



Marshall Aid Commemoration Commission

Accounts 2019/20



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## Accounts 2019/20

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Commemoration Commission Act 1953

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## Performance Report for the year ended 31 March 2020

### Introduction by the Chair of the Commission

At the time of writing, the pervasive impact of the COVID-19 pandemic is naturally uppermost in our minds. It has already had material implications for the conduct of the Scholarship Programme, and these will continue to unfold. I will address these matters later in this introduction but let me first give an overview of our financial performance in the year to March 31, 2020, most of which was not overshadowed by COVID-19.

These accounts reflect the continuing growth of the Programme and its careful financial management. Another successful year has been marked by the increased number of Scholars studying with us across the UK and the quality of their experience.

The bedrock of our financial model is our grant from the Foreign & Commonwealth Office which has grown significantly in recent years following the 32 publicly funded award model embraced at the end of 2016. This renewed and sustained commitment to the Programme by HMG has been the catalyst for securing additional third-party support, most notably from our UK academic partners but also from our alumni community, all of which is much appreciated. The substantial growth in such support has continued in 2019/20 and, of the 48 awards made to the incoming Class of September 2019, 16 are effectively to be funded from this source. With the growth of that support arising before the associated growth in our costs, we have enjoyed another year of financial surplus which we plan to apply in future years to help meet the increased costs now in train.

When we decide each Autumn on the number of awards to make, the cost implications of this normally unfold over the subsequent three financial years. In the Autumn of 2019, we learnt that the FCO grant for 2020/21 would only increase by £50,000 to £2.7 million, below the rate of inflation we normally experience. This, together with the unusually low number of one-year awards in the Class of 2019, led us to conclude in December 2019 that we should make 46 awards to the incoming Class of September 2020. Our forthcoming challenge is to secure future grant levels from the FCO consistent with the model of 32 publicly funded awards.

At the beginning of the financial year a periodic Cabinet Office Review reported on our performance and made certain recommendations. We very much welcomed this report and its positive assessment of the value of the Programme. Recommendations for possible areas of improvement were addressed to the Commission, to the FCO, to the British Embassy and its Consulates in the US and to our alumni organisation, the Association of Marshall Scholars, some to an individual party and others to a combination of parties. We have worked our way through all the recommendations for which we are responsible and have either implemented them or set in train the steps so to do, and duly reported back to Mr Nigel Adams MP, Minister of State at the FCO, to that effect in March 2020. The pace and degree to which we follow through on recommendations with material cost implications may be influenced by future grant decisions.

As awareness of COVID-19 grew at the beginning of 2020 and with increasingly restrictive measures being introduced during March, it became apparent that normal university life was going to be materially affected for the rest of this academic year. The full implications are still unfolding, though substitutional teaching arrangements appear to be working well. In these exceptional circumstances the Commission decided in March to support both Scholars wishing to return to the US and those choosing to remain in the UK, and we have taken a charge in these accounts for the incremental associated costs which could then be readily identified. We have also had to postpone or cancel certain events, including our annual Easter excursion (which this year would have been to Scotland) and our Annual Dinner in May. We were able to recoup much of the costs of the Easter excursion, and we hope to be able to reschedule the dinner to next May thus retaining the deposit paid.

Currently our concerns largely fall into four components: arrangements for Scholars due to complete the Programme in the summer of 2020; arrangements for Scholars due to continue their studies in the 2020/21 academic year; arrangements for the new Scholars due to arrive in September 2020; and arrangements for the next selection round due to reach its conclusion in December 2020. All these matters give rise to a range of potential consequences at Programme, operational, financial and personal levels, and we are very mindful of the safety, welfare, educational and morale considerations applying to all concerned. Our Secretariat team based at the ACU has risen most effectively to this challenge and continues to do so, which is very much

appreciated by the Commission and Scholars. Given the evolving nature of the circumstances we are facing, there cannot yet be a definitive blueprint for the all implications for the Programme in the year ahead, but the Commission is actively planning for the foreseeable contingencies.

Let me note with appreciation the conclusion of their terms as Commissioners in the summer of 2019 of Janet Legrand, Brian Cantor and Barbara Ridpath, and extend a welcome to the four new Commissioners who joined us this summer, namely Judith Buchanan, Adrian Greer, Adam Smith and Leslie Vinjamuri; the readiness of these distinguished individuals to serve in this way is of real value to the Programme. I should also note that while my term as Chair of the Commission was due to conclude at the end of August 2020, this will now be deferred until the beginning of 2021.

