

**COMMONWEALTH WAR
GRAVES FOUNDATION**

ANNUAL REPORT
FOR THE YEAR ENDED

31 MARCH 2020

CHARITY REGISTRATION
NUMBER 1171947

COMMONWEALTH WAR GRAVES FOUNDATION

Financial Statements

for the year ended 31 March 2020

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COMMONWEALTH WAR GRAVES FOUNDATION

Trustees, Executive and Advisors

for the year ended 31 March 2020

Trustees:

The Hon. Mrs Ros Kelly AO (**Chair**)

Major General Alastair Bruce KStJ OBE VR

HE Janice Charette

Lady Lucy French OBE

The Hon Kevan Jones MP

Dame Judith Mayhew Jonas DBE

Sir Adrian Alastair Montague CBE

Captain Jay Singh-Sohal

Mr William Shawcross CVO (appointed September 2019)

Mr Terence Hewett (appointed September 2019)

Chief Executive:

Barry Murphy - Interim (appointed July 2020)

Victoria Wallace LLB DL (resigned July 2020)

Executive Director:

John Grain (appointed May 2019)

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

Trustees' Report

for the year ended 31 March 2020

A MESSAGE FROM OUR CHAIR

It has been another year of growth and development for the Commonwealth War Graves Foundation (CWGF).

Last year, Trustees made the decision to focus on delivering innovative and involving education activities that engage young people and the wider community with the story of our common sacrifice and shared history.

This decision has been borne out in a number of exciting and inspiring ways. We have seen the expansion of our Eyes On Hands On project which engages volunteers from all over the UK to help monitor around 300,000 scattered graves of Commonwealth servicemen and women. Our partner in this endeavour, Annington Homes, have pledged their continuing support for this initiative for which we are very grateful.

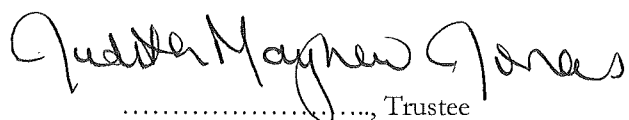
We launched our first interactive digital exhibition at Runnymede telling the story of Noor Inayat Khan, a Second World War secret agent and one of the most highly decorated women in British military history, who is commemorated on the Memorial. The exhibition tells the story of Noor from birth to death, exploring her background, recruitment, training, mission and legacy and demonstrating her legacy as a technical specialist of her time, highlighting the STEM skills required of her through a combination of digital and physical interpretation.

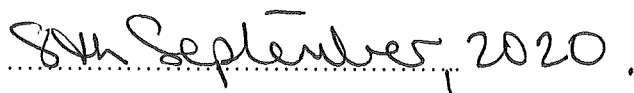
Supported by a generous grant from the Kantor Foundation, we began work to establish our new Speakers' Programme to create a national network of volunteer speakers in schools and with community groups. Our aim within five years is to have 1,500 speakers, reaching 750,000 school children and adults.

New projects are in development – an international commemorative schools network and CPD training for trainee teachers, while membership grew again to just under 1,000 supporters. We have been pleased to improve our internal infrastructure and systems for managing a programme of this kind.

Finally, I was delighted to welcome William Shawcross and Terence Hewett to the board of Trustees and their undoubted skills and experience will certainly benefit the Foundation in the years to come.

As with last year I would like to close by acknowledging the generous time and support of CWGC staff and our volunteers who do so much on behalf of the Foundation and without whom we would have a much diminished impact, and of course, Trustees who give so freely of their time and expertise ensuring a clear strategic path, and that we are operating to the highest standards of governance.


....., Trustee


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COMMONWEALTH WAR GRAVES FOUNDATION

Trustees' Report

for the year ended 31 March 2020

Introduction

The Trustees present their report and accounts, for the Foundation's third operational year, the year ended 31 March 2020.

Structure and Governance

The Commonwealth War Graves Foundation ("the Foundation") 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 a branch in Belgium, registered on 1 January 2018, governed under the same constitution (enterprise number 0689.789.289). During the reporting period the Foundation registered a branch in France, (Siret number 850 666 645 00013).

The Commonwealth War Graves Commission ("the Commission"), 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.

