

The Westminster Foundation for Democracy Limited

Annual Report and Accounts 2024-2025



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For the period 1 April 2024 to 31 March 2025

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The Westminster Foundation for Democracy Limited Strategic Report

Foreword by WFD's Patron, Sir Lindsay Hoyle

Foreword by the Rt Hon. Sir Lindsay Hoyle MP, Speaker of the House of Commons and WFD's Patron

As Speaker of the House of Commons, I see firsthand how vital democratic institutions are in ensuring that people's voices are heard and respected. That principle holds true not only here in the UK, but across the globe, in every parliament where representatives strive to serve their citizens with integrity, openness, and accountability.

In 2024, billions of people took part in elections, from long-established democracies to those still finding their feet. These were moments of real importance. But democracy is not defined by elections alone. It depends on the work that comes after the votes are counted: the building of strong, transparent, inclusive institutions that deliver for the people they represent.

That is why the work of Westminster Foundation for Democracy continues to be so important. Whether it is supporting parliamentary staff in North Macedonia, strengthening environmental oversight in Indonesia, or helping parties in Sierra Leone become more representative, WFD's impact is grounded in long term partnerships and local leadership.

When I met with the President of the National Assembly of North Macedonia, Afrim Gashi, during the delegation's visit to Westminster in February, I was reminded how valuable this kind of cooperation can be. Through dialogue, shared experience, and mutual respect, we build relationships that transcend politics and geography. WFD's locally led approach ensures that programmes are rooted in the political and economic realities of each place, shaped by those who know their parliaments and communities best.

This model of partnership — between parliaments, between political parties, and between people — is more important than ever. In a world where authoritarianism continues to rise, and where democratic backsliding threatens progress, the UK's role as a reliable and constructive partner is essential.

I would like to thank all the Members of Parliament and Peers who contribute their time and experience to WFD's work, both in the UK and internationally. Their involvement is a key strength of the Foundation. It brings credibility, understanding, and a sense of solidarity to every programme.

WFD demonstrates what parliament can do at its best: share knowledge, listen with humility, and stand up for democratic values wherever they are under pressure. I am proud to be Patron of an organisation that continues to uphold these ideals and support others in doing the same.

Foreword by the Chair, Yasmin Qureshi MP

Foreword by Yasmin Qureshi MP, Chair of WFD's Board of Governors

The 2024 General Election was an important moment for the UK; a peaceful transition of power that reminded us of one of democracy's strengths: its ability to renew itself. We welcomed many new MPs into the House of Commons. With them came new ideas, new energy, and a fresh opportunity to strengthen our democratic institutions.

With the new Labour Government in place, I was honoured to be nominated by the Foreign Secretary as the Chair of Westminster Foundation for Democracy. I have spent most of my life campaigning for justice, equality, and human rights and I have long believed that democracy is not just about what happens on election day. It's about how power is exercised, who has a voice, and the accountability of leaders to the people they serve. That's exactly what WFD works to strengthen every day in over 50 countries: supporting parliaments to be more open and inclusive, helping political parties reflect the people they represent, and backing civil society to speak up and be heard.

And this has practical benefits. Strong democracies create better trade and investment environments, are better able to tackle the root causes of instability and violence, deliver more sustained economic growth, and make faster progress on development outcomes. Democracy is a choice for the head and the heart.

Many of us are thinking of those colleagues and communities affected by conflicts in Palestine, Ukraine, Sudan, Myanmar and many others around the world. The scale of suffering, especially the loss of civilian lives, is heartbreaking.

These are deeply human tragedies. They also show us why WFD's work matters. Supporting dialogue, making sure political systems can serve everyone's needs and resolve differences without violence, building trust in institutions – these aren't abstract ideas. They are the foundations of secure, stable, and prosperous societies. Breaking cycles of conflict is slow, difficult work, but it is what WFD does, and it is what so many of our staff have committed ourselves to achieving. I want to say a sincere and profound thank you to all of you, for your dedication, your resilience, and your unwavering belief in the power of democracy to change lives for the better.

We know that democracy is under pressure. Around the world, civic space is shrinking, and many of the freedoms we value most are being rolled back. The need to cut UK Official Development Assistance has made our work harder. But as Lord Collins said recently "we need to listen more, respect others more, and understand that real partnerships are built on equality, not instruction." I couldn't agree more. That's the approach WFD takes: working in partnership, not from a position of superiority, but of solidarity.

