

Presented pursuant to Section 2 (7) of the Marshall Aid Commemoration Act 1953

Marshall Aid Commemoration Commission Accounts 2006-2007

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 25 JULY 2007

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Contents

	Page
Scope of these Accounts	2
Statement of Commission's and Chairman's responsibilities	7
Statement on Internal Control	8
The Certificate and Report of the Comptroller and Auditor General	9
Income and Expenditure Account	11
Statement of Total Recognised Gains and Losses	11
Balance Sheet	12
Cash Flow Statement	13
Notes to the Financial Statements	14

Scope of these Accounts

Aims and objectives

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

The MACC'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 express the gratitude of the British people for 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 their institutions.

The MACC'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 (including its role in Europe); 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.

Accounting background

Under Section 2(7) of the 1953 Act the Commission is required each financial year to prepare accounts of expenditure in such form as the Secretary of State of Foreign and Commonwealth Affairs may, with the approval of the Treasury, direct.

Statutory Background and Historical Information

The Marshall Scholarships were established by HM Government under the Marshall Aid Commemoration Act 1953¹ 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 40 Scholarships per year to be awarded to American college graduates, for tenure for a degree course at any British university, for periods of two and sometimes three years.

The basic structure of the Marshall Scholarships scheme, as described in the Act, remains intact. There are now eight regional centres based on the Consulate districts in Atlanta, Boston, Chicago, Houston, Los Angeles, New York, San Francisco and Washington DC. The most dramatic change since the inception of the scheme has been the increase in the number of Marshall Scholarships. The number of new awards was increased from twelve to twenty-four in 1960, to thirty in 1973, up to forty Scholarships in 1991 and since 2004 up to forty three have been awarded.

¹ 1 and 2 Eliz. 2, c.39

The Marshall Scholarship programme has established itself as one of the most prestigious scholarships for young Americans wishing to undertake graduate study for two or three years at universities throughout the United Kingdom. In the fifty three years since the programme began, some 1500 American men and women have studied in universities throughout the United Kingdom.

Competition for Marshall Scholarship awards has been intense from the start. There are now 43 awards, and in 2006 there were more than 22 applicants for each one.

Marshall Scholarship alumni occupy senior and interesting positions in all walks of American life. They include a Supreme Court Justice, members of the Cabinet and Congress, Pulitzer Prize winners, leaders in journalism, academia, business, entertainment, sports, the military, science, engineering and law.

Organisational structure

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 Chairman of the Commission' Marshall Aid Commemoration Act 1953. In addition two Alumni Observers sit on the Commission.

The MACC meets formally three times a year. In addition to the Audit and Risk Management Committee the MACC has two sub-committees, the Finance Committee, which meets three times a year, and the Education Committee, which meets once a year. These Committees are accountable to the MACC for financial and educational issues.

The Audit and Risk Management Committee members consisted of three non-Commission members and two Commissioners on 31 March 2007. The Chair is Mr Graham Benson (non-Commission). This Committee meets four times a year.

Membership of the Commission

Mr Jonathan Taylor CBE (Chairman) (re-appointed June 2006)	Former Chair of the Governing Body SOAS, University of London
Baroness Tessa Blackstone	Vice-Chancellor, University of Greenwich
Mr Abdul Bhanji	Consultant, PricewaterhouseCoopers
Prof. John Caughie	Dean, Faculty of Arts, University of Glasgow
Prof. David Eastwood (Deputy Chairman)	Chief Executive, HEFCE
Mr Michael Freedman	Company Chairman and Director
Ms Diane Flynn (from Oct 2006)	Strategy Advisor, International Business Leaders Forum
Ms Lucy Heller	Managing Director, ARK
Ms Sara Nathan (until Oct 2006)	Freelance Journalist
Mr James Naughtie (appointed Nov 2005)	Journalist, BBC
Mr James Ross	Deputy Chairman, National Grid Transco (retired)
Dr John Kirkland (Exec. Sec.)	Deputy Secretary General of ACU

In the United States the Selection of Marshall Scholars is overseen by the British Embassy in Washington DC, and the Consulates-General in Atlanta, Boston, Chicago, Houston, Los Angeles, New York and San Francisco.

