



The Association  
of Commonwealth  
Universities

# Annual Report and Financial Statements July 2021





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## 1 Introduction from our Chair

The period covered by this report begins six months into a global pandemic, for which no one was prepared, and ends with the world gradually turning its attention to the longer-term impact of COVID-19: the lessons it's taught us, the vulnerabilities it's exposed, and our hopes for recovery, renewal and change.

Over the past year, we have witnessed the extraordinary contribution made by our members, scholars, alumni, and international partners in the fight against COVID-19, and their agility and inventiveness in adapting to new ways of living and learning.

But the pandemic also drew global attention to longstanding inequalities in our societies – most acutely, perhaps, the uneven distribution of resources, opportunities, and choices. In a world already divided by wealth and geography, COVID-19 brought new challenges to teaching, learning and research for individuals and institutions alike.

Our work, over the past 12 months, has highlighted these challenges and their impact on universities across the Commonwealth: we campaigned at the highest levels to call attention to the digital divide in higher education and its impact on students in Commonwealth countries, drawing on evidence from across our membership to highlight the digital disparities not only between high and low income nations but within countries and institutions themselves. We promoted the principles of equitable partnerships in university research and maintained our longstanding focus on making university education more inclusive. And through our new podcast, magazine, and virtual events, we explored the societal structures that influence who gets to learn and who gets to teach.

But our focus was always on solutions, and the power of international collaboration to deliver them. Our pioneering PEBL programme in east Africa showed how blended learning has the potential to widen access to higher education in regions where demand outstrips supply. Our initiatives targeted at

early career academics are helping to equip the next generation of researchers with the skills they need to become drivers of their own solutions. And our international mobility opportunities, virtual and otherwise, continue to build the intercultural understanding and global consciousness that will be vital to a more inclusive future.

As we look ahead, the challenge for universities now is to use the considerable innovation and creativity they have shown during this pandemic to build a fairer future for higher education that leaves no one behind: how can we use the acceleration in online and blended learning to co-create new ways to open-up universities to all those who would benefit? How can we build on virtual student mobility programmes to engage a greater number of students and strengthen our international community? And how can we translate what we've learned from the pandemic response into redoubled efforts in research collaboration to tackle the climate crisis and more?

We end this financial year in an excellent position to take these questions forward, drawing as ever on the wealth of expertise and experience that exists among our members and the strategic partnerships we have developed with our international colleagues.

Professor Cheryl de la Rey  
Chair of the Council



## 2 Who we are

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. Updates from 2020-21 include:

We continued to represent our members and the higher education sector more widely at the [Leadership Council](#) of the **United Nations Sustainable Development Solutions Network** (SDSN), who met in September 2020 and of which our Secretary General, Dr Joanna Newman, is a member. The Council are a panel of experts who oversee the SDSN's work to promote practical solutions for sustainable development.

September 2020 also saw us join the [Times Higher Education World Academic Summit](#) on the future of global higher education. As a partner in the event, we represented our members in debates, as well as co-hosting a series of sessions. These included:

- 'Is the decolonisation of the academy realisable?', a workshop bringing senior academics and thought leaders together to explore how COVID-19 and anti-racism movements worldwide are shaping critical debates on the decolonisation of higher education

- A session on addressing the 'double digital divide' in global higher education, which discussed the impact of this divide on equity, access, research, and international collaboration, as well as exploring a range of solutions

Our submission to the **UNESCO Extraordinary Global Education Meeting** in October 2020 urged government ministers and heads of state to support and protect investment in higher education as an integral part of the education ecosystem and as vital to '[building back better](#)' post-COVID. By coordinating our response with our coalition partners Agence Universitaire de la Francophonie (AUF) and the International Association of Universities (IAU) (see 5.3), we were able to further amplify our voice to represent the sector on a global scale, with our input contributing to a UNESCO declaration that recognised the full scope of education beyond primary and secondary.

In November 2020, we addressed the **Commonwealth Education Ministers Action Group**, an international group of government ministers who meet in the intervening years of the Conference of Commonwealth Education. The meeting was an opportunity to renew our calls for support from Commonwealth governments on a number of issues vital to our members and the HE sector more widely, including addressing the digital divide and ensuring that higher education is recognised and supported alongside basic education.

In January 2021, we announced a new [partnership](#) with the Government of Antigua and Barbuda and the University of the West Indies (UWI) to support the development of a Centre of Excellence for Oceanography and the Blue Economy at UWI's recently established Five Islands Campus. The partnership was formalised through a memorandum of understanding.

February saw the launch of a Call to Action on [Sustainable Urbanisation across the Commonwealth](#), developed by the ACU in partnership with the Commonwealth Association of Architects, the Commonwealth Association of Planners, the Commonwealth Local Government Forum, and other governmental, professional and technical partners. The collaboration aims to raise the profile of sustainable urbanisation in the Commonwealth political agenda and to generate new initiatives with links to climate-related challenges.



- The Call to Action followed a [programme of online events](#) on sustainable urbanisation in the Commonwealth, which ran between June-September 2020 and attracted over 2,000 individual participants from more than 80 countries
- To supplement the Call to Action, a [Good Practice Platform](#) was created by partner organisations to exemplify the collaborative work already being undertaken to help advance sustainable urbanisation in the Commonwealth

Also in February 2021, we **convened a dialogue** between senior leaders from over 20 ACU member universities in 13 countries and Michelle Donelan MP, the UK Minister of State for Universities, to discuss opportunities to strengthen academic mobility in the Commonwealth through the UK's new Turing Scheme for international study. Opportunities for international engagement through the Turing Scheme were also shared with our members.

**'Taking charge now: a pivotal year for higher education and Agenda 2030'** was a webinar held in partnership with the AUF and IAU in March 2021. The event explored universities' contribution to sustainable development and the urgent need for continued investment in higher education as nations plan their pandemic recovery.

In June, we delivered a [series of virtual sessions](#) as part of the British Council's annual **Going Global** conference for leaders in international education. **'Decolonisation in Practice – towards a Consensus'** explored the growing body of university practice and innovation in this area, while a masterclass titled **'What gets measured gets done'** looked at how universities define, measure, and articulate their local and global contributions to the Sustainable Development Goals (SDGs). The latter proved to be one of the top sessions of the conference, attracting 147 participants from over 50 countries.

In July 2021, we played an active part in the [UN High-Level Political Forum](#) (HLPF) – an annual conference of the United Nations at which governments, UN agencies, and civil society come together to discuss the achievements made towards Agenda 2030. Held virtually, ACU member universities around the globe

were encouraged to take part, with free access to workshops and events. Highlights included:

- An [online workshop](#), hosted with partners the AUF, IAU and SDG Academy, titled 'Filling the gaps in further education for the 2030 Agenda and inspiring action towards the SDGs'
- The virtual award ceremony of the International Green Gown Awards, which celebrate university sustainability initiatives, and for which we were judges and sponsors

Throughout the year, our contributions to a range of high-profile **public speaking engagements, panels and international forums** continued to promote the value of higher education to society and represent the challenges and opportunities facing our members worldwide. As well as speakers from the ACU's senior team, we also created opportunities for thought-leaders from across our network. Highlights include:

- A panel discussion in September 2020 hosted by the British Council on the [role of higher education in connecting open societies](#), alongside His Excellency George Brandis QC, Australian High Commissioner to the UK
- A seminar in October hosted by the Centre for Global Higher Education on the [evolution of UK university international strategies](#) over the past 30 years
- Two sessions at the World Access to Higher Education Day global conference in November 2020, on the theme of 'Access and success in higher education in the post-pandemic world', with media coverage in [Forbes](#) and [University World News](#)
- A [virtual event on internationalisation](#), held in partnership with Christ University, India, in December 2020
- In March 2021, we addressed the [Times Higher Education \(THE\) Southern African Impact Forum](#) on 'SDG impact as a new map for higher education'



- A keynote address and panel session at '[Universities of the Future: Building Institutional Resilience, Social Responsibility and Community Impact](#)' in July 2021, hosted by OP Jindal Global University, India

In 2021, the ACU commissioned major new study which gathers compelling evidence of **higher education's contribution to the SDGs**. The resulting report, titled '*The Role of international higher education partnerships in contributing to the Sustainable Development Goals*' and commissioned in partnership with the British Council, will explore how growing numbers of universities are embedding the sustainable development agenda in the design of international partnerships, and how they are working to ensure that equity and mutual benefits underpin these collaborations. The report, which will launch in the second half of 2021, will form part of the ACU's ongoing work to promote the sector's contribution to sustainable development to governments and donors.

Our interaction at major **Commonwealth government meetings** remained inevitably affected by the ongoing postponement due to COVID-19 of both the Commonwealth Heads of Government Meeting (CHOGM) and the Conference of Commonwealth Education Ministers (CCEM). We continued to liaise with government officials and members throughout the year in anticipation of both events being rescheduled.

