

**THE CAMBRIDGE MALAYSIAN
EDUCATION AND DEVELOPMENT
TRUST**
Annual Report and Financial Statements
For the year ended 31 July 2020

THE CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

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THE CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

TRUSTEES' REPORT 2019-20

1. OBJECTS AND PURPOSES OF THE TRUST

The Cambridge Malaysian Education and Development Trust (CMEDT) was established by Trust Deed, dated 23 February 2010, with the following Objects:

- 1.1 to advance education for the benefit of the citizens of Malaysia, other countries of the Commonwealth and such other countries having links with Malaysia as the Trustees see fit (the 'Countries') by:
 - (a) educating on the improvement of standards in educational institutions;
 - (b) developing and helping to deploy programmes of 'distance learning' in all subjects (including programmes related to the teaching of English as a foreign language and the development of vocational and professional skills);
 - (c) putting on courses, seminars, training programmes, lectures and other educational events;
 - (d) providing visiting fellowships, scholarships, bursaries and secondments for study worldwide, with particular emphasis on Malaysia;
 - (e) educating in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment and promoting study and research in such subjects provided that the useful results of such study are disseminated to the public at large;
 - (f) such other means as the Trustees in their absolute discretion see fit.
- 1.2 to promote sustainable development for the benefit of the citizens of the Countries by:
 - (a) the preservation, conservation and protection of the environment and the prudent use of resources;
 - (b) the promotion of sustainable means of achieving economic growth and regeneration.
- 1.3 to further for the benefit of the citizens of the Countries such other purposes as are charitable under the laws of England and Wales as the Trustees in their absolute discretion see fit.

In accordance with the Trust Deed, the Trustees must use the income and may use the capital of the Charity in promoting the Objects of the Charity.

2. ORGANISATION AND MANAGEMENT OF THE TRUST

The Trust is a charity registered with the Charity Commission (Charity Reference Number 1136815).

The Trust is governed by its Trustees.

There is an Executive Committee comprising the following Trustees and Officers:

- Tun Ahmad Sarji bin Abdul Hamid (Trustee and Executive Chairman)
- Dato' Henry Barlow (Trustee and Deputy Joint Executive Chairman)
- Professor Sir Brian Heap (Deputy Joint Executive Chairman, Chief Scientific Adviser, and Trustee)
- Dr Anil Seal (Director)
- Mr Jeremy Carver (Trustee)
- Dr Nicholas Branson (Treasurer)

THE CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

TRUSTEES' REPORT 2019-20

2. ORGANISATION AND MANAGEMENT OF THE TRUST (continued)

The Trustees have established a Remuneration Committee to settle the remuneration of officers (i.e. the Director and Treasurer), with the proviso that any officer whose remuneration is being discussed will not be present for discussion of that item of business. The Remuneration Committee has the following membership:

- The Executive Chairman
- The Deputy Joint Executive Chairman
- The Director
- The Treasurer
- Mr Jeremy Carver

The administration of the Trust is conducted from the headquarters of the Malaysian Commonwealth Studies Centre (MCSC), 11 Madingley Road, Cambridge CB3 0EG. The administrative structure of the Trust is shared with the MCSC. The Trustees express their gratitude to the Trustees of the MCSC for their willing co-operation. The Trust meets its share of the running costs of this joint administration.

Folding-in of MCSC with the Cambridge Malaysian Education and Development Trust

In view of the increasingly close relationship between the activities of the MCSC and the CMEDT, in 2017 the University of Cambridge Finance Committee, as *de facto* regulator of the MCSC as an exempt charity, recommended that a folding-in of the two trusts should take place. This recommendation was unanimously approved by the Trustees of both trusts. On 1 August 2018, the MCSC Trustees, together with the University, executed a Deed of Amendment of the MCSC Trust Deed to enable the assets, liabilities, functions and activities of MCSC to be transferred to the CMEDT. Some minor consequential amendments of the CMEDT Trust Deed were executed by the CMEDT Trustees on the same date. As at 31 July 2020 the folding-in has not been executed and the two trusts continue to report their financial results separately. To date, no transfer of assets has taken place, and no decision has been taken regarding when such a transfer might occur.

The Accounts of both trusts for 2019-20 have been prepared on the basis that, apart from the normal inter-trust transfers relating to the agreed respective responsibilities of the two trusts for shared programmes, the investments of MCSC continue to be shown as MCSC assets at 31 July 2020.

