

**THE MALAYSIAN COMMONWEALTH
STUDIES CENTRE IN CAMBRIDGE**

Annual Report and Financial Statements

For the year ended 31 July 2021

**THE MALAYSIAN COMMONWEALTH
STUDIES CENTRE IN CAMBRIDGE**

ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

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THE MALAYSIAN COMMONWEALTH STUDIES CENTRE IN CAMBRIDGE

TRUSTEES' REPORT 2020-21

1. OBJECTS AND PURPOSES OF THE CENTRE

The Malaysian Commonwealth Studies Centre in Cambridge (MCSC) was established by Trust Deed, dated 30 April 1995, with the aim of furthering Commonwealth Studies, primarily in the University of Cambridge but also elsewhere in cooperation, where appropriate, with other trusts. The Trustees hold the funds raised for the Centre for application in accordance with the purposes set out in the Trust Deed.

2. ORGANISATION AND MANAGEMENT OF THE CENTRE

MCSC was originally established as an exempt charity under, what is now, Schedule 3(28) of the Charities Act 2011 on account of its connection with the University of Cambridge.

In view of the increasingly close relationship between the activities of the MCSC and the Cambridge Malaysian Education and Development Trust (CMEDT), the Finance Committee of the University 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 Trust Deed to enable *inter alia* MCSC to become a charity registered with the Charity Commission rather than as an exempt charity under the auspices of the University. The Objects and Purposes of the charity remain unchanged. As at 31 July 2021 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. CMEDT and MCSC continue to remain separate and distinct charities. For convenience, much of the charitable expenditure of the two trusts in 2020-21 has been charged to CMEDT, with overheads being split about 50:50 between the two trusts. Consequently, the proportion of total expenditure ascribed to overheads, as shown in the Accounts, is larger for MCSC than for CMEDT.

Under the terms of the amended Trust Deed, the following were appointed as Trustees of the MCSC from 1 August 2018, and re-appointed as Trustees by resolution of the Trustees until 11 July 2023:

- Professor John Lonsdale (Chairman)
- Dato' Henry Barlow
- Mr Jeremy Carver

Mr Karamjit Singh, one of the Trustees appointed from 1 August 2018, resigned as a Trustee from 7 October 2019.

The Charity Commission registered the MCSC as a charity (Registration Number 1179724) on 29 August 2018.

Administrative arrangements

MCSC's base is at 11 Madingley Road, Cambridge. This property comprises a detached freehold house owned by the Yayasan Pok Rafeah Berdaftar and is leased to the MCSC for a peppercorn rent; the lease has been renewed until 15 March 2025. The MCSC remains most grateful to the Yayasan Pok Rafeah Berdaftar for their generosity.

During 2020-21, administrative and secretarial assistance for the MCSC was provided at the Centre's base at 11 Madingley Road.

Recruitment, induction, and training of Trustees

All Trustees have considerable administrative experience and knowledge of related governance procedures, in most cases having run or held senior positions in educational or business or professional institutions. Some Trustees 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.

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2. ORGANISATION AND MANAGEMENT OF THE CENTRE (continued)

Officers of the Trust

The following served as officers of MCSC during 2020-21.

The tenures shown were approved by resolution of the Trustees in July 2020.

- **Professor John Lonsdale** as *Chairman of the Trustees, and Joint-Chairman of the Executive Committee*, based in Cambridge, until 11 July 2023;
- **Dr Anil Seal** as *Director of the Malaysian Commonwealth Studies Centre*, until 11 July 2023;
- **Dato' Henry Barlow** as *Trustee and Associate Director of the Malaysian Commonwealth Studies Centre*, based in Malaysia, until 11 July 2023;
- **Dr Nicholas Branson** as *Treasurer of the Malaysian Commonwealth Studies Centre*, until 11 July 2023.

Executive Committee

- Chairman (Professor John Lonsdale);
- Director (Dr Anil Seal);
- Associate Director (Dato' Henry Barlow);
- Treasurer (Dr Nicholas Branson);

Remuneration Committee

- the Executive Committee (exclusive of any officer whose own stipend or honorarium was being determined)

3. ACTIVITIES OF THE CENTRE AND DEVELOPMENTS DURING THE YEAR TO 31 JULY 2021

The Centre's core purposes are to help fortify the connections between Cambridge and the countries of the Commonwealth by programmes concerned with Commonwealth studies (whether education, research, or public policy), in cooperation with other bodies in Cambridge and beyond.