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

We led a series of activities to **highlight the digital divide and its impact on universities**, particularly during the COVID-19 pandemic when the rapid shift to online teaching and learning exposed stark disparities in internet connectivity and infrastructure between countries and institutions, as well as different levels within institutions. Activities included:

- A survey designed to capture the short-term impact of the COVID-19 pandemic on the working habits of staff, students, and university leaders, the [findings](#) of which were published in September 2020
- A policy brief titled '[Higher education during COVID-19: A snapshot of digital engagement in Commonwealth universities](#)', which included recommendations for governments and institutions
- An [open virtual seminar](#) in March 2021 on tackling the divide in 'digital soft infrastructure' (i.e., capacity building and training) in the Commonwealth, held in partnership with the Commonwealth Secretariat. The seminar explored the challenges created by the divide and identified practical steps for how these might be addressed

[The Internationalist](#), a new podcast from the ACU, brings leading academics, students, and practitioners from across the Commonwealth together to discuss some of the biggest questions in higher education. Each series comprises six episodes exploring a theme of particular relevance to higher education in the Commonwealth, accompanied by a series of blogs and transcripts:

- [Series one](#), launched in October 2020, asked 'Who gets to learn, who gets to teach', focusing on how universities have responded to calls to decolonise higher education and their role in challenging structural inequalities and historic injustice
- [Series two](#), launched in June 2021, took on two big questions: 'How is the digital revolution changing the work of universities', and 'How can universities use their position to confront the challenges posed by digital technology?'
- Across both series, the podcast drew 1,907 listens and received 6,108 unique page views from 48 countries
- The podcast attracted 3,019 new users to our website over this financial year





**The ACU Review**, our online and print magazine, is a meeting place for different and diverse ideas and ways of knowing from across our membership. Each issue explores a different theme, chosen to highlight the value of higher education to society, and to reflect the rich diversity and shared challenges that characterise the ACU's global network. In the period covered by this report:

- The ACU Review's online platform received 19,528 unique page views, with readers from 145 countries
- The magazine attracted 9,718 new users to our website over this financial year
- Published in April 2021, our third issue, '[Dialogues of Difference](#)', explored why and how universities should embrace wider ways of knowing. 14 academics from ten countries wrote compellingly on themes including cognitive justice, decolonising medicine, indigenous knowledge, and the role of university rankings in reinforcing hierarchies of knowledge
- Print copies were distributed to 1,671 stakeholders (combined distribution for issues 2 and 3)

'[Decolonisation and Black Lives](#)': the case of the UK and the Commonwealth' was the theme of a series of interactive webinars held in June 2021, supported by the ACU and organised by *The Round Table: The Commonwealth Journal of International Affairs* and the University of Birmingham, UK. The series explored colonial legacies around the world and their significance to the Commonwealth's ambition to promote international cooperation and create fairer societies.

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

Our **Blue Charter** activities continued to support research into tackling the scourge of marine plastics pollution worldwide. This work began in 2018 with the [ACU Blue Charter Fellowships Programme](#), funded in two phases by the UK Department for Business, Energy, and Industrial Strategy and [Waitrose & Partners](#). In 2020-21, and with the ongoing support of Waitrose & Partners, further support was offered to strengthen the capacity of marine scientists at Commonwealth universities to communicate their research more widely and influence policymaking. Updates include:

- The launch of the [Blue Charter Knowledge Exchange Training Programme](#) – an online course helping early career researchers in marine science to engage non-academic stakeholders in their research
- A dedicated knowledge exchange grant was made available to researchers who completed the online training, with 20 successful applicants offered funding to plan and deliver external engagement activities
- The [Blue Charter Research Showcase](#), an open virtual event held in April 2021, shared and celebrated Fellows' contributions to marine and ocean studies

The [Climate Impacts Research Capacity and Leadership Enhancement](#) (CIRCLE) programme worked to strengthen climate change research in sub-Saharan Africa through an innovative dual approach: supporting individual researchers to develop relevant local solutions, while working with universities to strengthen institutional capacity to support research. The programme was funded by the UK Foreign, Commonwealth and Development Office (FCDO). Updates from 2020/21 include:

- 15 grants were awarded to alumni of the CIRCLE programme: five of these supported knowledge exchange activities with community





stakeholders, and a further ten grants contributed to the payment of article processing charges, enabling CIRCLE researchers to publish their work in open access journals and reach wider audiences

- A further nine grants were made to universities for activities to strengthen institutional support for research development
- An [independent impact evaluation](#) of the CIRCLE Institutional Strengthening Programme was commissioned and undertaken by Capacity Development International. The Institutional Strengthening Programme, which ran between 2015 and 2020, aimed to enhance the professional development support available to early career researchers and develop stronger institutional frameworks for supporting research. The findings of the evaluation will inform future capacity strengthening programmes and will feed into the development of the FCDO's Climate and Resilience Framework, with the ultimate aim of better supporting developing countries in addressing the impact of climate change

The [Commonwealth Futures Climate Research Cohort](#) supported 26 rising-star researchers across different disciplines to bring local knowledge to a global stage in the lead-up to COP26 – the 26th United Nations Climate Change Conference in November 2021. Delivered in partnership with the British Council, the Cohort convened researchers from 25 ACU member universities in 16 countries. The 26 researchers, each of whom brings a deep understanding of communities disproportionately impacted by climate change, attended expert-led workshops, received mentorship from experts at ACU member universities, and worked together on collaborative projects. Highlights to date include:

- Five collaborative [research-to-action projects](#) have been designed and delivered by Climate Cohort members in areas such as nature-based solutions, food systems, environmental education, energy access, and ocean sustainability
- Research undertaken by members and mentors of the Cohort has been showcased through a series of articles published on the ACU's website, in a dedicated newsletter, and through the British Council's channels. Stories are presented under different topical themes to emphasise the multidimensional impact of climate change on society, including [Climate](#)

[justice](#), [Sustainable human habitats](#), [Safeguarding our oceans](#), and [Life on land](#)

The **Digital Universities in Africa** project sought to understand the frameworks supporting quality assurance for digital higher education in Kenya and Nigeria, with the ultimate aim of benchmarking best practice and informing policymaking in this area. Funded by the British Council – and conducted in partnership with ACU members Maseno University in Kenya and the University of Ibadan, Nigeria – outcomes to date include:

- A comprehensive study on quality assurance for digital higher education, including critical reflections on policy frameworks that support digital delivery in universities, case studies of effective practice, and recommendations for national policymakers on integrating digital quality assurance into national frameworks
- Two online public webinars in July 2021 shared the project's findings in [Kenya](#) and [Nigeria](#)

[LEAP4FNSSA](#) aims to establish a platform for European and African institutions to partner on research and innovation around food security and sustainable agriculture. The ACU continues to be a task co-leader for project monitoring, evaluation, and impact assessment, and contributes to the overall programme strategy. In 2020-21, the ACU delivered a baseline assessment study and evaluation of the project's monitoring and evaluation data.

The [Partnership for Enhanced and Blended Learning](#) (PEBL) was designed in response to the challenges reported by a number of African universities in meeting demand for higher education as a result of academic staff shortages and soaring student numbers. PEBL aims to rapidly and sustainably scale-up capacity in the design and use of blended learning – a combination of face-to-face and digital learning – through expert-led training, collaboration, and the development of quality assured, credit-bearing blended courses, enabling universities to share valuable resources and reach a greater number of students. Originally established in east Africa and supported by the UK Foreign, Commonwealth and Development Office, PEBL's success to date has built a solid



foundation for the programme to expand to other regions. Updates from 2020-21 include:

- An independent [external evaluation of PEBL East Africa](#) was commissioned and undertaken by the International Network for Advancing Science and Policy (INASP). As well as demonstrating the programme's ongoing value and relevance, the [report](#) draws out valuable lessons to underpin similar projects in future and offers comprehensive advice for university staff, teachers, and policymakers

At '[Developing the next generation of researchers: international perspectives](#)', a virtual event in September 2020, 70 attendees from ten countries explored diverse approaches to ensuring that emerging academics have the support they need to begin their careers with the knowledge, skills and behaviours to succeed in a competitive research environment, including sourcing funding, writing compelling grant applications, and choosing the right partners.

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

We launched a series of activities focusing on [equitable research partnerships](#) in higher education, calling for the principles of equitable partnerships to become a top priority for all stakeholders in the research-to-action pathway. Our work in this area included:

- We convened a high-level panel of 20 global leaders in research to explore sustainable partnerships between Africa and the UK, in collaboration with the African Research Universities Alliance (ARUA) and UK Research and Innovation (UKRI)
- The result was a [communiqué](#) setting out a vision for strengthening equitable African-UK research partnerships

- This vision is being embedded throughout different strands of the ACU's work, most recently at a webinar held by the ACU's Supporting Research Community (see 3.2)

[ACU Gender Grants](#) support initiatives that boost gender equity on campus. The grants, which are awarded annually to member universities, can be used for a range of projects, workshops, and events in areas such as supporting women in leadership, anti-sexual harassment initiatives, and gender equity in the curriculum.

