



Marshall Aid Commemoration Commission  
Accounts 2020/21



# Marshall Aid Commemoration Commission

## Accounts 2020/21

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Commemoration Act 1953

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## Performance Report for the year ended 31 March 2021

### Introduction by the Chair of the Commission

I was appointed Chair and Accounting Officer of the Commission from 1 February 2021. I have discussed these accounts with my predecessor Christopher Fisher and am pleased to report that, despite the exceptional difficulties posed by COVID-19 during the reporting period, the Programme has continued to flourish.

The Programme has continued to be funded through a combination of Grant-in-Aid (GIA) and the contribution of Marshall Partners, the Association of Marshall Scholars (AMS) and private donors. The 2020/21 GIA was £2.7m; the value of partnership contributions came to £1.7m, an increase from £1.5m for 2019/20. The GIA funded 29 new Scholars, while another 17 were funded through third-party contributions, mostly universities and colleges operating through the Marshall Partnership programme. The number of Marshall Partners has, thanks largely to the efforts of my predecessor, continued to grow in 2020/21. While the partnership arrangements are vital to the success of the Programme, and the Commission intends to continue to work for its expansion, the Commission is grateful for the continued HMG support.

The economic pressures on Scholars have been increased this year by the impact of COVID-19. In particular it has resulted in a drastic reduction of the job opportunities through which Scholars would ordinarily be able to supplement their stipend. The Commission responded to these financial pressures on Scholars by funding additional airfares for Scholars to and from the US, where this was appropriate, and by paying all Scholars who remained in the UK an exceptional grant of £300. In March 2021 the Commission paid all of the Scholars an additional grant of £300 to cover COVID-19 related costs. The Commission is in discussion with the FCDO over the level of stipend and other possible forms of financial support for Scholars.

The Commission was also responsive to the mental health requirements of Scholars in this difficult year and funded the purchasing of the Togetherall Platform for all Scholars at a cost of £1,200 per annum and access to Health Assured £1,004 per annum. This was both in response to COVID-19 and the impact of the killing of George Floyd and the aftermath in the US and the UK. These events and Scholar personal experiences in the UK raised serious issues of inclusion and diversity which Scholars and the Commission were keen to address. In response to feedback the Commission commissioned an independent report from Business in the Community (BITC) on its diversity and inclusion.

The Commission's response included the publication of our new Diversity and Inclusion Policy and the establishment of a number of channels to improve communication with and from Scholars. These included Scholars' Circles where a small number of Scholars were grouped and allocated mentors from the alumni in the UK, representatives of their universities, and a Commissioner. The Scholar Experience Committee chaired by Mrs Suzanne McCarthy has continued to work with the Scholar community to further develop the programme. The Marshall Connect Programme, which pairs Scholars with Civil Service Fast Streamers moved into its second year and has already held several successful events. These have all functioned successfully despite having to do so in a virtual format.

The resilient response of the Marshall Scholars to the challenges they faced this year epitomised the quality of candidates which the Programme attracts. It was perhaps fitting that in this challenging year, the strength of the Marshall community and the huge contribution they have made over the past seventy years was compellingly captured by the publication of the Commission's Impact Report in March, a

recommendation of the 2019 Cabinet Office Tailored Review. It showed vividly the influence of Marshall Scholars and the impact they have had for good in the US and globally. The Report provoked further affirmations from senior officials and Ministers of the value and quality of the Programme and broadened public awareness of its continuing and unique value.

*John Raine CMG OBE  
Chair and Accounting Officer*

*13 July 2021*

## **Aims and Objectives**

The aims and objectives of the Marshall Aid Commemoration Commission ('the Commission') are set out below:

The Commission's aims are to strengthen US-UK relations and to promote British influence in the United States by providing Marshall Scholarships to US Citizens of high academic achievement, who have the ability to be leaders, opinion formers and decision makers in the United States and, by doing so, to recognise the generosity of the Marshall Plan.

As future leaders of America, with a lasting understanding and appreciation of contemporary British society, Marshall Scholars will add to the enduring ties between the British and American peoples, their governments and institutions.

The Commission's objectives are to strengthen the cultural, economic, trade, personal and historic ties between the US and the UK by using the Scholarships to:

- Motivate Scholars to act as ambassadors from America to the UK and vice versa throughout their lives thus strengthening British-American understanding;
- Raise the profile of the UK in the US, particularly among its young people;
- Enable intellectually distinguished young Americans, their country's future leaders, to study in the UK;
- Help Scholars gain an understanding and appreciation of contemporary Britain; and
- Contribute to the advancement of knowledge in science, technology, the humanities, social sciences and the creative arts at Britain's centres of academic excellence.

The principal objective of the Commission's work is, therefore, to make the best arrangements possible to enable Marshall Scholars to carry out their studies and to put their awards to their fullest use.

## **Statutory Background and Historical Information**

Marshall Scholarships were established by HM Government under the Marshall Aid Commemoration Act 1953 as an expression of gratitude for the benefits received by the United Kingdom under the European Recovery Programme (known as Marshall Aid) after World War II. The Act, as subsequently amended, allows for up to 50 Scholarships per year to be awarded to American college graduates, for tenure on a degree course at any British university, for periods of one, two and sometimes three years.

Since the inception of the programme the number of Marshall Scholarships has evolved. The number of new awards increased from 12 to 24 in 1960, to 30 in 1973, and to 40 in 1991. From 2004 to 2007 the number awarded was up to 44, an increase accommodated by some scholarship costs being borne by universities and colleges. In the last decade the number of new Scholarships awarded declined to 31 but in the latest admissions round (2021 intake) 46 new Scholarships were awarded down from 48 in 2019.

