



**Annual report and financial statements
for the year ended 30 June 2025**

Commonwealth Foundation

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Commonwealth Foundation

Legal and administrative information For the year ended 30 June 2025

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

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Chair

Ms Winnie Anna Kiap CBE (*from 1 January 2025*)
Dato' Sudha Devi K R Vasudevan (*to 31 December 2024*)

Director-General

Ms Razmi Farook (*from 1 September 2025*)
Dr Anne T. Gallagher AO (BA, LLB, M.Intl.L, PhD) (*to 31 August 2025*)

Deputy Director-General

Mr Shem Ochola OGW

Commonwealth Foundation

Legal and administrative information (continued) For the year ended 30 June 2025

Membership and governance

All 56 Commonwealth countries are eligible to become Members of the Commonwealth Foundation. Total membership as at June 2025 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 2025

Bankers

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

Barclays Bank Plc
PO 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 2025

I am delighted to introduce the 2024–2025 Annual Financial Statements of the Commonwealth Foundation as I take over in my new role at the helm from September 2025. The Foundation's reputation for careful and transparent use of public funds is again evident in the figures presented. I extend my gratitude to the Foundation team for their diligent stewardship and to our auditors for their continued guidance.

The Financial Statements confirm that the Foundation's position remains strong, finishing the 2024–2025 year with a surplus of £228,000 and bank balances standing at £3.3 million at the year-end. More than half of this surplus can be attributed to the timely payment of contributions by our members, our effective efforts to recover arrears, and an increase in investment interest. We are thankful to key governors for supporting a targeted outreach strategy which assisted us in ensuring a sustainable financial base. We are also thankful to the UK for their generous contribution of £70,000 in Extra Budgetary Resources towards the costs associated with the Commonwealth People's Forum held in Samoa in October 2024.

During the year, we achieved savings against budget in various programme activities, leading to a transfer of £31,000 to designated funds at year-end to support rescheduled activities in 2025–2026. Grants awarded through the open call were supplemented by designated funds brought forward for that purpose, and after crediting grants cancelled during the year, a balance of £48,000 is similarly being held in the designated fund at the current year end to support the grants programme in 2025–2026.

The costs for the People's Forum during the period amounted to £341,000, funded by an allocated budget of £183,000, the UK's generous sponsorship of £70,000 for civil society delegates, and £88,000 from the People's Forum designated fund brought forward. This allowed us to fulfil our commitment to deliver a successful and cost-effective forum without drawing on our general reserves.

Effective management of central costs led to around £99,000 in savings against budget across administration, premises, and staff-related expenses. Additionally, staff vacancies and restructuring contributed to further savings against budget of £75,000. Directorate transition costs relate to the costs associated with recruitment to both the Director-General and Deputy Director-General positions.

The surplus has enabled us to bring our total reserves up to £2,023,000 and our general reserves to £1,898,000, such that reserves are maintained at our target level of six months' operating expenses. Healthy reserves allow the Foundation to move forward and plan with confidence so that we can deliver on our mission to support civil society and champion Commonwealth values and aspirations.

Over the past year, the Foundation has continued to strengthen its role as a partner and advocate for civil society organisations across the Commonwealth. Our extensive work across all programmes, including our grants programme and the People's Forum, is comprehensively detailed in the Interim Report of Impact and Change 2021–2025 published in June 2025, marking the beginning of the final year of our current strategy as we prepare for the next strategic period from 2026–2031. Our commitment to using the funds provided by Member States carefully and responsibly drives our robust approach to monitoring and evaluation, enabling us to demonstrate significant results under the 2021–2026 strategic plan.

Commonwealth Foundation

Introduction from the Director-General For the year ended 30 June 2025

As an intergovernmental organization, our capacity to deliver against our strategic plan relies heavily on the full and regular payment of assessed contributions by our members. The arrears recovery and re-set initiative agreed upon by Governors in June 2022 has led to some successful arrears recovery and re-engagement of Member States. I would like to express my gratitude to the Governors for their unwavering solidarity and support. The Foundation's long-term effectiveness depends on a stable and sustainable financial base.

It is crucial that the responsibility of ensuring the long-term financial stability and sustainability of the Foundation remains a priority for our Member States. Unfortunately, a small number of Member States have once again fallen into serious arrears. I look forward to actively engaging with Governors on this issue while upholding our commitment to Members that the Foundation will maintain its strong, stable and consistent record of prudence, transparency, and exceptional value for money.