- In 2020-21, we [awarded grants](#) to ten member institutions in Australia, Canada, Ghana, India, Kenya, Nigeria, Pakistan, Sri Lanka, and the UK
- This year's grants will support initiatives on themes such as respectful gender relations on campus, support for teacher candidates who are transgender or gender non-conforming, initiatives for women working in STEM to help them break glass ceilings, and the establishment of a student-led taskforce to prevent sexual harassment

The [Martha Farrell Memorial Fellowships](#) offer specialist training and practical support to tackle sexual harassment on campus, and are hosted by the Martha Farrell Foundation in India. Three virtual fellowships were awarded in 2020-21, with a significant rise in applications pointing to the popularity of the online training format.

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

[26 credit-bearing online learning modules](#), designed and developed as part of the [Partnership for Enhanced and Blended Learning](#) (PEBL), are now available for universities around the world to download and use. The quality-assured modules, which cover topics in ICT, health and applied sciences, education and business, have benefited over 13,000 students to date.

A [webinar](#) drawing on the evaluation of the Climate Impacts Research Capacity and Leadership Enhancement (CIRCLE) programme shared key lessons and



insights on how universities can support the development of researchers and strengthen their institutional capacity to undertake climate change research.

The [Blue Charter Knowledge Exchange Training Programme](#) is an online course helping early career researchers in marine science to effectively engage non-academic stakeholders in their research. Initially offered to Blue Charter Fellows, the nine online modules have been made available to researchers working in the field of marine science across all ACU member universities.

### 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:

- At the end of the financial year 2020-21, the ACU has 489 member universities
- 76% of members are in the global south
- 25 new member universities joined us in 2020-21
- CiviCRM, our new client relationship management system, was rolled out to an increasing number of functions within the ACU, helping us to better map and manage membership engagement, relationships, and data
- We held our first-ever [virtual AGM in December 2020](#), the online format of which enabled a far wider group of stakeholders to join us and learn about the impact of the ACU's work and how their universities can engage with us

#### *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 collaborate on joint activities, share best practice, and come together to influence policy agendas within and beyond the sector. 40% of all members across 35 countries are now represented in our networks and communities of practice.

The [ACU 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 2020-21 include:

- Four new [Commonwealth Climate Resilience Challenge Grants](#) were launched to support initiatives addressing climate resilience at member universities
- [Six online working meetings](#) were an opportunity for members to come together and discuss the network's forthcoming activities and priorities
- We brokered valuable new collaborations between the network and the [Transforming Universities for a Changing Climate](#) (Climate U) research project, of which the ACU is a partner. Climate U aims to strengthen universities' contribution to tackling the causes and impacts of climate change in lower-income contexts. Members were invited to take part in a series of webinars as part of the project, on themes such as [disaster risk reduction](#)
- A [webinar](#), co-hosted with our partners the International Association of Universities, highlighted the opportunities for climate resilience-related research provided by the Global Challenges Research Fund – a fund launched by the UK Government to support research for global challenges
- The network chaired a session on '[Climate resilient universities for resilient communities](#)' at Climate Exp0, an open online event showcasing the latest thinking and research in the run-up to COP26. The session looked at how



climate emergencies affect the operation of universities in vulnerable settings and approaches to developing resilience and adaptation strategies

- The Commonwealth Climate Resilience Network currently has 220 individual members in 106 universities across 27 countries

The [ACU Higher Education and the SDGs Network](#) 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, research, operations and strategies. Updates from 2020-21 include:

- Five new [Higher Education and the SDGs Challenge Grants](#) were awarded to fund projects promoting the aims and priorities of the network. [Projects funded to date](#) will take on challenges such as cleaner energy options for Fijian schools, financial literacy and gender-based disparities among entrepreneurs in Bangladesh, and how business schools can integrate sustainability into their teaching and research
- A [masterclass](#) in November explored the Times Higher Education Impact Rankings – the only global performance tables that assess universities against the Sustainable Development Goals. The masterclass, which offered insights into the rankings process and methodology, was attended by over 80 members
- A free online event, held in partnership with the University of Newcastle, UK, explored [universities' local contributions to the SDGs](#) and was a chance for members to share learning and experience of addressing the SDGs agenda in diverse local contexts
- Membership of the Higher Education and the SDGs Network grew to 482 members in 197 universities across 30 countries

The [ACU HR in HE Community](#) is a forum for staff working in university human resources (HR) departments. The Community champions the importance of the strategic positioning of HR in universities and their unique contribution to a university's mission. Updates from 2020-21 include:

- In September 2020, the [HR in HE Community Conference](#), held virtually for the first time, explored 'Universities in a Changing World: HR's response to the COVID-19 crisis'. 440 HR professionals from 29 countries came together to share experiences and best practice from their institutions, while expert speakers led sessions on topics such as mental health and remote working
- New [HR in HE Community Challenge Grants](#) were launched to promote the sharing of best practice and international collaboration in university human resources
- The Community has 410 individual members in 207 universities across 34 countries

The [ACU Peace and Reconciliation Network](#) is an interdisciplinary collective of academics, researchers and professional staff working in the fields of peace, justice, truth-telling, and reconciliation. Updates from 2020-21 include:

- Four new [Commonwealth Peace and Reconciliation Challenge Grants](#) were offered to ACU members to support initiatives advancing peace, reconciliation, and indigenous knowledge. [Funded projects](#) included the development of a training guide for teachers supporting peacebuilding in Kenyan universities, a project supporting the indigenisation of teaching practices in Canada, and training modules to transform study abroad officers at a university in India into agents of peace and reconciliation
- Members of the network made a significant contribution to ACU-led debates around decolonising the university, including [series one of our podcast](#) and a UNESCO international webinar series on [open science and the decolonisation of knowledge](#), for which the ACU was a partner
- Membership of the Peace and Reconciliation Network grew to 157 members at 97 universities across 26 countries

The [ACU Supporting Research Community](#) is a forum for all staff at ACU member universities involved in supporting the research process – including research management and administration, research impact and uptake, and



library services. Updates from 2020-21 include:

- [From Zero to Hero: Rising to the challenge in a time of crisis](#) was a two-day conference in September 2020, focusing on the shifting roles of university librarians in a time of global disruption. Held in partnership with the University of Johannesburg, South Africa, the title reflected the new technologies, trends and techniques to which librarians worldwide have rapidly adapted, and offered a timely opportunity to share ideas, experiences, tips and tools
- A webinar for research managers and administrators on ['Funding Partnerships for Global Health Research'](#) in February 2021 shared insights into applying for funding from the NIHR Global Health Research Portfolio, which supports applied health research for the benefit of people in low and middle income countries
- ['Equitable partnerships for global research'](#), a webinar in June held in partnership with the UK Collaborative on Development Research and the Research Fairness Initiative, explored the importance of equity and mutual benefit in research partnerships
- Membership of Supporting Research Community grew by over 50% to 513 individual members in 208 universities across 35 countries

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

**ACU Ambassadors** (formerly known as ACU Champions) are nominated points of contact within our member institutions who improve the flow of communication and opportunities between the ACU and its members.

- In 2020-21, our drive to recruit these continued to be successful, with the total number of ACU Ambassadors increasing to 220
- We held a series of three summits for our growing Ambassadors network, with 190 Ambassadors taking part. Summit themes were ['New forms of](#)

[internationalisation](#)', 'Enhancing student experience in international mobility in times of COVID-19', and ['Developing research partnerships for the SDGs](#)

**ACU Measures**, our flagship member benchmarking service, underwent a wholesale review in 2020-21. The review yielded a roadmap and series of recommendations to help reposition the service as a significant member benefit, enabling members to benchmark their activities in a non-competitive and confidential way. A reimagined ACU Measures will launch in 2022.

The **ACU's regional committees** continued to oversee regional activity, give feedback on membership priorities, and ensure the ACU continues to respond to differing regional needs. There are seven committees in total: East & Southern Africa, East Asia, South Asia, West Africa, Europe, Pacific, and Caribbean & Americas. In 2020-21, our regional committees for Europe, South Asia, and West Africa met for the first time.

In August 2020, we held two **Vice-Chancellor Roundtables** to discuss the evolving needs of our members. 17 university leaders from across the Commonwealth took part.

