

Financial report 2022

Coöperatieve Vereniging United
World College Maastricht U.A.

Maastricht

29-11-2023

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Board Report

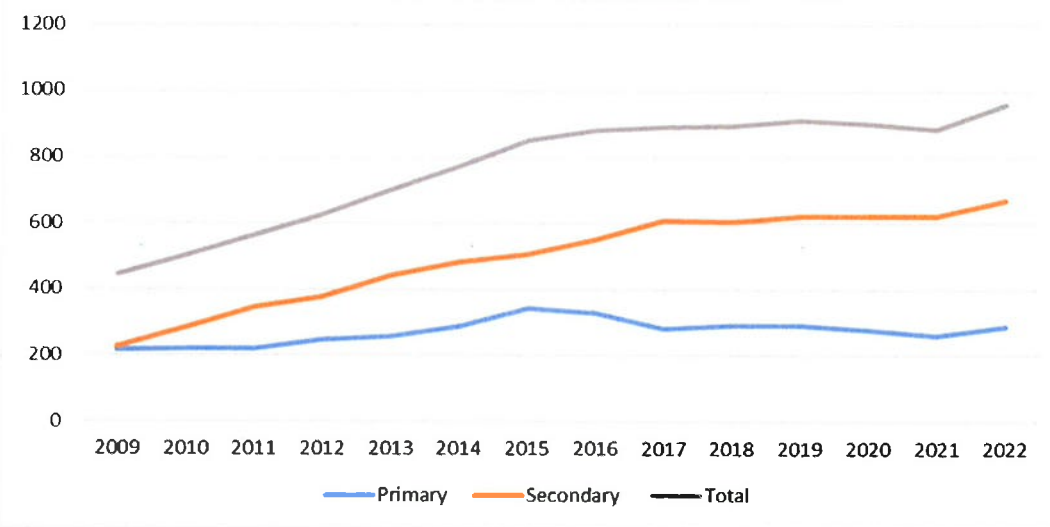
1. Report Head of College

A growing school

The year 2022 was characterized by a significant increase in student enrollment, both in the Primary and Secondary school. With this growth we close a chapter in which we saw a decrease in student numbers, particularly in the Primary school, during the Covid-19 pandemic of 2020-2021.

Positive developments started towards the end of 2021 and resulted in an overall student enrollment of 961 students at the start of the academic year 2022-2023 (2021: 885).

Student numbers at UWC Maastricht 2009-2022



Accreditation and evaluation

In 2022, the school Leadership Team and wider community worked towards the completion of our ongoing five-year evaluation cycles. This includes the final stage of the Council of International Schools (CIS) accreditation process and five-yearly evaluations of our Middle Years Programme (MYP) and Diploma Programme (DP). This process was completed in December 2022, when we welcomed a combined CIS/IB Visiting Team for a synchronized onsite visit. CIS Re-Accreditation and IB Re-Authorization followed in February 2023. These reports will feed into the school plan 2023-2028, to be written in Summer 2023.

Educational developments

With the end of the pandemic, UWC Maastricht was able to restart some of the curriculum programmes that had been hit by the lockdowns and restrictions, such as our outdoor expedition programmes and community engagement initiatives. The return of these activities is beneficial for the wellbeing of our students, and for the visibility of UWC Maastricht within our local community. Following a successful IB candidacy and authorization process, UWC Maastricht welcomed in September 2022 the pioneering group of IB Career-related Programme (IBCP) students, enrolled in our IBCP in Sustainable Business. With this new programme the school delivers on a commitment made in the school plan, to explore and introduce additional educational pathways for our students. The introduction of the IBCP, which we pursued in collaboration with UWC Pearson College in Canada, is also a new milestone for the larger UWC movement. Additional IBCP pathways will be explored in 2023.

Facilities

The growth of the school allows for our ongoing discussion with the Gemeente Maastricht with regards to expansion of the Secondary School building. Building is now projected for the summer of 2024, which should result in six additional classrooms. Details around this project will be finalized in the course of 2023.

As part of our school plan 2018-2023, we also continued to invest in the school campus. In 2022 we took additional steps in greening the campus, including the creation of a grass-based play area for the Primary school. The final stage of this process, including the building of an additional vertical garden, will be completed in the summer of 2023.

HR

The new Collective Labour Agreement (CLA) for Primary and Secondary schools stipulates a further increase in personal time for teachers, resulting in a reduction of workload and a demand for additional staff. The Leadership Team have worked with the Participation Council's Staff Representatives in addressing the demands of the new CLA and its effects on the Task Policy for Staff.

Nationaal Programma Onderwijs

In the summer of 2021, the Leadership Team created its first Primary and Secondary School scan and proposed programme, as part of the governments Nationaal Programma Onderwijs (NPO). This programme is meant to mitigate negative consequences of the Covid-19 pandemic on students learning and wellbeing. This school scan was given consent by the school's Participation Council. The process of rescanning started late in 2022 and will be completed in the first term of 2023.

Leadership and governance

In the school's Leadership Team, we welcomed Nilde Pais as new Director of Primary School as of September 2022. Nilde replaced Tanya Surawski, who left UWC Maastricht after six years to move to Abu Dhabi.

In 2022, the members of the Cooperative Foundation UWC Maastricht signed a new partnership agreement. As part of this process, the Foundation UWC Maastricht left the Coöperation UWC Maastricht, to be replaced by the Foundation UWC Nederland.

Following a review of all of the school's governing statues in the period 2017-2021, we undertook a review and rewriting of the school's participation council statute and regulations ('Medezeggenschapsstatuut'). This process was completed in the summer of 2022.

Following positive advice from the school's Participation Council, Arne Gast and Deidre Jakobs were welcomed as new Board members, replacing Monique van Roosmalen, whose term ended in December 2022.

Finances

The school has had a good financial year. We closed 2022 with a positive result of € 579K in Primary and a positive result of € 564K in Secondary. In Boarding, the result was € 51,- negative, which is significantly better than the budgeted deficit of 244K.

2. General information

Mission statement

UWC makes education a force to unite people, nations and cultures for peace and a sustainable future. UWC Maastricht will deliver a challenging and transformational educational experience to a diverse cross section of students, inspiring them to create a more peaceful and sustainable future.

Values

Our unique model of education, driven by our mission and nine values, supports young people to flourish – physically, intellectually, emotionally and ethically.

Our nine values

International and intercultural understanding

We are committed to building communities that are free from prejudice and intolerance, irrespective of people's gender, and socioeconomic, cultural, racial, religious or national background.

Celebration of difference

We consciously create supportive environments where differences are valued and recognised for the strength they bring to communities

Personal responsibility and integrity

Personal responsibility, accountability and integrity are at the heart of the UWC experience
We expect the people we work with to behave in a similar way.

Mutual responsibility and respect

We believe in collaboration and mutual support, and recognise that respect underpins the smooth functioning of any encounter or team. People who work with our members find them dependable and respectful.

Compassion and service

Our actions and language communicate compassion and commitment to communities. We work at all levels – personally, locally, regionally, nationally – to make the world a better place.

Respect for the environment

We recognise our interdependence with the environment and actively seek solutions that will contribute to a sustainable future. Our choices and actions demonstrate this commitment.

A sense of idealism

We inspire our members to believe that it is possible to make a difference and work with others who share that belief.