In pursuit of these aims, the Centre works closely with the Cambridge Malaysian Education and Development Trust (CMEDT), whose interests are closely related to those of the Centre.

For the avoidance of doubt, the Trustees have approved the following definition of 'Commonwealth Studies': *For the purposes of work supported by the Malaysian Commonwealth Studies Centre, the term 'Commonwealth Studies' shall be deemed to cover matters, of both academic and strategic import, which are of concern within the Commonwealth or which have a bearing on the Commonwealth.*

Activities of the Trust

The core remit is to promote Cambridge's relationship with Malaysia and, more broadly, with the developing countries of the Commonwealth and beyond, where Cambridge has the experience and expertise to make important contributions.

The Trust's programme of activities, in conjunction with the Cambridge Malaysian Education and Development Trust (CMEDT), has continued to be pursued as actively as possible given the difficulties arising from the Covid-19 pandemic. The four current programmes are:

- (i) Affordable Education, principally English Language teaching and assessment;
- (ii) The Mitigation of Climate Change and Natural Disasters;
- (iii) Sustainable Development and Smart Villages; and
- (iv) Good Government and Electoral Democracy in the Commonwealth (and beyond).

During 2020-21, all legal expenses incurred by MCSC and CMEDT were related to the Affordable Education programme and were allocated to that programme in the Accounts.

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3.1 AFFORDABLE EDUCATION

English Language Learning, Teaching and Assessment

Background

A key remit addressed by MCSC (and CMEDT) 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 2020-21 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 Trustees have agreed that CMEDT will not undertake further expenditure on the development of *cats step* beyond 31 July 2021, on the understanding that such development will in future become the responsibility of Cambridge Education and Development Trust and its wholly-owned subsidiary Cats Step Limited.

The MCSC Trustees have resolved to give limited initial support to Cats Step Limited to allow the development of Cats Step to proceed to the point where it becomes a self-sustaining project.

3.2 THE MITIGATION OF CLIMATE CHANGE AND NATURAL DISASTERS

Danum Valley, and the South East Asia Rainforest Research Partnership (SEARRP)

As a consequence of the global pandemic, both Danum Valley in Sabah and SEARRP, under the direction of Dr Glen Reynolds, have had to suspend many of their activities, particularly the scientific work to which Danum Valley contributes so significantly.

In this context, CMEDT's continuing support to Danum Valley, via SEARRP, has been vital in underpinning the long-term monitoring and data collection programmes essential in an era of global environmental change, in particular the seminal contributions that SEARRP and Danum Valley make to the development of conservation and sustainability policy and best-practice in Malaysia and, through Malaysia, for the world.

In 2020-21, plans have been taken forward for a Sabah-based 'SEARRP Academy' to complement its ongoing research programmes. Informed by findings from 35 years of SEARRP science, steps have been taken to lay the foundations, from its Malaysian base, for a multilevel and internationally important programme of environmental education, training and capacity building, with a strong focus on teacher-training, awareness-building among community leaders, specialist courses for early career scientists, conservation and sustainability management in the corporate and public sectors in Malaysia.

Links with Cambridge remain integral to future plans, particularly through the work of many Cambridge-based academics who collaborate with SEARRP, notably the Centre for Atmospheric Science at Cambridge, chaired by Professor John Pyle, who is also chair of the SEARRP Board of Trustees on which Dato' Henry Barlow, Trustee of CMEDT, also serves.

TRUSTEES' REPORT 2020-21

3.2 THE MITIGATION OF CLIMATE CHANGE AND NATURAL DISASTERS (continued)

Asian Network of Climate Science and Technology (ANCST) and the Window-to-Cambridge at UKM

The establishment of the Asian Network on Climate Science and Technology, which, since its launch in 2013 under the leadership of Professor Lord (Julian) Hunt of Chesterton (a Trustee of CMEDT), together with Professor Joy Pereira, who leads UKM's South-East Asia Disaster Prevention Initiative (SEADPRI), has created a flourishing international network which has facilitated collaboration and the exchange of information between world-class researchers on the scientific and technological aspects of climate change and climate driven disasters specific to Asian conditions.