Looking ahead, we are committed to developing a robust and ambitious Strategic Plan for the 2026-2031 period, one that not only reflects our vision but propels us into a future of transformative impact. I am truly excited to be joining the Commonwealth Foundation at this pivotal time and I look forward to working alongside our dedicated Governors and staff team to passionately advance the interests of civil society and facilitate meaningful change in our communities.

Thank you for your continued support and commitment to the mission of the Commonwealth Foundation.

Ms Razmi Farook
Director-General

Commonwealth Foundation

Financial review For the year ended 30 June 2025

For the year ended 30 June 2025, the Foundation recognised income of £3,695,149 (2024: £3,621,969) and expenditure of £3,466,822 (2024: £3,122,412). Reserves increased by £228,327 (2024: £499,557) resulting in reserves carried forward at 30 June 2025 of £2,022,558 (2024: £1,794,231).

Commonwealth Foundation

Statement of Board of Governors' responsibilities For the year ended 30 June 2025

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:

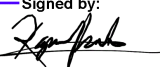
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Commonwealth Foundation will continue to operate, and
- state 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 6 November 2025 by:

Signed by:

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Ms Razmi Farook
Director-General

Commonwealth Foundation

Independent auditors' report to the Board of Governors For the year ended 30 June 2025

Opinion

We have audited the financial statements of the Commonwealth Foundation for the year ended 30 June 2025 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 2025 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

Commonwealth Foundation

Independent auditors' report to the Board of Governors For the year ended 30 June 2025

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 2025

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.

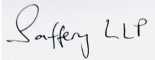
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of 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.

Signed by:

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Saffery LLP
71 Queen Victoria Street
London EC4V 4BE

Date: 6 November 2025

Commonwealth Foundation

Statement of income and expenditure For the year ended 30 June 2025

	Notes	2025			2024
		General funds £	Designated funds £	Restricted Funds £	Total £
Income from					
Assessed contributions	5	3,548,593	-	-	3,548,593
Grants and voluntary donations	5	-	-	70,000	-
Other income	5	76,556	-	-	73,376
Total income		3,625,149	-	70,000	3,695,149
Expenditure on					
Programmes					
- Direct programme costs	6	377,371	18,113	-	395,484
- Programme grants payable	7	884,780	58,540	-	943,320
- Foundation events	8	183,000	88,758	70,000	341,758
- External engagement		-	-	-	16,305
- Staff and related costs	9	706,792	-	-	723,314
		2,151,943	165,411	70,000	2,387,354
Directorate					
- Governance	10	63,404	-	-	41,187
- Organisation core admin and operating costs		274,441	-	-	299,438
- Directorate transition costs		105,779	-	-	-
- Staff and related costs	9	558,318	-	-	637,094
		1,001,942	-	-	977,719
Bad debt charge /(credit)	5, 11	77,526	-	-	(47,532)
Total expenditure		3,231,411	165,411	70,000	3,466,822
Net income/ (expenditure) for the financial year		393,738	(165,411)	-	499,557
Transfers between funds	12	(21,051)	21,051	-	-
Net movement in funds		372,687	(144,360)	-	499,557
Reserves brought forward		1,525,556	268,675	-	1,794,231
Reserves carried forward	12	1,898,243	124,315	-	1,794,231

Commonwealth Foundation**Statement of financial position
As at 30 June 2025**

		2025		2024	
	Notes	£	£	£	£
Fixed assets					
Tangible fixed assets	13		1,927		2,858
Current assets					
Debtors	14	251,154		371,417	
Cash at bank and in hand		<u>3,287,901</u>		<u>3,132,717</u>	
		3,539,055		3,504,134	
Current liabilities					
Creditors: Amounts falling due within one year	15	<u>(1,518,424)</u>		<u>(1,712,761)</u>	
Net current assets			<u>2,020,631</u>		<u>1,791,373</u>
Net assets			<u>2,022,558</u>		<u>1,794,231</u>
Reserves					
General fund			1,898,243		1,525,556
Designated fund			124,315		268,675
Restricted funds			<u>-</u>		<u>-</u>
Total reserves	12		<u>2,022,558</u>		<u>1,794,231</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 6 November 2025 and signed on behalf of the Board of Governors by:

Signed by:


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Ms Razmi Farook
Director-General

Commonwealth Foundation

Statement of cash flows For the year ended 30 June 2025

	Notes	2025 £	2024 £
Cash flows from operating activities (see below)		<u>80,645</u>	<u>323,924</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(2,017)	(2,128)
Interest income		<u>76,556</u>	<u>73,376</u>
Net cash provided by investing activities		<u>74,539</u>	<u>71,248</u>
Change in cash and cash equivalents in the year		155,184	395,172
Cash and cash equivalents at the beginning of the year		<u>3,132,717</u>	<u>2,737,545</u>
Cash and cash equivalents at the end of the year		<u><u>3,287,901</u></u>	<u><u>3,132,717</u></u>
Reconciliation of net income to cash flows from operating activities		2025 £	2024 £
Net income for the year		228,327	499,557
Depreciation charges		2,692	13,613
Fixed asset disposals		256	-
Decrease / (increase) in debtors		120,263	(70,089)
Decrease in creditors		(194,337)	(45,781)
Interest income		<u>(76,556)</u>	<u>(73,376)</u>
Net cash used in operating activities		<u><u>80,645</u></u>	<u><u>323,924</u></u>
Note: Analysis of changes in net funds:			
	At 1 July 2024 £	Cash flows £	At 30 June 2025 £
Cash at bank available within 24 hours	1,040,881	(164,281)	876,600
Bank deposits available within 3 months	<u>2,091,836</u>	<u>319,465</u>	<u>2,411,301</u>
Cash	<u><u>3,132,717</u></u>	<u><u>155,184</u></u>	<u><u>3,287,901</u></u>

Commonwealth Foundation

Notes to the financial statements For the year ended 30 June 2025

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 2026, 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.

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:

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

Commonwealth Foundation

Notes to the financial statements For the year ended 30 June 2025

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

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of 95 days or less, and bank overdrafts.

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.

Commonwealth Foundation

Notes to the financial statements (continued) For the year ended 30 June 2025

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 12.

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 2025

5. Income

5.1 Assessed contributions

	General funds	Restricted funds	2025	2024
	£	£	£	£
Assessed contributions	<u>3,548,593</u>	<u>-</u>	<u>3,548,593</u>	<u>3,548,593</u>

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

	General funds	Restricted funds	2025	2024
	£	£	£	£
Bad debt charge /(credit)	<u>77,526</u>	<u>-</u>	<u>77,526</u>	<u>(47,532)</u>

The Foundation provides against amounts due from Member States where the arrears are not expected to be recoverable. The Foundation also recovers debts previously provided against. Member States contributions for the year after the net bad debt charge/ credit were £3,471,067 (2024: £3,596,125).

5.2 Project grants and voluntary income

	General funds	Restricted funds	2025	2024
	£	£	£	£
Extra-Budgetary Resources (EBR) UK FCDO	<u>-</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>

5.3 Other income

	General funds	Restricted funds	2025	2024
	£	£	£	£
Bank interest	<u>76,556</u>	<u>-</u>	<u>76,556</u>	<u>73,376</u>
	<u>76,556</u>	<u>-</u>	<u>76,556</u>	<u>73,376</u>

Commonwealth Foundation

Notes to the financial statements (continued) For the year ended 30 June 2025

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

	General funds £	Designated funds £	Restricted funds £	2025 £	2024 £
Commonwealth Writers (CW)	-	-	-	-	4,973
Knowledge Learning and Communications (KLC)	197,869	-	-	197,869	171,417
Commonwealth Civil Society (CCS)	30,692	12,060	-	42,752	42,605
Advocacy & Creative (A&C)	148,810	6,053	-	154,863	216,914
	<u>377,371</u>	<u>18,113</u>	<u>-</u>	<u>395,484</u>	<u>435,909</u>

7. Programme grants payable

	General funds £	Designated funds £	Restricted funds £	2025 £	2024 £
Commonwealth Civil Society Programme					
Open Call grants	849,725	58,540	-	908,265	818,653
Capacity strengthening grants	35,055	-	-	35,055	70,556
Creative Commonwealth Programme Grants	-	-	-	-	74,740
	<u>884,780</u>	<u>58,540</u>	<u>-</u>	<u>943,320</u>	<u>963,949</u>

Creative grants were awarded through the Open Call stream in the 2024-25 year.

