

**COMMONWEALTH WAR
GRAVES COMMISSION**

ANNUAL REPORT

FOR THE YEAR ENDED

31 MARCH 2019

COMMONWEALTH WAR GRAVES COMMISSION

Consolidated Financial Statements

for the year ended 31 March 2019

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COMMONWEALTH WAR GRAVES COMMISSION

Commissioners, Executive Directors and Advisors

for the year ended 31 March 2019

President	HRH The Duke of Kent KG GCMG GCVO ADC(P)
Chairman	The Rt Hon Ben Wallace MP (from 24 July 2019) The Rt Hon Penny Mordaunt MP (from May 2019 to 23 July 2019) The Rt Hon Gareth Williamson MP CBE (to April 2019)
Commissioners	
Vice-Chairman	Sir Bill Rollo KCB CBE (from July 2019) Vice Admiral Sir Tim Laurence KCVO CB ADC(P) (to June 2019)
Australian	HE The Hon George Brandis QC (from May 2018) HE The Hon Alexander Downer AC (to April 2018)
Canadian	HE Mme Janette Charette
Indian	HE Ms Ruchi Ghanashyam (from November 2018) HE Mr Yashvardhan Kumar Sinha (to October 2018)
New Zealand	HE The Rt Hon Sir Jerry Mateparae, GNZM, QSO, KStJ
South African	HE Ms Nomatamba Tambo
Mr Edward Chaplin CMG OBE	Mr Robert Fox MBE (to December 2018)
The Hon Mrs Ros Kelly AO	The Rt Hon. Keith Simpson MP (to December 2018)
Air Marshal David Walker CB CBE AFC	The Rt Hon. Kevan Jones MP (to December 2018)
Sir Hew Strachan DL FRSE FRHistS, FBA (to December 2018)	
Mr Vasuki Shastry (from January 2019)	Dame Judith Mayhew Jonas DBE (from January 2019)
The Rt Hon Philip Dunne MP (from March 2019)	Ms Diana Johnson MP (from March 2019)

Commonwealth War Graves Foundation Trustees

The Hon Mrs Ros Kelly AO Chair	
Maj Gen Alastair Bruce OBE VR KStJ	Dame Judith Mayhew Jonas DBE
HE Mme Janice Charette	Sir Adrian Montague CBE
Lady Lucy French OBE	Captain Jay Singh-Sohal
The Rt Hon Kevan Jones MP (from December 2018)	

Executive Directors

Victoria Wallace	Director General
Julian Evans	Director of International and Community Engagement
Barry Murphy	Director of Operations
Judith O'Connell	Director of Resources
Jamie Redmond	Director of Human Resources
Liz Woodfield	Director of Communication & Information

Advisors

Artistic Advisor Peter Inskip MBE

Bankers

HSBC
9 The Boulevard,
Crawley, West Sussex. RH10 1UT.

Independent Auditors

Grant Thornton UK LLP
30 Finsbury Square,
London. EC2A 1AG.

COMMONWEALTH WAR GRAVES COMMISSION

Commissioners' report and operating and financial review

for the year ended 31 March 2019

Structure and Governance

The Commonwealth War Graves Commission (the Commission) was established by Royal Charter in May 1917 which was amended by a supplemental charter in June 1964. The Commission's status is not that of a charity as its purposes are not exclusively charitable but is recognised as having charitable status by the UK's tax authorities, HMRC.

The Commission has one subsidiary, the Commonwealth War Graves Foundation (the Foundation), which was registered with the Charity Commission of England and Wales in March 2017 as a charitable incorporated organisation (CIO). The main objectives of the Foundation are to support and publicise the work of the Commission, to engage young people with commemoration and to fundraise. A branch of the Foundation is registered and active in Belgium and a French branch of the Foundation was established subsequent to the year-end.

The Commissioners comprise "the Board" which governs the organisation in line with the provisions of the Royal Charter, and oversees the Commission's strategic direction. The Chairman is the serving UK Secretary of State for Defence, whilst the Vice-Chairman (the de facto operational Chairman) is customarily a retired senior UK military officer. The Commissioners include the High Commissioners of the five Commonwealth Member Governments, together with two Members of Parliament and other lay members. During the year two long serving lay Commissioners retired and their replacements were selected from a shortlist compiled by an external recruitment agency following an open application process. The new lay members will serve an initial term of three years.

The Foundation is governed by a separate Board of Trustees who are appointed by the Commission; the majority of the Foundation's Trustees are not Commissioners.

Induction for new Commissioners includes the provision of a comprehensive briefing pack supported by meetings with the Director General and members of the head office senior management team.

The Commissioners meet four times a year, with the Director General and members of the senior management team in attendance.

The Commissioners are currently supported by committees on Finance, Audit, Remuneration, and the Centenary committee. Following the end of the first world war centenary period the Centenary Committee continued to oversee external engagement activity and its remit in 2018/19 was extended to include the development of a visitor centre at the Commission's French headquarters at Beaurains. The Artistic Advisor attends Commission meetings as an Observer.

Objectives

The "core business" of the Commission, as defined in the Royal Charter, is the commemoration "in perpetuity" of almost 1,700,000 members of the Commonwealth forces who gave their lives in the two world wars. This means in practice that the Commission cares for graves and memorials at more than 23,000 locations in over 150 countries and territories and maintains the relevant records.

These men and women are commemorated either on a headstone (where identification was possible) or on a memorial. Memorials are, in this case, those central locations such as the Thiepval Memorial, the Menin Gate and the Runnymede Memorial, where the names of the missing are inscribed. Moreover, where there is a grave of an unidentified casualty (i.e. in Kipling's words, "a soldier of the Great War known unto God"), then that grave, too, is maintained.

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The Royal Charter tasks the Commission with “maintaining fit provision” of the graves and memorials. Consequently, the Commission’s primary objective is to ensure that each headstone and memorial is well maintained, that the names are legible and that the surrounding infrastructure (i.e. walls, gates, benches) is sound. Also, and in accordance with guidelines laid down in 1918, horticulture (including shrubs and trees) is undertaken at each site in order “to strike the proper note of brightness and life”.

The Commission has a five-year strategic plan, built on the Centenary Committee’s vision and long-term trajectory, for the period 2016 to 2021. This strategic plan is the route map for the Commission to move into its second century of operations. The period covered by the plan includes the centenary of the First World War and the Commission’s own centenary in 2017. The plan provides for an extension of the Commission’s core task, i.e. caring for cemeteries and memorials, to include ensuring that new generations are able to commemorate those who fell in the two world wars, as a result of the Commission’s endeavours to engage, inform and encourage more people to visit its sites and the Commission’s online and digital resources. The plan’s key objectives are to:

- Commemorate the fallen servicemen and women of the two World Wars
- Preserve and maintain the cemeteries and memorials in perpetuity
- Maintain and improve access to records and archives
- Develop an understanding of, and support for, the Commission’s mission
- Operate efficiently, offering excellent value for money, and
- Develop and support a skilled team who are proud to work for the Commission and live its values.

Activities and Performance

During 2018 - 19 we:

- Played a major role in the commemoration of the Armistice and in so doing achieved blanket media coverage, plaudits in parliament together with global praise for the standard of our sites around the world which hosted Armistice events attended by British and international royalty and senior statespersons. Other Armistice support activities included:
 - Supporting a range of stakeholders at Armistice related events and exhibitions at: Cardiff Castle; the National Army Museum; the National Archives; and, a UK parliamentary event
 - The creation and curation of the Commission’s first online exhibition entitled “Shaping our Sorrow” which has been viewed over 400,000 times
 - Gathering, in partnership with Shrouds of the Somme, stories and images for the more than 72,000 casualties commemorated on the CWGC Thiepval Memorial. The project included the installation of 72,000 shrouded figures laid out at Queen Elizabeth Olympic Park in November
- Played a major role in delivering the plans of our member governments to commemorate campaigns, battles and significant events, at Villers Bretonneux, Islay, Salonica, the RAF’s centenary. This required the Commission to work with delivery partners to frame, position, organise and publicise the events, and to ensure the cemeteries and memorials were ready

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- Completed global structural contracts costing £5m. which includes 6 cemeteries in Flanders, a LIBOR funded Visitor centre in France and alternative commemoration for inaccessible Mogadishu casualties at our cemetery in Nairobi. Our conservation led approach ensured that these projects were undertaken in a way that is appropriate to their heritage value, and that is sustainable. Some planned structural projects including those at Imphal, Kariakor (Nairobi) and Wayne's Keep were not undertaken and subsequently deferred due to circumstances beyond our control relating to local political and legal issues
 - Replaced 1,900 headstones over the course of the year and continued to reduce the level of headstone replacement and re-engraved circa 11,000 headstones
 - Continued to enhance our horticultural practice which included the multi-year pilot of a trial of 35 chemical-free sites in Western Europe
 - Undertook preparations and planning in relation to overseas based staff in the event of a no deal Brexit
 - Delivered year 2 of the Youth Interns programme funded by the UK's DCMS (Department of Culture Media and Sport). Two tranches of 12 interns were deployed over an eight-month period in welcoming and engaging with visitors at key Commission sites in Belgium and France
 - Social Media engagements (the number of people who actively engaged with our posts) continued to increase with Facebook and Twitter both growing by 7%. Instagram saw the largest increase in engagements with 66,798 in 2018/19 compared to 20,705 in 2017/18. Our Instagram channel also saw a growth in followers by 80% from one financial year to the next. This growth is attributed to an increase in content being produced and the interest taken in the work of the Commission during the First World War Armistice Centenary period.
 - Increased active presence on our web-pages by 16% 31.6m (2017/18 27.2m) page views with an increase in users by 11% or 1.98m (2017/18 1.76m).
 - Achieved UNESCO Memory of the World status for our archives
 - Created a network of 7 part-time public engagement co-ordinators in the UK.

