

**CAMBRIDGE MALAYSIAN EDUCATION  
AND DEVELOPMENT TRUST**

**Annual Report and Financial Statements**

**31 July 2019**

# **CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS 2019**

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# **CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST**

## **TRUSTEES' REPORT 2018-19**

### **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 (Trustee and Executive Chairman)
- Dato' Henry Barlow (Trustee and Deputy Joint Executive Chairman)
- Sir Brian Heap (Deputy Joint Executive Chairman, Chief Scientific Adviser, and Trustee)
- Dr Anil Seal (Director)
- Mr Jeremy Carver (Trustee)
- Dr Nicholas Branson (Treasurer)

# CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

## TRUSTEES' REPORT 2018-19

### 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 Chairmen
- 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.

The Accounts of both trusts for 2018-19 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 2019. 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.

#### 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 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. Trustees are made aware of the notes of guidance for trustees which are published on the Charity Commission website.

#### 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.

#### 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.

# **CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST**

## **TRUSTEES' REPORT 2018-19**

### **3. ACTIVITIES AND DEVELOPMENTS OF THE TRUST DURING THE YEAR TO 31 JULY 2019**

#### **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 first two instalments of this approved programme of financial support for the Trust, amounting to £3.0m, were received during 2016-17; the third contribution of £1.5m was received in September 2018, and the fourth contribution of £1.5m was received in June 2019. The final instalment of £1.5m was received in December 2019.

#### **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 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) has been, since 2010, to help Malaysia improve the proficiency of its peoples in the English language, having noted that the two trusts have received all their core funding from Malaysia alone.

#### **Accessible Testing System (CATs)**

The Accessible Testing System (CATs), 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 Government of Malaysia signalled its intention that CATs (English) would become an integral and essential part of its reforms to improve English in Malaysia. The system has been launched in Malaysia on a pilot basis. Its future implementation in Malaysia remains under consideration by the authorities in Malaysia.

The principal expenditure on CATs during 2018-19 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 will be through a separate charitable company Cambridge Education and Development Trust.

During the year, CMEDT transferred £0.5m to MCSC, as a first step in refunding the contributions made by MCSC in recent years to the development of CATs.

# CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

## TRUSTEES' REPORT 2018-19

### 3. ACTIVITIES AND DEVELOPMENTS OF THE TRUST DURING THE YEAR TO 31 JULY 2019 (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 direction of Sir Brian Heap, these initiatives include:

- **CATs pilot project in Malaysia**

The CATs English Language platform has been deployed to rural communities in Borneo and mainland Malaysia under the guidance of Dr Claudia Canales, CMEDT Research Associate, building upon existing collaborative projects between UNIMAS, the communities and members of the Smart Villages team. Feedback has provided invaluable material for the further refinement and wider application of this ground-breaking product for teaching English.

- **Centre for Sustainable Development**

The Trust has contributed towards the work of Dr Stephanie Hirmer, CMEDT Research Associate, and Sir Brian Heap in the construction and delivery of an M.Phil. course in Engineering. This came about by an invitation from the Centre for Sustainable Development in the Department of Engineering at the University of Cambridge requesting a taught course arising from the work for the Smart Villages Initiative reported last year. The knowledge and experience accumulated from 40 workshops on topics pertaining to off-grid energy access in Asia, Africa and Latin America was funded by CMEDT and the Templeton Foundation, and has been incorporated into the M.Phil. course. Eminent scientists invited from London and Oxford also contributed and this helped the team to gain top marks from engineering students, the majority of whom came from developing countries.

- **Biosciences for Farming in Africa (B4FA) [www.b4fa.org](http://www.b4fa.org)**

This project has continued following its support by the trusts and the John Templeton Foundation. Key outcomes have been the continued maintenance and development of the B4FA website.

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

#### **(b) The Mitigation of Climate Change and Natural Disasters**

##### *Asian Network on Climate Science and Technology (ANCST)*

The trusts assisted in the establishment of this initiative involving policy makers and researchers, working on climate science, climate change and natural disasters specific to Asia. The initiative is led by Professor Lord (Julian) Hunt, and Professor Joy Pereira, and is now essentially self-supporting.

##### *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 builds upon particular strengths in this field in Cambridge University, and in the Tropical Biology Association with which the University has close and friendly connections.

# CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

## TRUSTEES' REPORT 2018-19

### 3. ACTIVITIES AND DEVELOPMENTS OF THE TRUST DURING THE YEAR TO 31 JULY 2019 (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 18<sup>th</sup> Cambridge Conference on Electoral Democracy in the Commonwealth took place at Trinity College Cambridge on 25-26 July 2019 attended by 23 key persons representing 14 electoral commissions.

A major theme of the 18<sup>th</sup> Conference was strategies for strengthening Election Commissions.

##### **Southern African Development Community's Electoral Commissions Forum**

The Cambridge Conference was represented by Mr Peter Wardle at this forum which took place in Lesotho on 24 October 2018.

