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COMMONWEALTH
EUROPEAN AND
INTERNATIONAL

TRUST

Cambridge Commonwealth, European and International Trust

Trustees' Report and Financial Statements

For the year ended

31 July 2020

Creating opportunity to study at the



Cambridge Commonwealth, European and International Trust

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Reference and administrative details

Trustees

Professor Michael Proctor (Chair)
Professor Catherine Barnard (Appointed 2 January 2020)
Professor David Cardwell (Appointed 2 September 2019)
Professor Dame Ann Dowling
Professor Simon Franklin
Professor Loraine Gelsthorpe
Mr Peter Phillips
Professor Jaideep Prabhu
Mrs Ann Puntis
Professor Nidhi Singal
Dame Barbara Stocking (Deputy Chair)
Dr Rowan Williams (Resigned 30 September 2019)

Patron: HRH The Prince of Wales

Trust address

Cambridge Commonwealth, European and International Trust
Student Services Centre, Bene't Street, Cambridge CB2 3PT, United Kingdom

Legal status

The charity was established by a Charity Commission Scheme dated 1 August 2013.
The Trust is a tax exempt charity, Inland Revenue reference EW02020.

Independent Auditors

Peters Elworthy & Moore
Chartered Accountants and Statutory Auditors
Salisbury House, Station Road, Cambridge, CB1 2LA

Bankers

Barclays Bank
St Andrew's Street, Cambridge, CB2 3AA

Investment Managers

Cambridge University Investment Office
The Old Schools, Trinity Lane, Cambridge, CB2 1TN

Cazenove Capital Management
1 London Wall Place, London, EC2Y 5AU

Director and Secretary

Director: Mrs Helen Pennant

Secretary: Ms Breeda O'Leary

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Trustees' annual report for the year ended 31 July 2020

Introduction

The Cambridge Commonwealth, European and International Trust (the Cambridge Trust) was established in August 2013 from the merger of the Cambridge Commonwealth Trust and the Cambridge Overseas Trust. These Trusts were founded in the 1980s to provide financial support to international students, so that they could benefit from the outstanding educational opportunities offered at the University of Cambridge. The Trust now supports students of all nationalities and is one of the main providers of funding for students who need support to study at the University. The Trust works with partners both worldwide and in Cambridge (primarily through the University, Departments and Colleges) to support students under a broad range of scholarship schemes, irrespective of their social or economic backgrounds.

The Trust offers awards to students at PhD, Masters and undergraduate levels at all 31 Colleges of the University of Cambridge. Awards are made based on academic merit and financial need and vary from full-cost, covering fees and maintenance, to part-cost, for students who are able to fund the balance of their costs. Students must have applied by the relevant application deadline and have received a conditional offer of admission from the University of Cambridge (postgraduates), or from one of the Colleges (undergraduates) in order to be eligible for an award from the Trust.

The Trustees herewith present their annual report and audited financial statements for the year ended 31 July 2020. The legal and administrative information on page 3 also forms part of this report.

The Trustees confirm that the annual report and financial statements of the Trust comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) second edition - October 2019 (effective 1 January 2019). The COVID-19 pandemic affected how the Trust delivered its objectives. Each section below will explain the particular impact and the measures taken to manage the situation and ensure the Trust achieved its objective of supporting students.

The Trust maintained its delivery of key functions, particularly the making of new awards for 2020/21 and ensuring student maintenance payments were made on a timely basis for both the Easter term (April-June 2020) and the Long Vacation term (July-September 2020). Remote working for staff was arranged as quickly as possible to ensure least disruption to both staff and students.

Objects and activities for the public benefit

The object of the Cambridge Trust is "for the public benefit, to provide scholarships and other financial assistance to enable students to benefit from education at the University of Cambridge".

Over the past thirty years, the Trust has awarded more than 20,000 scholarships to students from around the world.

The Trustees confirm that they have referred to the Charity Commission's guidance and Section 17 of the Charities Act 2011 on public benefit when planning activities and setting policies for awarding scholarships.

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Trustees' annual report for the year ended 31 July 2020 (continued)

The Trust furthers its charitable purpose for public benefit through its policy of offering financial support to students by:

- providing awards to a diverse field of appropriately qualified students to enable them to benefit from the exceptional educational opportunities at the University of Cambridge, and enable them to apply their skills and talents throughout the world for the benefit of others. The Trust awards in the region of 500 new scholarships annually and at 31 July 2020 there were 1,366 students in residence. The international travel restrictions imposed due to COVID-19 will influence the number of new students who are able to take up their places for the 2020/21 academic year. More detailed reporting is set out under plans for 2020/21 on page 15;
- ensuring that the awards are of sufficient value to adequately support the students during their tenure. In collaboration with funding partners, the Trust aims to offer as many full-cost awards as possible. The Trust broadly aligns its maintenance rate with the UK Research Council rate. The Trust's maintenance rate was £15,009 for 2019/20;
- maintaining, as far as possible, through its award process, a reasonable balance in the number and level of scholarships it offers, so that no specific applicant group or nationality is disadvantaged. The appendix on pages 18-20 shows the diversity of students supported by country;
- ensuring that all awards are offered on an objective basis and in accordance with advertised criteria.

Grant making policy

Scholarships are awarded based on academic merit, financial need and, in the case of scholarships awarded in conjunction with partners, additional criteria such as country and/or area of study. Scholarships range from full-cost, covering fees and maintenance, to part-cost, where the students are required to provide the balance of the costs.

All student applications to the Trust undergo a detailed selection process. The process:

- takes account of College and Departmental scoring, on academic grounds, of all applicants requiring financial support;
- is based on a transparent and fair system, with clearly published selection criteria and application deadlines published on the Trust's website;
- promotes wider access for candidates from all backgrounds.

Achievements and performance during the year to 31 July 2020: how our grant making policy delivered public benefit

During the year, the Trust supported 1,366 students at the University of Cambridge from 100 countries. The average cost per student was £22,330 (excluding accrued expenditure). This compares with 1,186 students supported in the financial year 2018/19 at an average cost of £22,477 per student (excluding accrued expenditure). The small reduction in average cost per student reflects an increase in the number of part-cost UK Masters awards. The Trust delivered a new programme of Cambridge UK Masters Scholarships (part-cost awards) made possible

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Trustees' annual report for the year ended 31 July 2020 (continued)

through a donation of £300k from the Isaac Newton Trust. These awards paid a contribution towards the cost of study.

In addition to core funding, covering fees and maintenance costs, the Trust also makes extra payments to students to alleviate particular financial needs, such as grants for conferences, fieldwork, overruns, and hardship. The total cost of such extra payments in 2019/20 was £632,082 (2018/19: £519,522).

Many students had their studies disrupted due to the COVID-19 pandemic and this was particularly critical for students in their final year studies, especially PhD students. Most final year undergraduates and Masters students supported by the Trust were able to complete their studies within the timeframe, as they were assessed by remote means, except where personal circumstances made that impossible. However, a large number of PhD students were unable to continue their research without access to facilities at Cambridge and a majority of those in their final year applied to extend their term of study. This has placed an additional financial burden on the Trust. The financial impact will be manifested in the 2020/21 financial year. The expected impact is explained more fully under "plans for 2020/21 and beyond" section of this report. However, for this financial year, the Trust paid £61k to students who required extensions over the summer.

The disruption caused by the COVID-19 pandemic has affected students supported by the Trust in many different ways and therefore the Trust has dealt with requests for additional support on a case-by-case basis, which has allowed it to tailor additional grants to individual needs. The Trust has a policy and processes in place for extensions, which can be viewed on the Trust's website. All applicants are asked to complete a form with relevant information, which will allow the Trust's application panel to consider the requests.

The table below summarises the number of students supported by degree type in 2019/20 compared to 2018/19. The appendix on pages 18-20 gives a more detailed breakdown, showing the students supported by continent/country.

Students supported by degree type

Degree type/year	2019/20	2018/19
PhD	988	898
Masters	241	168
Undergraduate	137	120
Total	1,366	1,186

Some funding partners with whom the Trust has formal agreements make payments directly to the students or Colleges. This income, which does not form part of the financial statements of the Trust, amounted to c. £4.6 million (c. £4 million in 2018/19). The Trust also has informal relationships with other partners such as Colleges, University departments and other organisations, which also make payments directly to Trust students, and this income amounted to c. £3.9 million (c. £3.4 million in 2018/19).

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The Trust made 20 honorary awards in 2019/20 (50 in 2018/19). Honorary awards are made to students who are initially selected for scholarships but who subsequently win other full-cost awards and therefore do not require financial support offered by the Trust. These students are entitled to attend student events organised by the Trust.

A full list of partners who provided financial support to students directly through the Trust is set out on pages 32-35 of the financial statements. Those partners who pay all, or part, of their contribution directly to the relevant Colleges or to the students (off-books partners) are not included.

The Trust delivers its objective of providing financial support to as many students as possible from a wide range of countries through working with a diverse mix of funding partners. The Trust has partnerships with about 100 different entities, which allows it to reach more students than would have been possible using its own limited funds. Most partners also aim to support students who demonstrate financial need, and many promote wider access of students from diverse backgrounds. Some also focus on building capacity in developing countries supporting those who will contribute to future society and development.

The Trust maintains strong working relationships with its funding partners through various engagement activities, which include hosting partners' visits to Cambridge, the Trust's Director's visits to host countries (pre-COVID-19) and facilitating partners' interaction with their students through events. The Trust has written to all funding partners, ensuring they are kept up-to-date on how the Trust is managing and supporting students during the pandemic.

The University received an unprecedented generous endowment in February 2019 from the David and Claudia Harding Foundation to establish the Harding Distinguished Postgraduate Scholarship Awards. The Trust administers these awards on behalf of the University. It has no responsibility for the students other than to pay the fees and maintenance on receipt of income from both the University and St. Catharine's College. The income and expenditure has therefore been removed from the Trust accounts but income that the Trust is holding in respect of deferred students is shown separately under creditors, note 9.

Below are some highlights of engagement activities that took place prior to the COVID-19 restrictions, which were enforced in March 2020.

