



Marshall Scholarships

Marshall Aid Commemoration Commission

Accounts 2025/26

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

Ordered by the House of Commons to be printed on 15 July 2026



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ISBN 978-1-5286-6620-6

E03627521 07/26

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK on behalf of the Controller of His Majesty's Stationery Office

Contents

Performance Report for the year ended 31 March 2026	1
Accountability Report for the year ended 31 March 2026	8
a) Corporate Governance Report	8
b) Remuneration and Staff Report	14
c) Parliamentary Accountability and Audit Report (subject to audit)	17
The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament	18

Accounts

Statement of Comprehensive Net Expenditure (SoCNE) for the year ended 31 March 2026	23
Statement of Financial Position (SoFP) as at 31 March 2026	24
Statement of Cash Flows (SoCF) for the year ended 31 March 2026	25
Statement of Changes in Taxpayers' Equity (SoCTE) for the year ended 31 March 2026	26
Notes to the Accounts	27

Performance Report for the year ended 31 March 2026

Introduction by the Chair of the Commission

I am pleased to present the 2025/26 Accounts for the Marshall Aid Commemoration Commission (MACC). 2025/26 has been a financially stable year but has required active cost management. The Commission continued to benefit from the uplift in Grant-in-Aid funding of £4.1m, reflecting the commitment given by HMG in the renewed Atlantic Declaration of 2023. The uplift enabled the MACC to offer 37 new awards for this academic year. This was fewer than the 50 awarded in the previous year and envisaged for this year. The reduction was in response to a combination of financial pressures which spiked in 24/25 and 25/26: the cumulative impact of high inflation on stipends, a sharp annual increase in tuition fees for international students, elevated housing costs and considerable variability in the tuition fees of university courses selected by scholars. The MACC therefore was obliged temporarily to reduce the number of new awards for the 2025/26 academic year. It also introduced measures to manage future costs and in particular to promote places at partnership Universities thus also meeting the objective of widening placements across the UK. This will allow the MACC to ensure the continued sustainability of the Programme at the numbers envisaged by Ministers, even within a tight fiscal environment.

Despite the financial challenges, the MACC continues to closely monitor economic conditions – particularly the cost of living for international students – and to explore ways to alleviate financial pressures, ensuring that scholars of whatever means from all socioeconomic backgrounds can thrive within the programme. The MACC was grateful in 2025/26 for the continuing generosity of private donors, the Association of Marshall Scholars (AMS), and the financial and administrative support provided by the FCDO and the British Council.

The Commission had undergone a few changes in its composition in 2025/26. Three Commissioners – Mr Adrian Greer CMG, Professor Adam Smith and Professor Leslie Vinjamuri – had their second term extended until the end of March 2026, and in June 2025, the Commission welcomed Dr Ruth Van Dyke as a new Alumni Observer. Professor Richard Black became the Chair of the Audit and Risk Management (ARM) Committee in July 2025. ARM also bid farewell to one of the independent members – Ms Diane Flynn – and welcomed Professor Robin Mason as an Observer. The Chief Executive Officer, Dr Emily Charnock, continued to lead the Commission's strategic direction and oversee programme delivery, and went on leave in September 2025.

Throughout the year, the Commission met all of its governance obligations and maintained its regular meeting schedule, including that of the ARM Committee.

John Raine CMG OBE
Chair and Accounting Officer

Aims and Objectives

The aims and objectives of the Marshall Aid Commemoration Commission ('the Commission') 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.

The Commission produces a three-year corporate plan and annual business plans, outlining its strategic objectives and annual priorities, which are reviewed by the Commission and FCDO and published on the Commission's website. These objectives align with FCDO priorities in international education and engagement with the United States – the UK's most important bilateral partner. The Commission and FCDO also separately review KPIs for the Marshall Secretariat, which were updated and specified in the new contract with British Council from 2023-24 onwards and thus do not directly align with prior measures for reporting purposes. The Commission has a dedicated Audit and Risk Management Committee which regularly reviews the broader risk environment in which the Marshall Scholarships operate and closely monitors the Commission's spending, making recommendations to the Commission as appropriate.

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 occasionally three years.

Since its inception, the number of new awards increased from 12 to 24 in 1960, to 30 in 1973, and to 40 in 1991. From 2004 the number was up to 44, an increase accommodated by some scholarship costs being borne by universities. The 2025 academic year saw 37 new scholars starting, down from 50 in 2024.

The Marshall Scholarship Programme has established itself as one of the most prestigious scholarships for young Americans wishing to undertake graduate study at universities in the United Kingdom, most commonly for two years. In the seventy-one years since the programme began, over 2,000 Americans

have become Marshall Scholars. Competition for Marshall Scholarship awards is intense: for the 2025/26 competition, there were around 20 endorsed applicants for each award.

Marshall Scholarship alumni occupy senior and influential positions in all walks of American life. They include current and former US Supreme Court Justices, the former Director of the CIA and other members of Presidential administrations, a current member of Congress, two Nobel Prize winners, six Pulitzer Prize winners, and a NASA astronaut, as well as numerous leaders in journalism, academia, business, entertainment, sports, the military, science, engineering and law.

