

**COMMONWEALTH WAR
GRAVES FOUNDATION**

ANNUAL REPORT
FOR THE YEAR ENDED

31 MARCH 2022

CHARITY REGISTRATION
NUMBER 1171947

COMMONWEALTH WAR GRAVES FOUNDATION

Financial Statements for the year ended 31 March 2022

Contents	Page
Reference and administrative details	2
A message from our Chair	3
Trustees' Report	4-7
Trustees' Responsibilities Statement	8
Independent Auditor's report	9-12
Financial Statements	13-15
Principal Accounting Policies	16-18
Notes to the Financial Statements	19-27

COMMONWEALTH WAR GRAVES FOUNDATION

Trustees, Executives and Advisors for the year ended 31 March 2022

Trustees:	Dame Judith Mayhew Jonas DBE (Chair) Major General Alastair Bruce KStJ OBE VR Lady Lucy French OBE (resigned 22nd August 2022) The Hon Kevan Jones MP (reappointed 6th September 2022) Sir Adrian Alastair Montague CBE Captain Jay Singh-Sohal VR Mr Terence Hewett (resigned 22nd August 2022) Mr Julian Evans (appointed 6th September 2022)
Chief Executive:	Claire Horton CBE
Executive Director:	John Grain
Registered Office:	2 Marlow Road, Maidenhead, Berkshire, SL6 7DX
Bankers:	HSBC, The Boulevard, Crawley, West Sussex, RH10 1UT BNP Paribas Fortis, Korte Torhoutstraat 1, 8900 Ieper BNP Paribas, Centre d'Affaires Nord de France Entreprises, 140, Parvis de Rotterdam, 59777 Lille
Auditors:	Buzzacott, 130 Wood Street, London EC2V 6DL

COMMONWEALTH WAR GRAVES FOUNDATION

A MESSAGE FROM OUR CHAIR


It was another year where COVID-19 continued to impact hugely on both our programmes and our fundraising resulting in many of our planned activities being often delayed or even cancelled completely. Chief amongst these was our first ever Carol Service at the Royal Military Chapel in London, which had promised to be a magical evening. Despite this, I am delighted that we still recorded some significant successes and overall, the Foundation continues to grow and develop as the education charity of the Commonwealth War Graves Commission.

Despite the pandemic, Our Eyes On Hands On volunteer programme has continued to prove a huge success. By the end of the year nearly 2,000 volunteers were active up and down the UK, and close to 100,000 headstones have now been inspected since the programme launched across almost 20,000 hours of activity.

Because of COVID-19 the Kantor Speakers Volunteer Programme delivered the majority of talks virtually to the end of 2021, but by early 2022 more than 200 trained volunteers were starting to get out and about to talk about the work and history of the Commonwealth War Graves Commission in far greater numbers. In all over 600 talks were given with our speakers receiving uniformly excellent feedback in terms of quality and engagement.

Elsewhere membership numbers remained stable, and we were fortunate to benefit from generous grant awards from the MacRobert Trust and the Cadogan Charity, as well as to hold a very successful virtual walk event that raised over £20,000 from more than 400 participants and sponsors. Legacy notifications and income were up and all of these factors mean we are able to plan for the future with confidence, with some exciting new projects and programmes in development.

Finally, I would like to record my thanks to my fellow Trustees for their very welcome guidance, support and contributions over the year.

DocuSigned by:

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Dame Judith Mayhew Jonas

Chair of Trustees

Date: 6th September 2022

COMMONWEALTH WAR GRAVES FOUNDATION

Trustees' Report for the year ended 31 March 2022

Introduction

The Trustees present their report and accounts, for the Foundation's fourth operational year, ending on 31 March 2022.

Structure and Governance

The Commonwealth War Graves Foundation ("the Foundation" or "CWGF") is a Charitable Incorporated Organisation (CIO), governed by its Constitution, as registered on 8 March 2017 and subsequently amended on 6 May 2017. The Foundation is registered with the Charity Commission of England & Wales (charity registration number 1171947). The Foundation has also established and registered branches in: Belgium (enterprise number 0689.789.289), and in France (Siret number 850 666 645 00013), governed under the same constitution.

The Commonwealth War Graves Commission ("the Commission" or "CWGC"), an organisation established by Royal Charter in May 1917, is the sole member of the Foundation. The Foundation is a subsidiary of the Commission. The Commission is not a charity as its purposes are not exclusively charitable.

Members of the Foundation's Board of Trustees are appointed by the Commission; the majority of the Foundation's Trustees are not Commissioners. The Foundation's Chief Executive also serves as the Commission's Director General.

Four Trustee meetings took place during the year.

New Trustees' induction is provided by meetings with the Foundation's Chief Executive alongside meetings with members of the Commission's senior management team.

