



COMMONWEALTH
WAR GRAVES



**COMMONWEALTH WAR
GRAVES COMMISSION**

ANNUAL REPORT

FOR THE YEAR ENDED

31 MARCH 2024

COMMONWEALTH WAR GRAVES COMMISSION

Consolidated Financial Statements

for the year ended 31 March 2024

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COMMONWEALTH WAR GRAVES COMMISSION

Commissioners, Executive Directors and Advisors

for the year ended 31 March 2024

Patron	His Majesty The King (from November 2023)
President	Her Royal Highness The Princess Royal KG KT GCVO (from November 2023) His Royal Highness The Duke of Kent KG GCMG GCVO (to October 2023)
Chair	The Rt Hon Grant Shapps MP (from September 2023) The Rt Hon Ben Wallace MP (to August 2023)
Vice-Chairman	Vice Admiral Peter Hudson CB CBE (from July 2023) Lieutenant General Sir William Rollo KCB CBE (to June 2023)
Commissioners	
Australian	HE Hon Stephen Smith
Canadian	HE Ralph E Goodale PC
Indian	HE Vikram K Doraiswami
New Zealand	HE Phil Goff CNZM
South African	HE Jeremiah Nyamane Mamabolo

The Rt Hon Philip Dunne MP
Sir Timothy Hitchens KCVO CMG
Ms Keryn James
The Rt Hon Dame Diana Johnson DBE MP
Dame Judith Mayhew Jonas DBE
Mr Vasuki Shastry
Lt Gen Sir Ben Bathurst KCVO CBE
Air Marshal Sir Stuart Atha KBE CB DSO

Commonwealth War Graves Foundation Trustees

Dame Judith Mayhew Jonas DBE (Chair)
Mr Gerald Allison (appointed 5 September 2023)
Major General Alastair Bruce OBE VR KStJ
The Rt Hon Kevan Jones MP
Sir Adrian Montague CBE
Captain Jay Singh-Sohal
Mr Julian Evans
Mr Christopher Walsh (appointed 5 September 2023)

Executive Directors

Claire Horton CBE	Director General
Vincent Collins	General Counsel
Barry Murphy	Chief Operating Officer
Charles Garrett OBE	Director of Commonwealth Relations and Global Strategy (from January 2024)
Iain Lower CB	Director of Global Strategy and Commonwealth Relations (to January 2024)

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Commissioners, Executive Directors and Advisors

for the year ended 31 March 2024

Ian Hill
Martha Desmond
Michele Jennings

Director of Finance and Corporate Services
Chief People Officer
Chief Marketing Officer and Director of the Foundation

Advisors

Principal Bankers

HSBC
9 The Boulevard
Crawley
West Sussex

Independent Auditors

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

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Commissioners' report and operating and financial review

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Structure and Governance

The Commonwealth War Graves Commission (the Commission) was established by Royal Charter in May 1917 and 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). The Commonwealth War Graves Foundation ("the Foundation" or "CWGF") is a Charitable Incorporated Organisation (CIO), governed by its Constitution, as registered on 8 March 2017, and subsequently amended on 6 May 2017. The Foundation is registered with the Charity Commission of England & Wales (charity registration number 1171947). The Foundation has also established and registered branches in: Belgium (enterprise number 0689.789.289), and in France (Siret number 850 666 645 00013), governed under the same constitution. On 6 September 2022, the Foundation registered with the Scottish Charity Regulator (OSCR registration number SC051982).

The main objectives of the Foundation are to support and publicise the work of the Commission, to educate and engage young people with commemoration and to fundraise.

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 Chair is the serving UK Secretary of State for Defence, whilst the Vice-Chairman (the de facto operational Chair) 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. New lay members now serve an initial term of three years which can be renewed (twice, for a maximum period of nine years).

The Foundation Trustees are appointed its own Trustee Board and advised to 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 organisation's senior leadership team, and functional and area leads.

The Commissioners meet four times a year, with the Director General and members of the executive leadership team in attendance. The Commissioners are currently supported by standing committees on Finance, Audit and Risk, and Remuneration. The Finance Committee met three times, and the Audit & Risk Committee four times during the year. Remuneration Committee met once.

In April 2021, the Commission published the report of a Special Committee that investigated historical inequalities in the commemoration of war dead after the first world war. That report identified significant failings in the commemoration of some of our war dead and made ten recommendations on how those historic wrongs might be corrected by the present-day CWGC. A significant programme of cross-Commission work been in progress since May 2021 to actively address these recommendations, including the creation of a non-executive global Expert Advisory Panel to function as guide and sounding board for the CWGC's actions going forward. That panel, comprising international, subject matter experts from the countries affected by the report's findings, meets three times a year – with the first meeting held in February 2022.

Objectives The "core business" of the Commission, as defined in the Royal Charter, is the commemoration "in perpetuity" of over 1,700,000 members of the Commonwealth forces who gave their lives in the two world wars. It should be noted that following the publication of the findings of a Special Committee looking into historical cases of non-commemoration, this number may potentially increase. This means in practice that the

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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.

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 using a sensitive conservation approach to its heritage structures. 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 also maintains the archives and the official casualty database.

The CWGC launched its long term, strategy – *Towards 2039, Many Stories, Many Voices, One Commission, One Mission* in April 2023. It explains CWGC's Shared Purpose, Ambition, Mission, Goals and Values for the organisation to 2039 and will be delivered through a rolling three-year plan, the first of which will run from 2023 to 2026. The new strategy is supported by a detailed Implementation Plan – both documents are available separately. Progress will be reviewed quarterly, with a formal review every three years to ensure it remains timely and relevant.

CWGC's core purpose and mission – the fit commemoration of the war dead – remains at the core of what CWGC does and stands for and will not change, but the new strategy reflects the challenges and opportunities facing the Commission and its wider ambition to be a global leader in commemoration, unbound by date or geography, for all time.

The strategy, therefore, is an Evolution rather than Revolution of CWGC's Mission BUT it is an Evolution with Ambition – which has been carefully considered to reflect our core work and aims for our organisation, our people, and those who support and work with us.

This strategy is an inclusive document built around **Four Strategic Priorities**. They are:

- **Caring Sustainably & Safely** – for the graves, cemeteries, memorials, landscapes, and records of those who died.
- **Sharing the Stories** – of those we commemorate, and our people who care for those graves and memorials, with an ever-wider and more diverse audience, across all nations.
- **Deepening Relations** – with our existing membership, the public, volunteers, and our wider global stakeholders, to help us to become a valued instrument for diplomacy and influence.
- **Organisational Fitness** – we will ensure CWGC is well-governed and well-led, safe, just, fair, diverse, and inclusive, with its people given the tools they need to do the job.

Our Strategic Priorities are matched to **12 GOALS**. Each goal has clear benefits for our organisation. The Goals are...

- **Our Profile** – By 2039 CWGC and CWGF will be universally recognisable with a clearly understood and valued mission; relevant, well regarded, and leaders in global commemoration.

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- **People First** – We will succeed by putting our people first and helping them be the best they can be. We will attract, develop, and retain talented and motivated teams.
 - **Governance and Compliance** – We will ensure all our legal and governance policies and documents are compliant.
 - **Ways of Working** – We will work safely and minimise bureaucracy, empowering our people to get things done.
 - **Digitally And Technology Enabled** – We will use new technology where we can and ensure our people have the tools they need to work safely, efficiently, innovatively, and effectively.
 - **Financial Sustainability** – We will secure a multi-year core funding settlement from our member governments so we can plan for the long-term, and we will look for other forms of income and efficiencies.
 - **Graves, Memorials and Cemeteries** – we will safely and sustainably care for our structures to a standard of excellence to ensure our sites are valued and attract ever more diverse visitors from around the globe.
 - **Horticulture** – we will care for world class horticulture in our sites that is environmentally sustainable, location appropriate, and still delights, inspires, informs, and attracts ever more diverse visitors from around the globe.
 - **Commemorations, Recovery, Identification and Reburial of Remains** – we will keep detailed records of the war dead and make them available. We will also work in support of the discovery, recovery, identification, reburial, and commemoration of war casualties.
 - **Non-Commemorations** – We will identify and appropriately commemorate all those eligible war dead not previously commemorated by CWGC or not commemorated equally and we will raise awareness of the contribution they made during two World Wars.
 - **Sharing the Stories** – Through an exceptional digital offering, enable the stories of our sites, and those commemorated in them, to reach, educate, inform, and inspire new generations.
 - **Deepening Relations** – Consolidate our position as a global leader in commemoration and develop the global relationships necessary to be valued as an instrument for diplomacy and influence.

The Foundation

The Commission's charitable arm, the Commonwealth War Graves Foundation continued to expand its activities during the year.

An exciting new project was launched just before Remembrance Day thanks to donor support, our new digital portal, For Evermore: Stories of the Fallen. It allows individuals, communities, families, and researchers to contribute stories, photos, and other ephemera of those that the CWGC commemorates.

Our volunteer Speakers and Tour Guides Programme continued to go from strength to strength thanks to generous donations, allowing us to recruit and train volunteers to provide free talks and tours all over the UK. Over the course of the year, we gave 843 talks and tours, engaging over 30,000 people, many of them young people.

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Membership of the Foundation has continued to grow throughout the year, and we welcomed members to Head Office for a special day of talks in October.

The Foundation hosted several other successful events throughout the year, including our annual Evening at Brookwood in July. We were joined by close to 300 guests for an evening of music and commemoration at the beautiful Brookwood military cemetery. Later in the year we celebrated a donation to install new lighting at our Runnymede Air Forces memorial with an event that coincided with the 70th anniversary of the unveiling of the memorial. We also held our second annual Carol Service in the candlelit setting of the Royal Military Chapel in London, with guests Gyles Brandreth and Dr Hilary Jones.