The Marshall Scholarship Programme has established itself as one of the most prestigious scholarships for young Americans wishing to undertake graduate study at universities in the United Kingdom, most commonly for two years. In the sixty or so years since the programme began over 2000 American men and women have become Marshall Scholars. Competition for Marshall Scholarship awards is intense: last year there were over 25 endorsed applicants for each award.



Marshall Scholarship alumni occupy senior and influential positions in all walks of American life. They include two Supreme Court Justices, the Director of the CIA, members of Presidential administrations, members of Congress, a Nobel Prize winner, an astronaut who served the International Space Station, Pulitzer Prize winners, leaders in journalism, academia, business, entertainment, sports, the military, science, engineering and law. In 2021 the Commission released an Impact Report which can be viewed here:

<https://www.marshallscholarship.org/media/2267/marshall-scholarship-impact-report.pdf>

The Chair of the Commission John Raine stated at the launch of the Report:” Our Impact Report shows vividly the extraordinary influence of Marshall Scholars as leaders in the national life of the US both inside and outside Government. In areas as diverse as national security, the sciences, performing arts and, most notably in the current pandemic, public health, Marshall Scholars continue to shine and provide inspiring leadership. Many of them also continue to play a dynamic and critical role in strengthening the special relationship between the US and the UK of which the Marshall Scholarship has been, since its inception, an important sinew”

### Going Concern Basis

The Commissioners consider the use of the going concern basis is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt over the ability of the Commission to continue as a going concern. The Commission has confidence that they will continue to receive funding from HMG for the foreseeable future and is therefore a going concern.

### Performance Summary

These accounts show the costs of the Programme net of the benefit of academic partner support. The table below illustrates the growth in value of third-party support and gives a better feel for the overall scale of the Programme, which now stands at over £4 million. Over the last five years there has been a welcome increase of one third in our grant from the FCDO. Over the same period the value of third-party support has increased by some 2.5 times and its relative contribution to the total funding has correspondingly increased from less than one quarter to over one third. Such success does of course bring a commensurate degree of dependence of which the Commission is very mindful in the present circumstances.

Year ending March £000	2017	2018	2019	2020	2021
FCDO grant	2,000	2,250	2,550	2,650	2,700
Value of third-party support	752	839	1,226	1,491	1,768
Total	2,752	3,089	3,776	4,141	4,468

With regard to our administrative costs in 2020-21, the growth reflects the additional staff requirements to support the expansion of the Programme from 63 scholars in 2017-18 to 93 scholars in 2020-21. It also includes new spend on producing and publishing the Marshall Impact Report and the BITC Review of Diversity and Inclusion.

The past year with the Covid-19 Pandemic the Commission has had to spend funds in areas that they did not expect to for example paying for Scholars to return to the US and then return later in the year as well

as additional support for mental health. In other areas, such as selection process, significantly less was spent on interviews for the 2021 class and the orientation for the 2020 Scholars both of which were virtual. In addition, none of the usual events such as the trip to Scotland or the Leavers' Dinner were held.

Our discretionary reserves therefore reflect another year of surplus as the growth in partnership support has arisen in advance of the associated growth in costs from additional awards made and the impact of the pandemic. Funds were released from a legacy donation to cover costs of additional COVID-19 related payment to the Scholars in March 2021.

### **Key Issues and Risks Facing the Marshall Aid Commemoration Commission**

The Commission recognises the significant downturn in the economy due to the COVID-19 pandemic has put pressure on all government-funded programmes. The Letter of Comfort from the FCDO in July 2020 was welcome and ensured that the Programme and support to Scholars could continue. With decisions on awards unfolding over the three subsequent financial years, it would be helpful to understand the level of FCDO support for future grants to ensure sound planning.

Partnerships with universities are of growing significance in the Commission's overall funding model. This support is widely based but there is a risk that the economic downturn could affect these contributions, although this is mitigated by the breadth of university support.

COVID-19 - the Commission has faced a rapidly changing situation due to the ongoing pandemic. The pandemic may continue to impact the Scholars in particular the arrival of the 2021 Scholars and the interview processes in the US for the 2022 competition.

For more detail on the risks faced by the Commission please see pages 13-14.

### **Scholarship Analysis**

In the academic year 2020-21, 93 Marshall Scholars were studying in the UK of whom 28 were fully funded by the Commission, two were fully funded by external partners and a further two were partially funded by external partners together with partnership arrangements with UK academic institutions and 61 supported to varying degrees under partnership arrangements with UK academic institutions as set out below. This support is vital to the scale and sustainability of the Marshall Scholarship Programme.

#### Five Scholars

- Imperial College London

#### Four Scholars

- King's College London

#### Three Scholars

- University of Edinburgh
- University College London
- London School of Economics and Political Science

Two Scholars

- Balliol College, Oxford
- Christ Church, Oxford
- University of East Anglia
- Exeter College, Oxford
- Gonville and Caius College, Cambridge\*\*
- Magdalene College, Cambridge \*
- New College, Oxford
- Peterhouse College, Cambridge
- University of Reading
- School of Oriental and African Studies
- University of St Andrews
- University of Sussex\*\*
- University of York

One Scholar

- University of Bristol \*\*
- University of Cambridge
- Christ Church, Oxford
- Downing College, Cambridge
- Durham University
- Lincoln College, Oxford \*
- London School of Hygiene and Tropical Medicine
- Magdalen College, Oxford
- University of Manchester
- Newnham College, Cambridge
- Pembroke College, Cambridge
- University of Oxford
- Queen Mary, University of London
- Queen's University Belfast
- University of Sheffield
- University of Southampton
- Trinity College, Cambridge
- Trinity College, Oxford
- University College, Oxford

\* funded by an alumni donation.