The Director and the Partnerships Manager attended the Wolfson Foundation Postgraduate Scholars event at the Humanities Welcome Dinner, held at Fitzwilliam Museum. The dinner was held to welcome the next cohort of Wolfson Scholars from across the UK-wide network of universities participating in the programme.

Dr Hayat Sindi, Senior Advisor to the President of the Islamic Development Bank (IsDB) visited Cambridge to renew the IsDB partnership with the Trust. Under this new agreement, a programme of scholarships was established to support 10 Masters students annually to undertake their studies at the University of Cambridge. This scheme enhances the current programme, which has provision to support 15 PhD students to study at Cambridge. The IsDB scholars in residence joined Trust staff and Dr Sindi to mark the renewal of the agreement.

The Trust joined with the Commonwealth Scholarship Commission to hold a workshop for Cambridge Commonwealth Scholars in February 2020. The theme of the workshop was "Promoting Girls and Women" and it was chaired by Professor Madeline Arnot who is a

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Commissioner of the Commonwealth Scholarship Commission. The Head of Programme Management and some of the Commission's staff attended the event.

The renewal of the Trust's agreement with the University of Central Asia was marked at a ceremony held at the Aga Khan Centre in London. The Director of the Trust was invited to give a speech to mark the occasion alongside the Rector of the University of Central Asia and the Vice-Chancellor of the University of Cambridge. This event was part of a number of events that were held to celebrate a new Memorandum of Understanding between the University of Cambridge and the University of Central Asia. The Deputy Director and the Partnerships Manager represented the Trust at the signing in Cambridge. Her Royal Highness Princess Zahra Aga Khan was present at both events representing His Royal Highness the Aga Khan, and in her capacity as a Trustee of the University of Central Asia.

A range of developments and changes in partnerships and donor-funded scholarships during the financial year 2019-2020 are highlighted below.

Trust designated fund

The Trust welcomed the first cohort of the Rowan Williams Cambridge Students in October 2019. This studentship was established by the Trust to support students who face severe barriers in coming to study at Cambridge. The Trust committed a further £0.5m to support another cohort of scholars due to start at the University in October 2020. Applicants must be from an area of instability or zone of conflict and be, or have been, at risk of discrimination, persecution, suffering violence or other abuse of their human rights.

Governments, state agencies and educational institutions

The Trust renewed its agreement with the Ministry of Education in Egypt to support Egyptian nationals to study at the University. These are full scholarships, which support up to five students pursuing a PhD in any subject at the University in each academic year.

The Higher Education Commission, Pakistan renewed its commitment to collaborate with the Trust to support PhD students from Pakistan to study at the University. Under this programme, up to ten PhD students will be supported each academic year, to study at Cambridge in the next 5 years.

The Trust joined the British Council's GREAT Scholarships programme to offer scholarships to postgraduate students from China, India, Indonesia and Malaysia. The GREAT Britain Campaign is the UK government's initiative to promote the UK internationally as a GREAT place to visit, study and do business.

The Commonwealth Scholarship Commission also renewed its longstanding partnership with the Trust to support students from Commonwealth countries to study at the University. This collaboration supports students from both developing and developed countries undertaking postgraduate study at the University.

The Ministry of Education, Republic of China (Taiwan) renewed its commitment to collaborate with the Trust to offer the Taiwan Cambridge Scholarship programme. This is a longstanding partnership, which provides full funding for up to five new PhD students each year.

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The MRC Laboratory of Molecular Studies extended its agreement with the Trust to support students pursuing PhD studies at the University.

Trusts, Foundations and corporate partners

A new scholarship was established to support a UK undergraduate student from a disadvantaged background, studying Medicine at the University. This was made possible by a donation from Swedish Orphan Biovitrum AB (Sobi), an international biopharmaceutical company with its UK base in Cambridge.

The Tara Getty Foundation joined with the Trust to establish a new scholarship to support African students pursuing a Masters degree at Cambridge.

The Trust renewed its partnership with the AlThuraya Foundation to support Masters students from countries in the Middle East and North Africa to study at the University. The renewal was marked during a visit to Cambridge by Ms Noor Attar, the Managing Director of AlThuraya Foundation.

A new scholarship was established to support Japanese nationals studying Computer Science at PhD or MPhil level. The scholarships are fully funded through a donation from the Tazaki Foundation. The Trust is collaborating with Downing College on this programme.

The Trust renewed its partnership with the Pexim Foundation to support the Pexim Cambridge Scholarships for a further 5 years. Under this programme up to twenty students from the Republic of Serbia or the Republic of North Macedonia, will be supported to study at Masters level at the University.

The Croucher Cambridge International Scholarships programme was renewed for a further 5 years. This collaboration with the Croucher Foundation supports students from Hong Kong to pursue a PhD at the University of Cambridge. Under this renewal, a further fifteen students will be supported to study at the University.

Individual philanthropists

Yousef Jameel a long-standing donor renewed his commitment to support PhD students from the Middle East, North Africa and developing countries in areas of Science and Technology that contribute to sustainable development. The programme of scholarships is now supported through the Jameel Education Foundation which he founded in 2019.

The Trust continues to administer the Stormzy Scholarships, which supports two black UK undergraduate students to study at the University. The first students commenced their studies in 2018; a further two started in October 2019 and it is expected that an additional two students will join the University in October 2020. The aim of the scholarship is to support black students from low income and/or disadvantaged backgrounds to study at Cambridge.

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Working with Colleges

The Trust continues to operate a significant number of scholarship co-funding arrangements with Cambridge Colleges. This collaborative effort between the Trust and the Colleges helps to strengthen the scholarship funding available to support students coming to Cambridge.

Working with Cambridge University Development and Alumni Relations Office (DAR), and Departments

The Trust continues to work closely with DAR, and various departments within the University to support students to take up their places at the University.

Through its relationship with DAR, the Trust secured a further donation from the artificial intelligence company, DeepMind Technologies Limited. The DeepMind Cambridge Scholarship programme has been extended for a further period and will now include PhD students as well as Masters students. The objective of the scholarship programme is to support under-represented students wishing to pursue postgraduate studies in Advanced Computer Science.

The Trust is jointly funding the Cambridge Africa Scholarship programme with the University of Cambridge (co-funded by the Research England QR GCRF Grant). The Cambridge Africa Scholarship is a programme of full-cost scholarships for PhD research students in any subject, open to candidates from countries in sub-Saharan Africa. Under this programme, five PhD students are supported each year. The programme is managed by the Trust in collaboration with the University's Cambridge-Africa Programme.

Financial review

The statement of financial activities (SOFA) is set out on page 24 of these financial statements, and summary income and expenditure figures are set out below.

The Trust accrues for future commitments for PhD and undergraduate students whose tenure at Cambridge is 3-4 years, rather than accounting for the costs on an annual basis. This liability is shown as a separate heading on the SOFA.

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	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	<i>Total funds</i> 2019 £
Income & endowments from:					
Donations	9,523,283	15,232,780	-	24,756,063	22,455,458
Donations-capital endowments	-	-	379,218	379,218	691,488
Programme Management fee	20,000	-	-	20,000	-
Investment income	6,029,279	-	593,766	6,623,045	6,344,524
Total income	<u>15,572,562</u>	<u>15,232,780</u>	<u>972,984</u>	<u>31,778,326</u>	<u>29,491,470</u>
Expenditure on charitable activities:					
Support to students-current year	<u>(15,324,733)</u>	<u>(15,694,775)</u>	<u>(606,568)</u>	<u>(31,626,076)</u>	<u>(27,921,649)</u>
Net income/(expenditure) before accrual for student liability	<u>247,829</u>	<u>(461,995)</u>	<u>366,416</u>	<u>152,250</u>	<u>1,569,821</u>
Student liability	(2,606,536)	-	-	(2,606,536)	(4,491,429)
Net (expenditure)/income before losses/gains on investments	(2,358,707)	(461,995)	366,416	(2,454,286)	(2,921,608)

The overall financial result for the year was a deficit of £2,454,286 (2018/19: £2,921,608) before losses/gains on investments but after accrual for student liability of £2,606,536 (2018/19: £4,491,429). In accordance with the accounting policy for grants, all future commitments for current students are included in grants and scholarship costs under note 3 in these financial statements. The movement in liability (net accrued expenditure) has decreased from £4,491,429 to £2,606,536 (net accrual 2017/18 £1,354,260). This reflects the fact that the costs for the 2018/19 student intake and subsequent accrual were significantly larger than for the 2017/18 student intake. Whilst the student costs also increased in 2019/20 the rate of increase in liability was not as large. If the accrual for student liability was excluded the Trust would have sustained a surplus of £152,250 for 2019/20 (2018/19: £1,569,821).

After accounting for a loss on investments of £8,413,677 (2018/19, gain of £4,287,503) there was a loss of £10,867,963 for the year compared to a surplus of £1,365,895 for 2018/19.

Income

A detailed breakdown of the Trust's donors is set out in note 1 of the financial statements. Restricted and endowment donations account for c. 62% of total donations.

The University of Cambridge continues to be the principal funding partner for unrestricted income. The funding from the University helps to provide the balance of partnership income for full and part-cost students.

Trinity College is also a major donor, providing £1,250,000 annually to support international students and £600,000 annually to support EU students.

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Significant restricted fund donors include: China Scholarship Council £1,731,420 (2018/19: £1,601,675); Vice-Chancellor's Award Scheme (VCA) £1,992,921 (2018/19: £2,205,821) and the Prince Philip Scholarships Fund £605,418 (2018/19: £486,258).

Investment income increased from £6,344,524 to £6,623,045, an increase of c. 4.4% (8.3% in 2018/19). The endowment investment income of £593,766 (2018/19 £554,241) outlined in note 13 to the accounts is used to fund specific scholarships in accordance with those agreements. The unrestricted investment income is used to support students either through partnerships or directly by the Trust as part-cost scholarships, and to pay for staff and administrative costs, which account for under 4% of total expenditure.