Objectives and activities

The objectives of the Foundation are:

- (a) To promote and support the maintenance and upkeep of graves, cemeteries, buildings and memorials for the burial and commemoration of members of the naval, military and armed forces from countries of the Commonwealth who were killed during the First World War or the Second World War anywhere in the world, in particular (but without limitation) through the support of charitable activities undertaken by the Commonwealth War Graves Commission;
- (b) To advance citizenship among the people of the Commonwealth through the commemoration of members of the naval, military and armed forces from countries of the Commonwealth who were killed during the First World War and the Second World War; and
- (c) To advance the education of the public, especially young people, in the history of the First World War and the Second World War. In particular (but without limitation) through advancing education in the lives of those commemorated by the Commonwealth War Graves Commission and in the history of the cemeteries, buildings and memorials maintained by the Commonwealth War Graves Commission.

COMMONWEALTH WAR GRAVES FOUNDATION

Trustees' Report for the year ended 31 March 2022

The Foundation's strategic objectives are:

- the building of public engagement programmes engaging the wider community in the story of our common sacrifice and shared history initially focussed around sites and war graves in the UK;
- the creation of educational resources and a programme of educational support and activities; and
- the development and sponsorship of internship programmes for youth guides from the Commonwealth, at the Commission's main sites in Belgium and France.

The Trustees confirm that they have referred to the guidance published by the Charity Commission in regard to public benefit when reviewing the Foundation's objectives and planning future activities.

Activities and Achievements

Despite the ongoing impact of the pandemic, the Foundation made progress in the following areas:

- Grew membership supporter numbers to 1,496.
- Delivered over 600 talks from trained volunteers in the Speakers Programme and via CWGC Public Engagement Co-ordinators.
- The online version of the Noor Inayat Khan exhibition, celebrating the life of Special Operations Executive Noor Inayat Khan transitioned back to the Runnymede Memorial once COVID-19 restrictions eased.
- The Eyes On Hands On volunteering programme resumed fully after COVID-19 restrictions eased and at the end of March 2022, almost 2,000 active volunteers had inspected almost 100,000 headstones around the UK, and cleaned or cleared almost 13,000. As a result of inspections, the Commission has been able to correct 157 errors in our historical records and archives, replace 54 headstones and have 593 repairs or corrections carried out by our Operations team.
- Our first virtual fundraising event (Walking Our War Graves – The Western Front) launched in April and was a great success, raising over £20,000 from over 200 participants and nearly 500 sponsors.
- The Foundation rebranded to become more aligned with the new Commission branding and also developed and launched its own website in November 2021.
- The Foundation depends on the support from the Commission, the Commission's volunteers and its own volunteers for their dedication and commitment to the delivery of the charitable activities. In the year, 1,905 volunteers gave their time and energy, an estimated 15,021 hours, with an estimated value of £134k.

Business Plan 2022-23

The Foundation's key deliverables in 2022/23 are planned to include:

- Developing new outreach and education programmes in partnership with the CWGC.
- Restarting the Interns (now called Guides) programme in France and Belgium assuming COVID-19 restrictions allow.

COMMONWEALTH WAR GRAVES FOUNDATION

Trustees' Report for the year ended 31 March 2022

- Registering the Foundation as a charitable organisation in Scotland.
- Further improvements in engaging with supporters and growing membership, in order to fund the running costs of the Foundation.
- Recruitment and training of additional volunteers for the “Eyes On Hands On” project which will provide coverage of between 80-` 85% of scattered graves in the UK. New volunteers will commence “hands on” grave maintenance following appropriate training.
- Increasing our fundraising capacity by recruiting two new posts for Events and for Trusts and Corporate fundraisers.
- Repeating our virtual walk and Footsteps of our Forces events. Holding an open evening event at Brookwood and the Carol Concert at the Royal Guards Chapel in London.
- Installing contactless donation stations in the Visitors Centre in France and the Information Centre in Belgium.
- Further developing income streams from donations, and surpluses from the sale of new and updated merchandise at the Commission’s Ieper Information Centre and French Visitor Centre.

Volunteers policy

The Foundation encourages, welcomes and recognises volunteers. They fulfil a variety of roles including: acting as our eyes and ears on the ground for the “Eyes On Hands On” project; educating and informing the wider public on the Commission’s work having received training funded by Kantor; and supporting core Foundation activity by freely lending their time and skills.

Remuneration policy for key management personnel

The Foundation’s key management comprises the Trustees, the Chief Executive and the Executive Director; however, Trustees are unpaid, and the Chief Executive is not remunerated by the Foundation. During the year under review the Foundation had just four employees, two of whom were employed on fixed term contracts. The Foundation’s approach and policy on remuneration follows that of the Commission, which is that remuneration levels are in line with median market pay data for the not-for-profit sector as established from salary survey and benchmark data. The Commission agreed that during the Foundation’s start-up period, until it has free cash to pay for administration, finance and marketing, that it would provide back-office support free of charge.