## **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 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 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 2020-21 include:

- A record-breaking 63,000 applications were submitted for Chevening Scholarships and Fellowships
- 1,377 Scholars from over 143 countries and territories were welcomed to 107 universities in the UK
- New partnerships, such as those with BHM Construction (Ghana) and Lloyd's Register (Mozambique and Nigeria), increased partnership funding in the sub-Saharan Africa region
- Chevening published its first magazine, '[Distinction](#)' in January 2021, showcasing the ways in which Chevening Scholars and alumni are responding to global challenges

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 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 2020-21 include:

- The CSC team continued to support Scholars through the challenges of COVID-19, including extended welfare support, revised travel policies, and a hardship fund

- A full events programme was delivered virtually, including the CSC's Development Training Programme, welcome and farewell events, and parliamentary engagement
- Additional awards were offered in the Commission's long-running Distance Learning Programme
- A time-limited programme in girl's education was launched, through which the CSC will work with host organisations to offer professional development opportunities to Fellows working in girls' education
- Two issues were published of '[Common Knowledge](#)' – a magazine showcasing the impact of current and former Commonwealth Scholars and Fellows. Issue #10 looked at their contribution to '[Building Back Stronger in a Post-Covid-19 World](#)', while Issue #11 explored their work to [tackle the impacts of climate change](#)
- CSC's ongoing alumni engagement activity included a programme of virtual [events](#), a [webinar](#) series, and the launch of rebranded [Research Impact Awards](#), which recognise how research by CSC alumni is supporting sustainable development. The [Alumni Community Engagement Fund](#) – which supports alumni in raising awareness of development issues at the community level – also went virtual, with six alumni producing [video information sessions](#) for their local communities

**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 and overseen by the Marshall Aid Commemoration Commission, administered by the ACU. Updates from 2020-21 include:

- Marshall Scholarships delivered 18 new [Marshall Hangouts](#) – fortnightly virtual sessions for the Marshall community to come together hear alumni speaking on their area of expertise
- A mental health platform and counselling service were rolled out to all scholars



- The [Marshall Scholarships Impact Report](#) was published, documenting the influence and leadership of Marshall Scholars and their vital ongoing role in strengthening the special relationship between the US and the UK (also see 4.3). The report – launched on the 75th anniversary of Winston Churchill's iconic 'Sinews of Peace' speech, which brought phrases such as 'the special relationship' into general use – was widely distributed to senior political, university, and business stakeholders and decision-makers on both sides of the Atlantic, alongside a dedicated campaign

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, creating new dynamics and new directions in international academic mobility. Funded by governments of the Commonwealth, the scholarships are aimed at students who are committed to creating change in their communities. Updates from 2020-21 include:

- Over 3,676 applications for 20 awards were received in the past two cycles, with the highest-ever percentage of applications from women
- Ten scholars were selected for cycle 2 with 50/50 gender balance
- Improved systems and processes saw applications launched on our new MyACU system. Applications are shared with reviewers who are now able to record their scores within the same system for the first time
- Two new scholarships – the Queen Elizabeth Commonwealth Scholarships in Climate Resilience – were made available for applicants from the Caribbean to study a two-year Master's degree in Fiji in the field of climate change resilience
- QECS scholarship certificates were personally signed by Her Majesty The Queen

In 2021, Chevening, the Commonwealth Scholarship Commission, and the Marshall Scholarships **joined forces to support the UK government's COP26 Goals** – a set of targets launched ahead of the 2021 United Nations climate change conference in November. Over 2,000 climate pledges have already been made by the scholarship communities as part of the joint

#OurClimatePledge campaign, and almost 200 alumni applied to join the HMG Scholarships' Climate Hackathon, which will take place in Autumn 2021.

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

In addition to government-funded schemes, the ACU's 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. Due to the COVID-19 pandemic, all our awards were reimaged to support virtual collaboration and new grants were offered specifically to support virtual mobility projects.

A range of new **Challenge Grants** were launched for four of the ACU's five policy networks and communities of practice. These thematic networks enable universities to share best practice, collaborate on joint activities, and influence policy agendas in areas of strategic importance. The new grants – detailed under 3.2 – will fund projects that further the networks' aims and promote collaboration between their members.

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 2020-21:

- Grants were awarded to 25 emerging academics, funding participation in virtual events
- All successful applicants were offered free access to virtual presentation training to help them make the most of their conference attendance

Our [Early Career Researcher Training Grants](#) support ACU member universities in delivering training to early career researchers that will equip them with the skills required to succeed in their research careers. Ten grants were made available in 2020-21 to members in Australia, Bangladesh, Canada, Kenya, South Africa and the UK, supporting training in areas such as proposal writing,





fundraising, communicating impact and outcomes, and engaging non-academic stakeholders in research.

**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. Since 2020, the Fellowships have switched their emphasis to funding virtual collaboration and exchange activities. Updates from 2020-21 include:

- Ten Fellowships were awarded to universities in Canada, Hong Kong, India, Malaysia, Nigeria, and the UK
- The Fellowships will support virtual collaboration on topics ranging from extreme weather predictions, childhood social interactions, climate-aware accounting, and machine learning in healthcare
- In October 2020, we announced the [ACU Coventry University Fellowships](#) – two new fellowships to support research mobility between Coventry University, UK, and ACU member institutions in Africa and India

The **Medical Student Virtual Mobility Grants** aim to widen medical students' knowledge of global health as well as building their intercultural skills. The grants fund virtual mobility projects delivered in partnerships between medical schools in different countries. Two grants were offered in 2020-21 by the scheme, which replaces the Edward Boyle Medical Elective Bursaries.

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 2020-21, [two studentships](#) were awarded and will fund projects on study of colonial and contemporary public gardens in Bangalore, and Christianity in late imperial northwest India and postcolonial Pakistan.

The **ACU Summer School** brings Commonwealth students together to discuss

global challenges through a dynamic programme 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 a different country – including Botswana, Cameroon, Canada, Hong Kong, Malaysia, Mauritius, Rwanda, and the UK to date. Due to the impact of COVID-19, the event was creatively adapted to provide a rich virtual experience for those taking part. Highlights include:

- The 2020 Summer School was hosted in August by the University of Cape Coast, Ghana, on the theme '[The Migration generation? Climate, youth and refugees](#)'
- Held virtually over 12 days, the event brought 50 students together from different countries and time zones across the Commonwealth to explore migration through a number of different lenses, including health, gender, marginalised communities, labour market participation, and climate change
- The event offered a full virtual mobility experience, enabling students to explore a new country through their laptops, including a virtual tour of Ghana's Elmina Castle – a UNESCO World Heritage Site steeped in colonial history – and lectures on Ghanaian history and cultural heritage

Our new **Virtual Mobility Project Grants** provide funding for ACU members to deliver a virtual mobility project – such as an online summer school – in partnership with another ACU member university. Ten grants were awarded to universities in nine countries, for projects aimed at enhancing students' intercultural skills and global knowledge without the need for physical travel.

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

The **Marshall Scholarships Impact Report**, launched in January 2021, explored the impact of Marshall Scholarships over six decades. Through data and case studies drawn from over 2,000 alumni of the programme, the report



showcased Marshall scholars' remarkable contributions to society and offered compelling evidence of the scholarships' vital role in maintaining and strengthening the UK's relationship with the US and its ongoing value as a 'soft power' asset.

## 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. Updates include:

Throughout the **COVID-19 pandemic**, we supported an effective remote organisational culture that sustained both business continuity and colleague welfare. 100% of staff continued to work remotely, supported by:

- The implementation of a new VPN to support home-working
- Ongoing wellbeing support, such as care packages, wellbeing surveys, virtual social activities, enhanced leave for those with caring responsibilities, and mental health support
- A temporary volunteering policy to enable colleagues to take time off to volunteer in their local community during the pandemic

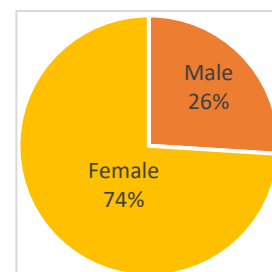
**ACU Together**, launched in March 2021, is a bold new change programme aimed at bringing together our breadth of expertise and embracing new ways of working. ACU Together aims to make the organisation more connected and innovative, while creating more opportunities for career development. This included:

- Establishing a new senior leadership team, accountable for delivering on our strategic priorities
- Creating five centres of excellence across the organisation
- Adopting common processes and streamlining our IT systems
- Developing our frameworks and policies to support a flexible, values-led culture

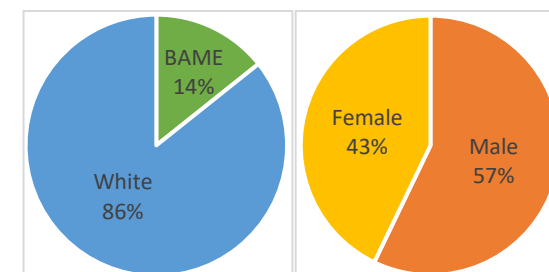
In 2020-21, the number of staff benefiting from our **learning and development opportunities** increased from the previous year.

We remain committed to having a **diverse workforce**:

Our colleagues



Our Leadership Team



- 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 2021, the ACU mean and median hourly pay gap was 1.1% and 11.5% respectively with females earning more than males on both measures. Prior year figures were 3.3% for mean and 5.7% for median with females earning more than males on both measures.

National gender pay gap among all employees was 15.5% in 2020, down from 17.4% in 2019.