##### **Workshop**

Following last year's *Inaugural Informal Workshop for Electoral Commissioners from Africa* held in Mauritius, from 11-12 March 2019 a second informal workshop on Electoral Democracy for Commonwealth African Election Commissioners was organised by the trust and took place in Cape Town, South Africa. These workshops have enabled participants to explore, in an informal manner, important questions relating to electoral democracy and the holding of elections in Africa.

### 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.

### 6. FINANCIAL REVIEW

The total income for the year ended 31 July 2019 was £3,001,809 (2017-18: £150,518). The total expenditure for the year ended 31 July 2019 was £2,054,120 (2017-18: £1,977,710).

The net income for the year ended 31 July 2019 was £947,689 (2017-18: net deficit: £1,827,192).

The total assets less liabilities as at 31 July 2019 were £1,179,486 (2017-18: £231,797).

# CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

## TRUSTEES' REPORT 2018-19

### 7. GOING CONCERN

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

The Trust has total assets less liabilities of £1,179,486 as at 31 July 2019 (2018: £231,797). In addition, the balance carried forward by the MCSC at 31 July 2019 (£1,663,798) is available to CMEDT following the agreement by the respective Trustees to permit the transfer of assets. 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. 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 2019-20.

The unrestricted reserves at 31 July 2019 were £1,179,486 (2018: £231,797).

The restricted reserves at 31 July 2019 were £nil (2018: £nil).

### 9. RISK MANAGEMENT

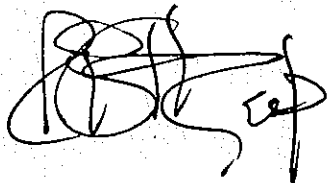
The Trustees have examined the major strategic, business and operational risks which the Trust faces, and are satisfied that, with the regular reports they receive at meetings, they are able to assess these risks and to put in hand on a timely basis any necessary actions (mainly in relation to the scale 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 to meet the commitments currently envisaged for 2019-20.

Approved and signed on behalf of the Trustees:



Professor Sir Brian Heap

Date: 5 March 2020



# **CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST**

## **LEGAL AND ADMINISTRATIVE DETAILS**

### **TRUSTEES**

The Trustees for the year to 31 July 2019 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  
Statutory Auditor  
1 Station Square  
Cambridge  
CB1 2GA

### **REPORT**

These financial statements should be read in conjunction with the trustees' annual report which is included within these accounts.

# **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 CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements of 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 2019 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 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF 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

9 March 2020

Deloitte LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006 and consequently to act as the auditor of a registered charity.

# CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

## STATEMENT OF FINANCIAL ACTIVITIES Year ended 31 July 2019

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

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 comparative statement of financial activities is included in note 9.

# CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

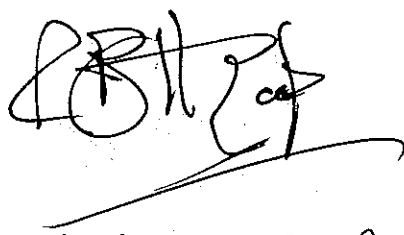
## BALANCE SHEET 31 July 2019

	Note	2019 £	2018 £
<b>CURRENT ASSETS</b>			
Debtors	6	19,396	115,939
Cash at bank and in hand		<u>1,575,189</u>	<u>334,516</u>
		1,594,585	450,455
<b>CREDITORS: amounts falling due within one year</b>	7	<u>(415,099)</u>	<u>(218,658)</u>
<b>NET CURRENT ASSETS</b>		<u>1,179,486</u>	<u>231,797</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,179,486</u>	<u>231,797</u>
<b>FUNDS</b>			
Unrestricted funds		<u>1,179,486</u>	<u>231,797</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 5 March 2020

Signed on behalf of the trustees



Professor Sir Brian Heap

# **CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST**

## **CASH FLOW STATEMENT**

**Year ended 31 July 2019**

	Note	2019 £	2018 £
Net cash inflow (outflow) from operating activities	a.	<u>1,240,673</u>	<u>(1,763,401)</u>
Increase (decrease) in cash	b.	<u>1,240,673</u>	<u>(1,763,401)</u>

### **Reconciliation of net cash flow to movement in net funds**

	2019 £	2018 £
Increase (decrease) in cash in the year	<u>1,240,673</u>	<u>(1,763,401)</u>
Change in net funds resulting from cash flows	<u>1,240,673</u>	<u>(1,763,401)</u>
Net funds at 1 August 2018/2017	<u>334,516</u>	<u>2,097,917</u>
Net funds at 31 July 2019/2018	<u>1,575,189</u>	<u>334,516</u>



# CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

## NOTES TO THE CASH FLOW STATEMENT

Year ended 31 July 2019

	2019 £	2018 £	
<b>a. RECONCILIATION OF NET INCOMING (OUTGOING) RESOURCES TO NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES</b>			
Net incoming (outgoing) resources	947,689	(1,827,192)	
Decrease (increase) in debtors	96,543	(9,109)	
Increase in creditors	196,441	72,900	
	<hr/>	<hr/>	
Net cash inflow (outflow) from operating activities	1,240,673	(1,763,401)	
	<hr/>	<hr/>	
<b>b. ANALYSIS OF NET FUNDS</b>			
	2018 £	Increase in year £	2019 £
Cash fund deposit and at bank	334,516	1,240,673	1,575,189

# **CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST**

## **ACCOUNTING POLICIES**

**Year ended 31 July 2019**

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Charities" SORP 2015 issued in January 2015 (revised 1 January 2016), 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, but subject critically to the instalment of funding promised by the Malaysian Government being received in a timely manner during 2019-20. 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.