Top Risks and Mitigation

The Foundation maintains a register of risks and their mitigation. Risks are categorised as Operational, Reputational, Financial, or COVID-19; mitigation measures are identified for each one. This register is monitored by management and the Trustees to ensure it is kept relevant and up to date.

The top risk under each category is:

Operational: Overcommitment on project activity before funds are received – which is mitigated through business planning, comprehensive project management and KPI measurements.

Reputational: Threat of cyber security breach/hacking/website malfunction - mitigated through staff training, internal IT expertise and resources and clear reporting guidelines.

Financial: Insolvency – mitigated by having a reserves policy, financial controls and reporting.

COMMONWEALTH WAR GRAVES FOUNDATION

Trustees' Report for the year ended 31 March 2022

COVID-19: Funders' priorities change (short-term) and fundraising income is affected by closures, delays and recession. These risks are mitigated by pre-planning so that projects are primed to start when restrictions allow, preparing funding proposals, and assessing new funding opportunities and streams.

Reserves

The Foundation's reserves at 31 March 2022 were £453k, split between £353k restricted and £100k unrestricted. The Foundation has set reserves target of £48k of unrestricted reserves. This level of reserve is considered sufficient to cover the costs arising on the windup of the Foundation and would:

- Cover the redundancy costs of the Foundation's employees; and
- Make provision for early termination of any other contracts currently in place.

At March 2022, available unrestricted reserves of £100k exceed the target of £48k by 108%.

There is a loan facility still available from CWGC which can be drawn against, this supports any short-term cash issues which includes managing the expenditure of the foundation.

Financial results for the year ended 31 March 2022

The Foundation's income was £416k comprising unrestricted income of £367k and £49k of restricted income. Over 81% of unrestricted income, £298k, came from donations and legacies and donated services with the remainder from the Supporters' Scheme, £50k, and trading income from retail activities of £19k. Restricted income comprised £49k of donations from the MacRobert Trust for the 2023 Speakers programme.

Costs of £376k were incurred. Key expenditure items were: grants of £7k to complete the Kantor's speakers programme; staffing costs of £222k; £97k for direct and supporter scheme costs, along with £50k incurred on marketing, web sites costs and professional costs.

The outcome was a surplus of £40k (2021 - £316k), made up of a £1k unrestricted deficit (2021 - £67k surplus) and a £41k restricted surplus (2021 - £249k). Unrestricted income covered the unrestricted costs, and the restricted surplus relates to income received from the MacRobert Trust for spending in the following year.

The intergroup balance (net) between the Commission and the Foundation was £12.1k at the year-end (2021 £0.4k). The balance sheet stock value of £12k comprised gift items, books, maps and pins. A provision has been made for slow-moving stock. Bank balances at the year-end were £475k (2021 -£415k) of which 75% related to restricted activities.

The 2022/23 budget anticipates a loss of £350k for the Foundation which will be funded from the Foundation's restricted and unrestricted reserves, accumulated from the income for projects in the prior 2 years, which will be completed by CWGC through 2022/23.

This report was approved by the Trustees on 6 September 2022 and signed on their behalf by:

Dame Judith Mayhew Jonas DBE

Chair

Date:

DocuSigned by:

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6th September 2022

COMMONWEALTH WAR GRAVES FOUNDATION

Trustees' Responsibilities Statement for the year ended 31 March 2022

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

The Charities Act 2011 requires the Trustees to prepare financial statements for each financial year. The Trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Disclosure of information to auditor

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Independent auditor's report to the Trustees of Commonwealth War Graves Foundation

Opinion

We have audited the accounts of Commonwealth War Graves Foundation (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Independent auditor's report to the Trustees of Commonwealth War Graves Foundation

Other information

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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 Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the Trustees' annual report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise

Independent auditor's report to the Trustees of Commonwealth War Graves Foundation

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 accounts.

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation).
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- used data analytics to investigate the rationale behind any significant or unusual transactions;
- tested authorisation controls on expenditure items, ensuring all expenditure was approved in line with the charity's financial procedures.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.


Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Independent auditor's report to the Trustees of Commonwealth War Graves Foundation