Recruitment, induction and training of Trustees

The minimum number of trustees is seven individuals. The Trustees have under consideration the appointment of a new Trustee to fill a current vacancy. All Trustees have considerable administrative experience and knowledge of related governance procedures, in most cases having run or held senior positions in national, educational or business institutions. Some Trustees are major figures in international affairs, and others are leading figures from within the University of Cambridge and its Colleges. It is the policy of the Trust that all new Trustees should receive full minutes of previous meetings of Trustees and their Executive Committee as well as details of accounts and budgets for at least three years prior to appointment; that they should receive a copy of the Trust Deed and any rules and regulations made under it; and that they should be given an informal briefing by the officers and invited to contact the Chairman of the Executive Committee for further and better particulars or for any matters arising after perusing background papers.

Key Management Personnel

The key management personnel are the members of the Executive Committee.

Investment Policy

The Trust does not have assets held on a long-term basis. The investment of its funds is through short-term bank and similar deposits.

THE CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

TRUSTEES' REPORT 2019-20

2. ORGANISATION AND MANAGEMENT OF THE TRUST (continued)

Ethical Investment Policy

The Trustees do not have an ethical investment policy as such. If they reach the point of being able to invest their funds, they will rely on the ethical investment policies of the managers of the individual funds concerned.

3. ACTIVITIES AND DEVELOPMENTS OF THE TRUST DURING THE YEAR TO 31 JULY 2020

The most significant impact of the covid-19 pandemic has been the need to cancel the Electoral Democracy conferences supported by the Trust in 2020 and 2021. The remaining projects supported by the trust are expected to continue largely unaffected by the pandemic.

Income of the Trust

In response to a detailed set of proposals put by the Trust to the Malaysian Government in 2016, contributions to the Trust of £1.5m a year for the five years 2016-17 to 2020-21 inclusive were approved. The final instalment of £1.5m was received during 2019-20.

Activities of the Trust

The core remit is to advance education and sustainable development for the benefit of citizens of Malaysia and, more broadly, with the developing countries of the Commonwealth and beyond.

The Trust's current programmes are:

- Affordable Education, principally English language teaching and assessment
- Sustainable Development, Food Security and the Mitigation of Climate Change and Natural Disasters
- Electoral Democracy in the Commonwealth (and beyond)

(i) AFFORDABLE EDUCATION (ENGLISH AND NUMERACY)

(a) English Language Learning, Teaching and Assessment

Background

A key remit addressed by CMEDT (and MCSC) since 2010 was to help Malaysia improve the proficiency of its peoples in the English language.

Accessible Testing System (*cats step*)

The Accessible Testing System *cats step*, created by the trusts, represents an innovative and unique system of learning and assessing functional English. Among its core purposes, the system has been designed to enable pupils of varying abilities and from different backgrounds to improve their proficiency in English through a step-by-step process, with the learning material being an integral part of the system along with the assessments. The system is calibrated against CEFR standards.

The principal expenditure on *cats step* during 2019-20 has been carried by CMEDT, principally on the development of the system with a view to its deployment in other countries, with the particular aim of promoting affordable education for disadvantaged sectors of student populations in the developing Commonwealth and beyond. Any commercial deployment of *cats step* will be through a separate charitable company Cambridge Education and Development Trust.

THE CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

TRUSTEES' REPORT 2019-20

3. ACTIVITIES AND DEVELOPMENTS OF THE TRUST DURING THE YEAR TO 31 JULY 2020 (continued)

(ii) SUSTAINABLE DEVELOPMENT, FOOD SECURITY AND THE MITIGATION OF CLIMATE CHANGE AND NATURAL DISASTERS

Sustainable Development

The trusts' initiatives in sustainable development have encouraged, and, in their turn derive support from, other significant collaborations which they have established in this competitive environment. Under the overall direction of Professor Sir Brian Heap, these initiatives include:

- **Biosciences for Farming in Africa (B4FA)** www.b4fa.org
This project, supported by the Trusts and the John Templeton Foundation, was suspended at the end of 2019 for lack of external financial support. It is hoped that the project can be resumed in the coming year.
- **Smart Villages Initiative**
The Trusts are supporting a second phase of work on Smart Villages through the Smart Villages Research Group led by Dr Bernie Jones, including the following projects:
 - Smart villages and energy development in four rural communities in Tanzania;
 - A project on low-cost sustainable cold store technology in Uganda;
 - A project to develop technology to remove plastic pollution from rivers in Kenya;
 - Development projects in six rural communities in Uganda, and in two rural communities in Lesotho; and
 - Tests of a modelling tool for use in three off-grid communities in Somaliland.