Personal challenge

We are committed to learning through doing. By taking the initiative and taking on challenges, we learn about ourselves and those around us, developing a sense of responsibility for others

Action and personal example

We believe in the importance of acting on your beliefs and making your voice heard so your actions stand out.

Codes of conduct

Dutch education does not have a universally accepted code of conduct for teachers or professionals working in primary and secondary schools. The UWC movement has adopted a set of nine values and a mission statement, and all staff are expected to align their behaviour to these values in the pursuit of the UWC mission. In addition, all students, particularly the residential students, are expected to follow the UWC code of conduct. This code of conduct was established in 2008. As a CIS accredited and UWC school we also follow protocols and minimum standards established by these partner organizations. In recruitment, we choose to follow the standards of the NVP, the Nederlandse Vereniging voor Personeelsmanagement & Organisatieontwikkeling.

CSR ('maatschappelijk verantwoord ondernemen')

As a Charitable Foundation, the Cooperative UWC Maastricht makes education a force for peace and a sustainable future. We take our societal responsibility seriously, and endorse the dictum of educational philosopher John Dewey that "the moral responsibility of the school, and to those who conduct it, is to society." As a school that depends on a fundraising function, we also have a policy towards ethical fundraising. This policy stipulates that we will not solicit funds from organizations and companies with values opposed to ours (e.g. the armament industry) or from those whose activities are at odds with public health (e.g. tobacco companies).

Legal structure

The Coöperatieve Vereniging United World College Maastricht U.A. is a cooperative. The members of the cooperative are Stichting Limburgs Voortgezet Onderwijs, Mosalira Stichting voor leren, onderwijs en opvoeding and Stichting United World College Netherlands. Stichting United World College Netherlands joined the Coöperatieve on 14 June 2022 while Stichting United World College Maastricht simultaneously stepped down as a member.

The main activities of the Coöperatie are :

- providing international education to primary and secondary students in the age of 3 till 18 based on the UWC Mission statement;
- exploit and maintain the campus which is used for providing the education.

International

UWC has eighteen schools and colleges on four continents. Each of the schools and colleges has its own distinct character and identity, influenced by the host country, the specific setting, cultural context and the community. What makes each one of them a UWC is a deliberately diverse student body, with students coming from all over the world, bringing with them very different backgrounds to learn and live together - and their joined mission to make education a force for peace and sustainability.

Global UWC affairs are coordinated by UWC International (London and Berlin) and supervised by the UWC International Board. Schools and Colleges collaborate at various levels, and the school and college Heads and Chairs meet regularly as members of the Heads and Chairs committees.

Africa:

Waterford Kamhlaba UWC - Mbabane, Eswatini (Swaziland)
UWC Tanzania, (Moshe and Arusha), Tanzania

Asia:

Li Po Chun UWC - Hong Kong SAR
UWC Changshu - Changshu, China
UWC Mahindra College - Pune, India
UWC South East Asia (Dover and Est Campus) - Singapore
UWC Thailand - Phuket, Thailand
UWC Isak - Karuizawa, Japan

Europe:

UWC Adriatic - Duino, Italy
UWC Atlantic College - Llantwit Major, UK
UWC Dilijan - Dilijan, Armenia
UWC Maastricht - Maastricht, the Netherlands
UWC in Mostar - Mostar, Bosnia and Herzegovina
UWC Red Cross Nordic - Flekke, Norway
UWC Robert Bosch College - Freiburg, Germany

The Americas:

Pearson College UWC - Victoria, Canada
UWC-USA Montezuma - New Mexico, USA
UWC Costa Rica - Santa Ana, Costa Rica

3. Financial information

Development of income and expenses

To provide insight in the development of the result for 2022, below an outline has been prepared based on the profit and loss account of 2022 compared to the profit and loss account of 2021. Income and expenses are expressed in euros and as a percentage of the total revenue.

	2022		2021		movement	
	€		€		€	
Revenue						
Government contributions	9.162.647	47%	8.587.962	47%	574.685	7%
School-, scholarship and registration fees	9.940.761	51%	9.311.305	51%	629.456	7%
Other revenues	523.633	3%	497.130	3%	26.503	5%
	<u>19.627.041</u>	100%	<u>18.396.397</u>	100%	<u>1.230.644</u>	7%
Expenses						
Personnel costs	13.313.953	68%	12.652.097	69%	661.856	5%
Depreciations	449.686	2%	408.112	2%	41.574	10%
Housing costs	1.497.727	8%	1.429.105	8%	68.622	5%
Other operating expenses	3.188.796	16%	2.904.857	16%	283.939	10%
	<u>18.450.162</u>	94%	<u>17.394.171</u>	95%	<u>1.055.991</u>	6%
Operating profit	1.176.879	6%	1.002.226	5%	174.653	17%
Financial income and expenses	(33.943)	0%	(25.392)	0%	(8.551)	34%
Result before tax	<u>1.142.936</u>	6%	<u>976.834</u>	5%	<u>166.102</u>	17%
Tax on result	-		-			
Result after tax	<u><u>1.142.936</u></u>	6%	<u><u>976.834</u></u>	5%	<u><u>166.102</u></u>	17%

The major positive influence on the result 2022 compared to 2021 is:

The government contributions increased with € 575K mainly due:

- Subsidy Secondary Strategic personnel policy € 251K;
- Subsidy Primary Asylum seekers and other foreign nationals for the academic € 289K;
- Other Government subsidies € 35K.

The school-, scholarship and registration fees increased with € 629K mainly due:

- Increased student numbers and indexation of the school and residential fees

The major negative influence on the result 2022 compared to 2021 is:

The personnel costs increased with € 662K mainly due:

- As of October 2021 the CLA for Secondary school increased with 1,5%;
- As of January 2022 in the CLA 2021-2022 the wage gap between primary and secondary education was closed. The salary tables in the Collective Labour Agreement PO are the same as the salary tables in secondary education. The salary costs for Primary increased on average with 10,75%
- As of June 2022 the CLA 2022-2023 for Primary and Secondary increased with 4,75%;
- In the Secondary CLA 2022-2023 there is also an addition on reducing workload. More leave is given in the CLA to staff to reduce workload. Due to the late agreement on the CLA 2022-2023 the leave couldn't be granted in 2022-2023 due to organizational reasons. This leave is paid out in 2022-2023 according to the general practice in Secondary Education.

The other operating expenses increased with € 286K mainly due:

- Endowment provision bad debts € 83K;
- Costs catering residence € 63K;
- Exam costs € 35K;
- Costs tax advice € 32K;
- Flights and travel costs boarders € 29K;
- Accreditation costs € 21K;
- Other costs € 23K;

The normalized result 2022 and 2021 is:

In 2022 and 2021, incidental subsidies were received for NPO and the first reception of foreign nationals. These incidental subsidies distort the result in both years. The normalized result reflects the result excluding incidental income and expenses.

	2022		2021		movement	
	€		€		€	
Result after tax	1.142.936	100%	976.834	100%	166.102	0%
Incidental subsidies	737.000	64%	568.588	58%	168.412	6%
Normalized result	<u>405.936</u>	36%	<u>408.246</u>	42%	<u>(2.310)</u>	-6%

Balance sheet

To provide insight in the development of the balance sheet for 2022, below an outline has been prepared based on the balance sheet of 2022 compared to the balance sheet of 2021.

