

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

Marshall Aid Commemoration Commission Account 2008-2009

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Marshall Aid Commemoration Commission Account 2008-2009

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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 from 2004 to 2007 up to forty four. In 2008 thirty seven new awards were awarded.

¹ 1 & 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 four 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 up to 40 awards, and in 2008 there were over 23 applicants for each one.

Marshall Scholarship alumni occupy senior and influential positions in all walks of American life. They have included a Supreme Court Justice, members of the Cabinet and Congress, a Nobel Prize winner, 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 five non-Commission members and two Commissioners on 31 March 2009. The Chair is Mr Graham Benson (non-Commission). This Committee meets four times a year.

Membership of the Commission

Dr Frances Dow (Chair)	Vice Principal with responsibility for Development and Alumni Relations, University of Edinburgh
Baroness Tessa Blackstone	Vice-Chancellor, University of Greenwich
Prof. John Caughie	Dean, Faculty of Arts, University of Glasgow
Prof. Bob Deacon (appointed 26 January 2009)	Professor of International Social Policy, University of Sheffield
Prof. David Eastwood (Deputy Chairman)	Chief Executive, HEFCE
Ms Diane Flynn	Managing Director of Operations at Brakeley Ltd
Ms Lucy Heller (tenure ended 31 October 2008)	Managing Director, ARK
Ms Carol Madison Graham	Former Executive Director of the Fulbright Commission in the UK
Dr John Hughes (appointed 26 January 2009)	Robin Humphreys Fellow, Institute for the Study of the Americas, University of London
Mr Simon Morris	Secretary and Registrar, Keele University
Mr James Naughtie	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 2008-2009, 66 Marshall Scholars were fully funded by the MACC. Two Scholars were fully funded by external bodies as follows

- one Scholar was supported on the Walter and Leonore Annenberg Marshall Scholarship funded by an endowment from the Annenberg Foundation; and
- one Scholar was supported on the BSUF Marshall Scholarship funded by the British Schools and Universities Fund (BSUF).

Seventeen Scholars were jointly funded on Partnership Scholarships

- one Scholar supported on the Birmingham Marshall Scholarship;
- one Scholar supported on the Caius Marshall Scholarship;
- one Scholar supported on the Courtauld Marshall Scholarship;
- two Scholars supported on the Edinburgh Marshall Scholarships;
- one Scholar supported on the Guildhall Marshall Scholarship;
- two Scholars supported on the Imperial Marshall Scholarships;
- one Scholar supported on the Merton Marshall Scholarship;
- two Scholars supported on the New College Marshall Scholarship;
- one Scholar supported on the Newcastle Marshall Scholarship;
- one Scholar supported on the Nuffield Marshall Scholarship;
- one Scholar supported on the Queen's University Belfast Marshall Scholarship;
- one Scholar supported on the St John's College Cambridge Marshall Scholarship;
- one Scholar supported on the Sheffield Marshall Scholarship; and
- one Scholar supported on the UCL Marshall Scholarship.

These agreements include the MACC paying for the Scholars' maintenance costs and the partner university/college waiving the tuition fees.

A further six Scholars were fully funded under third year funding agreements with the University of Oxford and the Scottish Government. One third year Scholar was funded under an agreement with the National Science Foundation (NSF), this agreement included the MACC making a contribution towards tuition fees and the NSF paying for the rest of the fees and maintenance. One third year Scholar was funded on the EPA Marshall Scholarship for Stanford University in the USA under the agreement with the EPA.

A total of 92 Marshall Scholars were funded either by the MACC or under funding agreements in the UK and one Scholar was funded under the EPA funding agreement in the USA. 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 its 56th Annual Report which will be submitted to the Secretary of State on 30 September 2009. 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

Over the coming year the Commission will continue to confront several major funding issues. Firstly, the overall Grant-in-Aid awarded has been reduced in real terms and therefore the number of Scholarships has been reduced accordingly. If this reduction in funding continues Scholarship numbers will decrease in the coming years. Secondly, the stipend rates, set by government, may be inadequate for Scholars' living expenses. The rates are lower than those given to British graduates by the Research Councils and indeed by the Department for Innovation Universities and Skills for overseas students. The Commission is concerned over this disparity and over the fact that Scholars may be experiencing hardship due to lack of funds. Thirdly, the Commission is concerned about the increasing tuition fees of British Universities. Indications are that throughout the university sector tuition fees will be increasing above the rate of inflation. Failure to address these funding issues will mean that the Marshall Scholarships may suffer major reputational damage and may 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 and maintain the number of Scholarships offered each year. With this in mind the Commission has continued its policy of creating partnerships with leading British Universities.