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 17 October 2022

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

COMMONWEALTH WAR GRAVES FOUNDATION

Statement of Financial Activities for the year ended 31 March 2022

	Note	Un- restricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Un- restricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £
Income from:							
Donations & Legacies	1	298,232	48,675	346,907	164,224	335,200	499,424
Charitable Activities							
Grants receivable	2	-	-	-	-	18,331	18,331
Supporter Scheme Income	3	50,238	-	50,238	41,291	-	41,291
Other Trading Activities	4	18,500	-	18,500	7,803	-	7,803
Total Income		<u>366,970</u>	<u>48,675</u>	<u>415,645</u>	<u>213,318</u>	<u>353,531</u>	<u>566,849</u>
Expenditure on:							
Raising funds							
Fundraising costs	5	273,098	-	273,098	112,170	-	112,170
Charitable Activities	6	95,561	7,713	103,274	33,697	104,801	138,498
Total expenditure		<u>368,659</u>	<u>7,713</u>	<u>376,372</u>	<u>145,867</u>	<u>104,801</u>	<u>250,668</u>
Net (expenditure) / income		(1,689)	40,962	39,273	67,451	248,730	316,181
Other recognised gains /(losses)	7	534	-	534	(447)	-	(447)
Net movement in funds		<u>(1,155)</u>	<u>40,962</u>	<u>39,807</u>	<u>67,004</u>	<u>248,730</u>	<u>315,734</u>
Reconciliation of funds							
Total funds brought forward	13	101,763	311,721	413,484	34,759	62,991	97,750
Net movement in funds	13	(1,155)	40,962	39,807	67,004	248,730	315,734
Total funds carried forward	13	<u>100,608</u>	<u>352,683</u>	<u>453,291</u>	<u>101,763</u>	<u>311,721</u>	<u>413,484</u>

All the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

COMMONWEALTH WAR GRAVES FOUNDATION

Balance Sheet as at 31 March 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £
Current assets							
Stock	9	11,938	-	11,938	13,917	-	13,917
Cash at bank and in hand		117,734	357,412	475,146	95,365	319,738	415,103
Debtors: amounts falling due within one year	10	4,869	-	4,869	82,001	490	82,491
		<u>134,541</u>	<u>357,412</u>	<u>491,953</u>	<u>191,283</u>	<u>320,228</u>	<u>511,511</u>
Creditors: amounts falling due within one year	11	(33,933)	(4,729)	(38,662)	(68,661)	(8,507)	(77,168)
		<u>100,608</u>	<u>352,683</u>	<u>453,291</u>	<u>122,622</u>	<u>311,721</u>	<u>434,343</u>
Net current assets							
		<u>100,608</u>	<u>352,683</u>	<u>453,291</u>	<u>122,622</u>	<u>311,721</u>	<u>434,343</u>
Total assets less current liabilities							
		<u>100,608</u>	<u>352,683</u>	<u>453,291</u>	<u>122,622</u>	<u>311,721</u>	<u>434,343</u>
Creditors: amounts falling due after more than one year	12	-	-	-	(20,859)	-	(20,859)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,859)</u>	<u>-</u>	<u>(20,859)</u>
Total assets less long-term liabilities		<u>100,608</u>	<u>352,683</u>	<u>453,291</u>	<u>101,763</u>	<u>311,721</u>	<u>413,484</u>
		<u>100,608</u>	<u>352,683</u>	<u>453,291</u>	<u>101,763</u>	<u>311,721</u>	<u>413,484</u>
Net assets							
		<u>100,607</u>	<u>352,683</u>	<u>453,291</u>	<u>101,763</u>	<u>311,721</u>	<u>413,484</u>
Funds of the Foundation							
Unrestricted funds	13	100,608	-	100,608	101,763	-	101,763
Restricted funds	13	-	352,683	352,683	-	311,721	311,721
		<u>100,608</u>	<u>352,683</u>	<u>453,291</u>	<u>101,763</u>	<u>311,721</u>	<u>413,484</u>

The financial statements were approved by the Foundation's Trustees on 6 September 2022 and were signed on their behalf by:

DocuSigned by:

 Chair
 Date: 6th September 2022

DocuSigned by:

 Chief Executive
 Date: 6th September 2022

COMMONWEALTH WAR GRAVES FOUNDATION

Statement of Cash Flows for the year ended 31 March 2022

	Un- restricted Funds	Restricted Funds	Total	Un- restricted Funds	Restricted Funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Net cash provided by/(used in) operating activities						
Net (expenditure) / income	(1,155)	40,962	39,807	67,004	248,730	315,734
Decrease/(increase) in inventories	1,979	-	1,979	(377)	-	(377)
Decrease/(increase) in debtors	77,132	490	77,622	(9,566)	(490)	(10,056)
(Increase)/decrease in creditors	(2,330)	(3,778)	(6,109)	10,486	(12,079)	(1,593)
(Decrease) in intergroup balance with CWGC	(53,257)	-	(53,257)	(76,024)	35,667	(40,357)
Net cash provided by/(used in) operating activities	22,369	37,674	60,043	(8,477)	271,828	263,351
Increase/(decrease) in cash	22,369	37,674	60,043	(8,477)	271,828	263,351

Reconciliation of net cash flow to movement in cash and cash equivalents

	2022	2021
	£	£
Movement in cash and cash equivalents	60,043	263,351
Cash and cash equivalents at 1 April	415,103	151,752
Cash and cash equivalents at 31 March	475,146	415,103

COMMONWEALTH WAR GRAVES FOUNDATION

Principal Accounting Policies for the year ended 31 March 2022

The principal accounting policies and judgements used in the preparation of the financial statements are:

Basis of Accounting

The Trustees' Report and accompanying financial statements have been produced in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), applicable to entities preparing their financial statements in accordance with FRS102, and applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice (GAAP) including FRS102). The Foundation meets the definition of a public benefit entity under FRS102. The functional currency is sterling.