Expenditure

Total expenditure costs were £34,232,612 compared to £32,413,078 for the previous year, an increase of 5.6%. Student support costs accounted for practically all of this increase, reflecting the increase in value of awards made to students. If the net accrual for student liability was excluded, the increase in support costs to students would be 14.4% (£30,503,373 for 2019/20 compared to £26,658,296 for 2018/19).

Support costs, particularly property costs, fell substantially compared to the previous year. Previous year costs reflected the move to the Trust's current building at the Student Services Centre. The credit on property costs is due to a large over accrual for dilapidations at the Trust's previous property. The accrual, based on the estimate of costs at 31 July 2019 was £85,000. However, the Trust managed to carry out the repairs and dilapidations for substantially less.

The COVID-19 pandemic meant that the Trust was unable to hold its students' annual reception event and the summer PhD garden party. Communication and promotion costs were therefore substantially less than in 2018/19, (£68,301 compared to £99,359 in 2018/19). Similarly, the Director was unable to travel overseas and travel costs fell from £13,031 to £8,355.

Investment policy and performance

The Trust holds investments in the Cambridge University Endowment Fund (CUEF) and Cazenove Capital Management who manage the Jawaharlal Nehru Memorial Scholarships (JNMS) Fund.

The investments in CUEF are primarily unrestricted spendable capital. The Trustees' current policy however is to retain the capital for growth (unless needed in exceptional circumstances), and use the income from the investments to support students and fund the administrative costs.

Prior to COVID-19, the CUEF investment Board had adopted a more cautious approach to CUEF's long-term performance. CUEF's long term investment objective from 1 August 2019 is to achieve or exceed an average annual rate of total return, net of all costs and before distributions are taken into account, equal to CPI plus 5.0% such that after the monthly distributions are taken into account there will be annual growth in the fund unit value equal to CPI plus 1%. The rate used in the distribution formula was reduced from 4.25% to 4%. A further objective is to manage judiciously the risk taken in order to meet the total return objective, by utilising diversification of investment strategies, of investment asset classes and of investment managers. During the year ended 30 June 2020 (the CUEF year-end, which is one month earlier than the Trust's year-end of 31 July and therefore comparatives will be different) CUEF had a total investment return of 3.8% (2019: 4.7%). Over a rolling five-year period CUEF had an

Cambridge Commonwealth, European and International Trust

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annualised return of 8.4%. This exceeds the long-term investment objective over this period of 7.84% annualised. The value of the CUEF at 30 June 2020 was £3,313m (2018-19: £3,401m).

The value of the Trust's investments in CUEF at 31 July 2020 was £172,989,845 (2018/19: £181,240,532). This reflects a fall in the value of the portfolio of c.£8.25 million (4.55%), with no new investments (2018/19: £691,410).

The investments of the JNMS Fund held with Cazenove Capital Management had a value of £1,077,066 at 31 July 2020 (2018/19: £1,240,056). The 13% fall reflects the fall in markets due to COVID-19.

Ethical investment policy

The Trust's investments in CUEF are currently subject to the investment policies of that fund. Trustees meet with CUEF management annually and ensure that CUEF is aware of the Trustees' views on ethical responsibility.

The Trust monitors the Responsible Investment policy and Environmental, Social and Governance policy of Cazenove Capital Management.

Reserves policy

The majority of the Trust's assets are expendable and available generally for the award of scholarships in accordance with the Trust's Scheme. The current value outlined in note 12 is c. £159 million. The Trustees had previously determined that at least for the time being, only the income would be expended, thereby protecting capital and allowing for capital growth and ensuring the Trust can continue to deliver its core activities of supporting students during periods of unforeseen economic difficulties. Trustees acknowledged that many of the Trust's current students would possibly need additional financial support due to the disruption caused by the COVID-19 pandemic. Trustees agreed that the Trust could in a worst-case scenario spend up to £1.5 million in 2020/21 on exceptional costs, if necessary (although it would expect to recoup some of this from funding partners). This could be funded through various means such as the loan facility with the University or with a high street bank depending on the more favourable terms. In addition, if the value of investments improved, Trustees agreed that some capital could be withdrawn from CUEF.

Risk management and internal control

The principal risks to the Trust are as set out in the Trust's Risk Register, which is reviewed at each Audit Committee meeting, and subsequently at Trustees' meetings. The main risks are identified under the following headings: funding and financial risks; management; and compliance.

The main risks under funding and financial are the failure of a major donor to continue to provide funding to the Trust, or poor performance of the Trust's investments. The University of Cambridge is the Trust's principal donor. The Trust presents a four-year rolling Business Plan to the University for approval each year. The COVID-19 pandemic has placed considerable pressure on the University's finances. The Trust's budget for 2020/21 has been provisionally approved and is awaiting final sign off. The Trust has however received positive assurances from the University.

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The principal Trust funds are invested in CUEF, and the main risk is variability of investment performance. The risk is mitigated by the highly diversified portfolio, which takes a long-term view of investments. Whilst the spread of COVID-19 resulted in a sharp fall in the value of CUEF assets, this was followed by a high-level recovery with the fall in value of the Trust's investment in CUEF at 4.55%. The Trustees are responsible for ensuring the maintenance of a sound system of internal controls, which support the aims and objectives of the Trust, while safeguarding the Trust funds and assets for which they are responsible. The system of internal controls identifies the main risks and the steps taken to mitigate those risks and manage them effectively and efficiently. The effectiveness of those controls is informed by the work of the Audit Committee and comments made by external auditors in their report.

All staff have been working from home since March 2020, when the lockdown resulting from the COVID-19 pandemic took place. They are all using University supported laptops/desktops. Staff have been asked to complete a working from home assessment and have confirmed that they are working safely and in line with health and safety guidelines. Staff meetings are held regularly and staff are encouraged to maintain team-building initiatives with their colleagues.

Systems are in place to ensure compliance with the General Data Protection Regulations (GDPR), which is particularly important during homeworking. All staff have been trained on the importance of the regulations and in particular, the practical steps they must undertake in their day-to-day work to ensure the Trust remains compliant.

The Trust conducts a due diligence process on all potential new donors to ensure that the donor will be able to fulfil the terms of the agreement. Agreements are usually made for five years so that the terms can be regularly reviewed.

The Trustees have examined the major strategic, business and operational risks which the Trust faces and are satisfied that, with the regular reports they receive at meetings, they are able to assess these risks, and to put in hand on a timely basis any necessary actions (such as changes in the number and/or value of awards offered from year to year) to reduce or mitigate risk.

Fundraising activities

Under Section 162a of the Charities Act 2011, the Trust is required to make a statement regarding fundraising activities. The act defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". All monies received by the Trust under this definition are shown as donations under note 1 of the accounts.

The Trust does not undertake fundraising from individuals, but a number of individual donors have approached the Trust and made significant donations and endowments. Its development activities are based on creating partnerships and it has written agreements with these partners. The Trust employs a shared fundraiser with the Cambridge University Development Office. However, his role is primarily in relation to developing partnerships for the Trust.

The Trust is not required to be bound by any regulating fundraising scheme because of the nature of its development activities, and therefore does not consider that it is required to comply with any regulating code of practice relating to fundraising.

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Plans for 2020/21 and beyond

The two main factors, which will influence the Trust's plans for 2020/21 and beyond are the COVID-19 pandemic and the UK's withdrawal from the EU.

The major uncertainty surrounding the Trust is the level of extension support required by students whose studies have been interrupted due to the pandemic. The Trust is continuing to receive applications for extensions from students who were due to have completed their studies by the academic year end of September 2020. Although students may remain registered as Postgraduate Students for a fourth 'writing-up' year where fees are not charged students may apply for financial assistance to meet their living costs. The Trust will have a rolling programme for those affected in subsequent years and has sent a survey to scholars in residence to ask them how they have been affected during this time so that the Trust will be able to refer back to this information when they reach the end of their studies. However, the hope is that they will, with guidance from their supervisors, be able to make up time or adapt their research accordingly.

The Trust will itself, strive to support all the students to whom it provides funding, through to the successful conclusion of their studies. This includes all Trust students who find themselves in financial difficulties whether those with scholarships which are partner funded or students funded directly by the Trust. The Trustees have agreed that additional funds will be required to meet such a demand and have authorised such expenditure to be incurred. The Trust will, wherever possible, seek to share the amount required, with funding partners or other hardship funds set aside for this purpose. Obviously, the deployment of monies to help students who have been affected by the COVID-19 disruption will have an impact on the Trust's future ability to support as many students as it presently does. The Trust is therefore conscious of the need to constantly monitor the advice given by the University and Government in this ongoing situation.

At the time of writing, the Trust is not in a position to report with certainty the number of students who have not taken up or deferred their awards for the 2020/21 academic year due to the pandemic. However, the Trust is constantly monitoring student activity and the financial impact this will have on the Trust's finances.

The UK formally left the EU on 31 January 2020. From the academic year, 2020/21 EU students (except Ireland) will be subject to international fees. This means that the Trust will open many of its scholarships, such as the Cambridge International Scholarships, to European students who will pay international fees. The change will also have implications for the Trust's funding as the fee increase means that unless additional funding is forthcoming the Trust will have to support fewer students.

Structure, governance and management of the Trust

The Trust is an exempt charity, which was established by a Charity Commission Scheme, which came into effect on 1 August 2013. Its tax exempt Inland Revenue reference number is EW02020. The Trust was formed from the merger of the Cambridge Commonwealth Trust (CCT) and the Cambridge Overseas Trust (COT), which were both established as exempt charities in the 1980s to support international students at the University of Cambridge.

Cambridge Commonwealth, European and International Trust

Trustees' annual report for the year ended 31 July 2020 (continued)

The University of Cambridge is the Custodian Trustee of the Trust, and the financial statements of the Trust are consolidated with the University's financial statements. The Trust is regulated by the Office for Students through the University of Cambridge.

The Trust is managed by a maximum of 12 Trustees who meet three times per year. The Chair and Deputy Chair are elected annually and can serve for a maximum of four years.

