

Financial Statements of the Commonwealth Fund for Technical Co-operation

Year Ended 30 June 2025



The Commonwealth



**The Hon
Shirley Botchway**
Secretary-General
11 December 2025



Dr Arjoon Suddhoo
Deputy Secretary-General
5 December 2025

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

PRINCIPAL ACTIVITIES AND OPERATING STRUCTURE

Principal Activities of the Commonwealth Secretariat

The Commonwealth Secretariat, herein after referred to as The Commonwealth, is a voluntary association of 56 independent countries and equal sovereign states. Its members are bound together by respect for all states and peoples; by shared values and principles; and by concern for the vulnerable.

Commonwealth members are supported by a network of more than 80 intergovernmental, civil, cultural and professional organisations.

The Commonwealth:

- Supports Commonwealth member states to achieve development, democracy and peace. It is a voice for small and vulnerable states and a champion for young people;
- Helps to strengthen governance, build inclusive institutions and promote justice and human rights. Its work helps to grow economies and boost trade, empower young people, and address threats such as climate change, debt and inequality; and
- Provides technical assistance and supports decision-makers to draw up legislation and deliver policies. The Commonwealth deploys experts and observers who offer impartial advice and solutions to national issues. The Commonwealth also provides systems, software and research for managing resources.

At Commonwealth summits, the Commonwealth brings together government leaders whose decisions will have an enduring impact on all its citizens.

Priority areas of work are agreed at Commonwealth Heads of Government Meetings (CHOGM), which occur every two years.

Further information regarding The Commonwealth's current four year Strategic Plan from 2021/22 - 2024/25 which was approved in September 2021, can be found on the website www.thecommonwealth.org

Commonwealth Fund for Technical Cooperation

The activities of The Commonwealth are funded by Member Governments via three separate multilateral funds:

- Commonwealth Secretariat Fund (COMSEC);
- Commonwealth Fund For Technical Cooperation (CFTC); and
- Commonwealth Youth Programme Fund (CYP).

The Memoranda of Understanding of the three funds require The Commonwealth to operate and prepare separate financial statements for each of the funds.

Accordingly, these are the financial statements of the **Commonwealth Fund for Technical Cooperation** for the period ended 30 June 2025.

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

PRINCIPAL ACTIVITIES AND OPERATING STRUCTURE

Governance and Structure

The Commonwealth is headed by a Secretary-General, The Hon Shirley Botchwey, who is appointed by the Heads of Government of the Commonwealth Member States.

The Secretary-General reports to the Heads of Government through individual meetings and also collectively at the biennial CHOGM. The Secretary-General is also held accountable through the Commonwealth's Board of Governors which meets regularly in London on behalf of all member governments at a senior diplomatic level. The Board of Governors also approves the Commonwealth Secretariat's strategic plan and supporting delivery plan and budget.

The Secretary-General is assisted by a senior management team in managing the activities of the organisation.

The Commonwealth Secretariat's structure is split into three directorates:

- Governance and Peace;
- Trade, Oceans and Natural Resources; and
- Economic, Youth and Sustainable Development.

The organisation has its headquarters in Marlborough House, Pall Mall, London, SW1Y 5HX, United Kingdom.

COMMONWEALTH FUND FOR TECHNICAL COOPERATION
FINANCIAL STATEMENT HIGHLIGHTS

Overview of Financial Statements

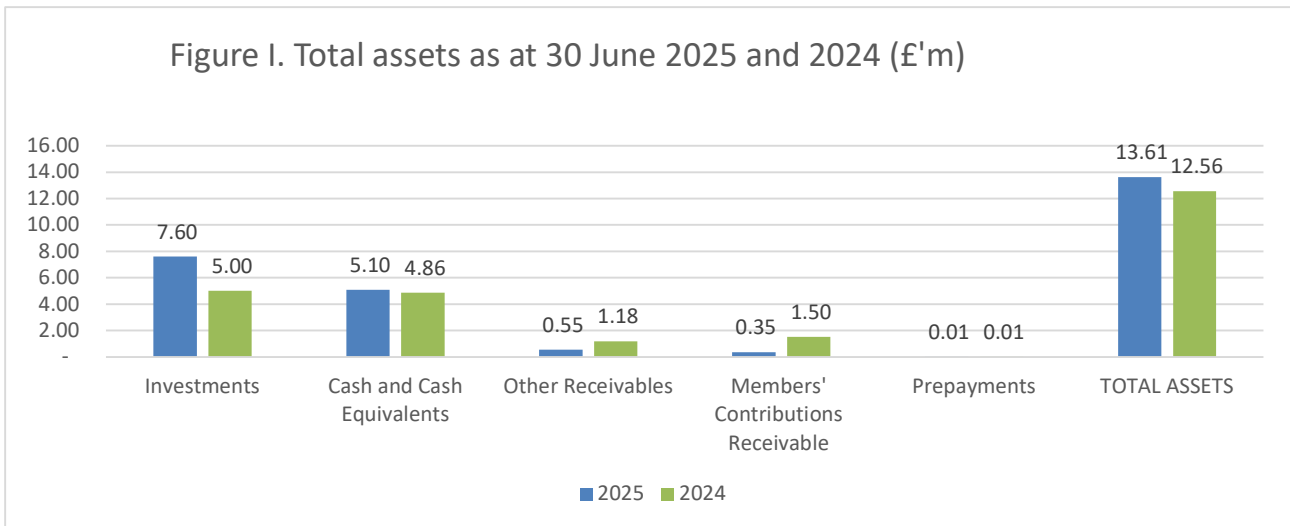
In this final year of the 2021/22-2024/25 Strategic Plan, despite the many challenges, the Secretariat is committed to delivering the 2022 Commonwealth Heads of Government Meeting mandates, in alignment with agreed Strategic Plan outcomes.

The Secretariat continues to adapt and focus on the effective implementation of its programmatic activities. Below are the highlights of the financial outcomes for 2025.

Assets

At the end of 2025, CFTC's total assets were £13.61 million (2024: £12.56 million), an increase of £1.05 million (8%) compared to the previous year.

A significant portion of the assets that CFTC managed is Cash and cash equivalents and Investments, making a total of £12.70 million or 94% of current assets (2024: £9.86 million or 79%) that support its core and extra budgetary activities. CFTC also reported £0.35 million (2024: £1.50 million) Members' contributions receivable and £0.55million (2024: £1.18million) in Other receivables.



The increase of £2.84 million in Cash and cash equivalents and investments was occasioned by an improvement in recovery of CFTC voluntary members' contributions.

Other Receivables decreased by £0.63 million mainly due to the settlement of the Small States Office receivable balance during the reporting period. The sundry debtors consist of accrued interest income, VAT receivable and outstanding invoices for sundry customers .

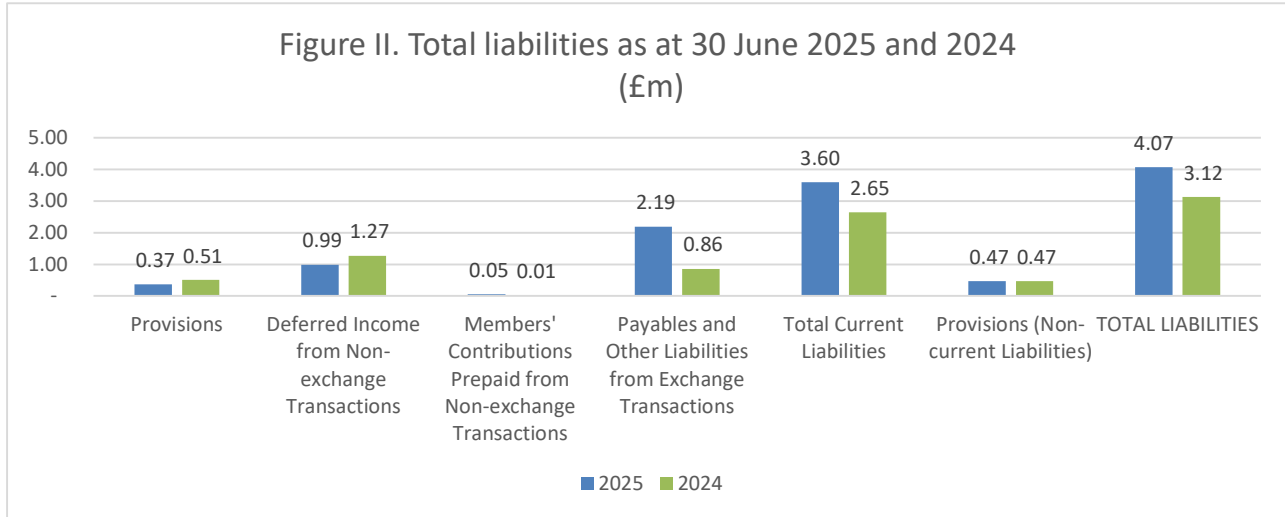
Members' Contributions Receivable from Non-exchange transactions decreased by £1.15 million (77%) attributable to an increase in the collection rate to 96% (2024: 82%) during the year.

COMMONWEALTH FUND FOR TECHNICAL COOPERATION
FINANCIAL STATEMENT HIGHLIGHTS

Overview of Financial Statements (Continued)

Liabilities

Total liabilities of £4.07 million at the end of 2025 (2024: £3.12 million) show an increase of £0.95 million (30%) compared to the previous year.



The increase of £0.95 million (36%) in current liabilities was mainly due to the increase in payables and other liabilities from exchange transactions.

Deferred income decreased by 22% due to a reduction in Extra Budgetary Resources funds received in the current year prior to its commencement.

Payables and other liabilities increased by 155% mainly due to the increase in outstanding payables and staff annual leave accruals at year end and the timing in the settlement of intercompany recoveries to COMSEC.

Net assets

The net assets position increased by £0.11 million (1%) from £9.43 million as at 30 June 2024 to £9.54 million as at 30 June 2025 as presented in the Statement of Financial Position which constitutes the fund balances for the CFTC as a whole.