### 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. Communicating our value and impact – and universities' contribution to building a better future – are woven into every one of our activities and can be found on every page of this report – including our vibrant and popular magazine and podcast (SP1), our work to showcase the impact of our Commonwealth Futures Climate Research Cohort (SP2), and a high-profile report showcasing the impact of the Marshall Scholarships (SP4) and their role in supporting the transatlantic alliance. Other updates include:

- A new **research and insight directorate** was established, which will enable the ACU to develop improved monitoring and evaluation frameworks in order to increase the overall impact of our activities and better demonstrate our value
- We launched [#UnisForThePlanet](#), a new social media campaign to showcase how Commonwealth universities – and the people within them – are coming together to tackle climate change through their research, teaching, and community engagement
- *Synthesis*, our **monthly newsletter for our members**, achieved an open rate 28.06%, which continues to be significantly higher than the industry average
- In 2021, we announced that the Royal patronage of the ACU would return to Her Majesty The Queen

### 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. Highlights from 2020-21 include:

We continued to strengthen and build on our [global coalition](#) with the **International Association of Universities** and **Agence Universitaire de la Francophonie**, launched in July 2020. The partnership brings our three global associations together to advocate for higher education and its contribution to sustainable development at the highest levels and on the widest international scale. In 2020-21, the partnership – which represents over 2,000 institutions across more than 140 countries – delivered an impactful series of joint activities and advocacy, including a coordinated response to UNESCO's Global Education Meeting, a dynamic range of collaborative webinars and events, joint sessions at the United Nations High-Level Political Forum, and the



launch of the IAU's second global survey on the impact of COVID-19 on higher education.

Our new partnership with the [African Research Universities Alliance](#), launched in September 2020, will support world-class research and coordinate efforts to address the Sustainable Development Goals. This agreement capitalises on the strong reputation of both organisations in research, early career researcher support, and teaching and learning enhancement, and offers opportunities for joint bids for project funding, bespoke training, mobility opportunities, and more.

We launched a number of new joint initiatives with our partners the **British Council**, including the Commonwealth Futures Climate Research Cohort (see 2.1) and a new study on higher education's contribution to the SDGs (see 1.1). These collaborative activities build on a [Memorandum of Understanding](#), signed by our two organisations in 2018, which cemented our commitment to working together to promote higher education between the UK and countries in the Commonwealth and beyond.



## 4 Financial Review

### Financial Performance Review

The ACU aims to generate a small surplus from its unrestricted general activities and this year achieved a surplus of £14k before actuarial gains and transfers between funds. Unrestricted funds at 31 July 2021 stands at £6,669k.

The Statement of Financial Activities (SOFA) for the year is set out on page 29. A summary of the activities and the financial results is given below.

### Unrestricted Funds - General

Membership fee income has declined by £25k (2%) to £1,187k. Our members have been greatly impacted by COVID-19 with many universities fully or partially closed for the majority of the 2020/21 academic year. Under difficult circumstances such a small decline in membership income reflects our members confidence in the ACU and the work that the ACU does in the field of higher education.

External administration fees increased by £163k to £6,692k. Last year, due to the COVID-19 lockdown in the UK, some activities were cancelled. The year-on-year increase reflects activities restarting following the easing of COVID-19 restrictions in the UK.

Investment income increased by £49k to £407k. The market value of investments held with CCLA increased by £1,408k. Both the increase in income and market value growth is a reflection of confidence in the investment market following the easing of COVID-19 restrictions, supportive economic policies and an effective vaccination programme.

Total resources expended increased by £207k to £8,342k. This has been partially offset by the increased income from external administration.

Employment costs for unrestricted activity increased by £278k to £6,196k. The average headcount charged to General Funds has increased by 3 to 122.

Other costs reduced by £50k to £2,146k.

	2020/21 £'000	2019/20 £'000
Membership income	1,187	1,212
External administration	6,692	6,529
Investment income / interest	407	358
Other Income	70	42
Total Income	8,356	8,141
Total Expenditure	8,342	8,135
<b>Net operating income as per SOFA</b>	<b>14</b>	<b>6</b>
Gains on investments	1,408	20
Actuarial gains / (losses) on defined benefit pension schemes	36	308
<b>Net movement in funds</b>	<b>1,458</b>	<b>334</b>
Funds brought forward	6,411	6,077
Transfer to Designated Funds	(1,200)	-
<b>Funds carried forward</b>	<b>6,669</b>	<b>6,411</b>



## Unrestricted Funds - Designated

The Trustees have set aside three Designated Funds:

- 1) Depreciation of the capital cost of reconfiguring the office in 2015/16. Closing balance is £386k (2020: £463k).
- 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 £nil (2020: £65k).
- 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 three years. Council have approved the transfer of a further £1.2m to this fund supporting the ACU Together Programme to deliver *The Road to 2030*. ACU Together is the ACU's change management programme consisting of restructuring leadership, strengthening our values and developing new ways of working including implementing shared services. Closing balance is £2,408k (2020: £1,870).

Closing balance of Designated funds is £2,794k (2020: £2,398k). 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. Note 15 provides an analysis where applicable of the value and number of scholarships and grants awarded from Restricted Funds.

We are pleased to announce that the Australian government through the Department of Foreign Affairs and Trade (DFAT) are funding the Partnership for Enhanced and Blended Learning (PEBL) in West Africa. This project will build on the UK government funded PEBL project undertaken in East Africa.

Net closing balance of restricted funds is £689k (2020: £887k)

## Endowment Funds

The Permanent and Expendable Endowment Funds along with associated Restricted Funds generated £529k (2020: £604k) of investment income during the year, a fall of £75k. All the endowment income was credited to the relevant Restricted Funds. The market value of investments increased by £3,538k to £26,040k. Note 15 lists the amount awarded in grants.

The value of the Permanent Endowments stood at £17,813k (2020: £15,381k). The value of Expendable Endowments stood at £7,868k (2020: £6,804k). Both increases resulted from the increase in market value of investments held as a result of COVID-19 restrictions easing, supportive economic policies and an effective vaccination programme.

Closing balance of endowments is £25,681k (2020: £22,815k).

## 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 +15% for the 12 months to 31 July 2021.



The ACU has 9 investment portfolios.

Fund / Purpose of Fund	Permanent / Expendable	Investment Manager	Value at 31 July 21 £'000	Actual Performance %
CSFP Anniversary Queen Elizabeth Commonwealth Scholarships	Permanent	Newton	10,880	16.1%
CSFP Anniversary Queen Elizabeth Commonwealth Scholarships	Restricted	Newton	376	16.1%
QECS Scholarships Queen Elizabeth Commonwealth Scholarships	Expendable	Newton	6,216	16.1%
QECS Frances & Philip Turner Queen Elizabeth Commonwealth Scholarships	Permanent	Newton	622	16.1%
ACU Main fund Investment of ACU reserves	Permanent	CCLA	9,379	15.4%
ACU Endowment ACU Development Fellowships	Permanent	CCLA	6,023	15.4%
Edward Boyle Edward Boyle medical electives	Permanent	CCLA	156	15.4%
Annenberg Marshall Aid Commemoration Commission scholarships	Permanent	CCLA	749	15.4%
Marshall Sherfield Post-doctoral fellowship for US students	Expendable	CCLA	1,017	15.4%





## 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.

### Governance and management

Nominations to the Council are made by Executive Heads of member institutions in four constituencies representing all regions of the Commonwealth. There are up to 20 elected Council members who may co-opt two further members if they conclude this is desirable to ensure balanced geographical and gender representation of the Council. An additional member may be co-opted 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. During the year both meetings were held virtually. 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 Byelaws, 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 Chair of the Executive Committee has the power to co-opt an additional member should the need arise.

The Audit and Risk Committee met twice in 2020/21. It consists of five members, four (including the Chair) of whom are serving members of Council. The fifth 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.

The 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 Executive 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 reviews and updating of policies and procedures
- Dominance of scholarship administration income; mitigated by actively seeking new projects and partnerships, engaging with members and other funders to develop new income streams
- COVID-19 and the impact on the ACU operationally, strategically, and financially; mitigated by the Senior Executive Team monitoring the impact on investments, establishing a COVID-19 task force, scenario planning and supporting staff wellbeing.

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 Senior Leadership Team (SLT) 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 £6.7m (2020: £6.4m) is £2.5m (2020: £2.3m) 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 and the resulting delay to projects. The trustees anticipate reserves will be back in line with policy.

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



## Council Members

Professor Cheryl de la Rey (Chair from 01/08/2021)	Canterbury University
Professor Sir Edward Byrne (Chair to 31/07/2021)	King's College London, UK
Professor Amanda Broderick	University of East London, UK
Dr Rhonda Lenton	York University, Canada
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 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
Professor Pal Ahluwalia	University of the South Pacific, Fiji
Professor Shalini Bharat	Tata Institute 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

## New member

Professor Feridun Hamdullahpur  
(21/04/2021) University of Waterloo, Canada

## Departing members

Professor Stuart Corbridge  
(31/07/2012) Durham University, UK

Professor Sampath Amaratunga  
(09/06/2021) University of Sri Jayewardenepura, Sri Lanka

Professor S. A Ariaduri  
(13/07/2021) Open University of Sri Lanka, Sri Lanka

## Audit and Risk Committee

Amanda Broderick  
Wim de Villiers  
Nigel Healey  
Graeme Appleby  
Engr Ahmed Farooq Bazai  
Professor Dhanjay Jhurry  
Professor Tawana Kupe

## Remuneration Committee

Feridun Hamdullahpur  
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 the CEO by the Trustees. The SET is supported by the Senior Leadership Team (SLT) which comprises of six Directors.

