



The Association  
of Commonwealth  
Universities

# Annual Report and Financial Statements July 2020





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## 1 Introduction from the Chair

In the 12 months covered by this report, the ACU delivered life-changing educational opportunities to thousands of students and academics from across the world. We brought universities together from countries large and small to share knowledge and experience of climate change, peace-building, and sustainable development, and convened young leaders to map their visions of a fairer future. We delivered online learning modules that widened access to higher education, and initiatives to make universities more inclusive and supportive for women, refugees, and emerging researchers. And much, much more.

Yet 2020 will inevitably be remembered as the year of COVID-19. The disruption, uncertainty, and rapid change that the pandemic brought with it have been so profound that it has become hard to view the year through any other lens. What has remained constant, however, is our belief in the importance of international collaboration.

When the pandemic first struck, our immediate priority was the welfare of our staff and the many international students on ACU-administered awards. Our scholarships teams sprang into action, rapidly arranging for thousands of scholars to return safely home, while providing comprehensive support to those unable to do so. Within a matter of days, ACU staff made the transition to remote working and, together, we began to creatively adapt our activities to support our members and stakeholders through unprecedented times.

The weeks and months that followed showed not only the inspiring range of virtual engagement that was possible, but also the continuing appetite for international collaboration. Our online webinars saw universities around the world sharing tools and approaches to moving teaching and learning online. Students, academics, and university professionals from every corner of the world were able to join us virtually at a United Nations summit in New York, experience virtual tours of universities, and take part in open online courses and events. At the first conference of our Peace and Reconciliation Network, doctoral

fellows from South Africa and Northern Ireland came together to share stories of conflict, division and peacebuilding, all through their screens.

Like all global challenges, COVID-19 didn't stop at international borders and it will take an international response to tackle it. University research has led the charge, with unprecedented collaboration across borders and thousands of researchers working together towards a single goal.

This cross-border effort reminds us that collaboration in higher education yields not only breakthroughs in knowledge but can transcend political and ideological differences. The ACU's thriving global network enables knowledge and insights to be shared across borders, partnerships to be forged, and the creation of lasting bonds between individuals and nations.

These connections will be vital if we are to solve global challenges and tackle global threats, from emerging diseases to the climate crisis. Universities have a pivotal role to play and, for this reason, we have aligned our strategic priorities with the United Nations Sustainable Development Goals, placing higher education's contribution to society at the front and centre of everything we do.

This crisis has demonstrated the difference universities can make to the world around them — and most of all when they work together. Despite the uncertainties that lie ahead, our role in forging and promoting these vital connections matters more than ever.

Professor Sir Edward Byrne AC  
Chair of the Council



## 2 Why we exist

The ACU is an international organisation dedicated to building a better world through higher education.

We believe that international collaboration is central to this ambition. By bringing universities together from around the world – and crucially the people who study and work within them – we help to advance knowledge, promote understanding, broaden minds, and improve lives.

We champion higher education as a cornerstone of stronger societies, supporting our members, partners, and stakeholders as they adapt to a changing world.



### Our values

- Quality – We strive to excel in all we do, and continuously reflect on our work to find new ways forward.
- Collaboration – We believe that cooperation and sharing ideas makes us stronger.
- Innovation – We encourage people to think differently, be curious, and explore new ideas.
- Respect – We treat others in the way we would like to be treated – with fairness, integrity, and generosity.
- Inclusion – We value difference, and encourage and celebrate the diverse voices of our colleagues and partners.

### Our strategic priorities

- To champion the power of higher education to improve lives
- To support the long-term vitality of universities
- To engage and connect universities across borders, and promote collaboration among them
- To deliver educational opportunities that make a positive and lasting difference
- To uphold the ACU's reputation for excellence and demonstrate its impact

### The road to 2030

Universities make a critical contribution to sustainable development across the Commonwealth and beyond.

Our strategic plan – 'The road to 2030' – reinforces our fundamental belief that global challenges can only be solved through international collaboration, and our collective commitment to achieving the UN Sustainable Development Goals through higher education.



### 3 Review of the year

This section summarises our performance against the five objectives outlined in our strategic plan.

#### 1. To champion the power of higher education to improve lives

*1.1. Promote, at the highest levels, the value of universities to society, and their role in sustainable development*

*1.2. Present a powerful collective voice for universities on a global stage*

Our accredited status and global partnerships enable us to influence policymaking in higher education and raise the profile of universities' contribution to building a better world. Highlights from 2019-20 include:

Throughout the year, we worked closely with **Commonwealth governments** to put higher education firmly on the agenda at major upcoming Commonwealth government meetings, including the Commonwealth Heads of Government Meeting (CHOGM) in Rwanda and the Conference of Commonwealth Education Ministers (CCEM) in Kenya – the latter as part of the CCEM planning committee, alongside the Government of Kenya and the Commonwealth Secretariat. Although CHOGM was later postponed as a result of the COVID-19 pandemic, we continue to work with government officials in anticipation of both events being rescheduled.

We represented the higher education sector at the **United Nations General Assembly** – the chief policymaking and representative organ of the United Nations – in September 2019. We took part in a high-level event for Commonwealth governments and organisations hosted by the governments of the UK and Rwanda, as well as a special event of the Global Resilience Partnership – a coalition of organisations working towards a resilient, sustainable and prosperous future for vulnerable people and places.

The **UNESCO General Conference** in November 2019 was a chance to [raise awareness](#) of higher education's contribution to the United Nations Sustainable Development Goals (SDGs), as well as to attend the Education 2030 Steering Committee – the structure that provides political oversight of SDG4: 'to achieve inclusive and equitable quality education and lifelong learning opportunities for all'.

**'HE: global engagement to deliver the SDGs'**, a three-day dialogue, brought university leaders, policymakers, government officials, and funders together to explore how the sector can engage with the SDGs in the decade ahead. Held in January 2020 in partnership with Wilton Park, the event delivered a series of [recommendations](#) for universities, governments, funders, and networks.

In January 2020, we met with the **Commonwealth Education Ministers Action Group**, an international group of government ministers who meet in the intervening years of the Conference of Commonwealth Education. Our presentation showcased higher education's vital contribution to sustainable development and the ACU's work to support it.

A new collaboration on **[sustainable urbanisation in the Commonwealth](#)** took shape at the United Nations [World Urban Forum](#) in February 2020, the foremost global gathering on the future of cities, where the ACU represented the higher education sector alongside Commonwealth governments and stakeholders.

- The collaboration – a partnership with the Commonwealth Association of Architects, the Commonwealth Associations of Planners, and the Commonwealth Local Government Forum – will focus on planning for climate change and rapid urbanisation in the Commonwealth, improving resilience, and protecting health, wellbeing, and the natural environment
- In lieu of planned events at CHOGM, a series of [online events](#) launched in June, with HRH The Prince of Wales, UN Habitat, and the Government of Rwanda. These events have attracted over 2,000 participants to date and engaged 78 ACU members, including 18 panellists and presenters



- The series will shape a call to action on sustainable urbanisation in the Commonwealth to be delivered at CHOGM and proposals for new programmes to address the challenges identified

**'From Global Goals to Global Learning'** was the theme of an ACU masterclass at the British Council's Going Global conference in June 2020. More than 100 delegates joined our interactive event on how to embed the SDGs in university teaching and learning, with contributions from members in Australia, India, Mauritius, South Africa, and the UK.

We played an integral role in the **United Nations High-Level Political Forum** in July 2020 – a major annual event at which governments, UN agencies, and civil society come together to discuss progress towards the SDGs. Held virtually, ACU member universities around the globe were encouraged to take part, with free access to workshops and events. Highlights included:

- Joining a [high-level meeting](#) of the UN Sustainable Development Solutions Network, with UN Secretary-General António Guterres and Deputy Secretary-General Amina Mohammed. The meeting explored how universities can support the 'Decade of Action' towards the SDGs
- 'Where next? Redesigning further education for the future' – a panel discussion with the UN's Higher Education Sustainability Initiative
- The award ceremony of the International Green Gown Awards, which celebrate university sustainability initiatives, and for which we were judges and sponsors
- A workshop on 'Teaching, learning and integrating the SDGs at universities and beyond'
- ACU Secretary General, Dr Joanna Newman, was invited to join the [Leadership Council](#) of the United Nations Sustainable Development Solutions Network (SDSN) – a panel of experts who oversee the work of the SDSN to promote practical solutions for sustainable development

We were proud to launch a **major new global partnership** between the ACU, Agence universitaire de la Francophonie (AUF) and the International Association of Universities (IAU). Our three organisations, which together represent more than 2,000 higher education institutions across more than 140 countries, will join forces to advocate for higher education on a wide international scale. Our shared commitment was formalised in a memorandum of understanding, signed at the 2020 UN High-level Political Forum, and the creation of a joint working group to increase our impact at the United Nations and other international fora.

In July 2020, we joined a panel of experts to address the **Canadian Council of Ministers of Education** on the impact of the sudden pivot to online delivery in post-secondary education and how the lessons learned can inform new approaches in future.

### *1.3. Lead debate and dialogue around key issues in international higher education*

Our report, **'Generating talent: Transforming support for the research landscape in South Africa'** continued the ACU's long tradition of supporting the next generation of academics, whose development will be vital to the future of universities. [The report](#), co-authored with Universities South Africa, was launched at South Africa's first national higher education conference in October 2019, where [the ACU chaired a panel of leading academics](#) to discuss its findings and recommendations.

The **role of universities in supporting refugees and displaced people**, and the importance of improving access to education for those forced from their homes and communities, were areas we continued to highlight. Activities in 2019-20 included:

- **'Journeys to belonging'**, a symposium held with King's College London in November 2019, was a chance to share tangible approaches to widening access to higher education for refugees and displaced people – from



improving learning outcomes in refugee camps, to providing sanctuary. Participants included academics, policy and advocacy bodies, as well as displaced students and academics from South Sudan, Syria, and Uganda

- Our report, '[Extending the welcome](#)', gathered case studies, best practice, and recommendations around long-term approaches to supporting refugees and at-risk scholars

The inclusion of **sport, play, and health** as a key part of the education agenda was the theme of [Fit for Purpose: Health, Sport and Play in Education](#), a conference held in January 2020 in partnership with the Council for Education in the Commonwealth. The conference included sessions on early childhood education and play-based learning, sport for education, and education and health for displaced people, with closing remarks by His Excellency Manohar Esipisu, the High Commissioner of the Republic of Kenya.

**The ACU Review**, our print and online magazine, celebrates and showcases the work of ACU members and their contribution to building a better world through higher education. Its thematic approach highlights issues of particular significance in the Commonwealth context, including the need to **protect and preserve indigenous languages** – published in 2019 as part of the United Nations International Year of Indigenous Languages – and our second issue on the challenges of **public mental health** in post-colonial societies, particularly for those living with conflict, poverty, and the legacies of slavery. The first two issues showcased the work of more than 30 universities across the Commonwealth.