\*\* partially funded by an alumni/external donation

The fully funded external partner Scholarships were provided by the Association of Marshall Scholars (AMS) and the British Schools and Universities Foundation (BSUF). Two partially funded Scholarships were funded by the Annenberg Foundation, and donor Una Ryan, who made her donation through the AMS. Four were partially funded by the AMS through alumni donations. These awards are included in 'Grants and donations' in the table below.

It should be noted that as part of the 93, nine Scholars, who were members of the US Military, only received 50% of the stipend as agreed with the US Military. These lower costs to the Commission are reflected in 'Other partnership support' in the table below, which also includes the value of the Oxford Marshall Scholarship and Cambridge Marshall PhD Scholarship which fund doctoral study beyond the two years, two Scholars received this funding, one at each university.

Three 2019 Scholars who should have continued into their second year in 2020 were granted deferments due to the pandemic and will now start their second year in September 2021.

The Commission remains focused on sustaining third party support following its significant growth in recent years, particularly for the core Scholarships Programme. This enables more awards to be made than would otherwise be the case. In 2020-21 overall third-party support grew by £277k to £1,768k. The funding falls into three categories as outlined in the table below:

£'000	2020/21	2019/20 (Revised)	Increase / (Decrease)
Academic partnerships in support of core Scholarship Programme	1,337	1,196	141
Other partnership support	270	162	108
Total partnership support	<u>1,607</u>	<u>1,358</u>	<u>249</u>
Grants and donations	161	133	28
Total third-party support	<u>1,768</u>	<u>1,491</u>	<u>277</u>

Financial support from the AMS directly to Scholars, including the annual Marshall Xtra payment of £1,000 to each Scholar, is not included in the above analysis.

The Marshall Sherfield Fellow was supported by private funds from the Marshall Sherfield Fellowship Foundation and the Marshall Sherfield Endowment fund held by the Association of Commonwealth Universities. The funds for the Marshall Sherfield Fellowship are not managed by the Commission and the Commission bank account is not used for these funds. The income and expenditure relating to this scholarship does not pass through the Commission's accounts.

A full report of the Commission's activities, including details on Scholar distribution, selections and placements, can be found in its 67th Annual Report for the year to 30 September 2020. The Commission is required by the Foreign, Commonwealth and Development Office to submit an Annual Report on its activities from 1 October until 30 September of each year.

Copies of the Commission's annual reports are available electronically on

<https://www.marshallscholarship.org/the-commission/annual-reports>

## **Sustainability**

The Commission has considered HM Treasury's Guidance on Sustainability Reporting. As the Commission is a small Non-Departmental Public Body with no staff or physical assets and does not occupy any office accommodation, the Commissioners consider that there is nothing material to report.

On behalf of the Commission

*John Raine CMG OBE  
Chair and Accounting Officer*

*13<sup>th</sup> July 2021*

## Accountability Report for the year ended 31 March 2021

### a) Corporate Governance Report

#### i. Directors' Report

##### Organisational Structure

Mr John Raine CMG OBE	Chair and Accounting Officer (tenure began 1 <sup>st</sup> February 2021)
Mr Christopher Fisher	Chair and Accounting Officer (tenure ended 31 <sup>st</sup> January 2021)
Ms Caroline Harrison	Executive Secretary

Page 11 lists the membership of the Commission.

##### Register of Interests

Marshall Commissioners are required to complete a declaration of any interests. These are reviewed annually by the Audit Risk Management (ARM) Committee and any conflicts are minuted. In addition the Chair of the Commission and the Chairs of the Committees ask for any conflicts at the beginning of each meeting and if there are any these are minuted. For 2020/21 no significant conflicts were identified. A copy of the Register of Interests is kept by the Secretariat and can be made available upon request.

##### Diversity and Inclusion

In appointing Marshall Commissioners, the FCDO seeks to be open and inclusive and seeks to recruit and develop a diverse and talented Commission which is representative of society today.

##### Personal Data Incidents

There were no reportable personal data incidents in 2020-21 (2019-20: NIL).

#### ii. Statement of the Commission's and the Accounting Officer's Responsibilities

Under the Marshall Aid Commemoration Act 1953, the Secretary of State for Foreign, Commonwealth and Development Affairs (FCDO), has directed the Marshall Aid Commemoration Commission to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the Commission's state of affairs, its net expenditure, cash flow and statement of changes in taxpayers' equity for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and, in particular, to:

- Observe any Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgments and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts; and
- Prepare the accounts on a going concern basis.

The Accounting Officer of the FCDO has designated the Chair as the Accounting Officer of the Commission. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Commission's assets, are set out in *Managing Public Money* published by HM Treasury.

The Accounting Officer confirms that the annual report and accounts as a whole is fair, balanced and understandable and that he takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

The Commission's accounts are audited by the Comptroller and Auditor General. So far as the Accounting Officer is aware, there is no relevant audit information of which the Commission's auditors are unaware.

The Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the Commission's auditors are aware of that information.

### **iii. Governance Statement**

The Commission was set up under the Marshall Aid Commemoration Act 1953 to:

- Administer the Grant-in-Aid;
- Select the persons to receive the Marshall Scholarships;
- Place the holders of Marshall Scholarships in Universities in the UK; and
- Oversee the welfare of the Marshall Scholars throughout their tenure in the UK.

The Commission consists of not less than seven nor more than ten members appointed by the Secretary of State, of whom not less than two shall be chosen as persons of eminence in academic matters and such one of the members as the Secretary of State may designate shall be Chair of the Commission. In addition, two Alumni Observers attend the Commission. Commissioners are appointed initially for three years with the possibility of renewal for a further three years. Commissioners are volunteers and receive no remuneration.