All of these projects are examples of what appropriate and affordable technologies can help achieve on the ground for sustainable development.

The Trusts also contributed towards the costs of a PhD student conducting conservation research in Malaysia.

(b) The Mitigation of Climate Change and Natural Disasters

Danum Valley Field Centre and the South East Asian Rainforest Research Partnership

The trusts have continued to support the Danum Valley Field Centre, Malaysia and the South East Asian Rainforest Research Partnership (SEARRP), led by its Director, Dr Glen Reynolds. This programme of research is based on one of the few remaining rainforests in the world which is still largely intact, and is contributing to understanding the impact of climate change on biodiversity, critical for the region, and beyond; it is of particular significance for several Commonwealth countries which face similar challenges.

The work at Danum Valley builds upon particular strengths in this field in Cambridge University. The Trusts contributed to the costs of a field course at Danum Valley run through the Tropical Biology Association with which the University has close and friendly connections.

THE CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

TRUSTEES' REPORT 2019-20

3. ACTIVITIES AND DEVELOPMENTS OF THE TRUST DURING THE YEAR TO 31 JULY 2020 (continued)

(iii) ELECTORAL DEMOCRACY IN THE COMMONWEALTH (AND BEYOND)

This programme represents a pioneering initiative by MCSC, supported by CMEDT, in support of electoral and participatory democracy. The guiding principle has been that free and fair elections are necessary, but not sufficient, for good, or at least improved, governance in the Commonwealth and beyond.

Cambridge Conference on Electoral Democracy

The 19th Cambridge Conference on Electoral Democracy in the Commonwealth, which was planned to take place in July 2020, has had to be postponed on account of the Covid-19 pandemic. Key members of the organising group for the conference have remained in contact during the year and have continued to undertake limited preparatory work for the conference which is now being planned for 2022.

Nehru Trust for Cambridge University

CMEDT also gave support to the Nehru Trust for Cambridge University, whose activities in India complemented those of the Trust.

4. PUBLIC BENEFIT

The above accounts of the Trust's activities amply demonstrate the public benefit arising from each programme. Affordable education, sustainable development, food security, the mitigation of climate change and natural disasters, affordable medicine and healthcare, and the promotion of electoral democracy in the Commonwealth and beyond, are self-evidently programmes of great actual and potential benefit to the public.

The Trustees are satisfied that the activities of the Trust, as described in this report and in the accompanying accounts, are entirely for charitable purposes and fully meet the 'public benefit' requirement of the Charities Act 2011. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit.

5. FUTURE OUTLOOK

The Trust continues to be viable, and will continue to work closely with MCSC. The possibility of some form of merger with MCSC remains for future consideration by the Trustees of the two trusts. The most significant impact of the covid-19 pandemic has been the need to cancel the Electoral Democracy conferences supported by the Trust in 2020 and 2021. The remaining projects supported by the trust are expected to continue largely unaffected by the pandemic.

6. FINANCIAL REVIEW

The total income for the year ended 31 July 2020 was £1,504,413 (2018-19: £3,001,809). The total expenditure for the year ended 31 July 2020 was £1,187,090 (2018-19: £2,054,120).

The net income for the year ended 31 July 2020 was £317,323 (2018-19: £947,689).

The total assets less liabilities as at 31 July 2020 were £1,496,809 (2018-19: £1,179,486).

THE CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

TRUSTEES' REPORT 2019-20

7. GOING CONCERN

The Trustees expect the Trust to have adequate resources to continue in operational existence for at least the next year.

The Malaysian Government has agreed to contribute a further £1m a year for three years to support the work of the trust. The first instalment was received in February 2021. The Trust has total assets less liabilities of £1,496,809 as at 31 July 2020 (2019: £1,179,486). In addition, the balance carried forward by the MCSC at 31 July 2020 (£1,014,767) is available to CMEDT following the agreement by the respective Trustees to permit the transfer of assets. Apart from the need to cancel the 2021 Electoral Democracy conference, the impact of covid-19 on the remaining activities of the trust is not expected to be significant. Accordingly, the CMEDT Trustees continue to adopt the going concern basis in preparing the financial statements.