Trustees are appointed by the Council of the University for a term of three years and may be re-appointed for two further terms. Trustees are recruited from persons considered to have the requisite skill, knowledge and time to serve as a Trustee. On appointment Trustees are provided with copies of the financial statements for the previous three years, the Trust's governing documents the strategic plan, the last two sets of Trustees' meeting minutes and other publicity material relating to the Trust. They are also provided with a copy of the current Charity Commission guidance booklet for Trustees, "The Essential Trustee: What you need to know". Formal training is offered to all Trustees on appointment and ongoing training as required.

HRH The Prince of Wales is the Patron of the Trust.

There are two sub-committees which report to the Trustee Board: the Audit Committee, which meets twice a year, and the Remuneration Committee which meets once a year.

The Trust's main investments are managed by the Cambridge University Endowment Fund (CUEF). A representative of CUEF reports to the Trustees annually and the Trustees receive an investment update at each of their meetings. The Trust also holds investments with Cazenove Capital Management in respect of the JNMF scholarships.

Day-to-day management is delegated by the Trustees to the Director and through the Director to other staff, with formal statements of delegation of authorities.

The financial statements of the Trust, once approved, are placed in the public domain on the Trust's web-site (www.cambridgetrust.org).

Key management personnel remuneration

The pay of the Trust's Director is reviewed biennially by members of the Remuneration Committee who make recommendations to the Board of Trustees. Other Trust staff are paid in line with University pay scales.

On appointment, Trustees are required to complete a register of interest form, which is updated annually. Trustees are also required to disclose any interest in any item on the agenda at the beginning of each Trustees' meeting.

The Trustees consider that the Board of Trustees, the Director, Deputy Director and Head of Finance and Administration are the key management personnel of the Trust, responsible for directing and controlling the Trust and running and operating the Trust on a day-to-day basis. All Trustees give their time freely and no Trustee received any remuneration during the year.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Cambridge Commonwealth, European and International Trust

Trustees' annual report for the year ended 31 July 2020 (continued)

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust, and of the income and expenditure of the Trust for that period.

In preparing these financial statements, the Trustees are required to:

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

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

The maintenance and integrity of the Trust's website is the responsibility of the Trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees on 25 November 2020:

Signed on behalf of the Trustees:



Professor Michael Proctor
Chair of the Trustees



Professor Dame Ann Dowling
Chair of the Audit Committee

Cambridge Commonwealth, European and International Trust

Appendix to the Trustees' Report for the year ended July 2020

Students supported by continent and degree type 2019/20 and 2018/19

	2019/20				2018/19			
	PhD	Masters	Ug*	Total	PhD	Masters	Ug*	Total
Africa								
Botswana	-	1	-	1	-	-	-	-
Cameroon	3	-	-	3	3	1	-	4
Cote d'Ivoire	1	-	-	1	-	-	-	-
Egypt	10	6	-	16	15	4	-	19
Ethiopia	-	-	-	-	1	-	-	1
Ghana	9	2	-	11	8	2	-	10
Kenya	2	4	2	8	2	2	3	7
Libya	-	1	-	1	-	-	-	-
Mauritius	-	1	-	1	-	-	-	-
Morocco	1	-	-	1	1	-	-	1
Mozambique	1	-	-	1	1	-	-	1
Niger	-	-	-	-	1	-	-	1
Nigeria	10	3	1	14	9	2	1	12
Rwanda	-	-	-	-	1	-	-	1
Somalia	2	-	-	2	2	-	-	2
South Africa	11	5	-	16	12	8	-	20
Sudan	1	1	-	2	-	1	-	1
Uganda	1	3	-	4	1	1	-	2
Zambia	2	-	-	2	2	-	-	2
Zimbabwe	2	-	-	2	2	2	-	4
Total	56	27	3	86	61	23	4	88
Asia								
Afghanistan	-	1	-	1	-	-	-	-
Bangladesh	6	-	2	8	7	-	2	9
Bhutan	-	1	-	1	-	1	-	1
Burma	1	-	-	1	1	2	-	3
China	139	12	31	182	128	6	22	156
Hong Kong, China	14	-	20	34	11	1	16	28
India	56	21	5	82	53	23	4	80
Indonesia	8	-	-	8	8	2	-	10
Iran	7	1	-	8	5	2	-	7
Israel	8	2	-	10	8	2	-	10
Japan	1	1	1	3	-	1	1	2
Jordan	2	1	-	3	2	-	1	3
Kazakhstan	2	-	-	2	2	1	-	3
Republic of Korea	9	-	3	12	12	-	3	15
Kyrgyzstan	-	-	-	-	-	1	-	1
Lebanon	4	2	-	6	4	1	-	5
Malaysia	16	3	18	37	15	1	18	34
Nepal	-	2	-	2	1	1	-	2
Pakistan	14	4	8	26	8	2	8	18

Cambridge Commonwealth, European and International Trust

Appendix to the Trustees' Report for the year ended July 2020 (continued)

	2019/20				2018/19			
	PhD	Masters	Ug*	Total	PhD	Masters	Ug*	Total
Palestine	7	-	1	8	6	-	1	7
Philippines	1	-	-	1	1	2	-	3
Singapore	4	1	8	13	4	3	6	13
Sri Lanka	5	-	-	5	4	-	-	4
Syria	3	-	1	4	3	3	1	7
Taiwan	23	1	-	24	18	-	-	18
Tajikistan	1	-	-	1	-	-	-	-
Thailand	6	6	1	13	4	3	1	8
Turkey	8	2	-	10	4	2	-	6
Vietnam	1	1	1	3	1	-	1	2
Yemen	-	1	-	1	-	-	-	-
Total	346	63	100	509	310	60	85	455
Australasia								
Australia	52	9	7	68	44	12	8	64
New Zealand	29	3	1	33	24	1	4	29
Total	81	12	8	101	68	13	12	93
Europe								
Albania	2	-	-	2	1	-	-	1
Armenia	-	1	2	3	-	-	1	1
Austria	4	1	-	5	3	-	-	3
Belarus	2	-	1	3	2	-	1	3
Belgium	1	1	-	2	2	1	-	3
Bosnia & Herzegovina	1	-	-	1	1	-	-	1
Bulgaria	5	-	-	5	4	-	-	4
Croatia	2	-	-	2	2	-	-	2
Cyprus	4	-	-	4	4	2	-	6
Czech Republic	1	1	-	2	-	-	-	-
Denmark	5	-	-	5	5	-	-	5
Estonia	1	-	-	1	2	-	-	2
Finland	2	-	-	2	1	-	-	1
France	15	3	-	18	16	3	-	19
Germany	48	8	-	56	45	6	-	51
Greece	20	4	-	24	16	4	-	20
Guernsey	1	-	-	1	1	-	-	1
Hungary	7	1	-	8	8	-	-	8
Iceland	1	-	-	1	1	-	-	1
Ireland	12	2	-	14	11	3	-	14
Italy	37	2	-	39	31	3	-	34
Jersey	-	-	-	-	1	-	-	1
Kosova	-	-	-	-	-	1	-	1
Latvia	1	-	-	1	1	-	-	1
Lithuania	3	-	-	3	3	-	-	3
Malta	-	-	-	-	1	-	-	1

Cambridge Commonwealth, European and International Trust

Appendix to the Trustees' Report for the year ended July 2020 (continued)

	2019/20				2018/19			
	PhD	Masters	Ug*	Total	PhD	Masters	Ug*	Total
Netherlands	11	1	-	12	11	4	-	15
Norway	16	3	-	19	12	3	-	15
Poland	10	3	-	13	10	1	-	11
Portugal	6	1	-	7	4	1	-	5
Romania	4	-	-	4	4	2	-	6
Russia	5	1	2	8	4	1	2	7
Serbia	6	5	4	15	5	4	5	14
Slovakia	3	-	-	3	3	1	-	4
Slovenia	2	1	-	3	-	2	-	2
Spain	11	2	-	13	6	-	-	6
Sweden	1	1	-	2	-	1	-	1
Switzerland	4	-	-	4	5	1	-	6
Ukraine	2	3	-	5	4	2	-	6
United Kingdom	67	77	6	150	60	-	2	62
Total	323	122	15	460	290	46	11	347
North America								
Bahamas	-	1	-	1	-	-	-	-
Canada	33	4	6	43	33	8	5	46
Costa Rica	-	1	-	1	-	-	-	-
Jamaica	1	-	-	1	1	-	-	1
Mexico	19	2	-	21	23	4	-	27
Saint Lucia	-	-	-	-	1	-	-	1
Saint Vincent & the Grenadines	2	-	-	2	2	-	-	2
Trinidad & Tobago	2	-	-	2	1	-	-	1
USA	89	7	4	100	78	3	3	84
Total	146	15	10	171	139	15	8	162
South America								
Argentina	2	-	-	2	2	1	-	3
Brazil	6	-	-	6	5	2	-	7
Chile	21	-	-	21	18	2	-	20
Colombia	5	-	1	6	2	3	-	5
Ecuador	1	-	-	1	2	-	-	2
Paraguay	-	-	-	-	-	1	-	1
Peru	-	2	-	2	-	1	-	1
Uruguay	1	-	-	1	1	-	-	1
Venezuela	-	-	-	-	-	1	-	1
Total	36	2	1	39	30	11	-	41
Grand Total	988	241	137	1366	898	168	120	1186

*Ug=Undergraduate course

Cambridge Commonwealth, European and International Trust

Independent auditors' report to the Trustees of Cambridge Commonwealth, European and International Trust

Opinion

We have audited the financial statements of the Cambridge Commonwealth, European and International Trust (the "charity") for the year ended 31 July 2020, which comprise of the Statement of Financial Activities, the Balance Sheet, the Statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005, which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

Cambridge Commonwealth, European and International Trust

Independent auditors' report to the Trustees of Cambridge Commonwealth, European and International Trust (continued)

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information. 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.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 set out on page 16, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Cambridge Commonwealth, European and International Trust

Independent auditors' report to the Trustees of Cambridge Commonwealth, European and International Trust (continued)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

This report is made solely to the Charity Trustees, as a body, in accordance with the Charities Act 2011. Our work has been undertaken so that we might state to the charity trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Peters Elworthy & Moore

Peters Elworthy & Moore

Chartered Accountants

Statutory Auditors

Cambridge

Date: *30 November 2020*

Peters Elworthy & Moore are eligible to act as auditors in terms of Section 1212 of the Companies Act 2006.