From its base at SEADPRI-UKM, with support from world-class institutions in the Commonwealth and beyond, ANCST coordinates special topic groups on key climate science and technology topics, engaging and mobilising more than 2,500 scientists, policy-makers and private-sector practitioners through over 50 workshops and associated events.

3.3 SUSTAINABLE DEVELOPMENT AND SMART VILLAGES

Under the direction of Sir Brian Heap, Trustee and Director of the trust's iconic programmes on Biosciences for Farming in Africa (B4FA) and Smart Villages (SVI), CMEDT is mapping out, together with collaborators throughout the world, the next stage of its eminently successful initiative on Smart Villages, which has had impacts on policy-making and Sustainable Development Goals at the highest levels throughout the world. Three projects are being developed:

- i. **Smart Micro-economic Zones.** Establishing smart micro-economics zones, most conveniently in Katashola, Jharkhand, India, in partnership with a social enterprise company in Bangalore involving 14 villages and 1,185 households (with a population of 6,060), and using appropriate technologies including information technology. The focus will be on health and nutrition, energy-enabled services for agriculture, including irrigation using solar power, improving drinking water, refrigeration and sewing centres for women - all underpinned by e-education.
- ii. **Smart Villages Research Group projects.** Developing links with the Smart Villages Research Group, led by Dr Bernie Jones, to take forward the work of this group. 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
 - Tests of a modelling tool for use in three off-grid communities in Malaysia and Somaliland

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

- iii. **Foresight Transition Team.** Launching a reasoned campaign to help civil society to understand and give social legitimacy to policies which go beyond a technocratic response in dealing with problems which threaten human sustainability.

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3.4 GOOD GOVERNANCE AND ELECTORAL DEMOCRACY IN THE COMMONWEALTH (AND BEYOND)

For the past 18 years MCSC (with CMEDT since its establishment) have played the key role in establishing and leading the annual Cambridge Conference providing a forum in which Chief Election Commissioners and those who lead Election Management Bodies in the Commonwealth (and beyond) can meet together to exchange information and ideas about policy and practice in superintending elections which are as free and as fair as circumstances permit. This work has also been taken forward through regional workshops. The annual Cambridge Conference has proved a unique initiative in this vital field of endeavour.

In 2020-21, the forum has been kept alive by communications between the EMBs, with the actual Conference in 2021 (as in 2020) unfortunately having had to be cancelled because of Covid, and also through a series of virtual workshops, or seminars, to maintain continuity and serve some of the purposes of the Conference in these challenging times.

OTHER ACTIVITIES

Nehru Trust for Cambridge University

MCSC continued to support the Nehru Trust for Cambridge University, whose activities in India complemented those of the Trust.

Awards in collaboration with the Nehru Trust

MCSC, in collaboration with the Nehru Trust for Cambridge University and other bodies, supported two Ph.D. students and three LLM students at Cambridge University during 2020-21.

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. CAPITAL POSITION AND INVESTMENTS

The Centre was established with monies generously, and wholly and exclusively, donated by sources in Malaysia which had been encouraged by the Government of Malaysia to make these benefactions.

The funds of the Centre are currently held partly in M&G Charifund, and partly on deposit with the University.

The Trustees do not have an ethical investment policy as such, relying on the policies adopted by the University in respect of its Endowment Fund and M&G in respect of Charifund.

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6. ASSESSMENT OF FUTURE FINANCIAL POSITION OF THE CENTRE

The Trustees have agreed to deploy the trust's remaining resources on further agreed joint programmes, as well as on activities ratified by the Trustees and conducted exclusively by MCSC (in the main, awards specifically for certain categories of Commonwealth students).

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 have continued largely unaffected by the pandemic.

The trust has sufficient resources to continue in operation for at least twelve months from the date of signing these financial statements. Beyond that, its future will depend on securing new sources of income.

7. GOING CONCERN

The Trustees expect the trust to have adequate resources to continue in operational existence for at least twelve months from the date of signing the accounts.