Three 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 objects 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 2020

The Foundation's strategic objectives are the:

- development and sponsorship of internship programmes for youth guides, from the Commonwealth, at the Commission's main sites in Belgium and France;
- creation of educational resources and a programme of educational support and activities; and
- 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 Trustees confirm that they have referred to the guidance published by the Charity Commission in regards to public benefit when reviewing the Foundation's objectives and planning future activities.

Activities and Achievements

During its third year of operations the Foundation:

- Grew its Supporter scheme numbers from 807 to 973;
- Completed the Heritage Lottery funded First World War citizen archive project. The Lest We Forget project aimed to have positive outcomes for heritage, for people and for communities. The Foundation has recorded over 800 stories from our roadshows, volunteer-led community events and online submissions from members of the public. The archive will be looked after by the team at Oxford until 2024 at least, and, furthermore, a copy of our data will be shared with the European 1914-1918 project to be made available in perpetuity. 527 volunteers worked on this project, with an average of 34 visitors per event, nearly twice as many as predicted. The Foundation believes a positive impact has been made for communities. The 'Digital Champions' have come from a variety of backgrounds and have held their events in a variety of different settings and involved a number of different groups;
- Established a branch in France so that the Foundation's activities can be promoted at the Commission's visitor centre at Beaurains, near Arras;
- Delivered, in conjunction with the Commission, the year one pilot of the, "Eyes On Hands On" ('EOHO') volunteering project which encourages volunteering grave care activity at the Commission's more remote and scattered UK sites. Over 2,000 volunteers across the country have registered to date to take part in the EOHO Project. In England we have approx. 250 active volunteers, of which over 100 are trained in headstone cleaning and are attending nearly 200 war grave sites. Already their efforts have allowed CWGC workmen to renovate isolated graves, replace missing churchyard signs, and other remedial work. Over 300 headstones have been inspected and photographed, improving the CWGC's computer records;
- Obtained a further proposed funding pledge, totalling £1.6m, from Annington Homes to fund "Eyes On Hands On" for the next 3 years;
- Delivered, with the Commission and funded, through a scheme operated by the Association of Independent Museums, by Biffa, an exhibition at Runnymede celebrating the life of Special Operations Executive Noor Inayat Khan. The Foundation worked with 200 members of the guiding movement and an additional 40 adults – parents, family and guiding helpers – to develop content and test the exhibition. There have been 438 downloads of education material from the CWGC Noor Inayat Khan resources and online interaction has attracted 3,763 virtual visits;
- Sold £31k of merchandise and printed goods from its head office and the information and visitor centres in Ieper and Beaurains with the profits generated assisting in defraying the Foundation's running costs;

COMMONWEALTH WAR GRAVES FOUNDATION

Trustees' Report

for the year ended 31 March 2020

-
- Raised £50k from the Kantor Foundation to fund a "Speakers Programme"; and
 - 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, 942 volunteers gave their time and energy, an estimated 10,489 hours, with an estimated worth of £86k.

Business Plan 2020-21

The Foundation's key deliverables in 2020/21 are planned to include:

- Significantly increasing membership numbers, by improving engagement with supporters, in order to fund the running costs of the Foundation;
- Rollout nationwide of the "Eyes On Hands On Project" following its successful pilot in two regions in 2019/20; and
- Develop content, activity and project plans, source funding if not already secured, and launch three key projects, listed below, which were identified and agreed at the Foundation's strategy meeting:
 - PGCE Teacher Training Project which will develop an annual programme for engaging with ITE providers, to support trainee teachers teaching the First and Second World War and to engage them with the work and history of the CWGC.
 - Speakers Programmes, a programme targeted at developing a national network of trained volunteer speakers delivering inspiring talks to schools, colleges, and other community groups.
 - An International Schools Commemorative Project which aims to develop a digital hub and resources for schools to connect internationally by uploading, mapping and sharing their research and stories of casualties and how they came to be serving side by side);
 - Further developing its income streams from donations, membership and surpluses from the sale of merchandise at our Ieper Information centre and French visitor centre;
 - Review and refresh the membership programme for supporters.

COVID 19

The COVID-19 pandemic has and will inevitably continue to impact the execution of the current year's business plan objectives. Volunteering work on the Eyes On Hands On project was suspended due to Government restrictions on social distancing as has the International Schools Commemorative project as schools' priorities are wholly focussed on more immediate issues. Preparation and prelaunch activities have been possible on the Speakers' Programme and work is continuing on the membership offering. Planned participation at the Chalke Valley History Festival had to be cancelled. In both the short and medium term the COVID-19 pandemic will likely make fund raising more challenging. The Trustees will continue to monitor the situation both financially and its impact on the Foundation's ability to deliver the 2020-21 business plan.

