition to supporting facilities and scholarships, we now have a **Transition Fund**, set up by a UWCT family to help fill the financial gap that some of our National Committee Selected students face when leaving UWCT to take advantage of university scholarships. If you are interested in helping to build upon this fund, please contact [Khun Samantha](#).

2. AirMiles: The school spends millions of Baht each year on student and staff flights. If you have a robust AirMile collection and you are happy to part with a portion, please contact [Khun Mu](#) or [Khun Samantha](#) about donating your miles.

3. Your Security Deposit: At any time, you can choose to donate your security deposit to the school. If you are interested in doing so, please email [Khun Samantha](#).

4. Materials, Time & Skills: If you are able to donate time and talent to a specific area of the school, please let us know! If you own a company that can work with the school to help provide materials at a great rate, let us know. Or if you are a great event planner, join the Gala Team to help support our next benefit.

Every gift helps.

UWCT Demographics

United World College Thailand is proud to bring students from all over the world, with very different backgrounds, to learn, live and thrive together.

We are fortunate that on the small island of Phuket, our students are able to enjoy an intercultural experience each day at school with peers from around the world.

In 2017-18, the school saw growth across the size of its student body (up 111 students) and in its diversity with 73 nationalities.



Over the course of 2017-18 there were 486 students enrolled at UWC Thailand, compared to 375 students in 2016-17.



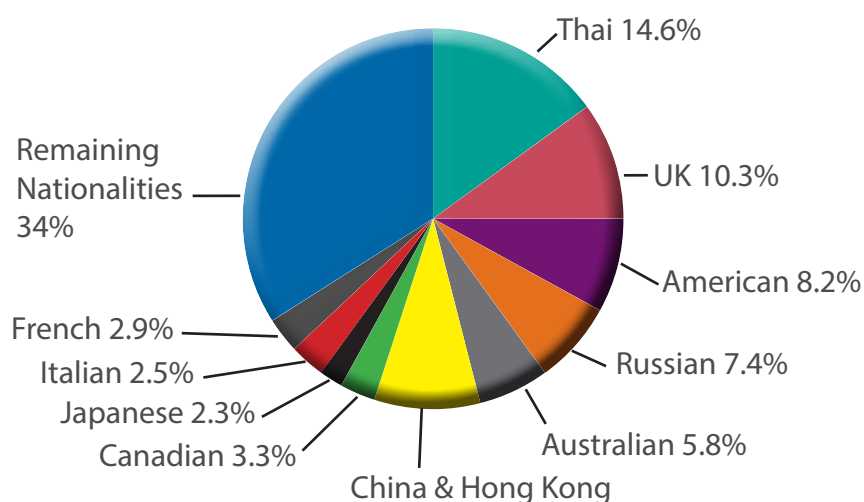
The student body was comprised of 248 males and 237 females.



In 2018, UWC Thailand's graduating class included 43 students, compared to 18 students the previous year.



National Representation by Population



UWCT Student Body by Declared Nationality 2017-2018



DP Around the World

Across the globe, 163,173 students wrote 615,074 Diploma Programme exams in 2018. The exams covered 215 different subjects and took place in 2,790 schools spanning 143 countries. There were 986 students writing DP exams in the Kingdom of Thailand.

The Asia Pacific region is the smallest region to participate in the exams, representing just 16.16% of DP exam schools and 11.48% of DP candidates, but this is changing rapidly. In 2018, there were 451 new schools offering the DP in Asia Pacific adding 18,730 candidates into the DP

pool, an increasing number of which are female students. The global pass rate for candidates was 78.18% with an average points total of 29.76 out of a possible 45.

Just 249 candidates (0.39%) out of the 163,173 scored a perfect 45—with one of them being our very own UWC Thailand student.

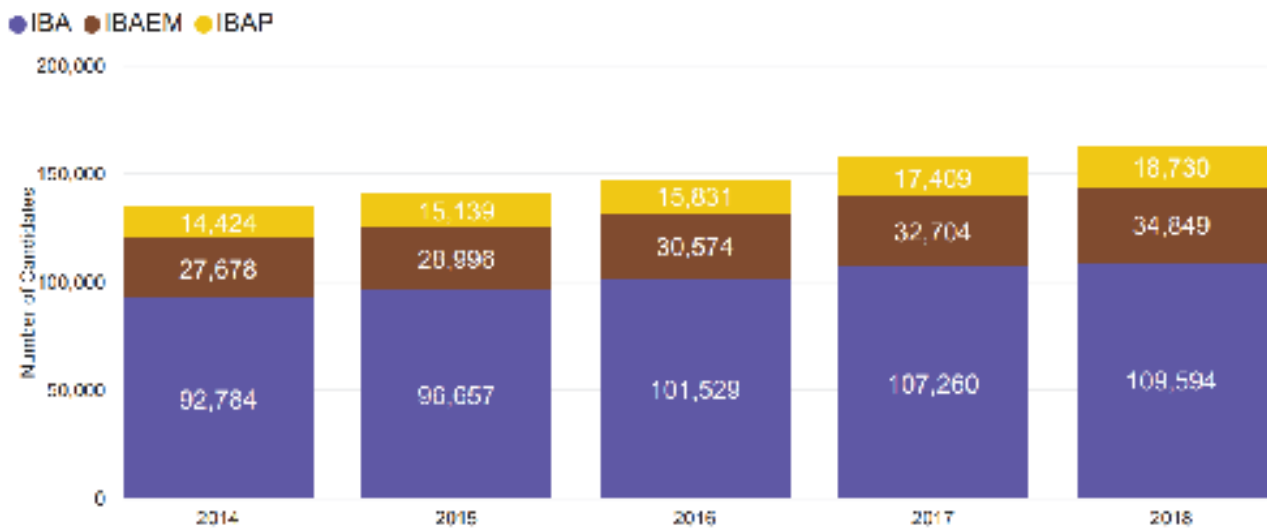
In the charts below, IBA stands for IB Americas; IBAEM stands for IB Africa, Europe and the Middle East, and IBAP stands for IB Asia Pacific.