The SET members are:

Chief Executive and Secretary General	Dr Joanna Newman MBE FRSA
Chief Finance Officer	Caroline Harrison
Chief Operating Officer	Sharon Memis

## 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 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 administered 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 – market value has recovered in 2021 to pre-COVID-19 levels. Investment income in the form of dividends has also increased year on year. 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 in 2020/21. The ACU Together Programme was launched which is a change management programme consisting of restructuring leadership, strengthening our values and developing new ways of working including implementing shared services. This programme will continue to be embedded in 2021/22.

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 Cheryl de la Rey  
Chair of the Council

23rd November 2021



## 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 ('the charity') and its subsidiaries ('the group') for the year ended 31 July 2021 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 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 the parent charity's affairs as at 31 July 2021 and of the group's 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

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

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

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

### Other information

The trustees are responsible for the other information contained within the annual report. 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of





this other information, we are required to report that fact.  
We have nothing to report in this regard.

### **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 requires 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 and proper 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 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 of the Charities Act 2011 and report in accordance with the Acts 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.





We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), employment legislation and taxation legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition and classification of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently

limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### 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*

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

Date 20 December 2021

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.



## **Group Statement of Financial Activities - year ended 31 July 2021**

	Note	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2021	Total 2020
		General	Designated				
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Income and endowments from:</b>							
Grants & donations	2	9	-	984	-	993	1,291
Membership income		1,187	-	-	-	1,187	1,212
External administration	3	6,692	-	-	-	6,692	6,529
Investment income/interest	4	407	-	529	-	936	962
Other		61	-	-	-	61	70
<b>Total Income</b>		<b>8,356</b>	<b>-</b>	<b>1,513</b>	<b>-</b>	<b>9,869</b>	<b>10,064</b>
<b>Expenditure on charitable activities:</b>							
Project grants		-	-	1,026	-	1,026	1,205
Membership engagement		1,754	439	-	-	2,193	2,075
Scholarships, grants and awards		92	-	585	-	677	689
External and fund administration		6,396	365	-	-	6,761	6,992
<b>Expenditure on other activities:</b>							
Investment management		100	-	151	13	264	196
<b>Total Expenditure</b>	5	<b>8,342</b>	<b>804</b>	<b>1,762</b>	<b>13</b>	<b>10,921</b>	<b>11,157</b>
<b>Net (expenditure) / income before gains / (losses) on investments</b>		<b>14</b>	<b>(804)</b>	<b>(249)</b>	<b>(13)</b>	<b>(1,052)</b>	<b>(1,093)</b>
Gains / (losses) on investments	8	1,408	-	51	3,509	4,968	(612)
<b>Net (expenditure) / income before transfers</b>		<b>1,422</b>	<b>(804)</b>	<b>(198)</b>	<b>3,496</b>	<b>3,916</b>	<b>(1,705)</b>
Transfers between funds	11	(1,200)	1,200	-	-	-	-
<b>Net income before other recognised gains and losses</b>		<b>222</b>	<b>396</b>	<b>(198)</b>	<b>3,496</b>	<b>3,916</b>	<b>(1,705)</b>
Actuarial gains on defined benefit pension schemes	20	36	-	-	-	36	308
<b>Net movement in funds</b>		<b>258</b>	<b>396</b>	<b>(198)</b>	<b>3,496</b>	<b>3,952</b>	<b>(1,397)</b>
Funds brought forward		6,411	2,398	886	22,185	31,880	33,277
<b>Funds carried forward</b>	11 - 13	<b>6,669</b>	<b>2,794</b>	<b>688</b>	<b>25,681</b>	<b>35,832</b>	<b>31,880</b>

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



## **Group and Charity Balance Sheet as at 31 July 2021**

	Note	Group		Charity	
		2021	2020	2021	2020
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible assets	7a	296	379	296	379
Tangible assets	7b	388	491	388	491
Investments	8	35,419	31,472	35,419	31,472
<b>Total Fixed Assets</b>		<b>36,103</b>	<b>32,342</b>	<b>36,103</b>	<b>32,342</b>
<b>Current assets</b>					
Debtors	9	992	393	991	392
Cash at bank and in hand		2,208	1,867	1,944	1,638
<b>Total Current Assets</b>		<b>3,200</b>	<b>2,260</b>	<b>2,935</b>	<b>2,030</b>
<b>Liabilities</b>					
Creditors amounts falling due within one year	10	(3,036)	(2,251)	(2,936)	(2,021)
<b>Net Current Assets</b>		<b>164</b>	<b>9</b>	<b>164</b>	<b>9</b>
Net assets excluding pension liability		36,267	32,351	36,267	32,351
Defined benefit pension scheme liability	20	(435)	(471)	(435)	(471)
<b>Total Net assets</b>		<b>35,832</b>	<b>31,880</b>	<b>35,832</b>	<b>31,880</b>
<b>Funds</b>					
Unrestricted funds: General	11	6,669	6,411	6,669	6,411
Designated	11	2,794	2,398	2,794	2,398
Endowment funds	12	25,681	22,185	25,681	22,185
Restricted funds	13	688	886	688	886
<b>Total funds</b>		<b>35,832</b>	<b>31,880</b>	<b>35,832</b>	<b>31,880</b>

These financial statements were approved and authorised for issue by the Council on 23rd November 2021 and signed on their behalf by:

**Professor Cheryl de la Rey**  
Chair of the Council

**Dr Joanna Newman MBE**  
Secretary General



The notes on pages 32 to 50 form part of these financial statements.

### **Group Cash Flow Statement for the year ended 31 July 2021**

	Note	2021 £'000	2020 £'000
<b>Cash flows from operating activities:</b>			
<b>Net cash used in operating activities</b>		<b>(1,520)</b>	<b>(927)</b>
Cash flows from investing activities:			
Investment Income and Interest	4	936	962
Purchase of tangible assets	7	(96)	(222)
Proceeds from sale of investments		1,021	-
<b>Net cash provided by investing activities</b>		<b>1,861</b>	<b>740</b>
Change in cash and cash equivalents in the reporting period		341	(187)
Cash and cash equivalents at the beginning of the reporting period		1,867	2,054
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>2,208</b>	<b>1,867</b>

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

	2021 £'000	2020 £'000
<b>Net income / (expenditure) for the reporting period</b>	<b>3,952</b>	<b>(1,397)</b>
Adjustments for:		
Amortisation and depreciation charge	281	133
(Gains) / Losses on investments	(4,968)	612
Investment income received	(936)	(962)
(Increase) / Decrease in debtors	(598)	679
Increase in creditors	785	304
Pension changes	(36)	(296)
<b>Net cash used in operating activities</b>	<b>(1,520)</b>	<b>(927)</b>

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

	Opening balance £'000	Cash Flow £'000	Closing balance £'000
Cash at bank and in hand	1,867	341	2,208
	<b>1,867</b>	<b>341</b>	<b>2,208</b>



## 9 Notes to the financial statements year ended 31 July 2021

### 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
- Actuarial gains / (losses) on defined benefit pension schemes are recognised at the year end and based on information provide by the pension schemes. Further information is provided in Note 1(l) and Note 20.

#### (b) Income

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) Expenditure

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) Intangible and tangible assets – capitalisation, depreciation and amortisation**

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
Computer software (intangible)	- 3 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 2037, a deficit contribution rate averaging 5.4%, staff salary inflation 2.0%, and a discount rate of 0.87%.

#### *USS 2020 Valuation*

The 2020 valuation process was due to be completed by the statutory deadline of 31 July 2021. The 2020 valuation shows a significant deterioration in the scheme's funding position with the deficit ranging from £14.9bn to £17.9bn on a Technical Provisions basis. There has been a lengthy process of consultation and negotiation with Universities UK, employer representatives and with the Joint Negotiating Committee (JNC) in order to determine how to address this funding challenge and place the scheme on a much more sustainable footing in the long term. The 2020 valuation and funding proposals that include making changes to future member benefits from 1 April 2022 have now been agreed. The 2020 valuation has been filed with The Pensions Regulator with an effective date of 1 October 2021.

Completion of the process has allowed the implementation of a revised set of contribution increases from 1st October 2021, which are significantly lower than previously required under the 2018 valuation. Members contributions rise by 0.2% to 9.8% instead of 11% and employer contributions rise by 0.3% to 21.4% instead of 23.7%. The implementation of the proposed member benefit changes effective from 1 April 2022 are now subject to employer and member consultations in the coming period. These revised contribution rates will continue from 1 April 2022 if the JNC's proposals are implemented by 28 February 2022. In the event that the benefit changes are not implemented by this date, then the previously advised contribution rate increases of 11% and 23.7% for employees and employers respectively would come into effect from 1 April 2022, and contributions would need to increase over the next three years to 18.8% and 38.2% respectively from 1 October 2025.

#### *Non-adjusting Post Balance Sheet Event*

Since the 2020 valuation effective date is after 31 July 2021 and before the signing of these accounts, the 2020 valuation constitutes a non-adjusting post balance sheet event, and therefore the 2018 valuation remains the basis upon which the pension liability provision at 31 July 2021 is calculated. ACU uses a USS provided model to calculate the pension liability. An updated model has as yet not been made available and therefore ACU is unable to calculate and disclose the non-adjusting impact on the liability provision of the 2020 valuation.