Cambridge Commonwealth, European and International Trust

Statement of financial activities for the year ended 31 July 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £
Income & endowments									
Donations	1	9,523,283	15,232,780	-	24,756,063	8,871,630	13,583,828	-	22,455,458
Donations capital endowments	1	-	-	379,218	379,218	-	-	691,488	691,488
Programme management fee	1	20,000	-	-	20,000	-	-	-	-
Investment income	2	6,029,279	-	593,766	6,623,045	5,790,283	-	554,241	6,344,524
Total income		15,572,562	15,232,780	972,984	31,778,326	14,661,913	13,583,828	1,245,729	29,491,470
Expenditure									
Expenditure on charitable activities:									
Support to students current year	3	(15,324,733)	(15,694,775)	(606,568)	(31,626,076)	(13,711,283)	(13,667,638)	(542,728)	(27,921,649)
Net income/(expenditure) before accrual for student liability		247,829	(461,995)	366,416	152,250	950,630	(83,810)	703,001	1,569,821
Student liability	3	(2,606,536)	-	-	(2,606,536)	(4,491,429)	-	-	(4,491,429)
Net (expenditure)/income before (loss)/gains on investments	5	(2,358,707)	(461,995)	366,416	(2,454,286)	(3,540,799)	(83,810)	703,001	(2,921,608)
Net (loss)/gains on investments	7	(7,565,574)	-	(848,103)	(8,413,677)	3,935,830	-	351,673	4,287,503
Net (expenditure)/income and net movement of funds		(9,924,281)	(461,995)	(481,687)	(10,867,963)	395,031	(83,810)	1,054,674	1,365,895
Reconciliation of funds:									
Total funds brought forward		141,866,108	822,901	16,301,436	158,990,445	141,471,077	906,711	15,246,762	157,624,550
Total funds carried forward	12	131,941,827	360,906	15,819,749	148,122,482	141,866,108	822,901	16,301,436	158,990,445

The Statement of accounting policies and notes to the financial statements on pages 28 to 47 form part of these financial statements.

Cambridge Commonwealth, European and International Trust

Balance sheet as at 31 July 2020

	Note	2020		2019	
		£	£	£	£
Fixed assets					
Tangible fixed assets	6		62,664		84,598
Investments	7		174,066,911		182,480,588
			<u>174,129,575</u>		<u>182,565,186</u>
Current assets					
Debtors	8	901,121		646,330	
University cash deposits		656,677		784,793	
Cash at bank and in hand		<u>5,198,715</u>		<u>5,170,217</u>	
			6,756,513		6,601,340
Creditors: amounts falling due within one year	9		<u>(20,308,184)</u>		<u>(18,751,962)</u>
Net current liabilities			<u>(13,551,671)</u>		<u>(12,150,622)</u>
Total assets less current liabilities			<u>160,577,904</u>		<u>170,414,564</u>
Creditors: amounts falling due after one year	10		<u>(12,455,422)</u>		<u>(11,424,119)</u>
Total net assets			<u>148,122,482</u>		<u>158,990,445</u>
Funds of the charity					
Endowment funds	13		15,819,749		16,301,436
Restricted funds	14		360,906		822,901
Unrestricted funds	12		<u>131,941,827</u>		<u>141,866,108</u>
Total charity funds	12		<u>148,122,482</u>		<u>158,990,445</u>

These financial statements were approved by the Trustees on 25 November 2020 and signed on their behalf by:



Professor Michael Proctor
Chair of the Trustees



Professor Dame Ann Dowling
Chair of Audit Committee

The Statement of accounting policies and notes to the financial statements on pages 28 to 47 form part of these financial statements.

Cambridge Commonwealth, European and International Trust

Statement of cash flows for the year ended 31 July 2020

	Note	2020 Total £	2019 Total £
Cash flow from operating activities:			
Net cash used in operating activities	A	(7,076,925)	(5,689,422)
Cash flow from investing activities:			
Dividends & interest from investments		6,623,045	6,344,524
Purchase of equipment		(24,956)	(65,143)
Purchase of investments		-	(691,410)
Net cash provided by investing activities		<u>6,598,089</u>	<u>5,587,971</u>
Cash from financing activities:			
Receipt of expendable endowments		<u>379,218</u>	<u>691,488</u>
Net cash provided by financing activities		<u>379,218</u>	<u>691,488</u>
Change in cash and cash equivalents in the reporting period		(99,618)	590,037
Cash and cash equivalents at the beginning of the reporting period	B	<u>5,955,010</u>	<u>5,364,973</u>
Cash and cash equivalents at the end of the reporting period		<u>5,855,392</u>	<u>5,955,010</u>

The notes on page 27 support the Statement of cash flows.

The statement of accounting policies and notes to the financial statements on pages 28 to 47 form part of these financial statements.

Cambridge Commonwealth, European and International Trust

Notes to the Statement of cash flows for the year ended 31 July 2020

	2020 £	2019 £
A. Reconciliation of net (expenditure)/income to net flow from operating activities		
Net (expenditure)/income for the reporting period as per the statement of financial activities	(10,867,963)	1,365,895
Adjustments for:		
Deduct endowment income	(379,218)	(691,488)
Add back depreciation charges	46,890	51,201
Deduct dividends and interest from investments	(6,623,045)	(6,344,524)
Add/deduct losses and gains on investments	8,413,677	(4,287,503)
(Increase)/decrease in debtors	(254,791)	49,326
Increase in creditors	2,587,525	4,167,671
Net cash (used in) operating activities	<u>(7,076,925)</u>	<u>(5,689,422)</u>
B. Analysis of cash and cash equivalents		
University account cash deposits	656,677	784,793
Cash at bank and in hand	5,198,715	5,170,217
	<u>5,855,392</u>	<u>5,955,010</u>

C. Analysis of changes in net debt

	At start of the year £	Cash flows £	At end of the year £
Cash at bank and in hand	5,955,010	(99,618)	5,855,392
	<u>5,955,010</u>	<u>(99,618)</u>	<u>5,855,392</u>

Cambridge Commonwealth, European and International Trust

Statement of accounting policies

Year ended 31 July 2020

Basis of preparation of Financial Statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) second edition October 2019 (effective January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice from 1 April 2005 which has since been withdrawn.

The Trust constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Going concern

The Trust was formed from the merger of the Cambridge Commonwealth Trust and the Cambridge Overseas Trust on 1 August 2013. The Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Trustees acknowledge that the financial impact of the COVID-19 pandemic could be significant. However, as detailed in plans for the future within the Trustees' report, the Trust is holding c. £159 million of unrestricted investments some of which can be realised if necessary. Accordingly, the financial statements continue to be prepared on the going concern basis.

Fund accounting

The Trust maintains various types of funds as follows:

Restricted funds

Restricted funds represent donations received which the donor allocates for specific purposes. The Trust receives restricted funding from Funding Partners, Colleges, Departments, and the University for the support of students during their tenure in Cambridge. Invoices are raised for the cost of supporting those students when confirmation has been received that the students have commenced study. Restricted funds received in advance that specify the year of payment are deferred until the commitment falls due.

Cambridge Commonwealth, European and International Trust

Statement of accounting policies (continued)

Unrestricted funds

Unrestricted funds represent income that is expendable at the discretion of the Trustees in the furtherance of the objects of the Trust. The largest unrestricted donor is the University of Cambridge. Unrestricted funds may be held in order to finance both working capital and capital investment.

Designated funds

Designated funds are unrestricted funds, which the Trustees have decided to set apart to be used for a particular project or future commitment.

Endowment funds

Permanent endowment funds represent grants and donations received for which the donor has stipulated that the income may be used for general purposes, but the capital must be retained. Expendable endowments are funds, which must be invested to produce income. Subject to the conditions attached, Trustees have the power to convert all or part of the capital into income, which can then be spent.

Income

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised when the Trust has been notified in writing of both the amount and the settlement date. In the event that the funds are subject to a condition being fulfilled before the Trust is entitled to the funds, the income is deferred and not recognised until those conditions are met.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the Bank.

Dividends and distributions are recognised once the dividend or distribution value has been declared and notification has been received of the amounts due. This is normally by the investment company managing the investment portfolio.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party; it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Support costs are allocated between general support costs and governance costs. Support costs are those costs incurred directly in support of expenditure on the objects of the Trust as outlined in note 3 of the accounts. Support costs relating to the Trust's charitable activities comprise of general overheads, IT support, and a percentage of appropriate staff costs.

Cambridge Commonwealth, European and International Trust

Statement of accounting policies (continued)

Governance costs comprise all costs involving the public accountability of the Trust and its compliance with regulation and good practice. These costs include costs related to the audit, the cost of Trustees' meetings and a percentage of the Director's and other staff cost time.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attached are fulfilled.

Irrecoverable VAT

The Trust is not registered for VAT. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

Financial instruments

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

Tangible Fixed Assets

Tangible fixed assets are depreciated so as to write off their cost less estimated residual value in equal annual instalments over their estimated useful lives. Office furniture and equipment is depreciated over four years. The policy of the Trust is not to capitalise assets under £1,000.

Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date; unless fair value cannot be measured reliably in which case, it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'net (loss)/gains on investments' in the Statement of Financial Activities.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and Commitments

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Commitments are measured

Cambridge Commonwealth, European and International Trust

Statement of accounting policies (continued)

at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the commitment is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term. The Trust signed a ten year lease with the University of Cambridge effective from 1 July 2019 for its current premises. The rent is a peppercorn rent. The fair value of the rent is estimated at £68,000 per annum. This is recognised as income in kind and rental expenditure in the financial statements.

Critical accounting estimates and areas of judgment

Preparation of the financial statements requires management to make significant judgements and estimates. The key areas in the financial statements where these judgements and estimates have been made are as follows:

- depreciation on fixed assets;
- fair value of investments;
- grants accrued payable in more than one year.