The Commonwealth War Graves Commission is the sole member of the Commonwealth War Graves Foundation (Registered charity number 1171947). These financial statements are therefore also consolidated in the results of the Commission on a line by line basis.

Going Concern

The financial statements have been prepared on a going concern basis. The Foundation's financial statements are in a net asset position of £453.3k at 31 March 2022 (2021 - £413.5k). The net intergroup balance has increased to: £12.1k owed to the Foundation by the Commission (2021 -£0.4k owed to the Commission). The Foundation currently has cash balances of £475.1k (2020 -£415.1k) which will cover its grant activities and general running costs in 2022-23. The Foundation expects its membership, donations and other income to both continue and grow over the medium term, as the charity increases its ability to both identify and attract new sources of grant and charitable funding.

Trustees have approved a budget for 2022/23 with forecast income of £446k, split between £398k unrestricted and £49k restricted. Budgeted costs include grants to the Commission of £339k, employment costs of £269k and direct & running costs of £190k resulting in a forecast deficit for the year of £350k which will be funded by reserves.

If required, the Foundation can also draw down additional cash from the Commission's agreed loan facility of £500k in place until March 2023. On this basis, the Foundation is considered to be a going concern for a period of at least 12 months from the date of approval of these financial statements.

Fund accounting

The Foundation holds unrestricted and restricted funds.

Unrestricted income funds comprise those funds which the Trustees are free to use at their discretion in furtherance of the objectives of the Foundation.

Restricted funds are subject to specific restrictions imposed by the donors.

Income recognition

Income is recognised once the Foundation has entitlement to the income, it is probable that the income will be received, and the amount can be measured reliably.

Donations

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

Supporter membership scheme income

Income from the supporters' membership scheme is treated and recognised as a donation when the amount of income receivable can be measured reliably.

COMMONWEALTH WAR GRAVES FOUNDATION

Principal Accounting Policies for the year ended 31 March 2022

Donated services, facilities and goods

The Foundation receives services, facilities and goods free of charge in support of its finance, human resources, legal, management and operational activities including marketing activities. The value of these is recognised as donated services

Donated services and facilities received free of charge are shown as donations in kind and recognised in income with an equivalent amount recognised as an expense under charitable costs. The valuation attributed to these donations is as follows: the Foundation has been allocated 5% of the running costs of both the Ieper Information Centre and the Beaurains Visitor Centre, 0.5% of CWGC's total applicable back-office support costs and 100% of the staff costs for the dedicated finance and administration support.

Donations of book stocks from the Commission are recognised in the period that they are received.

Grant Funding

Funding from organisations supporting the Foundation's objectives is treated as restricted funds and shown separately in the statement of financial activities as this is mandated by the grant agreements. The full income is recognised in the year in which the Foundation becomes fully entitled to receive it.

Recognition of expenditure

All expenditure is accounted for in the statement of financial activities on an accruals basis.

Classification of expenditure

The Foundation's expenditure is analysed between fundraising costs and charitable activities.

Expenditure on raising funds

Expenditure on raising funds includes the costs to manage the supporter scheme, marketing and promotion costs to raise income, other direct costs attributable to raising funds including a portion of the donated in-kind support cost from the CWGC. The resources expended and administering the charity include 100% of staff responsible for fund raising, 75% of the Executive and Administration support. The donated in-kind cost is split 75% for the Administrative support, 50% for the dedicated finance support and 50% for all other donated costs.

Expenditure on charitable activities

Expenditure on charitable activities includes: all expenditure directly relating to the charitable activities of the Foundation; resources expended on managing and administering the charity the direct cost of delivering the charitable activities; grants payable; and a portion of the donated in-kind support cost from the CWGC. The resources expended and administering the charity include 25% of the Executive and Administration support. The donated in-kind cost is split 25% for the Administrative support, 50% for the dedicated finance support and 50% for all other donated costs.

Charitable activities are currently associated with 2 activities: Advancing public education on First and Second world wars and Promoting and supporting activities undertaken by CWGC. The total cost of the expenditure on charitable activities is apportioned 50:50 to these activities.

Governance costs

Governance costs represent direct expenditure incurred by, or on behalf of, the Foundation, for external audit and legal costs.

COMMONWEALTH WAR GRAVES FOUNDATION

Principal Accounting Policies for the year ended 31 March 2022

Other recognised Gain/losses

The expenditure within other gains and losses relates to exchange differences.

Inventory

Cost for the stock of merchandise is included in current assets. Merchandise, directly purchased by the Foundation's Belgian and French branches, is valued at cost. The Commission's historic stock of books and maps has been donated to the Foundation free of charge.

Provisions

Provisions for future liabilities are recognised if there is a legal or constructive financial obligation that can be readily estimated and for which there is a reasonable expectation that payment will be made.