## 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.

### *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 at 31 March 2020 was £3,612 million representing 94% of the liabilities. The market value of SAUL's assets at 30 April 2021 was £4,369 million representing 109% of the estimated liabilities.

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 deficit at 31 March 2020, allowing for post valuation experience to 30 April 2021, SAUL had a Technical Provisions surplus. Therefore, no deficit contributions were required following the 2020 valuation and 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.

Based on ACU's 3 year budgets, reserve levels, cashflow and investment levels, the SET believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.



## 2. Grants and donations received

	2021 £'000	2020 £'000
<b>Grants from UK Government</b>		
Foreign, Commonwealth and Development Office – CIRCLE	187	230
Foreign, Commonwealth and Development Office – PEBL SPHEIR Project	518	555
Foreign, Commonwealth and Development Office – Digital Africa	39	-
Foreign, Commonwealth and Development Office – COP26	149	-
Department for Business, Energy and Industrial Strategy	-	193
	<b>893</b>	<b>978</b>
<b>Grants from other Agencies</b>		
European Commission – CAAST Net Plus	-	170
European Commission – L4F	50	-
Other	20	62
	<b>39</b>	<b>232</b>
<b>Legacies and Grants from charitable foundations</b>		
Marshall Sherfield Fellowship Foundation	25	25
The Duke of Edinburgh's Award	-	50
	<b>25</b>	<b>75</b>
<b>Donations</b>		
Individuals & Organisations	-	6
Other	5	-
	<b>5</b>	<b>6</b>
	<b>993</b>	<b>1,291</b>

## 3. External administration fees

	2021 £'000	2020 £'000
Chevening Scholarships	4,058	3,921
Commonwealth Scholarship award schemes	2,243	2,217
Marshall Scholarship scheme	240	222
Staff & Educational Development Association	128	146
Other schemes	23	23
	<b>6,692</b>	<b>6,529</b>

## 4. Investment income and interest

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
Investment income	407	529	936	954
Bank interest	-	-	-	8
	<b>407</b>	<b>529</b>	<b>936</b>	<b>962</b>



## 5. Analysis of total resources expended

	Staff costs £'000	Grants Paid £'000	Direct Costs £'000	Support costs £'000	Total £'000
<b>Charitable activities:</b>					
Project grants	285	125	418	198	1,026
Membership services	1,042	7	355	789	2,193
Scholarships, grants and awards	92	551	34	-	677
External and fund administration	4,104	-	504	2,153	6,761
<b>Fundraising activities:</b>					
Investment management costs	-	-	264	-	264
	<b>5,523</b>	<b>683</b>	<b>1,575</b>	<b>3,140</b>	<b>10,921</b>

### Support Costs

	Project Grants £'000	Membership Services £'000	External and fund admin £'000	Total £'000
Staff Costs	119	351	959	1,429
Consultants	-	98	269	367
Office and Facilities	78	235	640	953
IT	-	83	226	309
Governance	-	4	12	16
Other	-	18	48	66
	<b>197</b>	<b>789</b>	<b>2,154</b>	<b>3,140</b>

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: direct allocation based on staff engaged on activity

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

	2021 £'000	2020 £'000
Audit fees – ACU	16	15
Audit fees – ACU Trading Ltd	3	3
Other non-audit work	-	11
Council Meetings	-	32
Depreciation and amortisation	281	132



## 6. Staff costs

### (a) Staff costs

	2021 £'000	2020 £'000
Wages and salaries	5,439	5,430
Social security costs	567	556
Pension costs	635	644
Agency staff	166	245
Recruitment	64	75
Training and welfare	81	138
	<b>6,952</b>	<b>7,088</b>

Realigning the ACU's staff structure to meet the requirements of the Road to 2030 strategy has resulted in termination payments funded from Designated Funds. Of the £110k (2020: £202k) expensed in the year, £41k has been paid with the remaining £61k unpaid at year end.

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 £453k (2020: £438k). The increase is the full year effect of one member joining part way through 2019-20.

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

	2021* Number	2020 Number
£60,001 to £70,000	3	3
£70,001 to £80,000	-	1
£80,001 to £90,000	1	1
£100,001 to £110,000	2	1
£110,001 to £120,000	1	
£140,001 to £150,000	1	1
	<b>8</b>	<b>7</b>

\* Includes 2 members who received termination payments

Of the above higher paid employees, 3 (2020: 4) were accruing benefit during the year in respect of membership of a defined benefit pension scheme.

The average headcount during the year was 133 (2020: 133).

### (b) Trustees remuneration and expenses

No Trustee received any remuneration in the year (2020: £nil). No Trustees, or their institutions, were reimbursed for travel expenses incurred during the year (2020: three Trustees, £10,805).



## 7. Group and Charity Assets

In 2019-20 the majority of the computer software assets were under construction and included in Tangible Assets. On completion these assets have been transferred to Intangible Assets.

### a) Intangible Assets

	<b>Computer software £'000</b>
<b>Cost</b>	
At 31 July 2020	-
Transfer from Tangible assets	573
Additions	95
At 31 July 2021	668
<b>Amortisation</b>	
At 31 July 2020	-
Transfer from Tangible assets	194
Charge for year	178
At 31 July 2021	372
<b>Net book value</b>	
At 31 July 2021	296
At 31 July 2020	-

### b) Tangible Assets

	<b>Computer equipment £'000</b>	<b>Computer software £'000</b>	<b>Office Re- configuration £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 31 July 2020	131	573	787	1,491
Transfer to Intangible assets		(573)		(573)
At 31 July 2021	131	-	787	918
<b>Depreciation</b>				
At 31 July 2020	114	194	313	621
Transfer to Intangible assets		(194)		(194)
Charge for year	15	-	88	103
At 31 July 2021	129	-	401	530
<b>Net book value</b>				
At 31 July 2021	2	-	386	388
At 31 July 2020	17	379	474	870

At 31 July 2021 there were no capital commitments.





## 8. Group Investments

### a) Movements in quoted investments

	Unrestricted funds		Restricted & Endowment funds	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Market value, 1 August	8,971	8,951	22,501	23,133
Disposals at opening market value	(1,000)	-	(21)	-
Unrealised gains/(losses) on revaluation	1,408	20	3,560	(632)
<b>Market value, 31 July</b>	<b>9,379</b>	<b>8,971</b>	<b>26,040</b>	<b>22,501</b>
<b>Cost, 31 July</b>	<b>7,154</b>	<b>7,972</b>	<b>11,250</b>	<b>11,266</b>

### b) Analysis by type

	Unrestricted funds	Restricted funds	Endowment funds	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000
Quoted investments	9,379	340	25,700	35,419	31,472
Cash held for investment purposes	-	-	-	-	-
	<b>9,379</b>	<b>340</b>	<b>25,700</b>	<b>35,419</b>	<b>31,472</b>

## 9. Debtors and prepayments

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors	864	136	864	136
Sundry debtors	20	10	19	9
Accrued Income	-	81	-	81
Prepayments	108	166	108	166
	<b>992</b>	<b>393</b>	<b>991</b>	<b>392</b>



## 10. Creditors: amounts payable within one year

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade creditors	246	284	235	282
Deferred income	1,755	649	1,755	649
Income Tax and National Insurance contributions	153	150	35	38
Value Added Tax	417	202	417	202
Publishers – African library holding account	-	7	-	7
Sundry creditors	58	634	12	590
Accruals	407	325	273	204
Amounts due to ACU Trading Limited	-	-	44	49
	<b>3,036</b>	<b>2,251</b>	<b>2,771</b>	<b>2,021</b>

### Deferred income

	Opening Balance £'000	Released in year £'000	Deferred in year £'000	Closing Balance £'000
Membership Income	-	-	8	8
DFAT	-	-	1,083	1,083
External administration fee	627	(627)	643	643
Other	22	(22)	21	21
	<b>649</b>	<b>(649)</b>	<b>1,755</b>	<b>1,755</b>

## 11. Designated and General Funds

2021	Brought Forward £'000	Income £'000	Expenditure £'000	Gains £'000	Transfers £'000	Carried forward £'000
ACU office	463	-	(77)	-	-	386
Road to 2020	65	-	(65)	-	-	-
Road to 2030	1,870	-	(602)	-	1,200	2,468
Designated Funds	2,398	-	(744)	-	1,200	2,854
General Funds	6,411	8,356	(8,306)	1,408	(1,200)	6,669
	<b>8,809</b>	<b>8,356</b>	<b>(9,050)</b>	<b>1,408</b>	<b>-</b>	<b>9,523</b>

Council approved the transfer of £1.2m from General Funds to Designated Funds to support the ACU Together Programme to deliver *The Road to 2030*.