Historic Non-Commemorations

In April 2021, the Commission published the findings of a Special Committee tasked with identifying historical inequalities in the commemoration of our war dead. That report identified significant failings in the commemoration of some of our war dead, most notably those of African, Indian, and Middle Eastern origin and made ten recommendations on how those historical wrongs might be corrected by the present-day Commission. For its part, CWGC welcomed the report's findings, apologised unreservedly for the errors of the past, embraced the Committee's ten recommendations, and publicly reaffirmed its commitment to equality of commemoration for all.

The CWGC is now three years into an initial dedicated five-year programme to right these historical wrongs. Since the report was published, CWGC has taken significant steps to address the issues identified – using the Committee's ten recommendations as a framework for our actions and with clear benefits measured against the United Nations Sustainability Goals.

Quarterly reports to parliament, together with a comprehensive annual review, ensure transparent and detailed reporting against our key success criteria for stakeholders and public. Highlights:

- Three years into a five-year non-commemoration programme, mandated by governments.
- Operating in 13 countries across four continents.
- Nearly 7,000 new names (6,818) found through a comprehensive trawl of archives worldwide.
- New memorial underway in Cape Town, South Africa to an additional 1,600 Black South Africans not previously commemorated.
- Proposals for a new memorial to add additional 930 men, are well advanced in Sierra Leone.
- Productive and collaborative working partnerships with individuals, groups, communities, and authorities established throughout Kenya and Sierra Leone to consult their views on the way forward.
- Oral histories projects underway to capture, preserve and tell the stories of these men, their descendants, and their communities to the next generations are well established in Sierra Leone, South Africa, and about to commence in Kenya and Tanzania. 12 specialists trained in interview technique by the programme.
- Likely burial grounds (most notably Voi and Mombasa) discovered through archival and on the ground research with discussion underway with local communities and authorities on how best to commemorate these places.
- Discussions are underway with the relevant authorities in Malawi regarding the formal designation of the Kings African Rifles Memorial in Zomba as an official CWGC point of commemoration for over 1,200 Malawian soldiers who lost their lives in the First World War and were not previously on CWGC records.
- Education outreach and partnerships active in several countries – most notably in Kenya with a CWGC sponsored animation to tell the story of the African porters and carriers. 90-second animation being created jointly by the Technical University of Kenya – in Nairobi and Central St Martins in London.
- Fulfilling a Benefits Realisation Plan, covering 11 specific programme benefits.

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- Positive early progress with creating local, in-country job opportunities and training - eight students involved in animation, two educators and one historian – 12 individuals trained on local histories – expanded East Africa team.
 - Strong early signs in growing and diversifying the Commission's audience – particularly across digital and social media.
 - Agreed a long-term maintenance arrangement for Arab Rifles Memorial in Kwale, Kenya.
 - Collated a comprehensive list of all third-party memorials existing in Africa and begun developing a long-term heritage management strategy (up to 10 memorials).
 - Agreed MOU with Museums of Kenya and gazette process for key heritage sites within Kenya.

Remuneration policy for key management personnel

Key management personnel comprise the Commissioners, the Director General and seven functional directors, including the Director of The Foundation. 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. Our annual Gender Pay Gap report is available on our website.

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 and comparable sectors.

These principles are also applied by the Commission's Remuneration Committee, acting as a sub-committee of the main Commission board who independently determine the remuneration package for the Director General and the 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. A working capital target of £2m was previously agreed with the UK Ministry of Defence, which remains unchanged given the current context of a break-even budget for 2023/24, and management plans in place to mitigate the impact of inflation during the year and programme delivery from prior year's surplus designated reserves.

Risk Management

Effective risk management is vital for the delivery of the Commission's strategic objectives:

- **Organisational Fitness** – these priorities will be supported by strong internal systems based around a programme of Organisational Fitness, which – built upon our Values and aligned with environmental, social, and governance considerations – will ensure CWGC is well-governed and led, just, equitable, diverse, and inclusive, with its people and systems enabled to deliver our Mission.

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- **Caring Sustainably & Safely** – for the graves, cemeteries, memorials, landscapes and records of those who died.
 - **Sharing the Stories** – of those we commemorate, and those who make that commemoration possible, with an ever-wider and more diverse audience, across all nations.
 - **Deepening Relations** – with our existing membership, public, and volunteers but also broadening and exploring those partnerships (both new and existing) that, in the fulfilment of our mission, help us to become a valued instrument for diplomacy and influence.

We continue to strengthen our approach to delivering against our strategic and operational objectives whilst managing the associated risks and opportunities through the development of a risk management process that is based upon ISO 31000.

This process is based upon a continuous bottom-up review of risk (current and emerging), across each Area and Function of the Commission, to identify the main threats to delivery of our strategy and operational objectives. The resulting risk profile is used to inform our quarterly corporate and strategic risk updates and decision making.

We identify, assess, and respond to our operational and corporate risks in accordance with our defined risk assessment criteria. Current risk ratings, based on the potential impact and the likelihood of that impact to occur are used to prioritise our response plans to either prevent risks from increasing or to further reduce our risk exposure.

The board of Commissioners is responsible for ensuring effective risk management at the Commission. To support the board in discharging its duties, the Audit & Risk Committee monitors and reviews the effectiveness of the risk management framework, and each quarter considers any changes in the risks we face. Our Executive Leadership team is responsible for the day-to-day management of key risks to the achievement of the Commission's strategy and operational objectives, ensuring effective response plans are in place.

The Commission's most significant risks and key response activities are outlined below.

Risk 1: Health and safety

The health and safety of our colleagues, volunteers, contractors, and members of the public affected by our work is our top priority. We have processes and procedures in place to ensure that our global operations are conducted safely each day to minimise the likelihood of causing serious physical or mental harm.

Response plans:

We are making meaningful progress on maturing our Health & Safety processes and behaviours across all jurisdictions in which we operate. For example, this year we have implemented an IT-based H&S management system, we are developing an H&S audit programme, and rolling-out an H&S training programme to our front-line staff.

Risk assessments are conducted for our operational activities, including lone working, and travel to conflict zones.

We have reviewed and implemented changes to the way we manage and operate work equipment and vehicles. We monitor security threat levels with local authorities, the FCO, and ISOS in advance of travel to potentially high-risk areas.

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We have implemented 'No blame' and "Speak-up" procedures to encourage individuals to speak out on health and safety issues.

We have also developed a suite of leading and lagging key performance indicators which is overseen by our Executive Leadership team and Audit & Risk Committee.

Whenever we become aware of a previously, unknown risk we take immediate action to stop our operations until the issues have been rectified. This approach was recently adopted where we uncovered unacceptable risk to the safety of the Recovery Unit and associated others carrying out exhumation activities. New working protocols were implemented, and training was provided to all involved.

Project management now has a higher level of health and safety input at an earlier stage and Health & Safety now features as a discussion and consideration in all meetings and activities.

Risk 2: Impact of climate change on our ageing, global heritage estate

Climate change and extreme weather events across the world increase the physical risks to landscapes, habitats, our cemeteries, and memorials.

Response plans:

Severe weather events, (storms, heavy rains, and flooding) in various parts of the world continue to have an adverse impact on our assets and people, causing physical damage, or in some cases making our sites inaccessible.

We are looking at how we are embedding sustainable climate action into our corporate activity, including exploring opportunities and technologies available through external parties to identify our sites easily and visually most at risk to climate change.

We have also engaged external expertise to help us integrate environmental, social, and governance (ESG) risks and opportunities into our strategy and communications plans.

Risk 3: Managing our future workforce needs.

We will succeed by putting our people first, and at the heart of our organisation, attracting, developing, and retaining talented, motivated individuals to meet the long-term strategic priorities of the Commission.

Response plans:

The following initiatives are key to us delivering against our strategic ambition:

We have developed a strategic workforce plan to ensure we have the right people, with the right skills, in the right place, at the right time.

We are developing a global learning and development programme to nurture talent & ensure effective succession planning. This includes establishing Horticulture and Works Academy training.

We are undertaking a review of our global pay and reward arrangements to minimise compliance risks and ensure efficiencies. A review of our benefits offering will be completed (in the UK) designed to offer flexible compensation for staff including rewarding high performers/specialist skills.

We are creating an Employee Value Proposition spelling out the deal between the CWGC and our employees.

Risk 4: Political uncertainty and civil unrest

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A war, sustained conflict, or serious civil unrest, could result in our inability to access sites for long periods and therefore protect them from serious damage. It could also lead to our inability to ensure the safety of our staff and contractors.

Response plans:

We are developing a long-term strategy to set out how we intend to manage our physical estate in countries severely impacted by long-term, persistent war/conflict.

In relation to our people and estate, the countries where we are most at risk are Gaza, Iraq, Yemen, Somalia, Libya, and Syria.

We have many colleagues who are living in conflict zones, some directly in the line of fire, displaced from their homes such as we have seen in Gaza. As highlighted above, our priority is to ensure their safety and welfare and we have taken steps to do so.

Iraq hosts over 54,000 Commonwealth war casualties buried or commemorated at 19 locations. Major conflict and ongoing security issues have forced the Commission's absence for many years. The lack of regular maintenance during this period and the harsh climate has impacted heavily on sites and standards. The Basra Memorial, which commemorates more than 40,000 with no known grave, remains sound but does require significant remedial works. Whilst the situation in the region remains difficult any renovations are considered in the wider context. We are monitoring escalating global tensions carefully before making any decisions on work programmes to be undertaken with the safety and security of our staff and contractors remaining our primary consideration and priority.

Opportunities and technologies available through external parties as mentioned in point 2 above, will help us assess risks associated with civil perils as well as climate threats.