The trust has total assets less liabilities of £1,214,713 as at 31 July 2021 (2020: £1,014,767). 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 MCSC Trustees continue to adopt the going concern basis in preparing the financial statements.

8. RESERVES POLICY

All the funds of the Centre are invested, and the income is fully deployed for the purposes of the Trust. Any unspent income in any year would be held against expenditure in future years in the hope of avoiding major swings in the level of activities of the Trust from year to year. The Trust does not have a specific policy for what level of reserves it should hold. It is the current policy of the Trustees that the Trust should spend more than its income, thereby reducing the level of its reserves.

9. RISK MANAGEMENT

The Trustees have examined the major strategic, business and operational risks which the Trust faces, and are satisfied that the regular reports they receive at meetings enable them to assess these risks, and to put in hand on a timely basis any necessary actions (mainly changes in the number of awards offered from year to year and expenditure on the principal schemes) to lessen or avoid them.


A risk register has been prepared and is kept under regular review. The principal risk relates to the unexpected loss of key staff. This risk has been mitigated through the appointment of Professor Sir Mark Welland as an Associate Director based in Cambridge. The other principal risk relates to the possible need for the Trust to contribute additional resources to joint projects with CMEDT if the anticipated additional funding for CMEDT from Malaysia is not forthcoming.

There are currently no other major risks requiring the attention of the Trustees. Trustee indemnity insurance is in place, together with employer's and third-party liability insurance. Buildings and contents insurance is in place for 11 Madingley Road, in accordance with the terms of the lease.

The Executive Committee ensures that the projected cost of all the Trust's approved programmes can be met within the resources of the Trust.

Approved by the Trustees on 19 April 2022

Signed on behalf of the Trustees


Professor John Lonsdale

THE MALAYSIAN COMMONWEALTH STUDIES CENTRE IN CAMBRIDGE

LEGAL AND ADMINISTRATIVE DETAILS

TRUSTEES

Dato' Henry Barlow
Mr Jeremy Carver
Professor John Lonsdale

TREASURER

Dr Nicholas Branson

TRUST ADDRESS

The Malaysian Commonwealth Studies Centre in Cambridge
Pok Rafeah House
11 Madingley Road
Cambridge
CB3 0EG

BANK

National Westminster Plc
23 Market Street
Cambridge
CB2 3PA

AUDITOR

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

LEGAL STATUS

The charity was established by a Deed of Trust dated 30 April 1995. The University of Cambridge was the custodian trustee of the trust until 31 July 2018. Thereafter, the Trust was registered with the UK Charity Commission (Registration number 1179724)

Until 31 July 2018 the trust was an exempt charity under Schedule 3(28) of the Charities Act 2011. It is now a registered charity.

ANNUAL 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 MALAYSIAN COMMONWEALTH STUDIES CENTRE IN CAMBRIDGE

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, subject to any material departures disclosed and explained in the financial statements; 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 Malaysian Commonwealth Studies Centre in Cambridge

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The Malaysian Commonwealth Studies Centre in Cambridge (the 'charity'):

- give a true and fair view of the state of the charity's affairs as at 31 July 2021 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 10.

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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

Independent auditor's report to the trustees of The Malaysian Commonwealth Studies Centre in Cambridge (continued)

Other information (continued)

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

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 145 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the charity's industry and its control environment, and reviewed the charity's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

Independent auditor's report to the trustees of The Malaysian Commonwealth Studies Centre in Cambridge (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We obtained an understanding of the legal and regulatory framework that the charity operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Trust Deed, Charities Act, Charities (Accounts and Reports) Regulations 2008; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty. These included the Charity Commission regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- Completeness of revenue. We have made enquiries from management on donations due to the charity and examined the bank statements for evidence of donations. We enquired if there were any other grant agreements made during the year and reviewed correspondence

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations.