COMMONWEALTH WAR GRAVES FOUNDATION

Trustees' Report

for the year ended 31 March 2020

Risks and Mitigation

<u>Area</u>	<u>Risk</u>	<u>Mitigation</u>
COVID-19	Projects delayed and/or cancelled	Plan and prime projects ready for restart or launch as soon as lockdown eases sufficiently
	Funders' priorities change (short-term)	
	Fundraising income affected by closures	Prepare funding proposals ready for restart, assess new funding opportunities and streams, redevelop membership offer
Operational	Inadequate data management preventing adequate communications with supporters and good relationship management	Secure database and content management system with appropriate back ups
Reputational	Gifts accepted from organisations/individuals of dubious reputation	Due diligence on gift acceptance. Clear policy in place
Reputational	Failure of major donor or partner to meet obligations	Contracts / MoU's in place, litigation, PR strategy

Remuneration policy for key management personnel

The Foundation's executive director was the single key manager during the year. During the year under review the Foundation had just two employees, one of whom was employed on a fixed term contract. 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 that it would provide back office support free of charge. During this period administrative activities were undertaken on a part-time basis by Commission staff.

Volunteers policy

The Foundation 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; and, supporting core Foundation activity by freely lending their time and skills.

Reserves

The Foundation's reported reserves at 31 March 2020 were £97k but £63k of the reserves relates to restricted activities resulting in free reserves amounting to £35k.

The Foundation has set a reserves target of £32k 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 2020, available unrestricted reserves of £35k exceed the target of £32k by 9%.

COMMONWEALTH WAR GRAVES FOUNDATION

Trustees' Report

for the year ended 31 March 2020

Financial results for the year ended 31 March 2020

The Foundation's income was £342k comprising unrestricted income of £131k and £210k of restricted income. Over half of the unrestricted income, £72k, came from donations and legacies with the remainder from the Supporters' Scheme, £28k, and trading income from retail activities of £31k. Restricted income includes an £81k donation from Annington for the Eyes On Hands On project and grant funding and contributions of £129k for the Noor Kahn project.

Costs of £339k were incurred. Key expenditure items were: grants of £100k to the Commission to fund the Eyes On Hands On project; staffing costs of £77k including a recharge from the Commission; £21k for merchandising costs including a stock provision of £10k and, £104k incurred on marketing and professional costs.

The outcome was a surplus of £3k (2019- £180k). The surplus on unrestricted activities was £1k (2019 - £119k) and the surplus on restricted activities was £2k (2019 - £60k). A lower level of unrestricted income from donations and legacies is the main factor in the year on year reduction in the unrestricted surplus and the fall in the surplus on restricted activities reflects timing differences on expenditure whereby income was received in 2018/19 but not spent until the current year.

The intergroup balance (net) owed to the Commission was £40k at the year end (2019 £52k) and is scheduled to be repaid within a three-year period.

The balance sheet stock value of £14k comprises: gift items; books; maps and pins. A provision has been made for slow moving stock.

Bank balances at the year-end were a healthy £152k (2019 -£178k).

The 2020/21 budget anticipates a breakeven position for the Foundation.

New auditors, Buzzacott LLP, were appointed as auditors to both the Foundation and the Commission.

This report was approved by the Trustees on 8th September 2020 and signed on their behalf by:

Judith Mayhew Jones

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Trustee

Date: 8th September, 2020.

COMMONWEALTH WAR GRAVES FOUNDATION

Trustees' Responsibilities Statement

for the year ended 31 March 2020

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 2020 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 2020 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

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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts 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 accounts are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the 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.

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

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 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.