The Commission considers the following matters annually:

- Government policy as it applies to the Commission and the Scholarships
- Financial matters: accounts, partnerships and budgets
- Selection: the mechanisms for selecting Scholars, contents of the application, outreach, the selection process, management of selection committees and final outcomes
- Scholars: policies relating to the Scholars and their activities in the UK, including Marshall Plus activities, rules and regulations, placements and the general well-being of Scholars
- University relationships: partnership agreements and promotion of UK higher education in the US
- Annual Report: the production of an Annual Report
- Alumni Relations: the work of the AMS and the Commission's relationship with the alumni
- Other policies that may impact the administration of the Scholarships.

## Membership of the Commission during 2020-21:

Mr Christopher Fisher (Chair)	A Director of SEGRO and of National Savings and Investments (tenure ended 31 January 2021)
Mr John Raine CMG OBE (Chair)	Senior Advisor at the International Institute for Strategic Studies (IISS) (tenure began 1 February 2021)
Mr Alan Bookbinder	Master, Downing College, Cambridge
Professor Judith Buchanan	Master, St Peter's College, Oxford
Mr Adrian Greer	Chancellor's Assessor, University of St Andrews
Mrs Suzanne McCarthy	Chairman of DePaul UK
Dr Alice Prochaska (Deputy Chair)	Principal, Somerville College, Oxford (Retired)
Professor Adam Smith	Director, Rothermere American Institute, Oxford
Dr Leslie Vinjamuri	Director, US and the Americas Programme, Chatham House
Ms Xenia Wickett	VP Political Analysis, Equinor
Lord Wood of Anfield	Fellow in Practice at the Blavatnik School, University of Oxford
Alumni Observers	
Professor Jon Erichsen	1972 Marshall Scholar
Dr Laura Lafave	1993 Marshall Scholar

In the United States the selection of Marshall Scholars is undertaken by Regional Selection Committees, supported by the British Embassy in Washington DC, and the Consulates-General in Atlanta, Boston, Chicago, Houston, Los Angeles, New York and San Francisco, and overseen by the Commission's Education Committee.

The Commission's Secretariat is provided by the Association of Commonwealth Universities (ACU), whose offices at Woburn House, 20-24 Tavistock Square, London, WC1H 9HF serve as the Commission's headquarters.

## Governance Framework

The Commission met formally four times in 2020-21. Commissioner attendance was as follows:

Mr Christopher Fisher (Chair)	100%	3/3 meetings
Mr John Raine (Chair)	100%	1/1 meeting
Mr Alan Bookbinder	100%	4/4 meetings
Professor Judith Buchanan	75%	3/4 meetings
Mr Adrian Greer	100%	4/4 meetings
Mrs Suzanne McCarthy	100%	4/4 meetings
Dr Alice Prochaska	100%	4/4 meetings
Professor Adam Smith	100%	4/4 meetings
Dr Leslie Vinjamuri	100%	4/4 meetings
Ms Xenia Wickett	100%	4/4 meetings
Lord Wood of Anfield	100%	4/4 meetings



Alumni Observers		
Professor Jon Erichsen	100%	4/4 meetings
Dr Laura Lafave	50%	2/4 meetings

The Commission is supported by three committees, namely Audit and Risk Management (ARM), Education and Scholar Experience. The Commission may appoint independent members to these committees, marked \* below.

The ARM Committee advises the Commission and Accounting Officer on:

- the strategic processes for risk, control and governance and the Statement on Internal Control;
- the accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors;
- adequacy of management response to issues identified by audit activity, including external audit's management letter.

In 2020-21 membership of the ARM Committee was as follows:

Mr Alan Bookbinder (Chair until 21 January 2021)	100%	4/4 meetings
Mr Adrian Greer (Chair from 22 January 2021)	100%	4/4 meetings
Ms Laura Lafave*	100%	4/4 meetings
Dr Ruth Kosmin*	100%	4/4 meetings
Mr Simon Morris* (tenure ended 24 June 2020)	100%	1/1 meetings
Ms Xenia Wickett	100%	4/4 meetings

The Chair of the Commission attended these meetings as an observer.

The Education Committee advises the Commission on:

- all educational matters relating to the management and administration of the Marshall Scholarships.
- matters of policy
- educational matters for individual Scholars (including any disciplinary processes)

In 2020-21 the membership of the Education Committee was as follows:

Dr Alice Prochaska (Chair)	100%	2/2 meetings
Professor Judith Buchanan	100%	2/2 meetings
Professor Jon Erichsen*	100%	2/2 meetings
Mr Christopher Fisher	100%	2/2 meetings
Professor Adam Smith	100%	2/2 meetings
Lord Wood of Anfield	100%	2/2 meetings

The Scholar Experience Committee advises the Commission on:

- all Scholar experience matters, with particular emphasis on Scholar opportunities, Scholar engagement and Scholar Welfare.
- equity and inclusion policies.

Mrs Suzanne McCarthy (Chair)	100%	3/3 meetings
Professor Jon Erichsen*	100%	3/3 meetings
Mr Christopher Fisher	100%	3/3 meetings
Dr Laura Lafave	100%	3/3 meetings
Dr Leslie Vinjamuri	100%	3/3 meetings
Lord Wood of Anfield	100%	3/3 meetings

The Scholar Experience Committee also has 6 Scholar representatives and therefore provides a forum for discussing and monitoring the current priorities of Scholars.