What gives me hope is that everywhere WFD works, from North Macedonia to the Philippines, from Uganda to Ukraine, I see people standing up for the values that underpin democratic life: fairness, inclusion, accountability. The WFD team, both in the UK and overseas, brings care, expertise, and real commitment to this work. They understand that change doesn't happen overnight but that by showing up, listening carefully, and working alongside local partners, we can make progress that lasts.

Democracy is not a finished product. It is something we protect, improve, and pass on to be shaped anew. I'm proud to be part of WFD at a time when that work is more needed than ever.

Chief Executive's introduction

Foreword by Anthony Smith, WFD's Chief Executive

WFD was established in 1992 during a period of profound geopolitical change and in recognition of the opportunity and responsibility that political leaders in our country had to support freedom around the world. That freedom would come from transforming political systems to ensure that leaders were held accountable, citizens were included in political decision making, and the rule of law was applied equally to all.

More than thirty years later, political leaders again have both an opportunity and a responsibility to support further transformation of our political systems to build long-term democratic resilience. Countries around the world are facing another period of profound change, in three dimensions – geopolitical, technological and cultural. Alliances, partnerships and relationships are shifting as we tackle the huge policy challenges facing people and the planet. The capacities and risks of technologies appear to be increasing faster than our oversight of them. And the ways in which communities digest information, deliberate and take political decisions are changing, partly under the influence of those technologies.

WFD's stakeholders and partners are navigating these changes every day. Our job is to understand their challenges, their perspectives and their ambitions, and to share the knowledge and expertise that they need to be successful. In return, we are learning how change happens in different contexts, what matters to people at community level, and how political leadership can make a real difference. Some highlights from the last year include supporting parliaments in the Western Balkans to strengthen scrutiny of executive action, working alongside leaders in the Bangsamoro region of the Philippines as they prepare for their first parliamentary elections, and helping the Verkhovna Rada in Ukraine expand citizen participation through new digital platforms. By sharing expertise and supporting local partners, WFD helps strengthen democratic leadership and institutions in ways that reflect the priorities of the communities they serve.

We also benefit from supporting what is probably the most important global public good, namely democracy. The wider and deeper the shared commitment to accountability, inclusion and rule of law, the better we are able to build trusted relationships and together address policy challenges and seize opportunities.

Our work – through our programmes and policy engagement – strengthens democracy, and strong democracies make the world more secure, more stable, and more prosperous. We are profoundly grateful to our supporters, stakeholders, and staff for their contributions and we look forward to working with you in the coming year.

Performance report

Performance overview

The purpose of this performance overview is to provide a summary of:

- Westminster Foundation for Democracy Limited as an organisation
- WFD's purpose, the outcomes it aims to achieve, and its objectives
- WFD's performance during the reporting period (financial year 2024-2025)
- the impact of and management of key risks

About WFD

WFD is the UK's democracy support organisation. For more than 30 years WFD has actively helped democracies to grow stronger, so that freedom and prosperity can flourish.

WFD is an executive non-departmental public body, sponsored by the UK's Foreign, Commonwealth and Development Office (FCDO). WFD's established purpose is to assist, support, and encourage the peaceable establishment and development of pluralistic democratic practice and political institutions.

WFD's vision is for a world in which freedom and democracy thrive, and where inclusive and accountable governments serve people fairly and effectively. Our mission is to mobilise British and international expertise to support people around the world to strengthen democracy in their communities. We aim to help governments address problems their citizens face while building long-term democratic resilience.

Our work is designed and delivered to contribute to legitimate and resilient democratic governance founded on four outcomes:

- accountable political systems
- inclusive political processes
- protection of human rights and freedoms
- pluralist societies.

We do this through providing support in a range of ways:

- providing analysis and learning, based on our own experience and independent research
- supporting mentoring and knowledge sharing by counterparts in other countries
- making connections with other relevant national and local leaders

WFD is a company limited by guarantee, incorporated in England, and usually operates through a branch registration or equivalent basis in priority countries and territories.

WFD is overseen by a board of governors, with day-to-day management delegated to the Chief Executive, who is the Accounting Officer. The Chief Executive is assisted by a leadership team consisting of senior officials based in the UK. The UK Centre, which comprises 5 directorates each

led by a director, coordinates a network of WFD offices in countries and territories around the world. Each WFD office is staffed by locally-hired experts.