Candidates

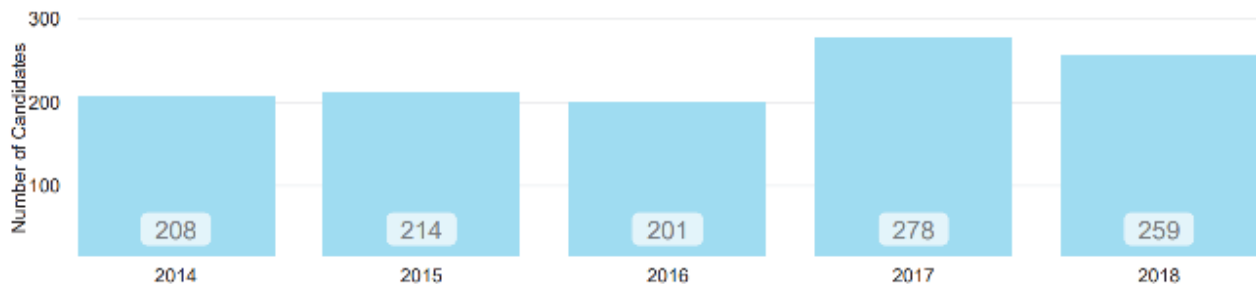
Growth of Candidates

2014	2015	2016	2017	2018
134,886	140,792	147,934	157,373	163,173

Growth of Candidates by Region

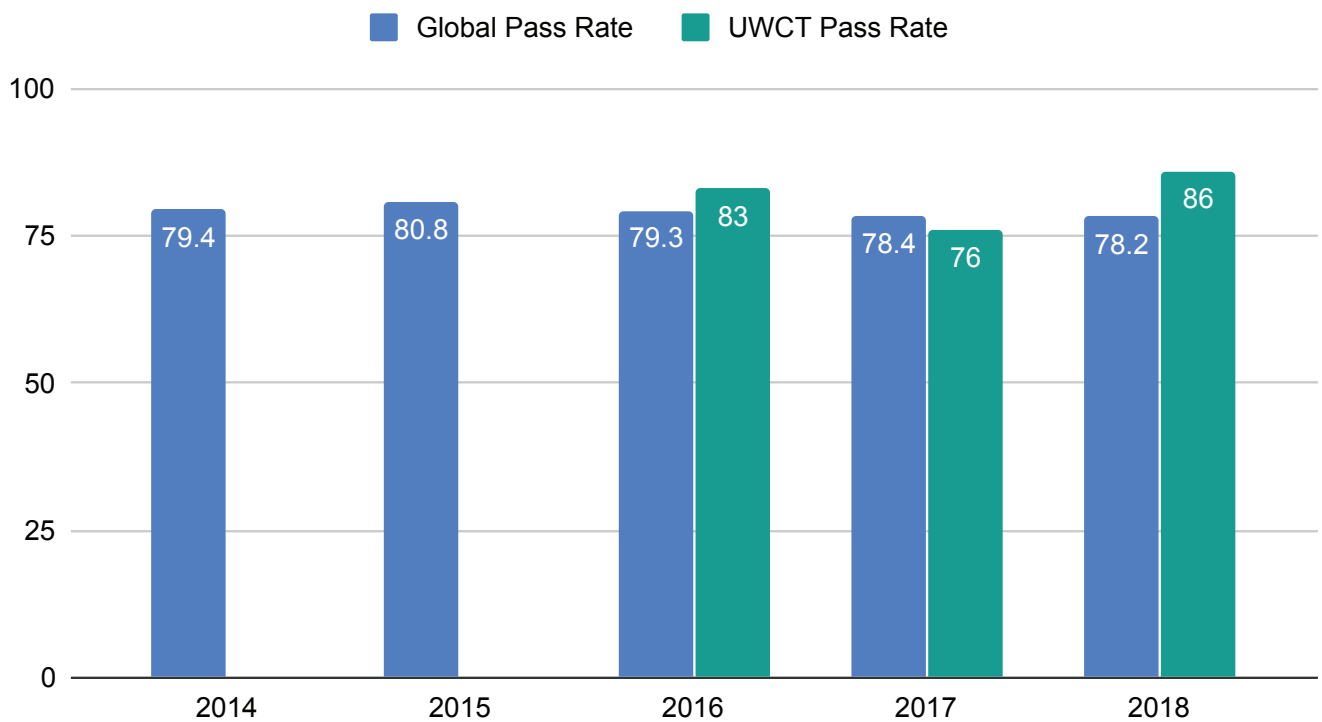
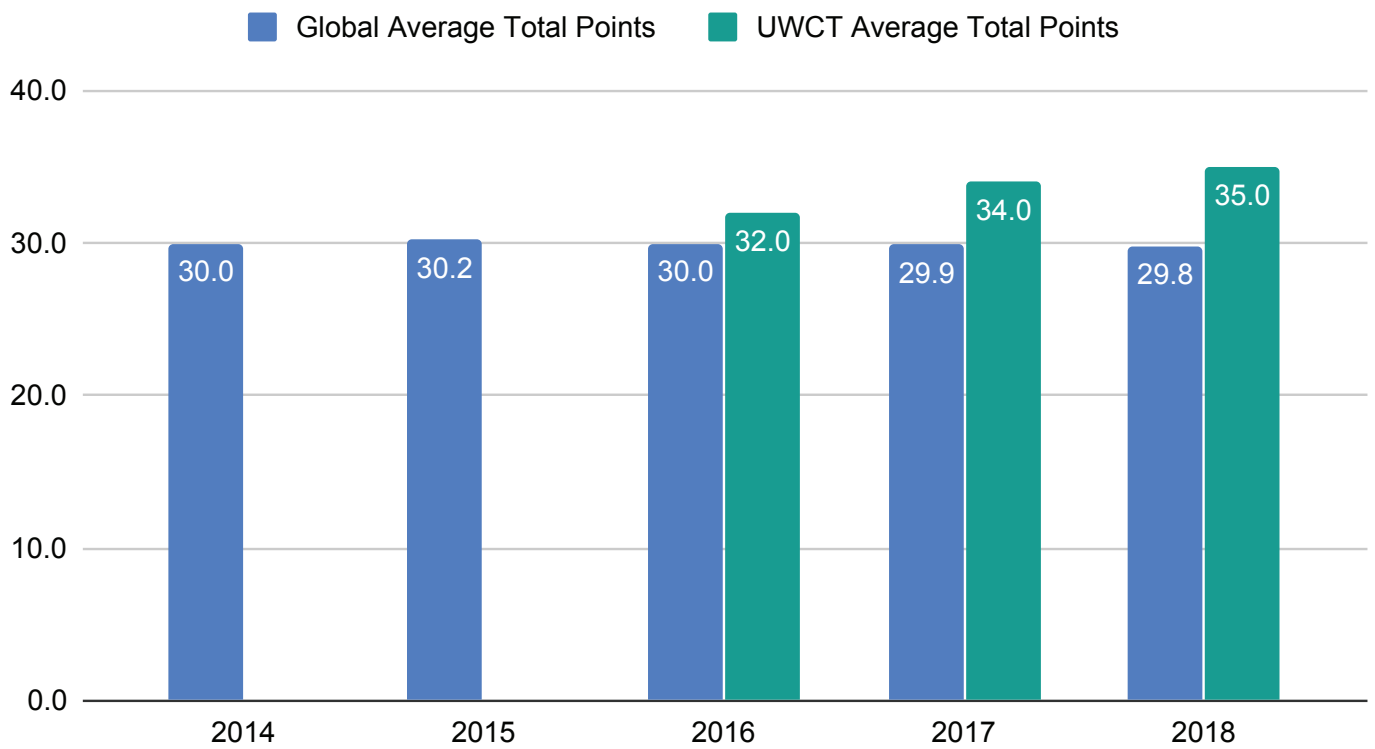