The Foundation:

- Worked with Oxford University to create a national digital First World War archive known as the "Lest we forget project" funded by the Heritage Lottery Fund. During the year the Foundation conducted archival roadshows, nationwide community events and provided archival training to 67 volunteers
- Grew its Supporter scheme numbers from 433 to 807 including 3 gold memberships
- Sold £19k of merchandise and printed matter from head office and the information centre in Ieper and the profits generated assisted in defraying the Foundation's running costs;
- Successfully fundraised £155k of voluntary donations by hosting events, undertaking social media activity and making both written and personal approaches.

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Business plan 2019/20

Three themes, *Care, Conservation and Communication*, will underpin our activities in 2019/20.

We plan to:

- Continue our commitment to care for our graves and memorials using innovative and sustainable approaches to our horticultural process reducing chemical use and improving quality measurement standards
- Undertake £4.2m of global structural contracts including sites at Tower Hill, Kranji, Berlin and Nairobi
- Commence Stage 2 of the LIBOR funded UK MOD's grave project and assist Canada's Veterans' Affairs Department in the refurbishment of military graves in Ontario province (both on an agency basis)
- Work with member countries to plan and build new memorials to those not currently represented
- Undertake further structural surveys across the world so that by the year end have an operational overview of 80% of our historic estate
- Better understand our audience and develop communications, campaigns and volunteering programmes which engage, educate and enhance public understanding of our extraordinary operational commitment and our historic estate
- Open our first visitor centre and develop a clear tourism strategy in partnership with key regional travel trade partners around our hero sites beginning with the new French visitor centre and Malta
- Continue playing a major role in delivering the plans of our member governments to commemorate campaigns, battles and significant events, which in 2019/20 will include:
 - 75th anniversaries of: The Great Escape in Poland; The Battles of Kohima, Arnhem, Monte Casino; and, the D Day landings
 - the 104th Anzac commemoration at Gallipoli, and
 - the centenary of the scuttling of the German High Seas Fleet in Orkney
- Foster greater understanding of our commemorative practices and policies with member governments producing a manual and holding an annual conference to discuss challenges and share good practice
- Run campaigns focussing on Prisoners of War and a Liberation campaign concentrating on the later stage of the Second World War in Western Europe
- Deliver year 3 of the Interns project
- Ensure our records are safe secure and accessible by reviewing and reappraising our digital asset management systems and our casualty database
- Secure improvements to our support services including a new global HR system, a fleet management strategy, refining our new project management framework, and implementing an online expense submission system.

The Foundation's key deliverables in 2019/20 are:

- Completing the Heritage Lottery funded First World War digital archive project
- Sourcing funding for the Interns program from the wider Commonwealth
- Developing its income streams from donations, membership and surpluses from sale of merchandise at our Ieper Information centre and French visitor centre
- Delivering with the Commission year one of a volunteering project, "Eyes on Hands On" sponsored by Annington, aimed at encouraging volunteer grave care at our more remote UK locations

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- Supporting the new exhibition at Runnymede celebrating the life of Special Operations Executive Noor Inayat Khan.

Remuneration policy for key management personnel

The Commission is committed to the following principles in determining pay for all employees:

- All employees receive equal pay for work of equal value, work rated as equivalent and the same or broadly similar work;
- All roles are evaluated using an internationally recognised global job evaluation system ensuring fairness and consistency;
- Pay bands span from lower quartile to a maxima range, to acknowledge growth of individual skills and performance levels;

Our policy on setting rates of pay is to follow the median market of benchmarked pay data for the not-for-profit sector.

The Senior Leadership Team's remuneration is determined by the Director General and is overseen by the Commission's Remuneration Committee. Pay for this group is based on the following:

- Being competitive with comparable organisations by independent benchmarking;
- Recognising individual contribution and rewarding performance;
- Alignment with forecasted salary increases for the not-for-profit sector.

These principles are also applied by the Commission's Remuneration Committee, acting as a sub-committee of the main board who independently determine the remuneration package for the Director General and annual fee of the Vice-Chairman.

Reserves

The Commission, due to its status and the sources of its funding, does not have a reserves policy but a working capital target of £2m was agreed with the UK Ministry of Defence a number of years ago. Working capital at the year-end, was £6.1m (2018 -£5.4m) and above the target due mainly to advance receipt of funding for LIBOR financed projects amounting to £2.3m and the creation of designated reserves to fund future business plan commitments.

Risk Management

The Commission's most significant risks are outlined on the next page along with the currently identified mitigations.

Whilst the overall number of risks remained fairly constant through the year there was a reduction in the risk rating of a number of high-level risks due to work undertaken during the year on mitigating actions.

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RISKS	MITIGATIONS
<p>The location of some of the Commission's cemeteries & memorials in territories with ongoing conflicts & instability means some level of risk is inevitable & gives rise to:</p> <ul style="list-style-type: none"> • Reputational risk; principally arising from the security threat which precludes the Commission from maintaining and/or monitoring standards at some of its sites, e.g. Syria, Iraq, Yemen which may in turn require significant funding when access is restored. • Risk of staff death or injury due to conflict or terrorism. 	<p>Accurate plans are held to enable restoration, once the security situation permits, ensuring safe access by staff.</p> <p>Where practical, the Commission tries to secure cemetery boundaries or hire local security or watchmen on site. Local diplomatic contacts are deployed where possible.</p> <p>Complex Environment Awareness Training (CEAT) has been provided for travelling supervising staff. The Commission subscribes to "Control Risks" to provide pre-deployment and up-to-date security advice while staff are deployed.</p>
<p>Risks resulting from severe environmental and climatic change which can impose a significant cost to repair or mitigate the threat of further damage.</p>	<p>Prior to any decision to invest in rebuilding the infrastructure, all possible options are routinely explored (such as alternative commemoration or exhumation). In some cases, regular maintenance of surrounding drainage & contact with municipal councils can minimise the chance of flood recurrence.</p>
<p>Driving risk can lead to fatalities & injuries & increases when staff are driving in unfamiliar locations overseas.</p>	<p>Driver profiling awareness & refresher training to be deployed. Trauma first aid training has been completed for travelling supervisors.</p>
<p>Potential injury to staff, contractors or the public at our sites arising from collapse or failure of our structures or trees.</p> <p>The risk of accidents at work causing physical harm to staff & reducing delivery capacity.</p> <p>Potential death & damage at our sites resulting from a terrorist attack.</p>	<p>Structural conditions surveys of all sites being undertaken as well as visitor risk assessments.</p> <p>Health & safety systems are in place & regular training provided to achieve Commission agreed global standard.</p> <p>Liaison with local police & increased security measures in place for higher risk locations.</p>
<p>Hacking & phishing activity creates financial and reputational risk.</p>	<p>Regularly tested strong firewalls tight information security & staff awareness</p>
<p>Potential obsolescence of servers hosting the Commission's casualty database would put at risk access to the Commission's key intellectual property asset</p>	<p>Project underway to upgrade/rebuild servers</p>
<p>Brexit may have financial & operational consequence in respect of cross border movement of staff & goods & continued access for expatriate employees to local education, welfare & healthcare.</p>	<p>We are monitoring political developments for potential impacts.</p>
<p>Pension scheme funding risk arising from adverse investment conditions & the continued low interest rate environment which have the potential to result in a significant actuarial/funding deficit which in turn could create a significant annual funding commitment.</p>	<p>The scheme was closed to future benefit accrual on 31 March 2016. The most recent triennial valuation resulted in a deficit of £4.6m which is being funded over a period of ten years.</p>

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Commissioners' report and operating and financial review

for the year ended 31 March 2019

Financial results for the year ended 31 March 2019

The financial accounts are prepared, in as far as is practicably possible, in line with best practice in the UK Charities sector (Accounting and Reporting by Charities: Statement of Recommended Practice (the "SORP")). The Commissioners assess it appropriate to confirm and prepare the financial statements on a going concern basis.