Finally, I would observe that the challenges we are all currently experiencing serve to underline the value of international cooperation and the fostering of informed understanding between nations, in which regard I believe the Marshall Scholarship Programme is of great service both to the UK and the US.

*Christopher Fisher*  
*Chair and Accounting Officer*

*26 June 2020*

## **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 (2020 intake) 48 new Scholarships were awarded.

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. Indeed, the President of the United States recently stated that the Marshall Scholarships are "one of the top academic honors anywhere in the world". In the sixty or so years since the programme began some 2000 American men and women have become Marshall Scholars. Competition for Marshall Scholarship awards is intense: last year there were over 24 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, 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.



## 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. In addition, the FCO has provided a letter of comfort which confirms continued support to the Commission through providing adequate financial assistance, should it be necessary, to enable the Commission to continue operating as a going concern for at least a period of twelve months from the date the 2019-20 accounts are certified by the C&AG.

## 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 (excluding historic contributions from the US EPA which it decided to discontinue in 2017) 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 FCO. 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	2016	2017	2018	2019	2020
FCO grant	2,000	2,000	2,250	2,550	2,650
Value of third-party support	563	752	839	1,226	1,491
Total	2,563	2,752	3,089	3,776	4,141

With regard to our administrative costs in 2019/20, the growth reflects the expansion of the Programme and initiatives to refresh the website and our publications. The comparison of costs under Scholar Experience reflects in part that the previous year we had a particularly low cost visit to NW England, thanks to the generous support of Manchester University, while in this year the visit to Northern Ireland is inevitably our highest cost destination; the figures for 2019/20 also reflect the first costs associated with the launch of Marshall Connect, a new initiative to pair Marshall Scholars with Civil Service Fast Streamers.

Our discretionary reserves reflect another year of operating surplus as the growth in partnership support has arisen in advance of the associated growth in costs from additional awards made. The reduction in core reserves reflects the charge (£40k) taken to meet exceptional costs relating to COVID-19 decided upon in March 2020.

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

The level of future FCO grants will be critical as to whether the 32 publicly funded award model can be sustained. With decisions on awards unfolding over the three subsequent financial years, gaining an understanding on the scale and visibility of future FCO grants is important if material uncertainty is not to arise.

Academic partner support is of growing significance in the Commission's overall funding model. This support is widely based, but there is an inherent degree of exposure associated with this dependence, underlined in the present circumstances. It could also arise that the pattern of Scholar demand became less well aligned with the availability of partner support, but again this exposure is mitigated by the breadth of academic support.

COVID-19 - the Commission is facing a rapidly changing situation due to the ongoing epidemic. The epidemic has already impacted the current Scholars with around 45% choosing to return to the US to complete their degrees remotely. Looking forward the epidemic may impact the arrival of the 2020 Scholars depending on the ability to obtain visas and travel. British universities are also considering how they plan to offer courses in September and this may also impact the Programme.

## Scholarship Analysis

In the academic year 2019-20, 87 Marshall Scholars were studying in the UK of which 28 Marshall Scholars were fully funded by the Commission, one was fully funded and four partly funded by external partners and 54 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.

### Four Scholars

- King's College London

### Three Scholars

- Imperial College London
- University of Edinburgh
- University College London
- University of Sussex \*\*
- London School of Economics and Political Science

### Two Scholars

- New College, Oxford
- Nuffield College, Oxford
- School of Oriental and African Studies
- University of St Andrews
- University College, Oxford
- London School of Hygiene and Tropical Medicine

### One Scholar

- Balliol College, Oxford
- Christ Church, Oxford
- Christ's College, Cambridge
- Exeter College, Oxford
- Goldsmiths, University of London
- Gonville and Caius College, Cambridge
- King's College, Cambridge
- Lincoln College, Oxford \*
- Magdalen College, Oxford
- Magdalene College, Cambridge \*
- Newnham College, Cambridge
- University of Nottingham
- Oriel College, Oxford
- Pembroke College, Cambridge
- Peterhouse College, Cambridge
- Royal Holloway, University of London
- Royal Northern College of Music (Jointly funded by BSUF)
- University of Sheffield
- Somerville College, Oxford
- St John's College, Cambridge
- Trinity College, Cambridge
- Trinity College, Oxford
- University of York

\* funded by an alumni donation.