A series of **thought-leadership articles** and comment in the higher education and wider press continued to draw attention to the challenges faced by universities in the Commonwealth and their pivotal contribution to society. Examples include:

- [Qualification recognition is a question of fairness and access](#) in the *Times Higher Education*
- [Universities are failing refugees](#) in *The Guardian*
- [Covid-19 is an opportunity to reimagine international partnerships](#) in the *Times Higher Education*

- [The '4 Is' for internationalisation of education](#) in *Global Education Times*
- [Universities are key to achieving sustainable development](#) in *University World News*
- [How higher education might change for the better](#) in *QS*

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## 2. To support the long-term vitality of universities

### *2.1. Support the development of the core human and institutional resources that underpin the university mission*

We continued to manage a range of innovative ongoing projects and platforms that connect universities across borders to help meet demand, enable vital research, improve performance, and strengthen higher education systems:

The **Africa-UK Physics Partnership Feasibility Study**, funded by the UK government's Department for Business, Energy and Industrial Strategy (BEIS), established a picture of physics research capacity in nine African countries: Ethiopia, Ghana, Kenya, Malawi, Nigeria, Rwanda, South Africa, Tanzania, and Uganda. The study informed a funding proposal to support UK-Africa physics research partnerships that meet global challenges, focusing on health, energy, and climate. In 2019-20:

- We surveyed 50 universities across the priority countries, interviewed 24 physics experts, and held a Theory of Change workshop with 21 participants representing priority countries
- The resulting report highlighted the need to invest in capacity strengthening projects to empower African physicists to lead cutting-edge research. Staff development, infrastructure access and support, and the pipeline into universities were all highlighted as key areas on which to focus





The **Climate Impacts Research Capacity and Leadership Enhancement (CIRCLE)** programme works to strengthen climate change research within sub-Saharan Africa through an innovative dual approach: supporting individual academics to undertake research, while working with universities to improve their capacity to support quality research. Funded by the Foreign, Commonwealth and Development Office (formerly the UK Department for International Development), CIRCLE has enabled 97 emerging researchers to undertake community-embedded research to date, while working with 31 universities to improve their capacity to support this work. Updates from 2019/20 include:

- **Research uptake funding** was made available to alumni of the programme to help them translate their research into practice
- A new **publication fund** provides financial support for the payment of article processing charges, enabling CIRCLE researchers to publish their work in open access journals
- Universities taking part in the CIRCLE Institutional Strengthening Programme were awarded further seed funding to **improve institutional support** for early career researchers. Funded activities included workshops on mentorship, professional development, research management and ethics, as well as train-the-trainer workshops for institutional staff

**LEAP4FNSSA** is a long-term research and innovation partnership for food and nutrition security and sustainable agriculture. It brings European and African institutions together to improve cooperation in science, technology and innovation. With funding from the European Commission, the ACU continued to lead the development and delivery of a monitoring and evaluation framework for the programme, and will deliver a baseline assessment study.

The **Partnership for Enhanced and Blended Learning (PEBL)** is an ongoing programme designed to build a solid base of expertise among academic staff in east Africa in the use of blended learning pedagogy. PEBL, which is funded by the Foreign, Commonwealth and Development Office (formerly the UK

Department for International Development) and managed by the ACU, enables universities in the region to share scarce teaching resources through quality-assured, credit-bearing degree courses delivered online.

- The **first batch of six online modules** are currently being used by 24 institutions in Kenya, Rwanda, Tanzania, and Uganda to complement traditional face-to-face teaching and expand the range of courses on offer to students
- To date, over **9,000 students** have benefited from PEBL modules to build their skills, while over 150 academics have been trained on various aspects of blended learning design and delivery
- In 2019/20, a second cohort of 24 academic developers from 15 universities across east Africa were **trained in blended learning** content design. They have designed a new batch of nine modules that will be made available on OER Africa in September 2020
- Many PEBL universities reported that their participation in the programme improved their ability to **shift to online teaching** during COVID-19

## *2.2. Improve equity, inclusion, and access, which are critical to the future of higher education*

**ACU Gender Grants** support initiatives that boost gender equity on campus. The grants can be used for a range of projects, workshops, and events in areas such as supporting women in leadership, anti-sexual harassment initiatives, supporting women in science and research, and gender equity in the curriculum.

- In 2019-20, we awarded grants to [nine member institutions](#) in India, Kenya, Malaysia, Nigeria, Sri Lanka, the UK, and Zimbabwe
- The latest grants will support a range of projects, including a mobile app to enable secure and anonymous reporting of sexual and gender-based





violence on campus, a mentoring scheme for young female academics, the development of new equality and diversity policies, and staff training in responding to reports of sexual harassment

The **Martha Farrell Memorial Fellowships** offer specialist training and practical support to tackle sexual harassment on university campuses, and are hosted by the Martha Farrell Foundation in India. Two Fellowships were awarded in 2019, both to universities in Tanzania.

### *2.3. Share learning from local and regional initiatives to deliver wider impact*

A series of **Good Practice Guides** to help universities strengthen their support for early career researchers were created by the ACU-led [Climate Impacts Research Capacity and Leadership Enhancement](#) (CIRCLE) programme in partnership with [Vitae](#). The guides combine best practice and learning from the CIRCLE Institutional Strengthening Programme and can be used by university staff to design and deliver their own institutional strengthening activities. These guides are now freely available for all universities to use.

**Six quality assured online modules**, created as part of the [Partnership for Enhanced and Blended Learning](#) (PEBL) and designed by academics from east African universities, have been made [openly available for lecturers around the world to access and download](#) into their own virtual learning management systems, via OER Africa. PEBL courses emphasise knowledge and skills for employability, covering subjects ranging from critical thinking and communications to entrepreneurship, IT skills and numerical analysis. The modules have been shared widely as part of the Commonwealth of Learning International Partnership of Distance and Online Learning for COVID-19.

## **3. To engage and connect universities across borders, and promote collaboration**

### *3.1. Strengthen and grow our international network of universities to extend our global reach*

**ACU member universities** are a vibrant global community with a shared commitment to building a better world through higher education. With more than 500 member universities across 50 countries, our network reflects the breadth and diversity of the Commonwealth itself.

**ACU Digital Now**, launched in June 2020, is our commitment to ensuring that our global network continues to thrive not just in the short-term, while COVID-19 restricts global mobility, but in the longer term too. ACU Digital Now uses digital solutions to cross borders, narrow divides, and create access and opportunity to foster change. As part of this commitment, we are creatively redesigning ACU grants to support more virtual engagement and exchange and finding innovative ways to bring our members together. Outputs so far include a series of webinars to help researchers, students, and professionals share information and find support, attended by nearly **800 participants from 40 countries** to date, and including:

- [Strategies for successfully moving courses online](#) – a webinar exploring tools and methods to successfully move courses online during COVID-19, and to adopt blended learning approaches after campuses reopen
- [University libraries beyond the campus walls](#) – a webinar on how libraries can support students during lockdowns and campus closures
- [HR in HE responding to the COVID-19 crisis](#) – a webinar on the role of university HR professionals during COVID-19
- [Moving assessments online – lessons learned](#) – a webinar sharing practical learning on how to successfully move exams online



### *3.2. Create forums through which institutional knowledge and resources can be shared and multiplied*

Our thriving policy networks and communities of practice enable universities to share best practice, collaborate on joint activities, and influence policy agendas within and beyond the sector.

The **Commonwealth Climate Resilience Network** brings universities together to share practical expertise and experience of building resilience to climate change and natural disasters, and contribute to policymaking in this area. Updates from 2019-20 include:

- The network's **first official meeting** was hosted by the University of the West Indies, Jamaica, in August 2019. The meeting was a chance to discuss the results of a survey, undertaken by the Association of Caribbean Tertiary Institutions in partnership with the ACU, of the loss and damage experienced by Caribbean universities due to climate change and their levels of disaster preparedness. The meeting also developed and agreed a workplan for the network
- The network facilitated a **virtual visiting fellowship** between two of its members: Durham University, UK, hosted a fellow from the University of Cape Town's African Climate Development Initiative to undertake research and co-develop approaches to teaching climate resilience, the outputs of which will be shared with the network
- **Three one-day workshops** were held during the fellowship, facilitating the sharing of good practice and collaborative projects, and engaging over 30 academics from Africa, the Caribbean, the Pacific and Europe
- The ACU has linked the network's research community to a **new three-year research project** in which the ACU is an impact partner. The project – 'Transforming Universities for a Changing Climate' – aims to enhance universities' contribution to addressing climate change, and is led by the Institute of Education and funded by the Economic and Social

Research Council under the Global Challenges Research Fund

- Membership of the Commonwealth Climate Resilience Network grew to **222** individuals in **114** universities across **30** countries

The ACU's **Peace and Reconciliation Network** is an interdisciplinary collective of academics, researchers and professional staff working in the fields of peace, justice, truth-telling reconciliation. Updates from 2019-20 include:

- **Art in Peace and Reconciliation: A Transnational Perspective** was the theme of the network's inaugural conference in June 2020, held virtually in partnership with Stellenbosch University, South Africa. The event, which attracted nearly 300 delegates from more than 30 countries, explored how the arts can be used to open up space for healing, dialogue, reconciliation and transitional justice across the Commonwealth. The event saw the launch of a new **network of earlier career researchers** and the conference proceedings are being prepared for journal publication
- **New peer-led workstreams** will focus on issues of institutional reform and the role of universities in post conflict societies
- Membership of the Peace and Reconciliation Network grew to **159** individuals in 106 universities across 28 countries

The **Higher Education and the SDGs Network**, launched in January 2020, is a forum for staff at ACU member universities who are directly engaging in the Sustainable Development Goals agenda, including integrating sustainable development into their teaching and operations and research strategies to deliver the goals. In addition to a webinar held at Going Global network activities have included:

- The network's **inaugural meeting** in January 2020 at Wilton Park, which identified areas of focus for the group to take forward
- **'What role for universities in sustainable development?',** a free lecture by subject expert Prof. Tristan McCowan from the Institute of



## Education, UK

- Membership of the Higher Education and the SDGs Network has grown to **450** individuals in 179 universities across 31 countries

The **ACU Member Communities** are forums for university colleagues across the Commonwealth to share knowledge, experience, and good practice and to discover potential avenues for collaboration. Members benefit from networking events, talks and webinars from expert speakers, online discussion forums, and regular newsletters.

- The [HR in HE Community](#) is a forum for staff working in university human resources, from the most experienced professionals to those looking to expand or develop their institution's HR function. The Community champions the importance of the strategic positioning of HR in universities and their unique contribution to a university's mission. The Community has **457** individual members in 222 universities across 34 countries
- The [Supporting Research Community](#) is a forum for all staff at ACU member universities who are involved in supporting the research process – including research management and administration, research impact and uptake, and library services. The Community has **336** individual members in 146 universities across 30 countries

### *3.3. Deepen our engagement with member universities to identify areas of shared interest and remain responsive to their needs*

**ACU Champions** improve the flow of information and opportunities between the ACU and our member institutions. Our drive to recruit these has been successful, with 28% of our members now with an appointed ACU Champion. Seven new **ACU Regional Committees were launched**, who will oversee regional activity, give feedback on membership priorities, and ensure we continue to offer value for money to our members. Each committee will meet once a year: the regional committee for Australia, New Zealand, and the Pacific

met for the first time in October 2019, and the east and southern Africa committee met in June 2020.

Meanwhile, our **five regional coordinators** have increased our ability to connect with members across the Commonwealth and respond to regional needs.

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## **4. To deliver educational opportunities that make a positive and lasting difference**

### *4.1. Run prestigious scholarship schemes that build enduring international connections, understanding, and engagement*

The ACU is committed to delivering educational opportunities that make a positive and lasting difference. One of the ways we do this is through the management of world-class international scholarship schemes that build enduring international connections and understanding between individuals, institutions, and nations. We manage the UK government's three major scholarship programmes: Chevening, Commonwealth, and Marshall Scholarships, as well as the Queen Elizabeth Commonwealth Scholarships, and are also custodians of the Commonwealth Scholarship and Fellowship Plan.