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 145 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: 14 October 2020

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 2020

Income Statement		Un- restricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £
	Note						
Income from:							
Donations & Legacies	1	72,659	81,200	153,859	157,071	39,000	196,071
Charitable Activities							
Grants receivable	2	-	129,223	129,223	-	64,314	64,314
Supporter Scheme							
Income	3	28,501	-	28,501	27,090	-	27,090
Other Trading							
Activities	4	30,313	-	30,313	25,486	-	25,486
Total Income		131,473	210,423	341,896	209,647	103,314	312,961
Expenditure on:							
Raising funds							
Fundraising costs	5	75,252	-	75,252	48,602	-	48,602
Charitable Activities	6	55,776	208,043	263,819	40,843	42,703	83,546
Total expenditure		131,028	208,043	339,071	89,445	42,703	132,148
Net income		445	2,380	2,825	120,202	60,611	180,813
Other recognised gains/(losses)	7	616	-	616	(783)	-	(783)
Net movement in funds		1,061	2,380	3,441	119,419	60,611	180,030
Reconciliation of funds							
Total funds brought forward	14	33,698	60,611	94,309	(85,721)	-	(85,721)
Net movement in funds	14	1,061	2,380	3,441	119,419	60,611	180,030
Total funds carried forward	14	34,759	62,991	97,750	33,698	60,611	94,309

COMMONWEALTH WAR GRAVES FOUNDATION

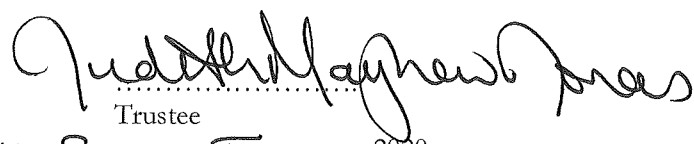
Balance sheet

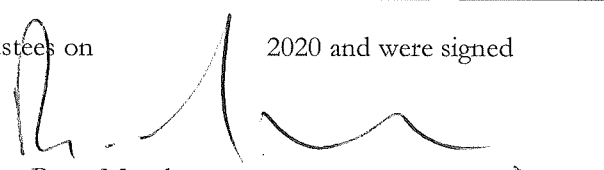
for the year ended 31 March 2020

		Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
		2020	2020	2020	2019	2019	2019
	Note	£	£	£	£	£	£
Current assets							
Stock	9	13,540	-	13,540	15,423	-	15,423
Cash at bank and in hand		103,841	47,911	151,752	92,374	85,455	177,829
Debtors: amounts falling due within one year	10	6,687	42,116	48,803	-	-	-
		<u>124,068</u>	<u>90,027</u>	<u>214,095</u>	<u>107,797</u>	<u>85,455</u>	<u>193,252</u>
Creditors: amounts falling due within one year	11	(54,545)	(27,036)	(81,581)	(34,989)	(24,844)	(59,833)
Net current assets		<u>69,523</u>	<u>62,911</u>	<u>132,514</u>	<u>72,808</u>	<u>60,611</u>	<u>133,419</u>
Total assets less current liabilities							
Creditors: amounts falling due after more than one year	12	(34,764)	-	(34,764)	(39,110)	-	(39,110)
Total assets less long-term liabilities		<u>34,759</u>	<u>62,991</u>	<u>97,750</u>	<u>33,698</u>	<u>60,611</u>	<u>94,309</u>
Net assets		<u><u>34,759</u></u>	<u><u>62,991</u></u>	<u><u>97,750</u></u>	<u><u>33,698</u></u>	<u><u>60,611</u></u>	<u><u>94,309</u></u>
Funds of the Foundation							
Unrestricted funds	13	34,759	-	34,759	33,698	-	33,698
Restricted funds	13	-	62,991	62,991	-	60,611	60,611
		<u>34,759</u>	<u>62,991</u>	<u>97,750</u>	<u>33,698</u>	<u>60,611</u>	<u>94,309</u>

The financial statements were approved by the Foundation's Trustees on their behalf by:

2020 and were signed


Trustee
8th September 2020


Barry Murphy
Interim Chief Executive
2020
8th September 2020

COMMONWEALTH WAR GRAVES FOUNDATION

Statement of Cash Flows

for the year ended 31 March 2020

	Un- restricted Funds	Restricted Funds	Total	Un- restricted Funds	Restricted Funds	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Net cash provided by/ (used in) operating activities						
Net income	1,061	2,380	3,441	119,419	60,611	180,030
Decrease/(increase) in inventories	1,883	-	1,883	(15,423)	-	(15,423)
(Increase) in debtors	(6,687)	-	(6,687)	-	-	-
(Decrease)/increase in creditors	(6,104)	(6,400)	(12,504)	8,713	24,844	33,557
(Decrease)/increase in intergroup balance with CWGC	21,314	(33,524)	(12,210)	(53,388)	-	(53,388)
Net cash provided by/(used in) operating activities	11,467	(37,544)	(26,077)	59,321	85,455	144,776
Increase/(decrease) in cash	11,467	(37,544)	(26,077)	59,321	85,455	144,776

