



**Annual report and financial statements  
for the year ended 30 June 2024**

	<b>Page</b>
<b>Annual report</b>	
Legal and administrative information	
Status, objectives and mission	1
Membership and governance	2
Bankers and auditors	3
Introduction from the Director-General	4-5
Financial review	6
Statement of Board of Governors' responsibilities	7
<b>Independent auditors' report</b>	8-10
<b>Financial statements</b>	
Statement of income and expenditure	11
Statement of financial position	12
Statement of cash flows	13
Notes to the financial statements	14 - 28

---

# Commonwealth Foundation

## Legal and administrative information For the year ended 30 June 2024

---

### 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.

### Vision and Mission

The Foundation's vision is of a Commonwealth of equal, just and inclusive societies. Its mission is to contribute to that vision by:

1. supporting the active and constructive participation of Commonwealth citizens in all aspects of their governance
2. nurturing the growth of vibrant and free civil societies in all Commonwealth countries
3. advancing the principles and ideals of the Commonwealth

### Address

Marlborough House  
Pall Mall  
London  
SW1Y 5HY

Tel: +44 (0)20 7930 3783

### Chair

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 OGW

## Commonwealth Foundation

### Legal and administrative information (continued) For the year ended 30 June 2024

---

#### Membership and governance

All 56 Commonwealth countries are eligible to become Members of the Commonwealth Foundation. Total membership as at June 2024 is 51 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	Samoa (rejoined July 2023)
Cyprus	Seychelles
Dominica	Sierra Leone
Gabon	Solomon Islands
The Gambia (rejoined May 2024)	South Africa
Ghana	Sri Lanka
Grenada	St Kitts and Nevis
Guyana	St Lucia
India	St Vincent & the Grenadines
Jamaica	Tonga
Kenya	Trinidad & Tobago
Kingdom of eSwatini (formerly Swaziland)	Uganda
Kiribati	United Kingdom
Lesotho	United Republic of Tanzania
Malawi	Vanuatu
Malaysia	Zambia
Maldives	

#### Associate Member

Gibraltar

#### Commonwealth Member States that are not part of the Commonwealth Foundation

Fiji Islands	
Nauru	Togo
Singapore	Tuvalu

## **Commonwealth Foundation**

### **Legal and administrative information (continued)** **For the year ended 30 June 2024**

---

#### **Bankers**

Lloyds Bank Plc  
Villiers House  
48-49 Strand  
London  
WC2N 5LL

Barclays Bank Plc  
P O Box 9359  
Leicester  
OE87 2BB

#### **Independent auditors**

Saffery LLP  
71 Queen Victoria Street  
London  
EC4V 4BE

## **Commonwealth Foundation**

### **Introduction from the Director-General For the year ended 30 June 2024**

---

I am delighted to introduce the 2023–2024 Annual Financial Statements of the Commonwealth Foundation. The Foundation's reputation for careful and transparent use of public funds owes much to the diligent work of our small and dynamic Finance Team. My thanks to the team for supporting the Foundation through another busy and exciting year. I am also grateful to our auditors for their continued guidance.

The Financial Statements confirm that the Foundation's current position remains strong, with cash and cash equivalents at year-end revealing a healthy balance of £3,132,717. We have unexpectedly finished the 2023–2024 year with a surplus of just under £500,000. Half of the surplus is the result of our efforts to recover arrears and bring in new members: our contributions income is almost a quarter of a million pounds higher than we had budgeted. We also received the benefit of higher interest rates. During the year there were some savings in our grants, due to several cancellations and partner underspends; of that amount, £116,499 has been transferred to a designated fund to reinvest in the grants programme in the current year. Our costs for the People's Forum preparations during the period were lower than anticipated and those savings are being carried over to be used for the People's Forum in 2024–2025. There were also savings on staff costs due to vacancies and restructuring.

The surplus has enabled us to bring our total reserves up to £1,794,231 and our general reserves to £1,525,556. I am delighted with this result. We have now accomplished a goal I set exactly five years ago: to halt the steady erosion of our arrears and to build reserves up to a level that equates to six months operating expenses. Healthy reserves are a major plank of our risk management strategy and governors are urged to ensure the Foundation sustains the hard-won success we are now enjoying.