The distribution of the net assets is shown on figure III below. The movements in net assets for the year ended 30 June 2025 is reported in Statement of Changes in Net Assets

COMMONWEALTH FUND FOR TECHNICAL COOPERATION
FINANCIAL STATEMENT HIGHLIGHTS

Overview of Financial Statements (Continued)

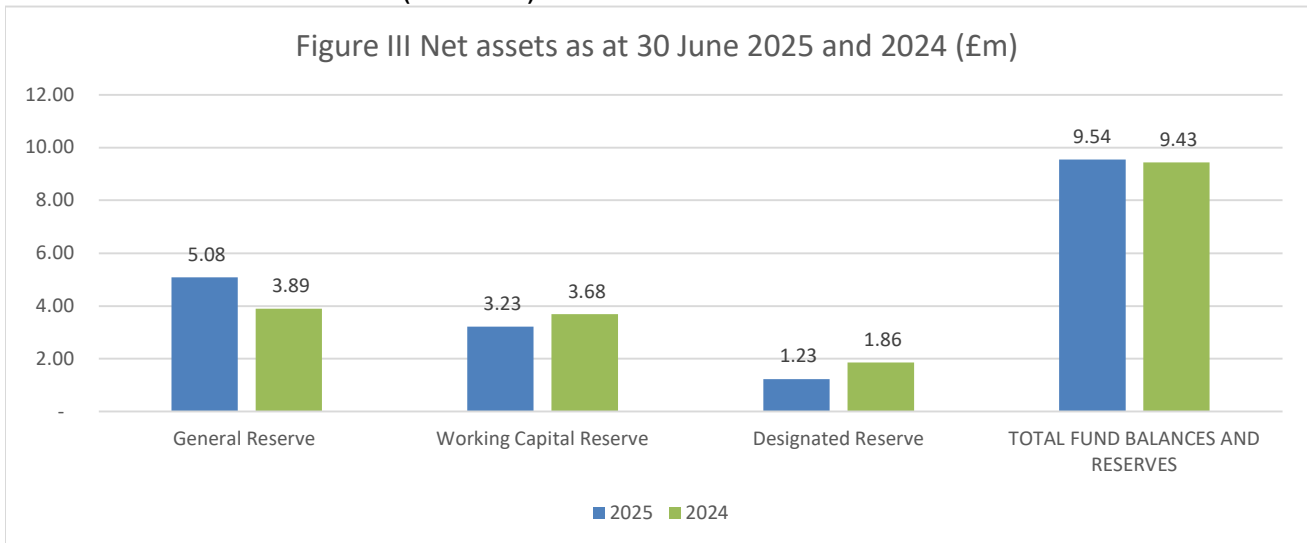


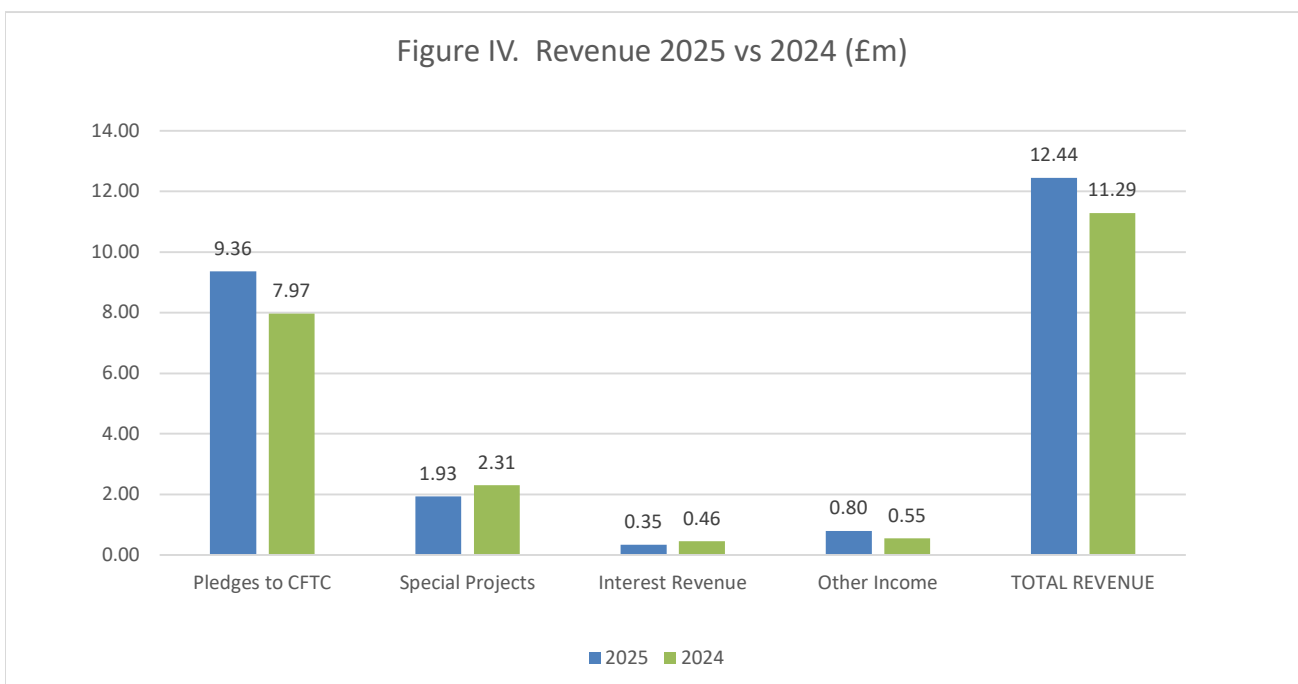
Figure III highlights that the General reserve increased by £1.19 million, mainly attributed to transfers between reserves.

As of 30 June 2025, the Working capital reserve retained at 25% of approved planned expenditure for the year, is in line with Section V of the revised Financial Regulations.

Income

Overall, total revenue for 2025 was £12.44 million, a net improvement of £1.15 million or 10% from 2024.

The main sources of revenue at CFTC are Pledges and Special projects incomes. Pledges to CFTC from member states make up 75% (2024: 71%) of total revenue, followed by extra budgetary resources for Special projects at 16% (2024: 20%).



COMMONWEALTH FUND FOR TECHNICAL COOPERATION
FINANCIAL STATEMENT HIGHLIGHTS

Overview of Financial Statements (Continued)

Revenue from Pledges to CFTC has increased by £1.39 million (17%), from £7.97 million to £9.36 million. The retroactive pledges received for 2025 was £0.16 million, an decrease of £0.18million from 2024 where it was £0.34 million.

Special projects revenue decreased by 16% to £1.93 million (2024: £2.31 million). Revenue from Special projects is recognised when the agreed conditions are met. It usually fluctuates from year to year due to the timing of contributions and the discharge of obligations for agreements with specified conditions.

Interest revenue decreased in 2025 to £0.35 million (2024: £0.46 million). This decrease is due to the reduction in interest rates during the reporting period. Interest bearing accounts and investments yielded an average annual rate of 3.77% (2024: 4.63%) during the reporting period.

Other income increased by 44% to £0.80 million (2024: £0.55 million) attributed to the increase in debt management system's subscription fees.

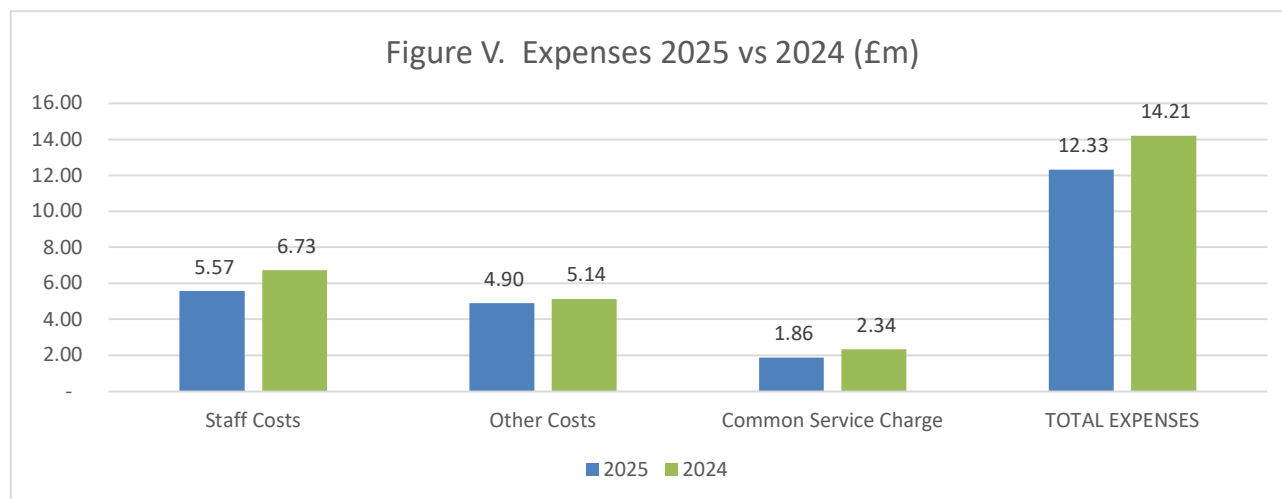
Expenses

Total expenses of £12.33 million decreased by £1.88 million (13%) compared to 2024.

Staff costs decreased by 17%, mainly due to less overseas recruited staff eligible for home leave and relocation during the reporting period and a reduction in the allocation percentage of staff costs to CFTC as the time spent by staff on CFTC tasks has gone down.

Other costs decreased by 5% mostly attributable to the decrease in professional fees, travel and conference costs.

Common service charge has decreased by £0.48 million (20%) compared to 2024.



Result for the year 2025

A surplus of £0.11 million (2024: £2.92 million deficit) is recorded in 2025. This is attributed to the improvement in the voluntary pledges by the member countries and improved collection rates.

It should be noted that the financial performance of revenue and expenses reflected in Statement of Financial Performance is presented on an IPSAS accrual basis and thus is different in its measurement and accounting from the budgetary performance of receipts and payments reflected in Management accounts prepared on a modified cash/accrual basis.

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS

Independent auditor's report to the Board of Governors of Commonwealth Fund For Technical Cooperation

Opinion

We have audited the non-statutory financial statements of Commonwealth Fund for Technical Cooperation (CFTC) for the year ended 30 June 2025 which comprise the Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets, Cash Flow Statement and notes to the non-statutory financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Public Sector Accounting Standards and the Financial Regulations as authorised by the Commonwealth Heads of Government.

