



CF (2021/2022) EC1-5.1

**Annual report and financial statements
for the year ended 30 June 2021**

	Page
Legal and administrative information	
Status, objectives and mission	1
Membership and governance	2
Bankers and auditors	3
Introduction from the Director-General	4
Financial review	5
Statement of Board of Governors' responsibilities	6
Independent auditors' report	7-9
Statement of income and expenditure	10
Statement of financial position	11
Statement of cash flows	12
Notes to the financial statements	13 - 21

Commonwealth Foundation

Legal and administrative information For the year ended 30 June 2021

International Organisation status

The Commonwealth Foundation (the Foundation) was established by Agreed Memorandum approved by the Commonwealth Heads of Government in London in 1966. It was originally registered as a charity under English law but was reconstituted as an International Organisation on 14 February 1983 under the Headquarters Agreement between the Foundation and the Government of the United Kingdom of Great Britain and Northern Ireland (Cmnd.8675), as ratified by the Commonwealth Foundation Immunities and Privileges Order 1983 (SI 1983 No. 143).

The objective of the Foundation is to strengthen and mobilise civil society in support of Commonwealth principles and priorities.

Within this broad framework, the Foundation:

1. assists civil society organisations, including Commonwealth professional bodies and networks at the national, regional and Commonwealth level;
2. supports exchange between civil society organisations, including Commonwealth professional bodies and networks;
3. stimulates the flow of information between civil society organisations including Commonwealth professional bodies and networks and governments through Commonwealth processes; and
4. stimulates and supports any other activities which fall within the Foundation's strategic plan as approved by the Board of Governors.

The Foundation is governed in accordance with its Memorandum of Understanding.

Mission

To develop the capacity of Civil Society to act together and learn from each other to engage with the institutions that shape people's lives.

Address

Marlborough House
Pall Mall
London
SW1Y 5HY

Tel: +44 (0)20 7930 3783

Chair

Ambassador Shree Baboo Chekitan Servansing
End of Term in Office: 31 December 2020

Dato' Sudha Devi K R Vasudevan
Start of Term in Office: 1 January 2021

Director-General

Dr Anne T Gallagher AO (BA, LLB, M.Intl.L, PHD)

Deputy Director-General

Mr Shem Ochola

Commonwealth Foundation

Legal and administrative information (continued) For the year ended 30 June 2021

Membership and governance

All 54 Commonwealth countries are eligible to become Members of the Commonwealth Foundation. Total membership as at November 2021 is 48 countries.

Associated states or overseas territories may apply for associate member status. Gibraltar is currently an Associate Member.

The Commonwealth Foundation is governed by a Chair and a Board of Governors. Each Member State is represented on the Board by a Governor. In addition, five Governors are selected to represent Civil Society. The Associate Member is represented on the Board by an observer.

Member States

Antigua & Barbuda	Malta
Australia	Mauritius
Bahamas	Mozambique
Bangladesh	Namibia
Barbados	New Zealand
Belize	Nigeria
Botswana	Pakistan
Brunei Darussalam	Papua New Guinea
Cameroon	Rwanda
Canada	Seychelles
Cyprus	Sierra Leone
Dominica	Solomon Islands
Ghana	South Africa
Grenada	Sri Lanka
Guyana	St Kitts and Nevis (joined June 2021)
India	St Lucia
Jamaica	St Vincent & the Grenadines
Kenya	Tonga
Kingdom of eSwatini (formerly Swaziland)	Trinidad & Tobago
Kiribati	Uganda
Lesotho	United Kingdom
Malawi	United Republic of Tanzania
Malaysia	Vanuatu (joined January 2018)
Maldives (rejoined April 2021)	Zambia

Associate Member

Gibraltar

Commonwealth Member States that are not part of the Foundation

Fiji Islands	Singapore (withdrew Feb 2012)
Nauru	The Gambia (withdrew Oct 2013)
Samoa (withdrew May 2011)	Tuvalu