Pension costs

The Trust contributes to two defined benefit pension schemes namely, the Universities Superannuation Scheme (USS) and Cambridge University Assistants' Contributory Pension Scheme (CPS) and accounts for the costs in relation to these schemes in accordance with Section 28 FRS 102 Retirement Benefits. Note 4 provides further information.

Cambridge Commonwealth, European and International Trust

Notes to the financial statements

Year ended 31 July 2020

1. Donations and Income	2020	2019
	£	£
Unrestricted		
University of Cambridge	9,193,393	8,606,664
University of Cambridge contribution to administration	261,890	259,299
Income in kind (University of Cambridge, peppercorn rent)	68,000	5,667
Programme management fee	20,000	-
Total unrestricted	9,543,283	8,871,630
Restricted, Cambridge University administered funds, Departments and Colleges		
University of Cambridge (Student Registry)	541,214	238,214
University of Cambridge (Vice-Chancellor's Awards)	1,992,921	2,205,821
Cambridge Africa Scholarships	414,252	356,066
Grace and Thomas CH Chan Scholarship Fund	48,668	70,917
Developing World Education Fund	275,668	264,440
Smuts Memorial Fund	81,431	96,586
CT Taylor Scholarship Fund	22,514	22,165
Prince Philip Scholarships Fund	605,418	486,258
Centre for Islamic Studies (Prince Alwaleed Bin Talaal)	10,000	-
Thalmann European Fund	30,018	-
Thalmann Overseas Fund	62,337	59,802
Department of Archaeology	4,000	-
Department of Architecture	2,500	-
Department of Chemistry	5,565	2,650
Department of Computer Science & Technology	20,006	-
Department of Materials	-	2,650
Department of Pure Maths & Mathematical Statistics	45,027	-
Department of Engineering	46,250	46,250
Department of Chemical Engineering & Biotechnology	-	3,106
Department of Genetics	9,000	9,000
Department of German and Dutch-Schröder Fund	-	8,702
Department of Politics and International Studies	18,099	18,388
Department of Zoology	-	19,941
Faculty of Asian and Middle Eastern Studies	53,685	23,500
Faculty of Education	141,574	76,361
Faculty of History	8,337	-
Faculty of Modern & Medieval Languages & Linguistics	23,346	-
INET Institute Cambridge	22,000	22,000
Institute of Astronomy	-	2,654
Sub-total Cambridge University administered funds & Departments	4,483,830	4,035,471
Christ's College	49,444	18,489
Churchill College	262,750	200,659
Clare Hall	10,000	20,000

Cambridge Commonwealth, European and International Trust

Notes to the financial statements (continued)

1. Donations and Income (continued)	2020	2019
	£	£
Corpus Christi	30,000	12,000
Darwin College	36,000	-
Emmanuel College	36,000	24,000
Fitzwilliam College	8,000	27,375
Girton College	8,000	5,375
Hughes Hall	105,036	53,309
Jesus College	36,000	19,500
King's College	333,059	204,940
Lucy Cavendish College	14,250	12,000
Magdalene College	69,985	69,022
Murray Edwards College	52,000	60,000
Newnham College	355,630	192,907
Pembroke College	39,836	22,470
Peterhouse	22,000	10,000
Queens' College	36,433	32,567
Robinson College	46,663	11,202
Selwyn College	90,000	48,000
Sidney Sussex	102,337	51,505
St Catharine's College	4,598	-
St Edmund's College	85,500	53,000
St John's College	103,505	69,183
Trinity College	1,854,500	1,850,000
Trinity Hall	29,673	53,375
Wolfson College	152,500	113,000
Total Cambridge University administered funds, Departments and Colleges	8,457,529	7,269,349
Restricted –others		
Anne Grete Eidsvig and Kjell Inge Rokke Charitable Foundation	465,000	318,000
AlThuraya Foundation	24,000	13,251
Amjad & Suha Bseisu Foundation	19,480	-
BP North Africa	83,545	53,369
British Council India	74,086	114,538
British Council China	-	7,000
Brockmann Foundation	-	41,460
Cambridge Australia Scholarships	386,156	363,865
Cambridge Thai Foundation	32,834	41,600
Canadian Institute for Advanced Legal Studies	48,572	69,845
Charles and Lisa Simonyi Fund	22,866	51,037
China Scholarship Council	1,731,420	1,601,675
Colciencias	45,837	18,513
Club Financiero Espanol	15,346	-
Commonwealth Scholarship Commission	459,002	434,167
CONACyT (Mexico)	164,534	190,594

Cambridge Commonwealth, European and International Trust

Notes to the financial statements (continued)

1. Donations and Income (continued)	2020	2019
	£	£
CONICyT (Chile)	316,641	269,649
C T Taylor Legacy	10,000	-
DeepMind Technologies Limited	-	100,000
Inlaks Shivdasani Foundation	42,770	42,854
Isaac Newton Trust	300,000	-
Islamic Development Bank	353,552	251,143
Jardine Foundation	118,550	104,162
Joy Sedon Memorial Donations	894	-
Kidu Foundation	21,489	10,453
Lucky Cement Limited	15,000	-
Masonic Charitable Foundation	50,153	24,653
MOE – Egypt	13,307	13,307
MRC Laboratory of Molecular Biology	148,950	121,750
Nakagawa General Association	35,000	-
National University of Singapore	26,776	45,517
Noon Educational Foundation	33,000	31,000
Omid Trust	12,000	26,436
Open Society Foundation	30,415	-
Oxford and Cambridge Club of Nigeria	20,168	-
Oxford and Cambridge Society of Kenya	16,000	15,000
Pakistan Higher Education Commission	13,625	30,250
Parasol Foundation Trust	5,559	62,031
PEXIM Foundation	53,913	47,323
Rajiv Gandhi Foundation (India)	38,698	126,957
Ray Grant Neilson Donation	-	237,395
Reuben Foundation	166,061	127,681
Rutherford Foundation	108,816	42,056
Säid Foundation	20,267	41,220
Sardar Manmohan Singh Charitable Trust	30,000	25,000
SERB India	259,571	236,742
Snowdon Trust	-	60,000
Stormzy Scholarship	74,680	36,820
Swedish Orphan Biovirum	10,000	-
Sykes Mr Keith	62,500	-
Taiwan Ministry of Education	338,750	316,085
Tobisha International (Faculty of Asian and Middle Eastern Studies)	11,257	11,083
University of Central Asia	40,805	37,914
Universities UK International	-	43,195
Williams Papworth Studentship	30,000	-
Woolf Fisher Trust	776	-
The Wolfson Foundation (via CUDAR)	170,250	167,000
Woolf Institute	50,020	52,776
Yousef Jameel Scholarship Fund	152,083	237,931

Cambridge Commonwealth, European and International Trust

Notes to the financial statements (continued)

1. Donations and Income (continued)	2020	2019
	£	£
Miscellaneous	276	182
Sub-total	6,775,250	6,314,479
Total restricted donations	15,232,780	13,583,828
Endowment donations		
Gordon Edge Science & Technology Fund	-	312,500
Carlos & Gabriela Rodriguez-Pastor	379,218	378,988
Total endowment donations	379,218	691,488
Total donations and income	25,155,281	23,146,946
2. Investment income		
	2020	2019
	£	£
Cambridge University Endowment Fund Distributions	6,531,977	6,251,765
Cazenove Capital Management (JNMS)	51,366	48,188
University Deposit Account Interest	10,069	15,176
Interest on bank deposits	29,633	29,395
Total	6,623,045	6,344,524
3. Charitable activities		
	2020	2019
	£	£
Direct charitable activities		
Grants and Scholarships	30,503,373	26,658,296
Add net accrued expenditure	2,606,536	4,491,429
Travel	8,355	13,031
Communication/Promotion	68,301	99,359
Staff costs	611,050	580,751
Total direct charitable	33,797,615	31,842,866
Support and Governance costs:		
General support		
Staff costs	193,800	193,910
Consultants and other professional charges	8,195	19,572
Telephone, postage and couriers	3,004	5,848
Rent, rates and utilities	91,217	81,618
IT, equipment and stationery	37,598	44,790
Property costs	(26,722)	94,256
Training and development	7,388	6,374
Office supplies/meetings	2,576	4,444
Depreciation	46,890	51,201
Sub-total general support costs	363,946	502,013

Cambridge Commonwealth, European and International Trust

Notes to the financial statements (continued)

3. Charitable activities (continued)

Other support: Governance	2020	2019
	£	£
Audit fee	12,360	12,120
Trustees meetings/training costs	1,526	1,752
Staff costs	57,165	54,327
Sub-total Governance	71,051	68,199
Total support costs	434,997	570,212
Total costs	34,232,612	32,413,078

4. Staff costs, cost of key management personnel and Trustee remuneration and expenses

	2020	2019
	Number	Number
Average number of employees during the year	14	14
Total staff costs comprised:	£	£
Wages and salaries	650,345	626,186
Social security costs	65,605	63,404
Pension contributions	138,645	127,691
Temporary staff	7,420	11,708
	862,015	828,989
	Number	Number
The number of employees paid over £60,000 during the year were:		
£60,000 - £70,000	-	1
£70,000 - £80,000	2	1
£110,000-£120,000	1	1

All Trustees give their time freely and no Trustee, or person related or connected by business to them, received reimbursement of expenses from the Trust during the year (2018/19 - nil).

The Trustees consider that the key management personnel to whom day-to-day responsibility is delegated for directing and controlling the Trust and running and operating the Trust on a day-to-day basis are the Director, Deputy Director, and Head of Finance and Administration. Total remuneration paid to those three staff was £353,352 including employer's pension contributions and national insurance costs (2018/19: £336,007).

Cambridge Commonwealth, European and International Trust

Notes to the financial statements (continued)

4. Staff costs, cost of key management personnel and Trustee remuneration and expenses (continued)

Pension schemes

The two principal pension schemes for the Trust's staff are the Universities Superannuation Scheme (USS) and the Cambridge University Assistants' Contributory Pension Scheme (CPS). The USS and the CPS are not closed, nor is the age profile of their active membership rising significantly.

