KING WILLIAM'S COLLEGE

Department for Enterprise
St George's Court
Upper Church Street
Douglas
Isle of Man
IM1 1EX

28th May 2026

FAO Hon Timothy Johnston MHK

Dear Minister Johnston,

IN CONFIDENCE

This letter is provided to the Department in confidence. It contains information about the existence and status of confidential strategic discussions, the College's financial position, and matters whose disclosure would prejudice the College's commercial interests and ongoing engagement with third parties. The Governors consider this correspondence to fall within the standard exemptions under the Freedom of Information Act 2015, and we respectfully request that the Department apply those exemptions, and consult the College, in the event of any disclosure request.

The financial position of King William's College remains fragile due to a number of factors, including but not exhaustively, the imposition of VAT at 20% on fees which has resulted in c. £1M of net operational funds being payable to the Isle of Man Government annually. The Directors made a conscious decision to support the impact of this on the families of current pupils in the first two academic years post implementation of this tax through a phased passing on of the liabilities to our parent body thereby resulting in a significant proportion of this cost being borne by College. Although the VAT will be passed on in full to parents for the 2026/27 academic year onwards, a consequential further cost to College has materialised as it needs to provide financial support for some existing families to enable continuity of education for the pupils concerned.

The Board of Directors must now take deliberate action to secure the school's long-term sustainability on the Isle of Man and to preserve the institution originally supported by the IOM Government through salaries for Buchan teaching staff and scholarships for College historically to the recent repayable grant to develop the KWC campus. In doing so the Board also aims to secure the further contributions which King William's College makes to the wider Island economy through the employment of c. 150 staff and the provision of educational choice via an on-island independent school for attracting and retaining families on the island.

[redacted]

Section 30(2)(b)

[redacted]

Our current understanding is that a minimum of 50% of the repayable grant would be repaid upon receipt of the funds from Hartford Homes for the sale of the Westhill site in January 2029 with the remaining grant, if not settled at that time, repayable within five years of the drawdown i.e. by early September 2030. Our desired outcome is that this remains the case in the event that a transaction involving the School's assets does crystallise.

I would welcome an opportunity to meet with you (and representatives from Treasury should you wish) at earliest convenience in order to present our position in more detail as well as discuss a potentially desirable outcome for both parties.

Yours sincerely

Section 25

Peter Clucas
Chair of the Governors

cc Andrew Stewart