In addition due to the COVID-19 Pandemic and issues around diversity and inclusion the Commission held 6 Ad Hoc meetings:

Mr Christopher Fisher (Chair)	100%	6/6 meetings
Mr John Raine (Chair)	100%	1/1 meeting
Mr Alan Bookbinder	67%	4/6 meetings
Professor Judith Buchanan	17%	1/6 meetings
Mr Adrian Greer	100%	6/6 meetings
Mrs Suzanne McCarthy	100%	6/6 meetings
Dr Alice Prochaska	100%	6/6 meetings
Professor Adam Smith	50%	3/6 meetings
Dr Leslie Vinjamuri	67%	4/6 meetings
Ms Xenia Wickett	67%	4/6 meetings
Lord Wood of Anfield	67%	4/6 meetings

#### Alumni Observers

Professor Jon Erichsen	100%	6/6 meetings
Dr Laura Lafave	86%	5/6 meetings

### Commission Performance

In the first quarter of 2021 the Chair had individual conversations with each Commissioner, reviewing Commission performance and individual contributions. Commissioners also had the opportunity to relay via the Deputy Chair any feedback on the performance of the Chair. The Commission believes it has been effective during the year.

In addition, the departing Scholars are surveyed each year on the effectiveness of the Scholarship and the Administration. These results are reviewed by the Commission annually. A summary of last year's results can be found in the 67th Annual Report <https://www.marshallscholarship.org/media/2269/67th-annual-report-of-the-marshall-aid-commemoration-commission-final.pdf>

### Corporate Governance Code

The Commission has considered HM Treasury's Corporate Governance in Central Government Departments: Code of Good Practice. The Code's requirements are most directly applicable to central government departments. The Commission is a small Non-Departmental Public Body, so many of the detailed requirements are not relevant. However, where the Code is materially relevant, the Commission considers that it does conform.

### Risk Assessment

The following key principles outline the Commission's approach to risk management and internal control:

The Commission's risk policy is that it:

- has responsibility for overseeing risk management within the organisation as a whole;
- has an open and receptive approach to solving risk problems;
- makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks;
- identifies key risk indicators and closely monitor them on a regular basis.

The Commission's Risk Register incorporates this approach to risk management, and the roles and responsibilities of the Commission and its Secretariat and its risk management processes. The Commission and its Secretariat seek guidance where appropriate from the FCDO on risk management issues. The Commission and its Secretariat conduct risk assessments of some of its activities, e.g. the annual Easter visit by Scholars to a centre outside of London.

The Commission's Risk Register is reviewed annually by its Audit and Risk Management (ARM) Committee and is determined by the Commission. Risks are reported to the ARM Committee throughout the year, by email if their comments are required before the next scheduled meeting. The Commission's key business processes (financial and non-financial) are documented in the Commission's section on the website <https://www.marshallscholarship.org/the-commission/policies-and-open-data>

The Commission's most significant risks and mitigations or controls are:

- loss of funding – as the Commission makes long term financial commitments (three or four years into the future), any loss of near-term funding must be met with a disproportionate reduction in costs and therefore Scholar numbers, which could destabilise the programme and lead to reputational harm. The primary mitigation to this risk is close liaison with the FCDO and with our funding partners.
- Major IT failure or inadequacy (including cyberattack, malware and ransomware) – the Commission seeks assurances from the ACU about the quality of its IT policies and practices. The ACU has sought cyber essential accreditation, ACU is also strengthening their IT disaster recovery process.
- COVID-19 – the Commission is facing a rapidly changing situation due to the ongoing pandemic and is having to make decisions that will impact the finances of the Scholarship in the short term and the Commission is modelling and scenario planning in order to minimise the impact on the Scholarship in the long term.
- Reputation -during the year, ARM added a new item to the risk register, related to Scholars having a negative experience of their time in the UK. In July 2020 a number of the Scholars wrote to the Commission to raise concerns about a range of issues, including, for example: the need for more action to improve the experience of people of colour; greater transparency on Marshall policies; the current level of stipend funding; provision of mental health support; and student representation in Marshall committees. The Commission commissioned a consultancy from BITC to engage with the Scholars and make recommendations for improvements. In parallel, the Commission has updated its policies on: Safeguarding; complaints; and whistleblowing. This work is continuing, being led by the Chair and in close consultation with FCDO and ACU

COVID-19 became the most significant risk the Commission faced in 2020-21.

## **Scope of responsibility**

As Accounting Officer since 1 February 2021, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Commission's policies, aims and objectives whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

The majority of this Governance Statement relates to a period when I was not the Accounting Officer. My predecessor, Mr Christopher Fisher's tenure as Chair of the Commission ended on 31 January 2021.

In the period between my appointment and Mr Fisher stepping down, I met with him and with the Chair of the ARM Committee and received appropriate assurances that the system of internal controls was sound and effective prior to my appointment as Accounting Officer. Mr Fisher has also had sight of these Accounts. Therefore, I consider that I have sufficient knowledge and have had sufficient involvement to take responsibility for this statement.

## **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Commission policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2021 and up to the date of approval of the annual report and accounts and accords with HM Treasury guidance.

The Secretariat regularly reports to the Commission on expenditure to date, forecast outturn and projections for future years. These projections enable the Commission to assess the potential impact of increased tuition and maintenance fees.

The Commission works closely with the FCDO's Scholarships Unit which is represented at meetings of the Commission and its Committees. The Commission also works closely with the British Ambassador to the US and relevant Embassy and Consulate staff.

## **Review of effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the Commission, particularly its system of internal control. This review of the effectiveness of the system of internal control is informed by the work of the ACU, which has responsibility for the development and maintenance of the internal control framework and which is separately audited, advice from the FCDO, and comments made by the Commission's external auditors in their management letter and other reports. I have been advised on the implications of the result of this review of the effectiveness of the system of internal control by the ARM Committee so that the system can remain fit for purpose.

## **Data Quality**

All information presented to the Commission is derived from existing and management information systems. The Commission is content with the quality of the data presented to it and considers it sufficient to properly inform decision making.