The Commission continued the arrangement under which its Secretariat is provided by the Association of Commonwealth Universities, whose offices at Woburn House, 20-24 Tavistock Square, London, WC1H 9HF, serve as its headquarters.

Review of activities in the year

In the academic year 2006-2007, 80 Marshall Scholars were fully funded by the MACC. In addition one Scholar was supported on the Texas Marshall Scholarship funded by the Department of Trade and Industry, one Scholar was supported on the NGT Marshall Scholarship funded by National Grid plc and one was supported on the BSUF Marshall Scholarship funded by the British Schools and Universities Fund (BSUF). Nine Scholars were jointly funded on Partnership Scholarships, three Scholars on the Birmingham Marshall Scholarships, one Scholar on the Courtauld Marshall Scholarship, two Scholars on the Imperial Marshall Scholarships, one Scholar on the Newcastle Marshall Scholarship, one Scholar on the Oriel Marshall Scholarship and one on the QUB Marshall Scholarship. These agreements include the MACC paying for the Scholars' maintenance costs and the partner university waiving the tuition fees. A further five Scholars were funded under third year funding agreements with the University of Cambridge, University of Oxford and the London School of Economics. Three third year Scholars received a contribution towards their tuition fees from the MACC, the rest of their funding came from the National Science Foundation and the Cambridge Overseas Trust.

A total of 100 Marshall Scholars were funded either by the MACC or under funding agreements. In addition two Marshall Sherfield Fellows were supported by private funds from the Marshall Sherfield Fellowship Foundation.

A full report of the Commission's activities, including details on Scholar distribution, selections and placements, can be found in their 54th Annual Report which will be submitted to the Secretary of State on 30 September 2007. 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 in hard copy and also electronically on www.marshallscholarship.org

Future developments

In addition to ensuring that the Grant-in-Aid is maintained at a sufficient level to run the Scholarships, over the coming year the Commission will continue to confront two major funding issues. Firstly the government set stipend rates are increasingly insufficient for Scholars to live on. The rates are significantly lower than those given to British graduates by the Research Councils and indeed by the Office of Science and Technology OST for overseas students (on behalf of the DTI). The Commission is concerned over this disparity and is very concerned that the Scholars are experiencing hardship due to lack of funds. Secondly the Commission is concerned about the significantly increasing tuition fees of the British Universities. Indications are that throughout the university sector the tuition fees will be increasing at a very rapid rate and certainly above the rate of inflation. Failure to address these funding issues would mean that the Marshall Scholarships would suffer major reputational damage, and would probably no longer attract the best Scholars.

The Commission's objectives in the coming year would, therefore, include endeavouring to secure sufficient funding to

- ensure the continuation of the Marshall Scholarships including the number of Scholarships offered each year;
- raise the maintenance stipend rates to safeguard the competitiveness of the Scholarship; and
- fund additional third-year extensions.

With this in mind the Commission has continued its policy of creating partnerships with leading British Universities, and has increased the number of partnership Scholarships available from 15 to 22 in 2007.

Risk

The following principles form the basis of the MACC's approach to risk management and internal control:

- to be responsible for overseeing risk management within the institution as a whole;
- to have an open and receptive approach to solving risk problems;
- to ensure conservative and prudent recognition and disclosure of the financial and non-financial implications of risks, whilst recognising them; and
- to identify key risk indicators and closely monitor them on a regular basis.

The Commission's Audit and Risk Management Committee undertakes this role on behalf of the MACC.

The MACC maintains a Register of Risks and this is assessed and updated annually.

Financial results for the year

Financial support from HM Government in the form of Grant-in-Aid was increased for the year ending 31 March 2007 by £111,500 to £2,290,000 this was made up of £2.1 Million allocated in the Grant-in-Aid letter together with £190,000 top-up received from the Americas Directorate, FCO. The Scheme has attracted four third party funders, the British Schools and Universities Foundation, the National Grid Transco plc and the Scottish Executive who each donated £20,000 and the Department for Trade and Industry who donated £19,324. These donations funded additional Marshall Scholarships. Funds remain from the donation made by Cable and Wireless for use in future years. Overall there was a surplus of £63,158 on the current year's operations after accounting for receipt of Grant-in-Aid of £2,299,637, resulting in a retained reserves carried forward to future years of £533,500. Of these retained reserves, £445,816 related to the Marshall Scholarship scheme and £87,684 related to third party schemes. The increase in committed post balance sheet costs is explained below.