Assets and Liabilities are expressed in euros and as a percentage of the total of the balance sheet.

	31-12-2022		31-12-2021		movement	
	€		€		€	
Assets						
Fixed assets						
Tangible fixed assets	4.051.087	25%	3.825.146	28%	225.941	6%
Current assets						
Inventories	42.338	0%	56.382	0%	(14.044)	-25%
Receivables	4.837.926	30%	3.534.828	26%	1.303.098	37%
Cash at banks and in hand	7.123.461	44%	6.042.280	45%	1.081.181	18%
	<u>16.054.812</u>	100%	<u>13.458.636</u>	100%	<u>2.596.176</u>	19%

	31-12-2022		31-12-2021		movement	
	€		€		€	
<u>Liabilities</u>						
<u>Equity</u>						
Other reserve	2.814.478	18%	2.337.112	17%	477.366	20%
Special-purpose reserve	508.725	3%	9.257	0%	499.468	5396%
Undistributed profit	1.142.936	7%	976.834	7%	166.102	17%
Provisions	3.697.379	23%	3.168.623	24%	528.756	17%
Current liabilities	7.891.294	49%	6.966.810	52%	924.484	13%
	<u>16.054.812</u>	100%	<u>13.458.636</u>	100%	<u>2.596.176</u>	19%

The major influence on the balance sheet 2022 compared to 2021 is:

The receivables increased with € 1.303K mainly due:

- Higher debtor position € 544K;
- Members account foundation MosaLira € 102K;
- Members account foundation LVO € 664K;
- Other receivables € -7K.

The cash at bank and in hand increased with € 1.081K mainly due:

- The result of the operating activities.

The other reserve increased with € 486K mainly due:

- The result of 2021 according to the distribution of profits in the ALV.

The special purpose reserve increased with € 509K due:

- OC&W subsidy National Program Education (NPO) which was received in 2022 and has not been spent.

The provision for major maintenance of buildings increased with € 529K mainly due:

- The yearly additions to the provision.

The current liabilities increased with € 924K mainly due:

- School, exam and scholarship fees invoiced in advance € 465K.
- Wage tax and social insurance premiums € 264K.
- Deferred income bilateral agreements United World College the Netherlands € 141K
- Other liabilities € 54K.

3. The main risks and uncertainties

Looking at the short and longer term future, we can identify three main risks and uncertainties for UWC Maastricht. They are listed below, including initiatives we can take to mitigate these risks.

1. Scholarship funding

The UWC Maastricht approach to education is highly dependent on fundraising, as a way to offer scholarships to UWC national committee selected students in need. UWC Maastricht manages to attract significant funds through our close collaboration with UWC International and the efforts of our own Advancement Office. Yet the funding challenge remains a main risk to the school, and a more sustainable funding model based on long term planning is needed.

With the establishment of an endowment fund, we are beginning to mitigate this risk. Yet the building of a significant endowment fund will take a number of years, and managing the endowment also brings new (but manageable) uncertainties.

2. Attracting staff

The upcoming change to the 30 percent-ruling for expat workers and expected political decisions with regards to highly skilled migrant workers poses an immediate risk to UWC Maastricht's ability to attract experienced teachers and senior leaders. Ongoing uncertainty will have an immediate effect on our attractiveness to candidates from abroad applying to our positions.

With this in mind, UWC Maastricht needs to work hard to enthuse and retain its current staff, ensuring that they continue to work at our school. Following the suggestions in the new school plan, HR and the Leadership Team should develop a plan to this end, and articulate this to the staff body.

3. Retaining major 'clients'

UWC Maastricht brings together students from many different families and stakeholders, and has always had a special relationship with a number of bigger clients, including some NATO delegations (Poland, Italy, etc.), corporations such as DSM Firmenich, Eurocontrol and Sabic, and partnerships resulting from our UWC affiliation (International Office, National Committees, the GSP network). Losing one of these bigger 'clients' could have a very significant impact on student enrolment, and the school's financial position.

We should manage and steward our main stakeholders and clients more proactively than before, given the need to secure our current levels of enrollment in Primary, Secondary and Boarding.

Written by Lodewijk van Oord, Head of College, on behalf of the board.

Financial statements

Balance sheet as at 31 December 2022

(Before appropriation of result)

Assets		<u>31-12-2022</u>		<u>31-12-2021</u>	
		Note	€	€	€
Fixed assets					
Tangible fixed assets	4.		<u>4.051.087</u>		<u>3.825.146</u>
			4.051.087		3.825.146
Current assets					
Inventories	6.		42.338		56.382
Receivables	7.		4.837.926		3.534.828
Cash at banks and in hand	8.		<u>7.123.461</u>		<u>6.042.280</u>
			12.003.725		9.633.490
			<u>16.054.812</u>		<u>13.458.636</u>

(Before appropriation of result)

Liabilities		<u>31-12-2022</u>		<u>31-12-2021</u>	
	Note	€	€	€	€
Equity					
Other reserve	9.	2.814.478		2.337.112	
Special-purpose reserve	10.	508.725		9.257	
Undistributed profit	11.	<u>1.142.936</u>		<u>976.834</u>	
			4.466.139		3.323.203
Provisions	12.		3.697.379		3.168.623
Current liabilities	13.		<u>7.891.294</u>		<u>6.966.810</u>
			<u>16.054.812</u>		<u>13.458.636</u>

Income statement for the year ended 31 December 2022

		2022	Budget 2022	2021
	Note	€	€	€
Revenue				
Government contributions	15.	9.162.647	8.005.550	8.587.962
School-, scholarship and registration fees	16.	9.940.761	9.448.295	9.311.305
Other revenues	17.	523.633	504.400	497.130
		<u>19.627.041</u>	<u>17.958.245</u>	<u>18.396.397</u>
Expenses				
Personnel costs	18.	13.313.953	12.837.800	12.652.097
Depreciations	19.	449.686	452.155	408.112
Housing costs	20.	1.497.727	1.463.895	1.429.105
Other operating expenses	21.	3.188.796	3.178.173	2.904.857
		<u>18.450.162</u>	<u>17.932.023</u>	<u>17.394.171</u>
Operating profit		<u>1.176.879</u>	<u>26.222</u>	<u>1.002.226</u>
Financial income and expenses	22.	- 33.943	- 21.200	- 25.392
		<u>1.142.936</u>	<u>5.022</u>	<u>976.834</u>
Result before tax		<u>1.142.936</u>	<u>5.022</u>	<u>976.834</u>
Tax on result		-	-	-
Result after tax		<u>1.142.936</u>	<u>5.022</u>	<u>976.834</u>

Cash flow statement for the year ended 31 December 2022

	31-12-2022		31-12-2021	
	€	€	€	€
Cash flow from operating activities				
Operating profit/(loss)		1.176.879		1.002.226
<i>Adjustments for:</i>				
Depreciation fixed assets	878.328		836.754	
Release contribution from third parties	- 428.642		(428.642)	
Movement in provisions	528.756		526.724	
		978.442		934.836
<i>Movements in working capital:</i>				
Inventories	14.044		8.864	
Receivables	- 1.303.098		210.987	
Current liabilities (excluding borrowings)	924.484		323.515	
		- 364.570		543.366
Cash generated from operations		1.790.751		2.480.428
Interest paid	- 33.943		(25.392)	
		- 33.943		- 25.392
Net cash generated from operating activities		1.756.808		2.455.036
Cash flow from investment activities				
Investments in tangible fixed assets	- 675.627		(693.565)	
Net cash generated from investment		- 675.627		- 693.565
Cash flow from financing activities				
Movement current account mothers			1.268.983	
Result Boarding added on the members account foundation UWCM			(1.209.797)	
Net cash generated from financing		-		59.186
Net increase/(decrease) in cash at banks and in		1.081.181		1.820.657
Balance as at 1 January		6.042.280		4.221.623
Movements during the financial year		1.081.181		1.820.657
Balance as at 31 December		<u>7.123.461</u>		<u>6.042.280</u>

Notes to the balance sheet and income statement

1. General notes

1.1. Activities

The Coöperatieve Vereniging United World College Maastricht U.A. makes education a force to unite people, nations and cultures for peace and a sustainable future. UWC Maastricht will deliver a challenging and transformational educational experience to a diverse cross section of students, inspiring them to create a more peaceful and sustainable future.