Foreign currencies

Transactions in foreign currencies are translated at the monthly average exchange rate. Currency balances at the year-end are translated at the year-end rate. The net exchange loss was £nil (2021 – gain of £477).

Operating leases

The Foundation currently has no operating leases. Rent is not currently charged for Foundation engagement activities conducted at Commission locations, i.e., the Ieper Information Centre and French Visitor Centre. The use of the Information and Visitor Centres is donated in kind by the Commission and is accounted for under donations and expenditure in kind.

Value Added Tax (VAT)

The Foundation's trading activities have not yet reached the VAT thresholds in the UK, France or Belgium and therefore it is not currently required to register for VAT.

Restricted funds

The Foundation's financial statements include restricted funds for grant activities.

Significant estimates and judgements

Estimates

Where contractual revenue cannot be allocated with certainty, but is related to the current financial period, an estimate of the income is booked within the financial statements based on the anticipated completion value. Costs are allocated on an accruals basis for costs incurred within the current financial period.

Judgements

Membership income is recognised in the month it is received rather than being amortised over the twelve-month subscription period. This revenue recognition approach has been adopted because the membership fee is in substance a donation and no substantive benefits accrue to members and no refunds are made.

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Financial Statements for the year ended 31 March 2022

1 Income from Donations

Donations – Unrestricted

	2022	2021
	£	£
Donations & CWGF legacies received	81,053	110,813
Legacies – received at Head Office	61,558	-
Donations - Belgium, Ieper Information Centre	291	75
Donations - France, Beaurains Visitor Centre	975	469
Gift Aid - Claims from donations	1,739	-
Donations in kind - valued cost for services from CWGC	152,616	52,867
	<u>298,232</u>	<u>164,224</u>

Donations include fundraising from 'Trustees' engagement activities, legacies received and amounts received from events together with donations received directly by the Foundation at Commission locations and those made via the web-site. The increase in donations in kind from the Commission relates to the cost of the dedicated finance staff supporting the Foundation and the upgrade of the CWGF web-site.

Donations – Restricted

	2022	2021
	£	£
Annington Homes – Eyes On Hands On project	-	335,200
MacRoberts Trust – Speakers programme	48,675	-
	<u>48,675</u>	<u>335,200</u>

The Annington donation is restricted to The Eyes On Hands On Programme delivered by the Commission. The MacRobert Trust donation is restricted to the Speakers Programme, which will also be delivered by the Commission throughout 2022.

2 Income from Grant Funding – Restricted

	2022	2021
	£	£
Association of Independent Museums/Biffa - Noor Khan Project	-	14,305
CWGC grant to Noor Khan Project	-	4,026
	<u>-</u>	<u>18,331</u>

During 2021 the exhibition of Noor Khan was constructed at the Commission's Runnymede Memorial in Surrey and remains open to visitors

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Financial Statements for the year ended 31 March 2022

3 Income - Membership Scheme – Unrestricted

	2022	2021
	£	£
Standard donation membership	46,191	41,291
Standard donation membership – Gift Aid	4,047	-
	<u>50,238</u>	<u>41,291</u>

Standard membership increased in 2022 to 1426 members, (2021 - 1407). 1052 (2021 – 751) supporters renewed their membership for a further 12-months, a renewal rate of 74%.

4 Income from other trading activities - Unrestricted

	2022	2021
	£	£
Ticket Sales Events	8,563	-
Merchandise sales	6,455	2,172
Books and printed matter sales	2,836	2,501
Books donated by CWGC & CWGC supporter	-	2,093
Tour & Coach Reservation Fees - Beaurains Visitor Centre	217	45
School & University Visits - Beaurains Visitor Centre	429	992
	<u>18,500</u>	<u>7,803</u>

In 2021/22 tickets were sold for 2 virtual walks which also led to an increase in merchandise sales.

5 Expenditure on Raising Funds

Raising Funds	Staff/ recharge costs £	Other Direct costs £	Total 2022 £	Staff/ recharge costs £	Other Direct costs £	Total 2021 £
Fundraising costs	158,783	114,315	273,098	59,922	52,248	112,170
	<u>158,783</u>	<u>114,315</u>	<u>273,098</u>	<u>59,922</u>	<u>52,248</u>	<u>112,170</u>

Fundraising costs were higher in 2022 due to the appointment of a fundraiser and administrator to the Foundation, together with the 50% allocation of the costs of a dedicated charity accountant (provided as a donated service by the Commission).

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Financial Statements for the year ended 31 March 2022

6 Expenditure - Charitable Activities

	Un- restricted £	Restricted*	2022 Total £	Un- restricted £	Restricted £	2021 Total £
Advancing public education on First and Second world wars	47,781	7,713	55,494	16,849	104,801	121,650
Promoting and supporting activities undertaken by CWGC	47,780	-	47,780	16,848	-	16,848
	<u>95,561</u>	<u>7,713</u>	<u>103,274</u>	<u>33,697</u>	<u>104,801</u>	<u>138,498</u>

* Restricted charitable activities costs comprise the activities of the Kantor's Speakers Programme of £8k.