**Chevening** is the UK government's flagship international awards programme aimed at developing global leaders. Funded by the Foreign, Commonwealth and Development Office (formerly the Foreign and Commonwealth Office) and partner organisations, and administered by the ACU, Chevening enables tomorrow's leaders to study in the UK and join a global community of professionals who are creating positive change. Updates from 2019-20 include:

- Nearly **60,000 applications** were submitted for Chevening Scholarships in 2019 – a 15% increase from the previous year



- **1,735** Scholars from over 140 countries and territories were welcomed to 117 universities in the UK
- Following a £2.7m **increase in Chevening funding for Africa**, worth an additional 100 scholar places, we welcomed 470 African scholars in 2019-20 – the largest ever cohort from the continent
- Chevening launched a **new website**, intended to create more intuitive user journeys and more impact-focused content
- In **response to COVID-19**, the Chevening team worked closely with the Foreign, Commonwealth and Development Office to continue to deliver a quality Scholar, alumni and partner experience, including supporting Scholars to return to their home countries and continue their studies online, developing a hardship fund for Scholars who were unable to get home, and providing a full virtual events calendar

The **Commonwealth Scholarship Commission in the UK** (CSC) is the main UK government scholarship scheme led by international development objectives. Sponsored by the Foreign, Commonwealth and Development Office (formerly the Department for International Development) and managed by the ACU, the CSC combines sustainable development with UK national interests by supporting innovators and leaders of the future from across the Commonwealth and attracting outstanding talent to Britain's universities. Updates from 2019-20 include:

- The CSC welcomed its 60th cohort of Scholars and celebrated its **60th anniversary** with events hosted by university partners across the UK
- **750** new research and taught course awards were made, with a further **1,000** scholars continuing from the previous year
- A new **Alumni Engagement Strategy** was launched and a six-week online course '**Understanding Development Impact**' was developed for incoming Scholars as part of the CSC's Leaders for Sustainable Development Programme

- A new **Special Disability Programme** saw the CSC support a greater number of disabled Scholars. Additional scholarships for people studying disability-related Master's programmes were also made available and an audit of software and materials was conducted to ensure full accessibility
- The CSC **responded rapidly to the COVID-19 pandemic**, ensuring that Scholars who wished to so do could return home, establishing a hardship policy to support Scholars who were unable to travel, and a new virtual engagement programme offering welfare and engagement opportunities. 50 new distance learning awards were also launched in subjects related to COVID-19

**Marshall Scholarships** enable young Americans of high ability to study for a degree in the UK. As future leaders, Marshall Scholars strengthen the enduring relationship between the British and American peoples, their governments, and their institutions. Marshall Scholarships are mainly funded by the Foreign, Commonwealth and Development Office (formerly the Foreign and Commonwealth Office) and overseen by the Marshall Aid Commemoration Commission, administered by the ACU. Updates from 2019-20 include:

- The launch of the **Marshall Connect Programme**, which works with the UK Cabinet Office to match Marshall Scholars with UK Civil Service Fast Streamers. The programme seeks to bring future leaders together and build lasting relationships
- A **rapid response to the COVID-19 pandemic** ensured that Marshall Scholars who wished to do so could return home and those who remained in the UK received financial support. A new series of Marshall Hangouts was organised, including lectures from Marshall Alumni and Commissioners, as well as opportunities for the Scholars to meet online
- A **UK Study Tour** for US Fellowship Advisors took place virtually, and a new series – 'Marshall Mondays: Brunch and Learn' – enabled potential applicants to take virtual tours of 16 British universities
- Marshall launched a **new website**, which included a rebrand and a



complete restructure, and now includes an outreach section with specially commissioned films to promote the Scholarships

The **Queen Elizabeth Commonwealth Scholarships** (QECS) offer the chance to study for a two-year Master's degree in a low or middle income country of the Commonwealth. Funded by governments of the Commonwealth, the scholarships are aimed at students who are committed to creating change in their communities. Updates from 2019-20 include:

- Over **5,000 applications** for 30 awards were received in the past two cycles
- The introduction of new **thematic scholarships** in areas including climate resilience, public health, and migration studies
- The launch of a new **engagement programme**, including bi-weekly social chats for scholars to meet and engage with counterparts overseas, discussion groups themed around the SDGs, and opportunities to join in wider ACU activities, such as the ACU Summer School and Commonwealth Futures workshops
- A [Commonwealth Day reception](#) in Pretoria, South Africa, in March 2020 where scholars were joined by High Commissioners from Cameroon, Kenya, and the UK
- QECS scholarship certificates will now be personally signed by HM The Queen

#### *4.2. Seek to create and expand educational opportunities*

In addition to our government-funded schemes, our range of grants and fellowships continue to support international mobility, broaden horizons, and build institutional capacity in our member universities. We also work actively to increase the number of such opportunities available.

Our **fundraising activities** continued, with the aim of increasing the number of scholarships available to study in developing countries. We do this by encouraging governments of the Commonwealth to contribute to Commonwealth Scholarship and Fellowship Plan (CSFP) Endowment Fund, the intergovernmental fund which supports the Queen Elizabeth Commonwealth Scholarships. Updates from 2019-20 include:

- The addition of four **new host universities** in Kenya, Uganda, and Zambia
- Profile-raising activities with key political audiences as part of the CSFP's 60th anniversary year, including [events](#) attended by High Commissioners and parliamentarians from 12 countries
- Continued engagement with the UK government to promote the importance of the scheme and encourage donations to the Endowment Fund from other Commonwealth governments. The Rt Hon Nick Gibb MP addressed to Commonwealth ministers at the Education World Forum on the subject, as well as penning [an article in praise of QECS](#) for *The Parliamentary* magazine

**ACU Fellowships** promote the exchange of knowledge, skills, and ideas between universities and countries of the Commonwealth. Available to both academic and professional staff, the Fellowships enable collaborative research and partnership-building, as well as opportunities to observe and exchange different techniques and practice.

- In 2019-20, [13 ACU Fellowships](#) were awarded to academics from Australia, Canada, Bangladesh, Hong Kong, Tanzania, South Africa, and the UK, hosted by universities in Australia, Canada, Hong Kong, Kenya, Malawi, New Zealand, Sri Lanka, and the UK.
- The range of themes and projects supported included: understanding the susceptibility of marine organisms to ocean warming, mental health and wellbeing in post-conflict situations, the consequences and causes of physical inactivity in children, how to make e-learning resources more





accessible for people with disabilities, energy-dense batteries to power electric vehicles, and improved access to affordable and sustainable menstrual hygiene products for women and girls

**ACU Global Grants** enable students from UK member universities to take part in international summer schools overseas. The grants, which are funded through the kind legacy of Major Harold William Paxton, are aimed particularly at students from low-income backgrounds. In 2019-20, 17 Global Grants were awarded for students to join summer schools in Bangladesh, Canada, Hong Kong, India, New Zealand, Singapore, South Africa, Sri Lanka, and Uganda. All travel was postponed due to COVID-19, but students were offered the opportunity to join a virtual buddy scheme with students at host universities.

The **ACU Summer School** brings Commonwealth students together to discuss global challenges through a dynamic week of workshops, field trips, and group work. Bursaries are offered to enable students from all parts of the Commonwealth to take part, with each year hosted by different country – including Botswana, Cameroon, Canada, Hong Kong, Malaysia, Mauritius, Rwanda, and the UK to date. In August, the 2020 Summer School was hosted by the University of Cape Coast, Ghana, on the theme '[The Migration generation? Climate, youth and refugees](#)'. Due to the impact of COVID-19, the event was creatively adapted to provide a rich virtual experience for those taking part.

The **Blue Charter Fellowships** help to tackle marine pollution by supporting world-class research and innovation in marine plastics. Initiated through funding from the UK Department for Business, Energy and Industrial Strategy, the second phase of the ACU Blue Charter Programme was delivered in 2019-20 through support from Waitrose & Partners. This funded a second cohort of Blue Charter Fellowships, as well as the development of an online training programme and grants scheme to support knowledge exchange.

'**Commonwealth Futures**' was a series of workshops for student and youth leaders from across the Commonwealth, held in the India, South Africa, and the UK. Focusing on the role of young people in building cohesive societies, the workshops sought to give young leaders a platform through which to influence

policymakers and ensure the voices and concerns of young people are heard by Commonwealth governments. The outcomes of the workshops, held in partnership with British Council and Commonwealth Secretariat, will feed directly into a policy statement and dialogue with world leaders at the next Commonwealth Youth Forum.

- The [first Commonwealth Futures](#) workshop took place at Cumberland Lodge, UK, in December 2019. Over three days, more than 60 students and young leaders worked alongside academics and leading professionals from the fields of justice, governance, artificial intelligence, and innovation to explore two key themes on the Commonwealth Youth Forum agenda: ICT and innovation, and the rule of law
- The [second workshop](#) was hosted by O P Jindal Global University, India, in February 2020, where 28 student leaders from 14 Commonwealth countries explored Gandhian principles such as participatory democracy, non-violence and truth, and how these apply today
- The [third Commonwealth Futures](#) took place at Durban University of Technology in South Africa in March 2020, where 30 student leaders from 13 countries explored themes around conflict and peace-building across different cultural contexts and ways of communicating and collaborating across difference

Our **Early Career Conference Grants** enable emerging academics to attend international conferences in their area of expertise, helping them to share their research, learn about new developments, and build valuable professional networks. In 2019-20, 25 Early Career Conference Grants were awarded to recipients from Australia, Ghana, Malaysia, Nigeria, South Africa and the UK. In 2020, the grants can be used to support virtual conference participation

The **Edward Boyle Medical Elective Bursaries**, managed by the ACU, enable medical students in the UK to travel to a low or middle income country of the Commonwealth to study new techniques, expand their experience, and learn more about global health concerns. In 2019-20, six bursaries were awarded for medical students to travel to Malawi, the Solomon Islands, South



Africa, and Uganda. However, only one student was able to travel, due to COVID-19.

The **Routledge/Round Table Commonwealth Studentships** support PhD research projects on Commonwealth related themes. The studentships are funded by The Round Table: The Commonwealth Journal of International Affairs and the journal's publisher, Routledge, in association with the ACU. In 2019-20, the studentships were awarded to scholars from India and the UK.

#### *4.3. Demonstrate the impact of international educational experiences and initiatives*

The launch of a **new Evaluation Framework by the [Commonwealth Scholarship Commission in the UK](#)** will advance its already sector-leading evaluation programme. The framework will continue to ensure that the impact of the scholarships can be clearly demonstrated to funders and partners.

Improved **monitoring and evaluation of the [Queen Elizabeth Commonwealth Scholarships](#)** in 2019-20 means that targeted and detailed analysis is now available for every country to support fundraising and engagement.

The ACU, British Council, and Commonwealth Scholarship Commission in the UK jointly hosted the tenth **Donor Harmonisation Group Forum** in London in November 2019. The forum is an informal network of European agencies that administer aid-funded capacity building programmes in education. The group brings these partners together in the spirit of the 2005 Paris Declaration on Aid Effectiveness to help each other improve the quality of aid and its impact.