Risk 5: Our impact on the environment

Failure to reduce our impact on the natural environment in line with our sustainability agenda and targets or address wider governance, environmental, and social (ESG) risks, could result in reputational damage, demotivated staff, and lead to closer scrutiny from the public and other stakeholders.

Response plans:

We have enhanced our project management framework to help ensure projects take sustainability considerations into account during the design and execution phases.

We have introduced new initiatives to improve our energy and water efficiency, including setting water budgets for all irrigated cemeteries and introducing a programme of energy-efficiency and water-efficiency audits for our buildings.

We have agreed near-term greenhouse gas emission reduction targets and established a carbon reduction programme to meet near-term targets.

We have introduced plans to support the planting of additional trees and have introduced biodiversity enhancements in line with guidance issued.

We have set and monitor annual targets for progressively reducing our use of herbicides, pesticides and biocides and expanded the use of an enzyme-based, headstone cleaning product.

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We are aligning our ESG framework more closely with our long-term strategy.

Risk 6: Legal status

In certain countries our lack of registered entity/formal status causes operational issues from time to time. To date, we have always been able to manage these issues and practical workarounds and arrangements have been put in place for local issues as needed.

Response plans:

We recognise the possibility of a more existential challenge to our operations in countries, where national authorities may use our lack of a registered entity/recognised status to question our right to operate. In any such event, there may well be more fundamental issues which may require escalation, including via diplomatic/governmental channels).

But the wider implications remain challenging.

We also recognise that we may decide to voluntarily create an entity for operational reasons. We have established branch status in four countries (Kenya, India, Singapore, and South-Africa).

We are building a framework to enable us to identify highest risk countries and to have a defined plan in place should our fundamental right to operate in such countries be challenged.

Risk 7: Stakeholder trust (non-commemorations)

We recognise that failure to meet our public promise expectations to rectify historical inequalities in the commemoration of our war dead may result in loss of stakeholder trust.

Response plans:

A 5-year programme to deliver against 10 recommendations from a Special Committee report, from April 2021 it is now in its fourth year.

Operating in thirteen countries across four continents, with a five-person heritage and research hub-team in Nairobi, Kenya, and researchers in archives and universities (including one fully funded PhD) across the continent of Africa, India, and the UK.

Three further significant memorial projects are underway in Sierra Leone (Freetown), Malawi (Zomba) and Kenya (CWGC Kariokor Cemetery in Nairobi). We are working with local communities in country to define the brief of these designs.

In-country PR agencies are engaged to help us build and maintain relationships with key stakeholders and audiences.

A quarterly progress report is presented to Commissioners and Parliament via the Secretary of State.

Updates are routinely shared via the Commission's website and social media channels.

Exploring the possibility of making a non-comms documentary that could provide the opportunity to involve critical stakeholders.

The Basra Memorial in Iraq currently commemorates more than 40,000 with no known grave, but in a Roll of Honour maintained at Head Office in Maidenhead, many new names are waiting to be added. Whilst the situation in the region remains difficult, any renovations must be considered in the wider context.

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Risk 8: Delivery of stated efficiencies/savings

Failure to deliver stated efficiencies/savings through changed ways of working, and income generation targets may result in insufficient funds to deliver our services optimally, impacting strategy delivery, and leading to a loss of stakeholder trust.

Response plans:

We have agreed a 5-year funding model with Member Governments. The key focus now is on delivery of efficiency savings that underpin the model and exploration of potential new income streams.

Delivery against the funding model will be monitored by our Finance Committee and reported to the Audit & Risk Committee bi-annually.

Risk 9: Compliance with our Charter, Charity Commission obligations and relevant laws and regulations

The Commission is subject to a complex legislative and regulatory environment across the many jurisdictions in which it operates. Failure to comply with required and/or new and emerging laws, regulations and sanctions could result in financial penalties, investigation by UK and non-UK compliance authorities such as the Information Commissioner's Office or the Health and Safety Executive, formal sanctions being imposed or ultimately the loss of our Charitable status or Royal Charter.

Response plans:

We have in place our CARE values and a suite of Commission-wide policies and standards that govern the way we operate and behave. This is supported by a programme of mandatory training.

Our onboarding and refresher training programme ensures colleagues, including volunteers and operating partners undertake relevant training to stay up to speed with compliance obligations and understand associated internal policies and procedures in areas such as data protection/security, health and safety and anti-modern slavery.

We have a Speaking Up Policy and Process, which includes an external speaking up process is available to colleagues and operating partners to highlight any concerns (and includes whistleblowing).

We seek and take account of the experience and expertise of our non-UK based colleagues to understand, quantify and manage our compliance obligations in the areas in which we operate, horizon scanning for local changes, responding to alerts, and learning from our local external contacts/ networks where necessary.

Compliance professionals across multiple disciplines, e.g., ethical compliance, health and safety, data protection, employment are integrated into local operations, and all have a good understanding of the compliance risks we face.

We have a Supplier Code of Conduct in place which outlines standards of legal and ethical compliance to which those who work, for or with us, are contractually obligated to comply.

Our central Legal and Ethical Compliance team provide advice and guidance globally and work with external counsel in region/country where issues arise using UK law as a reference point/standard.

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Risk 10: Cyber Resilience

A successful cyber-attack could result in loss of, or significant disruption to key operations / critical services and/or cause a significant data breach.

Response plans:

We are mindful of the increasing volume and severity of cyber-attacks and continuously monitor the external threat landscape.

We continue to invest with leading technology partners to ensure that our systems and data are adequately protected. For example, we have multi layers of protection in place- e.g. firewalls, and malware/virus protection, including MFA protection from best-of-breed providers (Microsoft, Cisco).

We have in place a suite of Commission-wide security related policies and procedures that govern the way we operate and behave. This is supported by a programme of mandatory security awareness training and privileged access/ password controls.

We require our third-party IT suppliers to meet either ISO27001 standards or have Cyber Essentials accreditation.

We conduct annual penetration tests and test our incident response and recovery plans annually.

We also take a proactive approach to identifying and managing risks associated with a potential breach of IT or data security that may compromise the integrity and availability of data belonging to our staff, volunteer, business partners, or members of the public with whom we interact.










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Sustainability Progress Summary - FY 22/23 – FY 23/24

CWGC's environmental performance at a glance - Activity data

	FY 22/23	FY 23/24	Trend
Energy consumption			
 Electricity consumption (kWh)	2278559	1920137	▼
Natural gas consumption (kWh)	338374	367364	▲
Fuel oil consumption (litres)	9302	10681	▲
Diesel consumption by fleet vehicles (litres)	585548	542838	▼
Petrol consumption by fleet vehicles (litres)	33825	33850	●
Diesel consumption by machinery/on-site vehicles (litres)	55062	62458	▲
Petrol consumption by machinery/on-site vehicles (litres)	139931	144765	▲
Fleet vehicles			
 Distance driven (km)	5998133	5624360	▼
Number of electric vehicles	3	3	●
% distance travelled by electric vehicles	0.267	0.537	▲
Average CO ₂ emission figures for all cars in fleet (g/km)	154	153	▼
Average CO ₂ emission figures for all light commercial vehicles in fleet (g/km)	219	220	▲
Average CO ₂ emission figures for all heavy goods vehicles in fleet (g/km)	636	592	▼
Energy efficiency			
 Energy-efficiency audits undertaken (per year)	13	53	▲
Renewables & low carbon energy			
 Renewable energy installations providing non-electrical energy (e.g. solar thermal) (total)	3	5	▲
Renewable energy installations providing electrical energy (e.g. PV) (total)	2	15	▲
Low carbon heating/cooling installations (e.g. air source heat pump) (total)	1	2	▲
Renewable energy feasibility studies undertaken (per year)	8	36	▲
% of electricity consumption that was sourced from renewable energy generation (via mains supply)	-	25	▲
Carbon sequestration			
 Sites reviewed to identify tree planting potential (per year)	66	76	▲
Additional trees planted (per year)	1860	298	●
Biodiversity			
 Number of individual biodiversity enhancements made (per year)	-	632	▲
Water consumption			
 Volume of water consumed (m ³)	786073	686998	▼
Water-efficiency audits undertaken (per year)	5	18	▲
Number of rainwater storage features (total)	14	14	●
Total capacity of rainwater storage features in place (m ³)	308	241	▼
Business travel distances			
 Flights (km)	2838099	3176722	▲
Rail (km)	225020	277313	▲
Bus (km)	3925	16573	▲
Taxi (km)	57779	70144	▲
Ferry (km)	7141	9642	▲
Personal cars used on company business (km)	200484	182617	▼
Waste			
 Total quantity of waste generated (tonnes)	8613	10808	▲
Number of sites that compost green waste on-site or at another CWGC site	796	795	●
Number of sites that send green waste for composting by a third party	908	873	▼
Number of sites that send green waste to landfill	152	125	▼