8. RESERVES POLICY

The assets of the Trust are expendable and available generally for the purposes of the Trust in accordance with the Trust Deed. These assets provided a sufficient cushion to underpin the activities of the Trust in 2020-21.

The unrestricted reserves at 31 July 2020 were £1,496,809 (2019: £1,179,486).

The restricted reserves at 31 July 2020 were £nil (2019: £nil).

9. RISK MANAGEMENT

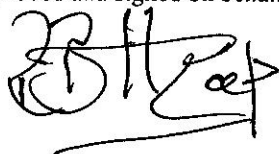
The Trustees have examined the major strategic, business and operational risks which the Trust faces, and are satisfied that, with the regular reports they receive at meetings, they are able to assess these risks and to put in hand on a timely basis any necessary actions (mainly in relation to the scale of the collaborative activities of the Trust) to lessen or avoid them.

The principal risk is that income from donors, in particular the Malaysian Government, might turn out to be less than currently anticipated. This risk is mitigated by retaining sufficient reserves to meet current commitments.

A risk register has been prepared, and will be kept under regular review.

The assets of the Trust are sufficient meet the commitments currently envisaged for 2020-21.

Approved and signed on behalf of the Trustees:



PROFESSOR SIR BRIAN HEAP

Date: 19 March 2021

THE CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

LEGAL AND ADMINISTRATIVE DETAILS

TRUSTEES

The Trustees for the year to 31 July 2020 were the following:

Tun Ahmad Sarji bin Abdul Hamid
Dato' Henry Barlow
Mr Jeremy Carver
Professor Sir Brian Heap
Professor Lord Hunt of Chesterton
Dato' Thomas M L Lee

TREASURER

Dr Nicholas Branson

TRUST ADDRESS

The formal and registered postal address of the Trust is:

Cambridge Malaysian Education and Development Trust
c/o Trinity College
Cambridge
CB2 1TQ

LEGAL STATUS

The charity was established by a Deed of Trust dated 23 February 2010.

The trust is registered with the Charity Commission, Reference Number 1136815.

BANK

National Westminster Bank Plc
23 Market Street
Cambridge
CB2 3PA

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
1 Station Square
Cambridge
CB1 2GA
United Kingdom

REPORT

These financial statements should be read in conjunction with the trustees' annual report which is published on the same date as these accounts.

THE CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The Cambridge Malaysian Education and Development Trust (the 'charity'):

- give a true and fair view of the state of the charity's affairs as at 31 July 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the Charities Act 2011 and the trust deed.

We have audited the financial statements which comprise:

- the statement of financial activities;
- the balance sheet;
- the cash flow statement;
- the notes to the cash flow statement;
- the accounting policies; and
- the related notes 1 to 9.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST (continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our 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 an auditor's report that includes our 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST (continued)

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Under the Charities (Accounts and Reports) Regulations 2008 we are required to report in respect of the following matters if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP

Deloitte LLP

Statutory Auditor
Cambridge, United Kingdom

19 March 2021

Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

STATEMENT OF FINANCIAL ACTIVITIES

For the Year ended 31 July 2020

	Note	Unrestricted Total funds 2020 £	Unrestricted Total funds 2019 £
INCOME FROM:			
Donations	2	1,500,000	3,000,000
Investment income		4,413	1,809
TOTAL INCOME		<u>1,504,413</u>	<u>3,001,809</u>
EXPENDITURE ON:			
Charitable activities	3	<u>1,187,090</u>	<u>2,054,120</u>
TOTAL EXPENDITURE		<u>1,187,090</u>	<u>2,054,120</u>
NET INCOME FOR THE YEAR AND NET MOVEMENT OF FUNDS		317,323	947,689
TOTAL FUNDS brought forward at 1 August		<u>1,179,486</u>	<u>231,797</u>
TOTAL FUNDS carried forward at 31 July		<u><u>1,496,809</u></u>	<u><u>1,179,486</u></u>

All results are derived from continuing activities.

There are no recognised gains and losses for the current or preceding financial year other than as stated in the Statement of Financial Activities.

The accounting policies and notes set out on pages 10 to 15 form part of these financial statements.