The financial statements have been prepared after a change in accounting policy regarding Grant-in-Aid, as described in note 1(b) to the financial statements with comparatives restated. Consequently the retained reserves of the Marshall Scholarship have increased to £445,816, but of this sum, £337,989 is committed for tuition fees after the balance sheet date and only £107,827 is available to spend on 2007/2008 activities.

Management and employment

The Commission continued the arrangement under which its Secretariat is provided by the Association of Commonwealth Universities, whose offices at Woburn House, 20-24 Tavistock Square, London, WC1H 9HF, serve as its headquarters. The Commission itself does not have any employees

Register of interests

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

Diversity and Equality

In appointing Marshall Commissioners the FCO seeks to be open and inclusive and seeks to recruit and develop a diverse and talented Commission that is representative of Society.

Fixed assets

No fixed assets were brought into use this year

Charitable donations

No charitable donations have been made by the MACC.

Payments to suppliers

The MACC is committed to the prompt payment of bills for goods and services received. Payments are normally made as specified in the contract: if there is no contractual provision or other understanding, they are due to be paid within 30 days of receipt of the goods or services, or approval of a valid invoice or similar demand, whichever is later. The MACC has adopted the 'Better Payment Practice Code'.

Auditors

The MACC is audited by the Comptroller and Auditor General.

Issue date

The annual financial statements will be approved for issue by the Accounting Officer on 6 July 2007.

On behalf of the Commission

J Taylor CBE
Chairman
4 July 2007

J Kirkland
Executive Secretary

Statement of Commission's and Chairman's responsibilities with respect to the Financial Statements

The accounts are prepared on an accruals basis and must give a true and fair view of the MACC's state of affairs at the year, its net operating surplus and the total recognised gains and losses for the financial year. The accounts should be read in conjunction with the Annual Report of the Commission, the 54th of which, covering the year to 30 September 2007, will be published by the Stationery Office in early 2008.

The Chairman carries the responsibilities of Accounting Officer for the Commission. His relevant responsibilities in that role, including his responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum.

In particular

- so far as the Accounting Officer is aware, there is no relevant audit information of which the Commission's auditors are unaware; and
- 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.

J Taylor CBE
Chairman and Accounting Officer

4 July 2007

Statement on Internal Control

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Marshall Aid Commemoration Commission's ('MACC' or 'Commission') 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 Government Accounting.

The Association of Commonwealth Universities (ACU), which provides the Secretariat for the MACC, has an established system of internal controls (subject to statutory audit) which the Commission considers to be appropriate to its functions.

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 MACC 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 2007 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Capacity to handle risk

The Commission receives periodic reports from the Chairman of its Finance Committee concerning the financial position of the Commission, and from the Audit and Risk Management (ARM) Committee concerning internal control and we require regular reports from the ACU on the steps that it is taking to manage risks in the areas of our responsibility. The ARM Committee also considers the findings and conclusions from reports by the ACU auditors that are relevant to the MACC. In addition the ACU has an Audit and Risk Management Committee which monitors risk within the ACU.

The risk and control framework

The Commission has a Risk Management Policy which is reviewed annually by the ARM Committee.

During the year ended 31 March 2007, the Commission further developed its risk management policy that forms part of the internal control and corporate governance arrangements. The policy explains the underlying approach to risk management, and documents the role and responsibilities of the Commission and its staff. In addition the ARM Committee considered rating the risk elements but decided, after much discussion, that the policy already in place was sufficient.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the ACU who have responsibility for the development and maintenance of the internal control framework, the ACU auditors, and comments made by the MACC external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the ARM Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Certificate and Report of the Comptroller and Auditor General to The Houses of Parliament

I certify that I have audited the financial statements of the Marshall Aid Commemoration Commission for the year ended 31 March 2007 under the Marshall Aid Commemoration Act 1953. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out in note 1.