Total consolidated income for the year was £73.4m compared with £72.6m in 2018, an increase of £0.8m. The Commission's income was £73.2m (2018 £72.5m). Funding comes primarily from the six-member governments in proportions based upon the number of their graves; to that end, the Member Governments contributed £63.5m, an increase of £1.0m over the previous year. The Commission also receives agency funding from these governments for the care of military graves from other periods and for war memorials. Agency income was broadly in line with the previous year. Other income fell by approximately £300k on the previous year which had been bolstered by a significant legacy.

Restricted income reflects income from one-off UK government grants, funded from LIBOR penalties, awarded to: renovate and tend approx. 6,000 Non-World War graves, predominately in the UK; and, to run an Interns/youth guides programme scheme at the Commission's key operational sites in France and Belgium. It is a condition of these grants that these monies are treated as a restricted fund for accounting purposes and £757k has been recognised as restricted in the year. The Foundation recorded restricted income of £88k from the Heritage Lottery Fund and Annington Homes.

The Commission's consolidated expenditure has increased year on year by 2.5% to £71.0m (2017/18 £69.3m). The Commission's expenditure was £70.9m (2018 £69.1m). The increase of 2.6% in expenditure reflects exchange losses and costs relating to the defined benefit pension scheme.

The Commission's consolidated net income before actuarial losses was £2.5m (2017-18 - £3.3m) of which £2.3m was recorded in the Commission. This considerably exceeded the target of £0.7m due to the deferral of structural projects for reasons beyond the Commission's control; receipt of additional unbudgeted funding for the Interns scheme; underspend at head office due in part to challenges in recruitment for technical roles and the achievement of efficiency savings.

The consolidated statement of financial activities shows a loss, after actuarial losses, of -£5.5m (2017-18 surplus of £3.2m). -£5.7m was recorded in the Commission and the charity's surplus was £175k. The Commission's working capital at £6.1m has increased from the previous year's working capital position of £5.4m due to the current year's net income partially offset by an increase in creditors.

Capital expenditure was £3.5m (2018 - £2.4m) and has increased in the current year due to the new visitor centre and major site improvements at the Commission's site at Beaurains. Capital expenditure was funded by: the depreciation charge of £2.1m; LIBOR grant of £700k; and £833k from the designated reserve created the previous year. There was no capital expenditure in the Foundation.

The Commission's consolidated balance sheet position has deteriorated significantly with a reported net deficit, of -£14.2m, a £5.6m increase on the previous year's net deficit position of £8.6m resulting from the increase in the pension deficit of -£8.4m.

The Commonwealth War Graves Foundation recorded income of £295k of which 52.5% comprised donations. The Foundation's expenditure was £120k resulting in a surplus of £175k in its second year of operations.

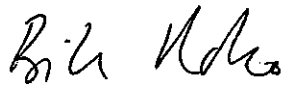
The accounting pension deficit as calculated using FRS 102 was £32.4m at the year-end (2018 £23.9m). The increase in the deficit is due to: changes in assumptions used to value the scheme's liabilities; an increase in the inflation assumption; and, changes in the mortality assumption. This FRS102 pension deficit is a long-

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term liability and cash payments to fund the deficit are determined by the triennial actuarial valuation (which is calculated on a different basis). The outcome of the triennial actuarial pension valuation at 31 March 2017 was a deficit of £4.6m. A ten-year funding plan, entailing ongoing annual payments averaging around £500k by the Commission, was agreed with the Pension Fund's Trustees to discharge this liability following an initial payment of £1m in March 2018.



Sir Bill Rollo

Vice-Chairman



Victoria Wallace

Director General

11 September 2019

COMMONWEALTH WAR GRAVES COMMISSION

Statement of internal controls

for the year ended 31 March 2019

As Accounting Officer to the UK Ministry of Defence, I am responsible for safeguarding the Commission's assets, ensuring that proper records are maintained and ensuring that the internal controls and risk management processes of the organisation are fit for purpose and that reliance can be placed on the control of resources used in the Commission.

The corporate governance of these processes centres on the Audit Committee, chaired by Sir Bill Rollo during the year under review, with two other Commissioners. The Committee's terms of reference have been set by the Commissioners and the accountability is to the Commission; all committee meeting minutes are presented to the Commissioners. The Committee met three times during 2018-19.

Mazars LLP are the Commission's external internal auditors and work to Public Sector Internal Audit Standard. Mazars are working to a three-year strategic audit plan approved by the Committee which has been updated and modified during the year. Mazars undertook four audits during the year, three of which reported substantial assurance and one for which there was an adequate assurance rating outcome. Mazars attended each meeting of the Audit Committee, at which they presented a full report on their activities.

Mazars, in their annual report to the Audit Committee, reported an assurance rating of "substantial" which represents an improvement on the previous year's "adequate" rating.

Grant Thornton UK LLP were appointed as external auditors by the Commissioners a number of years ago. They attend each meeting of the Audit Committee. Their audit plan for each year is discussed with the Committee and they submit a "management letter" each year, summarising their findings. In line with best practice, Grant Thornton are afforded the opportunity to meet with the Committee at the conclusion of their audit, without the Commission's management being present.

At an operational level, the Director of Resources is responsible for the internal controls of the organisation. An "in-house" audit function is also in place with a remit covering internal controls and transactional testing. The team co-ordinates its activities with the programme of Mazars to ensure delivery of a well-rounded audit function. During the year the employment contract of one employee ceased as a result of an internal investigation triggered by small anomalies in the employee's expense claims. The Commission also suffered one successful phishing incident costing £5,000. Internal processes have been reviewed and changed to mitigate future phishing attempts. The in-house team attends meetings of, and reports to, the Audit Committee on its activities. A relocation of the in-house function from Israel to Head office at Maidenhead was undertaken during the year.

The Audit Committee is also responsible for ensuring that the Commission's risk reporting is fit for purpose. Areas and head office functions regularly compile and identify risks within their respective spheres of operation which are then reviewed and collated on a consolidated basis and submitted to the audit committee. Top level risks are reported at quarterly Commission meetings. During the year, the Commission's first risk appetite statement was developed. The Commission's risk appetite approach recognises that different objectives may have differing levels of risk tolerance. The risk appetite statement was reviewed and approved by the Audit Committee and endorsed by the Commissioners.



Victoria Wallace
Director General

Date 11 September 2019

COMMONWEALTH WAR GRAVES COMMISSION

Commissioners' responsibilities statement

for the year ended 31 March 2019

The Commissioners are responsible for preparing the annual report and the Group's financial statements in accordance with applicable law and regulations. The Group comprises the Commission and its sole wholly owned subsidiary the Commonwealth War Graves Foundation.

The Commission's Royal Charter of Incorporation requires the Commission to prepare financial statements for each financial year. The Commission has elected to prepare the financial statements in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), applicable to entities preparing their accounts in accordance with FRS102, to the extent that the SORP is applicable to the Commission, and applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice's legal framework including FRS102). The Foundation, due to its status as a Charitable Incorporated Organisation (CIO), prepares its financial statements for submission to the Charity Commission in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), applicable to entities preparing their accounts in accordance with FRS102.

Guidance under Company law recommends that the Commissioners must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Commission and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Group for that period. In preparing these financial statements, the Commissioners are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS102);
- Make judgments and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Commission and its subsidiary will continue in operation.

The Commissioners are responsible for keeping adequate accounting records that are sufficient to show and explain the Commission's transactions and to disclose, with reasonable accuracy at any time the financial position of the Commission and its subsidiary and to enable them to ensure that the financial statements comply with the requirements of the Charities SORP (FRS102) to the extent that the Charities SORP is applicable to the Commission's legal framework. They are also responsible for safeguarding the assets of the Commission and its subsidiary and hence for taking steps for the detection and prevention of fraud and other irregularities.

The Commissioners confirm that:

- So far as each Commissioner is aware, there is no relevant audit information of which the Commission's auditors are unaware; and
- They have taken all the steps that they ought to have taken as Commissioners in order to make themselves aware of any relevant audit information and to establish that the Commission's auditors are aware of that information.

Independent auditor's report to the Commissioners of Commonwealth War Graves Commission

Opinion

We have audited the financial statements of Commonwealth War Graves Commission (the 'Commission') and its subsidiaries (the 'group') for the year ended 31 March 2019, which comprise the consolidated statement of financial activities, consolidated balance sheet, Commission balance sheet, consolidated cash flow statement, principal accounting policies and notes to the financial statements. 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 group's and Commission's affairs as at 31 March 2019 and of the group's incoming resources and application of resources for the year then ended 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 group and Commission 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Commissioners' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Commissioners' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the Commission's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Commissioners are 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Independent auditor's report to the Commissioners of Commonwealth War Graves Commission

We have nothing to report in this regard.