Going Concern Basis

The Commissioners consider that the use of the going concern basis is appropriate based on the facts that:

- both cash and reserves exceed immediate commitments;
- 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;
- future commitments can be managed by adjusting the number of new awards in the year;
- the Commission has confidence that it will continue to receive funding from HMG for the foreseeable future.

Performance Summary

The Foreign, Commonwealth & Development Office (FCDO) contributes funds to Marshall Scholarships, offering talented Americans who have shown the highest potential, including outstanding leadership qualities, the opportunity to study for postgraduate degrees at UK universities. These scholarships enhance the UK's diplomatic goals, including strengthening bilateral relations with the United States.

Key Performance Indicators (KPIs) for the Secretariat have been agreed with FCDO and MACC, and are reported against through quarterly and annual reports submitted by the British Council. An Annual Contract Review report, including a summary of performance, was submitted to FCDO in September 2025, and an Annual KPI report was presented to the Commission in October 2025.

This report focuses on financial performance and outlines key elements, including the costs and benefits of partner support to enhance FCDO funding, any financial challenges apparent in the reporting year, as well as the key risks and challenges facing the MACC and plans to mitigate them. In addition, the report provides a scholarship analysis and outlines MACC whistleblowing and sustainability policies.

These accounts show the costs of the Programme net of the benefit of Partner support. The table below illustrates the value of partnership support and the overall scale of the Programme, which stands at over £5.4m. Partnership support consists of tuition fee waivers, stipends paid directly to the scholars and donations received by MACC.

Financial Year	2021/22	2022/23	2023/24	2024/25	2025/26
FCDO grant	2,700	2,650**	2,750	4,183***	4,017***
Partnership support *	1,566	1,480	1,323	1,451	1,480
Total	4,266	4,130	4,073	5,634	5,497

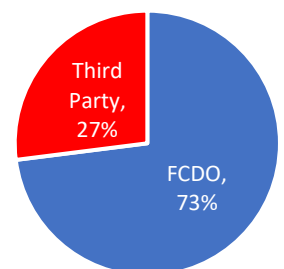
* Consists of benefits in kind of £1,286k disclosed in Note 2 (2024/25: £1,209k) and grants and donations of £194k disclosed in Note 5 (2024/25: £242k)

**Grant in Aid allocation was £2,700k however, £50k was received post year end

***Grant in Aid allocation was £4,100k however, £83k of 25/26 allocation was received pre year end

****Grant in Aid recognised as £4,017k. Cash received was £3,859k, with £158k of costs paid directly by FCDO

Source Of Funding



While costs have increased in recent years as a result of inflation, the number of scholars, and considerable variability in the tuition fees of university courses selected by scholars, partnership income alongside FCDO funding has ensured that overall performance has maintained a high standard, with increasing numbers of scholars year-on-year reporting an excellent experience when studying in the UK through the scheme.

Due to a combination of factors, including a 5.4% inflationary increase in stipend rates, stipend costs rose by £51k in 2025/26. However, through the measures outlined in the introduction, together with in-year savings, the Commission was able to offset these pressures and even increase its core reserves by £122k. The core reserves balance and the Grant in Aid are sufficient to cover 2026/27 costs. The number of awards made in October 2025 is reflective of the financial position to March 2026.

Key Issues and Risks Facing the Marshall Aid Commemoration Commission

The Commission recognises that continuing economic challenges and the recent period of high inflation has put pressure on all government-funded programmes. The Commission benefited from the 3-year Grant-in-Aid budget agreed from 2022/23 which facilitated sound planning and ensured maintenance of award funding over the course of the financial year. It also welcomed, as noted above, the uplift in its Grant in Aid budget from 2024/25 to £4.1 million, which has allowed an increase in the number of new awards, as well as supporting new programming and other initiatives. The Commission recognises that increased funding will be needed to sustain these awards moving forward, and thus a reduction in core funding is a key risk.

To mitigate financial risks, the Commission continued to strengthen its policies on university course selection in response to the financial forecasting challenges arising from the increase in recent years in students requesting course changes after being selected as Marshall Scholars. It has further embedded enhanced monitoring procedures and implemented revised rules to support greater predictability across both years of the typical two-year Marshall Scholarship. In addition, the Commission has successfully implemented new selection processes through the At-Large Selection Committee, progressed measures to better realise the potential of its partnership programme, strengthened cost control, and further encouraged the placement of Marshall Scholars across a broader range of universities and institutions throughout the UK.

The Commission will continue to utilise and expand its partnership programme with universities – which plays a significant role in the Commission’s overall funding model – and to explore new types of philanthropic and corporate partnerships. Existing university partnership support is widely based, but there is a risk that financial challenges affecting the UK Higher Education sector could affect these contributions, although this is mitigated by the breadth of university support.

The MACC hopes that future funding deals will maintain the number and value of the awards and enable the Commission to plan effectively and implement its refreshed vision for the Marshall Scholarships.

Finally, the Commission recognises the centrality of the Scholar experience and risks associated with the increasing financial challenges facing students, or failures to meet academic and welfare needs. It is working closely with Scholars to understand and mitigate these risks.

It is also worth noting that a Cabinet Office Arm’s-Length Body (ALB) Review was launched in April 2025. Every ALB across government was reviewed, with a view to close, merge or bring functions back into departments if its continued existence cannot be justified. In November 2025, the FCDO notified the Commission that it had agreed to retain the scholarship programme in its current ALB format.