\*\* partially funded by an alumni donation

The fully funded external partner Scholarship was provided by the Association of Marshall Scholars (AMS). Two partially funded Scholarships were funded by British Schools and Universities Foundation (BSUF) and the (AMS) and two 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 87, five 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 which funds doctoral study beyond the two years, one Scholar received this funding.

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 2019-20 overall third-party support grew by £258k to £1,491k. The funding falls into three categories as outlined in the table below:

£'000	2019/20	2018/19	Increase / (Decrease)
Academic partnerships in support of core Scholarship Programme	1,315	1,089	226
Other partnership support	43	59	(16)
Total partnership support	1,358	1,148	210
Grants and donations (excluding EPA)	133	78	48
Total third-party support	1,491	1,226	258

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 66th Annual Report for the year to 30 September 2019. The Commission is required by the Foreign and Commonwealth 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

*Christopher Fisher*  
Chair and Accounting Officer

26 June 2020

## Accountability Report for the year ended 31 March 2020

### a) Corporate Governance Report

#### i. Directors' Report

##### Organisational Structure

Mr Christopher Fisher                      Chair and Accounting Officer  
Ms Caroline Harrison                      Executive Secretary  
Page 8 lists the membership of the Commission.

##### Register of Interests

Marshall Commissioners are required to complete a declaration of any interests. A copy of the Register of Interests is kept by the Secretariat.

##### Diversity and Inclusion

In appointing Marshall Commissioners, the FCO 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 2019-20 (2018-19: 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 and Commonwealth Affairs, 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 Foreign and Commonwealth Office 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 1953 Act 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 2019-20:

Mr Christopher Fisher (Chair)	A Director of SEGRO and of National Savings and Investments
Mr Alan Bookbinder	Master, Downing College, Cambridge
Professor Judith Buchanan	Master, St Peter's College, Oxford (tenure from 1/08/2019)
Mr Adrian Greer	Chancellor's Assessor, University of St Andrews (tenure from 1/08/2019)
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 (tenure from 01/08/2019)
Dr Leslie Vinjamuri	Director, US and the Americas Programme, Chatham House (tenure from 1/08/2019)
Ms Xenia Wickett	VP Political Analysis, Equinor
Lord Wood of Anfield	Fellow in Practice at the Blavatnik School, University of Oxford

Tenure ended during 2019-20

Prof. Brian Cantor	Vice-Chancellor, University of Bradford (tenure ended 30/06/2019)
Ms Janet Legrand QC Hon (Deputy Chair)	Partner, DLA Piper (tenure ended 31/07/2019)
Ms Barbara Ridpath	Director, St Paul's Institute (tenure ended 30/06/2019)

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 four times in 2019-20. Commissioner attendance was as follows in 2019-20:

Mr Christopher Fisher (Chair)	100%	4/4 meetings
Mr Alan Bookbinder	100%	4/4 meetings
Professor Judith Buchanan	66%	2/3 meetings
Prof. Brian Cantor	100%	1/1 meetings
Mr Adrian Greer	100%	3/3 meetings
Ms Janet Legrand QC Hon (Deputy Chair)	100%	1/1 meetings
Mrs Suzanne McCarthy	100%	4/4 meetings
Dr Alice Prochaska	100%	4/4 meetings
Ms Barbara Ridpath	0%	0/1 meetings
Professor Adam Smith	100%	3/3 meetings
Dr Leslie Vinjamuri	66%	2/3 meetings
Ms Xenia Wickett	100%	4/4 meetings
Lord Wood of Anfield	50%	2/4 meetings

The Commission is supported by three committees, namely Audit & 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 2019-20 membership of the ARM Committee was as follows:

Mr Alan Bookbinder (Chair)	100%	4/4 meetings
Mr Adrian Greer	100%	2/2 meetings
Mr Timothy Hornsby*	100%	1/1 meetings
Ms Laura Lafave*	50%	2/4 meetings
Ms Janet Legrand	100%	1/1 meetings
Dr Ruth Kosmin*	100%	3/3 meetings
Mr Simon Morris*	100%	4/4 meetings
Ms Barbara Ridpath	100%	1/1 meetings
Ms Xenia Wickett	100%	3/3 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 2019-20 the membership of the Education Committee was as follows:

Dr Alice Prochaska (Chair)	100%	2/2 meetings
Professor Judith Buchanan	50%	1/2 meetings
Professor Jon Erichsen*	50%	1/2 meetings
Mr Christopher Fisher	100%	2/2 meetings
Professor Adam Smith	100%	2/2 meetings
Lord Wood of Anfield	50%	1/2 meetings

The Commission created the Scholar Experience Committee in 2019-20. 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%	2/2 meetings
Professor Jon Erichsen*	100%	2/2 meetings
Mr Christopher Fisher	100%	2/2 meetings
Dr Laura Lafave	100%	2/2 meetings
Dr Leslie Vinjamuri	0%	0/2 meetings
Lord Wood of Anfield	50%	1/2 meetings

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

### **Commission Performance**

In the first quarter of 2020 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 66th Annual Report <https://www.marshallscholarship.org/media/2116/66th-annual-report-for-the-year-ending-30-september-2019.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 FCO 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 FCO 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 epidemic 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.

COVID-19 became the most significant risk the Commission faced in 2019-20.

### **Scope of responsibility**

As Accounting Officer since 1 March 2016, 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 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 2020 and up to the date of approval of the annual report and accounts, and accords with HM Treasury guidance.

During the year there were two acts of credit card fraud, totalling USD 550, carried out on separate cards. Both transactions originated from the same source and at roughly the same time. One transaction has been refunded by the card issuer and the other refund is being processed.

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 has again considered, together with the FCO representative, the impact of any changes in visa requirements for US students. Relevant administrative staff have obtained accreditation (Level 1) with the Office of the Immigration Services Commissioner (OISC).

The Commission works closely with the FCO's Soft Power and External Affairs department 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 FCO, 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.

*Christopher Fisher  
Chair and Accounting Officer*

*26 June 2020*

## 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 2020 under the Marshall Aid Commemoration Act 1953. The financial statements comprise: the 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. 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 2020 and of net expenditure for the year then ended; and
- the financial statements 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 of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) 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 2016. I am independent of the Marshall Aid Commemoration Commission in accordance with the ethical requirements that are relevant to my audit and 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

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the Marshall Aid Commemoration Commission's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The Marshall Aid Commemoration Commission have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Marshall Aid Commemoration Commission's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **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 are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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.
- obtain 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 Marshall Aid Commemoration Commission's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude on the appropriateness of the Marshall Aid Commemoration Commission's 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 Marshall Aid Commemoration Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Marshall Aid Commemoration Commission to cease to continue as a going concern.

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.

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.

## Other Information

The Commission and the Accounting Officer are responsible for the 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 report thereon. My opinion on the financial statements does not cover the other information and 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, 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:

- 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;
- in the light of the knowledge and understanding of the entity and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which I report by exception

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
- 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.

## Report

I have no observations to make on these financial statements.

Gareth Davies  
Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

Date 8 July 2020

**Statement of Comprehensive Net Expenditure for the year ended 31 March 2020**

	Notes	2019-20	2018-19
		£	£
<b>Expenditure</b>			
Scholarship costs	2	2,237,529	2,048,540
Selection process		101,230	88,353
Administration	3	296,373	268,728
Scholar Experience in the UK		<u>36,347</u>	<u>7,286</u>
<b>Total operating expenditure</b>		<b>2,671,479</b>	<b>2,412,907</b>
<b>Income</b>			
Grants and donations from third parties	5	<u>133,436</u>	<u>82,751</u>
<b>Total operating income</b>		<b>133,436</b>	<b>82,751</b>
<b>Net operating expenditure before interest</b>		<b>(2,538,043)</b>	<b>(2,330,156)</b>
Interest receivable		<u>5,212</u>	<u>4,660</u>
<b>Net operating expenditure for the year</b>		<b><u>(2,532,831)</u></b>	<b><u>(2,325,496)</u></b>

All activities are continuing.

The notes on pages 21 to 25 form part of these accounts.