Responsibilities of Commissioners for the financial statements

As explained more fully in the Commissioners' responsibilities statement set out on page 11, the Commissioners are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Commissioners determine 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 Commissioners are responsible for assessing the group's and the Commission'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 Commissioners either intend to liquidate the group or Commission 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Commission's Commissioners, as a body, in accordance with our letter dated 20 February 2018. Our audit work has been undertaken so that we might state to the Commission's Commissioners 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 Commission and the Commission's Commissioners as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Date: *11 September 2019*

COMMONWEALTH WAR GRAVES COMMISSION

Consolidated statement of financial activities

for the year ended 31 March 2019

	Note	General Purposes 2019 £ '000	Agency Purposes 2019 £ '000	Restricted Funds 2019 £ '000	Total 2019 £ '000	Total 2018 £ '000
Incoming resources						
Funds received from Member Governments	1	63,545	-	-	63,545	62,510
Funds received for agency purposes	2	-	5,744	-	5,744	5,783
Grant funds from government & charitable activities	3	997	-	-	997	911
Investment income	4	1,198	-	-	1,198	1,102
Other incoming resources	5/6	1,206	-	757	1,963	2,285
Total incoming resources		66,946	5,744	757	73,447	72,591
Resources expended						
Expenditure in respect of general activities	7	61,938	-	-	61,938	61,262
Expenditure in respect of agency purposes	9	-	5,744	-	5,744	5,783
Expenditure in respect of grant & charitable activities	10/11	1,481	-	734	2,215	1,378
Net exchange (gain)	12	(2)	-	-	(2)	(880)
Other resources expended	13	1,084	-	-	1,084	1,715
Total resources expended		64,501	5,744	734	70,979	69,258
Net incoming resources for the year before other recognised gains and losses		2,445	-	23	2,468	3,333
Other recognised gains and losses						
Actuarial loss on defined benefit pension scheme	22	(7,995)	-	-	(7,995)	(174)
Net movement in funds		(5,550)	-	23	(5,527)	3,159
Reconciliation of funds						
Total funds brought forward	24	(8,571)	(106)	35	(8,642)	(11,801)
Transfer between reserves	24	(990)	834	156	-	-
Net movement in funds	24	(5,550)	-	23	(5,527)	3,159
Total funds carried forward	24	(15,111)	728	214	(14,169)	(8,642)

All incoming resources and resources expended in the general purpose fund have been derived from continuing activities.

The accompanying accounting policies and notes on pages 18 to 40, form an integral part of these financial statements


COMMONWEALTH WAR GRAVES COMMISSION


Consolidated balance sheet

as at 31 March 2019

	Note	General Purposes 2019 £ '000	Agency Purposes 2019 £ '000	Restricted Funds 2019 £ '000	Total 2019 £ '000	Total 2018 £ '000
Intangible assets						
Software systems	16	355	-	-	355	580
Fixed assets						
Tangible assets	17	16,709	-	-	16,709	15,092
		17,064	-	-	17,064	15,672
Current assets						
Debtors	19	2,859	1,276	165	4,300	4,138
Cash at bank and in hand		25,347	-	2,350	27,697	26,364
		28,206	1,276	2,515	31,997	30,502
Creditors: amounts falling due within one year	20	(23,024)	(548)	(2,301)	(25,873)	(25,144)
Net current assets/(liabilities)		5,182	728	214	6,124	5,358
Total assets less current liabilities		22,246	728	214	23,188	21,030
Provisions for liabilities and charges	21	(4,972)	-	-	(4,972)	(5,735)
Total assets excluding pension scheme liability		17,274	728	214	18,216	15,295
Defined benefit pension scheme liability	22	(32,385)	-	-	(32,385)	(23,937)
Net liabilities including pension scheme liability		(15,111)	728	214	(14,169)	(8,642)
Funds of the Commission						
General purposes	24	7,160	728	214	8,102	5,948
Revaluation reserve	24	6,036	-	-	6,036	6,036
Fixed asset reserve	24	478	-	-	478	1,311
Thiepval reserve	24	2,000	-	-	2,000	2,000
Structural projects reserve	24	700	-	-	700	-
Exchange reserve	24	500	-	-	500	-
Interns reserve	24	400	-	-	400	-
Pension reserve	24	(32,385)	-	-	(32,385)	(23,937)
		(15,111)	728	214	(14,169)	(8,642)

The financial statements were approved by the Commission on 11 September 2019.


Sir Bill Kollo
Vice-Chairman


Victoria Wallace
Director General

The accompanying accounting policies and notes on pages 18 to 40, form an integral part of these financial statements

COMMONWEALTH WAR GRAVES COMMISSION


Commission balance sheet

as at 31 March 2019

	Note	General Purposes 2019 £ '000	Agency Purposes 2019 £ '000	Restricted Funds 2019 £ '000	Total 2019 £ '000	Total 2018 £ '000
Intangible assets						
Software systems	16	355	-	-	355	580
Fixed assets						
Tangible assets	17	16,709	-	-	16,709	15,092
		17,064	-	-	17,064	15,672
Current assets						
Debtors	19	2,896	1,276	165	4,337	4,320
Cash at bank and in hand		25,218	-	2,287	27,505	26,331
		28,114	1,276	2,452	31,842	30,561
Creditors: amounts falling due within one year	20	(22,972)	(548)	(2,287)	(25,807)	(25,131)
Net current assets/(liabilities)		5,142	728	165	6,035	5,430
Total assets less current liabilities		22,206	728	165	23,099	21,102
Provisions for liabilities and charges	21	(4,972)	-	-	(4,972)	(5,735)
Total assets excluding pension scheme liability		17,234	728	165	18,127	15,367
Defined benefit pension scheme liability	22	(32,385)	-	-	(32,385)	(23,937)
Net liabilities including pension scheme liability		(15,151)	728	165	(14,258)	(8,570)
Funds of the Commission						
General purposes	24	7,120	728	165	8,013	6,020
Revaluation reserve	24	6,036	-	-	6,036	6,036
Fixed asset reserve	24	478	-	-	478	1,311
Thiepval Reserve	24	2,000	-	-	2,000	2,000
Structural projects reserve	24	700	-	-	700	-
Exchange reserve	24	500	-	-	500	-
Interns reserve	24	400	-	-	400	-
Pension reserve	24	(32,385)	-	-	(32,385)	(23,937)
		(15,151)	728	165	(14,258)	(8,570)

The financial statements were approved by the Commission on 11 September 2019.


 Sir Bill Rollo
 Vice-Chairman


 Victoria Wallace
 Director General

The accompanying accounting policies and notes on pages 18 to 40, form an integral part of these financial statements

COMMONWEALTH WAR GRAVES COMMISSION

Consolidated cash flow Statement

for the year ended 31 March 2019

	General Purposes 2019 £ '000	Agency Purposes 2019 £ '000	Restricted Funds 2019 £ '000	Total 2019 £ '000	Total 2018 £ '000
Net cash inflow from operating activities					
Net incoming resources	2,445	-	23	2,468	3,333
Transfer between reserves	(990)	834	156	-	-
Pension scheme adjustment	453	-	-	453	(385)
Depreciation	2,080	-	-	2,080	2,148
Profit on sale of fixed assets	(4)	-	-	(4)	(128)
(Increase)/Decrease in inventory prepayments	(11)	-	-	(11)	85
(Increase)/Decrease in debtors	(346)	(412)	75	(683)	98
Increase/(Decrease) in creditors	1,692	(95)	(336)	1,261	13,682
Increase in termination indemnities	247	-	-	247	421
Termination indemnities exchange revaluation	99	-	-	99	(365)
Disbursement of termination indemnities	(1,091)	-	-	(1,091)	(657)
(Decrease) in other provisions	(18)	-	-	(18)	(156)
Net cash inflow/(outflow) from operating activities	4,556	327	(82)	4,801	18,076
Cash flows from investing activities					
Payments to acquire tangible and intangible fixed assets	(3,538)	-	-	(3,538)	(2,336)
Receipts from sales of tangible fixed Assets	70	-	-	70	434
	(3,468)	-	-	(3,468)	(1,902)
Increase/(Decrease) in cash	1,088	327	(82)	1,333	16,174

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

	2019 £ '000	2018 £ '000
Movement in cash and cash equivalents	1,333	16,174
Cash and cash equivalents at 1 April	26,364	10,190
Cash and cash equivalents at 31 March	27,697	26,364

The accompanying accounting policies and notes on pages 18 to 40, form an integral part of these financial statements

COMMONWEALTH WAR GRAVES COMMISSION

Principal accounting policies

for the year ended 31 March 2019

Basis of Accounting

The Commissioners' Report and accompanying consolidated financial statements have been produced in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), applicable to entities preparing their financial statements in accordance with FRS102, to the extent that the SORP is applicable to the Commission, and applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice (GAAP) including FRS102). The Commission meets the definition of a public benefit entity under FRS102. The functional currency is sterling.

The Commonwealth War Graves Commission is the sole member of the Commonwealth War Graves Foundation (Registered charity number 1171947) and as the Foundation's solitary member exercises control over the Foundation by virtue of it being solely able to amend the Foundation's constitution, merge the entity and wind it up. The financial statements therefore consolidate the results of the Commission and its wholly owned subsidiary, the Foundation, on a line by line basis. Transactions and balances between the Commission and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes to the Commission's balance sheet.