The main activities of the Coöperatie are :

- providing international education to primary and secondary students in the age of 3 till 18;
- exploit and maintain the campus which is used for providing the education.

1.2. Registered office

The registered and actual address of Coöperatieve Vereniging United World College Maastricht U.A. is Discusworp 65, 6225 XP Maastricht. Number Chamber of Commerce 14126392.

1.3. Related parties

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the Company are considered to be a related party. In addition, statutory directors, other key management of Coöperatieve Vereniging United World College Maastricht U.A. or the ultimate parent company and close relatives are regarded as related parties. Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

1.4. Accounting policies for the cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand.

2. General accounting policies

2.1. General

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards. The Coöperatieve Vereniging United World College Maastricht U.A. primary and social objective is to provide education and to inspire students to create a more peaceful and sustainable future and not focused on achieving profits. The external reporting requirements included in Standard 640 of the Dutch Accounting Standards apply best to such organisations and consequently, the Coöperatieve Vereniging United World College Maastricht U.A. also applies Standard 640.

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, income statement and the cash flow statement, references are made to the notes.

2.2. Foreign currency

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date.

2.3 Change in accounting principle - revenue recognition

As per 1 January 2022 the Dutch reporting standards for revenue recognition as stipulated in Standard 27 of the Dutch Accounting Standards have changed. For the Coöperatieve Vereniging United World College Maastricht U.A. this has consequences for the principles for revenue recognition. The paragraph 'Revenue Recognition' explains the new requirements for the main performance obligations and per performance obligation the method of allocation of revenues.

3. Accounting policies applied to the valuation of assets and liabilities

3.1. Tangible fixed assets

Land and buildings are valued at historical cost plus additional costs or production cost less straight-line depreciation based on the expected useful life. Land is not depreciated. Impairments expected on the balance sheet date are taken into account. With regard to the determination as to whether a tangible fixed asset is subject to an impairment, please refer to the relevant section.

Subsidies on investments will be deducted from the historical cost price or production cost of the assets to which the subsidies relate.

A provision for major maintenance has been created for the future costs of major maintenance to the buildings. The addition to the provision is determined based on the expected amount of the maintenance work and the intervals between the times when major maintenance work is carried out.

The used depreciation periods are :

- Land	no depreciation
- Buildings	40 years
- Inventory and furniture	10-20 years
- ICT	3-5 years

3.2. Financial fixed assets

Receivables recognised under financial fixed assets are initially measured at fair value and subsequently carried at amortised cost.

3.2.1. Members account

The members account can be debited or credited according to the members contract. The members account can be divided into a current account position and a result position. The current account position only contains the investments of the members into the cooperative association. This is the difference between the subsidies which are received from the Ministry of Education Culture & Science and the salary cost, transfer of assets and other investment by the members. The result position only contains results according to the appropriation of the results as decided by the General Members Meeting until the balance date of the annual account. The members accounts are free of interest.

3.3. Impairment of non-current assets

The realisable value is initially based on a binding sale agreement; if there is no such agreement, the realisable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. For the determination of the value in use, an estimate is made of the future net cash flows.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognised in the income statement

The amount of an impairment loss incurred on financial assets stated at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised through profit or loss.

3.4. Inventories

The inventories refers to the study books which are being used by the students and to the library books. Inventories are valued at historical cost. A provision is formed based on the the expected useful life, which is four years.

3.5. Accounts receivable

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

3.6. Cash at banks and in hand

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Cash at banks and in hand is carried at nominal value.

3.7. Equity

The equity contains the result before appropriation.

3.8 Continuity reserve

The continuity reserve has been drawn up to cover risks in the short-term and to ensure the Coöperatieve Vereniging United World College Maastricht U.A. can meet its obligations in the future in case of unexpected events. The continuity reserve consists of freely disposable capital. The size of the continuity reserve is based on the risk analysis which was performed in the beginning of 2020.

3.8. Provisions

3.8.1. General

A provision is recognised for expenditures incurred on major maintenance work on buildings in order to spread these costs over a number of financial years. The provision is based on a multi-year maintenance plan which will be renewed bi annually. The addition to the provision is determined based on the expected amount of the maintenance work and the intervals between the times when major maintenance work is carried out. In the the calculation of the provision there is no indexation or discount rate.

3.8.2. Provision for major maintenance of buildings

A provision is recognised for expenditures incurred on major maintenance work on buildings in order to spread these costs over a number of financial years. The addition to the provision is determined based on the expected amount of the maintenance work and the intervals between the times when major maintenance work is carried out.

3.9. Non-current liabilities

The non-current liabilities are valued at the fair value.

3.9.1. Members account

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. The difference between stated book value and the mature redemption value is accounted for as interest cost in the income statement on the basis of the effective interest rate during the estimated term of the long-term debts.

The members account can be debited or credited according to the members contract. The members account can be divided into a current account position and a result position. The current account position only contains the investments of the members into the cooperative association. This is the difference between the subsidies which are received from the Ministry of Education Culture & Science and the salary cost, transfer of assets and other investment by the members. The result position only contains results according to the appropriation of the results as decided by the General Members Meeting until the balance date of the annual account. The members accounts are free of interest.

3.10. Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

4. Principles for the determination of the result

4.1. General

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

4.2. Sales of services

The main performance obligations of the Coöperatieve Vereniging United World College Maastricht U.A. are as follows:

- the performance obligation for governmental contributions is offering international education throughout the school year. The received governmental contributions are attributed to the individual months of the school year. The governmental contributions received in advance per end of calendar year are allocated to the short-term liabilities.
- the performance obligation for school-, scholarship and registration fees is offering international education throughout the school year. The received school-, scholarship and registration fees are attributed to the individual months of the school year. The school-, scholarship and registration fees received in advance per end of calendar year are allocated to the short-term liabilities.

The revenue recognition for the amounts in the comparative figures is based on the stipulations in the for 2021 applicable Standard 270 of the Dutch Accounting Standards. The basis for revenue recognition was as follows:

Revenues from the services rendered are recognised in proportion to the services delivered, based on the services rendered up to the balance sheet date in proportion to the total of services to be rendered. The Government contributions, school-, scholarship, registration fees and other revenues are included in the revenue in the year to which they apply.