Over the past year, the Foundation has continued its strong trajectory of substantial learning and growth. Again, we managed to deliver a record number of grants to a record number of civil society organisations across the Commonwealth within our modest budget. We actively sought to strengthen our role as advocate and champion of Commonwealth values and aspirations. Our commitment to supporting civil society in small and vulnerable Commonwealth countries has been realised across all programmes and the Foundation's work is finding widespread appreciation in these important partner countries. We have taken an entirely new approach to preparing for the People's Forum, cultivating a broad community to ensure that the footprint of the 2024 Forum is much bigger than our budget for this activity might indicate.

This report finds the Foundation past the mid-point in our 2021–2026 strategic plan, approved by governors in June 2021. The refinements agreed by governors in June 2023 have been taken forward and proved their worth. We are well on track to finish strongly: greatly exceeding expectations in several key areas.

The Foundation takes very seriously its obligation to carefully and responsibly use the funds made available by Member States. We continue to improve our approach to monitoring and evaluation: combining a robust results-based management system with innovations that seek to give us the information needed to articulate the change that is happening because of our work. We are especially proud to already be able to demonstrate real results under the 2021–2026 strategic plan and in the coming year will be generating the data and insights that will enable us to provide, in June 2025, an interim report on the impact of our work.

---

## **Commonwealth Foundation**

### **Introduction from the Director-General For the year ended 30 June 2024**

---

As an intergovernmental organisation the Foundation's financial health—and capacity to deliver on its strategic plan—is contingent on members' full and regular payment of their assessed contributions. Over the past several years I have communicated to governors a consistent message of concern around the issue of arrears in assessed contributions. I am most grateful to the Foundation's Board of Governors for agreeing, in June 2022, to my proposal for an 'arrears recovery and re-set initiative'. Under this initiative, the debts of members in serious arrears are considered fully discharged upon payment of the past two years of contributions and a commitment to full and timely payment of future contributions. My thanks to governors for their continued demonstration of solidarity and support.

The Foundation's Member States are ultimately responsible for ensuring the long-term financial stability and sustainability of their organisation. I am delighted with the success of the arrears recovery efforts; however, we cannot afford to be complacent. I look forward to continuing my close engagement with governors on this issue, while upholding our commitment to Member States that the Foundation will maintain its strong and consistent record of prudence, transparency, and delivering exceptional value for money.

Looking ahead, we are focusing increased attention on streamlining and simplifying the administration of the Foundation's finances. While our budget is a modest one, the work we do is complex and wide-ranging, requiring a full suite of financial services and expertise. During the term of this Directorate, the Foundation has proactively taken advantage of changes in our operating environment to introduce improved systems and processes: freeing up our scarce and precious human capacity to enable time and space for the strategic and long-range thinking that is as important in this area of our work as it is across our programmes. There is still some work to be done but over the past year we have successfully implemented a strong succession plan for long-term staffing of our finance team, and we have continued to make progress in streamlining our management, payment and record systems.



Dr Anne T. Gallagher AO  
Director-General

## **Commonwealth Foundation**

### **Financial review**

#### **For the year ended 30 June 2024**

---

For the year ended 30 June 2024, the Foundation recognised income of £3,621,969 (2023: £3,473,114) and expenditure of £3,122,412 (2023: £3,554,312). Reserves increased by £499,557 (2023: decreased by £81,198) resulting in reserves carried forward as at 30 June 2024 of £1,794,231 (2023: £1,294,674).



## **Commonwealth Foundation**

### **Statement of Board of Governors' responsibilities For the year ended 30 June 2024**

---

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 13 November 2024 by:



Dr Anne T. Gallagher AO  
Director-General

**Independent auditors' report to the Board of Governors  
For the year ended 30 June 2024**

---

**Opinion**

We have audited the financial statements of the Commonwealth Foundation for the year ended 30 June 2024 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 2024 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 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

**Independent auditors' report to the Board of Governors  
For the year ended 30 June 2024**

---

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 page 7, 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.