7 Other recognised gains/(losses)

	2022 £	2021 £
Exchange gain/(loss) on balance sheet revaluation	-	(477)
Bank interest received	534	30
	<u>534</u>	<u>(477)</u>

8 Governance costs

	2022 £	2021 £
Fees payable to the Foundation's auditor for the audit of the Foundation's financial statements	4,890	4,890
Professional fees for branches in Belgium and France	120	2,130
	<u>5,010</u>	<u>7,020</u>

There were no expenses paid to Trustees during the year. (2021 – none)

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Financial Statements for the year ended 31 March 2022

9 Stock of Merchandise

	2022	2021
	£	£
Books and maps	3,165	4,485
Merchandise - stationery, badges and pins	8,773	9,432
	<u>11,938</u>	<u>13,917</u>

The slow-moving stock provision normally provides for any stock which, based on historic sales volumes, may not be sold within the twelve months following the end of the year. Due to the continued impact of COVID resulting in the visitors centres not being open for the full period, a year's provision exists for 50% of the stock value.

10 Debtors: amounts falling due within one year

	2022	2021
	£	£
Prepayments	1,535	7,797
Accrued Donations	3,334	8,946
Intergroup balance owed by Commonwealth War Graves Commission	-	65,748
	<u>4,869</u>	<u>82,491</u>

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Prepayments include £1,245 for the French and Belgium EPOS system and insurance costs and £290 for subscription costs at Head Office. Accrued donations are for funds received of £2.3k via CWGC's PayPal account relating to the Foundation and £833 from the virtual walk and other donations. In year, the total legacy balance of £66k was paid from the Commission to the foundation.

11 Creditors: amounts falling due within one year

	2022	2021
	£	£
Deferred income	2,208	1,841
Trade creditors	7,120	12,809
Trade accruals	6,396	12,176
Other creditors	10,867	5,873
Intergroup balance owed to Commonwealth War Graves Commission	12,071	44,469
	<u>38,662</u>	<u>77,168</u>

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Financial Statements for the year ended 31 March 2022

Deferred income relates to £1,360 for postponed events, and £688 of receipts to be reimbursed to donors. Other creditors include £3,658 Social Insurance & Taxation, £5,286 Holiday Pay accrual, £1,434 for a collaborative charity activity and £579 for postponed events.

12 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Intergroup balance owed to Commonwealth War Graves Commission	-	20,859
	<u> </u>	<u> </u>

The Foundation has an unsecured draw down facility of a total principal amount not exceeding £500k from the Commission available until 31 March 2023 and fully repayable by 31 March 2025. The loan balance bears interest at the rate of 1.5% above the Bank of England base rate. There is a zero draw down balance as at 31 March 2022. The Intergroup balance does not bear interest.

13 Retained funds

	2022 £	2021 £
Unrestricted fund	100,608	101,763
Restricted funds	<u>352,683</u>	<u>311,721</u>
	<u>453,291</u>	<u>413,484</u>

	Brought forward 01-Apr-21 £	Income £	Expenditure £	Carried forward 31-Mar-22 £
Restricted funds				
Interns	15,000	-	-	15,000
Annington Homes	289,008	-	-	289,008
Kantor – Speakers Programme	7,713		(7,713)	-
MacRoberts Trust - Speakers Programme	-	48,675	-	48,675
Total restricted funds	<u>311,721</u>	<u>48,675</u>	<u>(7,713)</u>	<u>352,683</u>
Unrestricted funds	<u>101,763</u>	<u>330,926</u>	<u>(332,081)</u>	<u>100,608</u>
Total funds	<u>413,484</u>	<u>379,601</u>	<u>(339,734)</u>	<u>453,291</u>

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Financial Statements for the year ended 31 March 2022

Donations received by the Foundation for specific projects are treated as restricted in line with the donation agreement:

- Interns donations include £10k received in September 2018 from Medlock Trust and £5k in October 2018 from Henry Oldfield Trust, both restricted to support the cost of the Intern programme.
- The Annington Homes donation is restricted to the Eyes On Hands On project supporting volunteers with the care of scattered graves in the UK.
- The Kantor donation supported the Commission's Speakers programme in 2021/22 and was fully spent up in the year.
- The MacRoberts Trust donation will fund costs associated with the same Speaker's programme in 2022/23.