Number of Candidates Scoring 45 Points



Results

(Diploma and Retake Category Candidates)



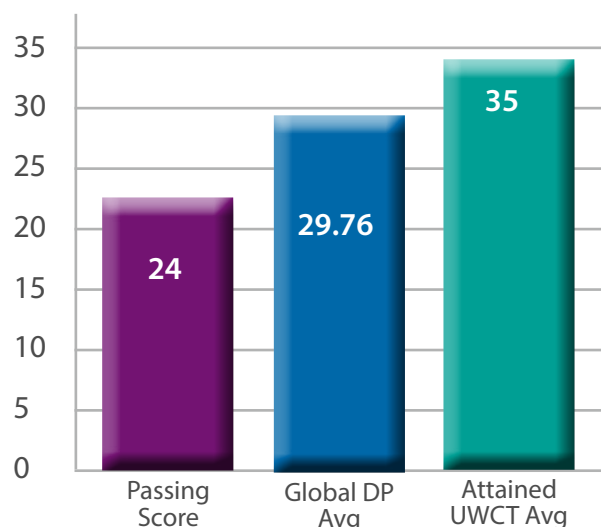


At UWCT, we aim to provide graduates with an education that extends beyond the course materials studied, so they leave us with an appreciation of the power of life-long learning.

In 2018, our 43 graduates earned more than USD\$1,572,635 in scholarships to universities across the USA, Europe and Asia. Our graduates' average Diploma Programme (DP) score was 35, compared to a world-wide average of 29.76. (A passing score for the DP is 24 and the maximum score is 45—**which one of our 2018 graduates achieved.**)

While these scores are used in consideration for university entrance, UWCT knows, as all parents do, that students cannot be summarised by a two-digit number. Our graduates are change-makers with depth of character, grit and initiative. The world needs more graduates like ours.

IB Diploma Score Comparison



2018 University Acceptances | Attendance (in bold)

Agnes Scott College
 Arizona State University
 Auburn University
 Bates College
Bennington College
Brandeis University
Bowdoin College
 California Institute of the Arts
Charles University
 Clark University
Colby College
College of the Atlantic
 Drexel University
 Earlham College
 Franklin University Switzerland
 Gettysburg College
 Iowa State University
 Ithaca College
 Jacobs University
 Kenyon College
 King's College London
Lake Forest College
 Lehigh University
Luther College

Macalester College
 Manhattanville College
 McGill University
Methodist University
 Middlebury College
 Michigan State University
Northwestern University
 New York University (NYU)
 NYU Abu Dhabi | NYU Shanghai
 Oregon State University
Princeton University
Randolph-Macon College
Ringling College of Art & Design
 Rochester Institute of Technology
 Saint Louis University
 Savannah College of Art & Design
 Art Institute of Chicago
St. John's University
St. Olaf College
Tel Aviv University
The City College of New York
The College of Idaho
The College of Wooster
 The London School of Economics

The University of Edinburgh
The University of Hong Kong
Texas A&M University
Trinity College
UCL (University College London)
Universita Bocconi
 University at Buffalo
 University of British Columbia
University of Florida
 University of Montana
University of Oklahoma
 University of Oregon
 University of Pennsylvania
 University of Richmond
University of Rochester
University of Sterling
 University of Toronto
 University of Tulsa
Vanderbilt University
 Wartburg College
 Whitman College
 Yale-NUS



The purpose of the Parent Support Group (PSG) is to help promote positive community involvement within the school, develop the home-school partnerships, and support the school. The PSG does not play any role in the governance, administration or policy making of UWCT.