## **5. To uphold the ACU's reputation for excellence and demonstrate its impact**

### *5.1. Create and sustain a high-performance culture by delivering efficient core services to support our people*

Our work to enhance our standing as an employer of choice, and to attract, develop, and retain the best talent continued, including:

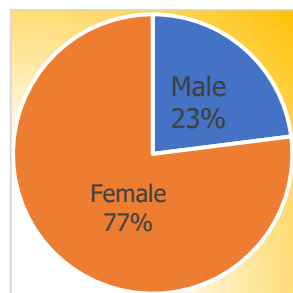
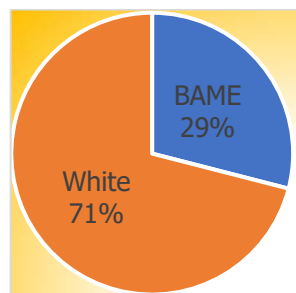
- In response to **COVID-19**, we created an **effective remote organisational culture** to support business continuity and staff welfare.
  - **100% of staff have worked remotely** from March 2020, with 80% of staff reporting a positive response to remote working overall
  - Significant **communication and engagement** initiatives, such as the first ever remote all-staff meetings and regular leadership updates
  - **Wellbeing support**, such as staff care packages, wellbeing surveys, wellbeing day, social activities, enhanced leave for staff with caring responsibilities, and mental health support
  - Temporary **Volunteering Policy** to enable staff to take time off to volunteer in their local community
  - Enabling **remote working** through guides, online training, video communication, and the distribution of new laptops and equipment
- We invested in **building our talent** to enhance the skills and capacity required to deliver our strategy. This included significant recruitment and learning and development initiatives to augment skills in business development, management accounting, marketing, monitoring and evaluation, and external engagement.
- We launched a new **Safeguarding Policy** and **Code of Conduct** and trained our staff and Council to build a safeguarding culture that is true to our values.



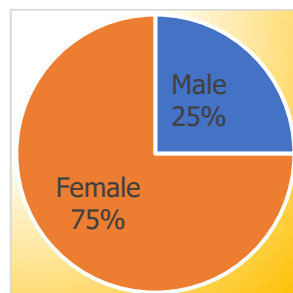
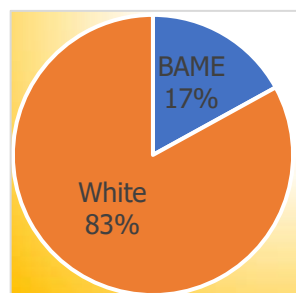


- We strengthened our **IT systems** through the deployment of Zoom, Microsoft Teams and Office 365, enabling enhanced collaboration, communication and data management.
- An ongoing commitment to having a **diverse workforce**

Our colleagues (July 2020)



Our Senior Management Team (July 2020)



- As part of wider **inclusion** and organisational strategies, the ACU is committed to reviewing recruitment and retention practices as well as driving forward projects linked to flexible and agile working.

## Gender pay gap

The ACU employs fewer than 250 staff and is therefore not required by law to publish an annual gender pay gap report. However, the ACU voluntarily provides this information.

At 5 April 2020, the ACU mean and median hourly pay gap was 3.3% and 5.7% respectively with females earning more than males on both measures. Prior year figures were 17.5% for mean and 5.4% for median with males earning more than females on both measures.

Due to the Coronavirus outbreak, the Government Equalities Office (GEO) and the Equality and Human Rights Commission (EHRC) have suspend enforcement of the gender pay gap deadlines for this reporting year (2019/20).





### *5.2. Tell our story in compelling new ways and show evidence of our impact*

We continued to build our brand to connect with new and existing audiences and inspire engagement with our mission. Highlights from 2019-20 included:

- The launch of the ACU's **new website**, enabling us to better champion our work and impact to our audiences
- Our ongoing **60 stories of change** campaign continued to share stories of how we have made a difference to the lives of individuals, communities and societies. The campaign was launched to mark 60th anniversary of the Commonwealth Scholarship and Fellowship Plan
- In 2020, our **#HigherEdTogether** campaign showcased the many ways in which ACU member universities are helping in the fight against COVID-19, from vital medical research to find a vaccine to supporting health services and local communities. We have featured stories from 60 members from across all regions to date

**The Duchess of Sussex became Patron of the ACU** in January 2019, reflecting the causes and issues she has spent decades championing – including female empowerment and access to education. In 2019-20, the Duchess continued to meet and engage with students, academics, and staff from ACU member universities to learn more about the vital work they do to address global challenges.

- In October 2019, HRH joined us to discuss '[Solving global challenges through inclusive higher education](#)' at a roundtable discussion hosted by the University of Johannesburg, South Africa. The event drew global attention to [critical issues](#) of university access and equity, as well as to the work of our South African members. The discussion attracted over 150 items of press coverage, with particular focus on the importance of gender equality in universities – a key message of the discussions

- In a special [message of support](#) issued on World Access to Higher Education Day in November 2019, our Patron called for all people, regardless of gender or socioeconomic background, to have the opportunity to access higher education: 'Because education expands mindsets, and those minds can then expand the scope of the world at large'
- On Commonwealth Day in March 2020, we brought a group of young people together from across the Commonwealth to meet our Patron at a [special event at Buckingham Palace](#)

### *5.3. Forge alliances with strategic partners to further our mission and achieve our objectives*

Our belief in the **value of collaboration** extends to every aspect of our work. Working with [organisations](#) whose values and aspirations align with our own helps us to share knowledge and ideas, extend our reach, and achieve common goals. New partnerships developed in 2019-20 period included:

- A [new global partnership](#) and memorandum of understanding between the ACU, the Agence universitaire de la Francophonie, and the International Association of Universities (see Section 1)
- A new partnership with the Commonwealth Association of Architects, the Commonwealth Associations of Planners, and the Commonwealth Local Government Forum, on [sustainable urbanisation in the Commonwealth](#) (see Section 1)
- A [Memorandum of Understanding](#) with the University of Nicosia, Cyprus
- A new partnership with the [Commonwealth Enterprise and Investment Council](#) to deepen relationships between universities and businesses



## 4 Financial Review

### Financial Performance Review

The ACU achieved £6K surplus on its unrestricted general activities, and before investment and actuarial gains. Unrestricted funds at 31 July 2020 stood at £6,410k.

The Statement of Financial Activities (SOFA) for the year is set out on page 26. A summary of the activities and the financial results is given below.

### Unrestricted Funds - General

Membership fee income has declined by £25k to £1,190k. Historically, non-paying members have been suspended post year end; however, this policy has been changed to in year, following the July Council Meeting. This has resulted in income declining by £27k with a corresponding decline in bad debt provision. Taking that into account, like for like income has increased by £2k, with a further £22k income attributed to Designated Funds.

External administration fees reduced by £205k to £6,529k. This is primarily due to a £218k deferment of income relating to activities that have been delayed due to COVID-19.

Investment income increased by £8k to £358k. The value of investments held with CCLA has increased by £20k compared to the same point last year.

Other income has declined by £130k. The main reason being:

1. The biennial HR in HE conference delayed to September 2020 due to Covid-19 (£40k).
2. The discontinuation of the Strategic Management Programme (£59k).

Total resources expended were £8,114k, a reduction of £147k.

Employment costs for unrestricted activity has increased by £192k to £5,918k. The average FTE charged to General Funds has reduced by 2 to 119.

Other costs reduced by £339k to £2,196k. The primary reduction arising from activities being delayed due to COVID-19.

	2019/20 £'000	2018/19 £'000
Membership income	1,190	1,215
External administration	6,529	6,708
Investment income / interest	358	350
Other Income	42	173
Total Income	8,119	8,446
Total Expenditure	8,113	8,261
<b>Net operating income as per SOFA</b>	<b>6</b>	<b>185</b>
Gains on investments	20	766
Actuarial gains / (losses) on defined benefit pension schemes	308	(445)
<b>Net movement in funds</b>	<b>334</b>	<b>506</b>
Funds brought forward	6,077	8,671
Transfer to Designated Funds (The Road to 2030)	-	(3,100)
<b>Funds carried forward</b>	<b>6,411</b>	<b>6,077</b>



## Unrestricted Funds - Designated

The Trustees have set aside three Designated Funds:

- 1) The cost of reconfiguring the ACU's London office, £1,000k initiated in 2015/16; Closing balance is £463k (2019: £550k).
- 2) ACU 2020, an ambitious change programme which sets out ACU's overarching priorities and direction, providing a reinvigorated organisational vision and corporate strategy leading up to the Commonwealth's 70<sup>th</sup> birthday; Closing balance is £65k (2019: £133k).
- 3) *The Road to 2030*, an ambitious programme which builds on the ACU 2020 plan and incorporates a refreshed vision, mission and strategic priorities. The ACU Council endorsed *The Road to 2030* and a budget of £3.1m for implementation over the next three years. Covid-19 has delayed some activities planned. Closing balance is £1,870k (2019: £2,724k).

Closing balance of Designated funds is £2,398k (2019: £3,407k). Note 11 shows the movements during the year in each fund.

## Restricted Funds

The range of Restricted Funds administered by the ACU is shown in note 13 which gives a brief description of the purpose of each fund. Note 15 provides an analysis where applicable of the value and number of scholarships and grants awarded from Restricted Funds.

Restricted funds in deficit do not pose a financial risk to the ACU as they reflect a timing issue.

Net closing balance of restricted funds is £887k (2019: £989k)

## Endowment Funds

The Permanent and Expendable Endowment Funds along with associated Restricted Funds generated £604k (2019: £597k) of investment income during the year, an increase of £7k. All the endowment income was credited to the relevant Restricted Funds. Note 15 lists the amount awarded in grants.

The value of the Permanent Endowments stood at £15,381k, a decrease of £377k on the year. The value of Expendable Endowments stood at £6,804k, a decrease of £242k on the year.

Closing balance of endowments is £22,815k (2019: £22,804k).

## Investment Policy and returns

### *Investment objectives*

The investment objective of the ACU's portfolio is to seek long term real growth without taking undue risks, consistent with a reasonable level of income. The specific investment objective of the fund invested with Newtons is to maximise returns through capital growth and income. The specific investment objective of the funds invested with CCLA is to achieve an average annual total return of inflation plus 5% over the long term and control volatility to 75% of that of the UK equity market.

### *Investment Performance*

Note 8 has an analysis of movements in investment values. The net cumulative return from the average charity (ARC Charity Indices Steady Growth) was (1.9%) for the 12 months to 31 July 2020.



The ACU has 9 investment portfolios.

Fund / Purpose of Fund	Permanent / Expendable	Investment Manager	Value at 31 July 20 £'000	Actual Performance %
CSFP Anniversary Queen Elizabeth Commonwealth Scholarships	Permanent	Newton	9,434	(4.0%)
CSFP Anniversary Queen Elizabeth Commonwealth Scholarships	Restricted	Newton	322	(4.0%)
QECS Scholarships Queen Elizabeth Commonwealth Scholarships	Expendable	Newton	5,387	(4.0%)
QECS Frances & Philip Turner Queen Elizabeth Commonwealth Scholarships	Permanent	Newton	539	(4.0%)
ACU Main fund Investment of ACU reserves	Permanent	CCLA	8,970	0.2%
ACU Endowment ACU Development Fellowships	Permanent	CCLA	5,170	0.2%
Edward Boyle Edward Boyle medical electives	Permanent	CCLA	134	0.2%
Annenberg Marshall Aid Commemoration Commission scholarships	Permanent	CCLA	643	0.2%
Marshall Sherfield Post-doctoral fellowship for US students	Expendable	CCLA	873	0.2%



## 5 Governance and Structure

### Structure

The Association of Commonwealth Universities (ACU) was founded in 1913 and is a registered charity (number 314137 in England & Wales), regulated by the Charity Commission. It is controlled by its member institutions through an elected Council.