4.3. Other operating income

In other operating income results are recognized which are not directly linked to the supply of goods or services as part of the normal, non-incident operations. The other operating income comprises of royalty income. Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

4.3. Personnel costs

Salaries, wages and social security contributions are charged to the income statement based on the terms of employment, where they are due to employees and the tax authorities respectively. The cooperative association has a defined pension plan for its employees. Eligible employees are entitled to a pension at retirement age that is based on the average earned wages calculated over the years that the employee has built up pension. The obligations arising from these rights of its personnel are placed with the APG pension fund. The cooperative association pays premiums based on legal requirements and a contractual basis to the APG pension fund. The pension rights are indexed annually, if and insofar as the funding ratio of the pension fund (the assets of the pension fund divided by its financial obligations) allows this. Pension funds are required by law to have financial buffers: extra money for times when the financial situation is worsening. The pension rules prescribe that the policy funding ratio must be 126%. Then there are sufficient financial buffers. It is also legally determined that the policy funding ratio may not be below 104.2% for more than 5 years. At the end of 2022 the policy funding ratio was 110.9%. The cooperative association has no obligation to make additional contributions in the event of a deficit at the pension fund, other than the effect of higher future contributions.

The cooperative association has therefore only accounted for the premiums due up to and including the end of the financial year in the annual accounts.

4.4. Depreciations

The depreciations of tangible fixed assets are based on the historical cost. The depreciations are based on straight-line depreciation and the expected useful life. Land is not depreciated.

4.5. Housing cost and other operating expenses

These cost are based on the historical cost and are recorded as cost in the year which these cost relate to.

4.6. Financial income and expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate.

4. Tangible fixed assets

	Land and buildings	Inventory Furniture & ICT	Total
	€	€	€
Balance as at 1 January 2022			
Acquisition cost	2.876.932	3.270.178	6.147.110
Cumulative depreciation	<u>(651.498)</u>	<u>(1.670.465)</u>	<u>(2.321.964)</u>
Book values	<u>2.225.433</u>	<u>1.599.713</u>	<u>3.825.146</u>
Movements			
Investments without donations from third parties	233.946	441.681	675.627
Depreciation	<u>(119.173)</u>	<u>(330.513)</u>	<u>(449.686)</u>
Balance	<u>114.773</u>	<u>111.168</u>	<u>225.941</u>
Balance as at 31 December 2022			
Acquisition costs	3.110.878	3.711.859	6.822.737
Cumulative impairments and depreciation	<u>(770.671)</u>	<u>(2.000.978)</u>	<u>(2.771.650)</u>
Book value	<u>2.340.206</u>	<u>1.710.881</u>	<u>4.051.087</u>

The total investment in 2022 is € 675.628 and this is within the budget 2022 € 763.150,-

The total investments in Land and Buildings per end of 2022 is € 20.256.554 (2021: € 20.022.608) of which € 17.145.676 was contributed by third parties (2021: € 17.145.676). Coöperatieve Vereniging United World College Maastricht is not the economic owner on by third parties contributed part of the total investment.

6. Inventories

	<u>31-12-22</u>	<u>31-12-21</u>
	€	€
Inventory study books	368.227	355.591
Less: provision due to use of study books	<u>(327.169)</u>	<u>(301.006)</u>
Subtotal	41.059	54.585
Inventory UWCM merchandise	1.279	1.797
Total	<u><u>42.338</u></u>	<u><u>56.382</u></u>

7. Receivables

	31-12-22		31-12-21	
	Total	Remaining term > 1 year	Total	Remaining term > 1 year
	€	€	€	€
Debtors	2.827.856	0	2.283.675	0
Members account foundation Mosalira	948.284	0	846.671	0
Members account foundation LVO	663.935	0	-	0
Members account foundation UWCM	26.099	0	-	0
Prepaid costs	353.784	0	315.943	0
Province-grants receivable	-	0	40.371	0
Value added Tax	1.480			
Wage tax and social insurance premiums	-	0	10.029	0
Other receivables	16.488	0	38.139	0
	<u>4.837.926</u>	<u>0</u>	<u>3.534.828</u>	<u>0</u>

The fair value of the receivables approximates the carrying amount due to their short-term character and the fact that provisions for bad debt are recognised, where necessary.

7.1 Debtors

	31-12-22	31-12-21
	€	€
Debtors	3.194.487	2.578.287
Less: provision for bad debt	(366.631)	(294.612)
	<u>2.827.856</u>	<u>2.283.675</u>

The debtors are mainly parents, companies and national committees which need to pay school, exam and scholarship fees.

7.2 Members account foundation Mosalira

Breakdown members account foundation Mosalira into the current account and result position

The members account can be divided into a current account position and a result position. The current account position only contains the investments of the members into the cooperative association. This is the difference between the subsidies which are received from the Ministry of Education Culture & Science and the salary costs, transfer of assets and other investment by the members. The result position only contains results according to the appropriation of the results as decided by the General Members Meeting until the balance date of the annual account. If this is an asset item it is a receivable. The members accounts are free of interest. Nothing has been agreed in respect of securities.

	<u>31-12-22</u>	<u>31-12-21</u>
	€	€
Current account position on members account of foundation Mosalira	948.284	846.671
Total members account foundation Mosalira	<u>948.284</u>	<u>846.671</u>

Detailed overview current account position Foundation Mosalira

	<u>31-12-22</u>	<u>31-12-21</u>
	€	€
Opening balance	846.671	33.323
Movement in the financial year	101.613	813.348
Ending balance	<u>948.284</u>	<u>846.671</u>

7.3 Members account foundation Limburgs Voortgezet Onderwijs - LVO

Breakdown members account foundation LVO into the current account and result position

In 2021 the members account foundation LVO was included under the current liabilities.

The members account can be divided into a current account position and a result position. The current account position only contains the investments of the members into the cooperative association. This is the difference between the subsidies which are received from the Ministry of Education Culture & Science and the salary costs, transfer of assets and other investment by the members. The result position only contains results according to the appropriation of the results as decided by the General Members Meeting until the balance date of the annual account. If this is an asset item it is a receivable. The members accounts are free of interest. Nothing has been agreed in respect of securities.

	<u>31-12-22</u>	<u>31-12-21</u>
	€	€
Current account position on members account of foundation LVO	663.935	-
Total members account foundation LVO	<u>663.935</u>	<u>-</u>

Detailed overview current account position Foundation LVO

	<u>31-12-22</u>	<u>31-12-21</u>
	€	€
Opening balance	(17.474)	-
Movement in the financial year	681.409	-
Ending balance	<u>663.935</u>	<u>-</u>

7.4 Members account foundation UWCM

The members account can be divided into a current account position and a result position. The current account position only contains the investments of the members into the cooperative association. This is the difference between the subsidies which are received from the Ministry of Education Culture & Science and the salary costs, transfer of assets and other investment by the members. The result position only contains results according to the appropriation of the results as decided by the General Members Meeting until the balance date of the annual account. If this is an asset item it is a receivable. The members accounts are free of interest. Nothing has been agreed in respect of securities.

	<u>31-12-22</u>	<u>31-12-21</u>
	€	€
Current account position on members account of foundation UWCM	26.099	-
Total members account foundation UWCM	<u>26.099</u>	<u>-</u>

Detailed overview current account position Foundation UWCM

	<u>31-12-22</u>	<u>31-12-21</u>
	€	€
Opening balance	(44.561)	-
Movement in the financial year	70.660	-
Ending balance	<u>26.099</u>	<u>-</u>

8. Cash at banks and in hand

The cash at banks and in hand are at free disposal.