In our opinion the non-statutory financial statements:

- give a true and fair view of the state of CFTC's affairs as at 30 June 2025 and of its surplus for the year then ended; and
- have been properly prepared in accordance with International Public Sector Accounting Standards and the Financial Regulations as authorised by the Commonwealth Heads of Government.

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 non-statutory financial statements section of our report. We are independent of CFTC in accordance with the ethical requirements that are relevant to our audit of the non-statutory financial statements in the UK, including the FRC's Ethical Standard, and also the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), 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 non-statutory financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the non-statutory financial statements is appropriate.

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

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

Other information

The Board are responsible for the other information. The other information comprises the information included in the annual report, other than the non-statutory financial statements and our auditor's report thereon. Our opinion on the non-statutory 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 non-statutory financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-statutory 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 this gives rise to a material misstatement in the non-statutory financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS

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Responsibilities of the Secretary-General

The Secretary-General is responsible for the preparation of the non-statutory financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Secretary-General determines is necessary to enable the preparation of non-statutory financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-statutory financial statements, the Secretary-General is responsible for assessing CFTC'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 Secretary-General either intends to liquidate CFTC or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the non-statutory financial statements

Our objectives are to obtain reasonable assurance about whether the non-statutory 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 non-statutory financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the non-statutory 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the non-statutory financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which CFTC operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the non-statutory financial statements. The laws and regulations we considered in this context were the Commonwealth Secretariat Act 1966 (as amended by the International Organisations Act 2005) and financial reporting standards. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related non-statutory financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the non-statutory financial statements but compliance with which might be fundamental to CFTC's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within CFTC for fraud.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the non-statutory financial statements from irregularities, including fraud, to be within the timing of recognition of special project income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, and reading minutes of meetings of those charged with governance.

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

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Regarding timing of recognition of special project income, we addressed this risk through review of funding agreements to understand terms and reporting requirements, and sample testing to ensure that performance conditions have been met where income has been recognised, and that the correct balance is either accrued or deferred in relation to the achievement of performance conditions at the year end.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the non-statutory financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the non-statutory financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Board of Governors in accordance with the engagement letter dated 16 May 2022 and the Financial Regulations of CFTC. Our audit work has been undertaken so that we might state to CFTC's Board of Governors those matters we are required to state 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 CFTC's Board of Governors, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe UK LLP

London, United Kingdom

Date: 19 December 2025

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

		30 June 2025	30 June 2024
ASSETS	Notes	£	£
Current Assets			
Cash and Cash Equivalents	2	5,098,486	4,856,936
Investments	3	7,600,000	5,000,000
Prepayments		13,747	14,746
Members' Contributions Receivable from Non-exchange Transactions	9(a)	352,461	1,504,499
Other Receivables from Exchange Transactions	4	547,600	1,179,493
		13,612,294	12,555,674
TOTAL ASSETS		13,612,294	12,555,674
LIABILITIES			
Current Liabilities			
Provisions	8	370,209	508,032
Deferred Income from Non-exchange Transactions	7	988,135	1,270,538
Members' Contributions Prepaid from Non-exchange Transactions	9(b)(i),9(b)(ii)	54,198	13,641
Payables and Other Liabilities from Exchange Transactions	6	2,186,251	856,328
Total Current Liabilities		3,598,793	2,648,539
Non-Current Liabilities			
Provisions	8	470,342	473,157
Total Non-Current Liabilities		470,342	473,157
TOTAL LIABILITIES		4,069,135	3,121,696
NET ASSETS		9,543,159	9,433,978
FUND BALANCES AND RESERVES			
General Reserve		5,084,395	3,893,214
Working Capital Reserve		3,227,420	3,683,420
Designated Reserve		1,231,344	1,857,344
TOTAL FUND BALANCES AND RESERVES		9,543,159	9,433,978

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

		2024-25	2023-24
	Notes	£	£
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Pledges to CFTC	9(a)	9,361,827	7,966,305
Special Projects	10(a)(i),10(a)(ii),17	1,931,802	2,305,761
SUB-TOTAL REVENUE FROM NON-EXCHANGE TRANSACTIONS		<u>11,293,629</u>	<u>10,272,066</u>
REVENUE FROM EXCHANGE TRANSACTIONS			
Interest Revenue	11	349,566	460,725
Other Income	12	796,948	552,527
SUB-TOTAL REVENUE FROM EXCHANGE TRANSACTIONS		<u>1,146,514</u>	<u>1,013,252</u>
TOTAL REVENUE		<u>12,440,143</u>	<u>11,285,318</u>
EXPENSES			
Staff Costs	13	5,569,012	6,734,401
Other Costs	15	4,897,487	5,136,704
Common Service Charge		1,864,463	2,337,524
TOTAL EXPENSES		<u>12,330,962</u>	<u>14,208,629</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u>109,181</u>	<u>(2,923,311)</u>

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025

	Notes	General Reserve £	Working Capital Reserve £	Designated Reserve £	Total £
Balance as at 1 July 2023		6,490,759	3,891,420	1,975,110	12,357,289
Deficit		(2,923,311)	-	-	(2,923,311)
Transfer from General Reserve to Working Capital	1.13	208,000	(208,000)	-	-
Transfer from General Reserve to Designated Reserve	1.13	(371,000)	-	371,000	-
Transfer from Designated Reserve to General Reserve	1.13	488,766	-	(488,766)	-
Balance as at 30 June 2024		3,893,214	3,683,420	1,857,344	9,433,978
Surplus		109,181	-	-	109,181
Transfer from General Reserve to Working Capital	1.13		-	-	-
Transfer from Working Capital to General Reserve	1.13	456,000	(456,000)	-	-
Transfer from General Reserve to Designated Reserve	1.13	-	-	-	-
Transfer from Designated Reserve to General Reserve	1.13	626,000	-	(626,000)	-
Balance as at 30 June 2025		5,084,395	3,227,420	1,231,344	9,543,159

COMMONWEALTH FUND FOR TECHNICAL COOPERATION
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	2024-25	2023-24
Notes	£	£
Cash Flow from Operating Activities		
Surplus/(Deficit) for the year	109,181	(2,923,311)
Adjustments for:		
Decrease in Prepayments	999	15,935
Decrease/(Increase) in Contributions - Pledges Receivable	1,152,038	(800,845)
Decrease in Other Receivables	631,893	220,908
(Decrease)/Increase in Provisions	(140,638)	103,465
(Decrease)/Increase in Deferred Income	(282,403)	113,712
Increase/(Decrease) in Contributions Prepaid	40,557	(81,959)
Increase in Payables and Other Current Liabilities	1,329,923	324,565
Net Cash Flow generated/(used) from Operating Activities	<u>2,841,550</u>	<u>(3,027,530)</u>
Cash Flow from Investing Activities		
Investments in Fixed Term Deposits	(7,600,000)	(5,000,000)
Cash from Fixed Term Deposit Maturities	5,000,000	9,193,000
Net Cash Flow (used)/generated from Investing Activities	<u>(2,600,000)</u>	<u>4,193,000</u>
Net Increase in Cash and Cash Equivalents	241,550	1,165,470
Cash and Cash Equivalents at the Beginning of the Period	4,856,936	3,691,466
Cash and Cash Equivalents at the End of the Period	<u>5,098,486</u>	<u>4,856,936</u>

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1. Accounting Policies

1.1 Statement of Compliance

The financial statements of the Commonwealth Fund for Technical Cooperation (CFTC) have been prepared on an accruals basis in accordance with the International Public Sector Accounting Standards (IPSAS).

In accordance with IPSAS 1, budgets and related budget reconciliation analysis have not been provided as they are not publicly available.

The financial statements include segmental information relating to the General Fund and Special Projects. Information is analysed into the statement of financial position and statement of financial performance for each segment. The segmental information does not include income, expenses, advances or loans to or between segments.

IPSAS addresses the principles for recognition, measurement, classification and de-recognition of financial assets, financial liabilities and certain contracts for buying or selling non-financial items. The Secretariat recognising impairment losses on its financial assets at the earliest opportunity.

1.2 Change to Accounting Policies

The Commonwealth reviews its accounting policies on a regular basis and amends them as necessary in line with the prevailing accounting standards and its operational circumstances.

1.3 Basis for Non-Consolidation of Financial Statements

As mentioned previously under Principal Activities and Operating Structure, the activities of The Commonwealth are funded by Member Governments via three separate multilateral funds:

- Commonwealth Secretariat Fund (COMSEC);
- Commonwealth Fund for Technical Cooperation (CFTC); and
- Commonwealth Youth Programme Fund (CYP).

The Memoranda of Understanding of the three funds require The Commonwealth to operate and prepare separate audited financial statements for each of the funds. Each fund is controlled by its member governments and these member governments will vary from fund to fund.

The Commonwealth has reviewed IPSAS 35 Consolidated and Separate Financial Statements and considers that the consolidation requirement is not applicable in this situation.

1.4 Accounting Convention

The financial statements have been prepared using the historical cost convention.

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1.5 Going Concern Assumption

The financial statements have been prepared on the going concern basis. The going-concern assertion is based on the approval by the Commonwealth's Board of Governors of the work programme and budget estimates for the 2024-25, its net assets position, the stable historical trend of collection of voluntary contributions and the fact that the Secretariat has made no decision to cease the operations of CFTC. Management has a reasonable expectation that The Commonwealth will continue in operational existence for the foreseeable future and at least for a period of 12 months subsequent to the date of these financial statements are approved. The Board of Governors has approved the 2024-25 Budget and Delivery Plan along with the associated funding by member states.

1.6 Functional and Presentational Currency

The financial statements have been presented in GB Pounds Sterling which is The Commonwealth's functional currency. All financial information presented in GB Pounds Sterling has been rounded to the nearest £1.

1.7 Financial Instruments

Financial instruments are recognised when CFTC becomes a party to the contractual provisions of the instrument until such a time as when the rights to receive cash flows from those assets have expired or have been transferred and CFTC has transferred substantially all the risks and rewards of ownership.

Financial assets that are held for trading are initially measured at fair value and any gains or losses arising from changes in the fair value are accounted for through surplus or deficit and included within the Statement of Financial Performance in the period in which they arise.

Financial assets with fixed or determinable payments that are not quoted in active markets comprise contributions receivable in cash, other receivables and cash and cash equivalents are initially measured at fair value and subsequently stated at amortised cost.