Commonwealth Foundation

Legal and administrative information (continued) For the year ended 30 June 2021

Bankers

Lloyds Bank Plc
Pall Mall, St James's Branch
39 Piccadilly
London
W1J 0AA

Barclays Bank Plc
P O Box 9359
Leicester
OE87 2BB

Auditors

Saffery Champness LLP
71 Queen Victoria Street
London
EC4V 4BE

**Introduction from the Director-General
For the year ended 30 June 2021**

I am pleased to provide this brief introduction to the 2020/2021 Annual Financial Statements of the Commonwealth Foundation. My thanks to our stellar Finance Team for its usual diligent work under conditions that continue to be challenging. I also express thanks to our auditors, whose continuing guidance has been especially valuable and deeply appreciated.

This is the second year that the Foundation's audit has been conducted remotely. After overcoming some logistical and administrative hurdles last year, we found ourselves well-positioned to capitalise on several advantages that remote financial administration offers - including the opportunity to share documents within our team and with our auditors almost instantaneously. Our financial management and record systems are now completely online: a move that has created real efficiencies in this area of our work. In accordance with the Foundation's commitment to learning we will continue to interrogate our performance - using our own insights, as well as feedback from others, to improve.

The Financial Statements show that our current position is strong, with cash and cash equivalents at year-end revealing a healthy balance of £2,645,172. In relation to income, the Financial Year 2020-2021 was remarkable for the Foundation receiving a substantial extrabudgetary contribution from the Government of Canada to supplement our Covid-19 Special Grants Call. In designing the three new Grants Streams created under the Strategic Plan 2021-2026, we are looking to offer Member States a robust framework within which extrabudgetary resources could amplify the reach and impact of our work.

The issue of arrears in assessed contributions presents ongoing challenges. We are conscious that the pandemic has made it even more difficult for some of our valued Member States to continue with the regular payment of their annual assessed contributions and to discharge debts owing for previous years. As Director-General I am worried that this group (whose civil society organisations are thereby excluded from some of our programmes) is largely comprised of small and vulnerable Commonwealth States that would benefit enormously from full engagement with the Foundation.

In recognition of the reality that full repayment of longstanding arrears is unlikely, we are continuing our practice commenced last year, whereby amounts due from Member States that are more than two or more years overdue, as well as any debts owed by former members of the Foundation are recorded as bad debts and thereby not part of our reserves. I believe this approach is essential in ensuring that our true financial position is communicated to Governors as clearly as possible.

Moving ahead, I plan to engage closely with all Governors on how the issue of long-term arrears can be successfully addressed, with a view to ensuring that the Foundation's commitment to supporting civil society across the Commonwealth – and most especially within its small and vulnerable Member States - can be realised.