Going Concern

The financial statements have been prepared on a going concern basis. The Commission's financial statements are in a net liability position of £14.2m at 31 March 2019 (£8.6m net liability at 31 March 2018) due to the deficit of £32.4m at that date (£23.9m at 31 March 2018) in the UK based pension scheme. The UK based pension scheme is a long-term liability and its deficit position is continually under review. The deficit in the scheme does not impact the assessment of going concern, as the liability is not going to unwind for a number of years and there are no issues with the Commission meeting the agreed deficit payments and the annual running costs of the scheme for the foreseeable future. In addition, in terms of future funding of the Commission, a governmental commitment has been made in the UK Parliament to provide inflation adjusted funding; the UK Government contributes in excess of 78% of the Commission's core funding. The Commission also expects its other income to both continue and grow over the medium term, as the Group increases its ability to both identify and attract new sources of grant, agency and charitable funding. On this basis, the Commission is considered to be a going concern.

Fund accounting

General purposes reserves are unrestricted funds that are available for use at the Commissioners' discretion in furtherance of the objectives of the Commission.

Restricted funds are subject to specific restrictions imposed by the donors of the relevant investments.

In accordance with FRS102 – "Retirement benefits", a pension reserve is included within unrestricted funds representing the pension deficit.

The amount of £833k from the fixed asset reserve, established to assist in financing fixed assets which are not separately funded, has been used in the current year, the balance remaining of £478k will be carried forward for completion of the French visitor centre.

Designated funds have been created from the current year's surplus to fund: structural projects which have been necessarily deferred due to factors beyond the Commission's control; to mitigate future sterling currency weakness; and, to financially underpin the future of the Interns scheme.

Incoming resources

Income, including funding from Member Governments, investment income and income due from the Trustees of the Imperial War Graves Endowment Fund, is recognised in the period in which the Group is entitled to receive the funds and where the amount can be measured with reasonable clarity.

COMMONWEALTH WAR GRAVES COMMISSION

Principal accounting policies

for the year ended 31 March 2019

Grant Funding

UK Government funding from LIBOR receipts are treated as restricted funds and shown separately in the consolidated statement of financial activities as this is mandated by these grant agreements. The income is recognised in line with the terms and conditions of the grant, i.e. the expenditure has to be incurred for the Commission to be entitled to the income.

The Flemish government also provides grant funding in relation to Flanders Walls structural work activities in Belgium. This grant funding is recognised on a cost of completion basis and is included within general purpose funding because the grantor has not applied prescriptive statutory reporting conditions. These activities are subject to regular and ongoing inspection and review by the Flemish authorities and are formally signed off once a year.

Resources expended

The Commission's expenditure is analysed between Royal Charter activities and agency activities.

Costs are included in the consolidated statement of financial activities on an accruals basis.

Governance costs

Governance costs represent direct expenditure incurred by, or on behalf of, the Commissioners, and both internal external audit costs.

Allocation and apportionment

All of the Commission's costs are allocated to general purposes, other than costs directly attributable to agency work (for example, memorials or non-world war cemeteries) and costs apportioned to agency work (for non-world war or agency government headstones, situated within wider Commission world war cemeteries) and some of the grant-funded projects which are designated as restricted activities.

The Foundation's costs are allocated between charitable activities and other trading activities relating to merchandise sales.

Tangible fixed assets and depreciation

Tangible fixed assets costing more than £5k are capitalised and included at cost, including any incidental costs of acquisition. For IT procurement, the provisions of "grouped assets" applies to all items of equipment forming part of the Commission's IT infrastructure. Investment in software is classified as an intangible asset.

Freehold land and building are included in the financial statements at their deemed carrying value at 1 April 2014, consistent with the transition provisions of FRS 102 and as adjusted for subsequent additions and disposals. With effect from 1 April 2014, the Commission has been making provision for depreciation on its freehold buildings. This approach dispenses with any requirement to undertake regular revaluations of the Commission's freehold assets.

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost by equal annual instalments, on a straight-line basis, over their expected useful economic lives as follows:

- Freehold land	Not depreciated
- Freehold buildings	50 years on initial costs; 25 years on refurbishment
- Vehicles	5 years
- Trucks	10 years
- Machinery	5 years
- Computer infrastructure	3 years
- Information systems	Between 3 & 7 years

COMMONWEALTH WAR GRAVES COMMISSION

Principal accounting policies

for the year ended 31 March 2019

Inventory

Stocks of uninscribed headstones and other consumables are included in debtors as prepayments. They are valued at cost and charged to the consolidated statement of financial activities subsequent to being engraved.

The Foundation holds a small stock of books, maps & other stationery at its information centre in Ieper.

Provisions

Provisions for future liabilities are recognised when the Group has a legal or constructive financial obligation that can be readily estimated and for which there is a reasonable expectation that payment will be made.

Foreign currencies

Transactions in foreign currencies are translated into sterling at fixed internal rates of exchange set before the beginning of the financial year. For each foreign currency in which the Group has material expenditure, these are the floor rates at which budgeted cash flows in these currencies have been set for the ensuing year. Balances at year-end are re-translated at the equivalent fixed rates of exchange set for the ensuing year. The net exchange gain or loss arising on foreign currency transactions is shown as a separate item within expenditure in respect of general purposes activities. The difference between the Commission's policy and treatment in the SORP FRS102 is not significant.

Pension schemes

Until 31 March 2016, the Group operated a defined benefit pension scheme in the UK and for overseas based staff contracted in the UK whose employment with the Commission commenced prior to 1 January 2013. Following the closure of the scheme to future accrual, UK-contracted staff accrue pension benefits under a defined contribution arrangement which was established in January 2013 for members of UK staff who were not eligible to join the defined benefit scheme. In most European countries, the Group complies with local schemes which are mandated legally. Across the rest of the countries in which the Group operates, a range of termination indemnity schemes are in place, some of which are mandated legally and some of which have been established voluntarily by the Group.

The defined benefit pension scheme is accounted for in accordance with FRS102. Scheme assets are measured at fair values and quoted securities are measured at bid price. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality bond rates. The net surplus or deficit is presented separately from other net assets on the consolidated balance sheet. A net surplus is recognised only to the extent that it is considered recoverable under the terms of FRS102 by the Commission.

The current service cost and costs from settlements and curtailments are charged against net incoming resources. Past service costs are spread over the period until the benefit increases vest. Interest on the scheme's liabilities and the expected return on scheme assets are included net of support costs. Actuarial gains and losses are reported within other recognised gains/(losses) in the consolidated statement of financial activities.

Operating leases

Rentals payable under operating leases are charged to the consolidated statement of financial activities as incurred, on a straight-line basis, over the term of the lease.

COMMONWEALTH WAR GRAVES COMMISSION

Principal accounting policies

for the year ended 31 March 2019

Heritage assets

The Commission holds a large number of cemeteries and memorials, none of which has been recognised in the consolidated balance sheet as the assets are held in perpetuity on behalf of the Member Governments and there is, therefore, no question of disposal for commercial gain.

UK Value Added Tax (VAT)

Until March 2011, all UK VAT costs incurred by the Commission were reimbursed in full by the UK Ministry of Defence. In 2011-12 the amount reimbursed was limited to £850k. VAT reimbursed in the current year was £914k (2017/18 £900k). Unrecovered Commission only VAT amounted to £170k (2017/18 £179k).

The funding received from the UK Ministry of Defence is shown separately within other incoming resources and the VAT incurred by the Group is shown separately within other resources expended.

Restricted funds

The Commission's financial statements include one restricted fund, reflecting capital that was donated independently of Member Governments, although the income can be used for the Commission's general activities, see note 24.2.

Significant estimates and judgements

Estimates

Where contractual revenue and costs cannot be allocated with certainty, but are related to the current financial period, an estimate of the income or expense is booked within the financial statements based on the accruals principle. Income and costs for operational or specific activities are estimated (accrued) using principally a calculation for the percentage cost of work completed.

Maintaining a presence in over 150 countries and territories presents challenges with regards to employment and retirement contracts/schemes. In place of a pension scheme, or State equivalent provision, it is the Commission's policy in a number of countries outside of the UK and European Union to provide for termination indemnities (see note 21). The Commission has a number of different statutory/contractual arrangements in place where the liability is estimated based on the specific country or employee contract arrangements. On cessation of an employee's contract, the termination indemnity payment is made.

The holiday pay accrual is calculated based on local legislation and employee contractual arrangements.

Judgements

The projected life of refurbishments, equipment and IT systems, and their replacement timescale, is the driver for the depreciation policy.

Judgements are required in making pay and taxation accruals for those countries where pay awards are linked to government scales which may result in the backdating of pay awards. These are calculated based on the most up-to-date information as at the balance sheet date.