Key	
▼ ▲	Favourable trend
▼ ▲	Acceptable/neutral trend
▼ ▲	Unfavourable trend

COMMONWEALTH WAR GRAVES COMMISSION

Commissioners' report and operating and financial review

for the year ended 31 March 2024

CWGC's environmental performance at a glance - Greenhouse gas emissions

	FY 22/23	FY 23/24	Trend
Greenhouse gas (GHG) emissions by scope			
 Scope 1 GHG emissions (tCO ₂ e)	2770	2639	▼
Scope 2 GHG emissions (tCO ₂ e)	441	297	▼
Scope 3 GHG emissions (partial) (tCO ₂ e)	3140	3154	▲
Breakdown of GHG emissions - Scopes 1 & 2			
① Fuel/energy consumed by all fleet vehicles (tCO ₂ e)	1571	1435	▼
Electricity consumption (tCO ₂ e) (emissions associated with non-renewable electricity)	441	297	▼
② Composting on CWGC sites (tCO ₂ e)	587	613	▲
Fuel/energy consumed by machinery & on-site vehicles (tCO ₂ e)	450	474	▲
Energy consumed to heat/cool buildings or power processes (excl. electricity) (tCO ₂ e)	92	108	▲
Refrigerant leakage from air-conditioning units (tCO ₂ e)	71	10	▼
Breakdown of GHG emissions - Scope 3			
Commuting (tCO ₂ e)	1153	1153	●
③ Fuel- & energy-related activities (not incl. in Scopes 1 & 2) (tCO ₂ e)	775	712	▼
Business travel - flights, rail, bus, taxi, ferry, personal cars, short-term hire vehicles (tCO ₂ e)	771	893	▲
Off-site waste management & wastewater treatment (tCO ₂ e)	359	326	▼
Water supply (tCO ₂ e)	81	69	▼
Breakdown of GHG emissions - Scopes 1, 2 & 3			
Fuel/energy consumed by all fleet vehicles (tCO ₂ e)	1571	1435	▼
Commuting (tCO ₂ e)	1153	1153	●
① Fuel- & energy-related activities (not incl. in Scopes 1 & 2) (tCO ₂ e)	775	712	▼
② Business travel - flights, rail, bus, taxi, ferry, personal cars, short-term hire vehicles (tCO ₂ e)	771	893	▲
③ Composting on CWGC sites (tCO ₂ e)	587	613	▲
Fuel/energy consumed by machinery & on-site vehicles (tCO ₂ e)	450	474	▲
Electricity consumption (tCO ₂ e)	441	297	▼
Off-site waste management & wastewater treatment (tCO ₂ e)	359	326	▼
Energy consumed to heat/cool buildings or power processes (excl. electricity) (tCO ₂ e)	92	108	▲
Water supply (tCO ₂ e)	81	69	▼
Refrigerant leakage from air-conditioning units (tCO ₂ e)	71	10	▼
Breakdown of GHG emissions from business travel			
 Flights (tCO ₂ e)	626	774	▲
Short-term hire vehicles (tCO ₂ e)	96	67	▼
Personal cars used on company business (tCO ₂ e)	29	27	▼
Taxi (tCO ₂ e)	12	15	▲
Rail (tCO ₂ e)	6.5	7.5	▲
Ferry (tCO ₂ e)	0.81	1.1	▲
Bus (tCO ₂ e)	0.38	1.6	▲

Key	
▼ ▲	Favourable trend
▼ ▲	Acceptable/neutral trend
▼ ▲	Unfavourable trend

Financial results for the year ended 31 March 2024

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

Total consolidated income for the year was £81.3m compared with the previous year's income of £78.4m. The Commission's income was £80.7 (2023 -£78.1m). Funding comes primarily from the six-member governments in proportions based upon the number of their graves; to that end, the Member Governments contributed £70.5m, versus the previous year of £67.2m. The Commission also receives agency funding from these and other governments for the care of military graves from other periods and for war memorials. Agency income of £6.2m was 1.43% more than the previous year's income.

Restricted income of £1.2m includes funding from the MoD for grave renovations and Flemish Heritage for military cemetery renovations in Belgium. Other income of £1.5m, 11.02% higher than the prior year for Donations.

COMMONWEALTH WAR GRAVES COMMISSION

Commissioners' report and operating and financial review

for the year ended 31 March 2024

The Commission's consolidated expenditure increased year on year by 6.08% to £83.7m (2023 - £78.9m). The Commission's expenditure was £83.1m (2023 - £78.2m) – costs increased due to cost inflation and continued completion of deferred structural projects including the renovation of Menin Gate.

Net expenditure for the year before recognised gains/(losses) was £2,347k after charging £2.5m of costs to the brought forward designated funds for Structural Projects.

The consolidated statement of financial activities shows a deficit of £6.8m after pension scheme (actuarial) losses of £5.2m, (2023 £13.7m surplus after actuarial gains of £14.2m). A £6.8m deficit was recorded in the Commission (2023 – surplus £14.1m) and the Foundation's surplus was £18k (2023 – deficit £396k). The Commission's working capital decreased to £8.1m (2023 £9.5m).

Capital expenditure was £2.2m (2023 - £2.1m). There was no capital expenditure in the Foundation.

The Commission's consolidated balance sheet position decreased in year to a net surplus of £0.3m, a £6.7m worse on the previous year's net surplus position of £7m, (after the adjustment to property from prior period write-off of £1.3m), resulting from the in-year losses in the pension deficit of £5.2m. £2.5m of the Structural projects reserve balance was used in year leaving a balance of £0.6m for future structural commitments for the on-going renovation of the Commission's historic estate

The Commonwealth War Graves Foundation recorded income of £616k (2023 - £405k) of which £376k comprised donations and legacies, 113k for CWGC donated services, £2k from Grants, £64 for supporter and sponsorship income and £61k for income from retailing activities from the Commission's Visitor and Information Centres, sale of books and from Event activities. The Foundation's expenditure was £594k (2023 - £802k) and net income £22k (2023 – net expenditure £396k), before other recognised losses of £3.7k) 2023 gains of £1.6k

The Commission's pension deficit, calculated by the scheme's actuaries in accordance with FRS 102 using actuarial assumptions, has increased by £5m to £18.3m at the year-end (2023 -£13.3m). The increase in the deficit is due to a decrease in the discount rate and inflation assumptions, lower investment returns in year and changes in mortality assumptions. The FRS 102 pension deficit is a long-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 most recent triennial actuarial pension valuation at 31 March 2023 was a deficit of £6.9m (2020 - deficit £12.1m). A rolling ten-year funding plan, comprising payments totalling to date £3.65m, continues to be the annual payments of £850k by the Commission, was agreed with the Pension Fund's Trustees to discharge this liability.



Vice Admiral Peter Hudson CB CBE
Vice-Chairman



Claire Horton CBE
Director General

18 September 2024

18 September 2024

COMMONWEALTH WAR GRAVES COMMISSION

Statement of internal controls

for the year ended 31 March 2024

As Accounting Officer to the UK Ministry of Defence, the Director General is 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 around the Audit and Risk Committee, chaired by Commissioner Keryn James during the year under review, with three other Commissioners. The Committee's terms of reference were reviewed and refreshed in November 2023. All committee meeting minutes are presented to the Commissioners. The Committee met four times during 2023-24.

2023-24 was the sixth and final (extended) year of the Commission's contractual engagement with Mazars LLP as its co-sourced (external) internal auditors. With effect from 2024-25, a fully in-sourced internal audit team will be in place, working to a rolling five-year strategic audit plan - approved, modified, and updated by the Executive Leadership Team and Audit and Risk Committee.

During the year Mazars completed two control assurance reviews and one piece of advisory work for the Commission. Both reviews for which an assurance opinion was provided, (Structural Works – and Recruitment and Retention) achieved limited assurance rating. Improvement action plans were established, the progress of which is monitored monthly by the Executive Leadership Team. In addition, Mazars carried out an advisory review of the Commission's arrangements in relation to Ethical and Responsible Sourcing.

The "in-house" internal audit function, with a remit covering country financial arrangements, internal controls, and transactional testing co-ordinated its annual programme with Mazars to ensure delivery of a well-rounded internal audit plan. During the year, the team completed 11 country financial audits, the majority of which were rated as either satisfactory or generally satisfactory. The Head of Risk and Internal Audit attended meetings of, and reported to, the Audit and Risk Committee on all activities, reported outcomes, and progress on delivery of agreed improvement action plans.

The external auditors, Buzacott LLP, attend the Audit and Risk Committee to present their audit plan, and their management letter. Their audit plan for each year is discussed with the Committee and they submit a management letter each year, summarising findings arising from their Statutory audit of the Commission's financial statements. Their audit approach this year was complemented by interim work in April and May.

The Commission's Finance Committee (also chaired by Commissioner Keryn James) scrutinises the annual budget prior to approval by Commissioners. It receives regular financial reporting at each of its meetings that monitors progress against the approved budget, including quarterly reforecasting. Monthly financial reports are also provided to the Executive Leadership Team, Senior Management Team, and individual budget holders for them to effectively fulfil their financial accountabilities. The Committee's terms of reference were reviewed and refreshed in May 2023.

The Audit and Risk Committee is responsible for ensuring that the Commission's risk management processes and reporting arrangements are fit for purpose to drive risk informed decisions. Areas and head office functions identify, review, and report on existing and emerging risks and associated mitigation strategies at least quarterly. This provides insight for the compilation of a Corporate Risk Register for review by the Executive Leadership Team and a Strategic Risk Report for quarterly review by the Audit and Risk Committee. and prior to the presentation of both at quarterly Commissioner meetings. During the year, in collaboration with designated Area and Functional risk champions, the approach to managing risk across the Commission has matured to drive consistency of approach and to align with best practice. Using the principles prescribed in the risk management policy, the supporting Risk Management Standards are being refreshed and work will continue to

COMMONWEALTH WAR GRAVES COMMISSION

Statement of internal controls

for the year ended 31 March 2024

embed this best practice into our operational practices world-wide, so that it becomes an integral part of day-to-day decision-making, action planning, and delivery.



Claire Horton CBE

Director General

Date: September 18 2024

COMMONWEALTH WAR GRAVES COMMISSION

Commissioners' responsibilities statement

for the year ended 31 March 2024

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 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 a 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.



Commissioners

Date: 18 September 2024

Vice Admiral Peter Hudson

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 2024 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 2024 and of the group's income and expenditure 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

In auditing the accounts, we have concluded that the Commissioners' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

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

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

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.