Financial assets with fixed or determinable payments and fixed maturity dates that CFTC has both the intention and the ability to hold to maturity are initially measured at fair value and subsequently measured at amortised cost. As at 30 June 2025, no such financial assets were held by CFTC.

All non-derivative financial liabilities are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

1.8 Cash and Cash Equivalents

Cash and cash equivalents consist of bank balances that can easily be converted into cash without loss of value. Cash deposits are held in instant access interest-bearing bank accounts. Cash deposits denominated in foreign currencies have been translated to GB Pound Sterling at exchange rates prevailing at the reporting date. Realised gains and losses are recognised in the Statement of Financial Performance for the year.

Cash and cash equivalents are held in interest bearing accounts on the money market or as fixed short term deposits. All deposits are due to mature within three months and, as such, are all classified as cash and cash equivalents under current assets.

Cash and cash equivalents held for specific purposes or considered not readily accessible are considered as restricted.

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1.9 Impairment

Each year, a review of all assets is carried out for indications of impairment. If such indications exist, management will estimate the recoverable service amount and any loss is charged against the Statement of Financial Performance.

1.10 Payables and Accruals

Payables and accruals include liabilities in respect of goods and services which have been received and are either invoiced but unpaid or not invoiced at the year end. Accruals for purposes of disclosure in the financial statements are aggregated with trade payables.

1.11 Deferred Income

CFTC receives additional contributions and grants from member states, non-Commonwealth countries and other organisations. These are awarded subject to specific performance conditions. The revenue for these contributions and grants is recognised when the conditions are met and is reported in the Statement of Financial Performance as Special Project Income under revenue from non-exchange transactions. The unutilised balance is reported as Deferred Income from non-exchange transactions in the Statement of Financial Position.

1.12 Provisions and Contingent Liabilities

Provisions are made for future liabilities and charges where CFTC has a present legal or constructive obligation as a result of a past event and a reliable estimate can be made.

Other obligations, which do not meet the recognition criteria for liabilities, are disclosed in the notes to the financial statements as contingent liabilities when their existence could only be confirmed by the occurrence or non-occurrence of uncertain future events.

1.13 Reserves

CFTC's reserves consist of the following balances:

- General Reserve, is carried forward after accounting for pledges, other sources of income and expenses for all programme related and administrative categories;
- Working Capital Fund, serves to protect the Fund against temporary shortages of cash, arising from the need to sustain expenditure in the event of irregular settlement of pledge receivables by member states. Investments are held separately to represent the Working Capital Reserve. In accordance with Section V of the revised Financial Regulations, the reserve will be subject to a maximum of 25% of approved planned expenditure for that year; and
- Designated Fund Reserve is set aside for specific purposes within the overall reserves as agreed with the Board of Governors as part of the annual budget.

Transfers to and from the General Reserve are analysed in the Statement of Changes in Net Assets on Page 12.

1.14 Revenue

(a) Revenue from Non-Exchange Transactions

Non-exchange transactions are transactions in which CFTC receives contributions with nominal or no consideration provided directly in return.

(i) Contributions - Pledges

CFTC is funded by voluntary contributions from member states which are referred to as pledges. Pledges are recognised as revenue in the period to which the contribution relates. In the event of a pledge being made in respect of a previous financial year, it is recognised as revenue for the current year and described as a retroactive pledge.

Members' contributions receivable in the Statement of Financial Position is stated at the agreed amount and reduced by a provision for doubtful balances.

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1.14 Revenue (a) Revenue from Non-Exchange Transactions (Continued)

(ii) Special Projects

CFTC receives additional contributions and grants from member states, non-Commonwealth countries and other organisations for special projects (see note 10 for details of individual special projects). These monies are awarded subject to specific performance conditions. Where a transfer is subject to conditions that, if unfulfilled, require the return of the transferred resources, deferred income is reported as a non-exchange liability on the Statement of Financial Position. The revenue for these projects is recognised when these conditions are met.

(b) Revenue from Exchange Transactions

Exchange transactions are transactions in which CFTC provides a service and receives fair value consideration in return.

(i) Cost Share Contributions

The Capacity Building Programme organises bilateral projects which are carried out with the host country contributing a share of the costs. Invoices are raised in advance of the activity and the proportion which relates to the current financial year is recognised as cost share contributions. The proportion which relates to a subsequent financial year is deferred accordingly.

(ii) Interest Receivable

Interest income from interest-bearing accounts and investments is recognised in the period in which the transaction occurred rather than when the income is received.

(iii) Other Income

Other income consists of:

- Debt Management Fee from countries towards the integrated programme of assistance on debt management offered under the Economic Development Outcome;
- Sundry receipts, insurance payments and refunds; and
- Special Projects Administration Fees.

Such income is recognised in the period in which the transaction occurred, not when the income is received.

1.15 Expenses

(a) Staff Costs

(i) Unused Annual Leave

Staff are permitted to accumulate unused annual leave for use in future periods. The value of unused annual leave at year-end has been estimated using salary pay points and number of leave days outstanding. It is included in staff costs in the Statement of Financial Performance. The corresponding obligation is recognised as an accrual in the Statement of Financial Position.

(ii) Relocation Expenses

The Commonwealth pays relocation expenses for overseas recruited staff and experts at the beginning and end of their contracts. A provision for future costs is included within staff costs in the financial statements.

(iii) Home Leave

The Commonwealth pays for home leave passages for overseas recruited staff after serving a minimum of 18 months of their contracts. A provision for future home leave passages is included within staff costs in the financial statements.

(iv) Pensions

The Commonwealth operates a defined contribution pension scheme, two defined benefit pension schemes, and a supplementary arrangement as described below.

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1.15 Expenses (a) Staff Costs (iv) Pensions (Continued)

Work Place Pension

The Commonwealth Secretariat Workplace Pension Scheme is a defined contribution pension scheme administered by Scottish Widows. Staff can elect to have either The Commonwealth's contribution of 15% of their gross salary transferred to the Workplace Pension Scheme or The Commonwealth's contribution of 10% of their gross salary transferred to the Workplace Pension Scheme with the remaining 5% invested in the Staff Gratuity Fund. The Commonwealth's contributions to the workplace pension scheme are recognised as staff costs in the statement of financial performance.

Former Secretaries-General Pension Scheme

An unfunded, defined benefit pension scheme is in operation for two former Secretaries-General. Costs relating to the financial year are recognised in the Statement of Financial Performance of COMSEC. An actuarial valuation of The Commonwealth's obligation as at the year-end is obtained, with the liability recognised in the Statement of Financial Position of COMSEC. The present value of defined benefit obligations due to the former Secretaries-General is determined by discounting the estimated future cash outflows using agreed assumptions. There are no directly attributable investments or assets to support the obligations of this scheme. Unrealised actuarial gains and losses are recognised in the Statement of Changes in Net Assets in COMSEC.

All transactions and valuations are recorded within the COMSEC financial statements for administrative efficiency.

Staff Defined Benefit Pension Scheme

CFTC participates in the defined benefit scheme, Commonwealth Secretariat Pension and Life Assurance Scheme (1979), operated by The Commonwealth where the benefits are based on final pensionable pay. The scheme is managed by a board of trustees nominated by The Commonwealth as employer and scheme members in line with UK pension regulations.

The Scheme is subject to UK pension regulations. It undertakes valuations every three years and prepares financial statements to 31 March. The financial statements of the scheme are audited by Assure UK. The scheme's actuary is Neal Thompson, Partner, First Actuarial LLP. The audited financial statements and details of advisors are available on request from the Payroll and Pensions Team, Finance and Management Information Section, Marlborough House, London, SW1Y 5HX.

The Scheme which was accessible to staff of COMSEC, CFTC, CYP and Commonwealth Science Council Funds was closed to new members with effect from 1 January 2002. It is not possible to separate the scheme liabilities relating to staff under the different funds. The entire liability is therefore recognised in the Statement of Financial Position in COMSEC. The liability or asset recognised in respect of the scheme is the fair value of the plan assets less the present value of the defined obligation at the reporting date.

The current service cost, interest on scheme liabilities and expected return on the scheme assets are recognised in the Statement of Financial Performance of COMSEC.

Actuarial gains and losses are recognised in full in the period in which they occur in the Statement of Changes in Net Assets of COMSEC.

There is no contractual agreement or stated policy for charging the net defined benefit cost from COMSEC to CFTC. CFTC therefore recognises in its Statement of Financial Performance a cost equal to the contribution payable for the period.

Further details of the defined benefit scheme are disclosed on pages 35 to 39 of the 2024-25 financial statements of the Commonwealth Secretariat Fund.

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1.15 Expenses (a) Staff Costs (iv) Pensions (Continued)

Supplementary Pension

The Secretariat operates an unfunded defined benefit pension plan, Supplementary Pension. This arrangement is not a registered pension scheme in the UK and there are no directly attributable assets held by The Commonwealth to support the liability of the arrangement.

Under the plan, the members are entitled to post-retirement monthly instalments that provides discretionary pension increases in payment over and above the minimum pension increases set out in the Trust Deed and Rules of the Commonwealth Secretariat Pension & Life Assurance Scheme (1979) ("the Main Scheme").

Members are guaranteed a 2.5% increase on pension payments each year in the main scheme. Additional increases may be awarded on a discretionary basis based on an annual review by The Commonwealth.

An actuarial valuation of The Commonwealth's obligation as at the year-end is obtained with the entire liability recognised in the Statement of Financial Position of COMSEC as it is not possible to separate the scheme liabilities under the different funds. The present value of the supplementary pension obligations is determined by discounting the estimated future cash outflows using agreed assumptions.

There are no directly attributable investments or assets to support the obligations of this scheme. Unrealised gains and losses are recognised in the Statement of Changes in Net Assets in COMSEC.

Further details of the supplementary pension scheme are disclosed on pages 40 to 42 of the 2024-25 financial statements of the Commonwealth Secretariat Fund.

(v) Gratuity

For staff who opt out of or select the reduced contribution to the Commonwealth Secretariat Workplace Pension Scheme, The Commonwealth contributes up to 15% of gross salary into the Staff Gratuity Fund. The Commonwealth's contributions to the staff gratuity fund are recognised as staff costs in the Statement of Financial Performance. Payments of accumulated gratuity plus interest are made to staff at the end of their contract or on leaving The Commonwealth.