For more details on the risks faced by the Commission, see pages 12-13.

Scholarship Analysis

In the academic year 2025/26, 86 Marshall Scholars were studying in the UK, of whom 66 were funded to varying degrees by donations from external partners and partnership arrangements with UK academic institutions. The Commission wishes to acknowledge and thank:

- Association of Marshall Scholars (AMS) and its donors
- British Schools and Universities Foundation (BSUF) and its donors
- Annenberg Foundation
- US Military
- Oxford Trust
- Cambridge Trust
- Ellison Institute
- Dolby Foundation
- Brasenose-Blavatnik
- UK academic institutions, as set out below:

Three Scholars:

- | | |
|-------------------------------------|--|
| • University of East Anglia | • Magdalen College, Oxford |
| • University of Edinburgh | • Trinity College, Oxford |
| • Imperial College London | • University of St Andrews |
| • King's College London (KCL) | • London School of Economics and Political Science (LSE) |
| • SOAS, University of London (SOAS) | |

Two Scholars:

- | | |
|-----------------------------------|-------------------------------|
| • King's College, Cambridge | • New College, Oxford |
| • Trinity College, Cambridge | • St Antony's College, Oxford |
| • University of Glasgow | • St Peter's College, Oxford |
| • University College London (UCL) | • Somerville College, Oxford |
| • Balliol College, Oxford | • University College, Oxford |
| • Brasenose College, Oxford | |
| • Lincoln College, Oxford | |

One Scholar:

- | | |
|---|------------------------------|
| • University of Bath | • Exeter College, Oxford |
| • University of Bristol | • Lady Margaret Hall, Oxford |
| • Gonville and Caius College, Cambridge | • Reuben College, Oxford |
| • St John's College, Cambridge | • St Hilda's College, Oxford |
| • Cardiff University | • St John's College, Oxford |
| • Christ Church, Oxford | |

The table below sets out the value of the contribution from our partners. Other partnership support includes military scholars and fully and partly-funded doctoral studies beyond the usual two-year Masters.

£'000	2024/25	2025/26	(Decrease) / Increase
Academic partnerships in support of core Scholarship Programme	1,023	1,229	206
Other partnership support	186	57	(129)
Total partnership support	1,209	1,286	77
Grants, donations and other support	242	194	(48)
Total third-party support	1,451	1,480	29

The Marshall Sherfield Fellow was supported by private funds from the Marshall Sherfield Fellowship Foundation and the Marshall Sherfield Endowment fund, which has been transferred to the British Council from the ACU. 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 do not pass through the Commission's accounts.

A full report of the Commission's recent activities, including details on Scholar selection, distribution, and placements, can be found in its 72nd Annual Report for the year to 30 September 2025. The Commission is required by the Foreign, Commonwealth and Development Office to submit an Annual Report on its activities from 1 October until 30 September of each year.

Copies of the Commission's annual reports are available electronically at:

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

Whistleblowing

The Commission's Whistleblowing Policy is in line with the Public Interest Disclosure Act 1998. The Policy is reviewed annually (last reviewed in January 2026), and is published on the Marshall website, along with [all other policies](#). The policy clearly defines "Protected Disclosers", encourages individuals to disclose potential wrongdoing and provides multiple options for raising concerns, by:

- Using the FCDO Internal Audit Department's dedicated secure email address or confidential hotline
- Using SafeCall, the Secretariat's hotline for reporting serious wrongdoing
- Seeking independent advice from the charity Public Concern at Work

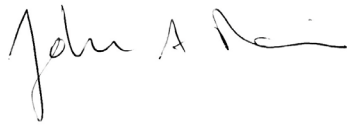
MACC is not aware of any reported instances of Protected Disclosers in 2025/26.

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. The Commission's approach was also confirmed by DEFRA with an official exemption from reporting on the Greening Government Commitments (GGC).

Despite this, the Commission still tracks environmental matters, with the main impact on the environment related to the Commission's activities around flights and international travel. Marshall Scholarships finance up to 50 young Americans each year to study for a degree in the United Kingdom, and enable them to travel from the US to the UK and back. In addition to the Scholars, occasional travel may also be required from MACC Commissioners, Observers, Secretariat and Partners to ensure the successful delivery of the Marshall Scholarships programme. In 2025/26, a total of 181 MACC-related flights were logged (compared to 199 in 2024/25), including international flights between the US and the UK, as well as domestic flights within the US and the UK. The total environmental impact from MACC-related flights in 2025/26 – calculated in Co2 tonnage – is 71.18 (compared to 97.68 in 2024/25).

On behalf of the Commission



John Raine CMG OBE
Chair and Accounting Officer

08 July 2026

Accountability Report for the year ended 31 March 2026

This annual report applies best practice in reporting accountability to Parliament through specific sections on corporate governance, remuneration and staffing, parliamentary accountability and audit, and includes a certificate and report for the Comptroller and Auditor General.

a) Corporate Governance Report

i. Directors' Report

Organisational Structure

Mr John Raine CMG OBE	Chair and Accounting Officer
Dr Emily Charnock	Chief Executive Officer
Mr Denis Tkachuk	Executive Secretary

Page 10 lists the membership of the Commission.