By virtue of having a child enrolled at UWCT, all parents/guardians are automatically members of the PSG. Members also include students, interested friends and employees of UWCT who wish to participate in social and fundraising activities and support the school in other agreed ways.

The PSG also organises the school's Class Ambassador programme and PACE (Parent Alumni Career Exploration).

Class Ambassadors organise social events for parents and students outside the school, send reminders and share information about school events, and help welcome new families to our community.

PACE organises Career Fairs for our secondary students from Grade 8 to Grade 11. During the Fairs; parents, staff, and other members of the Phuket community come to share their various work experience and career paths with our students.

PACE also organises trips, panel discussions and assists with CCAs on topics such as work place preparation, resume writing, and college fairs.

In addition, the PSG hosts or supports a number of activities on campus each year. In 2017-2018 these included:

- Welcome Evening for the New Head of School
- Diwali
- Book week costume exchange
- Book-O-Ween
- Christmas Fair
- Loy Krathong costume exchange
- Multicultural Day & Chinese New Year
- Pi Day
- Spring Fest
- Artist-In-Residence (Tokio Aoyama)
- Arts Week

- Grease
- Cooking Club
- Table Top Sales
- Lost & Found

To fund the PSG, each UWCT family contributes ฿500 per student, per year. The group also raises funds through some of its events, including the Table Top sale and Christmas Fair. Each year the surplus is used to help fund UWCT community projects. The 2018 surplus was used to fund the following:

- Materials for a pizza oven and initial ingredients for use.
- A vinyl printer
- School photo project
- Gymnastics equipment

Please join us in thanking the following 2017-2018 PSG Executive members for their time and service to our community:

- Chair: Sandy Porter
- Vice Chair: Dorothy Macpherson
- Treasurer: Baffelly Woo
- Secretary: Kathy Mendis
- Class Ambassador Coordinator: Ai Jerome

If you would like to get involved with the PSG, please email psg@uwctthailand.ac.th

Commentary on the Independent Auditor's Report

Last year's Report to the Community was the first time UWC Thailand publicly shared our demographic, academic and financial information in a single report. We were pleased to receive feedback from many members of our community who commented that sharing the data was key in promoting even further trust in the school, particularly with increased transparency around UWCT's financial sustainability.

In that first report, we chose to synthesize data from the audited financials in order to make them more presentable and accessible, but for this year and into the future, we have chosen instead to publish the audited financials as they are received in order to further promote transparency.

As you will see in the following financials, UWC Thailand is heading in the right direction; however, our financial independence is still two to four years away. This is due to several grade levels that just tip over into two sections per grade, meaning that there are two Grade 2 teachers for instance, each with just 13 students. Rather than having one class of 26 and no capacity to take new students (especially siblings) in that grade as we grow, we find ourselves in a position to have high expenditure without the commensurate number of students. As we continue to grow enrolment beyond the 600 student mark, this challenge will resolve itself as we find our financial balance point.

Additionally, the school wishes to provide—and the student and parent community have come to expect—the staffing, support and activities often found in programmes far larger than ours. The cost of running programmes associated with outdoor education, mindfulness, service, athletics, language or learning support are therefore borne by fewer students than you would find in larger schools, resulting in costs that are proportionally

higher. The interim benefit, of course, is small class sizes and tremendous staff-student ratios. In some ways, we have chosen to be an expensive model because it aligns with what we know children and young adults need in the 21st century to be healthy and successful.

Our desire to offer the breadth of programme that we do means that a financial shortfall continues to exist at the present time— a shortfall that continues to be covered largely by our school's Founder.

As we look at the next few years, our financial model reaches a balancing point just over the 600 student mark, including a total of 60-80 National Committee selected students. However, as we move towards that enrolment number, with an eye on reaching 840 students at capacity, we only have a small number of financial levers to pull as a school which are to:

- Increase enrolment to increase revenue
- Fundraise
- Increase tuition fees to increase revenue
- Decrease programme costs to reduce expenditure
- Decrease staffing costs to reduce expenditure

While all of the points above can have an impact, they are listed in descending order from most to least preferred; meaning that we would rather drive enrollment and fundraising, than make cuts to the programme or staffing. Our drive to increase enrolment has been multi-faceted, ranging from strengthening the programme (because happy students lead to happy families that share their experiences with others) to improving the processes in Admissions to capture all of those who show an interest in attending UWCT. Similarly, our communications have also taken a multi-pronged approach with locally,

nationally, and regionally-focussed marketing plans in order to improve brand awareness within Phuket, Thailand and further afield.

In the past, fundraising has focussed almost entirely on raising money for NC-student scholarships; however, that will need to change if we are to pursue the “nice to haves” while closing the operational shortfall. Our incredibly spacious campus has what we need. But, as we grow and look to improve opportunities for students we will need the parent community's support.