Independent auditor's report to the trustees of The Malaysian Commonwealth Studies Centre in Cambridge (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

Statutory Auditor
Cambridge, United Kingdom

20 April 2022

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

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**STATEMENT OF FINANCIAL ACTIVITIES
For the Year ended 31 July 2021**

		Unrestricted funds	
		2021	2020
		£	£
INCOME FROM:	Note		
Donations		500,000	-
Investment income	1	6,613	29,675
TOTAL INCOME		<u>506,613</u>	<u>29,675</u>
EXPENDITURE ON:			
Charitable activities	2	(333,751)	(533,221)
TOTAL EXPENDITURE		<u>(333,751)</u>	<u>(533,221)</u>
NET INCOME/(EXPENDITURE) FOR THE YEAR BEFORE INVESTMENT GAINS		172,862	(503,546)
NET GAINS/(LOSSES) ON INVESTMENTS	7	<u>27,084</u>	<u>(145,485)</u>
NET INCOME/(EXPENDITURE) FOR THE YEAR AND NET MOVEMENT IN FUNDS		199,946	(649,031)
TOTAL FUNDS BROUGHT FORWARD		<u>1,014,767</u>	<u>1,663,798</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,214,713</u>	<u>1,014,767</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 11 to 18 form part of these financial statements.

**THE MALAYSIAN COMMONWEALTH
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BALANCE SHEET
As at 31 July 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Investments	7	141,657	114,573
CURRENT ASSETS			
Debtors:			
Accrued income		501,677	1,604
Debtor from other Charitable Trusts		200,841	137,796
Cash at bank		137,392	220,183
Cash on deposit with Cambridge University		253,835	559,327
		<u>1,093,745</u>	<u>918,910</u>
CREDITORS: amounts falling due within one year			
Trade creditors		(4,274)	(7,016)
Accruals		(16,415)	(11,700)
		<u>(20,689)</u>	<u>(18,716)</u>
NET CURRENT ASSETS		<u>1,073,056</u>	<u>900,194</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,214,713</u>	<u>1,014,767</u>
FUNDS			
Unrestricted funds - undesignated	9	<u>1,214,713</u>	<u>1,014,767</u>

The accounting policies and notes set out on pages 11 to 18 form part of these financial statements.

These financial statements were approved by the trustees on 19 April 2022

Signed on behalf of the trustees



Professor John Lonsdale

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**CASH FLOW STATEMENT
For the Year ended 31 July 2021**

	Note	2021 £	2020 £
Net cash outflow from operating activities	a.	(388,283)	(448,954)
Income from investing activities (note 7)		-	758,803
(Decrease)/increase in cash	b.	<u>(388,283)</u>	<u>309,849</u>

Reconciliation of net cash flow to movement in net funds

	2021 £	2020 £
(Decrease)/increase in cash in the year	<u>(388,283)</u>	<u>309,849</u>
Change in net funds resulting from cash flows	(388,283)	309,849
Net funds at 1 August	<u>779,510</u>	<u>469,661</u>
Net funds at 31 July	<u>391,227</u>	<u>779,510</u>

**THE MALAYSIAN COMMONWEALTH
STUDIES CENTRE IN CAMBRIDGE**

**NOTES TO THE CASH FLOW STATEMENT
For the Year ended 31 July 2021**

	2021 £	2020 £
a. RECONCILIATION OF NET INCOMING/(OUTGOING) RESOURCES TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES		
Net income/(expenditure) for the year before investment losses	172,862	(503,546)
(Increase)/decrease in debtors	(563,118)	110,424
Increase/(decrease) in creditors	1,973	(55,832)
	<u>(388,283)</u>	<u>(448,954)</u>
Net cash outflow from operating activities	<u>(388,283)</u>	<u>(448,954)</u>
b. ANALYSIS OF NET FUNDS		
	2020 £	Decrease in year £
Cash fund deposit and at bank	<u>779,510</u>	<u>(388,283)</u>
		<u>391,227</u>

THE MALAYSIAN COMMONWEALTH STUDIES CENTRE IN CAMBRIDGE

ACCOUNTING POLICIES

For the Year ended 31 July 2021

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 Malaysian Commonwealth Studies Centre in Cambridge is a Charitable Trust.

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments to market value.

Going concern

In view of the increasingly close relationship between the activities of the MCSC and the Cambridge Malaysian Education and Development Trust (CMEDT), the Finance Committee recommended that a folding-in of the two trusts should take place. This recommendation was unanimously approved by the Trustees of both trusts. 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.