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	(7,805)	20	6,411
	<b>9,484</b>	<b>8,219</b>	<b>(8,914)</b>	<b>20</b>	<b>8,809</b>

## 12. Endowment funds

2021	Opening funds £'000	Expenditure £'000	Gains on investments £'000	Closing funds £'000
<b>Permanent endowments</b>				
CSFP Anniversary endowment	9,434	(13)	1,463	10,884
ACU endowment	5,174	-	854	6,028
Edward Boyle endowment	130	-	22	152
Annenberg Foundation endowment	643	-	106	749
	<b>15,381</b>	<b>(13)</b>	<b>2,445</b>	<b>17,813</b>
<b>Expendable endowments</b>				
Queen Elizabeth Commonwealth Scholarships endowment	5,392	-	836	6,228
Marshall Sherfield endowment	873	-	144	1,017
F&P Turner Endowment	539	-	84	623
	<b>6,804</b>	<b>-</b>	<b>1,064</b>	<b>7,868</b>
<b>Total endowments</b>	<b>22,185</b>	<b>(13)</b>	<b>3,509</b>	<b>25,681</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.



2020	Opening funds £'000	(Loss)/ 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>(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 Legacy	561	(22)	539
	<b>7,046</b>	<b>(242)</b>	<b>6,804</b>
<b>Total endowments</b>	<b>22,804</b>	<b>(619)</b>	<b>22,185</b>



### 13. Restricted Funds

2021	Opening Balance	Total Income	Expenditure	Gains on investment	Transfer between funds	Closing Balance
	£'000	£'000	£'000	£'000		£'000
ACU Development Fellowships <sup>1</sup>	228	233	(171)	-		290
CSFP Anniversary Fund <sup>1</sup>	169	142	(430)	51	229	161
Queen Elizabeth CSR <sup>1</sup>	180	78	(29)	-	(229)	-
F&P Turner	11	8	(3)	-		16
Marshall Sherfield Fellowships <sup>1</sup>	67	64	(55)	-		76
Annenberg <sup>1</sup>	11	28	(32)	-		7
Edward Boyle (Medical Electives) <sup>1</sup>	6	6	(4)	-		8
HW Paxton Legacy	94	-	-	-		94
Symons Medal	7	-	-	-		7
Climate Impacts Research Capacity and Leadership Enhancement <sup>2</sup>	(1)	187	(177)	-		9
Partnership for Enhanced & Blended Learning <sup>3</sup>	(103)	518	(533)	-		(118)
Waitrose & Partners - Blue Charter Marine Plastic <sup>4</sup>	180	-	(147)	-		33
LEAP <sup>5</sup>	7	61	(57)	-		23
Digital Africa - British Council	-	39	(56)	-		(17)
Climate Cohort - COP26 <sup>6</sup>	-	149	(56)	-		93
Africa-UK Physics	12	-	(12)	-		-
Commonwealth Futures – British Council	13	-	(8)	-		5
Mzuzu University, Malawi	5	-	(4)	-		1
	<b>886</b>	<b>1,513</b>	<b>(1,762)</b>	<b>51</b>	<b>-</b>	<b>682</b>

1: See note 15 for explanation of purpose of fund.

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

3: 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.

4: 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.

5: Support implementation of EU-Africa Research and Innovation Partnership on (1) Food and Nutrition Security & Sustainable Agriculture; (2) Renewable Energy

6: Commonwealth Futures Climate Research Cohort - work towards solutions for climate-vulnerable regions through developing skills in research leadership, international collaboration, and translating research into action.

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



<b>2020</b>	<b>Opening Balance £'000</b>	<b>Total Income £'000</b>	<b>Expenditure £'000</b>	<b>Gains on investments £'000</b>	<b>Closing Balance £'000</b>
ACU Development Fellowships	149	203	(122)	-	230
CSFP Anniversary Fund	433	210	(461)	(13)	169
Queen Elizabeth CSR	91	116	(27)	-	180
F&P Turner	3	12	(3)	-	12
Marshall Sherfield Fellowships	62	59	(54)	-	67
Annenberg	1	25	(15)	-	11
Edward Boyle (Medical Electives)	4	5	(3)	-	6
HW Paxton Legacy	92	-	2	-	94
Symons Medal	7	-	-	-	7
CAAST Net Plus	(100)	170	(70)	-	-
Climate Impacts Research Capacity and Leadership Enhancement	-	230	(233)	-	(3)
Department for Business, Energy and Industrial Strategy - Blue Charter	(194)	193	1	-	-
Partnership for Enhanced & Blended Learning	(180)	555	(477)	-	(102)
Waitrose & Partners – Blue Charter Marine Plastic	477	-	(297)	-	180
LEAP	63	-	(56)	-	7
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
Mzuzu University, Malawi	1	4	(1)	-	4
	<u>989</u>	<u>1,845</u>	<u>(1,934)</u>	<u>(13)</u>	<u>887</u>

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





#### 14. Analysis of Group assets between Funds

2021	Pension and other liability £'000	Fixed assets £'000	Investments £'000	Net current assets / (liabilities) £'000	Total £'000
Endowment Fund	-	-	25,700	(19)	25,681
Restricted Fund	-	-	340	348	688
Unrestricted Designated Fund	-	682	-	2,112	2,794
Unrestricted General Fund	(435)	2	9,379	(2,277)	6,669
	<b>(435)</b>	<b>684</b>	<b>35,419</b>	<b>164</b>	<b>35,832</b>

2020	Pension and other liability £'000	Fixed assets £'000	Investments £'000	Net current assets / (liabilities) £'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
	<b>(471)</b>	<b>870</b>	<b>31,473</b>	<b>8</b>	<b>31,880</b>

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

		£'000	Awards
CSFP Anniversary Fund	Provides scholarships hosted by low and middle income Commonwealth countries	391	70
ACU Development Fellowships	The ACU's own endowment income is used to support small scale collaboration between member universities through bursaries.	89	92
Marshall Sherfield Fellowship Scheme	A programme to support US post-doctoral fellows at UK universities.	41	1
Annenberg Foundation	Income from the Annenberg Foundation endowment is transferred to the MACC	25	1
Edward Boyle Medical Electives	Medical electives supported by income derived from an endowment	2	1
<b>Funded by Endowments</b>		<b>548</b>	<b>165</b>
Blue Charter	Fellowship programme to support PhDs and early career academics to undertake research in the area of marine plastics	58	21
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	57	27
<b>Funded by Projects</b>		<b>115</b>	<b>48</b>
		<b>663</b>	<b>213</b>

Grants are paid to individuals and / or the higher education institutions to which they are connected. As at 31 July 2021, ACU had £184k of grant commitments relating to future accounting periods (2020: £369k).



## 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	2,008	47,363	(46,777)	2,594
Commonwealth Scholarship Scheme	6,770	17,598	(22,816)	1,552
Marshall Aid Commemoration Commission	1,339	2,950	(2,596)	1,693
Staff and Educational Development Association	205	280	(254)	231
Heads of Educational Development Group	19	12	(27)	4
<b>Total Third Party Funds</b>	<b>10,341</b>	<b>68,203</b>	<b>(72,470)</b>	<b>6,074</b>

## 17. Future financial commitments

At 31 July 2021 the ACU had commitments under operating leases as set out below:

	2021 Land and buildings £'000	2021 Office equipment £'000	2020 Land and buildings £'000	2020 Office equipment £'000
Within one year	340	2	340	2
After one year but within five years	1,161	3	1,360	3
After five years	-	-	226	-
Charged to SOFA during the year	340	2	335	2

## 18. ACU Trading Ltd

ACU Trading Limited (Company number: 9119389) is a wholly owned subsidiary of ACU and its results for the period ended 31 July 2021 have been consolidated into Group Financial Statements of ACU. The principal activity of ACU Trading Limited is the provision of staff services to the ACU. The results of ACU Trading Limited for the period ended 31 July 2021 are as follows:

	2021 £'000	2020 £'000		2021 £'000	2020 £'000
Turnover	4,990	4,570	Debtors	1	1
Cost of sales	4,813	4,363	Cash at bank	264	228
<b>Gross Profit</b>	<b>177</b>	<b>207</b>	<b>Current assets</b>	<b>265</b>	<b>229</b>
Administration	177	207	Creditors	265	229
<b>Net profit</b>	<b>-</b>	<b>-</b>	<b>Total Net assets</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>	<b>-</b>	<b>-</b>	<b>Reserves</b>	<b>-</b>	<b>-</b>



## 19. Related Parties

	2021 £'000	2020 £'000
Balances owed to ACU Trading Ltd	43	49
Payable to ACU Trading Ltd for services	4,990	4,570
Receivable from ACU Trading Ltd for services	144	131

## 20. Pension Commitments

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

The total cost charged to the profit and loss account is £280k (2020: £302k)

Deficit recovery contributions due within one year for the institution are £66K (2020: £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:

	2021	2020
Males currently aged 65 (years)	24.6	24.4
Females currently aged 65 (years)	26.1	25.9
Males currently aged 45 (years)	26.6	26.3
Females currently aged 45 (years)	27.9	27.7

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

	2021	2020
Discount rate	0.87%	0.73%
Pensionable salary growth	2.00%	2.00%

#### **(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 £10K (2020: £13K). This includes nil (2020: nil) outstanding contributions at the balance sheet date, and £nil deficit contributions (2020: 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 2021 a further £176k is expected on closure of the Estate Accounts.



The Association  
of Commonwealth  
Universities



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