We have nothing to report in this regard.

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

Responsibilities of Commissioners for the financial statements

As explained more fully in the Commissioners' responsibilities statement set out on page 17, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with applicable laws and regulations;
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the Commission and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the Charter of Incorporation of The Commonwealth War Graves Commission, employment, health, and safety legislation;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Commission's financial statements to material misstatement, including obtaining an understanding of

how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected, and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;

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

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- used data analytics to investigate the rationale behind any significant or unusual transactions;
- tested authorisation controls on expenditure items, ensuring items were approved in line with the Commission's financial procedures.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Commissioners and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the 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 terms of engagement. 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.



Buzzacott LLP
Statutory Auditor, Chartered Accountants
London

Date:

11 October 2024

COMMONWEALTH WAR GRAVES COMMISSION

Consolidated statement of financial activities

for the year ended 31 March 2024

	Note	General Purposes 2024 £'000	Agency Purposes 2024 £'000	Restrict ed Funds 2024 £'000	Total 2024 £'000	Restated Total 2023 £'000
Income						
Funds received from Member Governments	1	70,522	-	-	70,522	67,164
Funds received for agency purposes	2	-	6,247	-	6,247	6,159
Grant funds from government & charitable activities	3	152	-	1,215	1,367	1,749
Investment income	4	1,756	-	-	1,756	1,990
Other income	5	1,451	-	-	1,451	1,307
Total income		73,881	6,247	1,215	81,343	78,369
Expenditure						
Expenditure in respect of general activities	6	72,626	-	-	72,626	68,441
Expenditure in respect of agency purposes	8	-	6,247	-	6,247	6,159
Expenditure in respect of grant & charitable activities	9	2,260	-	1,219	3,479	3,090
Other expenditure	10	1,338	-	-	1,338	1,213
Total expenditure		76,224	6,247	1,219	83,690	78,903
Net (expenditure) income for the year before other recognised gains and losses		(2,343)	-	(4)	(2,347)	(534)
Other recognised gains and losses						
Net exchange gains	11	797	-	-	797	57
Actuarial (loss)/gain on defined benefit pension scheme	20	(5,205)	-	-	(5,205)	14,192
Net movement in funds		(6,751)	-	(4)	(6,755)	13,715
Reconciliation of funds						
Total funds brought forward – restated	22, 25	7,035	-	-	7,035	(6,678)
Transfers between reserves	22	(4)	-	4	-	-
Net movement in funds	22	(6,751)	-	(4)	(6,755)	13,715
Total funds carried forward	22	280	-	-	280	7,037

All income and expenditure in the general purposes fund have been derived from continuing activities.

COMMONWEALTH WAR GRAVES COMMISSION

Consolidated balance sheet

as at 31 March 2024

	Note	General Purposes 2024 £'000	Agency Purposes 2024 £'000	Restricted Funds 2024 £'000	Total 2024 £'000	Restated Total 2023 £'000
Intangible assets						
Software systems	14	803	-	-	803	349
Fixed assets						
Tangible assets	15	14,929	-	-	14,929	15,318
		15,732	-	-	15,732	15,667
Current assets						
Debtors	17	2,722	591	813	4,126	4,399
Cash at bank and in hand		18,139	3,136	(186)	21,089	22,912
		20,861	3,727	627	25,215	27,311
Creditors: amounts falling due within one year	18	(12,774)	(3,727)	(627)	(17,128)	(17,786)
Net current assets		8,087	-	-	8,087	9,525
Total assets less current liabilities		23,819	-	-	23,819	25,192
Provisions for liabilities and charges	19	(5,257)	-	-	(5,257)	(4,853)
Total assets excluding pension scheme liability		18,562	-	-	18,562	20,339
Defined benefit pension scheme liability	20	(18,282)	-	-	(18,282)	(13,302)
Net assets including pension scheme liability		280	-	-	280	7,037
Funds of the Commission						
General purposes	22	15,836	-	-	15,836	15,116
Thiepval reserve	22	28	-	-	28	28
Menin Gate reserve	22	1,638	-	-	1,638	1,638
Structural projects reserve	22	560	-	-	560	3,057
Exchange reserve	22	500	-	-	500	500
Pension reserve	22	(18,282)	-	-	(18,282)	(13,302)
		280	-	-	280	7,037

The financial statements were approved by the Commission on 18 September 2024.



Vice Admiral Peter Hudson CB CBE
Vice-Chairman



Claire Horton CBE
Director General

The accompanying accounting policies and notes on pages 28 to 57, form an integral part of these financial statements

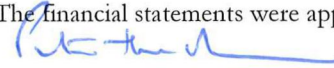
COMMONWEALTH WAR GRAVES COMMISSION


Commission balance sheet

as at 31 March 2024

	Note	General Purposes 2024 £'000	Agency Purposes 2024 £'000	Restricted Funds 2024 £'000	Total 2024 £'000	Restated Total 2023 £'000
Intangible assets						
Software systems	14	803	-	-	803	349
Fixed assets						
Tangible assets	15	14,929	-	-	14,929	15,318
		15,732	-	-	15,732	15,667
Current assets						
Debtors	17	2,802	591	813	4,206	4,384
Cash at bank and in hand		17,945	3,136	(186)	20,895	22,830
		20,747	3,727	627	25,101	27,214
Creditors: amounts falling due within one year	18	(12,793)	(3,727)	(627)	(17,147)	(17,747)
Net current assets		7,954	-	-	7,954	9,467
Total assets less current liabilities		23,686	-	-	23,686	25,134
Provisions for liabilities and charges	19	(5,257)	-	-	(5,257)	(4,853)
Total assets excluding pension scheme liability		18,429	-	-	18,429	20,281
Defined benefit pension scheme liability	20	(18,282)	-	-	(18,282)	(13,302)
Net assets including pension scheme liability		147	-	-	147	6,979
Funds of the Commission						
General purposes	22	15,703	-	-	15,703	15,058
Thiepval reserve	22	28	-	-	28	28
Menin Gate reserve	22	1,638	-	-	1,638	1,638
Structural projects reserve	22	560	-	-	560	3,057
Exchange reserve	22	500	-	-	500	500
Pension reserve	22	(18,282)	-	-	(18,282)	(13,302)
		147	-	-	147	6,979

The financial statements were approved by the Commission on 8 September 2024.


Vice Admiral Peter Hudson CB CBE
Vice-Chairman


Claire Horton CBE
Director General

The accompanying accounting policies and notes on pages 28 to 57, form an integral part of these financial statements

COMMONWEALTH WAR GRAVES COMMISSION

Consolidated cash flow statement

for the year ended 31 March 2024

Consolidated cash flow statement

	General Purposes 2024 £'000	Agency Purposes 2024 £'000	Restricted Funds 2024 £'000	Total 2024 £'000	Restated Total 2023 £'000
Net cash flow from operating activities					
Net expenditure	(2,343)	-	(4)	(2,347)	(534)
Transfer between reserves	(4)	-	4	-	-
Pension scheme adjustment	(225)	-	-	(225)	(142)
Depreciation	2,168	-	-	2,168	2,185
(Profit) on sale of fixed assets	(27)	-	-	(27)	(79)
(Increase)/Decrease in inventory prepayments	(50)	-	-	(50)	(46)
Decrease/(Increase) in debtors	392	599	(668)	323	(449)
Decrease)/Increase in creditors	(1,311)	659	(7)	(659)	4,038
Increase in termination indemnities	578	-	-	578	352
Termination indemnities exchange revaluation	(328)	-	-	(328)	(90)
Disbursement of termination indemnities	(156)	-	-	(156)	(490)
Increase in other provisions	310	-	-	310	292
Net cash ((used in)/ provided by operating activities)	(996)	1,258	(675)	(413)	5,037
Cash flows from investing activities					
Payments to acquire tangible and intangible fixed assets	(2,246)	-	-	(2,246)	(2,104)
Receipts from sales of tangible fixed assets	39	-	-	39	60
	(2,207)	-	-	(2,207)	(2,044)
Cash flows from financing activities					
Net exchange gains	797	-	-	797	57
	797	-	-	797	57
(Decrease)/Increase in cash	(2,406)	1,258	(675)	(1,823)	3,050

COMMONWEALTH WAR GRAVES COMMISSION

Consolidated cash flow statement

for the year ended 31 March 2024

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

	2024	2023
	£'000	£'000
Movement in cash and cash equivalents	(1,823)	3,050
Cash and cash equivalents at 1 April	<u>22,912</u>	<u>19,862</u>
Cash and cash equivalents at 31 March	<u>21,089</u>	<u>22,912</u>

No separate reconciliation of net debt has been prepared as there is no difference between the net debt of the Commission and the cash and cash equivalents reported above.

COMMONWEALTH WAR GRAVES COMMISSION

Principal Accounting Policies

for the year ended 31 March 2024

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.

Prior year adjustment

A prior year adjustment has been made within the financial statements impacting the comparative accounting period for the year ended 31 March 2023 to reflect an adjustment to tangible fixed assets. Further details are provided within note 25.

Going Concern

The financial statements have been prepared on a going concern basis. The Commission's financial statements are in a net asset position of £0.3m at 31 March 2024 (£7.0m at 31 March 2023). The pension deficit in the UK based pension scheme has increased to £18.3m at 31 March 2023 (£13.3m at 31 March 2023). 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. The UK Government contributes in excess of 78% of the Commission's core funding on an annual basis and the UK's Ministry of Defence has documented its ongoing support for the Commission. 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 exchange reserve, and other designated reserves remain in full and are carried forward for future years requirements.

Income

Income 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 apart from dividend income due from the Trustees of the Imperial War Graves Endowment Fund which has been recognised when paid over to the Commission.