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

## **Commonwealth Foundation**

### **Independent auditors' report to the Board of Governors For the year ended 30 June 2024**

---

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](http://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 LLP  
71 Queen Victoria Street  
London EC4V 4BE

Date: 13 November 2024

# Commonwealth Foundation

## Statement of income and expenditure For the year ended 30 June 2024

		2024				2023 (restated - see note 9)
		General funds £	Designated funds £	Restricted Funds £	Total £	Total £
	Notes					
<b>Income from</b>						
Assessed contributions	5	3,548,593	-	-	3,548,593	3,433,221
Grants and voluntary donations	5	-	-	-	-	8,437
Other income	5	73,376	-	-	73,376	31,456
<b>Total income</b>		<b>3,621,969</b>	<b>-</b>	<b>-</b>	<b>3,621,969</b>	<b>3,473,114</b>
<b>Expenditure on</b>						
Programmes						
- Direct programme costs	6	408,882	27,027	-	435,909	571,186
- Programme grants payable	7	897,114	66,835	-	963,949	1,012,871
- Foundation events	8	-	52,748	-	52,748	11,292
- External engagement		16,305	-	-	16,305	-
- Staff and related costs	9	723,314	-	-	723,314	637,682
		2,045,615	146,610	-	2,192,225	2,233,031
Directorate						
- Governance	10	41,187	-	-	41,187	62,200
- Organisation core admin and operating costs		299,438	-	-	299,438	277,734
- Staff and related costs	9	637,094	-	-	637,094	519,506
		977,719	-	-	977,719	859,440
Bad debt (credit)/ charge	5, 11	(47,532)	-	-	(47,532)	461,841
<b>Total expenditure</b>		<b>2,975,802</b>	<b>146,610</b>	<b>-</b>	<b>3,122,412</b>	<b>3,554,312</b>
<b>Net income/ (expenditure) for the financial year</b>		<b>646,167</b>	<b>(146,610)</b>	<b>-</b>	<b>499,557</b>	<b>(81,198)</b>
Transfers between funds	12	(240,275)	240,275	-	-	-
Net movement in funds		405,892	93,665		499,557	(81,198)
<b>Reserves brought forward</b>		<b>1,119,664</b>	<b>175,010</b>	<b>-</b>	<b>1,294,674</b>	<b>1,375,872</b>
<b>Reserves carried forward</b>	<b>12</b>	<b>1,525,556</b>	<b>268,675</b>	<b>-</b>	<b>1,794,231</b>	<b>1,294,674</b>

# Commonwealth Foundation

## Statement of financial position As at 30 June 2024

		2024		2023	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	13		2,858		14,343
<b>Current assets</b>					
Debtors	14	371,417		301,328	
Cash at bank and in hand		<u>3,132,717</u>		<u>2,737,545</u>	
		3,504,134		3,038,873	
<b>Current liabilities</b>					
Creditors: Amounts falling due within one year	15	<u>(1,712,761)</u>		<u>(1,758,542)</u>	
<b>Net current assets</b>			<u>1,791,373</u>		<u>1,280,331</u>
<b>Net assets</b>			<u>1,794,231</u>		<u>1,294,674</u>
<b>Reserves</b>					
General fund			1,525,556		1,119,664
Designated fund			268,675		175,010
Restricted funds			<u>-</u>		<u>-</u>
<b>Total reserves</b>	12		<u>1,794,231</u>		<u>1,294,674</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 13 November 2024 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 2024

	Notes	2024 £	2023 £
<b>Cash flows from operating activities (see below)</b>		<u>323,924</u>	<u>(167,398)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(2,128)	(4,316)
Interest income		<u>73,376</u>	<u>6,446</u>
<b>Net cash provided by investing activities</b>		<u>71,248</u>	<u>2,130</u>
Change in cash and cash equivalents in the year		395,172	(165,268)
Cash and cash equivalents at the beginning of the year		<u>2,737,545</u>	<u>2,902,813</u>
<b>Cash and cash equivalents at the end of the year</b>		<u>3,132,717</u>	<u>2,737,545</u>
<b>Reconciliation of net income to cash flows from operating activities</b>		<b>2024 £</b>	<b>2023 £</b>
Net income / (expenditure) for the year		499,557	(81,198)
Depreciation charges		13,613	12,904
(Increase) / decrease in debtors		(70,089)	262,003
Decrease in creditors		(45,781)	(354,661)
Interest income		<u>(73,376)</u>	<u>(6,446)</u>
<b>Net cash used in operating activities</b>		<u>323,924</u>	<u>(167,398)</u>