Commonwealth Foundation

Notes to the financial statements (continued) For the year ended 30 June 2025

8. Foundation events

	General funds	Designated funds	Restricted funds	2025	2024
	£	£	£	£	£
Commonwealth People's Forum	183,000	88,758	70,000	341,758	52,748
	<u>183,000</u>	<u>88,758</u>	<u>70,000</u>	<u>341,758</u>	<u>52,748</u>

9. Staff and related costs

	General funds	Restricted funds	2025	2024
	£	£	£	£
Salaries	959,490	-	959,490	1,017,249
Social security	105,175	-	105,175	103,673
Gratuity scheme	133,775	-	133,775	142,666
Other staff related costs	66,670	-	66,670	96,820
	<u>1,265,110</u>	<u>-</u>	<u>1,265,110</u>	<u>1,360,408</u>
Of which:				
Programmes	706,792	-	706,792	723,314
Directorate (incl. other staff related costs)	558,318	-	558,318	637,094
	<u>1,265,110</u>	<u>-</u>	<u>1,265,110</u>	<u>1,360,408</u>

Average staff numbers in the year

	2025	2024
Senior management	2	2
Programmes	16	18
Directorate	5	5
	<u>23</u>	<u>25</u>

The Foundation considers its key management personnel to be the Director-General and the Deputy Director-General. The total employment benefits of key management personnel including allowances for internationally recruited staff and contributions to the gratuity fund in the year ended 30 June 2025 were £321,757 (2024: £322,265).

Commonwealth Foundation

Notes to the financial statements (continued) For the year ended 30 June 2025

10. Governance costs

	2025	2024
	£	£
Chair's honorarium	2,000	2,000
Chair's expenses	15,857	11,921
Royal Commonwealth Society subscription	1,000	1,500
CSAG induction expenses	16,255	125
Director-General outreach expenses	15,013	14,224
Governance papers & meeting costs	13,279	11,417
	<u>63,404</u>	<u>41,187</u>

During the year ended 30 June 2025, the Chair attended Governance meetings in-person in London in December and June, as in the previous year. Costs relating to the Chair's participation in London on the interview panel for the new Director-General are included with the Directorate Transition costs. Costs relating to the Chair's participation in Samoa at the Commonwealth People's Forum are included with the other programme costs relating to that event. Civil Society Advisory Governors (CSAG) are recruited every two years and the costs incurred in the current reporting year relate to the induction of the new cohort who commenced their term in May 2025; costs relating to participation of the previous CSAG cohort in Samoa at the Commonwealth People's Forum are included with the other programme costs relating to that event.

11. Bad Debt (credit) / charge

	2025	2024
	£	£
Net increase to provision in the year (see note 14)	268,239	96,296
Cash received in respect of debts previously provided against (see note 14)	(190,713)	(125,885)
Cash received in respect of debts previously written off	-	(17,943)
	<u>77,526</u>	<u>(47,532)</u>

Commonwealth Foundation

Notes to the financial statements (continued) For the year ended 30 June 2025

12. Reserves

	Balance 1 July 2024	Incoming Resources	Outgoing resources	Transfers	Balance 30 June 2025
	£	£	£	£	£
General funds					
General Fund	1,525,556	3,625,149	(3,231,411)	(21,051)	1,898,243
Restricted funds					
FCDO CPF EBR	-	70,000	(70,000)	-	-
Designated funds					
Commonwealth People's Forum Fund (i)	130,072	-	(88,758)	-	41,314
Creative Commonwealth (ii)	11,002	-	(1,140)	(9,862)	-
Creative writing (<i>adda</i>) activities (iii)	9,000	-	(4,913)	10,913	15,000
Grants programme reserve (iv)	118,601	-	(70,600)	-	48,001
Creative Advocacy Resources fund (v)	-	-	-	20,000	20,000
	<u>268,675</u>	<u>-</u>	<u>(165,411)</u>	<u>21,051</u>	<u>124,315</u>
Total funds	<u>1,794,231</u>	<u>3,695,149</u>	<u>(3,466,822)</u>	<u>-</u>	<u>2,022,558</u>

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 Creative Commonwealth Programmes reserve reflected funds set aside to meet the costs of specific creative projects delayed from previous years. No further activities are planned for this funding stream so the remaining balance has been transferred to general funds

(iii) The Creative writing (*adda*) reserve reflects funds set aside for specific workshop and publishing activities delayed from the previous year which will be completed in 2025-26.