**b) Remuneration and Staff Report (subject to audit)**

The Commission continued the arrangement under which its Secretariat is provided by the Association of Commonwealth Universities (ACU). The Commission itself does not have any employees and Commissioners are reimbursed their expenses only.

**c) Parliamentary Accountability and Audit Report (subject to audit)**

The Commission monitors the regularity of its expenditure through its expenditure approval process and by scrutinising expenditure against budget.

The Commission levies no fees or charges. It has incurred no losses or special payments above the reporting threshold of £300k. It has no remote contingent liabilities.

*John Raine CMG OBE  
Chair and Accounting Officer*

*13 July 2021*

## **THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT**

### **Opinion on financial statements**

I certify that I have audited the financial statements of the Marshall Aid Commemoration Commission for the year ended 31 March 2021 under the Marshall Aid Commemoration Act 1953. The financial statements comprise: Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards as interpreted by HM Treasury's Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion, the financial statements:

- give a true and fair view of the state of the Marshall Aid Commemoration Commission's affairs as at 31 March 2021 and of the Marshall Aid Commemoration Commission's net expenditure for the year then ended;
- have been properly prepared in accordance with the Marshall Aid Commemoration Act 1953 and Secretary of State directions issued thereunder.

### **Opinion on regularity**

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### **Basis for opinions**

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Marshall Aid Commemoration Commission in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the Marshall Aid Commemoration Commission's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Marshall Aid Commemoration Commission's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Commission and the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Marshall Aid Commemoration Commission is adopted in consideration of the requirements set out in financial reporting framework, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

### **Other Information**

The other information comprises information included in the annual report but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's certificate thereon. The Commission and the Accounting Officer is responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### **Opinion on other matters**

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

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Marshall Aid Commemoration Act 1953; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of the Marshall Aid Commemoration Commission and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

### **Responsibilities of the Commission and the Accounting Officer for the financial statements**

As explained more fully in the Statement of the Commission's and the Accounting Officer's Responsibilities, the Commission and the Accounting Officer, is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Commission and the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error.
- assessing the Marshall Aid Commemoration Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Commission and the Accounting Officer anticipate that the services provided by Marshall Aid Commemoration Commission will not continue to be provided in the future.

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report the financial statements in accordance with the Marshall Aid Commemoration Act 1953.

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

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.



My procedures included the following:

- Inquiring of management, the Foreign, Commonwealth and Development Office's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Marshall Aid Commemoration Commission's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Marshall Aid Commemoration Commission controls relating to the Marshall Aid Commemoration Act 1953 and Managing Public Money;
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals;
- obtaining an understanding of the Marshall Aid Commemoration Commission's framework of authority as well as other legal and regulatory frameworks that the Marshall Aid Commemoration Commission operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Marshall Aid Commemoration Commission. The key laws and regulations I considered in this context included the Marshall Aid Commemoration Act 1953, Managing Public Money and the Framework Document with the FCDO.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Audit and Risk Management Committee;
- reading minutes of meetings of those charged with governance and the Commission;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- review of new transaction streams to confirm they are regular.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I 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 deficiencies in internal control that I identify during my audit.

### **Report**

I have no observations to make on these financial statements.

**Gareth Davies**  
**Comptroller and Auditor General**

**Date 15 July 2021**

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

## Statement of Comprehensive Net Expenditure for the year ended 31 March 2021

	Notes	2020-21	2019-20
		£	£
Grants and Donations from third parties	5	160,976	133,436
<b>Total operating income</b>		<b>160,976</b>	<b>133,436</b>
Scholarship costs	2	2,226,394	2,237,529
Selection process		26,694	101,230
Administration	3	367,796	296,373
Scholar experience in the UK		4,412	36,347
<b>Total operating expenditure</b>		<b>2,625,296</b>	<b>2,671,479</b>
Net operating expenditure		<b>2,464,320</b>	<b>2,538,043</b>
Finance Income		908	5,212
<b>Net expenditure for the year</b>		<b>2,463,412</b>	<b>2,532,831</b>

All activities are continuing.

The notes on pages 26 to 31 form part of these accounts.

## Statement of Financial Position as at 31 March 2021

	Notes	2020-21 £	2019-20 £
<b>Current assets</b>			
Trade receivables and other current assets	7	259,230	433,757
Cash and cash equivalents	9	1,222,580	936,529
<b>Total current assets</b>		<b>1,481,810</b>	<b>1,370,286</b>
<b>Current liabilities</b>			
Trade payables and other current liabilities	8	(129,426)	(240,572)
<b>Total current liabilities</b>		<b>(129,426)</b>	<b>(240,572)</b>
<b>Provisions</b>		-	(13,918)
<b>Total assets less total liabilities</b>		<b>1,352,384</b>	<b>1,115,796</b>
<b>Taxpayers' equity and other reserves:</b>			
General Fund		581,409	578,031
Discretionary Reserves		770,975	537,765
<b>Total reserves</b>	10	<b>1,352,384</b>	<b>1,115,796</b>

The notes on pages 26 to 31 form part of these accounts.