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

	2020	2019
	£	£
Movement in cash and cash equivalents	(26,077)	144,776
Cash and cash equivalents at 1 April	177,829	33,053
Cash and cash equivalents at 31 March	151,752	177,829

COMMONWEALTH WAR GRAVES FOUNDATION

Principal Accounting Policies

as at 31 March 2020

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 £97.8k at 31 March 2020 (2019 - £94.3k). The net intergroup balance owed to the Commission has fallen to £39.9k (2019 - £52.1k), which is scheduled to be repaid over 3 years. The Foundation currently has cash balances of £151.8k (2019 - £178k) which will cover its grant activities and general running costs in 2020-21. 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. If required, the Foundation can also draw down additional funding from the Commission agreed loan facility of £500k. 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

as at 31 March 2020

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.

Donated services and facilities 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 and 0.5% of CWGC's total back office support costs. Donations of book stocks from the Commission are recognised in the period that they are received.

The value of time given by volunteers is excluded from the accounts as their contribution to the Foundation cannot be reasonably quantified in financial terms. During 2019/20, the Foundation used volunteers to educate and inform the wider public about the Foundation and the Commission's work, and to support the Heritage Lottery Fund (HLF) and the Eyes On Hands On grant projects.

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 these grant agreements. The full income is recognised in the year in which the Foundation becomes fully entitled to receive it.

In the event that a donation or grant is subject to conditions, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Foundation and it is probable that those conditions will be fulfilled.

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, charitable activity costs and other expenditure.

Expenditure on raising funds

Expenditure on raising funds includes the costs to manage the supporter scheme and marketing and promotion costs to raise income.

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, the donated in-kind support cost from the CWGC.

The support donated in kind from CWGC comprises management, finance, human resources, legal and marketing services. Staff support is provided free of charge whilst the Foundation continues to establish itself, in the UK, Belgium and France.

Governance costs

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

COMMONWEALTH WAR GRAVES FOUNDATION

Principal Accounting Policies

as at 31 March 2020

Other expenditure

The Foundation's other expenditure relates to the cost of merchandising sales and other event costs.

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 is being 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 gain was £616 (2019 – loss of £783).

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 Accounts

as at 31 March 2020

1 Income from Donations

Donations – Unrestricted

	2020	2019
	£	£
Donations - received at Head Office	43,916	130,077
Donations - Belgium, Ieper Information centre (IC)	3,195	10,568
Donations - France, Beaurains Visitor Centre (VC)	2,400	-
Gift Aid - Claims from donations	829	-
Donations in kind - valued cost for services from CWGC	22,319	16,426
	<u>72,659</u>	<u>157,071</u>

Donations include fund raising from 'Trustees' engagement activities, amounts received from events together with donations received directly by the Foundation at Commission locations and those made via the web-site.

Donations – Restricted

	2020	2019
	£	£
Annington Homes - Eyes On Hands On project	81,200	24,000
Donations - Interns programme	-	15,000
	<u>81,200</u>	<u>39,000</u>

Over the next 3 years, Annington Homes have pledged to provide grant funding to support the upkeep of the Commission's UK scattered graves.

The Interns Programme was introduced in 2017 with initial funding to the Commission from the UK government's LIBOR funding scheme. It brings 24 young people each year to Western Europe to work at some of the Commission's most iconic sites. The role develops skills and helps create Ambassadors of the future. Interns engage with visitors and help them to maximise their visit. They offer guided tours, assist with tracing relatives, help find a grave and answer the many other questions visitors have.

Donations for £15k were received by the Foundation in 2019 to support the Interns programme; these are shown as restricted income, which in the future may be granted to the Commission or allocated to Intern charitable activities in the Foundation.

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Accounts

as at 31 March 2020

2 Income from Grant Funding - Restricted

	2020	2019
	£	£
Heritage Lottery Funding - Lest we forget project	(1,646)	64,314
Kantor Foundation -Speakers Programme	50,000	-
Association of Independent Museums/ Biffa- Noor Khan Project	38,753	-
CWGC contribution to Noor Khan Project	42,116	-
	<u>129,223</u>	<u>64,314</u>

Total funding received for the "Lest we forget" project was £65.4k. £2.7k of the funds were not spent and therefore this balance remains on the balance sheet in Creditors and will be repaid to the Heritage Lottery fund subsequent to the year end.