THE CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

BALANCE SHEET

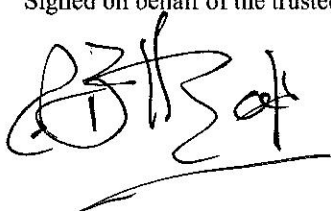
As at 31 July 2020

	Note	2020 £	2019 £
CURRENT ASSETS			
Debtors	6	-	19,396
Cash at bank and in hand		<u>1,716,699</u>	<u>1,575,189</u>
		1,716,699	1,594,585
CREDITORS: amounts falling due within one year	7	<u>(219,890)</u>	<u>(415,099)</u>
NET CURRENT ASSETS		<u>1,496,809</u>	<u>1,179,486</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,496,809</u>	<u>1,179,486</u>
FUNDS			
Unrestricted funds		<u>1,496,809</u>	<u>1,179,486</u>

The accounting policies and notes set out on pages 10 to 15 form part of these financial statements.

These financial statements were approved by the trustees on 19 March 2021

Signed on behalf of the trustees



PROFESSOR SIR BRIAN HEAP

THE CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

CASH FLOW STATEMENT For the Year ended 31 July 2020

	Note	2020 £	2019 £
Net cash inflow from operating activities	a.	141,510	1,240,673
Increase in cash	b.	141,510	1,240,673

Reconciliation of net cash flow to movement in net funds

	2020 £	2019 £
Increase in cash in the year	141,510	1,240,673
Change in net funds resulting from cash flows	141,510	1,240,673
Net funds at 1 August 2019/2018	1,575,189	334,516
Net funds at 31 July 2020/2019	1,716,699	1,575,189

THE CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

NOTES TO THE CASH FLOW STATEMENT

For the Year ended 31 July 2020

	2020 £	2019 £
a. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Net incoming resources	317,323	947,689
Decrease in debtors	19,396	96,543
(Decrease)/Increase in creditors	(195,209)	196,441
Net cash inflow from operating activities	<u>141,510</u>	<u>1,240,673</u>
b. ANALYSIS OF NET FUNDS		
	2019 £	Increase in year £
Cash fund deposit and at bank	<u>1,575,189</u>	<u>141,510</u>
		<u>1,716,699</u>

THE CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

ACCOUNTING POLICIES

For the Year ended 31 July 2020

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Charities" SORP 2019 issued in January 2019, Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. The particular accounting policies adopted by the trustees are described below.

General information and basis of accounting

The Cambridge Malaysian Education and Development Trust is a charitable trust. The financial statements have been prepared under the historical cost convention.

Going concern

The Trustees expect the Trust to have adequate resources to continue in operational existence for at least the next two years. The Malaysian Government has agreed to contribute a further £1m a year for three years to support the work of the trust. The first instalment was received in February 2021. On 1 August 2018, the MCSC Trustees, together with the University, executed a Deed of Amendment of the MCSC Trust Deed to enable the assets, liabilities, functions and activities of MCSC to be transferred to the CMEDT. To date, no transfer of assets has taken place, and no decision has been taken regarding when such a transfer might occur. CMEDT and MCSC continue to remain separate and distinct charities.

Apart from the need to cancel the 2021 Electoral Democracy conference, the impact of covid-19 on the remaining activities of the trust is not expected to be significant.

The Trustees are confident that the charity has adequate funds and resources to continue operating for the foreseeable future and is well placed to manage its business risks successfully. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Fund accounting

The charity maintains:

General unrestricted funds

General unrestricted funds represent income which is expendable at the discretion of the trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

Restricted funds

Restricted funds represent income received which was given by donors with the condition of being for a specific purpose.

Income

All income is recognised in the statement of financial activities when the conditions for receipt have been complied with.

Donations

Donations and all other receipts are reported gross and the related fundraising costs are reported in other expenditure.

Investment income

Investment income is accounted for when receivable.

Charitable expenditure

Charitable expenditure includes all expenditure directly related to the objects of the charity and principally comprises the following:

Support and development of Malaysian Education

Support for research related to the purposes of the Trust.

THE CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

ACCOUNTING POLICIES

For the Year ended 31 July 2020

Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to the statutory audit and legal fees.

Support costs

Support costs comprise administration costs of the Trust (note 3).

Grant policy

Grants payable are payments made to third parties in furtherance of the charitable objectives of the Trust. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the Trust.

Pensions

All eligible staff are members of the University of Cambridge's Contributory Pension Scheme (CPS) to which the Trust contributes. As the Trust is unable to identify its share of the underlying assets and liabilities of the CPS on a reasonable and consistent basis, it accounts as if the CPS were a defined contribution scheme, so that the cost is equal to the total of contributions payable in the year.