Register of Interests

Marshall Commissioners are required to complete a declaration of any interests. These are reviewed periodically by the Audit and Risk Management (ARM) Committee and any conflicts are minuted. In addition, the Chair of the Commission and the Chairs of the Committees ask for any conflicts at the beginning of each meeting, and if there are any, these are minuted. For 2025/26 no significant conflicts were identified. A copy of the Register of Interests is kept by the Secretariat and can be made available upon request.

Diversity and Inclusion

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

The Marshall Commission is committed to fostering a diverse, inclusive and respectful environment across all aspects of the Scholarship programme. The Commission recognises that a broad range of backgrounds, experiences and perspectives strengthens leadership development and enriches the Scholar experience. Equality, diversity and inclusion are embedded throughout the programme and its working practices, supported by policies on Diversity and Inclusion, Disability Support and Safeguarding. These policies, along with [all other Commission policies](#), are published on the Marshall website. In addition, the Commission publishes statistics on the gender and ethnicity of applicants and Scholars in its [publicly available annual reports](#).

Personal Data Incidents

There were no reportable personal data incidents in 2025/26 (2024/25: NIL).

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

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

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

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

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

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

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

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

iii. Governance Statement

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

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

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

The Commission considers the following matters annually:

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

Membership of the Commission during 2025-26:

Mr John Raine CMG OBE (Chair)	Senior Advisor at the International Institute for Strategic Studies
Ms Anulika Ajufo	Non-Executive Director, HVPE
Dr Andrew Bell	Senior Tutor, University College, Oxford
Professor Richard Black	Provost and Deputy Vice Chancellor, University of Liverpool
Professor Frances Brodsky	Professor of Cell Biology, University College London
Mr Adrian Greer CMG	Strategic Adviser (Finance), University of St Andrews
Professor Chris Millward	Professor, Practice in Education Policy, University of Birmingham
Professor Adam Smith	Director, Rothermere American Institute, Oxford
Professor Leslie Vinjamuri	President and CEO, Chicago Council on Global Affairs
Lady Sarah Wolffe	Professor, Law, University of Strathclyde; Honorary Professor, Law, University of Edinburgh

Alumni Observers

Dr Ruth Van Dyke	1976 Marshall Scholar (from June 2025)
Dr Ben Heineike	2002 Marshall Scholar

In the United States, the selection of Marshall Scholars is undertaken by Regional Selection Committees, supported by the British Embassy in Washington DC, and the Consulates-General in Atlanta, Boston, Chicago, Houston, Los Angeles, New York and San Francisco, and overseen by the Commission's Education Committee. The Commission bears the costs associated with the selection process, including travel and accommodation expenses for both shortlisted candidates and Committee Members

The Commission's Secretariat is provided by the British Council, whose offices at 1 Redman Place, London, E20 1JQ serve as the Commission's headquarters.

Governance Framework

The Commission met formally four times in 2025/26. Commissioner attendance was as follows:

Mr John Raine (Chair)	4/4 meetings
Ms Anulika Ajufo	1/4 meetings
Dr Andrew Bell	4/4 meetings
Professor Richard Black	4/4 meetings
Professor Frances Brodsky	4/4 meetings
Mr Adrian Greer	4/4 meetings
Professor Chris Millward	3/4 meetings
Professor Adam Smith	2/4 meetings
Professor Leslie Vinjamuri	3/4 meetings
Lady Sarah Wolffe	3/4 meetings
Alumni Observers	
Dr Ruth Van Dyke	3/4 meetings
Dr Ben Heineike	4/4 meetings

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

The ARM Committee advises the Commission and Accounting Officer on:

- the strategic processes for risk, control and governance;
- the accounting policies and financial management;
- statutory accounts and the external audit of MACC accounts;
- internal audit work carried out by FCDO's internal audit department
- adequacy of management response to issues identified by audit activity, including external audit's management letter.

In 2025/26 membership of the ARM Committee was as follows:

Mr Adrian Greer (Chair until July 2025)	4/4 meetings
Professor Richard Black (Chair from July 2025)	4/4 meetings
Lady Sarah Wolffe	2/4 meetings

Independent members:

Dr Ruth Kosmin	4/4 meetings
Ms Diane Flynn (until December 2025)	2/2 meetings
Mr Richard Thomas	2/4 meetings

Attendees:

Mr John Raine	4/4 meetings
Professor Robin Mason (from March 2026)	1/1 meetings

The Education Committee advises the Commission on:

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

In 2025/26 the membership of the Education Committee was as follows:

Professor Frances Brodsky (Co-Chair)	2/2 meetings
Dr Andrew Bell (Co-Chair)	2/2 meetings
Professor Chris Millward	2/2 meetings

The Scholar Experience Committee advises the Commission on:

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

Professor Frances Brodsky	3/3 meetings
(Chair)	
Lady Sarah Wolffe	2/3 meetings
Dr Ben Heineike	2/3 meetings
Dr Ruth Van Dyke (from June 2025)	1/2 meetings

The Scholar Experience Committee is also attended by the Class Secretaries and representatives, and therefore, provides a forum for discussing and monitoring the current priorities of Scholars.