3 Income - Supporter Scheme – Unrestricted

	2020	2019
	£	£
Standard donation membership	28,501	24,090
Gold donation membership	-	3,000
	<u>28,501</u>	<u>27,090</u>

Standard supporter membership increased in 2020 to 973 supporters, (2019 - 803). 575 supporters renewed their membership for a further 12-months, a membership renewal rate of 73%. There were no Gold Membership subscribers during the current year.

4 Income from other trading activities - Unrestricted

	2020	2019
	£	£
Book stock donated by CWGC	1,865	4,420
Books and printed matter sales	8,929	11,905
Map sales	2,788	4,737
Other Merchandise sales	15,899	4,424
Coach Reservation Fees - Beaurains Visitor Centre	832	-
	<u>30,313</u>	<u>25,486</u>

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Accounts

as at 31 March 2020

4 Income from other trading activities – Unrestricted (continued)

Books and printed matter relating to the history and commemoration of the First and Second World Wars can be purchased from the Ieper Information Centre in Belgium, the Beaurains Visitor Centre in France or on-line from the Foundation pages on the Commission web-site. Maps of the cemeteries and memorials throughout France and Belgium are a popular purchase. Other merchandise sales include stationery and other gifts which promote the activities of both the Foundation and the Commission.

5 Expenditure on Raising Funds

Raising Funds	Staff/ recharge costs £	Other Direct costs £	Total 2020 £	Staff/ recharge costs £	Other Direct costs £	Total 2019 £
Fundraising costs	44,443	30,809	75,252	13,025	35,577	48,602
	<u>44,443</u>	<u>30,809</u>	<u>75,252</u>	<u>13,025</u>	<u>35,577</u>	<u>48,602</u>

Fundraising costs were higher in 2020 due to the appointment of employees to the Foundation during the reporting period. The cost also includes staff re-charges relating to a staff administrator, 50% shared with the Commission and the cost of the supporter's pack and other marketing and promotion costs.

A stock of books long held by the Commission has and will continue to be donated free of charge to the Foundation for third party retail. New books and other merchandise are purchased directly by the Foundation. The stock is held at net-realizable cost (see note 4).

The slow-moving stock provision has been calculated to provide for any stock which based on previous sales volumes may not be sold within the next twelve months.

6 Expenditure - Charitable Activities

	Un- restricted £	Restricted* £	2020 Total £	Un- restricted £	Restricted £	2019 Total £
Advancing public education on First and Second world wars	27,888	208,043	235,931	20,018	42,703	62,721
Promoting and supporting activities undertaken by CWGC	<u>27,888</u>	<u>-</u>	<u>27,888</u>	<u>20,825</u>	<u>-</u>	<u>20,825</u>
	<u>55,776</u>	<u>208,043</u>	<u>263,819</u>	<u>40,843</u>	<u>42,703</u>	<u>83,546</u>

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Accounts

as at 31 March 2020

6 Expenditure - Charitable Activities (continued)

* Restricted charitable activities costs comprise the costs incurred on: the Lest we Forget project of £20k, Noor Khan project of £84.4k, Eyes On Hands On Project of £101.4k (including grant to CWGC of £100k) and Speakers Programme of £2.3k.

Support costs of £22,319 (2019-£16,426) and governance costs of £4,061 (2019 – £13,013) have been allocated to the Foundation's two principal charitable activities and objectives on a 50:50 basis.

7 Other recognised gains/(losses)

	2020	2019
	£	£
Exchange gain/(loss) on balance sheet revaluation	616	(783)
	<u>616</u>	<u>(783)</u>

8 Governance costs

	2020	2019
	£	£
Independent examination	-	(2,959)
Fees payable to the Foundation's auditor for the audit of the Foundation's financial statements - 18/19	(739)	13,013
Fees payable to the Foundation's auditor for the audit of the Foundation's financial statements - 19/20	4,800	-
	<u>4,061</u>	<u>10,054</u>

There were expenses of £96.40 paid to one trustee during the year. No expenses were claimed by Trustees in the previous accounting periods.