The contributions are paid into a COMSEC bank account and managed separately in readily convertible investments. Cash deposits and fixed term deposits relating to the staff gratuity fund are not available for general use by The Commonwealth. The relating asset and liability are reported in the Statement of Financial Position of COMSEC because it is not possible to readily separate the proportion relating to CFTC employees. The liability is classified as current or non-current dependent on the expiry dates of the employees' contracts.

(b) Office Rental Costs

The headquarters of The Commonwealth is located in Marlborough House in London. Marlborough House is provided free of rent by the UK Government. Under IPSAS 23 Revenue from Non-Exchange Transactions the value of this service in-kind is recognised as both income and expense in the Statement of Financial Performance of the COMSEC Fund. Marlborough House is a unique Grade1 listed property and as a result identifying comparable properties to produce an estimate of fair value is challenging. In previous financial years the service in kind has been estimated using the rental value of Commonwealth House in proportion to the office area in Marlborough House. In financial year 2025 to arrive a more reliable fair value the rateable value from UK government was adopted.

Significant improvements made to Marlborough House are capitalised and depreciated through the statement of financial performance over the useful life of the improvements for Marlborough House.

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1.15 Expenses (Continued)

(c) Common Service Charge

CFTC is charged a levy referred to as the Common Service Charge by COMSEC. The charge recovers some of the costs incurred by COMSEC in operating the internal corporate business support functions which includes Finance, Human Resources and Facilities Management, Information and Communications Technology, Strategy, Portfolio, Partnerships and Digital and to a lesser extent, Communications.

The present method of apportioning these costs is based on the proportion of staff members' time devoted to supporting activities in a particular area of work. The costs apportioned include staff costs, office accommodation and other administrative costs related to the corporate business support functions.

(d) Direct Projects

Direct Project Costs are expenses related to programmatic activities. Where these expenses occur against a contract issued to a service provider, the related cost is recognised in the Statement of Financial Performance when specific conditions in the individual contracts are fulfilled.

(e) Foreign Currency Transactions

Transactions in foreign currencies are translated to GB Pounds Sterling at the rate of exchange on the date of the transactions. Gains and losses resulting from the settlement of foreign currency transactions are recognised in the Statement of Financial Performance.

1.16 Tax

The Commonwealth operates an Internal Tax System under an agreement with the UK Government. Tax deducted from staff emoluments is retained by the organisation.

1.17 Use of Estimates and Judgements

Preparing financial statements in accordance with IPSAS requires The Commonwealth to make estimates, judgements and assumptions in the selection and application of accounting policies and in the reported amounts of assets, liabilities, revenues and expenses. For this reason, actual results may differ from those estimates.

Accounting estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised in the year in which they are revised and in any future period affected.

There are no key sources of estimation uncertainty at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

There were no critical judgements in the year made during the process of applying the accounting policies.

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

2. Cash and Cash Equivalents

Restricted Cash and Cash Equivalent balances are those funds which meet the definition of Cash and Cash Equivalents but are not available for general use by the CFTC.

The UK restricted balance relates to special project funds, which are held for use only for these specific purposes.

	Unrestricted		Restricted		Total	
	30 June		30 June		30 June	
	2025	2024	2025	2024	2025	2024
	£	£	£	£	£	£
UK Bank Accounts	4,011,417	3,477,023	988,135	1,270,538	4,999,552	4,747,561
Foreign Bank Accounts	98,934	109,375	-	-	98,934	109,375
Total Cash and Cash Equivalents	4,110,351	3,586,398	988,135	1,270,538	5,098,486	4,856,936

3. Investments

	30 June 2025	30 June 2024
	£	£
Fixed term deposits - current	7,600,000	5,000,000
Total Investments	7,600,000	5,000,000

Fixed term deposits held for a period of more than three months have been classified as investments.

4. Other Receivables from Exchange Transactions

	Note	30 June 2025	30 June 2024
		£	£
Debt Management Recovery Debtors		120,325	77,500
Cost Share Debtors	5(a)(i), 5(a)(ii)	36,557	36,557
Sundry Debtors		493,725	462,224
Commonwealth Youth Programme		-	93,786
Small States Office – Geneva		-	607,858
Provision for Doubtful Debts-Cost Share Debtors	4(a)	(36,557)	(36,557)
Provision for Doubtful Debts-Debt Management Recovery Debtors	4 (b)	(66,450)	(61,875)
Total Receivables		547,600	1,179,493

Ageing of receivables from exchange transactions:

	30 June 2025	30 June 2024
	£	£
Current	547,600	571,635
> 12 months	-	607,858
Total Receivables	547,600	1,179,493

Cost Share Debtors represent the amounts due to CFTC in respect of bilateral projects carried out with the host country contributing a share of the costs.

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

4. Other Receivables from Exchange Transactions (Continued)

4. (a) Cost Share Debtors Provisions 2024-25

	Provision at 1 July 2024	Increase in provision	(Decrease) in provision	Provision at 30 June 2025
	£	£	£	£
Provision for doubtful debt	36,557	-	-	36,557

The provision for doubtful debts relates to cost share contributions from prior periods which are proving difficult to collect.

4. (b) Debt Management Recovery Provision 2024-25

	Provision at 1 July 2024	Increase in provision	(Decrease) in provision	Provision at 30 June 2025
	£	£	£	£
Provision for doubtful debt	61,875	4,575	-	66,450

5. Cost Share Debtors 2024-25

5. (a) (i) Cost Share Debtors 2024-25

Country / Organisation	Balance Receivable as at 1 July 2024	Contributions Invoiced in 2024-25	Receipts in 2024-25	Balance Receivable as at 30 June 2025
	£	£	£	£
Grenada	36,557	-	-	36,557
Total	36,557	-	-	36,557

5. (a) (ii) Cost Share Debtors 2023-24

Country / Organisation	Balance Receivable as at 1 July 2023	Contributions Invoiced in 2023-24	Receipts in 2023-24	Balance Receivable as at 30 June 2024
	£	£	£	£
Grenada	36,557	-	-	36,557
Total	36,557	-	-	36,557

6. Payables and Other Liabilities from Exchange Transactions

Amounts falling due within one year

	30 June 2025	30 June 2024
	£	£
Trade Payables and Accruals	923,128	816,059
Staff Expenses	41,853	38,111
Commonwealth Youth Programme	7,825	-
Commonwealth Secretariat	1,145,102	2,158
Commonwealth Small States Office Geneva	68,343	-
Total Payables and Current Liabilities	2,186,251	856,328

The balance in Commonwealth Secretariat relates to intercompany balance as at June 2025 that was recovered in FY 2025/26. The Commonwealth Small States Office Geneva relate to the deficit for the current year, 2024 balance was liability transferred to and settled by COMSEC.

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

7. Deferred Income from Non-Exchange Transactions

Revenue which should be recognised in a future period has been deferred for special projects. A summary of the balances carried forward at the year-end are as follows:

	Notes	30 June 2025	30 June 2024
		£	£
Special Projects	1.11	988,135	1,270,538
Total Deferred Income	10a (i), 10 a (ii)	988,135	1,270,538

8. Provisions

The provisions classified as such in the Statement of Financial Position are as follows:

	At 30 June 2025		At 30 June 2024	
	Due within one year	Due after one year	Due within one year	Due after one year
	£	£	£	£
Relocation Expenses	182,606	470,342	314,119	473,157
Home Leave Expenses	20,387	-	26,697	-
Grant Agreement Expense Claim	167,216	-	167,216	-
Total Provisions	370,209	470,342	508,032	473,157

Movements in all provisions during the year are as follows:

Provision for Liabilities and Charges	Notes	As at 1 July 2024	Increase/(Decrease) in Provision	Amount Used in the year	As at 30 June 2025
		£	£	£	£
Relocation Expenses	(a)	787,276	(89,965)	(44,362)	652,949
Home Leave Expenses	(b)	26,697	1,474	(7,785)	20,386
Grant Agreement Expense Claim	(c)	167,216	-	-	167,216
Total Provisions for Liabilities and Charges		981,189	(88,491)	(52,147)	840,551

(a) CFTC incurs relocation expenses for overseas recruited staff and experts at the beginning and end of their contracts. The costs of relocation are variable because they depend on the timing of the relocation, which can be at any stage within the maximum contract period of nine years (depending on renewal of three year contracts), the location from which the staff member is relocated, the size and circumstances of the family, and the complexity of the individual's affairs at the time. The level of the provision is based on an annual review of future costs and the movement in the provision for the year has been included in the Statement of Financial Performance under staff costs.

(b) The provision relates to home leave passages for overseas recruited staff. Overseas recruited staff and their dependents are provided with one home leave passage per contract. The level of provision is based on an annual review of future costs and the movement in the provision for the year has been included in the Statement of Financial Performance under staff costs.

(c) The provision relates to a potential repayment claim for disallowed costs on a grant agreement.

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

9. Members' Contributions - Pledges from Non-Exchange Transactions

9. (a) Members' Contributions - Pledges from Non-Exchange Transactions 2024-25

Revenue from pledges in the Statement of Financial Performance is calculated as follows:

	2024-25	2023-24
	£	£
Amounts Pledged for Current Year	9,198,784	7,628,353
Retroactive Pledges	163,043	337,952
Total Members' Pledges	9,361,827	7,966,305

Members' contributions - pledges receivable from non-exchange transactions in the Statement of Financial Position are calculated as follows:

	30 June 2025	30 June 2024
	£	£
Current	481,645	1,522,474
Provisions for Doubtful Accounts	(129,184)	(17,975)
Total Net Current Pledges Receivable	352,461	1,504,499
Non-Current	6,250	13,456
Provisions for Doubtful Accounts	(6,250)	(13,456)
Total Net Non-Current Pledges Receivable	-	-

In order to manage and reduce long outstanding arrears, affected member countries are invited to discuss and agree suitable payment plans. Five (2024: Three) member countries had agreed a payment plan for arrears amounting to £41,318 (2024: £52,717).