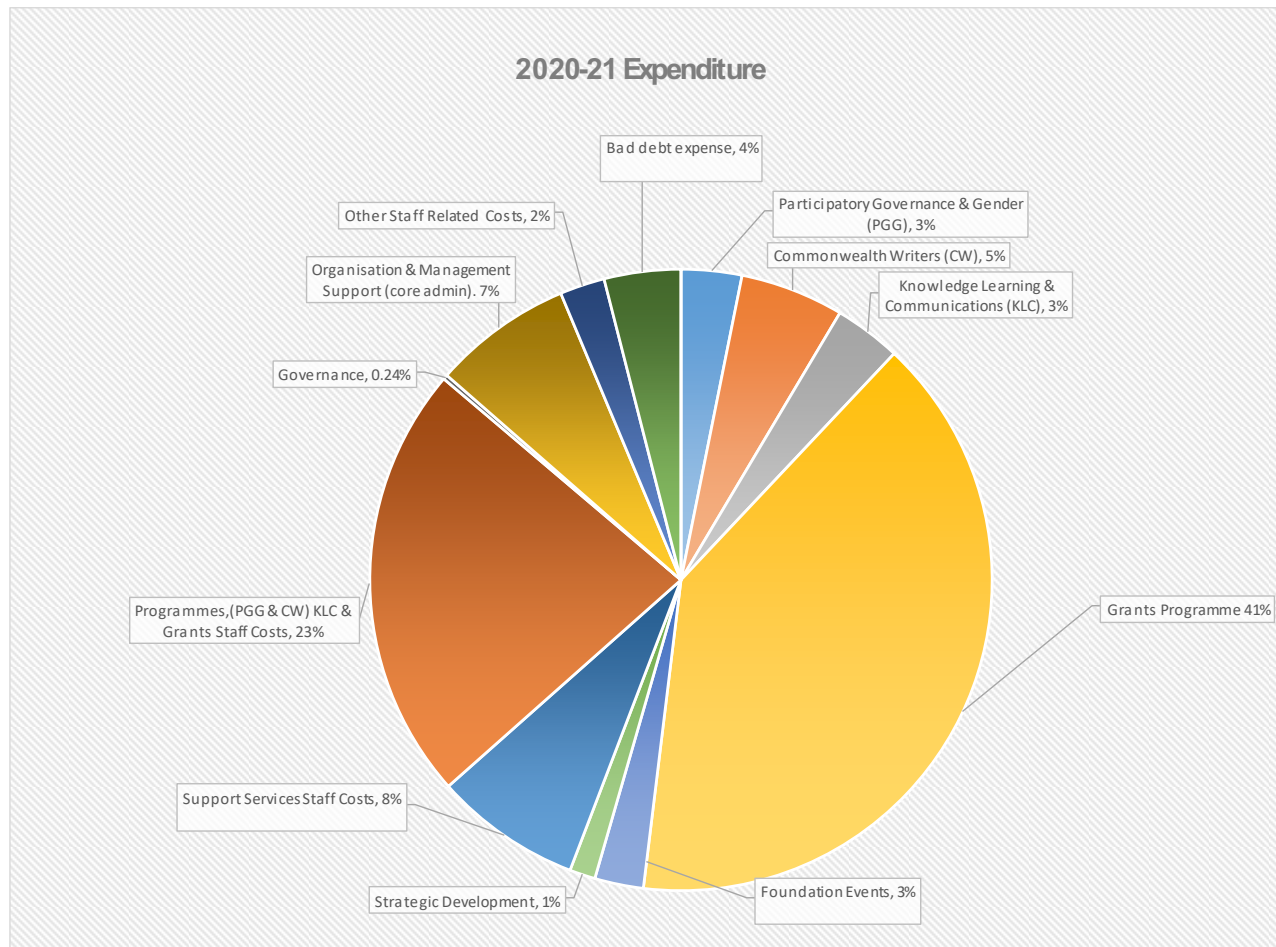
Commonwealth Foundation

Financial review

For the year ended 30 June 2021

For the year ended 30 June 2021, the Foundation recognised income of £3,601,781 (2020: £3,310,764) and expenditure of £3,636,736 (2020: £3,575,275). Reserves decreased by £34,955 (2020: £264,511) resulting in reserves carried forward at 30 June 2021 of £1,302,512 (2020: £1,337,467).

A summary of the Foundation's expenditure for the year is provided below:



**Statement of Board of Governors' responsibilities
For the year ended 30 June 2021**

The Board of Governors is entrusted by Member States with responsibility for and oversight of the Foundation's policies, programmes, priorities and approval of the annual budget and for ensuring that these are in accordance with the strategic plan of the Foundation.

The Memorandum of Understanding requires the Board of Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Commonwealth Foundation and of its result for that period.

In preparing those financial statements, the Board of Governors is required to:

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

The Board of Governors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Commonwealth Foundation. The Board of Governors is also responsible for safeguarding the assets of the Commonwealth Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

To assist the Board in the execution of these duties, the Memorandum of Understanding provides for the appointment of a Director-General. The Foundation is represented by the Director-General and as such the Director-General authorises the financial statements and associated reports on behalf of the Board of Governors and the Commonwealth Foundation.