9. Equity

9.1 Other reserve

The movements in the continuity reserve is as follows:

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
Opening balance	2.337.112	1.606.499
Movement in the financial year	9.257	
Result Primary according to distribution of profits 2021 in the ALV	115.038	9.531
Result Secondary according to distribution of profits 2021 in the ALV	228.646	- 356.536
Result Boarding according to distribution of profits 2021 in the ALV	124.425	1.077.618
Ending balance	<u>2.814.478</u>	<u>2.337.112</u>

The other reserve is built up by private funds. The board estimates the maximum reservation of the continuity reserve to be € 5.421.150,-. This maximum is based on the risk analysis which was performed in the beginning of 2020.

10. Special-purpose reserve

The movements in the special-purpose reserve is as follows:

	<u>1-1-2021</u>	appropriation of profit	Movement in the financial year	<u>31-12-2022</u>
	€	€	€	€
Special purpose reserve (public) indexation funding primary	9.257	-	9.257	-
Special purpose reserve (public) NPO	0	508.725		508.725
	<u>9.257</u>	<u>508.725</u>	<u>9.257</u>	<u>508.725</u>

General

The annual account has been prepared before appropriation of result. Therefore the restrictions of the board are processed a year later when the appropriation of the result is processed.

In 2020 restrictions were introduced by the board:

The indexation from the second regulation funding Primary Education staff for the school year 2020-2021 is for the 2020 part € 9.257 added to the special-purpose reserve. This is to cover collective labour agreement obligations 2021. At the end of 2022 this restriction was not needed anymore.

In 2021 restrictions were introduced by the board:

The balance of the OC&W subsidy National Program Education (NPO) which was received and not have been spend is added to the special-purpose reserve. The NPO subsidy is recieved in 2021-2023 and needs to be spent before the end of July 2025. The receipt of the funds and the period in which they need to be spend differ. For this reason the special-purpose reserve has been created.

11. Undistributed profit

The movements in the undivided result is as follows:

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
Opening balance	976.834	1.949.667
Result Primary according to distribution of profits in the ALV to the continuity reserve	- 115.038	- 9.531
Result Primary according to distribution of profits in the ALV to the special-purpose reserve	- 74.006	- 9.257
Result Secondary according to distribution of profits in the ALV to the continuity reserve	- 228.646	356.536
Result Secondary according to distribution of profits in the ALV to the special-purpose reserve	- 434.719	
Result Boarding according to distribution of profits in the ALV to the members accountant of Foundation UWCM	-	- 1.209.797
Result Boarding according to distribution of profits in the ALV to the continuity reserve	- 124.425	- 1.077.618
Subtotal	<u>0</u>	<u>-</u>
Result financial year	<u>1.142.936</u>	<u>976.834</u>
Ending balance	<u>1.142.936</u>	<u>976.834</u>

Proposed appropriation of profits

The board of directors proposed to distribute the profit of 2022 as follows:

Result Primary after back office costs add to the continuity reserve	433.304
Result CLA 2021 Primary after back office costs add to the continuity reserve	- 9.257
Result NPO Primary after back office costs add to the special-purpose reserve	154.612
Result Secondary after back office costs add to the continuity reserve	381.795
Result NPO Secondary after back office costs add to the special-purpose reserve	182.533
Result Boarding after back office costs add to the continuity reserve	- 51
Total result after back office costs	<u>1.142.936</u>

The profit appropriation is not reflected in these financial statements.

12. Provisions

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
Provision for major maintenance of buildings	<u>3.697.379</u>	<u>3.168.623</u>
Of which short-term	<u>413.787</u>	<u>256.819</u>
Of which long-term	<u>3.283.592</u>	<u>2.911.804</u>
	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
The movements in provision for major maintenance of buildings is as follows:		
Opening balance	3.168.623	2.641.900
Additions	<u>540.325</u>	<u>577.541</u>
	<u>3.708.948</u>	<u>3.219.441</u>
Withdrawal	<u>- 11.569</u>	<u>- 50.818</u>
Ending balance	<u><u>3.697.379</u></u>	<u><u>3.168.623</u></u>

A provision is recognised for expenditures incurred on major maintenance work on buildings in order to spread these costs over a number of financial years. The future major maintenance work is based on a report from Bremen Bouwadviseurs which is an independent construction cost consultant. This report is renewed each two years. The addition to the provision is determined based on the expected amount of the maintenance work and the intervals between the times when major maintenance work is carried out. The provision is not indexed and is not valued at the present value. Up and including 2018 this provision includes the maintenance work on the school buildings. As of 2019 the maintenance work on the residences is also incorporated in the provision for major maintenance of buildings.

13. Current liabilities

	31-12-22	31-12-21
	€	€
School, exam and scholarship fees invoiced in advance	5.761.394	5.296.047
School fees received in advance	59.348	51.098
Debts to trade creditors	343.610	585.018
Members account foundation LVO	-	17.474
Book and locker deposits	326.987	297.211
Pension premiums	73.619	71.969
Value added tax	-	2.172
Wage tax and social insurance premiums	264.462	
Payable vacation bonus	173.501	159.578
Deferred income bilateral agreements United World College the Netherlands	248.127	107.562
Salaries to be paid	40.247	7.800
Costs to be passed on to third parties	51.904	6.678
Various subsidy programs	385.671	262.485
Other liabilities and accruals	162.424	101.719
	<u>7.891.294</u>	<u>6.966.810</u>

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the book value due to their short-term character.

13.1 Members account foundation Limburgs Voortgezet Onderwijs - LVO

Breakdown members account foundation LVO into the current account and result position

In 2021 the members account foundation LVO was included under the current liabilities.

The members account can be divided into a current account position and a result position. The current account position only contains the investments of the members into the cooperative association. This is the difference between the subsidies which are received from the Ministry of Education Culture & Science and the salary costs, transfer of assets and other investment by the members. The result position only contains results according to the appropriation of the results as decided by the General Members Meeting until the balance date of the annual account. If this is an asset item it is a receivable. The members accounts are free of interest. Nothing has been agreed in respect of securities.

	31-12-22	31-12-21
	€	€
Current account position on members account of foundation LVO	-	17.474
Total members account foundation LVO	<u>-</u>	<u>17.474</u>

Detailed overview current account position Foundation LVO

	<u>31-12-22</u>	<u>31-12-21</u>
	€	€
Opening balance	-	(25.864)
Movement in the financial year	-	43.338
Ending balance	<u>-</u>	<u>17.474</u>

14. Assets and liabilities not recognised in balance sheet (Contingent liabilities and assets)

14.1 (Multiyear) financial obligations

Contingent liabilities arising from contracts which are not recognised in the balance sheet are:

Contract	Duration of the contract	< 1 year 2023	1-5 years 2024 till 2027	> 5 years from 2028
Rent dorms	01/08/2013 till 31/07/2053	637.052	2.548.208	16.934.964
Catering boarding students	01/09/2016 till 31/07/2023 term of notice 3 months	297.908		
Cleaning school, dorm and mensa	01/01/2023 till resignation of the contract, term of notice 6 months	138.554		
Maintenance of mechanical installations	01/04/2022 till 31/03/2023	51.993	-	
Multifunctionals All-in-One printer	14/12/2020 till 13/02/2026	51.096	108.578	
various small contracts	various	112.596	30.234	

14.2 Not capitalizing tax losses carried forward

To be settled	Available for compensation until
2016 22.999	unlimited
2017 484.155	unlimited
2018 235.523	unlimited
2019 592.946	unlimited
2021 90.278	unlimited
<u>1.425.901</u>	

No deferred income tax receivable have been recognised on the balance sheet because it is uncertain if there will be taxable profits in the future. The estimated tax losses, which can be carried forward, amount at the end of 2022 € 1.425.901 (end of 2021: € 341.785).