(a) Universities Superannuation Scheme (USS)

The Trust participates in, but is not a named employer of the Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits for all members, (Retirement Income Builder) as well as defined contribution benefits. Because of the mutual nature of the scheme, the scheme's assets are not attributed to individual institutions and a scheme-wide contribution rate is set.

The latest available complete actuarial valuation of the Retirement Income Builder section of the scheme was at 31 March 2018 (the valuation date) which was carried out using the projected unit method. At the year-end a valuation as at 31 March 2020 was underway, but not yet complete.

Since the Trust cannot identify its share of the Retirement Income Builder section of the scheme's assets and liabilities the following disclosures reflect those relevant to the Trust.

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

A new deficit recovery plan was put in place as part of the 2018 valuation and is set out in a new Schedule of Contributions dated 16 September 2019. This new plan requires deficit payments of 2.0% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6.0% of salaries from 1 October 2021 to 31 March 2028. In accordance with the requirements of FRS 102 and the SORP, the University has made a provision for this contractual commitment to fund the past deficit. In the prior year, the deficit payments were 5% of salaries up to 31 March 2031.

As the Trust is not a named employer of the scheme, it is therefore not a party to the agreement of the deficit recovery plan.

The amount included in staff costs represents contributions payable to the scheme in respect of the accounting period. The total cost charged to the Profit and Loss account for USS was £73,971 (2018/19: £54,851). The Trust has five (including the shared fundraiser) active members in the Scheme.

Cambridge Commonwealth, European and International Trust

Notes to the financial statements (continued)

4. Staff costs, cost of key management personnel and Trustee remuneration and expenses (continued)

(b) Cambridge University Assistants' Contributory Pension Scheme

The CPS was established under the authority of the Universities of Oxford and Cambridge Act 1923. It is a registered pension scheme for the purposes of the Finance Act 2004. The active members of the scheme are employees of the University and its subsidiary undertakings.

A full triennial valuation of the scheme was carried out by the actuary for the Trustees of the scheme as at 31 July 2018, with a further funding update as at 31 July 2019. The next funding update is due at 31 July 2020 and the next triennial actuarial valuation is due as at 31 July 2021. The result of the full 2018 triennial valuation showed the actuarial value of the scheme's assets as £708m. These were insufficient to cover the scheme's past service liabilities of £743m; the scheme had a deficit of £35m and was 95% funded.

Since 1 August 2013 employer contributions have been set at 11.5% of pensionable pay for existing members at 31 December 2012 and 5.8% of pensionable pay (together with contributions at 5.0% to a separate defined contribution arrangement) for new entrants from 1 January 2013. In addition, fixed employer contributions totalling £14.6m per annum are payable over the period from 1 August 2011 to 31 July 2021. These payments are subject to review following the next funding valuation, due as at 31 July 2021.

The total charged to the Profit and Loss account for CPS was £64,674 (2018/19:£72,840). The Trust has ten active members in the scheme.

Cambridge Commonwealth, European and International Trust

Notes to the financial statements (continued)

5. Net expenditure before gains and losses

	2020	2019
	£	£
Net expenditure for the year is stated after charging:		
Auditors' remuneration - audit fee payable for annual accounts	12,360	12,120
Depreciation of tangible fixed assets	46,890	51,201
Operating lease rentals	7,488	66,330

6. Tangible fixed assets

	Office furniture and equipment £	Total £
Cost		
At 1 August 2019	241,990	241,990
Additions in year	24,956	24,956
At 31 July 2020	<u>266,946</u>	<u>266,946</u>
Accumulated depreciation		
At 1 August 2019	157,392	157,392
Charge for the year	46,890	46,890
At 31 July 2020	<u>204,282</u>	<u>204,282</u>
Net book value		
At 31 July 2020	<u>62,664</u>	<u>62,664</u>
At 31 July 2019	<u>84,598</u>	<u>84,598</u>

7. Fixed asset investments

	2020	2019
	£	£
Total Investments		
Market value brought forward	182,480,588	177,501,675
Additions	-	691,410
Net realised and unrealised investment losses/gains	(8,413,677)	4,287,503
Market value carried forward	<u>174,066,911</u>	<u>182,480,588</u>

The Trustees believe that the carrying value of investments is supported by their underlying net assets. The risk to the investments is mitigated by the highly diverse portfolio, which takes a long-term view of investments. In addition, the dividend return on CUEF is based on a smoothing out formula so that a significant fall in the value of investments will not materially affect the investment return in the short term.

Cambridge Commonwealth, European and International Trust

Notes to the financial statements (continued)

7. Fixed asset investments (continued)

	2020			2019		
	Units	Cost £	Market value £	Units	Cost £	Market value £
Investments comprise of the following:						
Endowment Fund units (CUEF)	3,016,522	89,019,730	172,989,845	3,016,522	89,019,730	181,240,532
Cazenove Investments		1,143,290	1,077,066		1,143,290	1,240,056
		90,163,020	174,066,911		90,163,020	182,480,588

8. Debtors

	2020 £	2019 £
Trade debtors	287,762	33,684
Prepayments	9,619	13,043
Amounts due from University of Cambridge	582,241	553,160
Other debtors	21,499	46,443
	901,121	646,330

9. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	3,937	3,044
Amounts due to University of Cambridge	217	43,985
Held on behalf of Harding programme	78,180	-
Other creditors	20,410	105,467
Accruals	24,625	25,584
Deferred (scholarship) income	1,469,045	1,548,615
Student grant creditor	18,711,770	17,025,267
	20,308,184	18,751,962

10. Creditors falling due after one year

	2020 £	2019 £
Deferred (scholarship) income within 1-2 years	707,922	596,652
Student grant creditor	11,747,500	10,827,467
	12,455,422	11,424,119

Cambridge Commonwealth, European and International Trust

Notes to the financial statements (continued)

11. Movement in recognised provisions and funding commitments during the year

	Student accrual £	Deferred Income £
Balance at 1 August 2019	27,852,734	2,145,267
Charged/received in the year	19,142,839	1,571,292
Paid/released during the year	(16,536,303)	(1,539,592)
Amount of grant commitment/deferred income at 31 July 2020	30,459,270	2,176,967

12. Analysis of assets and liabilities between funds

Current year	Endowment funds £	Restricted funds £	Unrestricted funds £	Total 2020 £
Fixed assets:				
Tangible fixed assets	-	-	62,664	62,664
Investments	15,441,742	-	158,625,169	174,066,911
Current assets:				
Debtors	-	347,121	554,000	901,121
Cash at bank and in hand	378,007	2,190,752	3,286,633	5,855,392
Current liabilities:				
Creditors	-	-	(127,369)	(127,369)
Deferred (scholarships) income	-	(1,469,045)	-	(1,469,045)
Student grant creditor	-	-	(18,711,770)	(18,711,770)
Long term liabilities:				
Deferred (scholarships) income	-	(707,922)	-	(707,922)
Student grant creditor	-	-	(11,747,500)	(11,747,500)
	<u>15,819,749</u>	<u>360,906</u>	<u>131,941,827</u>	<u>148,122,482</u>

The Unrestricted fund balance includes £0.5 million (2018/19: £0.5 million) of designated funds towards the Rowan Williams Cambridge Studentship, which supports students who face severe barriers in coming to study at Cambridge.

Cambridge Commonwealth, European and International Trust

Notes to the financial statements (continued)

Prior year (restated)	Endowment funds £	Restricted funds £	Unrestricted funds £	Total 2019 £
Fixed assets:				
Tangible fixed assets	-	-	84,598	84,598
Investments	16,289,845	-	166,190,743	182,480,588
Current assets:				
Debtors	-	110,646	535,684	646,330
Cash at bank and in hand	11,591	2,857,522	3,085,897	5,955,010
Current liabilities:				
Creditors	-	-	(178,080)	(178,080)
Deferred (scholarships) income	-	(1,548,615)	-	(1,548,615)
Student grant creditor	-	-	(17,025,267)	(17,025,267)
Long term liabilities:				
Deferred (scholarships) income	-	(596,652)	-	(596,652)
Student grant creditor	-	-	(10,827,467)	(10,827,467)
	<u>16,301,436</u>	<u>822,901</u>	<u>141,866,108</u>	<u>158,990,445</u>

The 2018/19 figures have been restated in line with the 2019/20 disclosure. The student grant creditor is shown separately and deferred income has been moved from unrestricted income to restricted income.

Cambridge Commonwealth, European and International Trust

Notes to the financial statements (continued)