The ACU was granted its Royal Charter in 1963 and is governed by the Royal Charter, Bye-Laws and Regulations dated 17 June 1963 and last amended on 13 October 2010.

### Public Benefit

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit. In broad terms, the people of the Commonwealth (and other countries) benefit from the ACU's support for the extension, improvement, and strengthening of higher education through our member institutions and through our activities. Our charitable objects for the public benefit – as expressed in our Royal Charter – and the activities which achieve them are summarised in the Review of the Year.

With around 500 members in 50 countries we are expanding to be fully representative of the range of public and private universities throughout the Commonwealth. Our universities share Commonwealth values, including freedom of expression, a common language and many similarities in organisation and management. The ACU forms an extensive network to facilitate internationalisation and for a sharing of problems, solutions and best practice across a variety of higher education environments.

### ACU Trading Limited

ACU Trading Limited is a wholly owned subsidiary of ACU and its results for the period have been consolidated into Group Financial Statements of ACU for the year ended 31 July 2020 (Company number: 9119389). The principal activity of ACU Trading Limited is the provision of staff services to the ACU.

### Governance and management

Nominations to the Council are made by Executive Heads of member institutions in 4 constituencies representing all regions of the Commonwealth. There are up to 23 Council members: up to 20 elected Council members; these members may co-opt two further members if they conclude this is desirable to ensure balanced geographical and gender representation of the Council and one additional member if the Honorary Treasurer is not appointed from the elected Council members.

Council members are the Trustees of the ACU under UK charity law. Trustees are introduced to the role by briefings on UK charity governance and accounting, investment management and the diverse work of the ACU. The Council meets face-to-face twice each year, with any additional business conducted electronically in between meetings as necessary. The officers and committees of the ACU report to the Council. The Council is responsible for approving new members, electing the ACU's office bearers, appointing members of the Executive Committee, amending the Charter and Statutes, making and amending Bye-Laws, setting policy and strategic direction, and overseeing their implementation. Between Council meetings the other powers of Council are delegated to its Executive Committee.

The ACU's committees, which are established by Council, are the Executive Committee, the Audit and Risk Committee and the Remuneration Committee.

The Executive Committee is elected by the Council and consists of the Chair, the Vice-Chair, the Honorary Treasurer, and up to five other Members of Council. The Audit and Risk Committee met twice in 2019/20 and consists of four



members, three of whom are serving members of Council, including the Chair of the Committee. The fourth place is filled by an independent member. The Honorary Treasurer is also in attendance for the Finance related agenda items. The Chair of the Audit and Risk Committee is appointed by Council, from its members, and has the power to co-opt additional members should the need arise.

The Remuneration Committee consists of the Honorary Treasurer (Chair), two Vice-Chancellors from UK member institutions and one independent member with UK professional human resources knowledge.

The Trustees comply with the Charity Governance Code published in 2017 which sets out the principles and recommended practice for good governance within the sector. The Charity conducts triennial reviews of its governance arrangements, with the next review planned for early 2022. This will involve external expert advice in how best to apply the principles within the code. The Council will then address any issues raised where required.

ACU had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

## Risk management

The Trustees have responsibility for risk management. Risks are identified by the Senior Management Team and reviewed, assessed and appropriate action incorporated as part of the annual budget and planning process. Thus risk is an integral part of the budget and plan reviewed and approved by the Trustees. The principal risks and uncertainties facing the charity are:

- Governance, given the ACU's status as a UK charity with international trustees; mitigated by comprehensive introductory Trustee training and use of independent professional advice
- Breach of legal and regulatory requirements; mitigated by regular review and updating of policies and procedures

- Dominance of scholarship administration income; mitigated by actively seeking new projects and partnerships
- Disruption through disaster (e.g. IT failure); mitigated by cybersecurity training and investment in new systems

A series of systems operate to identify and mitigate risk. These systems include:

- regulation by the Charity Commission
- annual external audit or inspection of administration activities
- Audit and Risk Committee review
- financial procedures
- strategic plan and annual budget (including risk assessment) process
- handbook for staff detailing practices, policies and procedures
- a low risk environment in terms of health and safety, which is a standing item on SMT and Staff Committee agendas and is subject to annual inspection by an external expert
- comprehensive insurance cover (Business Interruption, Employer's Liability, Public Liability, Professional Liability and Personal Accident and Business Travel)
- Increased staff awareness of risk

## Unrestricted Reserves Policy

The ACU's reserves policy is to hold free reserves (unrestricted general funds minus fixed assets) equivalent to 4 to 6 months unrestricted expenditure. Free reserves of £6.4m (2019: £6.0m) is £2.3m (2019: £1.9m) above the upper limit.

The Trustees recognise we are holding reserves above our upper limit. The current level is considered appropriate due to the uncertain environment created by Covid-19.





## Council Members

Professor Sir Edward Byrne (Chair)	King's College London, UK
Professor Amanda Broderick	University of East London, UK
Dr Rhonda Lenton	York University, Canada
Professor Stuart Corbridge	Durham University, UK
Professor Deep Saini	Dalhousie University, Canada
Professor Md. Akhturazzmaan	University of Dhaka, Bangladesh
Engr Ahmed Farooq Bazai	Balochistan University of Information Technology, Engineering & Management Sciences, Pakistan
Professor Sampath Amaratunga	University of Sri Jayewardenepura, Sri Lanka
Professor Mamokgethi Phakeng	University of Cape Town, Sout Africa
Professor Wim de Villiers	Stellenbosch University, South africa
Professor Gabriel Ayem Teye	The University for Development Studies, Ghana
Professor Dhanjay Jhurry	University of Mauritius, Mauritius

## New members

Professor Pal Ahluwalia	University of the South Pacific, Fili
Professor Cheryl de la Rey	Canterbury University
Professor S. A Ariaduri	Open University of Sri Lanka, Sri Lanka
Professor Shalini Bharat	Tata Insitute of Science and Technology, India
Professor Suhas Raghunath Pednekar	University of Mumbai, India
Professor Sandeep Sancheti	SRM University, India

Professor Francis W. O. Aduol	Technical University of Kenya, Kenya
Professor Tawana Kupe	University of Pretoria, South Africa
Professor Barnabas Nawangwe	Makerere University, Uganda

## Departing members

Professor Nigel Healey	Fiji National University, Fiji
Professor Paul Boyle	Swansea University, UK
Professor Colin Riordan	Cardiff University, UK
Professor Mehraj-Ud Din Mir	Central University of Kashmir, India
Professor Ranbir Singh	National Law University, Delhi, India
Professor Abel Idowu Olayinka	University of Ibadan, Nigeria

## Audit and Risk Committee

Amanda Broderick  
Wim de Villiers  
Nigel Healey  
Graeme Appleby

## Remuneration Committee

Stuart Corbridge  
Julia Buckingham  
Alison Johns  
Shearer West

## Trustee Training

Council members are the Trustees of the ACU under UK charity law. Trustees are introduced to the role by briefings on UK charity governance, from the ACU and its professional advisers; including Charity Trustee responsibilities; the Charity Governance Code; safeguarding and serious incident reporting; investment management; risk management, budgets and management accounts; and the ACU's mission, vision, values and strategic priorities.



## Day to day management

The Senior Executive Team (SET) is responsible for the day-to-day running of the ACU under authority delegated to it by the Trustees. The SET is supported by the Senior Management Team (SMT) which comprises the heads of all departments across the organisation.

The SET members are:

Chief Executive and Secretary General	Dr Joanna Newman MBE FRSA
Chief Finance Officer	Caroline Harrison
Chief Operating Officer	Sharon Memis
Director of External Engagement	Kirsty Cockburn

## COVID-19 Disclosure

The COVID-19 pandemic has had a significant impact on the ACU's operations, which we have adapted to, in order to reduce the impact. The Senior Executive Team (SET) are constantly monitoring the situation and have considered the following risks and mitigation:

- Membership income – we anticipate member universities will face financial challenges for at least 2-3 years. To help our members, we have maintained the membership fee at the 2019/20 level and have expanded our membership offering online, launching *ACU Digital Now*.
- External administration income – in 2020/21 we will administer fewer scholars coming to the UK with some studying remotely. Working closely with our partners at the Foreign, Commonwealth and Development Office (FCDO) and our scholarship teams, we will continue to support our scholars during these unprecedented times, maintaining the excellent levels of service for which the ACU is known.
- Investment income – although market value has reduced in 2020, investment income in the form of dividends has held up well in the short

term. In 2020, the Council approved changing our investment focus to more ethical considerations with income generation. This focus will continue to support our scholarships and grants to individuals.

- Employment costs – There was no pay award for 2020/21 and continuous improvement projects are underway.

The Trustees have reviewed the three year budget plan. Taking into account the balance sheet position and the impact of Covid-19, the Trustees remain of the opinion that the going concern assumption remains appropriate and the financial statements continue to be prepared on this basis.

## Legal and administrative details

### *Principal place of business:*

Woburn House  
20-24 Tavistock Square  
London WC1H 9HF

[www.acu.ac.uk](http://www.acu.ac.uk)

### *Bankers*

National Westminster Bank plc  
PO Box 83  
Tavistock House  
Tavistock Square  
London WC1H 9XA

### *Investment Managers:*

Newton Investment Management  
160 Queen Victoria Street  
London EC4V 4LA

CCLA  
85 Queen Victoria Street  
London EC4V 4ET

### *Auditors*

Crowe U.K. LLP  
55 Ludgate Hill  
London  
EC4M 7JW



## 6 Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its net incoming resources for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and 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. 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.

## Trustees' Confirmatory Statement

The Trustees confirm that these Accounts comply with current statutory requirements, the requirements of the ACU's governing document and the requirements of the Statement of Recommended Practice- Accounting and Reporting by Charities.

These Annual Report and Accounts were approved by the Council and are signed on their behalf by

Professor Sir Edward Byrne AC  
Chair of the Council

20th November 2020



## 7 Independent Auditor's Report to the Trustees of the Association of Commonwealth Universities

### Opinion

We have audited the financial statements of The Association of Commonwealth Universities for the year ended 31 July 2020 which comprise the Group Statement of Financial Activities, the Group and Charity Balance sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 July 2020 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the 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 group's or the parent 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.

### 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 this regard.



## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you 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 by the parent charity; 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

## 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 group's and the parent 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 151 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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## 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.