**Statement of Financial Position for the year ended 31 March 2020**

	Notes	2019-20	2018-19
		£	£
<b>Current assets</b>			
Trade receivables and other current assets	7	433,757	363,322
Cash and cash equivalents	9	<u>936,529</u>	<u>789,648</u>
<b>Total current assets</b>		<b><u>1,370,286</u></b>	<b><u>1,152,970</u></b>
<b>Current liabilities</b>			
Trade payables and other current liabilities*	8	<u>(240,572)</u>	<u>(154,343)</u>
<b>Total current liabilities</b>		<b><u>(240,572)</u></b>	<b><u>(154,343)</u></b>
<b>Provision for future liabilities</b>		<b>(13,918)</b>	-
<b>Total assets less total liabilities</b>		<b><u>1,115,796</u></b>	<b><u>998,627</u></b>
<b>Taxpayers' equity</b>			
<b>General reserves</b>			
Of which attributable to:			
Core reserves		578,031	618,031
Discretionary reserves		<u>537,765</u>	<u>380,596</u>
<b>Total reserves</b>	10	<b><u>1,115,796</u></b>	<b><u>998,627</u></b>

The notes on pages 21 to 25 form part of these accounts.

The financial statements were approved by the Marshall Aid Commemoration Commission on 25 June 2020 and signed on its behalf by:

*Christopher Fisher*  
Chair and Accounting Officer

26 June 2020

**Statement of Cash Flows**

	<b>Notes</b>	<b>2019-20</b>	<b>2018-19</b>
		<b>£</b>	<b>£</b>
<b>Cash Flows from operating activities</b>			
Net operating expenditure before interest		(2,538,043)	(2,330,156)
Interest receivable		5,212	4,660
Provision for future liabilities		13,918	
Decrease/(increase) in trade and other receivables		(70,435)	215,157
Increase/(decrease) in trade and other payables		86,229	65,577
<b>Net cash outflow from operating activities</b>		<b>(2,503,119)</b>	<b>(2,044,762)</b>
<b>Cash Flows from financing activities</b>			
Grant-in Aid received from FCO		2,650,000	2,550,000
<b>Net financing</b>		<b>2,650,000</b>	<b>2,550,000</b>
<b>Increase in net cash and cash equivalents</b>		<b>146,881</b>	<b>505,238</b>
Cash and cash equivalents at the beginning of the period		789,648	284,410
<b>Cash and cash equivalents at the end of the period</b>	<b>9</b>	<b>936,529</b>	<b>789,648</b>

The notes on pages 21 to 25 form part of these accounts.



**Statement of Changes in Taxpayers' Equity for the year ended 31 March 2020**

	£	General Reserves £
<b>Balance at 31 March 2018</b>		<b>774,123</b>
<b>Changes in Taxpayers' equity 2018-19</b>		
Grant from FCO		2,550,000
Deficit arising on core reserves before grant from FCO	(2,550,000)	
Surplus arising from value of partnership benefits	<u>224,504</u>	
Net Expenditure for the year		<u>(2,325,496)</u>
<b>Balance at 31 March 2019</b>		<b>998,627</b>
<b>Changes in Taxpayers' equity 2019-20</b>		
Grant from FCO		2,650,000
Deficit arising on core reserves before grant from FCO	(2,690,000)	
Surplus arising from value of partnership benefits	<u>157,169</u>	
Net Expenditure for the year		<u>(2,532,831)</u>
<b>Balance at 31 March 2020</b>		<b><u>1,115,796</u></b>

The notes on pages 21 to 25 form part of these accounts.

## Notes to the Accounts

### 1 Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2019-20 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 under the historical cost convention.

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

Grant-in-Aid is received from the FCO 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 are recognised in contract liabilities as the donations become due. 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 prior to the start of each academic term, at the same time as the scholarship 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 FCO Grant-in-Aid.

Income recognised in the financial year (Note 5) reflect the full cost in the year associated with the individual scholarship 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.

Other costs are recorded as a prepayment (or accrual) as at 31 March 2020 if greater than £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*

Third party income is treated as deferred income and released to match related expenditure, as over time all third-party income will match expenditure.

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.

*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.

*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 2021 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**

	2019-20	2018-19
	£	£
Marshall Commission Scholarships (net of partnership benefits)*	2,109,822	1,965,789
Annenberg Marshall Scholarship	-	13,653
British Schools & Universities Foundation Scholarship	22,284	35,621
Association of Marshall Scholars - Endowed Scholarship	55,044	22,613
Other direct alumni support	50,379	6,429
US Environmental Protection Agency Scholarships	-	4,435
	<u>2,237,529</u>	<u>2,048,540</u>

\* in addition, partnership benefits in kind total £1,358,000 (2018-19: £1,148,000). These partnership benefits are almost entirely tuition fee waivers from higher education institutions in the UK. Under IFRS they are not accounted for so neither income nor corresponding expenditure are shown in these accounts.