Note: Analysis of changes in net funds:

	At 1 July 2023 £	Cash flows £	At 30 June 2024 £
<b>Cash</b>	<u>2,737,545</u>	<u>395,172</u>	<u>3,132,717</u>

# Commonwealth Foundation

## Notes to the financial statements For the year ended 30 June 2024

---

### 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 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 Going concern

Having considered the level of reserves held by the Foundation and their future expectations and plans for the Foundation, including consideration of the budget and agreed work plan for the year ending 30 June 2025, the Governors have a reasonable expectation that the Foundation has adequate resources to continue in operational existence and to meet its liabilities as they fall due for the foreseeable future, being at least a year from the date the accounts are signed. The Foundation therefore continues to adopt the going concern basis in preparing its financial statements.

#### 3.2 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.

#### 3.3 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. See note 9 regarding change in treatment regarding allocation of staff costs and associated restatement of 2023 comparative figures in the 2024 financial statements.

#### 3.4 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:



## Commonwealth Foundation

### Notes to the financial statements For the year ended 30 June 2024

---

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

#### 3.5 Debtors

Debtors are stated at net realisable value. At the end of each financial year the Foundation assesses the recoverability of outstanding contributions due from Member States and makes a provision where contributions are not deemed likely to be recovered.

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

#### 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

## Commonwealth Foundation

### Notes to the financial statements (continued) For the year ended 30 June 2024

---

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.

#### **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. The Foundation has provided against amounts due from Member States that have arrears 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 2024

#### 5. Income

##### 5.1 Assessed contributions

	<b>General funds £</b>	<b>Restricted funds £</b>	<b>2024 £</b>	<b>2023 £</b>
Assessed contributions	<u>3,548,593</u>	<u>-</u>	<u>3,548,593</u>	<u>3,433,221</u>

The Foundation is financed by assessed contributions from 51 of the 56 member countries that make up the Commonwealth.

	<b>General funds £</b>	<b>Restricted funds £</b>	<b>2024 £</b>	<b>2023 £</b>
Bad debt (credit)/ charge	<u>(47,532)</u>	<u>-</u>	<u>(47,532)</u>	<u>461,841</u>

The Foundation provides against amounts due from Member States where the arrears are not expected to be recoverable.

In the year, the Foundation successfully recovered debts previously provided against resulting in net income from member contributions for the year, inclusive of the credit to the bad debt expense arising from recovery of historic debts, of £3,596,125 (2023: £2,971,380).

##### 5.2 Project grants and voluntary income

	<b>General funds £</b>	<b>Restricted funds £</b>	<b>2024 £</b>	<b>2023 £</b>
Extra-Budgetary Resources (EBR) UK FCDO	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,437</u>

##### 5.3 Other income

	<b>General funds £</b>	<b>Restricted funds £</b>	<b>2024 £</b>	<b>2023 £</b>
Bank interest	73,376	-	73,376	31,236
Sundry income	<u>-</u>	<u>-</u>	<u>-</u>	<u>220</u>
	<u>73,376</u>	<u>-</u>	<u>73,376</u>	<u>31,456</u>

## Commonwealth Foundation

### Notes to the financial statements (continued) For the year ended 30 June 2024

#### 6. Direct programme costs – for grants awarded see 7 below

	<b>General funds £</b>	<b>Designated funds £</b>	<b>Restricted funds £</b>	<b>2024 £</b>	<b>2023 £</b>
Commonwealth Writers (CW)	-	4,973	-	4,973	4,064
Knowledge Learning and Communications (KLC)	171,417	-	-	171,417	202,110
Commonwealth Civil Society (CCS)	24,725	17,880	-	42,605	43,613
Creative Commonwealth (CC)	129,214	4,174	-	133,388	147,453
People of the Commonwealth (POC)	83,526	-	-	83,526	157,200
EBR Canada	-	-	-	-	16,746
	<u>408,882</u>	<u>27,027</u>	<u>-</u>	<u>435,909</u>	<u>571,186</u>