Respective responsibilities of the Commission, Chairman and Auditor

The Commission and the Chairman, as Accounting Officer, are responsible for preparing the Annual Financial Report and the financial statements in accordance with the Marshall Aid Commemoration Act 1953 and in such a form as the Secretary of State may, with the approval of HM Treasury, direct thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Commission's and Chairman's responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Marshall Aid Commemoration Act 1953 and directions made thereunder by the Secretary of State with the Approval of HM Treasury. I report to you whether, in my opinion, certain information given in the Annual Financial Report is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the Marshall Aid Commemoration Commission has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal control reflects the Marshall Aid Commemoration Commission compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Marshall Aid Commemoration Commission's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Financial Report and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Commission and Chairman in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Marshall Aid Commemoration Commission circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinions

Audit opinion

In my opinion

- the financial statements give a true and fair view, in accordance with the Marshall Aid Commemoration Act 1953 and directions made thereunder by the Secretary of State, of the state of Marshall Aid Commemoration Commission's affairs as at 31 March 2007 and of its net expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with the Marshall Aid Commemoration Act 1953 and directions made by the Secretary of State thereunder; and
- information given within the Annual Financial Report is consistent with the financial statements.

Audit opinion on regularity

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

Report

I have no observations to make on these financial statements.

John Bourn
Comptroller and Auditor General

23 July 2007

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Income and Expenditure Account for the year ended 31 March 2007

	Notes	2007 £	Re-stated 2006 £
Income			
<i>Other operating activities</i>			
Grants and Donations from third parties	3	79,324	103,304
Total income		79,324	103,304
Resources expended			
Scholarship costs	4	2,002,943	1,931,655
Selection process		25,370	57,340
Development of the Marshall Scholarship Scheme		80,947	25,000
Administration	6	195,359	190,982
UK Regional Government itinerary		18,326	16,722
Total expenditure		2,322,945	2,221,699
Net expenditure		(2,243,621)	(2,118,395)
Bank interest receivable		7,142	7,215
Net expenditure for the year	11	(2,236,479)	(2,111,180)

Continuing operations

All activities were continuing in the year.

Statement of Total Recognised Gains and Losses

Other than the net expenditure for the year, there were no recognised gains or losses in the year.

Balance Sheet as at 31 March 2007

	Notes	2007 £	Re-stated 2006 £
Current assets			
Debtors	8	348,085	338,853
Cash at bank and in hand	9	300,366	169,830
		648,451	508,683
Creditors: amounts falling due within one year	10	(114,951)	(38,341)
Net current assets		533,500	470,342
Net assets		533,500	470,342
Reserves			
<i>General reserves</i>			
MACC – uncommitted	11	107,827	76,958
– committed	11	337,989	315,727
		445,816	392,685
Third parties	11	87,684	77,657
Total reserves	11	533,500	470,342

These financial statements were approved by the Marshall Aid Commemoration Commission on 4 July 2007 and signed on their behalf by

J Taylor CBE
Chairman

J Kirkland
Executive Secretary

Cash Flow Statement for the year ended 31 March 2007

	2007 £	Re-stated 2006 £
Operating activities		
Net cash outflow from operating activities – see note below	(2,081,823)	(2,072,508)
Financing		
Grant-in Aid received	2,299,637	2,176,974
Less: non cash grant-in-aid	(87,278)	(88,671)
	2,212,359	2,088,303
Increase in net cash	130,536	15,795

Note

Reconciliation of net expenditure for the year to net cash outflow from operating activities

Net expenditure for the year	(2,236,479)	(2,111,180)
Non cash grant-in-aid	87,278	88,671
Increase in debtors	(9,232)	(26,647)
Increase/(decrease) in creditors	76,610	(23,352)
Net cash outflow from operating activities	(2,081,823)	(2,072,508)

Notes to the Financial Statements for the year ended 31 March 2007

The Marshall Aid Commemoration Commission is a body set up by the British Parliament under the Marshall Aid Commemoration Act 1953 (as amended) to administer British Marshall Scholarships. The Scholarship Programme is funded by HM Government through the Foreign and Commonwealth Office (FCO).

1 Accounting policies

a Basis of preparation

The financial statements have been prepared in accordance with the Companies Acts and with applicable United Kingdom accounting standards. They have been prepared under the historical cost convention.

b Government grants

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, the 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. This is a change of accounting policy from earlier periods when Grant-in-Aid was recorded as income. The effect of this change has been to reduce income and increase net expenditure equally, by £2,277,375 (2006-£2,173,347).