WFD's strategy and goals

This year marked the final year of our 2022-2025 strategy implementation.

WFD's 2022-2025 strategy recognises that we live in a period of increased risk to democratic freedoms around the world, with levels of democracy on a 19-year downward trend¹. Today, most of the world's people live in autocracies – either where democracy is entirely absent, or where democratic institutions and processes have been hollowed out, so they do not deliver democratic practices or freedoms. Many of the major challenges to our national security – such as conflict, public health emergencies, and organised crime – are rooted in or exacerbated by autocratic regimes or weak democracies.

WFD's strategy, approved by ministers, positions WFD to play a leading role in UK efforts to support freedom and democracy within a changing international order. The strategy sets out 3 strategic goals to 2025:

1. Deliver impactful programmes and policy support
2. Convene supportive coalitions for democracy
3. Reinforce our outstanding organisation

We have established 4 cross-organisation internal boards to ensure the delivery of these goals:

1. Programme Policy and Quality Board
2. Strategic Engagement Board
3. Portfolio Renewal and Growth Board
4. Outstanding Organisation Board

WFD's 2022-2025 strategy and sub-strategies guide our delivery plans. During FY 2024-2025, we made strong progress against each of our strategic goals.

¹ freedomhouse.org/sites/default/files/2024-02/FIW_2024_DigitalBooklet.pdf

Goal 1: Deliver impactful programmes and policy support

We will support those working to strengthen democracy through impactful programmes and policy support.

Through our programmes, we will contribute directly to promoting inclusive political processes, enabling accountable political systems, supporting the protection of freedom and rights, and fostering pluralist societies.

WFD will invest in policy-relevant research and provide valued policy and advisory support to funders, programme managers, and partners. We will find new ways of working with security, economic, investment, and development organisations to consider their impact on democracy.

In FY 2024-2025, we continued to deliver effective global, regional, and country programmes to support democracy in existing priority locations.

WFD's programmes are problem driven, using gender and conflict sensitive political economy analysis to understand specific contexts and opportunities for change. This forms the foundation for developing adaptable theories of change (ToCs) that respond to the dynamics of policy, practice, and power.

Our programmes are politically informed to enhance risk management and help identify effective entry points for reform. This problem-driven, iterative approach allows us to adapt activities based on continuous analysis. Programmes are locally led and support changes driven by local institutions and actors, critical in fragile and conflict-affected settings.

We integrate considerations of gender and conflict sensitivity throughout our programming by analysing power relations and various social, political, and economic factors that affect security and stability. This ensures our programmes support democratic development and contribute to long-term stability, while ensuring rigorous quality assurance, evaluation, and learning processes.

WFD provides policy support through research and expert advisory services. We produced over 180 resources during the reporting period, including landmark research, reports, guides, and recommendations on climate adaptation and democracy support, public debt management, post-legislative scrutiny, and the cost of politics.

More than 44,800 people around the world – including 4,463 parliamentarians across the globe, as well as parliamentary staff, and political party members – participated in the 64 programmes that WFD implemented in FY 2024-2025, across 58 countries and territories. These programmes, as well as our policy support, focused on several themes.

Women's political leadership

WFD is committed to enhancing women's political leadership worldwide, as greater gender equality in political spaces leads to more comprehensive and effective governance.

Through training, mentoring, and legislative advocacy, we support initiatives that empower women to take leadership roles and influence policy to ensure their representation and participation across governance systems.

In FY 2024–2025, we focused on promoting women’s political leadership globally, with programmes in Sierra Leone, Kenya, Algeria, Jordan, Laos, Thailand, Malaysia, and Indonesia. Activities included supporting parliamentary caucuses, raising awareness of regional frameworks to combat violence against women in politics, strengthening political party responses to gendered disinformation, and improving data collection on women’s political participation. These efforts aimed to create more inclusive, safer, and representative political environments for women.

Democratic action on climate and the environment

The disruptions to people’s lives from environmental and climate crises – as well as the risk that political and policy responses increase social exclusion and injustice – threaten the stability of democracies worldwide.