With our community's help, for instance, we could look to begin capital campaigns for any of the transformative projects listed below. To bring any of these projects to fruition, or move any of the timelines up, the school will need the financial support of the parent community:

- New PYP Library and redesign of the current space for Secondary students, including a DP study lounge (approximately ฿8-10 million in total)
- New Design Technology and Creativity Hub (฿9-12 million)
- New Auditorium and Performing Arts Centre (approximately ฿25-30 million)
- New Indoor Double Gymnasium (approximately ฿30-35 million)

Increasing tuition beyond the 2-4% range annually to cover inflationary costs, or implementing programme or staffing reductions, are not options we wish to consider at this time. With enrolment increasing slowly and steadily at 6-10% per year, we are projecting financial stability in 2020-21 for the school, while still needing approximately ฿60million per year for the NC scholarship programme funding from external sources. We are projecting reaching a self-sustained funding of the programme that

includes internal funding covering 50% of the NC scholarship programme in 2022-23.

Allow me now to share some notes on the comparisons between 2016-17 and 2017-18 financial reporting that have created discrepancies. Internally, “scholarship income” is treated as revenue on the budget; however, the audit treats it as a balance sheet liability because the funds are technically structured as short-term loans, largely from our Founder. As a result, the revenue numbers from last year's and this year's reports do not match. Although structured as loans, the generosity of Klaus Hebben as our Founder continues to keep the programme moving towards financial self-sufficiency.

In 2016-17, the Nursery programme was on the Banyapura (BL) budget and balance sheet, with BL being the license holder for the Nursery programme. BL is separate from UWCT legally, but under UWCT de facto control. Last year, we consolidated both balance sheets together for the Report to the Community. At the time of finalising the 2017-18 Report, the BL audited financials were not yet finalised and so the numbers presented here are for UWCT only. Our intention in 2018-19 is to move the Nursery—and therefore BL revenue and expenditure—to the UWCT budget and balance sheet. This is now an option thanks to a change in the Ministry of Education's decision regarding the inclusion of two year old programmes on K-12 school licenses.

Finally, with the 2017-18 school year Report being published nearly a full year after the fact, the Board has agreed to move the school's audit date to September of each year rather than the current January/February so that we can publish the Report in the first term each successive year.

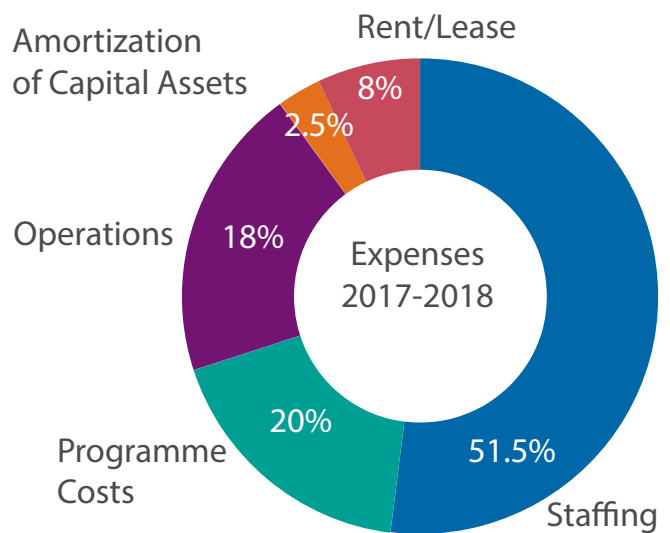
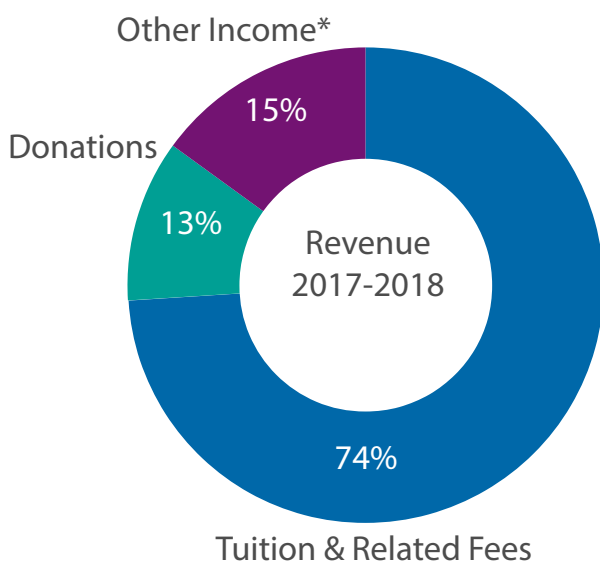