The Board of Governors is responsible for the maintenance and integrity of the Foundation and financial information included on the Foundation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved and signed on behalf of the Board of Governors on 17 November 2021 by:



Dr Anne T Gallagher AO
Director-General

**Independent auditors' report to the Board of Governors
For the year ended 30 June 2021**

Opinion

We have audited the financial statements of the Commonwealth Foundation for the year ended 30 June 2021 which comprise the Statement of income and expenditure, the Statement of financial position, Statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Foundation's affairs as at 30 June 2021 and its result for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Board of Governors is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit

**Independent auditors' report to the Board of Governors
For the year ended 30 June 2021**

or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Board of Governors

As explained more fully in the Statement of Board of Governors' Responsibilities set out on pages 6, the Board of Governors is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Governors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Governors is responsible for assessing the Foundation'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 Board of Governors either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the Foundation's financial statements to material misstatement and how fraud might occur, including through discussions with informed management, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the Foundation by discussions with management and updating our understanding of the sector in which the Foundation operates.

Laws and regulations of direct significance in the context of the Foundation include the Commonwealth Foundation Immunities and Privileges Order 1983 (SI 1983 No. 143) under which the Foundation is constituted, and UK Tax legislation.

**Independent auditors' report to the Board of Governors
For the year ended 30 June 2021**

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the Foundation's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the Foundation's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available 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 Board of Governors, as a body, in accordance with the engagement letter dated 23 July 2021. Our audit work has been undertaken so that we might state to the Board of Governors 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 Foundation and Board of Governors as a body, for our audit work, for this report, or for the opinions we have formed.



Saffery Champness LLP
Chartered Accountants

71 Queen Victoria Street
London
EC4V 4BE

Date: 18 November 2021.

Commonwealth Foundation

Statement of income and expenditure For the year ended 30 June 2021

		2021				2020
		General funds £	Designated funds £	Restricted Funds £	Total £	Total £
	Notes					
Income from						
Assessed contributions	5	3,283,087	-	-	3,283,087	3,279,127
Grants and voluntary donations	5	-	-	315,862	315,862	16,000
Other income	5	2,832	-	-	2,832	15,637
Total income		3,285,919	-	315,862	3,601,781	3,310,764
Expenditure on						
Programmes						
- Direct programme costs	6	375,327	53,544	8,000	436,871	579,472
- Grants programme	7	1,095,955	355,785	-	1,451,740	926,397
- Foundation events	8	-	92,209	-	92,209	102,187
- Staff and related costs	9	824,825	2,985	-	827,810	843,333
		2,296,107	504,523	8,000	2,808,630	2,451,389
Support services						
- Strategic development		8,678	39,924	-	48,602	13,844
- Governance		8,712	-	-	8,712	12,164
- Organisation and management support costs		263,500	-	-	263,500	223,804
- Senior management recruitment		-	-	-	-	66,263
- Staff and related costs	9	362,633	-	-	362,633	249,810
		643,523	39,924	-	683,447	565,885
Bad debt expense	5	144,659	-	-	144,659	558,001
Total expenditure	10	3,084,289	544,447	8,000	3,636,736	3,575,275
Net income/ (expenditure) for the financial year		201,630	(544,447)	307,862	(34,955)	(264,511)
Transfers between funds	10	(2,011)	2,011	-	--	-
Reserves brought forward		493,675	835,792	8,000	1,337,467	1,601,978
Reserves carried forward		693,294	293,356	315,862	1,302,512	1,337,467