Crowe U.K. LLP  
Statutory Auditor  
55 Ludgate Hill  
London,  
EC4M 7JW

Date

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



The Association  
of Commonwealth  
Universities

# Financial Statements year ending 31 July 2020





## **Group Statement of Financial Activities - year ended 31 July 2020**

	Note	Unrestricted Funds General £'000	Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000	Total 2019 £'000
<b>Income and endowments from:</b>							
Grants & donations	2	-	50	1,241	-	1,291	2,661
Membership income		1,190	22	-	-	1,212	1,215
Member activities		31	-	-	-	31	141
External administration	3	6,529	-	-	-	6,529	6,734
Investment income/interest	4	358	-	604	-	962	947
Other		11	28	-	-	39	40
<b>Total Income</b>		<b>8,119</b>	<b>100</b>	<b>1,845</b>	<b>-</b>	<b>10,064</b>	<b>11,738</b>
<b>Expenditure on charitable activities:</b>							
Project grants		-	-	1,205	-	1,205	1,729
Membership engagement		1,435	640	-	-	2,075	2,052
Scholarships, grants and awards		88	-	601	-	689	772
External and fund administration		6,523	469	-	-	6,992	6,772
<b>Expenditure on other activities:</b>							
Investment management		67	-	129	-	196	183
<b>Total Expenditure</b>	5	<b>8,113</b>	<b>1,109</b>	<b>1,935</b>	<b>-</b>	<b>11,157</b>	<b>11,508</b>
<b>Net (expenditure) / income before gains / (losses) on investments</b>		<b>6</b>	<b>(1,009)</b>	<b>(90)</b>	<b>-</b>	<b>(1,093)</b>	<b>230</b>
(Losses) / gains on investments	8	20	-	(13)	(619)	(612)	2,853
<b>Net (expenditure) / income before transfers</b>		<b>26</b>	<b>(1,009)</b>	<b>(103)</b>	<b>(619)</b>	<b>(1,705)</b>	<b>3,083</b>
Actuarial gains / (losses) on defined benefit pension schemes	20	308	-	-	-	308	(445)
<b>Net movement in funds</b>		<b>334</b>	<b>(1,009)</b>	<b>(103)</b>	<b>(619)</b>	<b>(1,397)</b>	<b>2,638</b>
Funds brought forward		6,077	3,407	989	22,804	33,277	30,639
<b>Funds carried forward</b>	11 - 13	<b>6,411</b>	<b>2,398</b>	<b>886</b>	<b>22,185</b>	<b>31,880</b>	<b>33,277</b>

The net movement in funds for the Charity was -£1,397k (2019: +£2,638k).

None of the above activities were acquired or discontinued during the year.





## **Group and Charity Balance Sheet as at 31 July 2020**

		Group		Charity	
	Note	2020	2019	2020	2019
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	7	870	781	870	781
Investments	8	31,472	32,084	31,472	32,084
<b>Total Fixed Assets</b>		<b>32,342</b>	<b>32,865</b>	<b>32,342</b>	<b>32,865</b>
<b>Current assets</b>					
Debtors	9	393	1,072	392	1,054
Term Deposits		-	600	-	600
Cash at bank and in hand		1,867	1,454	1,638	1,336
<b>Total Current Assets</b>		<b>2,260</b>	<b>3,126</b>	<b>2,030</b>	<b>2,990</b>
<b>Liabilities</b>					
Creditors amounts falling due within one year	10	(2,251)	(1,947)	(2,021)	(1,811)
<b>Net Current Assets</b>		<b>9</b>	<b>1,179</b>	<b>9</b>	<b>1,179</b>
Net assets excluding pension liability		32,351	34,044	32,351	34,044
Defined benefit pension scheme liability	20	(471)	(767)	(471)	(767)
<b>Total Net assets</b>		<b>31,880</b>	<b>33,277</b>	<b>31,880</b>	<b>33,277</b>
<b>Funds</b>					
Unrestricted funds: General	11	6,411	6,077	6,411	6,077
Designated	11	2,398	3,407	2,398	3,407
Endowment funds	12	22,185	22,804	22,185	22,804
Restricted funds	13	886	989	886	989
<b>Total funds</b>		<b>31,880</b>	<b>33,277</b>	<b>31,880</b>	<b>33,277</b>

These financial statements were approved and authorised for issue by the Council on 20th November 2020 and signed on their behalf by:

**Professor Sir Edward Byrne AC**  
**Chair of the Council**

**Dr Joanna Newman MBE**  
**Secretary General**

The notes on pages 29 to 46 form part of these financial statements.



## **Group Cash Flow Statement for the year ended 31 July 2020**

	Note	2020 £'000	2019 £'000
<b>Cash flows from operating activities:</b>			
<b>Net cash used in operating activities</b>		<b>(927)</b>	<b>(1,259)</b>
Cash flows from investing activities:			
Investment Income and Interest	4	962	947
Purchase of tangible assets	7	(222)	(221)
Proceeds from sale of investments		-	300
Purchase of investments		-	(500)
<b>Net cash provided by investing activities</b>		<b>740</b>	<b>526</b>
<b>Cash flows from financing activities:</b>			
Receipt of endowment		-	510
<b>Net cash provided by financing activities</b>		<b>-</b>	<b>510</b>
Change in cash and cash equivalents in the reporting period		(187)	(223)
Cash and cash equivalents at the beginning of the reporting period		2,054	2,277
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>1,867</b>	<b>2,054</b>

### **Reconciliation of cash flows from operating activities:**

	2020 £'000	2019 £'000
<b>Net (expenditure) / income for the reporting period</b>	<b>(1,397)</b>	<b>2,639</b>
Adjustments for:		
Depreciation charge	133	159
Losses / (Gains) on investments	612	(2,853)
Investment income received	(962)	(947)
Decrease / (Increase) in debtors	679	(603)
Increase in creditors	304	426
Pension changes	(295)	430
Receipt of endowment	-	(510)
<b>Net cash used in operating activities</b>	<b>(927)</b>	<b>(1,259)</b>

### **ANALYSIS OF CASH AND CASH EQUIVALENTS**

	Opening balance £'000	Cash Flow £'000	Closing balance £'000
Cash at bank and in hand	1,454	413	1,867
Term Deposits	600	(600)	-
	<b>2,054</b>	<b>(187)</b>	<b>1,867</b>



## 9 Notes to the financial statements year ended 31 July 2020

### 1. Accounting policies

#### (a) Accounting convention

ACU is a Public Benefit Entity registered as a charity in England and Wales on 26 November 1965 (charity number 314137). Its registered office is: Woburn House, 20-24 Tavistock Square, London, WC1H 9HF.

The consolidated financial statements have been prepared in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Statement of Recommended Practice on Accounting and Reporting applicable to charities preparing their accounts in accordance with FRS 102 ("The Charities SORP 2015").

The accounts consolidate those of the Charity and its wholly owned trading subsidiary ACU Trading Limited.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of certain assets including investments.

The functional currency of the Group is GBP, the currency of the primary economic environment in which it operates.

#### Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Council are required to make judgments, estimates, and assumptions, about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 on-going 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 the current and future periods. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

- bad debt provision for membership subscriptions is 100% of debt outstanding at the year end
- scholarship administration income is accounted for monthly with some exceptions for significant activity that occurs once a year

#### (b) Incoming resources

All incoming revenues are included in the SOFA when the ACU is legally entitled to the income and the amount can be measured with reasonable certainty. Income is deferred only when the ACU has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

#### (c) Resources expended and basis of allocation of costs

All expenditure has been accounted for on an accruals basis and has been classified under headings which are consistent with the activities of the ACU. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resource. Central overheads such as Accommodation, IT, Human Resources and Finance have been allocated on usage or staffing basis. Irrecoverable VAT is charged to the relevant grant or project, or to central overheads if not an eligible cost for a grant.



#### **(d) Termination Payments**

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. ACU recognises termination benefits when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or (ii) providing termination benefits as a result of an offer made to encourage voluntary redundancy.

#### **(e) Grants**

ACU makes grants in line with funders' and donors' aims and wishes. This contributes to ACU's objective of facilitating the interchange of students and teachers between Commonwealth universities and between them and the universities of foreign countries.

#### **(f) Governance costs**

These represent costs incurred by the Secretary General's office and other key management which are attributable to the management of the ACU's assets, organisational administration and compliance with constitutional and statutory requirements. Governance costs have been allocated to charitable activities as a separate component of support costs on the same basis as noted in (c) above.

#### **(g) Capitalisation and depreciation of tangible assets**

All assets costing more than £7,500 are capitalised. Depreciation is provided on all tangible fixed assets at rates calculated to write-off the cost on a straight-line basis over their expected useful lives as follows:

Leasehold property	- Over the life of the lease.
Computer equipment	- 3 years
Office equipment	- 3 years
Furniture and fixtures	- 5 years

#### **(h) Investments**

Investment assets are valued at market value at the balance sheet date. Gains on investment assets are the net of realised gains and losses and unrealised gains and losses. Realised gains and losses on investments are arrived at by comparing the net sale proceeds with the market value at the end of the previous financial year or cost if acquired in the year; unrealised gains and losses represent the difference between the market value of investments still held at the end of the financial year with their value at the beginning of the year or with their cost if purchased subsequently.

Investment income from cash at bank (including short-term money market deposits) is accrued at the year end. Income generated from investments and cash held by Fund Managers is credited to income as received.

#### **(i) Fund accounting**

Funds held by the ACU:

##### ***General Funds***

Unrestricted funds comprising accumulated surpluses and deficits after transfer to or from designated funds.



### ***Designated Funds***

Unrestricted funds set aside out of general funds and designated for specific purposes by the Trustees.

### ***Restricted Funds***

Funds which are subject to donor-imposed conditions as to their use.

### ***The Permanent Endowment Funds***

Generate income which is transferred to the ACU Development Fellowship Fund, Queen Elizabeth Commonwealth Scholarship and Fellowship Plan, the Edward Boyle (Medical Electives) Fund and the Annenberg Foundation Scholarship Fund, which are Restricted Funds. The capital of these funds must be retained.

### ***The Expendable Endowment Funds***

Generate total returns which fund the Queen Elizabeth Commonwealth Scholarship, Marshall Sherfield postdoctoral fellowships. The capital of these funds will be retained until the Trustees choose to spend the capital. There is currently no such intention.

## **(j) Operating leases**

The rents payable under operating leases, where substantially all the benefits and risk of ownership remain with the lessor, are charged to the SOFA as incurred. Where there are rent free periods the cost is spread over the period to the first rent review.

## **(k) Financial Instruments**

ACU has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised as:

- a) Financial assets measured at amortised cost comprise cash, and all debtors excluding prepayments
- b) Financial liabilities measured at amortised cost are all liabilities excluding tax and social security, estimate accruals, provisions and deferred income
- c) Financial assets at fair value include investments and gains on forward contracts open at year end.

## **(l) Pension schemes**

The ACU participates in both the Universities Superannuation Scheme (USS) and the Superannuation Arrangements of the University of London (SAUL).

### **USS**

#### *Significant accounting policies*

The institution participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.



### *Critical accounting judgements*

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

### *Key sources of estimation uncertainty*

The USS liability is based on a deficit recovery plan to 31 March 2031, a deficit contribution rate averaging 6.0%, staff salary inflation 2.0%, and a discount rate of 1.58%.

## **SAUL**

The ACU participates in the Superannuation Arrangements of the University of London ("SAUL"), which is a centralised defined benefit scheme within the United Kingdom and was contracted out of the Second State Pension (prior to April 2016).

SAUL is an independently-managed pension scheme for the non-academic staff of over 50 colleges and institutions with links to higher education. Pension benefits accrued within SAUL currently build up on a Career Average Revalued Earnings ("CARE") basis.

The ACU is not expected to be liable to SAUL for any other current participating employer's obligations under the Rules of SAUL, but in the event of an insolvency of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

### *Funding Policy*

SAUL's statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL's benefits as they fall due (the "Technical Provisions"). The Trustee adopts assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from Members' accrued pension rights to be met.

The Technical Provisions assumptions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2017. Informal reviews of SAUL's position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

The funding principles were agreed by the Trustee and employers in June 2018 and are due to be reviewed at SAUL's next formal valuation in 2020. At the 31 March 2017 valuation SAUL was fully funded on its Technical Provisions basis so no deficit contributions were required. The Trustee and the Employers have agreed that the ongoing Employers' contributions will continue at a rate of 16% of CARE Salaries.