#### 7. Programme grants payable

	<b>General funds £</b>	<b>Designated funds £</b>	<b>Restricted funds £</b>	<b>2024 £</b>	<b>2023 £</b>
Commonwealth Civil Society Programme					
Open Call grants	771,113	47,540	-	818,653	792,310
Capacity strengthening grants	54,461	16,095	-	70,556	121,652
Creative Commonwealth Programme Grants	71,540	3,200	-	74,740	98,909
	<u>897,114</u>	<u>66,835</u>	<u>-</u>	<u>963,949</u>	<u>1,012,871</u>

# Commonwealth Foundation

## Notes to the financial statements (continued) For the year ended 30 June 2024

### 8. Foundation events

	General funds £	Designated funds £	Restricted funds £	2024 £	2023 £
Commonwealth People's Forum	-	52,748	-	52,748	2,855
Commonwealth Charter Event	-	-	-	-	8,437
	-	52,748	-	52,748	11,292

### 9. Staff and related costs

	General funds £	Restricted funds £	2024 £	2023 (restated) £
Salaries	1,017,249	-	1,017,249	862,845
Social security	103,673	-	103,673	92,809
Gratuity scheme	142,666	-	142,666	139,421
Other staff related costs	96,820	-	96,820	62,113
	1,360,408	-	1,360,408	1,157,188
Of which:				
Programmes	723,314	-	723,314	637,682
Directorate (incl. other staff related costs)	637,094	-	637,094	519,506
	1,360,408	-	1,360,408	1,157,188

#### Average staff numbers in the year

	2024	2023
Senior management	2	2
Programmes	18	15
Directorate	5	4
	25	21

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 2024 were £302,699 (2023: £279,511).

**Notes to the financial statements (continued)**  
**For the year ended 30 June 2024**

**Restatement of comparative figures**

In accordance with the decision of the Board of Governors at its meeting in June 2023 and the budget agreed at that meeting, all salary and associated costs of the Directorate and Office of the Directorate staff team are shown together under the 'Directorate' expenditure heading, with no portion being allocated to staff and related costs under the 'Programmes' heading. The largest part of the work of the staff of the Office of the Directorate is, however, involved in directly supporting and delivering the programme work of the Foundation.

As a result of the change in the policy regarding allocation of staff costs between the two headings, the corresponding figures for 2023 have been restated in the 2024 financial statements to ensure comparability. The change has resulted in £190,780 of staff and related costs for 2023, that had previously been shown under Programmes expenditure, now being included under the Directorate heading.

**10. Governance costs**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Chair's honorarium	2,000	2,000
Chair's expenses	11,921	18,943
High Commissioners' festive poetry evening	-	5,506
Royal Commonwealth Society subscription	1,500	1,500
Director-General governance-related travel	1,074	1,050
CSAG induction expenses	125	14,306
Director-General outreach expenses	13,150	8,210
Governance meeting costs	3,987	1,744
Africa Global Goals meeting costs	-	1,640
Governance papers printing	6,268	5,733
Governance papers distribution	1,162	1,568
	<u>41,187</u>	<u>62,200</u>

During the year ended 30 June 2024, the Chair attended Governance meetings in-person in London in December and June, as in the previous year; in the year to June 2023 her attendance at the Commonwealth Week event had necessitated a third trip to London. The new cohort of Civil Society Advisory Governors (CSAG) who were recruited during the previous reporting year, did not incur significant costs during the current year as their CSAG engagement has been online.

# Commonwealth Foundation

## Notes to the financial statements (continued) For the year ended 30 June 2024

### 11. Bad Debt (credit) / charge

	2024 £	2023 £
Net increase to provision in the year (see note 14)	96,296	494,170
Cash received in respect of debts previously provided against (see note 14)	(125,885)	(32,329)
Cash received in respect of debts previously written off	(17,943)	-
Net bad debt (credit)/ charge	(47,532)	461,841

### 12. Reserves

	Balance 1 July 2023 £	Incoming Resources £	Outgoing resources £	Transfers £	Balance 30 June 2024 £
<b>General funds</b>					
General Fund	1,119,664	3,621,969	(2,975,802)	(240,275)	1,525,556
<b>Designated funds</b>					
Commonwealth People's Forum Fund (i)	67,820	-	(52,748)	115,000	130,072
Programmes activities (CW) (ii)	8,397	-	(8,173)	(224)	-
Creative Commonwealth (iii)	15,176	-	(4,174)	-	11,002
Creative writing ( <i>adda</i> ) activities (iv)	-	-	-	9,000	9,000
Grants programme reserve (v)	83,617	-	(81,515)	116,499	118,601
	175,010	-	(146,610)	240,275	268,675
<b>Total funds</b>	1,294,674	3,621,969	(3,122,412)	-	1,794,231