Environmental democracy is based on the vision that decisions on natural resources must address citizens’ interests adequately and fairly, and that citizens must have access to information, justice, and decision-making processes. Rather than setting a standard for outcomes, environmental democracy sets a standard for how decisions should be made. At the same time, there is a clear link between higher standards of democracy and more appropriate environmental and climate action.

In FY 2024–2025, WFD deepened its commitment to environmental democracy through programmes in Nigeria, Kenya, Sierra Leone, Uganda, The Gambia, Indonesia, and across Association of Southeast Asian Nations (ASEAN). Activities included political economy analysis, citizen engagement, parliamentary dialogue on climate legislation, and the development of tools to monitor climate finance and assess environmental governance. These efforts aimed to strengthen transparency, public participation, and institutional accountability in climate policy, supporting inclusive and resilient democratic responses to the climate crisis.

Accountability and transparency

Accountability and transparency are at the heart of functioning democracies.

WFD partnered with parliaments and sub-national institutions, as well as the independent institutions which share the task of accountability.

We provided technical expertise, information resources, and supported parliaments and MPs to develop practices and systems that are context-appropriate and meet essential democratic standards.

WFD continued to focus on pre- and post-legislative scrutiny, including engagement with independent oversight institutions, civil society, and citizens. This included addressing issues like financial accountability, anti-corruption, corruption-proofing of legislation, and public debt management.

Inclusion and equality of participation

Evidence suggests that social, political, and cultural inequalities can damage political trust.

WFD continued to focus on inclusive political processes and equality of participation. This included prioritising disability equality and working with people with disabilities and disabled peoples' organisations to ensure the political ecosystem is designed to support their full participation.

In FY 2024–2025, WFD supported inclusive political participation through programmes in The Gambia, Uganda, Morocco, Serbia, Laos, Lebanon, and Kenya. Activities included intergenerational policy consultations, inclusive parliamentary processes, and capacity building for civil society, women, youth, and people with disabilities. These efforts resulted in new cross-sectoral partnerships, citizen-led parliamentary resolutions, formal youth policy advocacy, and structural reforms within political parties. Across these contexts, WFD helped create space for under-represented groups to engage meaningfully in political life and influence decision making.

Electoral integrity

Credible elections are a baseline requirement for functioning democracies. They are under threat from the growth of electoral autocracies and increasingly sophisticated efforts to subvert electoral processes.

In 2024, half the world's population participated in elections across the globe. WFD's whole-cycle approach to electoral integrity combines action to enable equal participation in electoral processes, peaceful dialogue and debate, with support for electoral management that delivers credible outcomes, lesson learning and recommendations for reform.

We continued to second UK nationals, on behalf of the UK Government, as observers to international election observation missions conducted by the Organization for Security and Co-operation in Europe Office for Democratic Institutions and Human Rights (OSCE/ODIHR).

Disinformation and political discourse

Disinformation and the growth in technologies which rapidly spread false information are reducing political trust and increasing polarisation. Multiple sources and complicated behaviour drivers make tackling this trend complex.

WFD plays a role in challenging disinformation in the quality of political discourse and how this contributes to division, mistrust, and potential conflict within societies.

Political parties and political pluralism

Political parties play a critical role in democracies, collecting and amplifying the views and voices of citizens. When the internal workings of parties are weak, divisive, or opaque, this affects their ability to perform in elected office and leads to low levels of public trust.

In FY 2024–2025, we continued to support political party development through our programmes with the Labour Party, Conservative Party, Scottish National Party, and the Multi-Party Office (MPO), which support political parties as key democratic actors worldwide.

Results

As an organisation dedicated to sharing learning and expertise across our network, geographic reach in part determines our effectiveness. During the period, we delivered programme activity in 58 countries and measured the impact of individual programmes. A contextualised outcome matrix, together with progress indicators, is adopted for each WFD programme to measure progress against defined outputs and outcomes. In line with expectations, 69% of programme portfolios that closed during the reporting period, met expected progress markers or outcomes.

Further information about our programmes and their achievements, as well as our policy support, is available in the [performance analysis section](#).

Goal 2: Convene supportive coalitions for democracy

WFD's engagement with international partners and national leaders will strengthen public commitment to, and mobilise resources for, supporting democracy around the world.

Through engagement with other organisations, WFD will help accelerate international action to reverse the decline in global democracy.

WFD will provide information to UK parliamentarians about global democracy and demonstrate its relevance to citizens and UK national priorities.