13. Movement in restricted endowment funds

Current year	Balance at 1 August 2019	Donation Income	Investment Income	Expenditure	Decrease in value of Investments	Balance at 31 July 2020
	£	£	£	£	£	£
Permanent Endowment Funds						
Schlumberger Scholarship Fund	1,205,738	-	-	-	(54,889)	1,150,849
Zimbabwe LES Fund	2,972,407	-	-	-	(135,314)	2,837,093
South Africa Mandela LES Fund	1,144,033	-	-	-	(52,080)	1,091,953
LES Overseas Endowment Fund	8,065,010	-	-	-	(367,147)	7,697,863
Pemanda Monappa Trust	263,102	-	-	-	(11,978)	251,124
Canada-W & M Brown Fund	339,827	-	-	-	(15,470)	324,357
Helen Stone Fund	314,352	-	-	-	(14,310)	300,042
Gordon Edge Science & Tech. Fund	346,913	-	-	-	(15,789)	331,124
JNMS Fund	1,240,056	-	-	-	(162,990)	1,077,066
Expendable Endowment Fund						
Carlos Rodriguez-Pastor Fund	398,407	-	-	-	(18,136)	380,271
Accumulated income						
Schlumberger Scholarship Fund	-	-	43,455	(43,455)	-	-
Zimbabwe LES Fund	-	-	107,127	(107,127)	-	-
South Africa Mandela LES Fund	-	-	41,231	(41,231)	-	-
Pemanda Monappa Trust	-	-	9,482	(9,482)	-	-
Canada-W & M Brown Fund	-	-	12,248	(12,248)	-	-
LES Overseas Endowment Fund	-	-	290,666	(290,666)	-	-
Helen Stone Fund	-	-	11,329	(11,329)	-	-
Gordon Edge Science & Tech. Fund	7,006	-	12,503	(7,000)	-	12,509
JNMS Fund	-	-	51,366	(51,366)	-	-
Carlos Rodriguez-Pastor Fund	4,585	379,218	14,359	(32,664)	-	365,498
Total endowment funds	16,301,436	379,218	593,766	(606,568)	(848,103)	15,819,749
Prior year	Balance at 1 August 2018	Donation Income	Investment Income	Expenditure	Increase in value of Investments	Balance at 31 July 2019
	£	£	£	£	£	£
Permanent Endowment Funds						
Schlumberger Scholarship Fund	1,177,183	-	-	-	28,555	1,205,738
Zimbabwe LES Fund	2,902,013	-	-	-	70,394	2,972,407
South Africa Mandela LES Fund	1,116,939	-	-	-	27,094	1,144,033
LES Overseas Endowment Fund	7,874,009	-	-	-	191,001	8,065,010
Pemanda Monappa Trust	256,871	-	-	-	6,231	263,102
Canada-W & M Brown Fund	331,779	-	-	-	8,048	339,827
Helen Stone Fund	306,908	-	-	-	7,444	314,352
Gordon Edge Science & Tech. Fund	-	312,450	-	-	34,463	346,913
JNMS Fund	1,281,060	-	-	-	(41,004)	1,240,056
Expendable Endowment Fund						
Carlos Rodriguez-Pastor Fund	-	378,960	-	-	19,447	398,407
Accumulated income						
Schlumberger Scholarship Fund	-	-	41,685	(41,685)	-	-
Zimbabwe LES Fund	-	-	102,763	(102,763)	-	-
South Africa Mandela LES Fund	-	-	39,552	(39,552)	-	-
LES Overseas Endowment Fund	-	-	278,827	(278,827)	-	-
Pemanda Monappa Trust	-	-	9,096	(9,096)	-	-
Canada-W & M Brown Fund	-	-	11,749	(11,749)	-	-
Helen Stone Fund	-	-	10,868	(10,868)	-	-
Gordon Edge Science & Tech. Fund	-	56	6,950	-	-	7,006
JNMS Fund	-	-	48,188	(48,188)	-	-
Carlos Rodriguez-Pastor Fund	-	22	4,563	-	-	4,585
Total endowment funds	15,246,762	691,488	554,241	(542,728)	351,673	16,301,436

Cambridge Commonwealth, European and International Trust

Notes to the financial statements (continued)

13. Movement in restricted endowment funds (continued)

Notes to funds

- Schlumberger Scholarship Fund supports international PhD students.
- Zimbabwe LES Fund supports students from any Commonwealth country in Africa or other African countries as per the agreement.
- South Africa Mandela LES Fund exists to support candidates from South Africa with a particular interest in science education.
- LES Overseas Endowment Fund supports overseas students excluding those from Commonwealth Countries.
- Pemanda Monappa Trust supports scholars from southern India who wish to pursue Masters in Biological Sciences (excluding Medicine and Veterinary Medicine), Computer Science, Economics, English Literature, Law, Physical Sciences and Technology.
- Canada W & M Brown Fund supports one PhD student from Canada in Science and Engineering in residence at any one time at any College.
- The Helen Stone Fund supports a Home/EU PhD student at the Department of Applied Mathematics and Theoretical Physics.
- The Gordon Edge Science & Technology Fund will support disadvantaged undergraduate students undertaking a science or technology course at the University of Cambridge.
- JNMS Fund supports outstanding students of Indian citizenship who wish to take research degrees in Science, Technology or Humanities at the University of Cambridge.
- The Carlos Rodriguez-Pastor Fund will support students in financial need from Latin America to study for an undergraduate degree in any subject at the University of Cambridge. If the income generated is insufficient to meet the donor's obligation to the students, capital may be used.

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Notes to the financial statements (continued)

14. Movement in restricted funds

Restricted funds comprise the following unexpended balances of donations given for specific purposes:

Current year	Revenue balance at 1 Aug 2019	Voluntary income	Scholarship expenditure	Revenue balance at 31 July 2020
	£	£	£	£
Canada -Tidmarsh Fund	5,095	-	(400)	4,695
Cambridge European Trust	131,827	-	(56,206)	75,621
DNV-GL (GL Industrial Services UK Ltd)	55,500	-	(24,000)	31,500
Nazim H Rahim Cambridge Scholarship	20,558	-	-	20,558
Ray Grant Neilson legacy gift	164,369	-	(80,000)	84,369
Trinity College	378,123	-	(300,123)	78,000
William Papworth Studentship	67,429	30,000	(82,766)	14,663
Keith Sykes	-	62,500	(11,000)	51,500
Other Collaborator income	-	15,140,280	(15,140,280)	-
Total restricted funds	822,901	15,232,780	(15,694,775)	360,906

Prior year	Revenue balance at 1 Aug 2018	Donations	Student Expenditure	Revenue balance at 31 July 2019
	£	£	£	£
Canada -Tidmarsh Fund	20,095	-	(15,000)	5,095
Cambridge Canada Fund	120	-	(120)	-
Cambridge European Trust	187,569	-	(55,742)	131,827
DNV-GL (GL Industrial Services UK Ltd)	87,500	-	(32,000)	55,500
Nazim H Rahim Cambridge Scholarship	20,558	-	-	20,558
Ray Grant Neilson legacy gift	-	237,395	(73,026)	164,369
Students of Cambridge Scholarship	16,047	-	(16,047)	-
Trinity College	485,143	-	(107,020)	378,123
William Papworth Studentship	89,679	-	(22,250)	67,429
Other Collaborator income	-	13,346,433	(13,346,433)	-
Total restricted funds	906,711	13,583,828	(13,667,638)	822,901

Notes to funds:

- Canada Tidmarsh Fund supports one PhD student from Canada in residence at any one time at Trinity Hall.
- Cambridge Canada Fund will provide scholarships for postgraduate students from Canada at the University of Cambridge.
- The Cambridge European Trust was wound up on 31 July 2013 and the balance of funds was transferred to the Trust to be used to support European students only.

Cambridge Commonwealth, European and International Trust

Notes to the financial statements (continued)

- DNV-GL (GL Industrial Services UK Ltd) relates to money donated by DNV-GL towards undergraduate scholarships in memory of a late employee and Cambridge alumna Amy Li.
- Nazim H Rahim Cambridge Scholarship is for the support of undergraduate students from India.
- The Ray Grant Neilson legacy was donated for the advancement of scientific research and is awarded to research students in scientific subjects.
- Students of Cambridge Scholarship Fund will support students from refugee communities.
- The donation from Trinity College supports students from EU countries.
- Williams Papworth Studentship supports undergraduate or graduate degree students at the University of Cambridge whose study relates to the Tibetan plateau and its surrounding area.
- The Keith Sykes Scholarships supports UK or the European Union PhD students working on research topics at the Italian Section of the Faculty of Modern and Medieval Languages at the University of Cambridge.
- Collaborator income is the funding received from the Trust's funding partners during the year.

15. Operating lease commitments

The Trust signed a ten year lease on its new premises at Bene't Street, Cambridge in July 2019 with the option to terminate the lease at the expiry of the fifth year. The annual rent is a peppercorn rent. The Trust has a three year lease in respect of a photocopier; the annual amount is £3,745 (2018/19: £3,745). At 31 July 2020, the charity had future minimum lease payments under non-cancellable operating leases as follows:

Details	Office equipment	
	2020	2019
	£	£
Not later than 1 year	3,745	3,745
Later than 1 year but not later than 5 years	3,745	7,490
Total	7,490	11,235

16. Harding Distinguished Postgraduate Scholarships

	2020	2019
	£	£
Income received on behalf of the programme	922,955	-
Payments made to students on behalf of the programme	(844,775)	-
Funds held by the Trust on behalf of the programme (creditors note 9)	<u>78,180</u>	<u>-</u>

Cambridge Commonwealth, European and International Trust

Notes to the financial statements (continued)

17. Related party transactions

The University of Cambridge is the Custodian Trustee of the Trust and the financial statements of the Trust are consolidated with the University's statutory financial statements.

Income from the University is identified in Note 1 which shows the unrestricted and restricted donations. The unrestricted donation of £9,455,283 (excluding the contribution to administration) is used alongside the Trust's other income to provide the balance of student support cost. The restricted income relates to funds held by the University and administered by the Trust. The Trust invoices for this income when it has selected students who meet the conditions of the awards. The Trust also has a number of separate funding agreements with Departments and invoices the Departments directly.

The Trust has agreements with various Departments whereby it pays fees and other costs directly to Departments rather than to Colleges or to the student. These costs amounted to £298,165 (2018/19: £384,730). They are included in scholarship expenditure in Note 3.

The Trust administers the Harding Distinguish Postgraduate Scholarship Awards on behalf of the University. The Trust received £20,000 under an agreement for services from the University for managing the awards.

The University of Cambridge provides payroll and IT services to the Trust for which the Trust expresses its thanks. The value of these services cannot be reliably assessed (except where there is payment for direct costs such as database hosting, which is included under IT) and are therefore not included in the Statement of Financial Activities.

The Trust occupies part of a building owned by the University. It pays a peppercorn rent, which is shown as income in kind in Note 1. The annual rental market value has been estimated at £68,000.

The Trustees are appointed from nominees who have the required skills and knowledge of the Trust's activities, particularly how the University operates and how students are awarded a place at Cambridge University and supported. They will also have an appreciation and knowledge of the charitable law under which the Trust is required to operate. It is therefore inevitable that the majority of Trustees will have close links with the University, Departments and Colleges of Cambridge. No Trustee is in a position to influence any awards made to students as the Trust uses the moderated departmental scoring provided by Student Registry, and the Trust's in-house Undergraduate Selection Committee for undergraduates to make the initial selection of students for awards.

Trustees are required to update their register of interests annually and declare prior to every meeting if they have an interest in any item on the agenda.

The University's consolidated financial statements are available from: The University of Cambridge, The Old Schools, Trinity Lane, Cambridge, CB2 1TN.