Financial instruments

The charity only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, which are described on pages 10 and 11, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

THE CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 July 2020

1. INFORMATION REGARDING EMPLOYEES AND TRUSTEES

	2020 No	2019 No
Average number of employees during the year being the full time equivalent for part time staff	1.9	2.2
	£	£
Total remuneration costs	168,839	176,764

The key management personnel are the members of the Executive Committee, as set out on page i of this report. The Director and Treasurer are the only members who receive remuneration from the Trust. Remuneration is approved by the Executive Committee after considering the recommendations of the Remuneration Committee. In settling the levels of remuneration, the Remuneration Committee has regard to comparable pay levels in the University of Cambridge.

The total remuneration (including pension contributions and employer's national insurance) of key management personnel of the charity for the year ended 31 July 2020 was £92,923 (2018-19 £92,947).

No trustee received any remuneration from the trust during the year (2018-19 nil). No trustee received reimbursement of travelling expenses (2018-19 : 3 trustees received a total of £1,698 in travelling expenses).

There was 1 employee (2018-19: 1) with emoluments in the range £70-£80k. No other employee had emoluments greater than £60k (2018-19: nil).

Analysis of staff costs	2020 £	2019 £
Salaries and wages	139,519	149,890
Pension costs	11,873	11,935
NI costs	16,836	14,316
Apprenticeship levy	611	623
Total	168,839	176,764

2. DONATIONS

	2020 £	2019 £
Malaysian Ministry of Education	1,500,000	3,000,000
	1,500,000	3,000,000

The income for the years ended 31 July 2020 and 31 July 2019 was all unrestricted.

THE CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 July 2020

3. CHARITABLE ACTIVITIES

	2020 Unrestricted £	2019 Unrestricted £
Direct costs		
Promotion:		
- main projects	944,047	1,309,828
Grant to MCSC	-	500,000
	<u>944,047</u>	<u>1,809,828</u>
Support costs		
Rent and rates	3,540	5,713
Property costs	19,392	18,631
Salaries - administration	157,955	165,868
Office expenses	11,176	7,748
Travel	773	663
Telephone, postage and couriers	1,901	3,347
Legal fees	25,621	20,091
Bank charges	845	895
Governance costs (note 4)	21,840	21,336
	<u>243,043</u>	<u>244,292</u>
	<u>1,187,090</u>	<u>2,054,120</u>

During the year ended 31 July 2020 a grant of £nil (2019 : £500,000) was paid to MCSC as shown above.

4. GOVERNANCE COSTS

	2020 Unrestricted £	2019 Unrestricted £
Auditor's remuneration - fee payable to the Trust's auditor	10,956	10,440
Treasurer	10,884	10,896
	<u>21,840</u>	<u>21,336</u>

5. TAXATION

Cambridge Malaysian Education and Development Trust is a registered charity and is exempt from tax on income and capital gains falling within Chapter 3 of Part II to the Corporation Tax Act 2010 or Section 256 of the Taxation of Capital Gains Act 1992 to the extent that they are applied to its charitable objectives. No tax charges have arisen in the Charitable Trust.

THE CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 July 2020

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Prepayment	-	19,396
	<u>-</u>	<u>19,396</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	71,087	148,564
Accruals	11,007	22,440
Inter-trust creditor	137,796	244,095
	<u>219,890</u>	<u>415,099</u>

The inter-trust creditor comprises amounts owed to The Malaysian Commonwealth Studies Centre in Cambridge.

8. RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust's operations and the composition of its governing body, it is inevitable that transactions will take place in which a trustee may have an interest. Some trustees have close ties with the University of Cambridge and its Colleges, and some of the officers and trustees are also officers or trustees of the MCSC with which the work of the trust is closely associated. These related interests are included in the register of declared interests of trustees and officers which is updated at least once a year. Due to their nature, specific disclosure of these transactions is not made.

THE CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 July 2020

9. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted total funds 2019 £	Unrestricted total funds 2018 £
INCOME FROM:		
Donations	3,000,000	149,933
Investment income	1,809	585
TOTAL INCOME	3,001,809	150,518
EXPENDITURE ON:		
Charitable activities	2,054,120	1,977,710
TOTAL EXPENDITURE	2,054,120	1,977,710
NET INCOME (EXPENDITURE) FOR THE YEAR AND NET MOVEMENT OF FUNDS	947,689	(1,827,192)
TOTAL FUNDS brought forward at 1 August	231,797	2,058,989
TOTAL FUNDS carried forward at 31 July	1,179,486	231,797