The designated reserves are for the following purposes:

- (i) The Commonwealth People's Forum (CPF) Fund represents money set aside to support the Foundation's biennial event
- (ii) The delayed activities relating to the Programmes reserve Caribbean Voices film projects have now been completed
- (iii) The Programmes reserve reflects funds set aside to meet the costs of specific creative projects delayed from previous years which will be completed in 2024-25
- (iv) The Creative writing (*adda*) reserve reflects funds set aside for specific workshop and publishing activities delayed from the previous year.
- (v) The Grants programme reserve reflects funds from the underspends on previously committed grant expenditure and now set aside to be used for the 2024-25 Open Call grants programme.

# Commonwealth Foundation

## Notes to the financial statements (continued) For the year ended 30 June 2024

### 13. Fixed assets

	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>			
Balance at 1 July 2023	14,339	45,372	59,711
Additions in year	-	2,128	2,128
Balance at 30 June 2024	14,339	47,500	61,839
<b>Depreciation</b>			
Balance at 1 July 2023	13,150	32,218	45,368
Depreciation charge for the year	1,189	12,424	13,613
Balance at 30 June 2024	14,339	44,642	58,981
<b>Net book value</b>			
At 30 June 2024	-	2,858	2,858
At 30 June 2023	1,189	13,154	14,343

### 14. Debtors

	2024 £	2023 £
Assessed contributions	1,382,786	1,528,428
Provision for contribution arrears (see below)	(1,148,726)	(1,360,108)
VAT and other recoverable taxes	71,491	85,548
Other debtors	-	714
Accrued income, prepayments and deposits	65,866	46,746
	371,417	301,328
<b>Provision for contribution arrears</b>	<b>2024 £</b>	<b>2023 £</b>
Provision for contribution arrears at 1 July	1,360,108	973,985
Net increase to provision in the year (see note 11)	96,296	494,170
Cash received in respect of debts previously provided against (see note 11)	(125,885)	(32,329)
Debts previously provided against, forgiven as part of recovery and reset initiative	(181,793)	(75,718)
Provision for contribution arrears at 30 June	1,148,726	1,360,108



## Commonwealth Foundation

### Notes to the financial statements (continued) For the year ended 30 June 2024

#### 15. Creditors: amounts falling due within one year

	2024	2023
	£	£
Grants payable	1,372,977	1,441,019
Other accounts payable	99,003	84,181
Accrued charges	210,766	227,024
Deferred income	27,691	3,994
Social security costs	2,324	2,324
	<u>1,712,761</u>	<u>1,758,542</u>

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 2024 was £393,800 (2023: £404,700).

#### 16. 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 2024 was £3,577 (2023: £3,331).

#### 17. Other financial commitments

At 30 June 2024, the Foundation had outstanding commitments for future minimum lease payment under non-cancellable operating leases, which fall due for payment as follows:

##### 2024

	Land and buildings	Equipment	Total	2023
	£	£	£	£
Within one year	78,229	55,092	133,321	55,092
Between 2 and 5 years	-	137,728	137,728	192,820
In over 5 years	-	-	-	-
Total	<u>78,229</u>	<u>192,820</u>	<u>271,049</u>	<u>247,912</u>

##### 2023

	Land and buildings	Equipment	Total
	£	£	£
Within one year	-	55,092	55,092
Between 2 and 5 years	-	192,820	192,820
In over 5 years	-	-	-
Total	<u>-</u>	<u>247,912</u>	<u>247,912</u>

#### 18. Related party transactions

During the year in accordance with her contract an Honorarium of £2,000 was paid to the Chair of the Board of Governors (2023: £2,000) and per diems and expenses amounting to £11,921 were paid relating to travel to the UK for Board meetings and similar commitments (2023: £18,943). See note 10 for further details of governance costs in the year and note 9 for details regarding the remuneration of key management personnel.