Risk

The following key principles outline the MACC's approach to risk management and internal control. They are that the Commission should

- have responsibility for overseeing risk management within the institution as a whole;
- have an open and receptive approach to solving risk problems;
- make conservative and prudent recognition and disclosure of the financial and non-financial implications of risks, whilst recognising them; and
- 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

MACC received financial support from HM Government in the form of £2.2 million Grant-in-Aid for the financial year 2008-2009 (compared to £2.2 million in 2007-2008), as indicated in the annual allocation letters. This sum was exceeded by MACC's expenditure in 2008-2009 of £2,214,614. £5,701 of this apparent overspend was covered by bank interest received.

However, on a cash basis, MACC received £1,911,328 in 2008-2009. To this must be added £286,237 received at the end of March 2008 to cover stipends due on 1 April 2008. No such grant prepayment was required in March 2009. Thus the Grant-in-Aid attributable to 2008-2009 is £2,197,565. Allowing for the prepayment of third term tuition fees, the non-committed reserve for MACC was broadly similar at the start and end of the year (£73,369 and £91,723 respectively).

The Scheme has attracted four third party funders. The British Schools and Universities Foundation donated £20,000; the Annenberg Foundation donated £19,268 from an endowment held by the Association of Commonwealth Universities; the US Environmental Protection Agency donated £27,305; and the Ramirez family donated £35,350. These donations fund additional Marshall Scholarships. Funds remain from the donation made by Cable and Wireless in previous years to fund third year extensions.

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 21 May 2009.

On behalf of the Commission

F Dow
Chair

J Kirkland
Executive Secretary

21 May 2009

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

Under the Marshall Aid Commemoration Act 1953, the Secretary of State for Foreign and Commonwealth Affairs, with the approval of HM Treasury, 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 MACC's state of affairs at the year end, 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 55th of which, covering the year to 30 September 2008, will be published by the Stationery Office in early 2009.

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 the 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 judgements 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 MACC. 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 the keeping proper records and for safeguarding the MACC's assets, 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 she ought to have taken to make herself aware of any relevant audit information and to establish that the Commission's auditors are aware of that information.

F Dow
Chair and Accounting Officer

21 May 2009

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 Managing Public Money.

The Association of Commonwealth Universities (ACU), which provides the Secretariat for the MACC, has an established system of internal controls (subject to statutory audit) that 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 2009 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 Committee which monitors risk within the ACU. During 2008-2009 the ACU's Audit & Risk Committee engaged Grant Thornton for two internal audit assignments, one of which focused on the MACC grant. The report was considered by the ACU's Audit and Risk Committee in November 2008, and by MACC's ARM Committee in January 2009. There was only one Fundamental recommendation, which had already been implemented by the time the report was produced.

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.

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.

F Dow
Chair and Accounting Officer

21 May 2009

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 2009 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 within them.

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's 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.

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 2009 and of its net expenditure and cash flows 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.

Amyas CE Morse
Comptroller and Auditor General

24 June 2009

National Audit Office
151 Buckingham Palace Road
Victoria
London SW1W 9SS

Income and Expenditure Account for the year ended 31 March 2009

	Notes	2009 £	2008 £
Income			
<i>Other operating activities</i>			
Project funding from FCO		0	12,824
Grants and Donations from third parties	3	101,923	95,602
Total income		101,923	108,426
 Resources expended			
Scholarship costs	4	2,018,784	2,113,572
Selection process		56,569	58,594
Development of the Marshall Scholarship Scheme		0	(538)
Administration	6	209,041	201,551
UK Regional Government itinerary		16,555	9,699
Total expenditure		2,300,949	2,382,878
Net expenditure before interest		(2,199,026)	(2,274,452)
Bank interest receivable		8,821	7,892
Notional interest on capital	8	(21,686)	(22,620)
Net expenditure before interest		(2,211,891)	(2,289,180)
Reversal of notional interest on capital		21,686	22,620
Net expenditure for the year		(2,190,205)	(2,266,560)

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 2009

	Notes	2009 £	2008 £
Current assets			
Debtors	9	331,359	635,956
Cash at bank		169,231	137,156
		500,590	773,112
Creditors: amounts falling due within one year	10	(20,423)	(14,068)
Net current assets		480,167	759,044
Net assets		480,167	759,044
Reserves			
General reserves			
MACC		373,430	671,015
Third parties		106,737	88,029
Total reserves	11	480,167	759,044