On 1 August 2018, the MCSC Trustees, together with the University, executed a Deed of Amendment of the Trust Deed to enable the assets, liabilities, functions and activities of MCSC to be transferred to the Trustees of the Cambridge Malaysian Education and Development Trust (CMEDT), and for MCSC to become a charity registered with the Charity Commission rather than as an exempt charity under the auspices of the University. The Objects and Purposes of the charity remain unchanged. These new arrangements are now securely in place and the charity is registered with the Charity Commission.

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 for at least 12 months from the date of signing these financial statements and is well placed to manage its business risks successfully despite the current uncertain economic outlook. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Fund accounting

The charity maintains funds as follows:

Unrestricted funds

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.

Income

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

Investment income

Investment income is accounted for when receivable.

Donations

Donation income is accounted for when receivable.

THE MALAYSIAN COMMONWEALTH STUDIES CENTRE IN CAMBRIDGE

ACCOUNTING POLICIES (continued) For the Year ended 31 July 2021

Donated facilities

As on page i the charity rents a property for a peppercorn rent. This is not revalued to fair value as it would not be practical to revalue these services.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable

Grants payable are made to students, and in support of other activities related to Commonwealth studies, in furtherance of the charitable objectives of the trust. These include an apportionment of overhead and support costs.

Promotion - main projects

The main projects of the charity are affordable education, food security and sustainable development, mitigation of climate change, electoral democracy in the commonwealth and affordable medicine and healthcare.

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 are costs for administration of charitable activities. Support costs comprise of rent, rates, utilities, office property costs, telephone, salaries, legal, travel and governance costs for the charity.

Investments

Investments are stated at market value at the year end. Realised and unrealised gains and losses are shown in the appropriate section of the statement of financial activities.

Pensions

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.

One member of staff who resigned in 31 October 2020 belonged to a workplace pension scheme managed by *Creative Pensions*.

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 11 and 12, 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 MALAYSIAN COMMONWEALTH
STUDIES CENTRE IN CAMBRIDGE**

**ACCOUNTING POLICIES (continued)
For the Year ended 31 July 2021**

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 MALAYSIAN COMMONWEALTH
STUDIES CENTRE IN CAMBRIDGE**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 July 2021**

1. INVESTMENT INCOME

	Unrestricted funds	
	2021	2020
	£	£
University deposit account interest	345	1,017
Cambridge University Endowment Fund Distributions	-	20,958
Other investment income (Charifund)	6,245	7,394
Bank interest	23	306
	<u>6,613</u>	<u>29,675</u>

2. CHARITABLE ACTIVITIES

	Unrestricted funds	
	2021	2020
	£	£
Direct costs		
Salaries - education and research	-	-
Promotion - main projects	95,447	187,438
Grants - charitable purposes (note 3)	26,500	100,509
	<u>121,947</u>	<u>287,947</u>
Support costs		
Rent, rates and utilities	3,929	3,540
Property costs	13,235	19,392
Telephone, postage and couriers	1,643	1,901
Salaries - administration	158,233	161,031
Office expenses	8,235	10,872
Travel - administration	685	773
Bank charges	376	380
Legal fees	-	22,621
Governance costs (note 4)	25,468	24,764
	<u>211,804</u>	<u>245,274</u>
	<u>333,751</u>	<u>533,221</u>

**THE MALAYSIAN COMMONWEALTH
STUDIES CENTRE IN CAMBRIDGE**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 July 2021**

3. ANALYSIS OF GRANTS

	2021 Grants to Institutions £	2021 Grants to Individuals £	2020 Grants to Institutions £	2020 Grants to Individuals £
Education	26,500	-	48,880	51,629
Total	<u>26,500</u>	<u>-</u>	<u>48,880</u>	<u>51,629</u>

2021	£
Grants to individuals	26,500
Total: Education	<u>26,500</u>

2020	£
Recipient of Institutional Grants	
<i>To support students working on development projects:</i>	
<i>To support a teaching appointment in the Centre of South Asian Studies</i>	48,880
Total: Education	<u>48,880</u>