# Commonwealth Foundation

## Notes to the financial statements (continued) For the year ended 30 June 2024

### 19. Prior year comparatives

#### 19.1 Statement of income and expenditure for the year ended 30 June 2023

	2023 (restated – see note 9)			
	General funds £	Designated funds £	Restricted Funds £	Total £
<b>Income from</b>				
Assessed contributions	3,433,221	-	-	3,433,221
Grants and voluntary donations	-	-	8,437	8,437
Other income	31,456	-	-	31,456
<b>Total income</b>	<b>3,464,677</b>	<b>-</b>	<b>8,437</b>	<b>3,473,114</b>
<b>Expenditure on</b>				
Programmes				
- Direct programme costs	524,852	29,588	16,746	571,186
- Grants programme	1,012,871	-	-	1,012,871
- Foundation events	-	2,855	8,437	11,292
- Staff and related costs	605,404	-	32,278	637,682
	2,143,127	32,443	57,461	2,233,031
Directorate				
- Governance	62,200	-	-	62,200
- Organisation core admin and operating costs	277,734	-	-	277,734
- Staff and related costs	519,506	-	-	519,506
	859,440	-	-	859,440
Bad debt expense	461,841	-	-	461,841
<b>Total expenditure</b>	<b>3,464,408</b>	<b>32,443</b>	<b>57,461</b>	<b>3,554,312</b>
<b>Net income/ (expenditure) for the financial year</b>	<b>269</b>	<b>(32,443)</b>	<b>(49,024)</b>	<b>(81,198)</b>
Transfers between funds	(87,324)	87,324	-	-
Net movement in funds	(87,055)	54,881	(49,024)	(81,198)
<b>Reserves brought forward</b>	<b>1,206,719</b>	<b>120,129</b>	<b>49,024</b>	<b>1,375,872</b>
<b>Reserves carried forward</b>	<b>1,119,664</b>	<b>175,010</b>	<b>-</b>	<b>1,294,674</b>

## Commonwealth Foundation

### Notes to the financial statements (continued) For the year ended 30 June 2024

---

#### 19.2 Income for the year ended 30 June 2023

##### 19.2.1 Assessed contributions

	<b>General funds £</b>	<b>Restricted funds £</b>	<b>2023 £</b>
Assessed contributions	3,433,221	-	3,433,221

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

	<b>General funds £</b>	<b>Restricted funds £</b>	<b>2023 £</b>
Movement in provision for contributions arrears	(461,841)	-	(461,841)

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 £2,971,380.

##### 19.2.2 Project grants and voluntary income

	<b>General funds £</b>	<b>Restricted funds £</b>	<b>2023 £</b>
Extra-Budgetary Resources (EBR) UK FCDO	-	8,437	8,437

##### 19.2.3 Other income

	<b>General funds £</b>	<b>Restricted funds £</b>	<b>2023 £</b>
Bank interest	31,236	-	31,236
Sundry income	220	-	220
	<u>31,456</u>	<u>-</u>	<u>31,456</u>

## Commonwealth Foundation

### Notes to the financial statements (continued) For the year ended 30 June 2024

#### 19.3 Direct programme costs for the year ended 30 June 2023

	<b>General funds £</b>	<b>Designated funds £</b>	<b>Restricted funds £</b>	<b>2023 £</b>
Commonwealth Writers (CW) & Participatory Governance and Gender (PGG)	-	4,064	-	4,064
Knowledge Learning and Communications (KLC)	202,110	-	-	202,110
Commonwealth Civil Society (CCS)	43,613	-	-	43,613
Creative Commonwealth (CC)	146,929	524	-	147,453
People of the Commonwealth (POC)	132,200	25,000	-	157,200
EBR Canada	-	-	16,746	16,746
	<u>524,852</u>	<u>29,588</u>	<u>16,746</u>	<u>571,186</u>

#### 19.4 Grants programme for the year ended 30 June 2023

	<b>General funds £</b>	<b>Designated funds £</b>	<b>Restricted funds £</b>	<b>2023 £</b>
Commonwealth Civil Society Programme				
Participatory governance grants	792,310	-	-	792,310
Capacity strengthening grants	121,652	-	-	121,652
Creative Commonwealth Programme Grants	98,909	-	-	98,909
	<u>1,012,871</u>	<u>-</u>	<u>-</u>	<u>1,012,871</u>