(iv) The Grants programme reserve reflects funds from the underspends on previously committed grant expenditure and now set aside to be used for the 2025-26 Open Call grants programme.

(v) The Creative Advocacy Resources reserve reflects funds set aside to complete Handbooks and Toolkits projects delayed from previous years.

Commonwealth Foundation

Notes to the financial statements (continued) For the year ended 30 June 2025

13. Fixed assets

	Fixtures and fittings	Equipment	Total
	£	£	£
Cost			
Balance at 1 July 2024	14,339	47,500	61,839
Additions in year	-	2,017	2,017
Disposals	-	(385)	(385)
Balance at 30 June 2025	<u>14,339</u>	<u>49,132</u>	<u>63,471</u>
Depreciation			
Balance at 1 July 2024	14,339	44,642	58,981
Depreciation charge for the year	-	2,692	2,692
Depreciation on disposals	-	(129)	(129)
Balance at 30 June 2025	<u>14,339</u>	<u>47,205</u>	<u>61,544</u>
Net book value			
At 30 June 2025	<u>-</u>	<u>1,927</u>	<u>1,927</u>
At 30 June 2024	<u>-</u>	<u>2,858</u>	<u>2,858</u>

14. Debtors

	2025	2024
	£	£
Assessed contributions	1,317,412	1,382,786
Provision for contribution arrears (see below)	(1,173,644)	(1,148,726)
VAT and other recoverable taxes	70,670	71,491
Other debtors	-	-
Accrued income, prepayments and deposits	<u>36,716</u>	<u>65,866</u>
	<u>251,154</u>	<u>371,417</u>
	2025	2024
	£	£
Provision for contribution arrears		
Provision for contribution arrears at 1 July	1,148,726	1,360,108
Net increase to provision in the year (see note 11)	268,239	96,296
Cash received in respect of debts previously provided against (see note 11)	(190,713)	(125,885)
Debts previously provided against, forgiven as part of recovery and reset initiative	(52,608)	(181,793)
	<u>1,173,644</u>	<u>1,148,726</u>

Commonwealth Foundation

Notes to the financial statements (continued) For the year ended 30 June 2025

15. Creditors: amounts falling due within one year

	2025	2024
	£	£
Grants payable	1,186,692	1,372,977
Other accounts payable	100,195	99,003
Accrued charges	216,379	210,766
Deferred income	12,834	27,691
Social security costs	2,324	2,324
	<u>1,518,424</u>	<u>1,712,761</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 2025 was £416,755 (2024: £393,800).

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 2025 was £4,325 (2024: £3,577).

17. Other financial commitments

At 30 June 2025, the Foundation had outstanding commitments for future minimum lease payment under non-cancellable operating leases, which fall due for payment as follows:

2025	Land and buildings	Equipment	Total	2024
	£	£	£	£
Within one year	9,296	55,092	64,388	133,321
Between 2 and 5 years	-	82,637	82,637	137,728
Total	<u>9,296</u>	<u>137,729</u>	<u>147,025</u>	<u>271,049</u>
2024	Land and buildings	Equipment	Total	
	£	£	£	
Within one year	78,229	55,092	133,321	
Between 2 and 5 years	-	137,728	137,728	
Total	<u>78,229</u>	<u>192,820</u>	<u>271,049</u>	

18. Related party transactions

During the year in accordance with their contracts Honoraria totalling £2,000 were paid to the Chairs of the Board of Governors (2024: £2,000) and per diems and expenses amounting to £15,857 were paid relating to travel to the UK for Board meetings and similar commitments (2024: £11,921). Expenses and per diems amounting to £6,203 were paid relating to the Chair's travel to Samoa for the People's Forum in October 2024, £10,302 relating to the Chair's participation in the panel relating to Director-General recruitment including travel to the UK in January, and £1,596 relating to the Chair's attendance at the Africa Global Goals event in London in May 2025. During the year amounts were paid in relation to business travel of the Director-General of £25,617 (2024: £23,559) and the Deputy Director-General of £12,419 (2024: £10,024). 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 2025