The financial statements were approved by the Marshall Aid Commemoration Commission on 29<sup>th</sup> June 2021 and signed on its behalf by:

*John Raine CMG OBE*  
Chair and Accounting Officer

13 July 2021

## Statement of Cash Flows for the year ended 31 March 2021

	Notes	2020-21 £	2019-20 £
<b>Cash Flows from operating activities</b>			
Net operating expenditure before interest		(2,464,320)	(2,538,043)
Interest receivable		908	5,212
Provision for future liabilities		(13,918)	13,918
Decrease/(increase) in trade and other receivables		174,527	(70,435)
Increase/(decrease) in trade and other payables		(111,146)	86,229
<b>Net cash outflow from operating activities</b>		<b>(2,413,949)</b>	<b>(2,503,119)</b>
<b>Cash Flows from financing activities</b>			
Grant-in Aid received from FCDO		2,700,000	2,650,000
<b>Net financing</b>		<b>2,700,000</b>	<b>2,650,000</b>
<b>Increase in net cash and cash equivalents</b>		<b>286,051</b>	<b>146,881</b>
Cash and cash equivalents at the beginning of the period		936,529	789,648
<b>Cash and cash equivalents at the end of the period</b>	<b>9</b>	<b>1,222,580</b>	<b>936,529</b>

The notes on pages 26 to 31 form part of these accounts.

## Statement of Changes in Taxpayers' Equity as at 31 March 2021

	£	General Reserves £
<b>Balance at 31 March 2019</b>		<b>998,627</b>
<b>Changes in Taxpayers' equity 2019-20</b>		
Grant from FCDO		2,650,000
Deficit arising on core reserves before grant from FCDO	(2,690,000)	
Surplus arising from value of partnership benefits	157,169	
Net Expenditure for the year		(2,532,831)
<b>Balance at 31 March 2020</b>		<b>1,115,796</b>
<b>Changes in Taxpayers' equity 2020-21</b>		
Grant from FCDO		2,700,000
Deficit arising on core reserves before grant from FCDO	(2,696,622)	
Surplus arising from value of partnership benefits	233,210	
Net Expenditure for the year		(2,463,412)
<b>Balance at 31 March 2021</b>		<b>1,352,384</b>

The notes on pages 266 to 31 form part of these accounts.

## Notes to the Accounts

### 1 Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2020-21 Government Financial Reporting Manual (FReM) issued by HM Government. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Marshall Aid Commemoration Commission for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Marshall Aid Commemoration Commission are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

#### *a. Basis of preparation*

The financial statements have been prepared in accordance with the Marshall Aid Commemoration Act 1953 and directions made thereunder by the Secretary of State and with applicable United Kingdom accounting standards. They have been prepared on a going concern basis. They have also been prepared under the historical cost convention.

#### *b. Grant-in-Aid*

Grant-in-Aid is received from the FCDO in support of the Scholarship scheme. The grants are voted and received in respect of the financial year ending 31 March; however, they cover the university tuition fees for the academic year ending 31 July. Under resource accounting, advance payment of the summer term fees is shown as a prepayment.

Grant-in-Aid is used to finance activities and expenditure which support the statutory and other objectives of the Commission and are treated as financing, credited to the General Reserve, because they are regarded as contributions from a controlling party, which gives rise to a financial interest in the residual interest of NDPBs. Grant-in-Aid is credited to General Reserve on a cash received basis.

#### *c. Income*

The Commission receives donations to support the scholarship programme. A Memorandum of Understanding sets out the expected terms of the donation and what restrictions the donor may place upon the usage of the funds e.g. it can be used to fund a scholar studying music. Donations received from each donor are accounted for separately under a scheme name reflecting who the donor is. The amounts received from each donor may vary from year to year and any unspent amount is recognised in contract liabilities. The Commission does not select Scholars to meet the donation criteria but rather recognises the donation as income if a selected Scholar meets the criteria set out in the MoU. Donations are recognised in income in the year expenditure is incurred. If there are insufficient funds to support a new Scholar from the donation, no Scholar is assigned to the scheme/donation. Should a donor stop donating, the outstanding cost will be paid for by the Commission from the FCDO Grant-in-Aid.

Income recognised in the financial year (Note 5) reflect the full cost in the year associated with the individual Scholarship partnership schemes. The current balance of donations received, but not yet used to pay Scholarship fees, are disclosed as contract liabilities in Note 8.

#### *d. Expenditure*

Expenditure is accounted for on an accruals basis. Tuition fees that cover an academic year (autumn to summer) are paid during the current financial year so 1/3<sup>rd</sup> is prepaid on the basis that the academic year comprises three terms, two of which come before 31 March and one comes after 1 April.

The Commission has set a de-minimis level for accruals and prepayments at £1,000.

#### *e. VAT*

As its supplies are outside the scope of VAT, the Commission is not registered for VAT. Any VAT incurred on inputs is therefore irrecoverable and charged to expenditure in the year in which it is incurred.

#### *f. Taxation*

As an Executive Non-Departmental Public Body, the Commission does not pay tax on its results for the year.

#### *g. Cash and cash equivalents*

Cash and cash equivalents comprise bank balances held by the Commission all translated to GBP, where applicable, at year-end using the prevailing exchange rate. All cash balances are held with commercial banks.

#### *h. Reserves*

The Commission's general reserve is apportioned between core and discretionary reserves. The Commission makes more Scholarship awards than could be funded by the Grant-in-Aid and third-party funding which it receives, reflecting the value it obtains from university and college partnerships, principally through fee-waivers. To the extent this partnership support gives rise to a surplus in any given year this is applied to the discretionary reserve. It is intended that the discretionary reserve will be used to fund future Scholarship awards.

#### *i. Financial Instruments*

##### Financial assets

These comprise of receivables that are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at fair value and subsequently held at amortised cost after an appropriate provision for expected credit loss. The main risk is non-recovery of accommodation deposit. However this is low risk as most deposits are paid to landlords and the Commission has the right to refund un-returned deposits from the final payments due to scholars.



#### Financial liabilities

These comprise trade and other payables, and other financial liabilities. They are initially recognised at the fair value of consideration received, less directly attributable transaction costs. They are subsequently measured at amortised cost. Although the AMS has the right to reclaim any unspent donations, the Commission is confident this will not happen as the deferred donation income will be used post year end on scholars who are currently in place.