## Commonwealth Foundation

### Notes to the financial statements (continued) For the year ended 30 June 2024

#### 19.5 Foundation events for the year ended 30 June 2023

	<b>General funds £</b>	<b>Designated funds £</b>	<b>Restricted Funds £</b>	<b>Total £</b>
Commonwealth Peoples' Forum	-	2,855	-	2,855
Commonwealth Charter Event	-	-	8,437	8,437
	-	2,855	8,437	11,292

#### 19.6 Staff and related costs for the year ended 30 June 2023 (restated)

	<b>General funds £</b>	<b>Restricted funds £</b>	<b>2023 £</b>
Salaries	830,567	32,278	862,845
Social security	92,809	-	92,809
Gratuity scheme	139,421	-	139,421
Other staff related costs	62,113	-	62,113
	<u>1,124,910</u>	<u>32,278</u>	<u>1,157,188</u>
Of which:			
Programmes	605,404	32,278	637,682
Directorate (incl. other staff related costs)	519,506	-	519,506
	<u>1,124,910</u>	<u>32,278</u>	<u>1,157,188</u>

## Commonwealth Foundation

### Notes to the financial statements (continued) For the year ended 30 June 2024

#### 19.7 Reserves for the year ended 30 June 2023

	Balance 1 July 2022	Incoming Resources	Outgoing resources	Transfers	Balance 30 June 2023
	£	£	£	£	£
<b>General funds</b>					
General Fund	1,206,719	3,464,677	(3,464,408)	(87,324)	1,119,664
<b>Restricted funds</b>					
Extra-Budgetary Resources (EBR) Canada (i)	49,024	-	(49,024)	-	-
Extra-Budgetary Resources (EBR) UK FCDO (ii)	-	8,437	(8,437)	-	-
	49,024	8,437	(57,461)	-	-
<b>Designated funds</b>					
Special Grants Funds (iii)	53,772	-	-	(53,772)	-
Commonwealth People's Forum Fund (iv)	16,903	-	(2,855)	53,772	67,820
Governance activities	(7)	-	-	7	-
Programmes activities (CW) (v)	12,461	-	(4,064)	-	8,397
Creative Commonwealth (vi)	12,000	-	(524)	3,700	15,176
People of the Commonwealth (vii)	25,000	-	(25,000)	-	-
Grants programme reserve (viii)	-	-	-	83,617	83,617
	120,129	-	(32,443)	87,324	175,010
<b>Total funds</b>	<b>1,375,872</b>	<b>3,473,114</b>	<b>(3,554,312)</b>	<b>-</b>	<b>1,294,674</b>

The designated reserves are for the following purposes:

- (i) Extra-Budgetary Resources (EBR) Canada represents remaining funds received from the Government of Canada to enhance the Foundation's Special Grants Call in response to the Covid-19 pandemic
- (ii) Extra-Budgetary Resources (EBR) UK FCDO were funds received from the Foreign & Commonwealth Development Office towards the costs of the Commonwealth Charter event in March 2023
- (iii) The Special Grants Fund was set aside to make one-off grants to Commonwealth countries in exceptional circumstances, such as grants to alleviate difficulties arising from natural disasters. The Board of Governors resolved in June 2023 to transfer the balance remaining to the Commonwealth People's Forum (CPF) Fund to support delivery and planning of 2024 CPF
- (iv) The Commonwealth People's Forum (CPF) Fund represents money set aside to support the Foundation's biennial event
- (v) The Programmes reserve reflects funds set aside to meet the remaining costs of the Caribbean Voices Films activities that were delayed due to the Covid-19 pandemic
- (vi) The Creative Commonwealth reserve reflects funds set aside to meet the costs of specific projects taking place in 2023-24 that had been delayed from the previous year
- (vii) The People of the Commonwealth reserve reflects funds set aside to meet the costs of specific projects taking place in 2022-23 that had been delayed from the previous year.
- (viii) The Grants programme reserve reflects funds from the underspends on previously committed grant expenditure and now set aside to be used for the 2023-24 Open Call grants programme.