Financial instruments and riskmanagement

Currency Risk

The Coöperatieve Vereniging United World College Maastricht U.A. is mainly active within the European Union. The currency risk for the Coöperatieve Vereniging United World College Maastricht U.A. mainly consists of future transactions in US Dollars and British pounds. Considering the marginality of these expected future foreign transactions, we chose not to hedge this risk.

Price Risk

The Coöperatieve Vereniging United World College Maastricht U.A. is not affected by any price risks on financial products, as these do not apply to the Coöperatieve Vereniging United World College Maastricht U.A.

Interest and Cashflow Risks

The Coöperatieve Vereniging United World College Maastricht U.A. does not incur any risks regarding interest-bearing assets and liabilities. Considering the cashflow position this are also not expected in the future.

Credit Risks

The Coöperatieve Vereniging United World College Maastricht U.A. does not have significant concentrations of credit risks. A provision has been formed for bad debts. The liquid assets are deposited at an A-rated bank.

Liquidity Risks

The Coöperatieve Vereniging United World College Maastricht has all its cash at bank stored at an A-rated bank. This risk is considered acceptable.

15. Government contributions

	<u>31-12-2022</u>	<u>Budget 2022</u>	<u>31-12-2021</u>
	€	€	€
Subsidy ministry of Education Culture and Science for secondary education	6.481.223	5.926.734	6.256.123
Subsidy ministry of Education Culture and Science for primary education	2.681.424	2.078.816	2.331.840
	<u>9.162.647</u>	<u>8.005.550</u>	<u>8.587.962</u>

The cooperative association does not receive the subsidies directly from the ministry of Education Culture and Science. The educational subsidies are received via foundation LVO and foundation Mosalira.

Following on the incurred CLA increases, the governmental subsidies also increased. This has resulted in higher government contributions than anticipated in the 2022 budget.

16. School-, scholarship and registration fees

	<u>31-12-2022</u>	<u>Budget 2022</u>	<u>31-12-2021</u>
	€	€	€
School-, scholarship and registration fees of day students	5.967.845	5.563.359	5.485.207
School-, scholarship and registration fees of residential students via UWC NL	440.479	293.108	470.954
School-, scholarship and registration fees of residential students via UWC International Office	811.329	588.775	556.892
School-, scholarship and registration fees of residential students paid by parents and National Committee's	2.721.108	3.003.053	2.798.252
	<u>9.940.761</u>	<u>9.448.295</u>	<u>9.311.305</u>

Mainly due to CLA increases the index on the tuition fees for school year 2022-2023 was higher than initially anticipated in the 2022 budget.

17. Other revenue's

	<u>31-12-2022</u>	<u>Budget 2022</u>	<u>31-12-2021</u>
	€	€	€
Donations raised by the school	454.686	450.000	437.055
Other revenue's	68.947	54.400	60.075
	<u>523.633</u>	<u>504.400</u>	<u>497.130</u>

A slight increase in other revenues, compared to the budget, can mainly be explained by the introduction of Co-Curricular clubs for Secondary School as of school year 2022-2023.

18. Personnel costs

	<u>31-12-2022</u> €	<u>Budget 2022</u> €	<u>31-12-2021</u> €
Personnel cost of the personnel which is employed by Coop. UWCM	5.390.125	5.115.661	5.170.755
Personnel cost of the contracted personnel from LVO	5.798.827	5.528.486	5.425.419
Personnel cost of the contracted personnel from Mosalira	1.731.805	1.733.774	1.492.610
Personnel cost of the contracted personnel from third parties	37.092	31.000	11.184
Subtotal personnel cost	<u>12.957.849</u>	<u>12.408.921</u>	<u>12.099.969</u>
Personal development	202.439	167.848	292.872
Recruitment costs	8.871	4.700	4.752
Relocation costs new personnel	62.527	40.000	61.971
Other personnel costs	82.267	216.331	192.533
	<u>13.313.953</u>	<u>12.837.800</u>	<u>12.652.097</u>
	<u>31-12-2022</u> €	<u>Budget 2022</u> €	<u>31-12-2021</u> €
Wages and salaries	4.123.361	3.913.401	3.903.992
Social security costs	581.583	551.969	581.583
Pension costs	638.063	605.573	638.063
Other personnel costs	47.118	44.718	47.118
	<u>5.390.125</u>	<u>5.115.661</u>	<u>5.170.755</u>

Employees

In 2022 the Cooperation employed 100 persons with a yearly average FTE of 63,27 (in 2021: 109 employees with an average FTE of 67,45). None of these employees work/have worked from abroad. The incurred CLA increases have had their effect on the total personnel costs. These have increased more than anticipated in the budget 2022, as the CLA increase was higher than expected.

18.1 Remuneration Head of College, Board and Supervisory Board

	<u>31-12-2022</u> €	<u>31-12-2021</u> €
Current and former Heads of College	192.260	186.859
Current and former Board	-	-
Current and former Supervisory Board	-	-
	<u>192.260</u>	<u>186.859</u>

The remuneration includes periodically paid remuneration, such as salaries, holiday allowance and social premiums, remuneration to be paid after a certain term, such as pensions, allowances on termination of employment, bonus payments to the extent that these items were charged to Coöperatieve Vereniging United World College Maastricht U.A.

The legislation' Normering bezoldiging topfunctionarissen publieke en semipublieke sector (WNT) does not apply to Coöperatieve Vereniging United World College Maastricht U.A.

19. Depreciation

	<u>31-12-2022</u>	<u>Budget 2022</u>	<u>31-12-2021</u>
	€	€	€
Land and buildings	119.173	120.171	113.373
Inventory Furniture & ICT	330.513	331.984	294.739
	<u>449.686</u>	<u>452.155</u>	<u>408.112</u>

In comparison with the 2022 budget, the depreciation costs were as expected.

20. Housing costs

	<u>31-12-2022</u>	<u>Budget 2022</u>	<u>31-12-2021</u>
	€	€	€
Rental cost	665.061	688.181	652.193
Cleaning costs	268.132	264.014	248.883
Maintenance contract costs	237.655	169.000	223.218
Energy costs	158.659	200.700	152.319
Other housing costs	168.220	142.000	152.491
	<u>1.497.727</u>	<u>1.463.895</u>	<u>1.429.105</u>

The energy costs did not increase as much as expected in the budget 2022. This however was nullified by the increase in maintenance costs.

21. Other operating expenses

	<u>31-12-2022</u>	<u>Budget 2022</u>	<u>31-12-2021</u>
	€	€	€
Administrative costs	978.441	949.639	936.985
Endowment maintenance provision	540.325	576.563	577.541
Endowment books provision	26.163	24.355	28.668
Overhead costs Mosalira	15.849	17.300	15.130
Overhead costs LVO	10.221	10.221	9.000
Catering costs	954.759	919.116	891.972
Curricular-, Co-curricular and service activities cost:	663.038	680.979	445.561
	<u>3.188.796</u>	<u>3.178.173</u>	<u>2.904.857</u>

The catering costs increased more than expected in the 2022 budget, due to indexation.