Commonwealth Foundation

Statement of financial position
As at 30 June 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Tangible fixed assets	11		4,383		6,620
Current assets					
Debtors	12	383,096		415,062	
Cash at bank and in hand		2,645,172		2,435,044	
		<u>3,028,268</u>		<u>2,850,106</u>	
Current liabilities					
Creditors: Amounts falling due within one year	13	(1,730,139)		(1,519,259)	
Net current assets			1,298,129		1,330,847
Net assets			<u>1,302,512</u>		<u>1,337,467</u>
Reserves					
General fund			693,294		493,675
Designated fund			293,356		835,792
Restricted funds			<u>315,862</u>		<u>8,000</u>
Total reserves	10		<u>1,302,512</u>		<u>1,337,467</u>

These financial statements have been prepared in accordance with the provisions applicable to entities subject to the small entities' regime.

The accounts were approved on 17 November 2021 and signed on behalf of the Board of Governors by:



Dr Anne T Gallagher AO
Director-General

Commonwealth Foundation

Statement of cash flows
For the year ended 30 June 2021

	Notes	2021 £	2020 £
Cash flows from operating activities (See below)		207,296	169,200
Cash flows from investing activities			
Purchase of PPE		-	(7,949)
Interest income		2,832	15,637
Net cash provided by investing activities		2,832	7,688
Cash flows from financing activities			
Cash inflows from overdraft		-	24,063
Net cash provided by financing activities		-	24,063
Change in cash and cash equivalents in the year		210,128	200,951
Cash and cash equivalents at the beginning of the year		2,435,044	2,234,093
Cash and cash equivalents at the end of the year		2,645,172	2,435,044
Reconciliation of net income to cash flows from operating activities			
Net (expenditure) for the year		(34,955)	(264,511)
Depreciation charges		2,237	5,284
Decrease/(Increase) in debtors		31,966	511,680
Decrease/(increase) in creditors		210,880	(43,553)
(Increase) in overdraft		-	(24,063)
Interest in income		(2,832)	(15,637)
Net cash used in operating activities		207,296	169,200

1. Statutory information

The Commonwealth Foundation is an International Organisation. The registered office is Marlborough House, Pall Mall, London, SW1Y 5HY, United Kingdom.

2. Compliance with accounting standards

The accounts have been prepared in accordance with the provisions of Financial Reporting Standard 102 (FRS 102) for small entities (FRS 102 Section 1A). There were no material departures from that standard.

3. Accounting policies

The financial statements are presented in the currency of the United Kingdom. Monetary amounts in these financial statements have been rounded to the nearest whole £.

The Commonwealth Foundation constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared on a going concern basis.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the organisation's financial statements.

3.1 Income

All incoming resources are included in the statement of income and expenditure when the Foundation is entitled to the income and the amounts can be quantified with reasonable accuracy. Assessed contributions are recognised in the year to which the contribution relates. Interest is recognised when earned. Grants received by the Foundation are recognised over the periods to which they relate.

3.2 Expenditure

All expenditure is accounted for on an accruals basis. Expenditure is allocated to the different headings on the statement of income and expenditure on a basis that is consistent with the use of the resources.

3.3 Fixed assets

Fixed assets greater than £500 are capitalised at cost, which includes the purchase price and directly attributable costs to bring the asset into functional use.

Depreciation is charged so as to write off the cost less the estimated residual value of assets by equal instalments over their estimated useful lives as follows:

Fixtures and fittings	20% per annum
Equipment	33% per annum

3.4 Debtors

Debtors are stated at net realisable value. A provision for loss is established based on a review of outstanding amounts at the reporting date.

Provision is normally made against amounts due from Member States that are more than two years overdue, as well as any debts owed by former members of the Foundation.

Notes to the financial statements (continued)
For the year ended 30 June 2021

3.5 Financial instruments

Financial instruments primarily include financial assets and liabilities such as cash and cash equivalents, receivables and payables. The Commonwealth Foundation has not entered into any derivative financial instrument transactions at the reporting date. Interest relating to financial instruments is reported in the statement of income and expenditure.

Financial assets and liabilities are recorded at fair value as at the reporting date.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled.