4. GOVERNANCE COSTS

	2021 £	2020 £
Treasurer	13,054	13,064
Audit fee	12,414	11,700
	<u>25,468</u>	<u>24,764</u>

**THE MALAYSIAN COMMONWEALTH
STUDIES CENTRE IN CAMBRIDGE**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 July 2021**

5. INFORMATION REGARDING EMPLOYEES AND TRUSTEES

	2021	2020
	No	No
Average number of employees during the year being the full time equivalent for part time staff	1.7	1.9
	£	£
Total remuneration costs	171,287	174,095

The key management personnel are the members of the Executive Committee, as set out on page ii 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 2021 was £98,160 (2019-20: £98,178).

No trustee received any remuneration from the trust during the year (2019-20: £nil).

During the year no trustees had travel expenses reimbursed (2019-20 £nil).

There was one employee (2019-20: one) with a salary in the range £70-£80k. No other employee had emoluments greater than £60k (2019-20: nil).

	2021	2020
	£	£
Analysis of staff costs		
Salaries and wages	142,285	144,231
Other pension costs	12,753	11,873
Social security costs	15,599	17,356
Apprenticeship levy	650	635
Total	171,287	174,095

6. TAXATION

The Malaysian Commonwealth Studies Centre in Cambridge 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 MALAYSIAN COMMONWEALTH
STUDIES CENTRE IN CAMBRIDGE**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 July 2021**

7. INVESTMENTS

	2021 £	2020 £
Market value at 1 August	114,573	1,018,861
Net unrealised and realised investment gains/(losses)	27,084	(145,485)
Proceeds from disposal	-	(758,803)
	<u>141,657</u>	<u>114,573</u>
Market value at 31 July	<u>141,657</u>	<u>114,573</u>

Investments comprise the following:

	2021			2020		
	Units	Cost £	Market value £	Units	Cost £	Market value £
M&G Charifund	9,184	107,625	141,657	9,184	107,625	114,573

The M&G Charifund is a unit trust. M&G Charifund is a charity with a wide spread of investments. The portfolio comprises approximately 100 stocks. The aim is to provide a level of income that is significantly higher than that of the FTSE All-share Index.

8. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Unrestricted	
	Total 2021 £	Total 2020 £
Fixed assets		
Investments	141,657	114,573
Current assets		
Accrued income	501,677	1,561
Cash fund deposits and at bank	391,227	779,553
Debtor from other Trusts	200,841	137,796
Current liabilities		
Trade creditors	(4,274)	(7,016)
Accruals	(16,415)	(11,700)
	<u>1,214,713</u>	<u>1,014,767</u>

The debtor to other Trusts is comprised of amounts owed from Cambridge Malaysian Education and Development Trust.

**THE MALAYSIAN COMMONWEALTH
STUDIES CENTRE IN CAMBRIDGE**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 July 2021**

9. MOVEMENT IN FUNDS

	Revenue balance at 1 August 2020 £	Income £	Expenditure £	Increase in market value £	Revenue Balance at 31 July 2021 £
UNRESTRICTED FUNDS					
Capital account	12,049,143	-	-	27,084	12,076,227
Income account	(11,034,376)	506,613	(333,751)	-	(10,861,514)
	<u>1,014,767</u>	<u>506,613</u>	<u>(333,751)</u>	<u>27,084</u>	<u>1,214,713</u>

	Revenue balance at 1 August 2019 £	Income £	Expenditure £	Decrease in market value £	Revenue Balance at 31 July 2020 £
UNRESTRICTED FUNDS					
Capital account	12,194,628	-	-	(145,485)	12,049,143
Income account	(10,530,830)	29,675	(533,221)	-	(11,034,376)
	<u>1,663,798</u>	<u>29,675</u>	<u>(533,221)</u>	<u>(145,485)</u>	<u>1,014,767</u>

10. RELATED PARTY TRANSACTIONS

The University of Cambridge (a related party as described on page i) provides the trust with payroll and computer support services free of charge, the value of which (whilst it could be estimated) is not considered material to adjust for in the accounts. There were no other related party transactions for the year ended 31 July 2021 (2020: none).

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 CMEDT 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. Rules for managing declared interests have been approved by the trustees.