Ageing of member contribution pledges receivables from non-exchange transactions:

	30 June 2025	30 June 2024
	£	£
Less than one year	190,734	854,611
Between one and two years	72,715	553,310
More than two years	89,012	96,578
Total	352,461	1,504,499

	Provision as at 1 July 2024	Increase in provision	(Decrease) in provision	Provision as at 30 June 2025
	£	£	£	£
Provision for Doubtful Debt	31,431	124,003	(20,000)	135,434

There was an increase of £124,003 in provision for doubtful contributions (2024: Nil) .

The decrease in the provision of £20,000 (2024: £86,766) relates to receipts for amounts provided for in prior periods.

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

9 (b) Members' Contributions from Non-Exchange Transactions

9. (b) (i). Members' Contributions from Non-Exchange Transactions 2024-25

Country	Balance as at 1 July 2024		Adjustment	Retroactive Pledges 2024-25	Pledges 2024-25	Receipts 2024-25	Balance as at 30 June 2025	
	Receivable	Prepaid					Receivable	Prepaid
	£	£					£	£
Anguilla	3,000	-	-	-	-	-	3,000	-
Antigua & Barbuda	-	-	-	-	2,044	2,044	-	-
Australia	-	-	-	-	239,107	239,107	-	-
Bahamas	-	-	-	-	-	-	-	-
Bangladesh	297,408	-	-	-	148,704	446,112	-	-
Barbados	-	(10,000)	-	-	10,000	-	-	-
Belize	-	-	-	-	16,000	16,000	-	-
Botswana	-	-	-	-	15,000	15,000	-	-
Brunei Darussalam	-	-	-	-	-	50,000	-	(50,000)
Cameroon	121,425	-	-	-	-	61,225	60,200	-
Cyprus	-	-	-	-	71,087	71,087	-	-
Cook Island	-	-	-	-	-	-	-	-
Dominica	8,100	-	-	-	1,944	-	10,044	-
eSwatini	-	-	-	-	80,000	80,000	-	-
Fiji	-	-	-	-	20,015	20,015	-	-
Gabon	25,000	-	-	28,000	-	-	53,000	-
Ghana	-	-	-	-	-	-	-	-
Gibraltar	-	-	-	-	15,000	15,000	-	-
Grenada	-	-	-	-	18,198	-	18,198	-
Guyana	-	-	-	-	67,200	67,200	-	-
India	-	-	-	-	1,755,248	1,755,248	-	-
Jamaica	-	-	-	-	165,126	165,126	-	-
Kenya	329,000	-	-	-	-	329,000	-	-
Kiribati	-	-	-	-	-	-	-	-
Lesotho	-	-	-	-	116,328	116,328	-	-
Malawi	-	-	-	-	4,256	-	4,256	-
Malaysia	-	-	-	-	-	-	-	-
Maldives	13,218	-	-	-	5,000	5,000	13,218	-
Malta	-	-	-	-	57,539	57,539	-	-
Mauritius	-	-	-	-	194,363	194,363	-	-
Mozambique	-	-	-	-	-	-	-	-
Namibia	-	-	-	-	15,000	15,000	-	-
Nauru	-	(1,027)	-	-	1,017	-	-	(11)
New Zealand	-	-	-	-	705,662	705,662	-	-
Nigeria	272,977	-	-	-	-	272,977	-	(0)
Niue	331	-	-	-	-	-	331	-
Pakistan	148,120	-	-	-	142,225	290,345	-	-
Papua New Guinea	-	-	-	-	-	-	-	-
Rwanda	-	-	-	-	-	-	-	-
Samoa	-	(60)	-	-	10,000	10,000	-	(60)
Seychelles	-	-	-	-	1,000	2,000	-	(1,000)
Sierra Leone	-	-	-	13,455	13,455	26,910	-	-
Singapore	-	-	-	-	20,000	20,000	-	-
Solomon Islands	-	-	-	-	1,000	-	1,000	-
South Africa	-	-	-	-	274,189	275,068	-	(879)
Sri Lanka	-	-	-	-	10,000	10,000	-	-
St Kitts & Nevis	-	-	-	-	19,455	-	19,455	-
St Lucia	-	(306)	-	-	18,652	-	18,346	-
St Vincent & The Grenadines	-	-	-	-	-	-	-	-
Tanzania	67,158	-	-	-	64,176	62,275	69,059	-
The Gambia	31,399	-	-	-	10,000	21,399	20,000	-
Togo	-	-	-	10,000	5,000	15,000	-	-
Tonga	20,000	-	-	-	10,000	20,000	10,000	-
Trinidad & Tobago	95,434	-	-	-	-	95,434	-	-
Uganda	-	(2,248)	-	-	-	-	-	(2,248)
United Kingdom	-	-	-	-	4,800,000	4,800,000	-	-
Vanuatu	20,000	-	-	-	20,000	19,595	20,405	-
Zambia	83,361	-	-	111,588	55,794	83,360	167,383	-
Total	1,535,930	(13,641)	-	163,043	9,198,784	10,450,419	487,895	(54,198)

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

9 (b) Members' Contributions from Non-Exchange Transactions

9. (b) (i). Members' Contributions from Non-Exchange Transactions 2023-24

Country	Balance as at 1 July 2023		Adjustment	Retroactive Pledges 2023-24	Pledges 2023-24	Receipts 2023-24	Balance as at 30 June 2024	
	Receivable	Prepaid					Receivable	Prepaid
	£	£					£	£
Anguilla	3,000	-	-	-	-	-	3,000	-
Antigua & Barbuda	-	-	-	-	2,044	2,044	-	-
Australia	-	-	-	-	256,991	256,991	-	-
Bahamas	-	-	-	-	130,405	130,405	-	-
Bangladesh	148,704	-	-	-	148,704	-	297,408	-
Barbados	-	-	-	-	10,000	20,000	-	(10,000)
Belize	-	-	-	16,000	16,000	32,000	-	-
Botswana	-	-	-	-	15,000	15,000	-	-
Brunei Darussalam	-	-	-	-	100,000	100,000	-	-
Cameroon	-	(1,025)	-	61,225	61,225	-	121,425	-
Cyprus	-	-	-	-	71,087	71,087	-	-
Cook Island	-	-	-	-	-	-	-	-
Dominica	10,108	-	-	-	1,944	3,952	8,100	-
eSwatini	-	-	-	-	80,000	80,000	-	-
Fiji	-	-	-	-	20,015	20,015	-	-
Gabon	-	-	-	-	25,000	-	25,000	-
Ghana	47,799	-	-	-	47,799	95,598	-	-
Gibraltar	-	-	-	-	15,000	15,000	-	-
Grenada	-	-	-	18,198	18,198	36,396	-	-
Guyana	-	-	-	-	68,214	68,214	-	-
India	-	-	-	-	-	-	-	-
Jamaica	-	-	-	-	165,126	165,126	-	-
Kenya	329,000	-	-	-	-	-	329,000	-
Kiribati	-	-	-	-	-	-	-	-
Lesotho	-	-	-	116,328	116,328	232,656	-	-
Malawi	-	(4,256)	-	-	4,256	-	-	-
Malaysia	-	-	-	-	100,000	100,000	-	-
Maldives	26,436	-	-	-	5,000	18,218	13,218	-
Malta	57,539	-	-	-	57,539	115,078	-	-
Mauritius	-	-	-	-	194,363	194,363	-	-
Mozambique	-	-	-	-	-	-	-	-
Namibia	-	-	-	15,000	15,000	30,000	-	-
Nauru	-	-	-	-	-	1,027	-	(1,027)
New Zealand	-	-	-	-	734,550	734,550	-	-
Nigeria	-	(77,705)	-	-	350,682	-	272,977	-
Niue	331	-	-	-	-	-	331	-
Pakistan	-	-	-	-	148,120	-	148,120	-
Papua New Guinea	-	-	-	57,975	57,975	115,950	-	-
Rwanda	-	-	-	-	12,925	12,925	-	-
Samoa	-	(10,060)	-	-	10,000	-	-	(60)
Seychelles	-	-	-	-	1,000	1,000	-	-
Sierra Leone	-	-	-	-	-	-	-	-
Singapore	-	-	-	-	20,000	20,000	-	-
Solomon Islands	-	-	-	-	1,000	1,000	-	-
South Africa	-	-	-	-	294,146	294,146	-	-
Sri Lanka	-	-	-	53,226	10,000	63,226	-	-
St Kitts & Nevis	-	-	-	-	19,455	19,455	-	-
St Lucia	-	(306)	-	-	18,652	18,652	-	(306)
St Vincent & The Grenadines	-	-	-	-	5,000	5,000	-	-
Tanzania	64,176	-	-	-	64,176	61,194	67,158	-
The Gambia	21,399	-	-	-	10,000	-	31,399	-
Tonga	1,000	-	-	-	10,000	-	20,000	-
Trinidad & Tobago	-	-	-	-	95,434	-	95,434	-
Uganda	-	(2,248)	-	-	-	-	-	(2,248)
United Kingdom	-	-	-	-	4,000,000	4,000,000	-	-
Vanuatu	20,000	-	-	-	20,000	20,000	20,000	-
Zambia	83,361	-	-	-	-	-	83,361	-
Total	812,852	(95,600)	-	337,952	7,628,353	7,170,268	1,535,930	(13,641)

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

10. (a) (i). Deferred Income from Non-Exchange Transactions 2024-25

Special Projects	Deferred Income Balance 1 July 2024	Project Cash Receipts	Project Expenses	Adjustment	Deferred Income Balance 30 June 2025
	£	£	£	£	£
Tackling Cyber Crime	163,445	534,650	(562,955)	-	135,140
The Commonwealth Climate Finance Access Hub (UK)	-	141,773	(78,818)	(62,955)	-
The Commonwealth Climate Finance Access Hub (Australia)	467,983	431,512	(494,266)	-	405,229
Trade Competitiveness	1,233	46,817	(38,870)	-	9,180
Improved and constructive engagement with the UN UPR (Australia)	136,250	-	(127,275)	-	8,975
Strengthening Co-operation among Commonwealth Member States to tackle the illicit proliferation of conventional weapons	22,288	-	-	-	22,288
Commonwealth Blue Charter (Stimpson_US)	3,933	-	-	-	3,933
International Trade Policy	511	-	-	-	511
Connectivity Agenda (Open Society)	55,837	-	(55,837)	-	-
Advancing Ocean Governance in Areas Beyond National Jurisdictions	-	63,316	(43,719)	-	19,597
Assessment of the Effects of LDC Graduation on the Agricultural and Social Sectors in Solomon Islands	32,086	-	-	-	32,086
Natural Resources	3,471	-	-	-	3,471
Geneva Trade Adviser	83	233,688	(230,971)	-	2,800
Improved and Constructive Engagement with the UN UPR	4,327	248,717	(250,641)	-	2,403
Promote International Practice in Debt Management	19,166	-	-	(19,166)	-
Identifying Climate-smart Solutions for Commonwealth SIDS and Coastal cities (Stimpson)	25,397	-	-	-	25,397
UN Development Programme	164,123	-	(59,639)	(6,813)	97,671
Common Sensing Project	21	-	-	(21)	-
Natural Resources (Rocky Mountain Institute)	63,914	-	(22)	-	63,892
Commonwealth Investment Network Bridgetown workshop and project	-	35,891	-	-	35,891
The Commonwealth Climate Finance Access Hub	106,470	54,937	(105,714)	-	55,693
Commonwealth Connectivity Agenda for Trade and Investment Namibia	-	37,843	-	-	37,843
Commonwealth Connectivity Agenda Samoa 1st Segment	-	24,444	(21,873)	-	2,571
Commonwealth Connectivity Agenda Samoa 2nd Segment	-	23,564	-	-	23,564
Total	1,270,538	1,877,152	(2,070,600)	(88,955)	988,135

Amounts in the adjustment column represents balances transferred to debtors to be recovered from donors, as well as refund to donors.