**3 Administration**

	2019-20	2018-19
	£	£
Secretariat	259,350	230,044
Other support costs	47,310	41,203
Auditors' remuneration	7,750	7,250
Currency (gain) / loss	<u>(18,037)</u>	<u>(9,769)</u>
	<u>296,373</u>	<u>268,728</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. As the Commission has no staff there is no facility time allocated to trade union activity.

**5 Grants and Donations from third parties**

	2019-20	2018-19
	£	£
Annenberg Endowment (via Association of Commonwealth Universities)	-	13,653
British Schools & Universities Foundation	22,319	35,621
Association of Marshall Scholars - Endowed Scholarship	55,078	22,613
Other direct alumni support	56,039	6,429
US Environmental Protection Agency	-	4,435
	<u>133,436</u>	<u>82,751</u>

During the year two new donations were received from the alumni totalling £40k, of which £32k has been recognised in the year. The remaining increase in donation income reflects increased expenditure on scholarships funded by donations.

## 6 Financial Instruments

As the cash requirements of the Commission are met through Grant-in-Aid provided by the FCO and third-party grants and donations, financial instruments play a more limited role in creating and managing risk than would apply in a non-public sector body. The main risk is foreign exchange exposure which relates to cash received in USD from third parties (2018-19: \$226k; 2019-20: \$33k). In 2019-20 this risk was mitigated by the Alumni Association (the main third-party contributor) paying in GBP.

### 7 Trade Receivables and Other Current Assets

	2019-20	2018-19
	£	£
Amounts falling due within one year:		
Accommodation deposits	40,445	41,549
Trade receivables	431	2,452
Sundry debtors	278	97
Prepayments	<u>392,603</u>	<u>319,224</u>
	<u>433,757</u>	<u>363,322</u>

### 8 Trade Payables and Other Current Liabilities

	2019-20	2018-19
	£	£
Amounts falling due within one year:		
Trade payables	51,902	50,050
Accruals	68,404	7,713
Contract liabilities	<u>120,266</u>	<u>96,580</u>
	<u>240,572</u>	<u>154,343</u>

Accruals include £33,386 for two tuition fee invoices received after year end and £26,082 to cover costs relating to Covid-19 which were incurred in March 2020.

#### Provision for Future Liabilities

The Commission has set aside £40,000 to cover costs relating to COVID-19. In March 2020 £26,082 has been incurred and accrued for. A provision of £13,918 has been made to cover costs incurred post year end, namely return flights to the UK.

<b>Movements in Contract Liabilities</b>	Opening	Donations & Income		Closing
	balance	Receivable	Released	Balance
	£	£	£	£
Annenberg Endowment	5,730	15,609	-	21,339
British Schools & Universities Foundation	29,923	21,098	(22,284)	28,737
Association of Marshall Scholars - Endowed Scholarship	15,837	63,363	(55,044)	24,156
Other direct alumni support	1,186	56,983	(48,379)	9,790
Other	43,904	-	(7,660)	36,244
	<u>96,580</u>	<u>157,053</u>	<u>(133,367)</u>	<u>120,266</u>

**9 Cash and Cash Equivalents**

	2019-20 £	2018-19 £
Balance at 1 April	789,648	284,410
Net change in cash and cash equivalent balances	<u>146,881</u>	<u>505,238</u>
Balance at 31 March	<u><u>936,529</u></u>	<u><u>789,648</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	618,031	2,650,000	5,212	(2,695,212)	578,031
Discretionary Reserves	<u>380,596</u>	<u>0</u>	<u>0</u>	<u>157,169</u>	<u>537,765</u>
Total reserves	<u><u>998,627</u></u>	<u><u>2,650,000</u></u>	<u><u>5,212</u></u>	<u><u>(2,538,043)</u></u>	<u><u>1,115,796</u></u>

**11 Related Party Transactions**

The Commission is an Executive Non-Departmental Public Body of the FCO. The FCO 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.

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