Financial liabilities are derecognised when the Foundation's contractual obligations expire or are discharged or cancelled.

3.6 Cash and cash equivalents

The Commonwealth Foundation considers cash in hand, amounts due from banks and short-term deposits with banks to be cash and cash equivalents.

3.7 Provisions

Provisions are recognised when the Commonwealth Foundation has a legal or constructive obligation as a result of past transactions, when it is probable that an outflow of resources will be required to settle that obligation, and when an estimate of the amount of the obligation can be made.

3.8 Foreign currency transactions

All assessed contributions are payable in sterling. Voluntary contributions are accepted in currencies other than sterling. Foreign currency transactions are accounted for at the exchange rates prevailing on the date of the transactions. Both realised and unrealised gains and losses resulting from the settlement of such transactions and from the revaluation at reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income and expenditure.

3.9 Reserves

General funds are spent or applied at the discretion of the Commonwealth Foundation to further any of its purposes. It is one aim of the Commonwealth Foundation to hold the equivalent of six months' operating expenditure in cash in General Fund reserves to provide working capital. This figure is calculated as one half of the previous year's assessed contributions.

Designated funds represent amounts set aside by the Board of Governors to meet specific activities of the organisation. Details of activities funded by designated funds are disclosed in Note 10.

Restricted funds represent amounts received by the Commonwealth Foundation that are earmarked for specific usage by the funder.

3.10 Taxes

The Commonwealth Foundation is exempt from direct and indirect tax under its agreement with the UK Government. VAT incurred on the supply of goods and services is recoverable from the UK government.

Notes to the financial statements (continued)
For the year ended 30 June 2021

3.11. Gratuity scheme

The Foundation contributes fifteen per cent of gross salary on a monthly basis for members of staff in lieu of pension contributions. The funds are invested and administered by the Commonwealth Secretariat Staff Gratuity Fund. The Fund's underlying assets are represented by cash and fixed term deposits. Payments of accumulated gratuity plus interest are made to staff at the end of their contract or on leaving the Foundation. Contributions to the fund are recognised as staff costs in the statement of income and expenditure.

4. Critical estimates and judgements

Judgements and estimations are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In making these estimates the Foundation makes assumptions concerning the future. The judgements and estimations that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Provision against contributions receivable

At the end of each financial year the Foundation assesses the recoverability of outstanding contributions due from Member States and makes a provision against certain outstanding contributions. The Foundation has provided against amounts due from Member States that are more than two or more years overdue as well as any debts owed by former members of the Foundation.

Unquantifiable pension commitments

No provision is made for pension contributions payable by the Commonwealth Foundation to two former employees. An annual charge is made for the amounts payable each year; the pension commitment is not considered to be quantifiable due to the age of the pensioners.

Commonwealth Foundation

Notes to the financial statements (continued) For the year ended 30 June 2021

5. Income

5.1 Assessed contributions

	General funds £	Restricted funds £	2021 £	2020 £
Assessed contributions	3,283,087	-	3,283,087	3,279,127

The Foundation is financed by assessed contributions from 48 of the 54 member countries that make up the Commonwealth.

	General funds £	Restricted funds £	2021 £	2020 £
Movement in provision for contributions arrears	144,659	-	144,659	558,001

A provision has been made against amounts due from Member States over two or more years. Member States contributions for the year after provision were £3,138,428 (2020: £2,721,126).

