

**COMMONWEALTH WAR
GRAVES FOUNDATION**

ANNUAL REPORT
FOR THE YEAR ENDED

31 MARCH 2021

CHARITY REGISTRATION
NUMBER 1171947

COMMONWEALTH WAR GRAVES FOUNDATION

Financial Statements for the year ended 31 March 2021

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COMMONWEALTH WAR GRAVES FOUNDATION

Trustees, Executives and Advisors for the year ended 31 March 2021

Trustees:

Dame Judith Mayhew Jonas DBE (Chair from 9 September 2020)

The Hon. Mrs Ros Kelly AO (Chair: resigned 8 September 2020)

Major General Alastair Bruce KStJ OBE VR

HE Janice Charette (resigned 8 March 2021)

Lady Lucy French OBE

The Hon Kevan Jones MP

Sir Adrian Alastair Montague CBE

Captain Jay Singh-Sohal

Mr William Shawcross CVO resigned 1 December 2020

Mr Terence Hewett

Chief Executive:

Claire Horton CBE (appointed January 2021)

Victoria Wallace LLB DL (resigned July 2020)

Barry Murphy – Interim (July 2020 to January 2021)

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

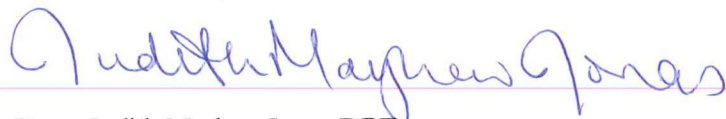
In common with many other organisations, it has been a year that has been hugely impacted by the global pandemic. The restrictions caused by Covid-19 severely affected, and sometimes curtailed, much of the Foundation's planned activities, both in terms of projects and fundraising.

Elsewhere, our Eyes On Hands On programme, supported by Annington Homes, was temporarily suspended and then resumed with the Eyes On element only, allowing volunteers to check the condition of scattered graves and report back on any concerns. Happily, volunteer numbers and commitment remained high, and we look forward with optimism to resuming the programme fully.

Similarly, with our other main volunteering project, the Kantor Speakers Programme, we were able to adjust our recruitment and training to be delivered remotely via e-learning and even begin delivering some virtual talks by the end of the year. We have recruited over 227 fully trained volunteers and again look forward immensely to these being able to get out and about to talk about the work and history of the Commonwealth War Graves Commission, and share some of the moving and inspiring stories of sacrifice with new audiences and generations.

Membership numbers continued to grow apace, increasing by 48% over the year, and plans are now in place for some brand new fundraising events and activities in the coming year.

Finally, I would like to record my thanks to all those who have supported the Foundation as volunteers, members and donors in the past year, and I would also like to thank our dedicated Trustees, who freely give their time and expertise to provide the requisite governance and strategic oversight to ensure we operate effectively.



Dame Judith Mayhew Jonas DBE

Chair

Date 6th September 2021

COMMONWEALTH WAR GRAVES FOUNDATION

Trustees' Report for the year ended 31 March 2021

Introduction

The Trustees present their report and accounts, for the Foundation's fourth operational year, ending on 31 March 2021.

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 (virtual) 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 2021

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.

COVID 19 and Activities and Achievements

The COVID-19 pandemic has adversely impacted the execution and achievement of much of the year's business plan objectives. The PGCE Teacher Training Project and the International Schools Commemorative project were both effectively suspended as potential partners and stakeholders were wholly focussed on dealing with COVID-19 and its impacts. Planned participation at the Chalke Valley History Festival also had to be cancelled. Retailing activity was well below the planned level due to the closure of the Commission's visitor centres in Ieper and Beaurains. The COVID-19 pandemic will likely make fundraising more challenging as both individuals and foundations are focussing on pandemic-related causes. The Trustees will continue to monitor the situation and its impact both financially and on the Foundation's ability to deliver the 2021-22 business plan.