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

10. (a) (ii). Deferred Income from Non-Exchange Transactions 2023-24

Special Projects	Deferred Income Balance 1 July 2023	Project Cash Receipts	Project Expenses	Adjustment	Deferred Income Balance 30 June 2024
	£	£	£	£	£
Tackling Cyber Crime	4,724	687,157	(528,436)	-	163,445
The Commonwealth Climate Finance Access Hub (UK)	-	68,465	(99,543)	31,078	-
The Commonwealth Climate Finance Access Hub (Australia)	648,580	368,431	(549,028)	-	467,983
Trade Competitiveness	478	19,545	(18,790)	-	1,233
Improved and constructive engagement with the UN UPR (Australia)	147,547	-	(11,297)	-	136,250
Strengthening Co-operation among Commonwealth Member States to tackle the illicit proliferation of conventional weapons	22,288	-	-	-	22,288
Commonwealth Blue Charter (Stimpson_US)	-	3,933	-	-	3,933
International Trade Policy	-	23,276	(22,765)	-	511
Connectivity Agenda (Open Society)	-	230,079	(174,242)	-	55,837
A Resilient Blue Commonwealth: Building Sustainable Ocean Governance and Mobilising Climate Finance to Strengthen Resilience	67,940	-	(67,940)	-	-
Assessment of the Effects of LDC Graduation on the Agricultural and Social Sectors in Solomon Islands	32,086	-	-	-	32,086
Natural Resources	111,737	-	(108,266)	-	3,471
Geneva Trade Adviser	39	220,408	(220,364)	-	83
Improved and Constructive Engagement with the UN UPR	4,327	279,779	(279,779)	-	4,327
Promote International Practice in Debt Management	10,081	46,747	(37,662)	-	19,166
Identifying Climate-smart Solutions for Commonwealth SIDS and Coastal cities (Stimpson)	23,050	34,639	(32,292)	-	25,397
UN Development Programme	83,949	158,755	(78,581)	-	164,123
Common Sensing Project	-	87,720	(79,554)	(8,145)	21
Natural Resources (Rocky Mountain Institute)	-	163,134	(99,220)	-	63,914
The Commonwealth Climate Finance Access Hub	-	17,205	(49,137)	31,932	-
The Commonwealth Climate Finance Access Hub	-	116,775	(10,305)	-	106,470
Total	1,156,826	2,526,048	(2,467,201)	54,865	1,270,538

Amounts in the adjustment column represents balances transferred to debtors to be recovered from donors, as well as refund to donors.

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

11. Interest Receivable from Exchange Transactions

Interest bearing accounts and investments yielded an average rate of 3.77% (2024: 4.67%) during the reporting period.

	2024-25	2023-24
	£	£
Interest on Bank Deposits	349,566	460,725
Total Interest Receivable	349,566	460,725

12. Other Income from Exchange Transactions

	2024-25	2023-24
	£	£
Debt Management Recovery Fees	624,750	361,666
Sundry Receipts	33,400	29,421
Special Project Administration Fees	138,798	161,440
Total Other Income	796,948	552,527

13. Staff Costs

	2024-25	2023-24
	£	£
Salaries and Allowances	3,416,752	4,564,872
Employers National Insurance Contributions	484,537	472,156
Contributions to Staff Gratuity Fund	512,787	546,329
Contributions to Staff Defined Contribution Scheme	87,028	78,485
Pension Expense	34,534	2,514
Long-term Consultants Costs - Direct Projects	141,703	242,006
Long-term Consultants Costs – Special Projects	891,671	828,039
Total Staff Costs	5,569,012	6,734,401

£530,982 (2024: £748,605) of staff costs has been charged to projects and included in other costs. (See note 15).

14. Remuneration of Key Management Personnel

The members of the Board of Governors do not receive any remuneration from the organisation for their roles. The aggregate remuneration paid or payable to key management personnel on a full time equivalent basis for CFTC during the year was as follows:

	Number of Persons		Aggregate Remuneration	
	2024-25	2023-24	2024-25	2023-24
			£	£
Senior Management Committee	2	2	238,778	314,923
Directors	1	1	106,533	77,302
Total	3	3	345,311	392,225

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

14. Remuneration of Key Management Personnel (Continued)

Key management personnel comprise members of the Senior Management Committee of the Commonwealth: the Secretary-General, Deputy Secretary-General, Assistant Secretary-General, Chief of Staff to the Secretary-General, Senior Directors, Directors, and two Heads of Section. The Senior Management Committee has the authority and responsibility for planning, directing and controlling the activities of The Commonwealth.

Aggregate remuneration includes salary, allowances and employer's contribution to the gratuity fund and/or workplace pension scheme as analysed further below. The Secretary-General is provided with rent-free accommodation at The Commonwealth's official residence at Hill Street along with a chauffeur driven car for official use which is also available for the Secretary-General's private use.

	Senior Management Committee		Directors	
	2024-25	2023-24	2024-25	2023-24
	£	£	£	£
Salary	173,269	229,797	80,152	55,044
Allowances	29,064	37,676	13,798	12,004
Gratuity	36,445	47,450	7,053	9,465
Contributions to Staff Defined Contribution Scheme	-	-	5,530	789
Total	238,778	314,923	106,533	77,302

There were no loans to key management personnel that were not available to other staff during the year.

15. Other Costs

	2024-25	2023-24
	£	£
Travel Costs	1,472,894	1,536,360
Short-term Consultants	767,365	1,038,633
Conference Costs	583,964	641,005
Miscellaneous Expenses	353,318	20,908
Professional Fees	316,971	375,612
Property Services and Maintenance Costs	252,942	217,211
Accommodation and Venue Costs	237,602	398,774
Equipment Maintenance	218,345	211,577
Publication, Information and Printing	139,262	412,110
Increase/(Decrease) in Provision for Doubtful Balances	108,578	(87,392)
Utilities	77,311	81,218
Bank and Financial Charges	55,842	4,595
Communications	55,527	38,147
Insurance	55,135	53,198
Audit Fees	43,000	44,334
Pension Administration Costs	33,210	35,512
Currency Loss	32,944	32,387
Staff Development and Training	32,449	30,625
Library and Subscriptions	21,098	20,157
Rent and Rates	19,897	19,771
Other Property Costs	19,833	11,962
Total Other Costs	4,897,487	5,136,704

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

16. Direct Project expenses

16. (a) Direct Project Expenses by Outcome

A breakdown of direct project expenses analysed according to the outcomes in the four year Strategic Plan 2021-22 to 2024-25 is provided below:

	2024-25	2023-24
	£	£
Democracy & Governance	691,372	1,430,929
Sustainable Development	4,960,688	4,779,342
Resilience & Climate Action	1,256,702	1,515,473
Small and other Vulnerable states	9,892	22,024
Catalysts for Agile and Adaptive Delivery	223,899	180,273
Internal Outcomes	459,265	640,428
Sub-Total Direct Expenses	7,601,818	8,568,469
(Decrease)/Increase Staff Provision	(5,991)	190,240
Total Direct Expenses	7,595,827	8,758,709

Internal outcomes comprise of Organisational Performance and Results, Communications, Small States Offices and Office of the Secretary-General.

16. (b) Direct Project Expenses by Cost Type

For additional information, direct project expenses are further analysed according to cost types below:

	Notes	2024-25	2023-24
		£	£
Direct Staff Costs	13	4,810,401	5,908,093
Other Costs	15	2,785,426	2,850,616
Total		7,595,827	8,758,709

17. Segmental Information

Segment information is based on the principal activities and sources of financing of CFTC. These segments are as follows:

(a) General Fund

This segment includes all resources of CFTC that are commingled and not earmarked. The main funding sources of this segment are voluntary contributions from member states, other voluntary contributions and miscellaneous revenue. Funding from the contributions is used to carry out programme activities as set out in the annual budget and delivery plan approved by the Board of Governors.

(b) Special Project Funds

This segment receives additional contributions and grants from member states, non-Commonwealth countries and other organisations to carry out special projects. The resources in this segment can only be used for the purpose of expenditure subject to specific performance conditions as set out in the agreements with the donors.