The final area of cost where judgement is required relates to the highly sensitive assumptions used in calculating the obligations of the Commission's defined benefit pension scheme, details of which are provided in note 22

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2019

1 Incoming resources from Member Governments

The value and percentage of contributions being made by Member Governments is as follows:

	Percentage contribution	2019 £ '000	2018 £ '000
United Kingdom	78.47%	49,861	49,009
Canada	10.03%	6,373	6,272
Australia	6.05%	3,847	3,781
New Zealand	2.14%	1,361	1,338
South Africa	2.13%	1,351	1,325
India	1.18%	752	785
	100.00%	63,545	62,510

Apart from exchange rate rounding, the percentage basis of contributions has remained unchanged since 2007 and is reviewed annually by the Commission.

2 Incoming resources for agency purposes

The value of the funds received/receivable for agency purposes from government and other associations is as follows:

	2019 £ '000	2018 £ '000
United Kingdom	2,076	1,954
Canada	2,072	1,583
Germany	725	694
Australia	524	1,220
South Africa	124	138
New Zealand	42	45
Other	181	149
	5,744	5,783

3 Grant Funds from Governments & charitable activities

The value of grant funds received/receivable from governmental bodies subsidising structural contract activities is as follows:

	2019 £ '000	2018 £ '000
Belgium-Flanders Walls Grant	997	911

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2019

4 Investment income - General purposes

	2019 £ '000	2018 £ '000
Income from the Imperial War Graves Endowment Fund	1,103	1,040
Interest on bank deposits and investment income	95	62
	<u>1,198</u>	<u>1,102</u>

5 Other incoming resources - Unrestricted

£207k (2018 £103k) of the income relates to the Commission's charitable foundation ('CWGF'), comprising £155k of donations and £521k supporter scheme income and other sales.

	2019 £ '000	2018 £ '000
United Kingdom government funding for offset against VAT	914	900
Legacies and donations	188	625
Supporter scheme income & other event sales	52	17
Other income, equipment sales etc.	52	106
	<u>1,206</u>	<u>1,648</u>

6 Other incoming resources - Restricted

£88k (2018 £nil) of the income relates to the Commission's charitable foundation ('CWGF') comprising £64k from Heritage Lottery Fund and £24k from Annington Homes.

	2019 £ '000	2018 £ '000
Grant funding - guides programme	(35)	274
Grant funding - HLF Bid & Annington project	88	-
Grant funding - MoD graves renovation	304	362
UK - DCMS funding - guides programme	400	1
	<u>757</u>	<u>637</u>

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2019

7 Expenditure in respect of general & charitable activities

	2019 £'000	2018 £'000
Employee and staff costs (note 14)	39,727	38,915
Termination indemnity provision charge (note 21)	247	428
Retirement indemnity provision in France (note 21)	17	149
Termination indemnity state payments	163	165
Staff support	2,225	2,921
Supplies and equipment	6,668	6,041
Contract costs	7,447	8,160
Travel costs	3,088	2,790
Transport costs	2,279	2,016
Facilities costs - rent, rates and insurance	1,223	1,262
Maintenance	1,251	738
Depreciation	2,080	2,148
Restructuring	186	589
Legal costs and provisions	6	(3)
Net financial charge/(income) on pension scheme liabilities (note 22)	453	(385)
Professional fees	1,086	1,159
Governance costs (note 8)	352	348
Marketing and publications	324	360
Communications	414	435
IT	694	757
Other administrative expenses	(33)	66
	69,897	69,059
Less: Recoverable costs incurred for agency purposes (note 9)	(5,744)	(5,783)
Less: Recoverable costs incurred for grant funding (note 11)	(708)	(636)
Less: Recoverable costs incurred for special purpose investment (note 11)	(26)	-
Less: Recoverable costs incurred for grant restricted purposes (note 10)	(1,481)	(1,378)
	61,938	61,262

In the current year, £61.9m, (2018 £61.2m) of the total expenditure relates to funds received from member governments for general purposes and £120k (2018 £96k) to CWGF's charitable activities.

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2019

8 Governance costs

	2019 £ '000	2018 £ '000
Internal audit fees & other services	19	22
Commission internal audit costs	148	184
Commissioners' costs and expenses (note 15)	83	73
External auditors' fees for statutory audit	71	59
External audit – provided by firms other than the Commission's auditor	5	10
	<u>326</u>	<u>348</u>

9 Expenditure in respect of agency purposes

	2019 £ '000	2018 £ '000
Indirect staff and staff support cost	1,539	1,570
Indirect non-staff costs	1,122	1,116
Direct staff costs	766	771
Direct non-staff costs	1,623	1,648
	<u>5,050</u>	<u>5,105</u>
Management charges	694	678
	<u>5,744</u>	<u>5,783</u>

In the current and prior year the total expenditure wholly relates to funds received from agency contract funders for agency purposes.

10 Expenditure in respect of grant funding - Unrestricted

	2019 £ '000	2018 £ '000
Belgium-Flanders Walls Grant	<u>1,481</u>	<u>1,378</u>

In the current year £1.5m, (2018 £1.4m) of the total expenditure wholly relates to funds received from grant funders for general purposes.

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2019

11 Expenditure in respect of grant purposes - Restricted

	2019 £ '000	2018 £ '000
Indirect staff and staff support cost	195	154
Indirect non-staff costs	89	64
Direct staff costs	210	179
Direct non-staff costs	210	156
	<hr/>	<hr/>
	704	553
Management charges	4	83
	<hr/>	<hr/>
	708	636
	<hr/>	<hr/>
Special purpose investment memorial costs	26	-
	<hr/>	<hr/>
	734	636
	<hr/>	<hr/>

In the current year, costs incurred are £264k MoD Graves, £400k guides programme, and £40k Heritage Lottery Funded charitable activities in CWGF. The special purpose investment balance decreased by £26k for work completed on memorials over the last few years.

12 Exchange gain

	2019 £ '000	2018 £ '000
Balance sheet revaluation	(215)	(130)
Termination indemnity revaluation	56	(364)
Bank accounts exchange (gain)/loss	(6)	53
Currency exchange in year loss/(gain)	163	(439)
	<hr/>	<hr/>
Net exchange (gain) in year	(2)	(880)
	<hr/>	<hr/>

13 Other resources expended

	2019 £ '000	2018 £ '000
UK input VAT	1,084	1,079
	<hr/>	<hr/>

In the current year £1,084k (2018 £1,079k) of the total expenditure balance relates to general activities of which £12k (2018 £14k) relates to CWGF's charitable activities.

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2019

14 Employees and staff costs

	2019 £'000	2018 £'000
Wages and salaries	30,377	29,846
Less: Governance allocation	(109)	(129)
Social security costs	6,528	6,350
Less: Governance allocation	(39)	(25)
Staff allowances	1,078	1,119
Casual labour costs	361	346
Pension – defined contribution scheme	1,531	1,408
	<u>39,727</u>	<u>38,915</u>
Governance costs attributable to wages & salaries	148	154
Restructuring	186	589
Termination indemnity	247	428
Retirement indemnity	17	114
	<u>40,325</u>	<u>40,200</u>

The number of staff employed by the Commission as at 31st March, including contracted part-time staff on a head count basis, was:

	2019 Number	2018 Number
Western European Area	618	609
United Kingdom and Northern Europe Area	108	108
Asia, Africa & Pacific Area	176	183
Mediterranean Area	228	241
Canada	10	10
Headstone production unit	4	4
Head office – United Kingdom	111	100
	<u>1,255</u>	<u>1,255</u>

COMMONWEALTH WAR GRAVES COMMISSION

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Emoluments include salary, accommodation and other allowances arising in relation to overseas postings and relocations, taxable benefits in kind and other payments to employees. The table below includes emoluments of 11 employees who received allowances and payments in relation to their overseas employment (2018: 15). The emoluments (excluding overseas allowances) of 10 of these employees would otherwise have fallen below the reporting threshold (2018: 12). 4 out of 5 of the Commission's employees falling within the top four pay ranges were based overseas (2018: 5 out of 6).

The table below shows the number of higher-paid staff with emoluments, excluding pension contributions, falling in the following ranges:

	2019 Number	2018 Number
£60,000 to £69,999	15	14
£70,000 to £79,999	4	4
£80,000 to £89,999	5	6
£90,000 to £99,999	3	3
£100,000 to £109,999	-	1
£110,000 to £119,999	2	1
£120,000 to £129,999	1	-
£130,000 to £139,999	1	1
£160,000 to £169,999	1	1

The remuneration, including allowances, of the Senior Leadership Team, comprising the Director General and 5 (2018 - 6) Functional Directors, amounted to £590k (2018 - £712k).

15 Commissioners' and Director General expenses

The Vice-Chairman of the Commission receives a salary of £50,900 (2018: £50,400). No other Commissioner receives remuneration for his/her services. Directly incurred expenditure of the Commissioners borne by the Commission and expenses reimbursed directly to the 15 (2018: 15) Commissioners amounted to £32,197 (2018: £22,254).