Nevertheless during its fourth year of operations the Foundation made progress in the following areas:

- Refreshed and renewed its membership programme growing its Supporter Scheme numbers from 973 to 1,407.
- The Kantor Speakers Programme recorded 227 approved and trained volunteers against the target of 240 volunteers. These speakers delivered 43 talks (online) to 30 groups.
- A digital version of the Noor Inayat Khan exhibition, celebrating the life of Special Operations Executive Noor Inayat Khan, which had been launched physically the previous year at the Runnymede Memorial, transitioned online and has subsequently been widely downloaded. This exhibition was delivered with the Commission and funded by Biffa through a scheme operated by the Association of Independent Museums.
- Volunteering work on the "Eyes On Hands On" project ('EOHO') resumed in October 2020 having been suspended during the first half of the year due to Government restrictions on social distancing. This project, delivered in conjunction with the Commission, encourages volunteer grave care activity at the Commission's more remote and scattered UK sites. The initial focus of the 1,610 volunteers who have been recruited, has been "Eyes On" i.e., "inspecting and reporting". This has resulted in the inspection of 28,748 headstones across 3,438 scattered sites: this has led to the identification of 602 items requiring remedial action, including isolated graves and church signs, of which 227 had been undertaken by CWGC staff by March 2021.
- The Flowers of Remembrance Seeds campaign (part of the CWGC's War Graves Week) launched in January and raised £7,000 for the Foundation.

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Trustees' Report for the year ended 31 March 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, 1,655 volunteers gave their time and energy, an estimated 4,821 hours, with an estimated value of £42k.

Business Plan 2021-22

The Foundation's key deliverables in 2021/22 are planned to include:

- Further improvements in engaging with supporters and growing membership, in order to fund the running costs of the Foundation.
- Recruitment and training target of 2,000 volunteers for the "Eyes On Hands On" project which will provide coverage of between 75-80% of scattered graves in the UK. Volunteers will commence "hands on" grave maintenance following appropriate training.
- Increasing the Foundation's fundraising efforts by: the recruitment of a full-time fundraiser; participating at the Commission's War Graves Week; and, successfully applying for a BBC Broadcast appeal slot.
- *In the Footsteps of our Forces*, a joint fundraising partnership event with The National Museum of the Royal Navy, National Army Museum, and Royal Air Force Museum, for a joint fundraising event planned as an Armed Forces Day sponsored walk that will encourage engagement with the stories of service personnel, memorials and war graves across the country.
- Trialling the Foundation's own first virtual fundraising event using a virtual map to recreate a 100-150km walk through northern France taking in some of the iconic CWGC sites and memorials. Each milestone on the walk will result in registrants receiving bespoke information about the particular CWGC site or memorial and learning of some of the casualty stories. Participants will pay to register and can raise additional sponsorship if they wish.
- The development of a new website and a review of the Foundation's branding with the purpose of bringing it closer to the Commission's branding, ensuring they are more clearly connected and complementary.
- Further developing income streams from donations, and surpluses from the sale of 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 three 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 that it

COMMONWEALTH WAR GRAVES FOUNDATION

Trustees' Report for the year ended 31 March 2021

would provide back-office support free of charge. During this period the Foundation's administrative activities were undertaken by a Commission staff member.

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, clear reporting guidelines.

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

COVID-19: Funders' priorities change (short-term) and fundraising income affected by closures, delays and recession. These 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 reported reserves at 31 March 2021 were £413k, but £312k of the reserves relate to restricted activities resulting in free and unrestricted reserves amounting to £102k.

The Foundation has set a 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 2021, available unrestricted reserves of £102k exceed the target of £48k by 113%.

Financial results for the year ended 31 March 2021

The Foundation's income was £567k comprising unrestricted income of £213k and £354k of restricted income. Over 75% of unrestricted income, £164k, came from donations and legacies with the remainder from the Supporters' Scheme, £41k, and trading income from retail activities of £8k. Restricted income comprised £335k of donations from Annington for the Eyes On Hands On project and grant funding and contributions of £18k in respect of the Noor Khan project.

Costs of £251k were incurred. Key expenditure items were: grants of £50k to the Commission to fund the Eyes On Hands On project; staffing costs of £116k; £9k for merchandising costs and supporter scheme costs, along with £36k incurred on marketing and professional costs.

The outcome was a surplus of £316k (2020 - £3k). The surplus on unrestricted activities was £67k (2020 - £1k) and the surplus on restricted activities was £249k (2020 - £2k). An increase in unrestricted legacy income is the main factor in the year-on-year increase in the unrestricted surplus, and the increase in the surplus on restricted activities reflects timing differences on expenditure whereby restricted income received in respect of Eyes On Hands On, is not now anticipated to be spent until 2021/22.