Revenues & Expenditures

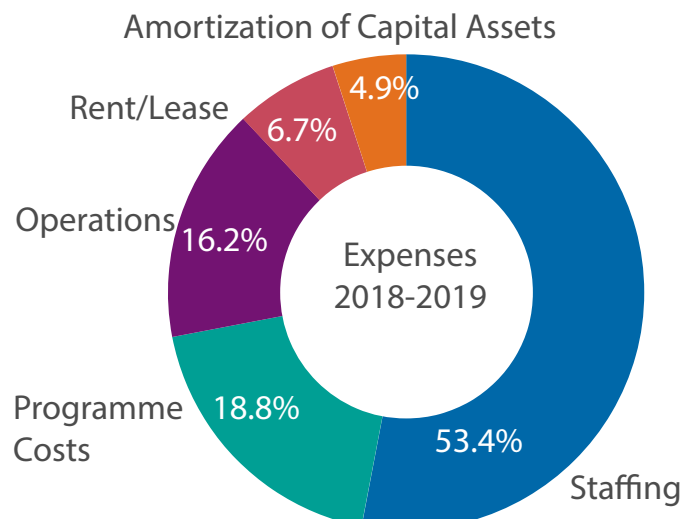
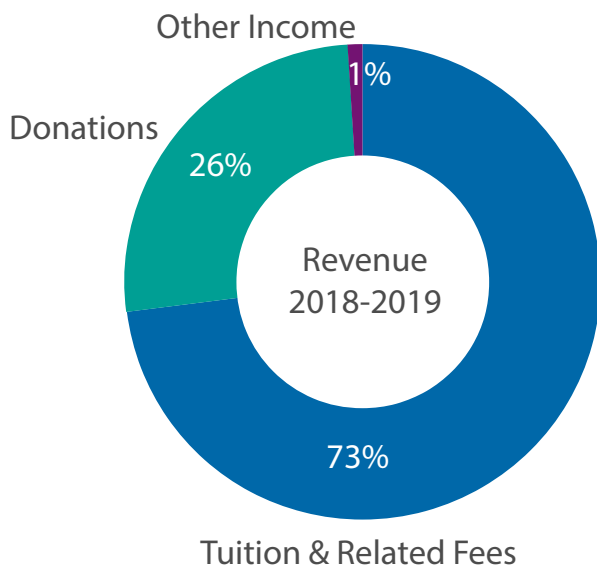
In order to bring the community up-to-date on the school's current financial status, we have included the audited financial results, as well as this overview of our revenues and expenditures, which is based on our budget categories versus the auditor's classifications.

The four charts below are intended to help illustrate how funds were distributed across major spending and income categories for the fiscal year 2017-2018 and include projections for 2018-2019 as of August 2018. The revenues in 2017-2018 are the balance after deducting \$5.2million in financial aid to our community.

2017-2018 Actuals



2018-2019 Projections (Aug 2018)



* In 2017-2018, Other Income included lunch fees which in 2018-2019 have been rolled into Tuition & Related Fees. | UWCT

STATEMENT OF FINANCIAL POSITION

AS AT JULY 31, 2018

ASSETS		In Baht	
	Notes	2018	2017 (Restated)
CURRENT ASSETS			
Cash and cash equivalents	4	43,121,821.69	27,388,946.30
School fees and other accounts receivable	5	10,247,909.28	14,444,541.61
Inventories		14,565,173.21	11,074,558.25
Total current assets		67,934,904.18	52,908,046.16
NON-CURRENT ASSETS			
Land improvement, building improvement and equipment	6	31,428,608.03	40,556,282.22
Software license	7	510,028.03	233,973.54
Deposit		196,350.00	205,750.00
Total non-current assets		32,134,986.06	40,996,005.76
TOTAL ASSETS		100,069,890.24	93,904,051.92

The accompanying notes are an integral part of the financial statements.

LIABILITIES AND OWNER'S EQUITY		In Baht	
	Notes	2018	2017 (Restated)
CURRENT LIABILITIES			
Accounts payable	8 & 9	49,321,053.94	17,728,400.49
Short-term loan from related parties	9	517,167,730.85	496,802,430.85
Income received in advance		56,027,872.25	42,827,025.42
Other current liabilities		1,948,650.72	1,651,685.05
Total current liabilities		624,465,307.76	559,009,541.81
NON-CURRENT LIABILITIES			
Deposit received from students		37,524,968.07	27,710,000.00
Provisions for employment benefits	10	9,350,803.81	4,087,929.55
Total non-current liabilities		46,893,771.88	31,797,929.55
Total liabilities		671,359,079.64	590,807,471.36
OWNER'S EQUITY			
Initial capital		92,767,292.68	92,767,292.68
Deficit	10	(664,056,482.08)	(589,670,712.12)
Total owner's equity (capital deficit)		(571,289,189.40)	(496,903,419.44)
TOTAL LIABILITIES & OWNER'S EQUITY		100,069,890.24	93,904,051.92

STATEMENT OF REVENUES & EXPENSES FOR THE YEAR ENDED JULY 31, 2018

		In Baht	
	Notes	2018	2017 (Restated)
REVENUES			
School fees		232,925,938.50	178,938,955.61
Other income		2,143,865.03	2,268,256.31
Total Revenues		235,069,803.53	181,207,211.92
EXPENSES			
Educational requirements	10	236,096,606.28	172,079,688.99
Buildings and grounds		16,125,756.18	16,166,545.83
Administrative expenses		53,321,128.13	33,582,900.40
Finance expense		3,912,082.90	3,386,176.80
Total Expenses		309,455,573.49	225,215,312.02
NET DEFICIT		(74,385,769.96)	(44,008,100.10)

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN OWNER'S EQUITY FOR THE YEAR ENDED JULY 31, 2018

		In Baht		
	Notes	Initial capital	Deficit	Total
Balance				
as at August 1, 2016		92,767,292.68	(543,210,104.36)	(450,442,811.68)
Adjusted for employees' benefits	10	-	(2,452,507.66)	(2,452,507.66)
Balance after adjusted		92,767,292.68	(545,662,612.02)	(452,895,319.34)
Net deficit (Restated)	10	-	(44,008,100.10)	(44,008,100.10)
Balance				
as at July 31, 2017 (Restated)		<u>92,767,292.68</u>	<u>(589,670,712.12)</u>	<u>(496,903,419.44)</u>

BALANCE as at August 1, 2017

Net deficit

92,767,292.68	(589,670,712.12)	(496,903,419.44)
-	(74,385,769.96)	(74,385,769.96)

BALANCE as at July 31, 2018

<u>92,767,292.68</u>	<u>(644,056,482.08)</u>	<u>(571,289,189.40)</u>
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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JULY 31, 2018

1. GENERAL INFORMATION

UWC Thailand was incorporated on July 23, 2009 and is principally to provide education in the IB (International Baccalaureate) system and services and/or equipment related to education to Thai and foreign youths **on a non-profit basis**. The School's registered address is located at 115/15 Moo 7, Thepkasattri Road, Thepkasattri Sub District, Talang District, Phuket.