Commission Performance

The Chair reviewed with Commissioners and committee chairs the performance of the MACC, including both individual and collective discussions. 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 72nd Annual Report.

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

Corporate Governance Code

The Commission has considered HM Treasury's Corporate Governance in Central Government Departments: Code of Good Practice (2017). 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 monitors them on a regular basis.

The Commission's Risk Register incorporates this approach to risk management, and the roles and responsibilities of the Commission and its Secretariat and its risk management processes. The Commission and its Secretariat seek guidance, where appropriate, from the FCDO on risk management issues. The Commission and its Secretariat also conduct risk assessments of some of its activities.

The Commission's Risk Register is reviewed at the Audit and Risk Management (ARM) Committee and the Commission meetings. Risks are reported to the ARM Committee throughout the year, by email if their comments are required before the next scheduled meeting. The Commission's key business processes (financial and non-financial) are documented in the Commission's section on the website:

<https://www.marshallscholarship.org/the-commission/policies-and-open-data>

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

- Loss of funding – as the Commission makes long-term financial commitments (three or four years into the future), any loss of near-term funding must be met with a disproportionate reduction in costs and therefore Scholar numbers, which could destabilise the programme and lead to reputational harm. The primary mitigation to this risk is close liaison with the FCDO and with our funding partners, and an additional mitigation is review of our course selection rules to facilitate better long-run forecasting and cost control.
- Cyber-security – due to the increased cyber risk environment for organisations linked to the UK government, IT systems provided by the Secretariat to host Marshall data may face potential cyber-attacks, malware or ransomware attacks. This is mitigated by the policies and practices of the technological partners and the British Council, for example by providing a Cyber Essentials-certified environment for the Secretariat's digital operations.
- Reputational damage – if Scholar needs (such as financial, academic, and welfare) are not met, the negative experiences may be shared with other scholars on award or with potential applicants. The Commission, via the Scholar Experience Committee, works with class representatives to discuss the needs of scholars and seek to mitigate this risk.

Scope of responsibility

As Accounting Officer, 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 2026 and up to the date of approval of the Annual Report and Accounts, and accords with HM Treasury guidance.

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

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

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

The provision of Secretariat services to the Commission has been provided by the British Council, as part of a commercial contract. The Commissioners are reimbursed for their expenses only, and the Commission itself does not have any employees. The British Council does employ the Chief Executive Officer, and in the interest of transparency, the details of the remuneration are below.

Director Remuneration (subject to audit)

The Chief Executive Officer is an employee of the British Council and, as such, the remuneration complies with the British Council's pay policies. Salary calculations have been made based on the total salary of the CEO, which includes Gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances, and any other allowance to the extent that it is subject to UK taxation. It does not include the employer pension contributions or the cash equivalent transfer value of pensions.

Off-payroll engagements

Highly paid off-payroll worker engagements as at 31 March 2026, earning £245 per day or greater.

No. of engagements that have existed for:	No of Engagements
Less than one year at time of reporting	0
Between one and two years at time of reporting	0
Between two and three years at time of reporting	1
Between three and four years at time of reporting	0
Four or more years at time of reporting	0
Total no of existing engagements as at 31 March 2026	1

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2025 and 31 March 2026

	No of Engagements
No of off-payroll engagements of board members, and/or senior officials with significant financial responsibility during the financial year	1
No of individuals that have been deemed "board members, and/or senior officials with significant financial responsibility" during the financial year. This figure includes both off-payroll and on-payroll engagements	1

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, plus the real increase in any lump sum, less the contributions made by the individual. The real increases exclude increases due to inflation or any increase or decrease due to a transfer of pension rights. The CEO does not receive non-cash benefits.

The figures in this report have been subject to audit.

	<i>Salary 2025-26 (in bands of £5,000)</i>	<i>Salary 2024-25 (in bands of £5,000)</i>	<i>Bonus Payments 2025-26 (in bands of £5,000)</i>	<i>Bonus Payments 2024-25 (in bands of £5,000)</i>	<i>Value of pension benefits for single total figure of remuneration for 2025-26 (to the nearest £1,000)</i>	<i>Value of pension benefits for single total figure of remuneration for 2024-25 (to the nearest £1,000)</i>	<i>Total Salary Benefits 2025-26 (in bands of £5,000)</i>	<i>Total Salary Benefits 2024-25 (in bands of £5,000)</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>			<i>£'000</i>	<i>£'000</i>
<i>Dr Emily Charnock, Chief Executive Officer</i>	<i>£45-50</i>	<i>£55-60</i>	<i>£0-5</i>	<i>nil</i>	<i>£23,000</i>	<i>£22,000</i>	<i>£70-75</i>	<i>£80-85</i>
<i>full year equivalent</i>								

Dr Emily Charnock was appointed as the Chief Executive Officer on 8th January 2024, and went on leave in September 2025.

Pension Benefits (subject to audit)

Officials	Accrued Pension at pension age as at 31/03/2026	Real increase in pension and related lump sum at pension age	CETV at 31/03/2026	CETV at 31/03/2025	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
<i>Dr Emily Charnock, Chief Executive Officer</i>	0 - 5	0 - 2.5	34	18	13

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – classic, premium, and classic plus provide benefits on a final salary basis, whilst nuvos provides benefits on a career average basis. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and alpha are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost

of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the partnership pension account.