19. Prior year comparatives

19.1 Statement of income and expenditure for the year ended 30 June 2024

	2024			Total £
	General funds £	Designated funds £	Restricted Funds £	
Income from				
Assessed contributions	3,548,593	-	-	3,548,593
Grants and voluntary donations	-	-	-	-
Other income	73,376	-	-	73,376
Total income	3,621,969	-	-	3,621,969
Expenditure on				
Programmes				
- Direct programme costs	408,882	27,027	-	435,909
- Grants programme	897,114	66,835	-	963,949
- Foundation events	-	52,748	-	52,748
- External engagement	16,305	-	-	16,305
- Staff and related costs	723,314	-	-	723,314
	2,045,615	146,610	-	2,192,225
Directorate				
- Governance	41,187	-	-	41,187
- Organisation core admin and operating costs	299,438	-	-	299,438
- Staff and related costs	637,094	-	-	637,094
	977,719	-	-	977,719
Bad debt expense	(47,532)	-	-	(47,532)
Total expenditure	2,975,802	146,610	-	3,122,412
Net income/ (expenditure) for the financial year	646,167	(146,610)	-	499,557
Transfers between funds	(240,275)	240,275	-	-
Net movement in funds	405,892	93,665	-	499,557
Reserves brought forward	1,119,664	175,010	-	1,294,674
Reserves carried forward	1,525,556	268,675	-	1,794,231

Commonwealth Foundation

Notes to the financial statements (continued) For the year ended 30 June 2025

19.2 Income for the year ended 30 June 2024

19.2.1 Assessed contributions

	General funds £	Restricted funds £	2024 £
Assessed contributions	3,528,593	-	3,548,593

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

	General funds £	Restricted funds £	2024 £
Bad debt (credit)/ charge	(47,532)	-	(47,532)

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.

19.2.2 Project grants and voluntary income

	General funds £	Restricted funds £	2024 £
Extra-Budgetary Resources (EBR) UK FCDO	-	-	-

19.2.3 Other income

	General funds £	Restricted funds £	2024 £
Bank interest	73,376	-	73,376
Sundry income	-	-	-
	<u>73,376</u>	<u>-</u>	<u>73,376</u>

Commonwealth Foundation

Notes to the financial statements (continued) For the year ended 30 June 2025

19.3 Direct programme costs for the year ended 30 June 2024

	General funds £	Designated funds £	Restricted funds £	2024 £
Commonwealth Writers (CW)	-	4,973	-	4,973
Knowledge Learning and Communications (KLC)	171,417			171,417
Commonwealth Civil Society (CCS)	24,725	17,880	-	42,605
Creative Commonwealth (CC)	129,214	4,174	-	133,388
People of the Commonwealth (POC)	83,526	-	-	83,526
EBR Canada	-	-	-	-
	<u>408,882</u>	<u>27,027</u>	<u>-</u>	<u>435,909</u>

19.4 Grants programme for the year ended 30 June 2024

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

Commonwealth Foundation

Notes to the financial statements (continued) For the year ended 30 June 2025

19.5 Foundation events for the year ended 30 June 2024

	General funds £	Designated funds £	Restricted Funds £	Total £
Commonwealth People's Forum	-	52,748	-	52,748
Commonwealth Charter Event	-	-	-	-
	-	52,748	-	52,748

19.6 Staff and related costs for the year ended 30 June 2024

	General funds £	Restricted funds £	2024 £
Salaries	1,017,249	-	1,017,249
Social security	103,673	-	103,673
Gratuity scheme	142,666	-	142,666
Other staff related costs	96,820	-	96,820
	<u>1,360,408</u>	<u>-</u>	<u>1,360,408</u>
Of which:			
Programmes	723,314	-	723,314
Directorate (incl. other staff related costs)	637,094	-	637,094
	<u>1,360,408</u>	<u>-</u>	<u>1,360,408</u>

Commonwealth Foundation

Notes to the financial statements (continued) For the year ended 30 June 2025

19.7 Reserves for the year ended 30 June 2024

	Balance 1 July 2023	Incoming Resources	Outgoing resources	Transfers	Balance 30 June 2024
	£	£	£	£	£
General funds					
General Fund	1,119,664	3,621,969	(2,975,802)	(240,275)	1,525,556
Designated funds					
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
	<u>175,010</u>	<u>-</u>	<u>(146,610)</u>	<u>240,275</u>	<u>268,675</u>
Total funds	<u>1,294,674</u>	<u>3,621,969</u>	<u>(3,122,412)</u>	<u>-</u>	<u>1,794,231</u>

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.