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Accounts

as at 31 March 2020

9 Stock of Merchandise

	2020	2019
	£	£
Books and guides	3,786	2,217
Maps	491	698
Merchandise - stationery, badges and pins	9,065	8,871
Merchandise - ponchos and lens cloths	198	3,637
	<u>13,540</u>	<u>15,423</u>

10 Debtors: amounts falling due within one year

	Total 2020	Total 2019
	£	£
Prepayments and accrued income	6,687	-
Intergroup balance owed by Commonwealth War Graves Commission	<u>42,116</u>	<u>-</u>
	<u>48,803</u>	<u>-</u>

Accrued income includes a donation cheque of £5k received before the end of the reporting period, but not banked and funds received of £1.4k via CWGC's PayPal account relating to the Foundation.

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Accounts

as at 31 March 2020

11 Creditors: amounts falling due within one year

	Total	Total
	2020	2019
	£	£
Deferred income	4,615	14,706
Trade creditors	10,253	6,651
Trade accruals	14,025	24,940
Other creditors	5,400	499
Intergroup balance owed to Commonwealth War Graves Commission	47,288	13,037
	81,581	59,833

Deferred income relates to the grant funding for the “Lest we forget” project. £2.7k of the grant received will be repaid to the Heritage Lottery Fund in 2020/21 due to the project incurring lower costs than originally anticipated.

12 Creditors: amounts falling due after more than one year

	Total	Total
	2020	2019
	£	£
Intergroup balance owed to Commonwealth War Graves Commission	34,764	39,110

The long-term intergroup balance with the Commission is repayable over the next 3 years. The Foundation has an unsecured draw down facility of a total principal amount not exceeding £500k available until 31 March 2021 and fully repayable by 31 March 2023. 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 2020, as the loan including interest of £20.5k was settled on 28 March 2019. The Intergroup balance does not bear interest.

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Accounts

as at 31 March 2020

13 Retained funds

	2020 £	2019 £
Unrestricted fund	34,759	33,698
Restricted funds	62,991	60,611
	<u>97,750</u>	<u>94,309</u>

The total movement in funds during the year relates to: fundraising; delivery of the Foundation's strategic objectives; and managing the grant funded projects.

Analysis of movement in funds

	Brought forward 1 April 2019 £	Income £	Expenditure £	Carried forward 31 March 2020 £
Restricted funds				
Interns	15,000	-	-	15,000
Heritage Lottery	21,611	(1,646)	(19,965)	-
Annington Homes	24,000	81,200	(101,392)	3,808
AIM - Noor Khan	-	80,869	(84,361)	(3,492)
Kantor - Speakers Programme	-	50,000	(2,325)	47,675
Total restricted funds	<u>60,611</u>	<u>210,423</u>	<u>(208,043)</u>	<u>62,991</u>
Unrestricted funds	<u>33,698</u>	<u>131,473</u>	<u>(130,412)</u>	<u>34,759</u>
Total funds	<u>94,309</u>	<u>341,896</u>	<u>(338,455)</u>	<u>97,750</u>

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Accounts

as at 31 March 2020

13 Retained funds (continued)

	Brought forward 1 April 2018 £	Income £	Expenditure £	Carried forward 31 March 2019 £
Restricted funds				
Interns	-	15,000	-	15,000
Heritage Lottery	-	64,314	(42,703)	21,611
Annington Homes	-	24,000	-	24,000
Total restricted funds	-	103,314	(42,703)	60,611
Unrestricted funds	(85,721)	209,647	(90,228)	33,698
Total funds	(85,721)	312,961	(132,931)	94,309

The movement in unrestricted funds relates to fundraising and the delivery of the Foundation's strategic objectives and its fixed overhead including staffing costs.

Grants awarded to the Foundation for specific projects are treated as restricted in line with the contract. In 2019/20 there was £210k of restricted income in respect of four projects. This consisted of: £81k restricted donation and £101k of costs in relation to the funds pledged from Annington Homes to be used in the "Eyes On Hands On" project; £38.8k of grant income from the Association of Independent Museums/'Noor Khan' project (funded by Biffa) and £42.1k contribution from CWGC in relation to the 'Noor Khan' Project, which incurred overall costs of £84k; £50k grant income received from the Kantor Charitable Foundation and £2k costs incurred in relation to 'The Kantor Speakers' Programme' project and £1.6k repayable to the Heritage Lottery for the underspend on the "Lest we forget" project.