In alpha, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to alpha from the PCSPS had their PCSPS benefits ‘banked’, with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of classic, premium, and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. The pension figures in this report show pension earned in PCSPS or alpha – as appropriate. Where a member has benefits in both the PCSPS and alpha, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the Government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to alpha. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members.

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The public service pensions remedy⁶ is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as “rollback”.

For members who are in scope of the public service pension remedy, the calculation of their benefits for the purpose of calculating their Cash Equivalent Transfer Value and their single total figure of remuneration, as of 31 March 2025 and 31 March 2026, reflects the fact that membership between 1 April 2015 and 31 March 2022 has been rolled back into the PCSPS. Although members will in due course get an option to decide whether that period should count towards PCSPS or alpha benefits, the figures show the rolled back position i.e., PCSPS benefits for that period.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer’s basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

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. No irregularities were identified during the year.

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



John Raine CMG OBE
Chair and Accounting Officer

08 July 2026

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 2026 under the Marshall Aid Commemoration Act 1953.

The financial statements comprise the Marshall Aid Commemoration Commission's

- Statement of Financial Position as at 31 March 2026
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Marshall Aid Commemoration Commission affairs as at 31 March 2026 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Marshall Aid Commemoration Act 1953 and Secretary of State directions issues thereunder.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom(2024). 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 2024. I am independent of the Marshall Aid Commemoration Commission in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

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

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

The going concern basis of accounting for the Marshall Aid Commemoration Commission is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Marshall Aid Commemoration Act 1953.

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

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

Matters on which I report by exception

In the light of the knowledge and understanding of the Marshall Aid Commemoration Commission and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

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 by the Marshall Aid Commemoration Commission or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or

- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specific by HM Treasury's Government Financial Reporting Manual have not been made or part of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Commission and Accounting Officer for the financial statements

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

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Marshall Aid Commemoration Commission from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Marshall Aid Commemoration Act 1953;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Marshall Aid Commemoration Act 1953; and
- assessing the Marshall Aid Commemoration Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Marshall Aid Commemoration Commission will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Marshall Aid Commemoration Commission's accounting policies.
- inquired of management and those charged with governance, including obtaining and reviewing supporting documentation relating to the Marshall Aid Commemoration Commission's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Marshall Aid Commemoration Commission's controls relating to the Marshall Aid Commemoration Commission's compliance with the Marshall Aid Commemoration Act 1953, Managing Public Money and the Framework agreement with the Foreign, Commonwealth and Development Office;
- inquired of management and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Marshall Aid Commemoration Commission for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Marshall Aid Commemoration Commission's framework of authority and other legal and regulatory frameworks in which the Marshall Aid Commemoration Commission operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Marshall Aid Commemoration Commission. The key laws and regulations I considered in this context included Marshall Aid Commemoration Act 1953, Managing Public Money and the Framework agreement with the Foreign, Commonwealth and Development Office.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management and the Audit and Risk Management Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Commission;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income 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.

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 I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

8 July 2026

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

Statement of Comprehensive Net Expenditure (SoCNE) for the year ended 31 March 2026

	Notes	2025-26 £	2024-25 £
Grants and Donations from third parties	5	(194,400)	(242,190)
Other Income *		(56,279)	0
Total Operating income		(250,679)	(242,190)
Scholarship costs	2	3,287,150	3,546,648
Selection process		79,985	66,252
Administration	3	561,328	503,936
Scholar experience in the UK		217,159	88,501
Total operating expenditure		4,145,622	4,205,337
Net operating expenditure		3,894,943	3,963,147
Finance Income		(0)	(43)
Net expenditure for the year		3,894,943	3,963,104

All activities are continuing.

*The Other income category is a new category in the 2025/2026 accounts and relates to contributions received from organisations for our scholar events.

The notes on pages 27 to 32 form part of these accounts.

Statement of Financial Position (SoFP) as at 31 March 2026

	Notes	2026 £	2025 £
Current assets			
Trade receivables and other current assets	7	799,062	944,814
Cash and cash equivalents	8	519,872	189,643
Total current assets		1,318,934	1,134,457
Current Liabilities			
Trade payables and other current liabilities	9	(421,600)	(359,675)
Total current liabilities		(421,600)	(359,675)
Total assets less total liabilities		897,334	774,782
Taxpayers' equity and other reserves:			
General Fund		897,334	774,782
Total reserves	10	897,334	774,782

The notes on pages 27 to 32 form part of these accounts.