	Brought forward 01-Apr-20 £	Income £	Expenditure £	Carried forward 31-Mar-21 £
Restricted funds				
Interns	15,000	-	-	15,000
Annington Homes	3,808	335,200	(50,000)	289,008
AIM - Noor Khan	(3,492)	18,331	(14,839)	-
Kantor - Speakers Programme	47,675	-	(39,962)	7,713
Total restricted funds	62,991	353,531	(104,801)	311,721
Unrestricted funds	34,759	213,348	(146,344)	101,763
Total funds	97,750	566,879	(251,145)	413,484

Analysis of net assets/(liabilities) between funds

	Unrestricted funds £	Restricted funds £	Total 2022 £
Fund balances at 31 March 2022 are represented by:			
Stock	11,938	-	11,938
Cash at bank and in hand	117,734	357,412	475,146
Debtors amounts falling due within one year	4,869	-	4,869
Creditors amounts falling due within one year	(33,933)	(4,729)	(38,662)
Total	100,608	352,683	453,291
Creditors amounts falling due after more than one year	-	-	-
Total funds carried forward	100,608	352,683	453,291

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Financial Statements for the year ended 31 March 2022

	Unrestricted funds £	Restricted funds £	Total 2020 £
Fund balances at 31 March 2021 are represented by:			
Stock	13,917	-	13,917
Cash at bank and in hand	95,365	319,738	415,103
Debtors amounts falling due within one year	82,001	490	42,491
Creditors amounts falling due within one year	(68,661)	(8,507)	(77,168)
Total	122,622	311,721	434,343
Creditors amounts falling due after more than one year	(20,859)	-	(20,859)
Total funds carried forward	101,763	311,721	413,484

14 Staff Costs

During the period under review the Foundation had 3 employees. Finance & Administrative support for the membership scheme and managing the finances was provided by Commission staff and recognised as a donated service.

1 employee earned between £60,000 - £70,000 during the year (2021: no employees earned over £60,000).

The total remuneration cost of key management personnel was £81,158 (2021: £49,848) which comprises salary costs and employer's national insurance and pension contributions. Key management personnel comprise the Trustees and the Chief Executive, none of whom receive remuneration from the Foundation, and the Executive Director (whose contract, in year, changed to full time).

	2022 £	2021 £
Wages and salaries	102,401	70,186
Social security costs	10,526	6,677
Pension – defined contribution scheme	12,865	8,744
Staff - donated support services from CWGC	95,499	30,703
	221,499	116,310

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Financial Statements for the year ended 31 March 2022

15 Support services and facility costs

Donations in kind 2021/22

	Finance	Legal	Marketing	Mgt	HR and Ops	Total 2022
	£	£	£	£	£	£
Support	70,632	1,427	35,282	1,713	1,592	110,482
Facilities	7,953	-	34,180	-	-	42,133
	<u>76,558</u>	<u>1,427</u>	<u>69,298</u>	<u>1,713</u>	<u>1,592</u>	<u>152,616</u>

Donations in kind 2020/21

	Finance	Legal	Marketing	Mgt	HR and Ops	Total 2021
	£	£	£	£	£	£
Support	6,412	1,399	34,271	1,749	1,561	45,392
Facilities	7,475	-	-	-	-	7,475
	<u>13,887</u>	<u>1,399</u>	<u>34,721</u>	<u>1,749</u>	<u>1,561</u>	<u>52,867</u>

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Financial Statements for the year ended 31 March 2022

16 Related party transactions

The ultimate parent company and controlling party of the Foundation is the Commonwealth War Graves Commission. Consolidated accounts for the group are available on the Commission's website.

The Commonwealth War Graves Foundation, has as its sole member the Commonwealth War Graves Commission. Material transactions with the Commission comprised:

- An income recharge from The Commonwealth War Graves Commission for donations and legacies less direct costs amounting to £56k (2021 – a cost recharge of £8.3k).
- £0 (2021 - £1.8k) worth of books were donated to the French branch for retailing at the Visitor Centre.
- Branch stock movements of £0.4k from France/Belgium to HO & £0.6k from France to Belgium
- The Commonwealth War Graves Foundation owed the Commonwealth War Graves Commission £12.1k (2021 - £65.3k) at the year-end. The Commonwealth War Grave Commission owed the Commonwealth War Graves Foundation £0k (2021 - £65.7k) at the year end.
- Back-office support and services donated by the Commission to the Foundation free of charge, whilst the Foundation continued to establish itself, were valued at £152k (2021 - £53k). The main increase related to a dedicated charity accountant (provided as a donated service by the Commission), marketing and upgrade to the web-site.
- Lady Lucy French, a Trustee of the Commonwealth War Graves Foundation, is also a Trustee of “Never such Innocence” a charity which aims to give children and young people across the world a voice on war and conflict. Books published by Never such Innocence are retailed by the Foundation at cost price – 1 book was sold during the year at £20 (2021 - £nil) and 41 books remain in stock.
- In the year, two foundation trustees have standard memberships with a total value of donations received amounting to £138. (2021, one Trustee with standard membership total £30). In year, Jay Singh-Sohal, a Trustee of the Commonwealth War Graves Foundation attended a remembrance event for the Commission, his expenses of £134 were charged across to the Commission. (2021 – no expenses reimbursed)

17 Post Balance Sheet Events

There are no balance sheet events to disclose.