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Trustees' Report for the year ended 31 March 2021

The intergroup balance (net) between the Commission and the Foundation was £0.4k at the year-end (2020 £40k).

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

Bank balances at the year-end were a healthy £415k (2020 -£152k) of which 77% related to restricted activities.

The 2021/22 budget anticipates a loss of £285k for the Foundation which will be funded from the Foundation's restricted and unrestricted reserves.

This report was approved by the Trustees on 6 September 2021 and signed on their behalf by:



Dame Judith Mayhew Jonas DBE

Chair

Date 6th September 2021

COMMONWEALTH WAR GRAVES FOUNDATION

Trustees' Responsibilities Statement for the year ended 31 March 2021

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 2021 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 2021 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.

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

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.

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: 7 October 2021

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 2021

		Un- restricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Un- restricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £
	Note						
Income from:							
Donations & Legacies	1	164,224	335,200	499,424	72,659	81,200	153,859
Charitable Activities							
Grants receivable	2	-	18,331	18,331	-	129,223	129,223
Supporter Scheme Income	3	41,291	-	41,291	28,501	-	28,501
Other Trading Activities	4	7,803	-	7,803	30,313	-	30,313
Total Income		213,318	353,531	566,849	131,473	210,423	341,896
Expenditure on:							
Raising funds							
Fundraising costs	5	112,170	-	112,170	75,252	-	75,252
Charitable Activities	6	33,697	104,801	138,498	55,776	208,043	263,819
Total expenditure		145,867	104,801	250,668	131,028	208,043	339,071
Net income		67,451	248,730	316,181	445	2,380	2,825
Other recognised (losses)/gains	7	(447)	-	(447)	616	-	616
Net movement in funds		67,004	248,730	315,734	1,061	2,380	3,441
Reconciliation of funds							
Total funds brought forward	13	34,759	62,991	97,750	33,698	60,611	94,309
Net movement in funds	13	67,004	248,730	315,734	1,061	2,380	3,441
Total funds carried forward	13	101,763	311,721	413,484	34,759	62,991	97,750

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 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £
Current assets							
Stock	9	13,917	-	13,917	13,540	-	13,540
Cash at bank and in hand		95,365	319,738	415,103	103,841	47,911	151,752
Debtors: amounts falling due within one year	10	82,001	490	82,491	6,687	42,116	48,803
		<u>191,283</u>	<u>320,228</u>	<u>511,511</u>	<u>124,068</u>	<u>90,027</u>	<u>214,095</u>
Creditors: amounts falling due within one year	11	(68,661)	(8,507)	(77,168)	(54,545)	(27,036)	(81,581)
		<u>122,622</u>	<u>311,721</u>	<u>434,343</u>	<u>69,523</u>	<u>62,991</u>	<u>132,514</u>
Net current assets							
		<u>122,622</u>	<u>311,721</u>	<u>434,343</u>	<u>69,523</u>	<u>62,991</u>	<u>132,514</u>
Total assets less current liabilities							
		<u>122,622</u>	<u>311,721</u>	<u>434,343</u>	<u>69,523</u>	<u>62,991</u>	<u>132,514</u>
Creditors: amounts falling due after more than one year	12	(20,859)	-	(20,859)	(34,764)	-	(34,764)
		<u>101,763</u>	<u>311,721</u>	<u>413,484</u>	<u>34,759</u>	<u>62,991</u>	<u>97,750</u>
Total assets less long-term liabilities							
		<u>101,763</u>	<u>311,721</u>	<u>413,484</u>	<u>34,759</u>	<u>62,991</u>	<u>97,750</u>
Net assets							
		<u>101,763</u>	<u>311,721</u>	<u>413,484</u>	<u>34,759</u>	<u>62,991</u>	<u>97,750</u>
Funds of the Foundation							
Unrestricted funds	13	101,763	-	101,763	34,759	-	34,759
Restricted funds	13	-	311,721	311,721	-	62,991	62,991
		<u>101,763</u>	<u>311,721</u>	<u>413,484</u>	<u>34,759</u>	<u>62,991</u>	<u>97,750</u>