The financial statements were approved by the Marshall Aid Commemoration Commission on 17 June 2026 and signed on its behalf by:



John Raine CMG OBE
Chair and Accounting Officer

08 July 2026

Statement of Cash Flows (SoCF) for the year ended 31 March 2026

	Notes	2025-26 £	2024-25 £
Cash Flows from operating activities			
Net operating expenditure before interest		(3,894,943)	(3,963,147)
Adjustment for non-cash items		161,001	1,539
Decrease/(increase) in trade and other receivables		145,752	(206,706)
Increase/(decrease) in trade and other payables		61,925	(100,164)
Net cash outflow from operating activities		(3,526,265)	(4,268,478)
Cash Flows from financing activities			
Grant-in-Aid received from FCDO		4,017,495	4,182,505
Deduction for non-cash element of Grant-in-Aid		(158,126)	0
Interest receivable		0	43
Net financing		3,859,369	4,182,548
Effect of exchange rate changes on cash and cash equivalents held		(2,875)	(1,539)
Increase/(Decrease) in net cash and cash equivalents		330,229	(87,469)
Cash and cash equivalents at the beginning of the period		189,643	277,112
Cash and cash equivalents at the end of the period	8	519,872	189,643

*Non-cash items include £158k which relates to an adjustment made to the FCDO Grant-in-Aid for costs paid for by the FCDO on our behalf. The remaining balance refers to unrealised currency stated under Note 3 to the accounts "Administration".

The notes on pages 27 to 32 form part of these accounts.

Statement of Changes in Taxpayers' Equity (SoCTE) for the year ended 31 March 2026

	£	General Reserves £
Balance as at 31st March 2024		555,381
Changes in Taxpayers' equity 2024-25		
Grant from FCDO		4,182,505
Deficit arising on core reserves before grant from FCDO	(4,182,505)	
Surplus arising from value of partnership benefits	219,401	
Net expenditure for the year		(3,963,104)
Balance at 31st March 2025		774,782
Changes in Taxpayers' equity 2025-26		
Grant-in-Aid from FCDO		4,017,495
Deficit arising on core reserves before grant from FCDO	(4,017,495)	
Surplus arising from value of partnership benefits	122,552	
Net expenditure for the year		(3,894,943)
Balance at 31st March 2026		897,334

The notes on pages 27 to 32 form part of these accounts.

Notes to the Accounts

1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2025-26 Government Financial Reporting Manual (FReM) issued by HM Government and International Financial Reporting Standards as adapted and interpreted by the FReM. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the circumstance of the Marshall Aid Commemoration Commission for the purpose of giving a true and fair view has been selected. The specific policies adopted by the Marshall Aid Commemoration Commission are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

a. Basis of preparation

The financial statements have been prepared in accordance with the Marshall Aid Commemoration Act 1953 and directions made thereunder by the Secretary of State and with applicable United Kingdom accounting standards. They have been prepared on a going concern basis as outlined on page 3. They have also been prepared under the historical cost convention.

b. Grant-in-Aid

Grant-in-Aid is received from the FCDO in support of the Scholarship scheme. The grants are awarded 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. 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. Grant-in-Aid is treated as financing, not income, and is credited to the Core Reserve, because it is regarded as a contribution from a controlling party, which gives rise to a financial interest in the residual interest of the Commission. Grant-in-Aid is credited to the Core Reserve on a cash received basis. On occasion, the Grant-in-Aid received is netted off against monies owed to the FCDO. In these cases, the full amount of Grant-in-Aid is recognised in the Statement of Changes in Taxpayers' Equity, and the non-cash element is highlighted in the Statement of Cash Flows.

c. Income

The Commission receives donations to support the scholarship programme. A Memorandum of Understanding sets out the expected terms of the donation and what restrictions the donor may place upon the usage of the funds e.g. it can be used to fund a scholar studying music. Donations received from each donor are accounted for separately under a scheme name reflecting who the donor is. The amounts received from each donor may vary from year to year and any unspent amount is recognised in contract liabilities.

The Commission does not select Scholars to meet the donation criteria but uses the donation when a selected Scholar meets the criteria set out in the MoU. Donations are recognised in income in the year expenditure is incurred. If there are insufficient funds to support a new Scholar from the donation, no Scholar is assigned to the scheme/donation. Should a donor stop donating, the outstanding cost will be paid for by the Commission from the FCDO Grant-in-Aid.

Income recognised in the financial year (Note 5) reflects the full cost in the year associated with the individual Scholarship partnership schemes. The current balance of donations received, but not yet used to pay Scholarship fees, are disclosed as contract liabilities in Note 9.

d. Expenditure

Expenditure is accounted for on an accruals basis. Tuition fees that cover an academic year (autumn to summer) are all paid at the start of the academic year, so one third is recognised as a prepayment on the basis that the academic year comprises three terms, two of which come before 31 March and one comes after 1 April.

The Commission has set a de-minimis level for accruals and prepayments at £1,000 on an individual cost item or a class of cost item.

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

g. Cash and cash equivalents

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

h. Reserves

The Commission's general reserves (Taxpayers' equity) is maintained in its core reserves fund.

i. Financial Instruments

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

Financial liabilities. These comprise trade and other payables, and other financial liabilities. They are initially recognised at the fair value of consideration received, less directly attributable transaction costs. They are subsequently measured at amortised cost. Although the Association of Marshall Scholars (AMS) has the right to reclaim any unspent donations, the Commission is

confident this will not happen as the deferred donation income will be used post year end on scholars who are currently in place.

j. Operating Segments

In the opinion of the Commission, owing to the scale and nature of the activity there is a single segment of business activity which is the awarding of scholarships to American students who want to study for a master's or PhD degree in the UK.

k. Upcoming changes to accounting standards

The following changes to IFRS have been issued in the reporting period:

- IFRS 17 Insurance Contracts is expected to be effective for financial reporting periods beginning on or after 1 April 2025 and sets out the principles for measuring insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts. This is not relevant to the Commission as it does not have any insurance contracts.
- From 1 April 2025 HM Treasury changed the requirements in the Government Financial Reporting Manual (FrM) in respect of revaluations of property, plant and equipment. These changes do not apply to MACC, as there are no non-current assets to disclose.