2. BASIS OF FINANCIAL STATEMENTS PREPARATION

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The financial statements are prepared and presented in Thai Baht. They are prepared on the historical cost basis except as stated in the accounting policies.

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS) for Non-Publicly Accountable Entities (NPAES): guidelines promulgated by the Federation of Accounting Professions.

The preparation of financial statements in conformity with TFRS for NPAEs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

The School incurred a net deficit of Baht 74.39 million during the year ended July 31, 2018 and as of that date the School's current liabilities exceeded its total assets by Baht 524.40 million. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the school's ability to continue as a going concern.

The financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of asset carrying amounts, or of the amounts and classification of liabilities that might be necessary should the School be unable to continue as going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with financial institutions.

3.2 Accounts receivable / Allowance for doubtful accounts

Accounts receivable are stated at net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in the collection of receivables. The allowance is generally based on collection experience and analysis of debtor aging.

3.3 Inventories

Inventories are stated at the lower of cost (First in, First out) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

3.4 Land improvement, building improvement and equipment / depreciation

Land improvement, building improvements and equipment is stated at cost less accumulated depreciation and losses on decline in value.

When parts of an item of land improvement, building improvement and equipment have different useful lives, they are accounted for as separate items (major components) of building improvement and equipment.

Gains or losses on disposal of an item of land improvement, building improvement and equipment are determined by comparing the proceeds from disposal with the carrying amount of land improvement, building improvement and equipment, and are recognised net in the statement of revenues and expenses.

The cost of replacing a part of an item of land improvement, building improvement and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the School, and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised.

The costs of day-to-day servicing of land improvement, building improvement and equipment are recognised in the statement of revenues and expenses as incurred.

Depreciation is calculated based on the depreciable amount, which is the cost of an asset less its residual value. Depreciation is charged to the statement of revenues and expenses on a straight-line basis over the estimated useful lives of each component of an item of land improvement, building improvement and equipment.

The estimated useful lives are as follows;

Land improvement	5 years
Building improvement	5 years
Learning equipment	5 years
Equipment, furniture & fixtures	5 years
Vehicles	5 years

3.5 Software license / amortisation

Software license is carried at cost less accumulated amortisation and losses on decline in value (if any). Software licenses which have finite useful lives are amortised on a systematic basis over the economic useful life. The amortisation is charged to the statements of revenues and expenses. Software licenses with finite useful life are as follows;

Software license	5-10 years
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3.6 Revenues

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the School and the revenue can be measured reliably.

School fee

School fees and enrichment are recognised on a straight line basis over the term of the related semester.

Interest income

Interest income is recognised based on the principal outstanding over the duration of period at the effective yield.

3.7 Foreign currencies

Foreign currency transactions incurred during the years are translated into Baht at the exchange rates ruling on the transaction dates. Monetary assets and liabilities in foreign currency outstanding at the statement of financial position date are translated into Baht at the exchange rates ruling on the statement of financial position date. Gains or losses on exchange are included in determining income.

3.8 Operating lease

Lease not transferring a significant portion of the risks and rewards of ownership to the leases are classified as operating leases. Payment made under operating lease is charged to the statements of revenues and expenses over the period of the lease.



3.9 Losses and decline in value

The carrying amounts of the school's assets are reviewed at each reporting date to determine whether there is any indication of a permanent decline in value. If any such indication exists, the assets' recoverable amounts are estimated. A loss on decline in value is recognised if the carrying amount of an asset exceeds its recoverable amount. A loss on decline in value is recognised in the statement of revenues and expenses.

3.10 Employee benefits

3.10.1 Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

3.10.2 The School and employees jointly entered into a provident fund of "AIA Master Pooled Fund Registered Provident Fund", which is managed by American International Assurance Co., Ltd. The funds are contributed to monthly by employees and the School, each at the rates of five percent of employees' salaries. The funds will be paid to the employees upon termination in accordance with the rules of the funds. During the year 2018, the school contributed funds amounting to Baht 508,653.62 (2017: Baht 462,578.62).

3.10.3 The School recognised the obligations for retired benefits using the best estimate expenditure made by management to settle the present obligations at the end of the period in accordance to Thai Labour Law. The amount is based on the salary base, number of years served to the retirement date to be incurred in the future, and turnover rates.

3.11 Finance expense

Interest expense and similar expenses are recognised in the statement of revenues and expenses in the period when incurred.