The financial statements were approved by the Foundation's Trustees on 6 September 2021 and were signed on their behalf by:


Chair
Date 6th September 2021


Chief Executive
Date 6th September 2021

COMMONWEALTH WAR GRAVES FOUNDATION

Statement of Cash Flows for the year ended 31 March 2021

	Un- restricted Funds	Restricted Funds	Total	Un- restricted Funds	Restricted Funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Net cash provided by/(used in) operating activities						
Net income	67,004	248,730	315,734	1,061	2,380	3,441
(Increase)/decrease in inventories	(377)	-	(377)	1,883	-	1,883
(Increase) in debtors	(9,566)	(490)	(10,056)	(6,687)	-	(6,687)
Increase/(decrease) in creditors	10,486	(12,079)	(1,593)	(6,104)	(6,400)	(12,504)
Increase/(decrease) in intergroup balance with CWGC	(76,024)	35,667	(40,357)	21,314	(33,524)	(12,210)
Net cash provided by/(used in) operating activities	(8,477)	271,828	263,351	11,467	(37,544)	(26,077)
Increase/(decrease) in cash	(8,477)	271,828	263,351	11,467	(37,544)	(26,077)

During the year there has been a re-allocation of £5,105 of cash balances from Unrestricted to Restricted Funds which was a reclassification in respect of the HLF project.

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

	2021	2020
	£	£
Movement in cash and cash equivalents	263,351	(26,077)
Cash and cash equivalents at 1 April	151,752	177,829
Cash and cash equivalents at 31 March	415,103	151,752

COMMONWEALTH WAR GRAVES FOUNDATION

Principal Accounting Policies for the year ended 31 March 2021

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 £413.5k at 31 March 2021 (2020 - £97.8k). The net intergroup balance owed to the Commission has fallen to: £0.4k owed to the Foundation (2020 -£39.9k owed to the Commission). The Foundation currently has cash balances of £415.1k (2020 -£151.8k) which will cover its grant activities and general running costs in 2021-22. 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's agreed loan facility of £500k in place until 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 2021

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 and 100% of staff 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 not included in the Income Statement as their contribution to the Foundation cannot be reasonably quantified in financial terms. During 2020/21, the Foundation used volunteers to educate and inform the wider public about the Foundation and the Commission's work, and to support the Eyes On Hands On project.

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.

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, 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.

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 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 and legal costs.

COMMONWEALTH WAR GRAVES FOUNDATION

Principal Accounting Policies for the year ended 31 March 2021

Other expenditure

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 £477 (2020 – gain of £616).

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 2021

1 Income from Donations

Donations – Unrestricted

	2021	2020
	£	£
Donations & legacies received at Head Office	110,813	43,916
Donations - Belgium, Ieper Information Centre	75	3,195
Donations - France, Beaurains Visitor Centre	469	2,400
Gift Aid - Claims from donations	-	829
Donations in kind - valued cost for services from CWGC	52,867	22,319
	<u>164,224</u>	<u>72,659</u>

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

Donations – Restricted

	2021	2020
	£	£
Annington Homes - Eyes On Hands On project	<u>335,200</u>	<u>81,200</u>

2 Income from Grant Funding - Restricted

	2021	2020
	£	£
Heritage Lottery Funding - Lest We Forget Project	-	(1,646)
Kantor Foundation - Speakers Programme	-	50,000
Association of Independent Museums/Biffa - Noor Khan Project	14,305	38,753
CWGC grant to Noor Khan Project	4,026	42,116
	<u>18,331</u>	<u>129,223</u>

£2.7k of the funds received for the Heritage Lottery Funding were not spent in 2020 and so the cash was repaid in 2021.

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Financial Statements for the year ended 31 March 2021

3 Income - Supporter Scheme – Unrestricted

	2021	2020
	£	£
Standard donation membership	<u>41,291</u>	<u>28,501</u>

Standard supporter membership increased in 2021 to 1,407 supporters, (2020 - 973). 751 supporters renewed their membership for a further 12-months, a membership renewal rate of 77%.