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

- IFRS 18 will replace IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 18 on the Public Sector is still being assessed, and a decision has not yet been taken on an implementation date."
- IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 19 on the Public Sector is still being assessed, and a decision has not yet been taken on an implementation date.

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

2. Scholarship Costs

	2025-26	2024-25
	£	£
Marshall Commission Scholarships (excluding partnership benefits)	3,092,750	3,304,458
Annenberg Marshall Scholarship *	0	36,000
British Schools & Universities Foundation Scholarship	21,570	38,600
Association of Marshall Scholars – Endowed Scholarship	58,460	41,590
Marshall Extra	81,000	90,000
Magdalen Oxford *	0	36,000
Marshall Dolby **	33,370	0
	<u>3,287,150</u>	<u>3,546,648</u>

* No scholarship costs for Annenberg nor Magdalen Oxford in FY25/26 as no scholar was funded via these streams in this financial year

** Marshall Dolby is an endowment held by the Association of Marshall Scholars that will support third year tuition fee funding for eligible Marshall Scholars from the 2025-26 academic year onward.

*** Partnership benefits in kind total £1,286k (2024-25: £1,209k). These partnership benefits are almost entirely tuition fee waivers from higher education institutions in the UK. Benefits in kind are not included in these Financial Statements.

3. Administration

	2025-26	2024-25
	£	£
Secretariat	474,626	408,702
IT Costs	36,906	40,979
Other support costs	11,921	16,216
Auditors' remuneration*	35,000	36,500
Unrealised currency (gain)/loss	2,875	1,539
	<u>561,328</u>	<u>503,936</u>

* No non-audit work was complete during the year. Audit costs for 2024-25 are £27.5k + £9k relating to 2023-24

4. Staff Costs

The Commission itself does not have any employees and Commissioners are reimbursed for their expenses only. The CEO is an employee of the British Council and is included in the off-payroll engagement summary on page 14. Full disclosure can be found in the Director's remuneration note.

5. Grants and Donations from third parties

	2025-26	2024-25
	£	£
Annenberg Endowment	0	36,000
British Schools & Universities Foundation	21,570	38,600
Association of Marshall Scholars – Endowed scholarship	58,460	41,590
Other direct alumni support	<u>114,370</u>	<u>126,000</u>
	<u>194,400</u>	<u>242,190</u>

6. Financial Instruments

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

7. Trade Receivables and Other Current Assets

	2025-26 £	2024-25 £
Amounts falling due within one year:		
Trade Debtors	25,419	15,483
Accommodation deposits	9,132	20,454
Prepayments	764,511	908,877
	<u>799,062</u>	<u>944,814</u>

8. Cash and Cash Equivalents

	2025-26 £	2024-25 £
Balance at 1 April	189,643	277,112
Net change in cash and cash equivalents	330,229	(87,469)
Balance at 31 March*	<u>519,872</u>	<u>189,643</u>

*Cash is held with HSBC bank in GBP £458k and USD \$83k.

9. Trade Payables and Other Current Liabilities

	2025-26 £	2024-25 £
Amounts falling due within one year:		
Other Creditors	51,390	133,808
Accruals	155,087	38,172
Contract Liabilities	211,794	184,556
Provision for Unreturned Accommodation Deposits	3,329	3,139
	<u>421,600</u>	<u>359,675</u>

Movement in Contract Liabilities

	Opening balance £	Donations & Income Received £	Released £	Closing Balance £
Annenberg Endowment	37,087	22,752	0	59,839
British Schools & Universities Foundation	14,945	22,030	21,570	15,405
Association of Marshall Scholars – Endowed Scholarship	21,097	62,764	58,460	25,401
Other direct alumni support	111,427	114,092	114,370	111,149
	<u>184,556</u>	<u>221,638</u>	<u>194,400</u>	<u>211,794</u>

10. Movements on General Reserve

	Opening balance £	Grant-in- Aid £	Bank Interest £	Net Expenditure £	Closing balance £
Core Reserves	774,782	4,017,495	0	(3,894,943)	897,334
Total reserves	<u>774,782</u>	<u>4,017,495</u>	<u>0</u>	<u>(3,894,943)</u>	<u>897,334</u>

11. Related Party Transactions

The Commission is an Executive Non-Departmental Public Body of the FCDO. The FCDO is regarded as a Related Party with which the Commission's only material transaction during the year was Grant-in-Aid.

As per the agreement with the British Council commencing September 2023, the British Council is responsible for recruitment and employment of the CEO for the Marshall Aid Commemoration Commission. The Marshall Aid Commemoration Commission is charged a management fee from the British Council which includes an agreed fee for the CEO (see Director's remuneration). The total management fee paid to the British Council in 2025-26 was £474,626 (2024-25: £408,702). Full disclosure details regarding remuneration has been disclosed under the Director's remuneration note.

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.

ISBN 978-1-5286-6620-6

E03627521 07/26