These financial statements were approved by the Marshall Aid Commemoration Commission on 21 May 2009 and signed on their behalf by

F Dow
Chair

J Kirkland
Executive Secretary

Cash Flow Statement for the year ended 31 March 2009

	2009 £	2008 £
Operating Activities		
Net cash outflow from operating activities – see note below	(1,778,977)	(2,565,294)
Financing		
Grant-in Aid received	1,911,328	2,492,104
Less: non cash grant-in-aid	(100,276)	(75,185)
	1,811,052	2,416,919
Increase/(decrease) in net cash	32,075	(148,375)
Note:		
Reconciliation of net expenditure for the year to net cash outflow from operating activities		
Net expenditure for the year	(2,190,205)	(2,266,560)
Non cash grant-in-aid	100,276	75,185
Decrease/(increase) in debtors	304,597	(273,036)
Increase/(decrease) in creditors	6,355	(100,883)
Net cash outflow from operating activities	(1,778,977)	(2,565,294)

Notes to the Financial Statements for the year ended 31 March 2009

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 & Commonwealth Office (FCO).

1 Accounting policies

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 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. Grant-in-Aid is credited to General Reserve on a cash received basis.

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.

g Cash Balances

All cash balances are held with commercial banks.

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

	2009 £	2008 £
Grant credited to general reserve per financial statements	<u>1,911,328</u>	<u>2,492,104</u>

3 Grants and Donations from third parties

	2009 £	2008 £
Annenberg Foundation (via Association of Commonwealth Universities)	19,268	16,199
US Environmental Protection Agency	27,305	19,403
National Grid Transco plc	0	20,000
British Schools & Universities Foundation (BSUF)	20,000	20,000
Scottish Government	0	20,000
Ramirez Marshall Scholarship	35,350	0
	101,923	95,602

4 Scholarship Costs

	2009 £	2008 £
Marshall Aid Scholarships	1,932,449	2,015,467
Annenberg Marshall Scholarships	22,279	16,199
US Environmental Protection Agency	21,340	19,403
National Grid Transco Marshall Scholarships	8,220	17,761
Texas Marshall Scholarships	0	3,746
British Schools & Universities Foundation (BSUF)	24,283	23,698
Scottish Government	10,213	17,298
	2,018,784	2,113,572

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

	2009 £	2008 £
Secretariat	183,586	181,392
Commission costs	13,643	16,810
Miscellaneous	11,812	3,349
	209,041	201,551

7 Net expenditure

	2009 £	2008 £
The net expenditure for the year is stated after charging:		
Auditors' remuneration	4,600	4,700

8 Notional costs

	2009 £	2008 £
Notional interest on capital	(21,686)	(22,620)

This is the first year that notional interest has been included as a requirement of the Financial Reporting Manual. A prior year comparator has been included for consistency.

9 Debtors and prepayments

	2009 £	2008 £
Donation receivable	4,017	21,614
Prepayments and accrued income	303,053	595,117
Accommodation deposits	24,289	19,225
	331,359	635,956

10 Creditors and accruals

	2009 £	2008 £
Trade creditors	5,627	0
Accruals	14,796	14,068
	20,423	14,068

11 Movement on reserves

	Opening balance £	Grant- in-Aid/ Transfers £	Donations and Income £	Bank interest £	Expenditure £	Closing Balance £
General reserve – Marshall scholarships*	671,015	1,911,328	0	5,701	2,214,614	373,430
Other reserves – third parties						
Annenberg Foundation	0	0	19,268	0	22,279	(3,011)
US Environmental Protection Agency	0	0	27,305	578	21,340	6,543
National Grid Transco	(4,336)	12,556	0	0	8,220	0
Department of Trade & Industry	14,422	(12,556)	0	118	0	1,984
Cable & Wireless	49,275	0	0	1,463	0	50,738
British Schools & Universities Foundation (BSUF)	269	0	20,000	248	24,283	(3,766)
Scottish Government	28,399	0	0	713	10,213	18,899
Ramirez Marshall Scholarship	0	0	35,350	0	0	35,350
Third party scholarships	88,029	0	101,923	3,120	86,335	106,737
Total reserves	759,044	1,911,328	101,923	8,821	2,300,949	480,167

*The opening and closing balances of the Marshall scholarship general reserves include £362,592 and £300,061 respectively for the following Summer Terms' tuition fees and therefore the non-committed opening and closing reserves for Marshall Scholarships are £308,423 and £73,369 respectively. These sums include £216,700 and £nil respectively for scholars' stipends to be paid at the start of the next quarter, so the true reserve at the end of each year is broadly similar.

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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