### *Accounting Policy*

The ACU is a Participating Employer in SAUL. The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of SAUL's assets was £3,205 million representing 102% of the liabilities for benefits accrued up to 31 March 2017.

It is not possible to identify an individual Employer's share of the underlying assets and liabilities of SAUL. The ACU accounts for its participation in SAUL as if it were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 28.11 of FRS 102.

As there was a Technical Provisions surplus at 31 March 2017 there is no defined benefit liability (i.e. the present value of any deficit contributions due to SAUL) to be recognised by ACU.

See note 20 for more details.

### **(m) Foreign currencies**

Transactions are translated on the date of transaction and balances on the year end date with any gain or loss taken to finance support costs.

### **(n) Going Concern**

The ACU meets its ordinary working capital requirements through its cash held in the bank. The Senior Executive Team (SET) prepare 3 year budgets and annual forecasts in order to ensure sufficient cash balance to meet medium term requirements.

The Covid 10 pandemic has not had a significant, immediate impact on the ACU's operations but SET are aware that if the current situation becomes prolonged then this may change. The SET believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.





## 2. Grants and donations received

	2020 £'000	2019 £'000
<b>Grants from UK Government</b>		
UK Development for International Development – CIRCLE	230	431
UK Development for International Development – PEBL SPHEIR Project	555	572
UK Department for Business, Energy and Industrial Strategy	193	418
	<u>978</u>	<u>1,421</u>
<b>Grants from other Agencies</b>		
European Commission – CAAST Net Plus	170	58
European Commission – L4F	-	83
European Commission – LEAP-RE	-	34
Southern African Research & Innovation Management Association - Science Granting Councils Initiative	29	11
Institute of Physics - Africa-UK Physics	44	-
Other	(11)	(6)
	<u>232</u>	<u>180</u>
<b>Legacies and Grants from charitable foundations</b>		
Marshall Sherfield Fellowship Foundation	25	26
F&P Turner Endowment	-	500
Waitrose Foundation	-	500
The Duke of Edinburgh's Award	50	-
	<u>75</u>	<u>1,026</u>
<b>Donations</b>		
Individuals & Organisations	6	6
Other	-	28
	<u>6</u>	<u>34</u>
	<b><u>1,291</u></b>	<b><u>2,661</u></b>

## 3. External administration fees

	2020 £'000	2019 £'000
Chevening Scholarships	3,921	4,218
Commonwealth Scholarship award schemes	2,217	2,157
Marshall Scholarship scheme	222	195
Staff & Educational Development Association	146	145
Other schemes	23	19
	<u>6,529</u>	<u>6,734</u>

## 4. Investment income and interest

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Investment income	350	604	954	944
Bank interest	8	-	8	3
	<u>358</u>	<u>604</u>	<u>962</u>	<u>947</u>



## 5. Analysis of total resources expended

	Staff costs	Grants Paid	Direct Costs	Support costs	Total
<b>Charitable activities:</b>					
Project grants	285	240	387	293	1,205
Membership services	989	8	510	568	2,075
Scholarships, grants and awards	89	538	62	-	689
External and fund administration	4,100	1	618	2,273	6,992
<b>Fundraising activities:</b>					
Investment management costs	-	-	196	-	196
	<u>5,463</u>	<u>787</u>	<u>1,773</u>	<u>3,134</u>	<u>11,157</u>

### Support Costs

	Project Grants	Membership Services	External and fund administration	Total
	£'000	£'000	£'000	£'000
Staff Costs	176	288	1,161	1,625
Consultants		33	130	163
Office and Facilities	117	147	586	850
IT		68	270	338
Governance		12	48	60
Other		20	78	98
	<u>293</u>	<u>568</u>	<u>2,273</u>	<u>3,134</u>

Where appropriate direct expenditure, including staff costs, has been allocated to the above activities. Support costs which could not be directly allocated, have instead been allocated on the following bases:

- Project grants: direct allocation based on overhead recovery
- Membership services: basis of staff engaged on activity
- External and fund administration: basis of staff engaged on activity
- Scholarships, grants and awards: no allocation of support costs as costs of these activities are to be funded by ACU

### Net incoming resources for the year are stated after charging:

	2020 £'000	2019 £'000
Audit fees – ACU	18	15
Audit fees – ACU Trading Ltd	3	3
Other non-audit work	11	-
Council Meetings	32	45
Depreciation	132	159



## 6. Staff costs

### (a) Staff costs

	2020	2019
	£'000	£'000
Wages and salaries	5,430	4,844
Social security costs	556	510
Pension costs	644	605
Agency staff	245	398
Recruitment	75	96
Training and welfare	138	110
	<u>7,088</u>	<u>6,563</u>

Realigning the ACU's staff structure to meet the requirements of the Road to 2030 strategy, has resulted in termination payments of £202k, funded from Designated Funds (2019: £nil).

The Senior Executive Team (SET) are regarded as the Charity's key management personnel. The total earnings, including benefits, employer pension and employer NI contributions received by SET members totalled £438k (2019: £329k). This increase is due to SET expanding from 2 to 4 members with the 4<sup>th</sup> member starting in April 2020.

The number of employees whose total earnings in the year (including benefits but excluding employer pension contributions) fell into the bands below were:

	2020	2019
	Number	Number
£60,001 to £70,000	3	2
£70,001 to £80,000	1	1
£80,001 to £90,000	1	2
£100,001 to £110,000	1	-
£140,001 to £150,000	1	1
	<u>7</u>	<u>6</u>

Of the above higher paid employees, 4 (2019: 5) were accruing benefit during the year in respect of membership of a defined benefit pension scheme.

Headcount at July 2020 is 135 (2019: 132). The average full time equivalent (FTE) employed during the year was 127 (2019: 125).

### (b) Trustees remuneration and expenses

No Trustee received any remuneration in the year (2019: £nil). Three Trustees, or their institutions were reimbursed £10,805 for travel expenses incurred during the year (2019: four Trustees, £12,308).



## 7. Group and Charity Tangible Fixed Assets

	Computer equipment £'000	Computer software £'000	Office equipment £'000	Office Re- configuration £'000	Total £'000
<b>Cost</b>					
At 1 August 2019	213	352	2	787	1,354
Additions	-	222	-	-	222
Disposals	(83)	-	(2)	-	(85)
At 31 July 2020	130	574	-	787	1,491
<b>Depreciation</b>					
At 1 August 2019	182	164	2	225	573
Charge for year	15	30	-	88	133
Disposals	(83)	-	(2)	-	(85)
At 31 July 2020	114	194	-	313	621
<b>Net book value</b>					
At 31 July 2020	16	380	-	474	870
At 31 July 2019	31	188	-	562	781

At 31 July 2020 there were no capital commitments.

## 8. Group Investments

(a) Movements in quoted investments	Unrestricted funds		Restricted & Endowment funds		
	2020	2019	2020	2019	
	£'000	£'000	£'000	£'000	
Market value, 1 August	8,951	8,185	23,133	20,846	
Acquisitions at cost	-	-	-	500	
Disposals at opening market value	-	-	-	(300)	
Net unrealised (losses) / gains on revaluation	20	766	(632)	2,087	
Market value, 31 July	<u>8,971</u>	<u>8,951</u>	<u>22,501</u>	<u>23,133</u>	
Cost, 31 July	<u>7,972</u>	<u>7,972</u>	<u>11,266</u>	<u>11,266</u>	
(b) Analysis by type					
	Unrestricted funds	Restricted funds	Endowment funds	Total	Total
	£'000	£'000	£'000	2020	2019
				£'000	£'000
Quoted investments	8,971	340	22,161	31,472	32,084
Cash held for investment purposes	-	-	-	-	-
	<u>8,971</u>	<u>340</u>	<u>22,161</u>	<u>31,472</u>	<u>32,084</u>



## 9. Debtors and prepayments

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade debtors	136	898	136	898
Sundry debtors	10	21	9	8
Accrued Income	81	43	81	43
Prepayments	166	111	166	105
	<u>393</u>	<u>1,073</u>	<u>392</u>	<u>1,054</u>

## 10. Creditors: amounts payable within one year

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade creditors	284	191	282	187
Deferred income	649	503	649	503
Income Tax and National Insurance contributions	150	140	38	47
Value Added Tax	202	363	202	363
Publishers – African library holding account	7	6	7	6
Sundry creditors	634	414	590	377
Accruals	325	330	204	254
Amounts due to ACU Trading Limited	-	-	49	74
	<u>2,251</u>	<u>1,947</u>	<u>2,021</u>	<u>1,811</u>

### Deferred income

	Opening Balance £'000	Released in year £'000	Deferred in year £'000	Closing Balance £'000
Membership Income	53	(53)	-	-
External administration fee	440	(440)	627	627
Other	10	(10)	22	22
	<u>503</u>	<u>(503)</u>	<u>649</u>	<u>649</u>



## 11. Designated and General Funds

2020	Brought Forward £'000	Income £'000	Expenditure £'000	Gains £'000	Carried forward £'000
ACU office	550	-	(87)	-	463
Road to 2020	133	-	(68)	-	65
Road to 2030	2,724	100	(954)	-	1,870
Designated Funds	3,407	100	(1,109)	-	2,398
General Funds	6,077	8,119	(7,806)	20	6,410
	<u>9,484</u>	<u>8,219</u>	<u>(8,915)</u>	<u>20</u>	<u>8,808</u>

2019	Brought Forward £'000	Income £'000	Expenditure £'000	Gains £'000	Transfers £'000	Carried forward £'000
ACU office	687	-	(137)	-	-	550
Road to 2020	299	4	(170)	-	-	133
Road to 2030	-	26	(402)	-	3,100	2,724
Designated Funds	986	30	(709)	-	3,100	3,407
General Funds	8,671	8,446	(8,706)	766	(3,100)	6,077
	<u>9,657</u>	<u>8,476</u>	<u>(9,415)</u>	<u>766</u>	<u>-</u>	<u>9,484</u>

## 12. Endowment funds

2020	Opening funds £'000	New Endowments £'000	Gains on investments £'000	Closing funds £'000
<b>Permanent endowments</b>				
CSFP Anniversary endowment	9,824	-	(390)	9,434
ACU endowment	5,162	-	12	5,174
Edward Boyle endowment	130	-	-	130
Annenberg Foundation endowment	642	-	1	643
	<b>15,758</b>	<b>-</b>	<b>(377)</b>	<b>15,381</b>
<b>Expendable endowments</b>				
Queen Elizabeth Commonwealth Scholarships endowment	5,614	-	(222)	5,392
Marshall Sherfield endowment	871	-	2	873
F&P Turner Endowment	561	-	(22)	539
	<b>7,046</b>	<b>-</b>	<b>(242)</b>	<b>6,804</b>
Total endowments	<b>22,804</b>	<b>-</b>	<b>(619)</b>	<b>22,185</b>



The CSFP Anniversary Fund supports a strand of Commonwealth Scholarships hosted by developing Commonwealth countries. The Queen Elizabeth Commonwealth Scholarships endowment is in addition to the CSFP Anniversary Endowment Fund with the same aim of enabling people from around the Commonwealth to study in low and middle income countries at ACU member institutions. The Frances Turner endowment is a legacy grant with no restrictions. The funds have been invested with the income supporting the Queen Elizabeth Commonwealth Scholarship awards.

Together, the three funds support the Queen Elizabeth Commonwealth Scholarship awards.

The ACU Endowment funds ACU Development Fellowships.

Income from the Edward Boyle (Memorial) Endowment funds the Medical Elective Bursaries for UK students.