COMMONWEALTH WAR GRAVES COMMISSION

Principal Accounting Policies

for the year ended 31 March 2024

The Commission recognises its restricted income when the costs are incurred and the Foundation accounts for income upon receipt, therefore on consolidation the revenue is deferred on the balance sheet.

Grant Funding

UK Government funding from LIBOR receipts is 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 must 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 now included within restricted funds along with other grants for specific projects. These activities are subject to regular and ongoing inspection and review by the Flemish authorities and are formally signed off once a year.

Expenditure

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 and 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.

An adjustment is included in the opening reserves for a correction of prior period errors relating to the application of the accounting policy for freehold land and buildings. Further details are provided in note 25.

COMMONWEALTH WAR GRAVES COMMISSION

Principal Accounting Policies

for the year ended 31 March 2024

Freehold land and buildings are treated as an asset if they meet all the following tests:

- Not contained within the cemetery boundary, as advised by CWGC's legal team's documentation;
- Are on private land and outside of a cemetery boundary;
- The building or land has re-sale potential; and
- The building could be moved and used at another location, i.e. main storage facilities.

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

Inventory

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

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

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 other 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.

COMMONWEALTH WAR GRAVES COMMISSION

Principal accounting policies

for the year ended 31 March 2024

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 income. 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.

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. Operationally, the up-keep and maintenance of these heritage assets are funded annually from the member governments, from the structural contracts budget. Improvements to sites, including new operational buildings, are fully expensed in the year in which the work is conducted. One off grants are also awarded to cover structural refurbishments.

UK Value Added Tax (VAT)

The Commission is not registered for VAT. The Ministry of Defence reimburse an agreed amount annually, plus a yearly uplift, to contribute towards the irrecoverable UK VAT costs incurred. The amount reimbursed in the current year was £982k (2023 £962k). The UK VAT expense not covered by this funding amounted to £96k (2023 £189k).

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

Restricted funds

The Commission's financial statements include restricted funds from donations and grants for project activities in the Commission and Foundation.

COMMONWEALTH WAR GRAVES COMMISSION

Principal accounting policies

for the year ended 31 March 2024

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 19). 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 arrangement

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 20.

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2024

1 Income from Member Governments

The value and percentage of contributions being made by Member Governments is as follows, and apart from exchange rate rounding the percentage basis of contributions has remained unchanged since 2007:

	Percentage contribution	2024 £'000	2023 £'000
United Kingdom	78.49%	55,350	52,644
Canada	10.04%	7,082	6,781
Australia	6.06%	4,270	4,046
New Zealand	2.14%	1,511	1,432
South Africa	2.08%	1,468	1,458
India	1.19%	841	803
		<u>70,522</u>	<u>67,164</u>
	100.00%		

2 Income for agency purposes

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

	2024 £'000	2023 £'000
Canada	2,266	2,530
United Kingdom	2,314	2,252
Germany	805	586
Australia	247	265
South Africa	150	150
New Zealand	44	56
Other	421	320
	<u>6,247</u>	<u>6,159</u>

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2024

3 Grant Funds from Governments & charitable activities

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

	General Purposes 2024 £'000	Restricted Funds 2024 £'000	Total 2024 £'000	General Purposes 2023 £'000	Restricted Funds 2023 £'000	Total 2023 £'000
Region Hauts de France, Department de la Somme & DRAC - Thiepval renovation	-	3	3	-	370	370
Flemish Heritage - 24 Military Cemeteries	-	-	-	-	484	484
Department Du Calvados - Normandy 80th anniversary	-	45	45	-	-	-
Flemish Heritage - Menin Gate grant	-	704	704	-	-	-
Flemish Heritage - Poperringh grant	-	33	33	-	-	-
Flemish Heritage - Westtoer grant	-	2	2	-	-	-
Visitor Centre	28	-	28	28	-	28
MoD graves renovation	-	221	221	-	231	231
Annington	-	-	-	37	289	326
Speakers Programme - (Post Office)	-	25	25	-	50	50
Runnymede Lighting	-	-	-	-	49	49
Speakers Program	-	-	-	-	5	5
Stories Portal - (Post Office)	-	35	35	-	15	15
Interns	-	132	132	-	191	191
British Library	-	15	15	-	-	-
Egypt-Finance-Other Contract Income	2	-	2	-	-	-
Beaurains Office-Corporate-Other Contract	1	-	1	-	-	-
Canal Seine Nord Project	121	-	121	-	-	-
	152	1,215	1,367	65	1,684	1,749

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2024

4 Investment income - General purposes

	2024	2023
	£'000	£'000
Income from the Imperial War Graves Endowment Fund	970	1,736
Interest on bank deposits and investment income	786	254
	<u>1,756</u>	<u>1,990</u>

5 Other income

£386k (2023 £242k) of the income relates to the Commission's charitable foundation ("CWGF"), comprising £266k of donations, £64k supporter scheme income (both including Gift Aid) and £56k other sales.

	2024	2023
	£'000	£'000
United Kingdom government funding for offset against VAT	982	962
Legacies and donations	276	191
Supporter scheme income & other event sales	66	58
Other income	127	96
	<u>1,451</u>	<u>1,307</u>

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2024

6 Expenditure in respect of general activities

	2024	Restated 2023
	£'000	£'000
Employee and staff costs (note 12)	47,385	45,213
Termination indemnity provision charge (note 19)	512	352
Retirement indemnity provision in France (note 19)	43	(265)
Termination indemnity state payments	180	172
Staff support	2,094	1,826
Supplies and equipment	6,900	5,402
Contract costs	8,403	8,610
Travel costs	2,734	2,482
Transport costs	3,071	3,185
Facilities costs - rent, rates, and insurance	1,806	1,601
Maintenance	1,140	694
Depreciation	2,169	2,185
Restructuring (note 12)	587	219
Legal costs and provisions	(245)	459
Net financial (income)/charge on pension scheme liabilities (note 20)	625	708
Professional fees	2,055	2,080
Governance costs (note 7)	410	465
Marketing and publications	525	597
Communications	600	568
IT	1,301	1,121
Irrecoverable indirect taxes	1,338	1,213
Other administrative expenses	57	16
	<u>83,690</u>	<u>78,903</u>
Less: Costs incurred for agency purposes (note 8)	(6,247)	(6,159)
Less: Costs incurred for unrestricted grant purposes (note 9)	(2,260)	(1,441)
Less: Costs incurred for restricted grant purposes (note 9)	(1,219)	(1,649)
Less: Costs incurred for other purposes (note 10)	(1,338)	(1,213)
	<u>72,626</u>	<u>68,441</u>

In the current year, £72.6m, (2023 £68.5m) of the total expenditure relates to funds received from member governments for general purposes.

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2024

7 Governance costs

	2024	2023
	£'000	£'000
Internal audit fees & other services	38	47
Commission internal audit costs	169	173
Commissioners' costs and expenses (note 13)	120	124
External auditors' fees for statutory audit	55	55
Other external auditors' fee	20	-
Other services, taxation audit advice	-	5
External audit – provided by firms other than the Commission's auditor	8	61
	<u>410</u>	<u>465</u>

8 Expenditure in respect of agency purposes

	2024	2023
	£'000	£'000
Indirect staff and staff support cost	2,351	2,067
Indirect non-staff costs	756	814
Direct staff costs	990	891
Direct non-staff costs	1,352	1,710
	<u>5,449</u>	<u>5,482</u>
Management charges	798	677
	<u>6,247</u>	<u>6,159</u>

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

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2024

9 Expenditure in respect of grant funding and charitable purposes

	General Purposes 2024 £'000	Restricted Funds 2024 £'000	Total 2024 £'000	General Purposes 2023 £'000	Restricted Funds 2023 £'000	Total 2023 £'000
Region Hauts de France, Department de la Somme & DRAC - Thiepval renovation	5	3	8	506	370	876
Flemish Heritage - 24 Military Cemeteries	-	-	-	580	484	1,064
Department Du Calvados - Normandy 80th anniversary	138	45	183	-	-	-
Flemish Heritage - Menin Gate grant	1,573	704	2,277	266	-	266
Flemish Heritage - Poperringh grant	16	31	47	-	-	-
MoD grave renovation	-	193	193	-	201	201
Speakers Programme	-	48	48	1	49	50
HLF & Annington - EyesOn- Hands-On project	306	-	306	46	289	335
Runnymede Lighting	3	-	3	42	50	92
Stories Portal & Speakers programme - (Post Office)	-	48	48	-	15	15
MoD Interns	-	132	132	-	191	191
British Library	22	15	37	-	-	-
Beaurains Office-Corporate-Other Contract	99	-	99	-	-	-
Canal Seine Nord Project	98	-	98	-	-	-
	2,260	1,219	3,479	1,441	1,649	3,090

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2024

10 Other expenditure

	2024	2023
	£'000	£'000
UK input VAT	1,271	1,151
Canada input tax	67	62
	<u>1,338</u>	<u>1,213</u>

11 Exchange gain

	2024	2023
	£'000	£'000
Balance sheet revaluation	27	(76)
Termination indemnity revaluation	327	81
Bank accounts exchange loss	(128)	181
Net exchange gain/(loss)	571	(129)
	<u>797</u>	<u>57</u>

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2024

12 Employees and staff costs

	2024 £'000	2023 £'000
Wages and salaries	36,963	35,239
Social security costs	7,609	7,330
Staff allowances	779	742
Casual labour costs	196	158
Pension – defined contribution scheme	1,838	1,744
	<u>47,385</u>	<u>45,213</u>
Restructuring	587	219
Termination indemnity	512	352
Retirement indemnity	43	(265)
	<u>48,527</u>	<u>45,519</u>