5.2 Project grants and voluntary income

	General funds £	Restricted funds £	2021 £	2020 £
KfW Stiftung	-	-	-	16,000
Extra-Budgetary Resources (EBR) Canada	-	315,862	315,862	-
	-	315,862	315,862	16,000

5.3 Other income

	General funds £	Restricted funds £	2021 £	2020 £
Bank interest	2,832	-	2,832	15,637
	2,832	-	2,832	15,637

Commonwealth Foundation

Notes to the financial statements (continued)
For the year ended 30 June 2021

6.	Direct programme costs	General funds £	Designated funds £	Restricted funds £	2021 £	2020 £
	Participatory Governance and Gender (PGG)	96,302	18,278	-	114,580	266,488
	Commonwealth Writers (CW)	152,598	35,266	8,000	195,864	168,275
	Knowledge Learning and Communications (KLC)	126,427	-	-	126,427	144,709
		<u>375,327</u>	<u>53,544</u>	<u>8,000</u>	<u>436,871</u>	<u>579,472</u>
7.	Grants programme	General funds £	Designated funds £	2021 £	2020 £	
	Grants payable and awards					
	Participatory governance grants	919,720	46,228	965,948	897,651	
	Covid-19 Special Grants	128,749	309,557	438,306	28,746	
	Grants management and database	47,486	-	47,486	-	
		<u>1,095,955</u>	<u>355,785</u>	<u>1,451,740</u>	<u>926,397</u>	
8.	Foundation events	General funds £	Designated funds £	2021 £	2020 £	
	Commonwealth Peoples' Forum	-	95,194*	95,194*	102,187	
	*made up of £92,209 expenses and £2,985 staff costs					
		<u>-</u>	<u>95,194</u>	<u>95,194</u>	<u>102,187</u>	

Notes to the financial statements (continued)
For the year ended 30 June 2021

9. Staff and related costs

	General funds £	Designated funds £	2021 £	2020 £
The main components of staff costs are:				
Salaries	872,925	2,985	875,910	827,155
Social security	98,122	-	98,122	97,301
Gratuity scheme costs	131,498	-	131,498	128,520
Other staff related costs	84,913	-	84,913	68,839
	<u>1,187,458</u>	<u>2,985</u>	<u>1,190,443</u>	<u>1,121,815</u>

Of which:

Programmes	824,825	2,985	827,810	843,333
Support services (incl other staff related costs)	362,633	-	362,633	249,810
Senior management recruitment related	-	-	-	28,672
	<u>1,187,458</u>	<u>2,985</u>	<u>1,190,443</u>	<u>1,121,815</u>

Average staff numbers in the year

	2021	2020
Senior management	2	2
Programmes and grants	14	13
Support services	5	5
	<u>21</u>	<u>20</u>

The Foundation considers its key management personnel to be the Director-General and the Deputy Director-General. The total employment benefits including contributions to the gratuity fund of key management personnel in the year ended 30 June 2021 were £259,196 (2020: £261,071).

Commonwealth Foundation

Notes to the financial statements (continued) For the year ended 30 June 2021

10. Reserves	Balance 1 July 2020 £	Incoming resources £	Outgoing resources £	Transfers £	Balance 30 June 2021 £
General funds					
General Fund	493,675	3,285,919	(3,084,289)	(2,011)	693,294
Restricted funds					
KfW Stiftung	8,000	-	(8,000)	-	-
Extra-Budgetary Resources (EBR) Canada (viii)	-	315,862	-	-	315,862
Designated funds					
Special Grants Funds (i)	100,000	-	(46,228)	-	53,772
Covid-19 Special Grants Call(ii-a) and Grants Programme(ii-b)	334,169 57,818	- -	(309,557) -	- (57,818)	24,612 -
Commonwealth People's Forum Fund (iii)	250,000	-	(95,194)	-	154,806
Strategic Development activities carried forward (iv)	39,924	-	(39,924)	-	-
Governance activities carried forward	(7)	-	-	-	(7)
Programmes (PGG & CW project activities) carried forward (vi)	53,888	-	(53,544)	48,879	49,223
Knowledge Learning & Communications (vii)	-	-	-	10,950	10,950
	835,792	-	(544,447)	2,011	293,356
Total funds	1,337,467	3,601,781	(3,636,736)	-	1,302,512

The designated reserves are for the following purposes:

- (i) The Special Grants Fund was used to make one-off grants to Commonwealth countries in exceptional circumstances, for example, grants to alleviate difficulties arising from natural disasters.
- (ii-a) The Covid-19 Special Grants Call Fund represents money set aside to support Commonwealth civil society organisations in response to Covid-19 pandemic.
- (ii-b) The Grants Programme Fund reflects the unspent balance of the previous budget for grants carried forward to fund expenditure on grant making and outreach and monitoring & evaluation activities.
- (iii) The Commonwealth People's Forum (CPF) Fund represents money set aside to support the Foundation's biennial event. The CPF which was originally scheduled to take place in Rwanda in June 2020 has been postponed in light of the Covid19 pandemic to a date to be notified. In 2020/2021, the CPF was delivered as a hybrid event at lower costs.
- (iv) This reflects the unspent balance of the 2019/20 Partnerships & Strategic Development budget, which had been carried forward to meet costs taking place in 2020/2021 that were included in the original budget for 2019/2020 especially for the external review and development of the new Strategic Plan 2021-2026.
- (vi) This reflects reserves set aside to meet the costs of specific projects taking place in 2021/2022 that were included in the original budget for 2020/2021 for Participatory Governance & Gender and Commonwealth Writers programmes. These projects were delayed due to the Covid-19 pandemic.
- (vii) This reflects the unspent balance of the 2020/2021 Knowledge Learning & Communications budget, which had been carried forward to meet costs taking place in 2021/2022 that were included in the original budget.
- (viii) Extra-Budgetary Resources (EBR) Canada represents funds (equivalent CAD\$550,000) received from the Government of Canada to enhance the Foundation's Special Grants Call in response to the Covid-19 pandemic.

Notes to the financial statements (continued)
For the year ended 30 June 2021

11.	Fixed assets			
		Fixtures and fittings	Equipment	Total
		£	£	£
	Cost			
	Balance at 1 July 2020	17,536	14,111	31,647
	Additions in year	-	-	-
	Balance at 30 June 2021	17,536	14,111	31,647
	Depreciation			
	Balance at 1 July 2020	12,483	12,544	25,027
	Depreciation charge for the year	1,336	901	2,237
	Balance at 30 June 2021	13,819	13,445	27,264
	Net book value			
	At 30 June 2021	3,717	666	4,383
	At 30 June 2020	5,053	1,567	6,620
12.	Debtors			
		2021	2020	
		£	£	
	Assessed contributions	1,511,598	1,431,790	
	Provision for contribution arrears (see below)	(1,242,749)	(1,098,091)	
	VAT and other recoverable taxes	94,226	54,355	
	Other debtors	-	956	
	Accrued income, prepayments and deposits	20,021	26,052	
		383,096	415,062	
		2021	2020	
		£	£	
	Provision for contribution arrears			
	Provision for contribution arrears at 1 July	1,098,091	540,090	
	Provided against in the year	199,615	573,001	
	Cash received against provision made	(54,957)	(15,000)	
	Provision for contribution arrears at 30 June	1,242,749	1,098,091	
13.	Creditors: amounts falling due within one year			
		2021	2020	
		£	£	
	Grants payable	1,291,838	1,122,948	
	Other accounts payable	100,087	109,793	
	Accrued charges	253,946	201,706	
	Deferred income	84,268	84,812	
		1,730,139	1,519,259	

Notes to the financial statements (continued)
For the year ended 30 June 2021

Further to the amounts committed and included above, the Commonwealth Foundation has also approved grants subject to the recipient satisfying specified conditions. The total amount approved but not included as grants payable at 30 June 2021 was £669,225 (2020: £1,603,336) and Extra-Budgetary Resources Canada Covid-19 Grants of £243,400.

14. Unquantifiable pension commitments

No provision has been made for the unquantifiable commitment for pension contributions payable by the Commonwealth Foundation to two former employees. These pension contributions are instead accounted for as an annual charge. The amount paid in 2021 was £3,151 (2020: £3,093).