In addition Grant-in-Aid is now credited to General reserve on a cash received basis rather than an accruals basis and therefore the Commission no longer has deferred income included in creditors in respect of the Grant-in-Aid which would have been £337,989 (2006 £315,727). Consequently net assets have increased by the same amounts.

c Other income

The Scholarship scheme also attracts additional funding from other parties which are shown separately as 'Grants and donations from Third Parties' and are accounted for on a receivable basis.

d Expenditure

Expenditure is accounted for on an accruals basis.

e VAT

As the supplies are outside the scope of VAT the scheme 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.

2 HM Government Grant-in-Aid (in respect to the MACC)

That amount of Grant relating to university tuition fees which fell after the end of March was shown as deferred income for the year ended 31 March 2006. However, due to the change in accounting policies (see note 1(b)) there is no longer deferred income and the comparatives have been restated.

	2007	2006 Re-stated
	£	£
Grant credited to general reserve per financial statements	<u>2,299,637</u>	<u>2,176,974</u>

3 Grants and Donations from third parties

	2007	2006
	£	£
National Grid Transco plc	20,000	20,000
Department of Trade & Industry	19,324	43,304
British Schools and Universities Foundation (BSUF)	20,000	20,000
Scottish Executive	20,000	20,000
	<u>79,324</u>	<u>103,304</u>

4 Scholarship costs

	2007	2006
	£	£
Marshall Aid Scholarships	1,929,393	1,838,201
National Grid Transco Marshall Scholarships	27,196	23,777
Texas Marshall Scholarships	21,050	38,818
Cable & Wireless third year extensions	0	3,763
BSUF	19,157	17,338
Scottish Executive	6,147	9,758
	<u>2,002,943</u>	<u>1,931,655</u>

5 Staff costs

The MACC 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.

6 Administration

	2007	2006
	£	£
Secretariat	171,373	166,922
Commission costs	17,692	17,971
Miscellaneous	6,294	6,089
	<u>195,359</u>	<u>190,982</u>

7 Net expenditure

	2007 £	2006 £
<i>The net expenditure for the year is stated after charging</i>		
Auditors' remuneration	4,000	4,000

8 Debtors and prepayments

	2007 £	2006 £
Donation receivable	0	20,000
Prepayments and accrued income	348,085	318,853
	348,085	338,853

9 Cash at bank and in hand

	2007 £	2006 £
Cash at bank	285,531	156,670
Cash lodged at colleges	14,835	13,160
	300,366	169,830

10 Creditors and accruals

	2007 £	2006 Re-stated £
Trade creditors	62,210	980
Deferred income	0	19,324
Accruals	52,741	18,037
	114,951	38,341

11 Movement on reserves

	Opening balance Re-stated £	Grant-in Aid £	Donations £	Bank interest £	Expenditure £	Closing balance £
General reserve – Marshall scholarships – See note below	392,685	2,299,637	0	2,889	(2,249,395)	445,816
Other reserves – third party scholarships						
National Grid Transco	241	0	20,000	380	(27,196)	(6,575)
Department of Trade & Industry	18,419	0	19,324	947	(21,050)	17,640
Cable & Wireless	46,093	0	0	1,748	0	47,841
BSUF	2,662	0	20,000	380	(19,157)	3,885
Scottish Executive	10,242	0	20,000	798	(6,147)	24,893
Third party scholarships	77,657	0	79,324	4,253	(73,550)	87,684
Total reserves	470,342	2,299,637	79,324	7,142	(2,322,945)	533,500

Note

Following the change in accounting for Grant -in-Aid to a cash basis (see note 1 (b) the opening and closing balances of the Marshall scholarship general reserves include £315,727 and £337,989 respectively for the following Summer Terms' tuition fees and therefore the non-committed opening and closing reserves for Marshall Scholarships are £76,958 and £107,827 respectively.

12 Related party transactions

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

The FCO is regarded as a Related Party with which the Commission has various material transactions during the year.

None of the Commissioners or key members of the Secretariat, or other related parties has undertaken any other material transactions with the MACC during the year.

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