The average number of staff employed during by year the Commission, including contracted part-time staff on a head count basis, was:

	2024 Number	2023 Number
France Area	407	401
Central & Southern Europe Area	327	314
United Kingdom and Northern Europe Area	118	117
Asia & Africa Area	235	208
Canada, Americas & Pacific Area	81	83
Head office – United Kingdom	141	132
Non-Commemorations	11	9
Foundation	4	4
	<u>1,324</u>	<u>1,268</u>
Average FTE basis:	2024 Number	2023 Number
France Area	391	385
Central & Southern Europe Area	308	302
United Kingdom and Northern Europe Area	113	111
Asia & Africa Area	232	210
Canada, Americas & Pacific Area	81	84
Head office – United Kingdom	126	123
Non-Commemorations	10	9
Foundation	3	3
	<u>1,264</u>	<u>1,227</u>

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2024

The number of higher paid employees has increased from 40 in the previous year to 48 in the current year. Emoluments include salary, allowances arising in relation to overseas postings and relocations, taxable benefits in kind and other payments to employees. The table below shows the number of higher-paid staff with emoluments, excluding pension contributions, falling in the following ranges:

	2024	2023
	Number	Number
£60,000 to £69,999	26	21
£70,000 to £79,999	8	6
£80,000 to £89,999	5	3
£90,000 to £99,999	5	3
£100,000 to £109,999	3	1
£110,000 to £119,999	-	1
£150,000 to £159,999	-	1
£160,000 to £169,999	1	-

The remuneration (including allowances and pension contributions and national insurance) of the key oversight and management personnel, comprising the Commissioners (unpaid apart from the Vice Chair who receives an annual fee), the Director General and 7 (2023 - 8) Functional Directors, amounted to £1,061k (2023- £929k). The highest paid employee for the year ended 31 March 2024 was the Director General.

The Commission's mean gender pay gap in the UK at the snapshot date of 5 April 2024 shows women are paid 3% more than men (April 2023: 1%). Whilst we employ more men than women within the UK workforce, one third of our executive team are women, as is our Director General. Accordingly, our UK mean gender pay gap is -3% (April 2023: -1%). Our gender pay gap is lower than the latest available national average of 14.3% (Office for National Statistics, 2023).

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2024

13	Commissioners' and Director General expenses	2024	2023
		£	£
Vice Chair			
Salary		51,282	48,000
Employer's NI		5,822	5,652
		<hr/>	<hr/>
Total		57,104	53,652
		<hr/>	<hr/>
Commissioners' expenses		56,307	42,163
Director General			
Total emoluments		187,996	181,729
Employer pension contribution		26,779	25,830
Expenses		42,017	28,173

The employment cost for the Commission's Vice-Chairman was £57,104 comprising salary costs of £51,282 (2023: £51,282) and Employers National Insurance contributions of £5,822 (2023: £5,652). 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 11 (2023: 11) individuals who served as Commissioners during the year amounted to £56,307 (2023: £42,163).

The total emoluments of the Director General for the year were £187,996 (2023: £181,729). Employer contributions to her pension fund totalled £26,779 (2023: £25,830). In addition, the directly incurred expenses of the Director General in the year were £42,017 (2023: £28,173).

The most significant element of the Commissioners' and Director General's expenses is the cost of travel, which, for the Director General, is a core component of the role within the global organisation. These expenses on occasion include the cost of staff and team meals, when the Director General is out, in the field with our global teams

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2024

14 Intangible assets

Group and Commission

	Software systems £'000	Assets in course of construction £'000	Total £'000
Cost			
At 1 April 2023	1,424	80	1,504
Additions	94	523	617
Transfer	86	(80)	6
As 31 March 2023	1,604	523	2,127
Depreciation			
At 1 April 2023	1,155	-	1,155
Charge for year	169	-	169
At 31 March 2024	1,324	-	1,324
Net Book Value			
At 31 March 2024	280	523	803
At 31 March 2023	269	80	349

All intangible fixed assets are used for the general purposes of the Commission. The assets in course of construction relates to completion costs for the casualty database which is not yet operational (£523k).

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2024

15 Tangible fixed assets

Group and Commission

	Restated Freehold & leasehold property £'000	Machinery £'000	Motor vehicles £'000	Computer & office equipment & comms. £'000	Assets in course of construction £'000	Restated Total £'000
Cost						
At 1 April 2023	12,607	10,105	4,365	5,041	665	32,783
Additions	-	467	83	146	933	1,629
Transfer	-	302	197	44	(549)	(6)
Disposals	-	(128)	(247)	(205)	(7)	(587)
At 31 March 2024	12,607	10,746	4,398	5,026	1,042	33,819
Depreciation						
At 1 April 2023	2,376	7,928	2,800	4,362	-	17,466
Charge for year	316	879	481	323	-	1,999
Eliminated on disposals	-	(126)	(247)	(202)	-	(575)
At 31 March 2024	2,692	8,681	3,034	4,483	-	18,890
Net Book Value						
At 31 March 2024	9,915	2,065	1,364	543	1,042	14,929
At 31 March 2023	10,231	2,177	1,565	679	665	15,317

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. Details of the prior year adjustment relating to tangible fixed assets are provided in note 25.

The expenditure not yet completed or operational under assets in the course of construction relates to vehicles (£136k) as their fitout and customisation is not yet complete and the balance of (£298k) for plant & machinery, fixtures & fittings (£302k) for work at Head Office and the new Ieper visitor centre and IT hardware (£306k). The disposals relate to the sale of equipment together with the removal of old zero net book valued assets, from the fixed asset ledger.

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2024

16 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 2024 the results of the Foundation, consolidated in these financial statements are as follows:

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Income	616	405
Expenditure	(598)	(802)
Surplus/(Deficit) for the year	<u>18</u>	<u>(397)</u>
	31 March 2024 £'000	31 March 2023 £'000
Assets	225	105
Liabilities	(150)	(49)
	<u>75</u>	<u>56</u>
Reserves	<u>75</u>	<u>56</u>

A copy of the Foundation’s audited Trustee Report and Accounts is available from the Charity Commission website, with additional information about the Foundation available on its website.

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2024

17 Debtors – Group

	General purposes 2024 £'000	Agency purposes 2024 £'000	Restricted purposes 2024 £'000	Total 2024 £'000	Total 2023 £'000
Amounts falling due within one year					
Recoverable taxes	775	-	-	775	638
Accrued income	-	591	813	1,404	1,378
Headstones	659	-	-	659	609
Foundation merchandise	13	-	-	13	12
Staff advances	113	-	-	113	134
Other debtors and prepayments	1,162	-	-	1,162	1,628
Total debtors	2,722	591	813	4,126	4,399

17.1 Debtors - Commission

	General purposes 2024 £'000	General purposes 2024 £'000	General purposes 2024 £'000	General purposes 2024 £'000	Total 2023 £'000
Amounts falling due within one year					
Recoverable taxes	775	-	-	775	638
Accrued income	-	591	813	1,404	1,375
Headstones	659	-	-	659	609
Staff advances	113	-	-	113	134
Amounts owed by subsidiary undertakings	98	-	-	98	1
Other debtors and prepayments	1,157	-	-	1,157	1,624
Total debtors	2,802	591	813	4,206	4,384

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2024

18 Creditors: amounts falling due within one year - Group

	General purposes 2024 £'000	Agency purposes 2024 £'000	Restricted purposes 2024 £'000	Total 2024 £'000	Total 2023 £'000
Member Government funding received in advance	-	3,727	275	4,002	5,544
Deferred Grants	-	-	58	58	5
Trade creditors	2,151	-	-	2,151	1,697
Trade accruals	3,891	-	294	4,185	3,525
Social security and other taxes	717	-	-	717	1,056
Holiday pay & other staff cost accruals	4,939	-	-	4,939	4,959
Other creditors	1,076	-	-	1,076	1,000
	<u>12,774</u>	<u>3,727</u>	<u>627</u>	<u>17,128</u>	<u>17,786</u>

Agency purposes includes £1.4m from the MoD, £1.25m for the Cannock Chase Renovation, £550k for the Normandy Memorial, £465k from Australia, £48.7k from Germany, and £11.2k from other regiments and overseas partners. Member government funding received in advance for restricted purposes is £246k from the MoD for graves renovation and £29k from MoD for supporting the Commission's Interns programme. Restricted deferred income includes £25k for Bayeux Cemetery, £26k for Speakers, Guides programmes and others.

18.1 Creditors: amounts falling due within one year - Commission

	General purposes 2024 £'000	Agency purposes 2024 £'000	Restricted purposes 2024 £'000	Total 2024 £'000	Total 2023 £'000
Member Government funding received in advance	-	3,727	275	4,002	5,543
Deferred Grants	-	-	58	58	5
Trade creditors	2,136	-	-	2,136	1,693
Trade accruals	3,876	-	294	4,170	3,517
Social security and other taxes	714	-	-	714	1,048
Holiday pay & other staff cost accruals	4,933	-	-	4,933	4,943
Other creditors	1,134	-	-	1,134	999
	<u>12,793</u>	<u>3,727</u>	<u>627</u>	<u>17,147</u>	<u>17,747</u>

£25k of funding received in advance for MoD Graves renovation for restricted purposes relates to funding associated with commitments forecast after more than one year (2023: £220k).

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2024

19 Provisions for liabilities and charges

Group and Commission

	Provision for legal costs £'000	Taxation & services £'000	Termination indemnities £'000	Retirement indemnities £'000s	Total £'000
At 1 April 2023	925	412	2,853	663	4,853
Paid	(188)	-	(156)	(63)	(407)
Released/transferred	(260)	(20)	-	43	(237)
Exchange rate revaluation	-	(38)	(328)	-	(366)
Charged during the year	869	(33)	578	-	1,414
At 31 March 2024	<u>1,346</u>	<u>321</u>	<u>2,947</u>	<u>643</u>	<u>5,257</u>

£615k of the retirement indemnity relates to provisions for liabilities due after more than one year (2023: £616k).