#### *j. Operating Segments*

The Commission does not have operating segments and therefore no analysis of operating segments has been provided.

#### *k. Upcoming changes to accounting standards*

The following changes to IFRS have been issued but were not effective in the reporting period:

- IFRS 16 'Leases' is expected to be effective for financial reporting periods beginning on or after 1 January 2022 and sets out the principles for the recognition, measurement, presentation and disclosure of leases. This is not relevant to the Commission as it does not have any leases.

There are no other future accounting developments that will have a significant impact on the Commission's accounts.

## 2 Scholarship Costs

	2020-21	2019-20
	£	£
Marshall Commission Scholarships (net of partnership benefits)*	2,070,294	2,109,822
Annenberg Marshall Scholarship	9,342	-
British Schools & Universities Foundation Scholarship	36,422	22,284
Association of Marshall Scholars - Endowed Scholarship	48,430	55,044
Other direct alumni support	61,906	50,379
	<u>2,226,394</u>	<u>2,237,529</u>

\* in addition, partnership benefits in kind total £1,607k (2019-20: £1,358k). These partnership benefits are almost entirely tuition fee waivers from higher education institutions in the UK.

## 3 Administration

	2020-21	2019-20
	£	£
Secretariat	297,373	259,350
Other support costs	45,402	47,310
Auditors' remuneration	7,750	7,750
Unrealised currency loss	17,271	(18,037)
	<u>367,796</u>	<u>296,373</u>

## 4 Staff Costs

The Commission does not employ any staff. The administration of the Scheme is undertaken by staff of the Association of Commonwealth Universities under a service contract with the Commission. The costs of the Secretariat are detailed in note 3. As the Commission has no staff there is no facility time allocated to trade union activity.

## 5 Grants and Donations from third parties

	2020-21	2019-20
	£	£
Annenberg Endowment (via Association of Commonwealth Universities)	9,342	-
British Schools & Universities Foundation	36,586	22,319
Association of Marshall Scholars - Endowed Scholarship	48,430	55,078
Other direct alumni support	66,618	56,039
	<u>160,976</u>	<u>133,436</u>

During the year one new donation was received from the alumni totalling £37k, of which £26k has been recognised in the year. The remaining increase in donation income reflects increased expenditure on Scholarships leading to a release of deferred income.

## 6 Financial Instruments

Cash requirements of the Commission are met through Grant-in-Aid and donations. Financial instruments therefore play a limited role in creating and managing risk than would apply in a non-public sector body.

## 7 Trade Receivables and Other Current Assets

	2020-21	2019-20
	£	£
Amounts falling due within one year:		
Accommodation deposits	28,846	40,445
Trade receivables	-	431
Sundry debtors	18,922	278
Prepayments	211,462	392,603
	<u>259,230</u>	<u>433,757</u>

## 8 Trade Payables and Other Current Liabilities

	2020-21	2019-20
	£	£
Amounts falling due within one year:		
Trade payables	6,500	51,902
Other Creditors	4,012	0
Accruals	7,750	68,404
Contract liabilities	111,164	120,266
	<u>129,426</u>	<u>240,572</u>

## Provision for Future Liabilities

At last year end a provision of £13,918 was made to cover costs relating to COVID-19, namely return flights to the UK. Of that £10,084 has been spent and the remaining £3,834 has been released.

## Movements in Contract Liabilities

	Opening	Donations & Income		Closing
	balance	Received	Released	Balance
	£	£	£	£
Annenberg Endowment	21,339	24,865	(9,342)	36,862
British Schools & Universities Foundation	28,737	28,927	(36,586)	21,078
Association of Marshall Scholars - Endowed Scholarship	24,156	45,593	(48,430)	21,319
Other direct alumni support	9,790	52,489	(35,206)	27,073
Other	36,244	-	(31,412)	4,832
	<u>120,266</u>	<u>151,874</u>	<u>(160,976)</u>	<u>111,164</u>

## 9 Cash and Cash Equivalents

	2020-21	2019-20
	£	£
Balance at 1 April	936,529	789,648
Net change in cash and cash equivalent balances	<u>286,051</u>	<u>146,881</u>
Balance at 31 March	<u><u>1,222,580</u></u>	<u><u>936,529</u></u>

Cash is held with NatWest bank in GBP and USD.

## 10 Movements on General Reserves

	Opening balance £	Grant-in- Aid £	Bank Interest £	Net Expenditure £	Closing balance £
Core Reserves	578,031	2,700,000	908	(2,697,530)	581,409
Discretionary Reserves	537,765	-	-	233,210	770,975
Total reserves	<u><u>1,115,796</u></u>	<u><u>2,700,000</u></u>	<u><u>908</u></u>	<u><u>(2,464,320)</u></u>	<u><u>1,352,384</u></u>

## 11 Related Party Transactions

The Commission is an Executive Non-Departmental Public Body of the FCDO. The FCDO is regarded as a Related Party with which the Commission's only material transaction during the year was Grant-in-Aid. None of the Commissioners or key members of the Secretariat, or other related parties, has undertaken any other material transactions with the Commission during the year.

## 12 Commitments

In the autumn of each year the Commission offers Scholarships for the following academic year, and the academic year following that. The Commission does not account for the future cost of these offers as there is some uncertainty over the university at which the Scholar will study, the cost of the study and whether the tuition fee will be covered by a fee waiver. There can also be uncertainty over whether the Scholar will accept and take up the offered Scholarship.

## 13 Events after the Reporting Date

No non-adjusting events after the reporting date have been identified. The Accounting Officer authorised these financial statements for issue on the same date the Comptroller and Auditor General signed his certificate