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.

### **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).

# **CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST**

## **ACCOUNTING POLICIES**

**Year ended 31 July 2019**

### **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 and provisions 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.

# CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2019

### 1. INFORMATION REGARDING EMPLOYEES AND TRUSTEES

	2019 No	2018 No
Average number of employees during the year being the full time equivalent for part time staff	2.2	2.2
	£	£
Total remuneration costs	176,764	172,584

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 2019 was £92,947 (2017-18: £82,288).

No trustee received any remuneration from the trust during the year. During the year 3 (2017-18: 2) trustees had travelling expenses of £1,698 reimbursed (2017-18: £6,833).

There was 1 employee with emoluments in the range £70k - £80k (2017-18: 1 with emoluments in the range £70k - £80k). No other employee had emoluments greater than £60k (2017-18: £60k).

Analysis of staff costs	2019 £	2018 £
Salaries and wages	149,890	145,305
Pension costs	11,935	12,109
NI costs	14,316	14,541
Apprenticeship levy	623	629
Total	176,764	172,584

### 2. INCOME FROM DONATIONS

	2019 £	2018 £
Templeton World Charity	-	149,933
Malaysian Ministry of Education	3,000,000	-
	3,000,000	149,933

The income for the year ended 31 July 2019 was all unrestricted and the income for the year ended 31 July 2018 was all restricted.

# CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2019

### 3. CHARITABLE ACTIVITIES

	Total 2019 Unrestricted £	Restricted 2018 £	Unrestricted 2018 £	Total 2018 £
Promotion:				
- main projects	1,309,828	-	1,491,672	1,491,672
- Smart Villages	-	149,933	9,583	159,516
Grant to MCSC	500,000	-	-	-
	<u>1,809,828</u>	<u>149,933</u>	<u>1,501,255</u>	<u>1,651,188</u>
Rent and rates	5,713	-	5,181	5,181
Property costs	18,631	-	59,882	59,882
Salaries - administration	165,868	-	161,673	161,673
Office expenses	7,748	-	15,270	15,270
Travel	663	-	1,671	1,671
Telephone, postage and couriers	3,347	-	4,189	4,189
Legal fees	20,091	-	56,216	56,216
Bank charges	895	-	848	848
Governance costs (note 4)	21,336	-	21,592	21,592
	<u>244,292</u>	<u>-</u>	<u>326,522</u>	<u>326,522</u>
	<u>2,054,120</u>	<u>149,933</u>	<u>1,827,777</u>	<u>1,977,710</u>

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

### 4. GOVERNANCE COSTS

	Unrestricted £	Restricted £	Total 2019 £	2018 £
Auditor's remuneration - fee payable to the Trust's auditor	10,440	-	10,440	10,680
Treasurer	10,896	-	10,896	10,912
	<u>21,336</u>	<u>-</u>	<u>21,336</u>	<u>21,592</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.

# CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2019

### 6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Inter-trust debtor	-	99,199
Prepayment	19,396	16,740
	<u>19,396</u>	<u>115,939</u>

The inter-trust debtor comprises amounts owed from The Malaysian Commonwealth Studies Centre in Cambridge.

### 7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	148,564	192,678
Accruals	22,440	25,980
Inter-trust creditor	244,095	-
	<u>415,099</u>	<u>218,658</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.

# CAMBRIDGE MALAYSIAN EDUCATION AND DEVELOPMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2019

### 9. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestric- ted funds £	Restricted funds £	Total funds 2018 £
<b>INCOME FROM:</b>			
Donations	-	149,933	149,933
Interest receivable	585	-	585
<b>TOTAL INCOME</b>	<u>585</u>	<u>149,933</u>	<u>150,518</u>
<b>EXPENDITURE ON:</b>			
Charitable activities	<u>1,827,777</u>	<u>149,933</u>	<u>1,977,710</u>
<b>TOTAL EXPENDITURE</b>	<u>1,827,777</u>	<u>149,933</u>	<u>1,977,710</u>
<b>NET EXPENDITURE FOR THE YEAR AND NET MOVEMENT OF FUNDS</b>	(1,827,192)	-	(1,827,192)
<b>TOTAL FUNDS brought forward at 1 August</b>	<u>2,058,989</u>	<u>-</u>	<u>2,058,989</u>
<b>TOTAL FUNDS carried forward at 31 July</b>	<u>231,797</u>	<u>-</u>	<u>231,797</u>