22. Financial result

	<u>31-12-2022</u>	<u>Budget 2022</u>	<u>31-12-2021</u>
	€	€	€
Interest and similar income	(32.258)	(21.200)	- 23.097
Exchange differences expenses	1.685	-	2.295
	<u>(33.943)</u>	<u>(21.200)</u>	<u>- 25.392</u>

As our cash at bank increased, so did the credit interest. This was higher than expected in the 2022 budget.

24. Specification result by section

	<u>31-12-2022</u> €	<u>Budget 2022</u> €	<u>31-12-2021</u> €
Result Primary after result sharing and back office costs	578.659	(14.026)	189.044
Result Secondary after result sharing and back office costs	564.328	263.334	663.365
Result Boarding after result sharing and back office costs	(51)	(244.286)	124.425
	<u>1.142.936</u>	<u>5.022</u>	<u>976.834</u>

24.1 Specification result Primary

	<u>31-12-2022</u> €	<u>Budget 2022</u> €	<u>31-12-2021</u> €
Result Primary before result sharing and back office costs	1.215.268	561.578	765.299
Result sharing and back office costs	(636.609)	(575.604)	-
Result Primary after result sharing and back office costs	<u>578.659</u>	<u>(14.026)</u>	<u>189.044</u>

24.2 Specification result Secondary

	<u>31-12-2022</u> €	<u>Budget 2022</u> €	<u>31-12-2021</u> €
Result Secondary before result sharing and back office costs	2.301.341	2.084.539	2.357.645
Result sharing and back office costs	(1.737.013)	(1.821.205)	-
Result Secondary after result sharing and back office costs	<u>564.328</u>	<u>263.334</u>	<u>663.365</u>

24.3 Specification result Boarding

	<u>31-12-2022</u> €	<u>Budget 2022</u> €	<u>31-12-2021</u> €
Result Boarding before result sharing and back office costs	(51)	(244.286)	124.425
Result sharing and back office costs	-	-	-
Result Boarding after result sharing and back office costs	<u>(51)</u>	<u>(244.286)</u>	<u>124.425</u>

25. Related parties

The cooperative association is related with its members foundation LVO, foundation Mosalira and foundation UWC Netherlands. They all have entered into a corporation agreement which acts as a participants agreement according to Title 3, Book 2 of the Dutch Civil Code. With this agreement all parties have committed themselves by means of a long term cooperation to establish a United World College in Maastricht.

26. Other disclosures

Exemption from liability

The articles of association stipulate, in accordance with article 30 paragraph 1, that the members are not liable for a liquidation shortage.

The articles of association stipulate, in accordance with article 30 paragraph 2, that if the articles of association are changed regarding the liability and therefore the members are liable for the commitments of the cooperative association this liability can't be ended by ending the membership of the cooperative association.

Events after balance sheet date

There are no other events after balance sheet date which should be mentioned.

Maastricht, 29-11-2023

Coöperatieve Vereniging United World College Maastricht U.A.
Board of directors

A.M. Paulussen

J.P. van den Akker

G. H. Zwart

D.M.A. Jakobs-Coolen

F.E. Six

A.C. Gast

Other information

Articles of association governing profit appropriation

The articles of association stipulate, in accordance with article 19 paragraph 5, that the annual profit obtained is at the free disposal of the general members meeting. The annual profit which is not added to the other reserves will be added to the members accounts. The general members meeting can also decide to pay the profits to the members. The payment of the profits to the members needs to be in proportion of the balance of the member accounts.

The general members meeting can also decide to add the losses, which can not be added to the other reserves, to the members accounts. The addition of the losses to the members accounts needs to be in proportion of the balance of the members accounts.

INDEPENDENT AUDITOR'S REPORT

To the members of Coöperatieve Vereniging United World College Maastricht U.A.

Report on the audit of the financial statements 2022 included in the financial report 2022

Our opinion

We have audited the financial statements 2022 of Coöperatieve Vereniging United World College Maastricht U.A. based in Maastricht.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Coöperatieve Vereniging United World College Maastricht U.A. as at December 31, 2022 and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code and the applicable Dutch Accounting Standard 640 'Organisaties-zonder-winststreven' (non-profit organisations).

The financial statements comprise:

1. the balance sheet as at December 31, 2022;
2. the profit and loss account for 2022; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Coöperatieve Vereniging United World College Maastricht U.A. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics). We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. Following these procedures, and the presumed risks under the prevailing auditing standards, we considered fraud risks in relation to:

Risk of override of internal controls

As part of our audit procedures to respond to this risk, we:

- Evaluated whether the selection and application of accounting policies by the entity, particularly those related to subjective measurements and significant and/or complex transactions may be indicative of fraudulent financial reporting.
- Tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements. We selected journal entries applying unique identifying characteristics which include, among others, entries made to unrelated, unusual or seldom-used accounts, entries recorded at the end of the period or as post-closing entries and entries containing round numbers or consistent ending numbers. We also incorporated elements of unpredictability in this part of our audit procedures.
- Evaluated whether the judgments and decisions made by the board of directors in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. We also performed a retrospective review of judgments and assumptions related to significant accounting estimates reflected in prior year financial statements.
- For significant transactions outside of the normal course of business, we evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting.

Risk of understatement of revenue from school-, scholarship and registration fees due to incorrect cutoff of such fees at the end of the fiscal year

We responded to this risk by performing the following audit procedures:

- Evaluated the design and implementation of relevant internal controls in the business process for school-, scholarship and registration fees.
- Evaluated whether the revenue recognition policies for school-, scholarship and registration fees may be indicative of fraudulent financial reporting and whether these policies are applied consistently compared to prior year financial statements.
- Tested cutoff of school-, scholarship and registration fees recorded in the revenue accounts in the general ledger applying substantive audit procedures, including the use of statistical sampling.

Audit approach going concern

The board of directors have applied the going concern basis of accounting in the preparation of the financial statements.

We have obtained the board of directors' assessment of the entity's ability to continue as a going concern, which includes a budget for the fiscal years 2023 through 2026. As part of our audit procedures, we:

- evaluated whether the board of directors' assessment contains all relevant information of which we became aware as a result of our audit and discussed with the board of directors the main principles and assumptions of its assessment and considered, among other things, the financial position at the balance sheet date and expected future financial results and cashflows;
- evaluated whether the board of directors has identified events or circumstances that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going concern risks);
- evaluated the budget for the fiscal years 2023 through 2026 taking into account developments in the industry and our knowledge from the audit;

- inquired of the board of directors as to its knowledge of going concern risks beyond the period of the assessment;
- considered the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements.

Report on the other information included in the financial report 2022

The financial report 2022 contains other information, in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the board report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the board report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of the board of directors for the financial statements

The board of directors is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board of directors is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the entity's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board of directors should prepare the financial statements using the going concern basis of accounting, unless it either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The board of directors should disclose events and circumstances that may cast significant doubt on the entity's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit. 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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- concluding on the appropriateness of the board of directors' use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Den Bosch,
Flynth Audit B.V.

Initials for identification purposes:

B.A.S.A. Gulicher RA