4. CASH AND CASH EQUIVALENTS

	In Baht	
	2018	2017
Cash	189,532.00	135,000.00
Deposits at financial institutions	42,932,289.69	27,253,946.30
Total	43,121,821.69	27,388,946.30

5. SCHOOL FEES AND OTHER ACCOUNTS RECEIVABLE

	In Baht	
	2018	2017
School fee receivable	1,238,053.50	2,526,778.00
Prepaid expenses	6,658,839.37	6,411,228.46
Others receivable	2,710,774.41	5,506,535.15
Total	10,607,667.28	14,444,541.61
Allowance for doubtful account	(359,758.00)	-
Net	10,247,909.28	14,444,541.61



6. LAND IMPROVEMENT, BUILDING IMPROVEMENT AND EQUIPMENT

In Baht

	Land Improvement	Building Improvement	Learning Equipment
COST			
August 1, 2016	37,933.49	2,215,292.25	26,518,111.16
Additional	221,484.00	6,839,414.04	6,283,568.17
Disposal	-	-	(673,226.85)
July 31, 2017	259,417.49	9,054,706.29	32,128,452.48
Additional	42,077.75	1,393,402.88	5,175,982.94
Disposal	-	-	(198,645.72)
July 31, 2018	301,495.24	10,448,109.17	37,105,789.70

ACCUMULATED DEPRECIATION

August 1, 2016	(2,244.77)	(1,005,826.21)	(17,649,096.31)
Depreciation changes	(26,715.80)	(854,138.03)	(3,790,760.18)
Disposal	-	-	537,534.38
July 31, 2017	(28,960.57)	(1,859,964.24)	(20,902,322.11)
Depreciation changes	(46,879.89)	(1,630,138.44)	(4,352,675.77)
Disposal	-	-	101,689.70
July 31, 2018	(75,840.46)	(3,490,102.68)	(25,153,308.18)

BOOK VALUE

July 31, 2017	230,456.92	7,194,742.05	11,226,130.37
July 31, 2018	225,654.78	6,958,006.49	11,952,481.51

In Baht

Equip., Furniture & Fixtures	Vehicles	Work In Progress	Advance payment for acquired assets	Total
24,428,090.56	4,236,000.00	2,692,543.41	1,215,518.84	61,343,489.71
2,245,409.01	216,028.60	11,508,595.38	886,317.05	28,200,816.25
(134,852.33)	-	(52,894.14)	(1,215,518.84)	(2,076,492.16)
26,538,647.24	4,452,028.60	14,148,244.65	886,317.05	87,467,813.80
2,271,620.49	-	176,000.00	5,512,848.60	14,571,932.66
(88,185.30)	-	(14,148,244.65)	(886,317.05)	(15,321,392.72)
28,722,082.43	4,452,028.60	176,000.00	5,512,848.60	86,718,353.74

(17,176,215.03)	(4,235,996.00)	-	-	(40,069,378.32)
(2,783,923.32)	(34,298.34)	-	-	(7,489,835.67)
110,148.03	-	-	-	647,682.41
(19,849,990.32)	(4,270,294.34)	-	-	(46,911,531.58)
(2,494,891.66)	(41,046.40)	-	-	(8,565,632.16)
85,728.33	-	-	-	187,418.03
(22,259,153.65)	(4,311,340.74)	-	-	(55,289,745.71)

6,688,656.92	181,734.26	14,148,244.65	886,317.05	40,556,282.22
6,462,928.78	140,687.86	176,000.00	5,512,848.60	31,428,608.03

7. SOFTWARE LICENSE

	In Baht	
	2018	2017
Software license	2,063,486.88	1,698,433.28
Accumulated amortisation	(1,553,458.85)	(1,464,459.74)
Net	510,028.03	233,973.54
Amortisation for the year	88,999.11	38,397.31

8. ACCOUNTS PAYABLE

	In Baht	
	2018	2017
Accounts payable*	39,499,596.85	10,686,421.43
Accrued expenses	9,821,457.09	7,041,979.06
Total	49,321,053.94	17,728,400.49

9. SHORT-TERM LOAN FROM RELATED PARTIES

As at July 31, 2018, the School received a loan from a related party, amounting to Baht 517.17 million (2017: Baht 496.80 million), the loan amount of approximately Baht 68.88 million has interest at the rate of Bank of Thailand base plus three percent per annum, and the remaining loan has no interest rate. This loan shall be paid on demand.

10. EMPLOYEE BENEFIT OBLIGATIONS

As at July 31, 2018, the School's obligation for the post-employment benefit (severance pay) to be made to employees upon retirement under labour law at the rate defined in Labour Protection Act B.E. 2541 totals Baht 9,350,803.8. (2107: the School adjusts the error from employees' benefits by adjusting the service costs occurred before August 1, 2017 with beginning retained earnings and adjusts service costs for the year 2017 in the statement of income for the year 2017) and are as follows:

* The Boarding House is owned and operated by Thanyapura. In 2016-17, scholarship funds for boarding house fees were paid directly to Thanyapura and not through the School. In 2017-18 they were first processed by UWCT and then paid to Thanyapura.

	In Baht
	Total
Balance as at August 1, 2016	-
Adjusted for employees' benefits	2,452,507.66
Balance after adjusted	2,452,507.66
Service cost for the year 2017 (Restated)	1,635,421.89
Balance at July 31, 2017 (Restated)	4,087,929.55
Service cost for the year 2018	5,262,874.26
Balance at July 31, 2018	9,350,803.81

11. COMMITMENTS AND CONTINGENT LIABILITIES

As at July 31, 2018, the School has lease agreements in respect of the lease of building space and service agreements. Future minimum lease payments required under these operating leases agreement amounted to Baht 0.42 million.

12. RECLASSIFICATIONS OF ACCOUNTS

Certain accounts in the 2017 financial statements have been reclassified to conform to the presentation in the 2018 financial statements, with no effect to the previously reported net profit or owner's equity as follows:

	In Baht		
	Before reclassification	Reclassification	After Reclassification
<i>Statement of financial position</i>			
Accounts payable	17,760,400.49	(32,000.00)	17,728,400.49
Income received in advance	42,795,025.42	32,000.00	42,827,025.42



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