4 Income from other trading activities - Unrestricted

	2021	2020
	£	£
Book stock donated by CWGC	1,802	1,865
Book stock donated by CWGF Supporter	291	-
Books and printed matter sales	2,176	8,929
Map sales	325	2,788
Other Merchandise sales	2,172	15,899
Coach Reservation Fees - Beaurains Visitor Centre	45	832
School & University Visits - Beaurains Visitor Centre	992	-
	<u>7,803</u>	<u>30,313</u>

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 website. 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 2021 £	Staff/ recharge costs £	Other Direct costs £	Total 2020 £
Fundraising costs	59,922	52,248	112,170	44,443	30,809	75,252
	<u>59,922</u>	<u>52,248</u>	<u>112,170</u>	<u>44,443</u>	<u>30,809</u>	<u>75,252</u>

Fundraising costs were higher in 2021 as the cost of a staff administrator, shared with the Commission in prior years, was fully allocated to the Foundation. Other direct costs were higher in 2021 due to increased

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Financial Statements for the year ended 31 March 2021

5 Expenditure on Raising Funds (continued)

expenditure on both raising funds and increased expenditure on charitable activities. These costs have been allocated based on the income split of 38% relating to unrestricted income and 62% relating to restricted income. In 2020 other costs related to expenditure on charitable activities only.

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 9).

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 impact of COVID during this year, the previous year's provision has been increased by 10%.

6 Expenditure - Charitable Activities

	Un- restricted £	Restricted* £	2021 Total £	Un- restricted £	Restricted £	2020 Total £
Advancing public education on First and Second world wars	16,849	104,801	121,650	27,888	208,043	235,931
Promoting and supporting activities undertaken by CWGC	16,848	-	16,848	27,888	-	27,888
	<u>33,697</u>	<u>104,801</u>	<u>138,498</u>	<u>55,776</u>	<u>208,043</u>	<u>263,819</u>

* Restricted charitable activities costs comprise the costs incurred on: the Noor Khan project of £14.8k, Eyes On Hands On project of £50k (grant to CWGC of £50k) and Speakers Programme of £40k.

Support costs of £16,900 (2020-£22,319) and governance costs of £7,020 (2019 – £4,061) have been apportioned between fundraising costs and charitable activities expenditure based on the income split of 38% relating to unrestricted income and 62% relating to restricted income and allocated to the Foundation's two principal charitable activities and objectives on a 50:50 basis.

7 Other recognised gains/(losses)

	2021 £	2020 £
Exchange gain/(loss) on balance sheet revaluation	(477)	616
Bank interest received	<u>30</u>	<u>-</u>
	<u>(447)</u>	<u>616</u>

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Financial Statements for the year ended 31 March 2021

8 Governance costs

	2021	2020
	£	£
Fees payable to the Foundation's auditor for the audit of the Foundation's financial statements	4,890	4,061
Fees payable for professional fees for branches in Belgium and France	2,130	-
	<u>7,020</u>	<u>4,061</u>

There were no expenses paid to Trustees during the year. Expenses of £96 were paid to one Trustee during the prior year.

9 Stock of Merchandise

	2021	2020
	£	£
Books and guides	4,335	3,786
Maps	150	491
Merchandise - stationery, badges and pins	8,107	9,065
Merchandise - ponchos and lens cloths	1,325	198
	<u>13,917</u>	<u>13,540</u>

10 Debtors: amounts falling due within one year

	Total 2021	Total 2020
	£	£
Prepayments and accrued income	16,743	6,687
Intergroup balance owed by Commonwealth War Graves Commission	65,748	42,116
	<u>82,491</u>	<u>48,803</u>

Accrued income includes a donation cheque of £600 received before the end of the reporting period, but not banked, and funds received of £6.8k via CWGC's PayPal account relating to the Foundation.

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Financial Statements for the year ended 31 March 2021

11 Creditors: amounts falling due within one year

	Total 2021 £	Total 2020 £
Deferred income	1,841	4,615
Trade creditors	12,809	10,253
Trade accruals	12,176	14,025
Other creditors	5,873	5400
Intergroup balance owed to Commonwealth War Graves Commission	44,469	47,288
	<u>77,168</u>	<u>81,581</u>

Deferred income relates to supporter income and coach fees paid in advance and an amount due to CWGC paid into the CWGF bank account.