The Annenberg Endowment funds Marshall scholarships, its income being transferred to the Marshall Aid Commemoration Commission.

The Marshall Sherfield Endowment funds post-doctoral fellowships for US students. Funds are drawn down from the Endowment as required, up to a maximum of 5% of the original investment per year and are supplemented by grants from the Marshall Sherfield Fellowship Foundation in the US.

<b>2019</b>	Opening funds £'000	New endowments £'000	Gains on investments £'000	Closing funds £'000
<b>Permanent endowments</b>				
CSFP Anniversary endowment	8,918	5	901	9,824
ACU endowment	4,719	-	443	5,162
Edward Boyle endowment	121	-	9	130
Annenberg Foundation endowment	587	-	55	642
	<b>14,345</b>	<b>5</b>	<b>1,408</b>	<b>15,758</b>
<b>Expendable endowments</b>				
Queen Elizabeth Commonwealth Scholarships endowment	5,095	5	514	5,614
Marshall Sherfield endowment	796	-	75	871
F&P Turner Legacy	-	500	61	561
	<b>5,891</b>	<b>505</b>	<b>650</b>	<b>7,046</b>
<b>Total endowments</b>	<b>20,236</b>	<b>510</b>	<b>2,058</b>	<b>22,804</b>





### 13. Restricted Funds

#### 2020

	Opening Balance £'000	Total Income £'000	Expenditure £'000	Gains on investments £'000	Closing Balance £'000
ACU Development Fellowships <sup>1</sup>	149	203	(122)	-	230
Marshall Sherfield Fellowships	62	59	(54)	-	67
Annenberg	1	25	(15)	-	11
Mzuzu University, Malawi	1	4	(1)	-	4
Edward Boyle (Medical Electives)	4	5	(3)	-	6
CSFP Anniversary Fund <sup>2</sup>	433	210	(461)	(13)	169
HW Paxton Legacy	92	-	2	-	94
Symons Medal	7	-	-	-	7
CAAST Net Plus	(100)	170	(70)	-	-
Climate Impacts Research Capacity and Leadership Enhancement <sup>3</sup>	-	230	(233)	-	(3)
Partnership for Enhanced & Blended Learning <sup>4</sup>	(180)	555	(477)	-	(102)
Research & Innovation Network for Europe & Africa	2	(11)	9	-	-
Science Granting Councils Initiative – SARIMA	18	29	(47)	-	-
Africa-UK Physics	-	44	(33)	-	11
Commonwealth Futures – British Council	60	1	(47)	-	14
LEAP-4-FNSSA	66	-	(44)	-	22
PRE-LEAP-RE	(3)	-	(6)	-	(9)
LRE-LEAP-RE	-	-	(6)	-	(6)
Department for Business, Energy and Industrial Strategy - Blue Charter <sup>5</sup>	(194)	193	1	-	-
Waitrose Marine Plastic – Blue Charter <sup>5</sup>	477	-	(297)	-	180
Queen Elizabeth CSR	91	116	(27)	-	180
F&P Turner	3	12	(3)	-	12
	<u>989</u>	<u>1,845</u>	<u>(1,934)</u>	<u>(13)</u>	<u>887</u>

1: The ACU's own endowment income is used to support small scale collaboration between member universities through bursaries.

2: Provides scholarships hosted by low and middle income Commonwealth countries.

3: Seeks to address the shortfall in the proportion of climate change research currently produced by African scientists.

4: Designed to address the critical academic staff shortages many east African universities are currently facing. It will enable universities to share scarce teaching resources through quality assured, credit-bearing degree courses, delivered through blended learning.

5: Aims to map the current status of research into marine plastics pollution across Commonwealth universities and funds fellowships to support research and innovation in the area of marine plastics pollution.

Funds with negative balance: costs are reimbursed by the funder in arrears.



<b>2019</b>	Opening Balance £'000	Total Income £'000	Expenditure £'000	Gains on investments £'000	Closing Balance £'000
ACU Development Fellowships	136	220	(207)	-	149
Marshall Sherfield Fellowships	54	59	(51)	-	62
Annenberg	-	25	(24)	-	1
Mzuzu University, Malawi	1	-	-	-	1
Edward Boyle (Medical Electives)	3	5	(4)	-	4
CSFP Anniversary Fund	641	216	(453)	29	433
Potter Foundation	(2)	5	(3)	-	-
HW Paxton Legacy	131	-	(39)	-	92
Symons Medal	7	-	-	-	7
CAAST Net project	-	58	(58)	-	-
CAAST Net Plus	(142)	-	42	-	(100)
Pacific Europe Network for Science Technology & Innovation	14	(6)	(8)	-	-
Climate Impacts Research Capacity and Leadership Enhancement (CIRCLE)	(33)	431	(398)	-	-
Partnership for Enhanced & Blended Learning (PEBL) – DFID	(144)	572	(608)	-	(180)
Research & Innovation Network for Europe & Africa	2	-	-	-	2
Science Granting Councils Initiative – SARIMA	18	11	(11)	-	18
Commonwealth Futures – British Council	60	-	-	-	60
LEAP-4-FNSSA	-	83	(17)	-	66
PRE-LEAP-RE	-	34	(37)	-	(3)
Waitrose Marine Plastic	-	500	(23)	-	477
Queen Elizabeth CSR	-	117	(26)	-	91
Department for Business, Energy and Industrial Strategy - Blue Charter	-	418	(612)	-	(194)
F&P Turner	-	4	(1)	-	3
	<u>746</u>	<u>2,752</u>	<u>(2,538)</u>	<u>29</u>	<u>989</u>

Funds with negative balance: costs are reimbursed by the funder in arrears.



## 14. Analysis of Group assets between Funds

<b>2020</b>	Pension and other liability £'000	Fixed assets £'000	Investments £'000	Net current assets £'000	Total £'000
Endowment funds	-	-	22,162	23	22,185
Restricted funds	-	-	340	547	887
Unrestricted Designated Fund	-	822	-	1,576	2,398
Unrestricted General funds	(471)	48	8,971	(2,138)	6,410
	<u>(471)</u>	<u>870</u>	<u>31,473</u>	<u>8</u>	<u>31,880</u>

<b>2019</b>	Pension and other liability £'000	Fixed assets £'000	Investments £'000	Net current assets £'000	Total £'000
Endowment funds	-	-	22,793	11	22,804
Restricted funds	-	-	340	649	989
Unrestricted Designated Fund	-	689	-	2,718	3,407
Unrestricted General funds	(767)	92	8,951	(2,199)	6,077
	<u>(767)</u>	<u>781</u>	<u>32,084</u>	<u>1,179</u>	<u>33,277</u>

## 15. Grants, awards and scholarships awarded from Endowments

		£'000	Awards
CSFP Anniversary Fund	Provides scholarships hosted by low and middle income Commonwealth countries	410	62
ACU Development Fellowships	The ACU's own endowment income is used to support small scale collaboration between member universities through bursaries.	72	40
Marshall Sherfield Fellowship Scheme	A programme to support US post-doctoral fellows at UK universities.	44	1
Annenberg Foundation	Income from the Annenberg Foundation endowment is transferred to the MACC	10	0
Edward Boyle Medical Electives	Medical electives supported by income derived from an endowment	3	5
<b>Funded by Endowments</b>		<b>539</b>	<b>108</b>
Blue Charter	Fellowship programme to support PhDs and early career academics to undertake research in the area of marine plastics	171	12
Climate Impacts Research Capacity and Leadership Enhancement (CIRCLE)	Fellowship programme to support early career African scientists to undertake structured research skills development through supervised placement in African host research institutions	68	24
<b>Funded by Projects</b>		<b>239</b>	<b>36</b>
		<b>778</b>	<b>144</b>

Grants are paid to individuals and / or the higher education institutions to which they are connected. As at 31 July 2020, ACU had £369K of grant commitments relating to future accounting periods (2019: £308K).



## 16. Administration of External Funds

The ACU runs a number of schemes for which it receives a management fee (Note 3). The table below shows the bank balances and the value of transactions processed by ACU.

	Opening bank balance £'000	Incoming Resources £'000	Resources Expended £'000	Closing bank balance £'000
Chevening Scholarship Scheme	1,675	57,669	(57,335)	2,009
Commonwealth Scholarship Scheme	9,484	25,484	(28,198)	6,770
Marshall Aid Commemoration Commission	1,144	2,916	(2,721)	1,339
Staff and Educational Development Association	42	459	(345)	156
Heads of Educational Development Group	12	14	(8)	18
<b>Total Third Party Funds</b>	<b>12,357</b>	<b>86,542</b>	<b>(88,607)</b>	<b>10,292</b>

## 17. Future financial commitments

### Group and Charity Operating leases

At 31 July 2020 the ACU had commitments under operating leases as set out below:

	2020 Land and buildings £'000	2020 Office equipment £'000	2019 Land and buildings £'000	2019 Office equipment £'000
Within one year	340	2	340	2
After one year but within five years	1,360	3	1,360	6
After five years	226	-	566	-
Charged to SOFA during the year	335	2	340	2

## 18. ACU Trading Ltd

ACU is a wholly owned subsidiary that employs staff in order to supply their services to ACU. The results for the period ended 31 July 2020 have been consolidated into the group financial statements of ACU. The results of ACU Trading Limited for the period ended 31 July 2020 are as follows:

	2020 £'000	2019 £'000
Turnover	4,570	3,876
Cost of sales	4,363	3,640
<b>Gross Profit</b>	<b>207</b>	<b>236</b>
Administration	207	236
<b>Net profit</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>	<b>-</b>	<b>-</b>



## 19. Related Parties

	2020	2019
	£'000	£'000
Balances owed to ACU Trading Ltd	49	74
Payable to ACU Trading Ltd for services	4,570	3,876
Receivable from ACU Trading Ltd for services	131	129

## 20. Pension Commitments

### (a) Universities Superannuation Scheme (USS)

The total cost charged to the profit and loss account is £302k (2019: £296k)

Deficit recovery contributions due within one year for the institution are £26K (2019: £26K).

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete.

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21 +: CPI + 1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

### 2018 valuation

Mortality base table	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females Post retirement: 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females
Future improvements to mortality	CMI_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females



The current life expectancies on retirement at age 65 are:

	2018	2017
Males currently aged 65 (years)	24.4	24.6
Females currently aged 65 (years)	25.9	26.1
Males currently aged 45 (years)	26.3	26.6
Females currently aged 45 (years)	27.7	27.9

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2020 deficit recovery liability reflects this plan.

The liability figures have been produced using the following assumptions

	2020	2019
Discount rate	2.59%	2.44%
Pensionable salary growth	4.20%	2.11%

## **(b) Superannuation Arrangements of the University of London (SAUL)**

The ACU participates in the Superannuation Arrangements of the University of London, a centralised defined benefit scheme for all qualified employees with the assets held in separate Trustee-administered funds.

The total SAUL pension cost charged to the Statement of Financial Activities is £13K (2019: £22K). This includes nil (2019: nil) outstanding contributions at the balance sheet date, and £nil deficit contributions (2019: nil).


## **21. Legacies**

In 2018/19 the ACU has received £500k from the Frances Elizabeth Turner legacy and this has been invested with Newtons. As there are no restrictions on the donation, it has been treated as an expendable endowment and the income will be used to fund scholarships along with the Queen Elizabeth Commonwealth Scholarship and CSFP Anniversary Scholarships. As at July 2020 a further £176k is expected on closure of the Estate Accounts.



The Association  
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