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

STATEMENT OF FINANCIAL POSITION BY SEGMENT AS AT 30 JUNE 2025

17. Segmental Information (continued)

	General Fund	Special Projects	TOTAL
	£	£	£
ASSETS			
Current Assets			
Cash and Cash Equivalents	4,110,351	988,135	5,098,486
Investments	7,600,000	-	7,600,000
Prepayments	13,747	-	13,747
Members' Contributions Receivable from Non-exchange Transactions	352,461	-	352,461
Other Receivables from Exchange Transactions	547,600	-	547,600
TOTAL ASSETS	12,624,159	988,135	13,612,294
LIABILITIES			
Current Liabilities			
Provisions	370,209	-	370,209
Deferred Income from Non-exchange Transactions	-	988,135	988,135
Members' Contributions Prepaid from Non-exchange Transactions	54,198	-	54,198
Payables and Other Liabilities from Exchange Transactions	2,186,251	-	2,186,251
	2,610,658	988,135	3,598,793
Non-Current Liabilities			
Provisions	470,342	-	470,342
Total Non-Current Liabilities	470,342	-	470,342
TOTAL LIABILITIES	3,081,000	988,135	4,069,135
NET ASSETS	9,543,159	-	9,543,159
FUND BALANCES AND RESERVES			
General Reserve	5,084,395	-	5,084,395
Working Capital Reserve	3,227,420	-	3,227,420
Designated Reserve	1,231,344	-	1,231,344
TOTAL FUND BALANCES AND RESERVES	9,543,159	-	9,543,159

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

STATEMENT OF FINANCIAL PERFORMANCE BY SEGMENT FOR THE PERIOD ENDED 30 JUNE 2025

17. Segmental Information (continued)

	General Fund	Special Projects	Elimination	Total
	£	£	£	£
REVENUE FROM NON-EXCHANGE TRANSACTIONS				
Pledges to CFTC	9,361,827	-	-	9,361,827
Special Projects	-	2,070,600	(138,798)	1,931,802
SUB-TOTAL REVENUE FROM NON-EXCHANGE TRANSACTIONS	9,361,827	2,070,600	(138,798)	11,293,629
REVENUE FROM EXCHANGE TRANSACTIONS				
Interest Revenues	349,566	-	-	349,566
Other Income	796,948	-	-	796,948
SUB-TOTAL REVENUE FROM EXCHANGE TRANSACTIONS	1,146,514	-	-	1,146,514
TOTAL REVENUE	10,508,341	2,070,600	(138,798)	12,440,143
EXPENSES				
Staff Costs	4,680,338	888,674	-	5,569,012
Other Costs	3,854,359	1,181,926	(138,798)	4,897,487
Common Service Charge	1,864,463	-	-	1,864,463
TOTAL EXPENSES	10,399,160	2,070,600	(138,798)	12,330,962
SURPLUS FOR THE YEAR	109,181	-	-	109,181

Some internal activities result in accounting transactions which create inter-segment revenue, expense, advance or loan balances in the financial statements. Inter-segment transactions are reflected in the elimination column to accurately present these financial statements, for example, special project administration fees.

Included in total expenses of £10,399,160 is the sum of £7,595,827 which represents direct project expenses incurred by CFTC. Direct project expenses are analysed within note 16 of these financial statements.

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

18. Related Party Disclosures

(a) Controlled Entities

The Commonwealth Secretariat as an organisation operates and separately prepares audited accounts for the following three funds:

- Commonwealth Secretariat Fund (COMSEC);
- Commonwealth Fund for Technical Cooperation (CFTC); and
- Commonwealth Youth Programme Fund (CYP).

As described in note 1.15(c), costs of corporate business support functions are incurred by COMSEC. These costs are recovered from CFTC and CYP as Common Service Charges.

The Secretary-General of the Commonwealth is a member of the Board of Governors of two sister organisations of The Commonwealth. They are the Commonwealth of Learning and Commonwealth Foundation. These fellow intergovernmental Commonwealth organisations each have a separate Memorandum of Understanding, Board of Governors and Executive Management independent of The Commonwealth Secretariat.

In the financial period to 30 June 2025, there were no transactions outside the normal operations between The Commonwealth Fund for Technical Cooperation and the two Commonwealth organisations mentioned above (2024: £Nil).

The Senior Management Committee is remunerated through COMSEC and a portion of the cost is allocated to CFTC as disclosed in note 14.

19. Contingencies

As at 30 June 2025 there were no contingent liabilities relating to Arbitral Tribunal claims (2024: £Nil).

20. Commitments

Obligations under Operating Leases

Operating lease costs are shared among the three Funds COMSEC, CFTC and CYP. In this Financial year there are no leases held with COMSEC. The total amount of operating leases recognised in CFTC Statement of Financial Performance for the period is £Nil (2024: £Nil).

21. Financial Instruments

Details of the significant accounting policies and methods adopted, including the criteria for recognition and de-recognition, the basis of measurement and the basis on which gains and losses are recognised in respect of each class of financial asset and liability are set out in Note 1.

The Commonwealth's financial risk management policies are framed within the context of its treasury and investment management policy and financial regulations. The primary objectives of the Commonwealth's treasury and investment management policy are security and liquidity. The Commonwealth continues to operate a framework of internal controls designed to safeguard its assets.

The main risks associated with the use of financial instruments in the normal course of its operations are currency, interest rate, credit and liquidity risks.

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

21. Financial Instruments (Continued)

(a) Fair Values

The assets of CFTC are categorised as follows:

	30 June 2025	30 June 2024
	£	£
Financial assets	13,598,547	12,540,928
Non-financial assets	13,747	14,746
Total	13,612,294	12,555,674

The liabilities of CFTC are categorised as follows:

	30 June 2025	30 June 2024
	£	£
Financial Liabilities	2,186,251	856,328
Non-financial Liabilities	1,882,884	2,265,368
Total	4,069,135	3,121,696

Set out below, is a comparison by class of the carrying amounts and fair value of CFTC's financial instruments.

	Carrying Amount	Fair Values
	£	£
Financial Assets:		
2025		
Cash and Cash Equivalents	5,098,486	5,098,486
Investments	7,600,000	7,600,000
Current Receivables	900,061	900,061
Total	13,598,547	13,598,547
2024		
Cash and Cash Equivalents	4,856,936	4,856,936
Investments	5,000,000	5,000,000
Current Receivables	2,683,992	2,683,992
Total	12,540,928	12,540,928

	Carrying Amount	Fair Values
	£	£
Financial Liabilities:		
2025		
Payables	2,186,251	2,186,251
Total	2,186,251	2,186,251
2024		
Payables	856,328	856,328
Total	856,328	856,328

Cash and short-term deposits, receivables, payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Non-current liabilities are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt.

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

21. Financial Instruments (Continued)

(b) Foreign Currency Risk

CFTC is exposed to foreign currency risk arising primarily from Non-GB Pound Sterling holdings to support local operating activities in programme countries. CFTC maintains a minimum level of assets in local currencies, and whenever possible, maintains bank accounts in GB Pound Sterling.

At 30 June 2025, 99% of cash and cash equivalents are denominated in GB Pound Sterling and the remaining 1% in other currencies (99% in GB Pound Sterling, and the remaining 1% in other currencies at 30 June 2024).

c) Credit Risk

Credit risk is the risk of financial loss to CFTC if counterparties and other third parties fail to meet their contractual obligations. CFTC's exposure relates to receivables and cash and cash equivalents.

The treasury and investment management policy manages credit risk by limiting the amount of credit exposure to any one counter party and ensuring these financial assets are held with well-recognised financial institutions. 90% of the outstanding amount is at counterparty banks with a Moody's credit rating of A+.

Receivables comprise amounts mostly due from Member States and related parties. CFTC manages risk on these receivables by actively seeking recovery of all amounts due. At the reporting date CFTC assessed the past due receivables, creating a provision for those debts where it is considered that CFTC will not collect the full amount due.

(d) Liquidity Risk

Liquidity risk is the risk of CFTC not being able to meet its obligations as they fall due. This liquidity risk is managed by monitoring on a regular basis the available funds against anticipated expenditure and commitments.

CFTC ensures that it has sufficient cash on demand to meet expected funding needs of the organisation through the use of cash flow forecasts, taking into consideration timing of investment maturities. All investments are short term in nature to ensure that sufficient funds are available to meet CFTC commitments as and when they fall due.

The following are contractual liabilities as at 30 June 2025:

2025	<6 months
	£
Payables and other liabilities	2,186,251
Total Liabilities	2,186,251

As at 30 June 2025 CFTC had not issued any financial guarantees.

COMMONWEALTH FUND FOR TECHNICAL COOPERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

21. Financial Instruments (Continued)

(e) Market Risk

Market risk is the possibility that CFTC might incur financial losses owing to unfavourable movements in foreign currency exchange rates and interest rates.

(f) Interest Rate Risk

Owing to the short maturity of cash and investments an interest rate sensitivity analysis does not disclose significant variations in value. If the weighted average interest rate at 30 June 2025 had been 25% higher or lower, the interest income would have been affected as follows:

	Increase (+)/ Decrease (-)	Effect on Surplus / Deficit
Cash and Cash Equivalents	%	£
Movement in the relative value of the GB Pound Sterling	25%	87,392
Movement in the relative value of the GB Pound Sterling	-25%	(87,392)

(g) Foreign Currency Risk

Foreign currency balances in GB Pound Sterling as at 30 June 2025 comprise of the following:

2025	GBP	Other Currencies	Total
	£	£	£
Financial Assets	13,499,613	98,934	13,598,547
Percentage of Total	99%	1%	100%
Financial Liabilities	2,186,251	-	2,186,251
Percentage of Total	100%	-	100%

The table below shows the impact of a 25% movement in the relative value of the GB Pound Sterling against the foreign currency balances as at 30 June 2025.

	Increase (+)/ Decrease (-)	Effect on Balances
Cash and Cash Equivalents	%	£
Movement in the relative value of the GB Pound Sterling	25%	24,734
Movement in the relative value of the GB Pound Sterling	-25%	(24,734)

22. Capital Management

The Commonwealth defines the capital that it manages as the aggregate of its net assets, which is comprised of accumulated balances and reserves. The Commonwealth's objectives in managing capital are to safeguard its ability to continue as a going concern to fund its asset base and to fulfil its mission and objectives. The Commonwealth's overall strategy with respect to capital management includes the balancing of its operating and capital activities with its funding on an annual basis.

The Commonwealth manages its capital structure in light of global economic conditions, the risk characteristics of the underlying assets, and working capital requirements. The Commonwealth manages its capital by reviewing, on a regular basis, the actual results against the budgets approved by the Board of Governors.

23. Events After Reporting Date

There are no material events, favourable or unfavourable that occurred between the reporting date, 30 June 2025, and the date of authorisation for issue that would have impacted these statements.

The Secretary-General authorised these financial statements for issue on 11 December 2025.

Commonwealth Secretariat
Marlborough House, Pall Mall
London SW1Y 5HX
United Kingdom

thecommonwealth.org