12 Creditors: amounts falling due after more than one year

	Total 2021 £	Total 2020 £
Intergroup balance owed to Commonwealth War Graves Commission	20,859	34,764
	<u>20,859</u>	<u>34,764</u>

At the year end the Foundation had an unsecured draw down facility of a total principal amount not exceeding £500k from the Commission 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 2021, as the loan including interest of £20.5k was settled on 28 March 2019. The Intergroup balance does not bear interest. Subsequent to the year end the drawdown period and the repayment periods were each extended by a further two years in case further funding be required.

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Financial Statements for the year ended 31 March 2021

13 Retained funds

	2021 £	2020 £
Unrestricted fund	101,763	34,759
Restricted funds	311,721	62,991
	413,484	97,750

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

	Brought forward 01-Apr-20 £	Income £	Expenditure £	Carried forward 31-Mar-21 £
Restricted funds				
Interns	15,000	-	-	15,000
Heritage Lottery	-	-	-	-
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
	Brought forward 01-Apr-19 £	Income £	Expenditure £	Carried forward 31-Mar-20 £
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	60,611	210,423	(208,043)	62,991
Unrestricted funds	33,698	131,473	(130,412)	34,759
Total funds	94,309	341,896	(338,455)	97,750

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

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Financial Statements for the year ended 31 March 2021

13 Retained funds (continued)

Grants awarded to the Foundation for specific projects are treated as restricted in line with the contract. In 2020/21 there was £354k of restricted income in respect of two projects. This comprised: a £335.2k restricted donation and £50k of costs in relation to the funds pledged from Annington Homes to be used in the "Eyes On Hands On" project; a £14.3k of grant income from the Association of Independent Museums/'Noor Khan' project (funded by Biffa) and a £4k grant from CWGC in relation to the 'Noor Khan' project, which incurred overall costs of 14.8k; £50k grant income was received from the Kantor Charitable Foundation in the prior year - £40k of costs in relation to 'The Kantor Speakers' Programme' project have been incurred this year.

Analysis of net assets/(liabilities) between funds

	Unrestricted funds £	Restricted funds £	Total 2021 £
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	82,491
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

	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 Financial Statements for the year ended 31 March 2021

14 Staff Costs

During the period under review the Foundation had 3 employees. Administrative support for the supporter scheme was provided by Commission staff.

	2021	2020
	£	£
Wages and salaries	70,186	47,015
Social security costs	6,677	1,632
Pension – defined contribution scheme	8,744	4,932
Staff recharge costs from CWGC	-	17,431
Staff - donated support services from CWGC	30,703	-
	<u>116,310</u>	<u>71,010</u>

No employees earned over £60,000 during the year (2020: none).

The total remuneration cost of key management personnel was £49,848 (2020: £41,973) 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.

15 Support services and facility costs

Donations in kind 2021

	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>34,271</u>	<u>1,749</u>	<u>1,561</u>	<u>52,867</u>

Donations in kind 2020

	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>

COMMONWEALTH WAR GRAVES FOUNDATION

Notes to the Financial Statements for the year ended 31 March 2021

15 Support services and facility costs (continued)

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 and 100% of staff costs directly attributable to administration of the supporter scheme. 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 direct costs amounting to £8.3k (2020 - £17k).
- £0k (2020 - £0.3k) and £1.8k (2020 - £1.6k) worth of books were donated to the Belgian branch for retailing at the Ieper Information Centre and to the French branch for retailing at the Visitor Centre, respectively.
- The Commonwealth War Graves Foundation owed the Commonwealth War Graves Commission £65.3k (2020 - £82k) at the year-end. The Commonwealth War Grave Commission owed the Commonwealth War Graves Foundation £65.7k (2020 - £42k) 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 £53k (2020 - £22k).
- 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 – the total value of the books sold during the year was £nil (2020 - £382).
- In the year, one Trustee was a standard member with a total value of the donation received of £30. Thirty two memberships were purchased, at a cost of £1,152, as gifts for friends, by a Trustee during the year. In 2020 three Trustees were standard members with a total value of donations received amounting to £90.

17 Post Balance Sheet Events

Subsequent to the year-end the funding facility granted by the Commission to the Foundation was extended by two years both in terms of the drawdown period, which was extended to March 2023, and the repayment period, which was extended to March 2025.