The total emoluments of the Director General for the year were £167,942 (2018: £164,237). Employer contributions to her pension fund totalled £16,042 (2018: £15,668). In addition, the directly incurred expenses of the Director General in the year were £21,811 (2018: £14,976).

The most significant element of the Commissioners' and Director General's expenses is the cost of visits to overseas sites.

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16 Intangible assets

The Commission now actively encourages public access to its documentary and photographic archives, allied with the need to engage and communicate electronically across a range of digital platforms globally, which has necessitated significant investment in software systems.

Group and Commission

	Software systems £'000	Assets in course of construction £'000	Total £'000
Cost			
At 1 April 2018	1,276	60	1,336
Additions	88	-	88
Transfer	60	(60)	-
At 31 March 2019	1,424	-	1,424
Depreciation			
At 1 April 2018	756	-	756
Charge for year	313	-	313
At 31 March 2019	1,069	-	1,069
Net Book Value			
At 31 March 2019	355	-	355
At 31 March 2018	520	60	580

All intangible fixed assets are used for the general purposes of the Commission. The assets in course of construction relate to the next stage costs of the Commission's website upgrade, which was completed in 2018-19.

COMMONWEALTH WAR GRAVES COMMISSION

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for the year ended 31 March 2019

17 Tangible fixed assets

Group and Commission

	Freehold & leasehold property £'000	Machinery £'000	Motor vehicles £'000	Computer & office equipment & comms. £'000	Assets in course of construction £'000	Total £'000
Cost						
At 1 April						
2018	11,573	6,598	3,210	4,344	511	26,236
Additions	435	723	286	303	1,703	3,450
Transfer	114	11	219	-	(344)	-
Disposals	-	(468)	(340)	(558)	-	(1,366)
At 31 March						
2019	12,122	6,864	3,375	4,089	1,870	28,320
Depreciation						
At 1 April						
2018	1,000	4,928	2,096	3,120	-	11,144
Charge for year	292	622	337	516	-	1,767
Eliminated on disposals	-	(442)	(329)	(529)	-	(1,300)
At 31 March						
2019	1,292	5,108	2,104	3,107	-	11,611
Net Book Value						
At 31 March						
2019	10,830	1,756	1,271	982	1,870	16,709
At 31 March						
2018	10,573	1,670	1,114	1,224	511	15,092

All tangible fixed assets are used for the general purposes of the Commission and agency activity.

The planned capital projects were completed within the year, with the visitor centre scheduled for completion in June 2019.

The Commission's freehold land and building are included in the accounts at their carrying value at 1 April 2014 as was permitted under the transition provisions on the adoption of FRS102 and as adjusted by subsequent additions and disposals. The deemed cost for land was £2.7m and for freehold buildings was £7.9m

The expenditure not yet completed or operational under assets in the course of construction relates to: the French visitor centre, site improvements and stone cutting machine totalling £1.6m; with the balance of £300k for other locations' vehicles & plant & machinery.

The disposals relate to the sale of equipment together with the removal of old zero net-book valued assets, from the fixed asset ledger, following an audit of scrapped and/or donated assets.

COMMONWEALTH WAR GRAVES COMMISSION

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for the year ended 31 March 2019

18 Subsidiary undertakings

The Commission has one wholly owned subsidiary, The Commonwealth War Graves Foundation (“the Foundation”). The Foundation is a charity registered in England and Wales, registration number 1171947. For the year ended 31 March 2019, the results of the Foundation, consolidated in these financial statements are as follows:

	Year ended 31 March 2019 £ '000	Year ended 31 March 2018 £ '000
Income	295	103
Expenditure	(120)	(189)
Surplus for the year	<u>175</u>	<u>(86)</u>
	31 March 2019 £ '000	31 March 2018 £ '000
Assets	193	33
Liabilities	(104)	(119)
	<u>89</u>	<u>(86)</u>
Reserves	<u>89</u>	<u>(86)</u>

Gifts to the value of £16k and £4k were donated to the foundation for support activities and books. £22k of volunteers' time was received by the foundation to support delivery of the Lest we forget project

19 Debtors – Group

	General purposes 2019 £ '000	Agency purposes 2019 £ '000	Restricted purposes 2019 £ '000	Total 2019 £ '000	Total 2018 £ '000
Amounts falling due within one year					
Recoverable taxes	446	-	-	446	365
Accrued income from Member Governments and other agencies	447	1,276	-	1,723	1,244
Accrued legacy income	-	-	-	-	333
Headstones	633	-	-	633	637
Foundation merchandise	15	-	-	15	-
Restricted Grant income	-	-	165	165	240
Staff advances	126	-	-	126	119
Short-term funding of agency and restricted activities	-	-	-	-	532
Other debtors and prepayments	1,192	-	-	1,192	668
Total debtors	<u>2,859</u>	<u>1,276</u>	<u>165</u>	<u>4,300</u>	<u>4,138</u>

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19.1 Debtors - Commission

	General purposes 2019 £'000	Agency purposes 2019 £'000	Restricted purposes 2019 £'000	Total 2019 £'000	Total 2018 £'000
Amounts falling due within one year					
Recoverable taxes	446	-	-	446	365
Accrued income from Member Governments and other agencies	447	1,276	-	1,723	1,244
Accrued legacy income	-	-	-	-	333
Headstones	633	-	-	633	637
Restricted Grant income	-	-	165	165	240
Staff advances	126	-	-	126	119
Short-term funding of agency and restricted activities	-	-	-	-	532
Amounts owed by subsidiary undertakings	52	-	-	52	92
Other debtors and prepayments	1,192	-	-	1,192	668
Total debtors	2,896	1,276	165	4,337	4,230

20 Creditors: amounts falling due within one year - Group

	General purposes 2019 £'000	Agency purposes 2019 £'000	Restricted purposes 2019 £'000	Total 2019 £'000	Total 2018 £'000
Member Government funding received in advance	12,941	548	2,301	15,790	15,902
Trade creditors	2,510	-	-	2,510	1,936
Trade accruals	2,622	-	-	2,622	2,477
Social security and other taxes	1,402	-	-	1,402	1,060
Holiday pay & other staff cost accruals	3,463	-	-	3,463	3,141
Short-term obligations of agency and restricted activities	-	-	-	-	532
Other creditors	86	-	-	86	96
	23,024	548	2,301	25,873	25,144

COMMONWEALTH WAR GRAVES COMMISSION

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20.1 Creditors: amounts falling due within one year - Commission

	General purposes 2019 £'000	Agency purposes 2019 £'000	Restricted purposes 2019 £'000	Total 2019 £'000	Total 2018 £'000
Member Government funding received in advance	12,926	548	2,287	15,761	15,902
Trade creditors	2,505	-	-	2,505	1,936
Trade accruals	2,594	-	-	2,594	2,464
Social security and other taxes	1,402	-	-	1,402	1,060
Holiday pay & other staff cost accruals	3,463	-	-	3,463	3,141
Short-term obligations of agency and restricted activities	-	-	-	-	532
Other creditors	82	-	-	82	96
	<u>22,972</u>	<u>548</u>	<u>2,287</u>	<u>25,807</u>	<u>25,131</u>

£1,296k of the advance LIBOR funding for restricted purposes relates to funding associated with commitments forecast after more than one year (2018: £1,330k).

21 Provisions for liabilities and charges

Group and Commission

	Restructuring provision £'000	Provision for legal costs £'000	Taxation & services £'000	Termination indemnities £'000	Retirement indemnities £'000s	Total £'000
At 1 April 2018	86	48	497	4,273	831	5,735
Paid	(82)	-	-	(1,091)	(17)	(1,190)
Released/transferred	-	(24)	(89)	(43)	(23)	(179)
Exchange rate revaluation	-	-	45	99	35	179
Charged during the year	-	35	128	247	17	427
At 31 March 2019	<u>4</u>	<u>59</u>	<u>581</u>	<u>3,485</u>	<u>843</u>	<u>4,972</u>

£820k of the retirement indemnity relates to provisions for liabilities due after more than one year (2018: £782k).

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for the year ended 31 March 2019

The termination indemnity provision relates to both mandatory and voluntary schemes which the Commission has in place outside the UK to provide for staff benefits on cessation of employment/retirement.

22 Retirement benefits

The Commission operated a defined benefit pension scheme for the benefit of its employees holding UK contracts of employment, which was closed to future benefit accrual at 31 March 2016.

The assets of the pension scheme are held separately from those of the Commission and are administered by the Trustees of the Superannuation Fund. The pension cost was determined on the advice of independent qualified actuaries.

A deficit payment of £400k (2018: £1,000k) was made by the Commission during the year.

The most recent full actuarial valuation was carried out for the Trustees of the Superannuation Fund as at 31 March 2017 and was used by the actuaries for the disclosure requirements of FRS102 as at 31 March 2018 and 31 March 2019.

The assumptions used in determining the overall expected return of the scheme's assets have been set with reference to yields available on government bonds and appropriate risk margins and, where relevant, with consideration to the Bank of England base rate.

The tables below state the FRS102 actuarial assumptions upon which the valuation of the scheme was based.