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.

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2024

20 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 £850k (2023: £850k) 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 2023 and was used by the actuaries for the disclosure requirements of FRS102 as at 31 March 2024.

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.

	2024	2023
	%	%
Discount rate	4.80	4.85
Inflation assumption (CPI)	2.80	3.05
Pension increases	2.80	3.05

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

	Male	Male	Female	Female
	2024	2023	2024	2023
	Years	Years	Years	Years
Current pensioner aged 65	21.7	20.1	24.2	23.2
Retiring in 20 years' time	23.3	21.1	25.5	24.4

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2024

The assets of the pension scheme are identifiable by category.

	2024	2024	2023	2023
	%	£'000	%	£'000
Cash at bank	1.0	728	1.7	1,266
LGIM All World Equity Fund	9.5	6,664	19.9	14,527
LGIM LDI Matching Core Short Fund - Nominal	1.4	1,008	1.3	960
LGIM LDI Matching Core Long Fund - Nominal	1.3	935	1.5	1,091
LGIM LDI Matching Core Short Fund - Real	12.3	8,667	11.9	8,662
LGIM LDI Matching Core Long Fund - Real	18.4	12,944	19.3	14,130
LGIM Synthetic Leveraged Equity Fund	5.6	3,938	4.9	3,578
LGIM BNY Mellon Real Return Fund	9.8	6,930	10.5	7,706
LGIM Insight Broad Opportunities Fund	9.8	6,914	10.7	7,790
LGIM Absolute Return Bond Fund	15.9	11,245	2.4	1,775
Threadneedle Property Unit Fund	5.2	3,666	5.3	3,852
Schroder Life Diversity Growth Fund	9.8	6,898	10.6	7,744
	<u>100.0</u>	<u>70,537</u>	<u>100.0</u>	<u>73,081</u>
Fair value of pension scheme assets				

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

	2024	2023
	£'000	£'000
Present value of pension scheme liabilities	(88,819)	(86,383)
Fair value of pension scheme assets	70,537	73,081
Net pension deficit at 31 March	(18,282)	(13,302)

The amounts to be recognised in the consolidated statement of financial activities for the year ended 31 March 2024 are as follows:

Included within expenditure	2024	2023
	£'000	£'000
The amounts recognised in the financial statement		
Service cost – including current service costs, settlements, and curtailments plus annual funding	-	-
Net interest on the defined benefit liability	625	708
Total expense	<u>625</u>	<u>708</u>
Other recognised (gains)/losses:		
Actuarial losses/(gains) on pension scheme liabilities	2,766	(36,047)
Return on assets, excluding interest income	2,439	21,855
Net actuarial loss/(gain) on defined benefit pension scheme	<u>5,205</u>	<u>(14,192)</u>

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2024

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

	2024	2023
	£'000	£'000
Opening defined benefit obligation	86,383	123,567
Interest cost	4,084	3,158
Actuarial losses/(gains)	2,766	(36,047)
Benefits paid	<u>(4,414)</u>	<u>(4,295)</u>
	<u>88,819</u>	<u>86,383</u>

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

	2024	2023
	£'000	£'000
Opening fair value of scheme assets	73,081	95,931
Interest income on scheme assets	3,459	2,450
Return on assets	(2,439)	(21,855)
Employer contributions	850	850
Benefits paid	<u>(4,414)</u>	<u>(4,295)</u>
	<u>70,537</u>	<u>73,081</u>

The history of experience gains and losses is as follows:

	2024	2023
	£'000	£'000
Experience adjustments on scheme liabilities	4,414	4,295
As a percentage of scheme liabilities	4.97%	4.97%
Experience adjustments on scheme assets	(2,439)	(21,855)
As a percentage of scheme assets	<u>(3.46%)</u>	<u>(29.91%)</u>

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2024

21 Commitments

21.1 Capital commitment

Capital commitments at 31 March 2024 amounted to £508k (2023: £395k) and includes the cost for completion of the Casualty Database £245k, plant and machinery £147k fixtures and fittings £106k and vehicles £10k.

21.1 Leasing commitments

In 2023/24, 14 (2022/23: 84) new vehicles were leased during the year (2 in France, 9 in Italy, 3 In UK). At 31 March 2024, the Commission had commitments under non-cancellable operating leases as follows:

Group and Commission

	2024	2023
	£'000	£'000
Within one year		
Accommodation & office equipment	199	160
Vehicles	1,545	1,338
Between 2 and 5 years		
Accommodation & office equipment	509	254
Vehicles	3,410	3,581
More than five years		
Accommodation & office equipment	118	20
	<u>5,781</u>	<u>5,353</u>

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2024

22 Retained funds

Group

	2024 £'000	Restated 2023 £'000
Unrestricted fund (note 24.1a)	280	7,037
Restricted funds (note 24.2a)	<u>-</u>	<u>-</u>
	<u>280</u>	<u>7,037</u>

Commission

	2024 £'000	Restated 2023 £'000
Unrestricted fund (note 24.1b)	147	6,978
Restricted funds (note 24.2b)	<u>-</u>	<u>-</u>
	<u>147</u>	<u>6,978</u>

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2024

22.1 Unrestricted funds

a) Group

	Funds at 1 April 2023	Net movement in funds for year	Restated Funds at 31 March 2024
	£' 000	£' 000	£' 000
General purposes	15,116	720	15,836
Thiepval reserve	28	-	28
Menin Gate reserve	1,638	-	1,638
Structural projects reserve	3,057	(2,497)	560
Exchange reserve	500	-	500
Pension reserve	(13,302)	(4,980)	(18,282)
Total	7,037	(6,757)	280

b) Commission

	Funds at 1 April 2023	Net movement in funds for year	Restated Funds at 31 March 2024
	£' 000	£' 000	£' 000
General purposes	15,058	645	15,703
Thiepval reserve	28	-	28
Menin Gate reserve	1,638	-	1,638
Structural projects reserve	3,057	(2,497)	560
Exchange reserve	500	-	500
Pension reserve	(13,302)	(4,980)	(18,282)
Total	6,979	(6,832)	147

In year, the pension fund liability increased by £4.9m. £2.5m of structural reserve was used with the balance of £560k required for completion of future work. Work continued on the structural repairs required to the iconic Menin Gate in Ieper Belgium.

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2024

23 Related party transactions

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

The Commonwealth War Graves Foundation is owed by the Commonwealth War Graves Commission £8k for the intercompany balance (2023 £1.3k owed to the Commission) at the year-end. In year, the Commonwealth War Grave Foundation drew down £100k from the loan facility provided from the Commission. Including interest, the loan account balance at 31 March 2024 was £106k (2023 £0k).

Based on the accounting precedent adopted by the Commission, a parent and subsidiary relationship has not been deemed to currently exist due to the majority of the Trustees of the Endowment Fund being independent of the Commission. The Imperial War Graves Endowment Fund can, however, provide its dividend income to the Commission as disclosed in note 4 to the financial statements. The amount due from the Imperial War Graves Endowment Fund to the Commission at the year-end was £43k (2023 - £104k).

In the year, three Foundation trustees had a standard membership with a total value of donations received amounting to £108 (2023 2 trustees £72).

24 Post Balance Sheet Events

There were no post balance sheet events to report.

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2024

25 Prior year adjustment

Following a detailed review undertaken by the Commission's legal and finance teams of the land and buildings relating to historical sites, certain previously recognised tangible fixed assets and the related depreciation have been removed from the balance sheet via a prior year adjustment. The assets removed relate to items that do not meet the requirements of the accounting policy for land and buildings, as set out below:

Freehold land and buildings are treated as an asset if they meet all the following tests:

- Not contained within the cemetery boundary, as advised by CWGC's legal team's documentation;
- Are on private land and outside of a cemetery boundary;
- The building or land has re-sale potential; and
- The building could be moved and used at another location, i.e. main storage facilities.

The net impact of the prior year adjustment is to reduce the carrying value of fixed assets by £1.295m at 1 April 2022 and by £1.260m at 31 March 2023. Further details are provided below.

Consolidated statement of financial activities	Year ended 31 March 2023 £' 000	Prior year adjustment £' 000	Restated Year ended 31 March 2023 £' 000
Total income	78,369	-	78,369
Total expenditure	<u>78,938</u>	<u>(35)</u>	<u>78,903</u>
Net expenditure for the year before other recognised gains and losses	(569)	35	(534)
Other recognised gains and losses	<u>14,249</u>	<u>-</u>	<u>14,249</u>
Net movement in funds	13,680	35	13,715
Funds brought forward at 1 April 2022	<u>(5,383)</u>	<u>(1,295)</u>	<u>(6,678)</u>
Funds carried forward at 31 March 2023	<u><u>8,297</u></u>	<u><u>(1,260)</u></u>	<u><u>7,037</u></u>

COMMONWEALTH WAR GRAVES COMMISSION

Notes to the financial statements

for the year ended 31 March 2024

Consolidated balance sheet

	At 31 March 2023	Prior year adjustment	Restated At 31 March 2023
	£' 000	£' 000	£' 000
Intangible assets	349	-	349
Tangible fixed assets	16,578	(1,260)	15,318
Net current assets	9,525	-	9,525
Provisions for liabilities and charges	(4,853)	-	(4,853)
Defined benefit pension scheme liability	(13,302)	-	(13,302)
	<hr/>	<hr/>	<hr/>
Total net assets	8,297	(1,260)	7,037