Analysis of net assets/(liabilities) between funds

	Unrestricted funds £	Restricted funds £	Total 2020 £
Fund balances at 31 March 2020 are represented by:			
Stock	13,540	-	13,540
Cash at bank and in hand	103,841	47,911	151,752
Debtors amounts falling due within one year	6,687	42,116	48,803
Creditors amounts falling due within one year	(54,545)	(27,036)	(81,581)
Total	69,523	62,991	132,514
Creditors amounts falling due after more than one year	(34,764)	-	(34,764)
Total funds carried forward	34,759	62,991	97,750

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Accounts

as at 31 March 2020

13 Retained funds (continued)

	Unrestricted funds £	Restricted funds £	Total 2019 £
Fund balances at 31st March 2019 are represented by:			
Stock	15,423	-	15,423
Cash at bank and in hand	92,374	85,455	177,829
Creditors amounts falling due within one year	(34,989)	(24,844)	(59,833)
Total	72,808	60,611	133,419
Creditors amounts falling due after more than one year	(39,110)	-	(39,110)
Total funds carried forward	33,698	60,611	94,309

14 Staff and Remuneration

During the period under review the Foundation had 2 employees. Administrative support for both the supporter scheme and Heritage Lottery funded grant activity was provided by Commission staff and re-charged to the Foundation.

	2020 £	2019 £
Wages and salaries	47,015	-
Social security costs	1,632	-
Pension – defined contribution scheme	4,932	-
Staff recharge costs from CWGC	17,431	22,421
Casual labour costs (adjustment from FY 2018)	-	(4,613)
	71,010	17,808

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Accounts

as at 31 March 2020

15 Support services and facility costs

Donations in kind

	Finance	Legal	Marketing	Mgt	HR and Ops	Total 2020
	£	£	£	£	£	£
Support	5,890	1,395	2,853	2,372	2,523	15,033
Facilities	7,285	-	-	-	-	7,285
	<u>13,175</u>	<u>1,395</u>	<u>2,853</u>	<u>2,372</u>	<u>2,523</u>	<u>22,318</u>

Donations in kind

	Finance	Legal	Marketing	Mgt	HR and Ops	Total 2019
	£	£	£	£	£	£
Support	6,324	1,114	2,630	2,673	1,500	14,241
Facilities	2,185	-	-	-	-	2,185
	<u>8,509</u>	<u>1,114</u>	<u>2,630</u>	<u>2,673</u>	<u>1,500</u>	<u>16,426</u>

Support costs reflect the services donated in kind by Commission staff for administration and management of back-office functions, estimated at 0.5% of Commission Departmental costs. Facility costs relate to the Foundation's estimated share, 5%, of the running costs of the Belgium Information Centre and the France Visitor Centre donated in kind by the Commission.

16 Related party transactions

The ultimate parent company and controlling party is the Commonwealth War Graves Commission. The largest and smallest group of which the charity is a member and for which group consolidated statements are drawn up is headed by the Commonwealth War Graves Commission. Copies of these consolidated accounts are available on request by writing to the Foundation's registered address.

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

- A recharge from The Commonwealth War Graves Commission of salary, and other direct costs amounting to £17k during the year (2019 - £22k). £0.3k (2019 - £4.5k) and £1.6k (2019 - £nil) worth of books were donated to the Belgian branch for retailing at the Ieper Information Centre and to the France branch for retailing at the Visitor Centre, respectively.
- The Commonwealth War Graves Foundation owed the Commonwealth War Graves Commission £82k (2019 - £52k) at the year-end. The Commonwealth War Grave Commission owed the Commonwealth War Graves Foundation £42k (2019 - nil) at the year end.

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Accounts

as at 31 March 2020

-
- 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 £22k (2019 - £16k).
 - 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. In the prior year £2.5k was paid to Never such Innocence for Salonika Remembers activity by the Commission.
 - Books published by Never such Innocence are retailed by the Foundation at cost price – the total value of the books sold during the year was £382 (2019 - £nil).
 - In the year, three trustees were standard members with a total value of donations received amounting to £90. In 2019, two trustees were gold members and two trustees were standard members with a total value of donations received amounting to £2,060.

17 Post Balance Sheet Events

There were no significant post balance sheet events.