	2019	2018
	%	%
Discount rate	2.35	2.60
Rate of increase in salaries	n/a	n/a
Rate of increase in pensions	2.45	2.30
Expected long-term rate of return on scheme assets	6.60	6.60
Inflation – CPI assumption	2.45	2.30
Inflation – RPI assumption	3.60	3.45

The underlying mortality assumption adopted imply the following life expectancies at 65 years old:

	Male 2019 years	Male 2018 years	Female 2019 years	Female 2018 years
Current pensioner aged 65	22.6	22	24.6	24.0
Future retiree upon reaching 65	23.7	23	25.8	25.2

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The assets of the pension scheme are identifiable by category.

	2019 %	2019 £'000	2018 %	2018 £'000
Cash at bank	1.7	1,442	1.2	1,083
L&G All World Equity Fund	23.1	20,137	-	-
LG Local Currency Government Bond Fund	3.8	3,292	-	-
L&G Emerging Market Equity Fund	3.6	3,148	-	-
Threadneedle Property Unit Fund	7.3	6,342	-	-
Standard Life Global Absolute Fund	-	-	29.1	25,649
Schroder Life Diversified Growth Fund	18.7	16,251	35.3	31,161
Investec Diversified Growth Fund	16.0	13,928	12.6	11,135
UBS Phildrew Ventures 4 th Fund Exempt	0.0	1	-	-
Schroder LDI Portfolio	25.8	22,448	21.8	19,250
Fair value of pension scheme assets	100.0	86,989	100.0	88,278

The amounts recognised in the consolidated balance sheet are as follows:

	2019 £'000	2018 £'000
Present value of pension scheme liabilities	(119,374)	(112,215)
Fair value of pension scheme assets	86,989	88,278
Net pension deficit at 31 March	(32,385)	(23,937)

The amounts to be recognised in the consolidated statement of financial activities for the year ended 31 March 2019 are as follows:

	2019 £'000	2018 £'000
Included within resources expended		
The amounts recognised in the financial statement		
Service cost – including current service costs, settlements and curtailments plus annual funding	(162)	(1,000)
Net interest on the defined benefit liability	615	615
Total expense / (credit)	453	(385)
Other recognised (gains)/losses:		
Actuarial losses / (gains) on pension scheme liabilities	7,929	(188)
Return on assets, excluding interest income	66	362
Net actuarial loss on defined benefit pension scheme	7,995	174

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for the year ended 31 March 2019

Changes in the present value of the defined benefit obligation are as follows:

	2019 £'000	2018 £'000
Opening defined benefit obligation	112,215	114,297
Interest cost	2,865	2,910
Benefits paid	(3,873)	(4,804)
Actuarial loss/(gain)	7,929	(188)
Past service cost	238	-
	<u>119,374</u>	<u>112,215</u>

Changes in the fair value of scheme assets are as follows:

	2019 £'000	2018 £'000
Opening fair value of scheme assets	88,278	90,149
Interest income on scheme assets	2,250	2,295
Expected return	(66)	(362)
Employer contributions	400	1,000
Benefits paid	(3,873)	(4,804)
Closing fair value of scheme assets	<u>86,989</u>	<u>88,278</u>

The history of experience gains and losses is as follows:

	2019 £'000	2018 £'000
Experience adjustments on scheme liabilities	(7,929)	188
<i>As a percentage of scheme liabilities</i>	(6.64%)	0.17%
Experience adjustments on scheme assets	(66)	(362)
<i>As a percentage of scheme assets</i>	<u>(0.08%)</u>	<u>(0.41%)</u>

23 Commitments

23.2 Capital commitment

Capital commitments at 31 March 2019 amounted to £385k (2018: £65k) and includes the cost for completion of the Visitor centre at Beaurains in France.

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2019

23.3 Leasing commitments

In 2018/19, 16 new vehicles were leased. (2017/18 -30) and 15 new non-vehicles (2017/18 - 9) were leased. At 31 March 2019, the Commission had commitments under non-cancellable operating leases as follows:

Group and Commission

	2019 £ '000	2018 £ '000
Within one year		
Accommodation & office equipment	193	153
Vehicles	1,296	1,073
Between 2 and 5 years		
Accommodation & office equipment	297	246
Vehicles	1,260	1,456
More than five years		
Accommodation & office equipment	56	50
	<u>3,102</u>	<u>2,978</u>

24 Retained funds

Group

	2019 £ '000	2018 £ '000
Unrestricted fund (note 24.1 a)	(14,383)	(8,677)
Restricted funds (note 24.2 a)	214	35
	<u>(14,169)</u>	<u>(8,642)</u>

Commission

	2019 £ '000	2018 £ '000
Unrestricted fund (note 24.1 b)	(14,423)	(8,605)
Restricted funds (note 24.2 b)	165	35
	<u>(14,258)</u>	<u>(8,570)</u>

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for the year ended 31 March 2019

24.1 Unrestricted funds

a) Group

	Funds at 1 April 2018 £' 000	Net movement in funds for year £' 000	Funds at 31 March 2019 £' 000
General purposes	6,019	1,297	7,316
Agency purposes	(106)	834	728
Fixed asset reserve	1,311	(833)	478
Revaluation reserve	6,036	-	6,036
Pension reserve	(23,937)	(8,448)	(32,385)
Thiepval reserve	2,000	-	2,000
Structural projects reserve	-	700	700
Exchange reserve	-	500	500
Future Interns reserve	-	400	400
Total	(8,677)	(5,550)	(14,227)

b) Commission

	Funds at 1 April 2018 £' 000	Net movement in funds for year £' 000	Funds at 31 March 2019 £' 000
General purposes	6,091	1,185	7,276
Agency purposes	(106)	834	728
Fixed asset reserve	1,311	(833)	478
Revaluation reserve	6,036	-	6,036
Pension reserve	(23,937)	(8,448)	(32,385)
Thiepval reserve	2,000	-	2,000
Structural projects reserve	-	700	700
Exchange reserve	-	500	500
Future Interns reserve	-	400	400
Total	(8,605)	(5,662)	(14,267)

A £2m designated reserve remains in place to cover future conservation costs, including the anticipated costs of stage two of the Thiepval memorial renovation. An additional £700k has been created to cover other structural projects, plus allocations for sterling currency movements and future interns/guides programmes. There is a net movement on the fixed asset reserve of £833k, comprising £833k of expenditure on projects carried forward from 2018 leaving a balance of £478k for future requirements.

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for the year ended 31 March 2019

24.2 Restricted funds

a) Group

	Funds at 1 April 2018 £' 000	Net movement in funds for year £' 000	Funds at 31 March 2019 £' 000
Cash investments held for:			
The special purpose fund	35	(26)	9
Lest we forget (HLF project)	-	49	49
Total	35	23	58

b) Commission

	Funds at 1 April 2018 £' 000	Net movement in funds for year £' 000	Funds at 31 March 2019 £' 000
Cash investments held for:			
The special purpose fund	35	(26)	9
Total	35	(26)	9

24.3 The Special Purposes Fund

The capital of this fund is held on behalf of the individuals and organisations that originally endowed the fund and is therefore shown on the consolidated balance sheet as restricted funds, and as cash, post the disinvestment. Over the last 3 years, costs incurred totalled £26k with a remaining balance of £9k.

LIBOR funded awards from the UK government totalling £3.3m received in prior years were granted to: renovate and tend approximately 6,000 non-world war graves; support an interns/youth-guides programme and to develop a visitor centre adjacent to the Commission's site in Arras. These funds are refundable if not expended on the projects for which they were granted.

25 Related party transactions

The Commonwealth War Graves Foundation, registered at the Charity Commission on 8th March 2017, with the Commission as its sole member has completed its second year of operation. Material transactions with the Foundation comprised:

- A recharge by The Commonwealth War Graves Commission of salary, and other direct costs amounting to £22k during the year. £4.5k worth of books were donated to the Belgian Foundation branch for sales at the Ieper Information Centre

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- The Commonwealth War Graves Foundation owed the Commonwealth War Graves Commission £52k (2018 £105k) at the year-end. £50k of the loan/intercompany balance was paid by the Foundation in March 2019.

- Back office support and services were provided by the Commission to the Foundation free of charge to support the Foundation whilst it continues to become established, valued at £16k.

Volunteers' cost for their time is valued at £22k for the HLF bid, £6k archives cleaning, £2k operational and £3k for Commission events.

Funds received from the Imperial War Graves Endowment Fund, and the charges incurred by the Commissioners are disclosed in note 15 to the financial statements. The amount due from the Endowment Fund to the Commission at the year-end was £462k (£2018 - £395k).

Lady Lucy French a trustee of the Commonwealth War Graves Foundation, is also a trustee of the "Never such Innocence" Charity which aims to give children and young people across the world a voice on war and conflict. The Commission paid Never such Innocence £2,500 during the year (£2018 -£2,500)

26 Post Balance Sheet Events

There were no significant post balance sheet events.