WFD will secure more third-party funding to deepen our existing work and incrementally increase our geographic presence.

In FY 2024-2025, we continued to help set standards for democratic governance around the world.

Co-organised with the Indonesian Government, WFD's Democracy Action Partnership (DAP) event in December 2024 examined how to tackle the cost of politics in a range of Asian countries. MPs from across the political parties in the UK Parliament and devolved administrations shared their expertise with counterparts from around the world, supporting their reform agendas and commitment to accountability and the rule of law, including through our programmes in the Bangsamoro (in the Philippines), Malawi, Georgia, North Macedonia, Bosnia and Herzegovina, Albania, Sri Lanka, Morocco and many other locations.

In FY 2024-2025, we also contributed to

- the European Partnership for Democracy
- the Global Democracy Coalition

- the AGORA Portal for Parliamentary Development and Parliamentary Development Community of Practice²
- the Summit for Democracy cohorts on technology and environmental democracy

We partnered with Wilton Park, an Arm's Length Body (ALB) of FCDO, to deliver a strategic dialogue on pathways for international democracy co-operation in a rapidly-changing geopolitical context.

Throughout the reporting period, we strengthened our engagement with UK parliamentarians as part of our Parliamentary Engagement Plan.

Following the General Election in July 2024 and the appointment of a new Board Chair, we established strong working relationships with new MPs and Board members, helping them connect with our mission and global impact.

We hosted events and drop-in sessions to brief MPs on key democratic issues and raise awareness of WFD's work across parliament, including a private roundtable on disinformation and authoritarianism with Nobel laureate Maria Ressa, and a closed-door session on global electoral trends with academic and expert contributors.

Results

WFD's engagement and expertise helped strengthen key global policy discussions and advance international democracy standards, working in partnership with UK parliamentarians and officials. We convened the Democracy Action Partnership (DAP) in Jakarta with the Indonesian Government and played an active role in shaping global conversations through our contributions to the European Partnership for Democracy, the Global Democracy Coalition, AGORA's Parliamentary Development Community of Practice, and the Summit for Democracy cohorts on technology and environmental democracy.

In the UK, we strengthened our institutional relationships following the 2024 General Election, supporting new MPs and Board members to engage with WFD's mission and global reach. Through targeted briefings, drop-in events, and closed-door sessions we provided expert insight on democratic resilience, disinformation, and global electoral trends.

WFD competed successfully for additional funding, securing our £11.2 million target for the year to support the delivery of our programme work. This included funding from a range of non-UK donors, enabling us to expand our impact.

Further information about our work to convene supportive coalitions for democracy is available in the [performance analysis section](#).

² <https://agora-parl.org/project/democracy-tracker>

Goal 3: Reinforce our Outstanding Organisation

WFD's systems, culture and values will support our people to have a direct impact on democratic governance in their countries and globally.

Through our commitment to a strong culture built on wellbeing, professional development, and our values, WFD's staff will be enabled to deliver outstanding work that increases our impact and expands our engagement.

Through the development and delivery of outstanding systems that are agile and better aligned, WFD's staff will be equipped with the tools to efficiently manage the resources of our donors so they can focus on delivering impact.

We have continued to make progress in delivering this goal, which has included implementing a multi-year staff wellbeing action plan, increasing investment in staff learning and development, including a revitalised management development programme, and expanding and deepening our expert roster. We also continued our network agility review, which aims to establish consistent and effective agile working practices for teams across the global network.

We commenced our Systems Improvement Project (SIP), which is taking a whole systems approach to aligning our information and systems integration, people skills and data analysis. The programme began with a user requirements review, concluded in Q3 2024, and development work on improved systems started in February 2025.

We have strengthened partnering practices in a number of ways. This includes expanding our framework agreements for all regular suppliers, conducting donor compliance support visits, and supporting delivery partners to strengthen safeguarding.

Results

WFD's quarterly Pulse Check was used to test levels of staff wellbeing and the effectiveness of our wellbeing plan implementation. Over the period, the average score was 3.82 (out of 5).

We have maintained our 'ones to watch' employee engagement accreditation with the Best Companies scheme. This accreditation relates to our UK workforce and equates to a score of 632.5 (out of 1000). Our global score, accounting for both the UK and overseas offices, was 661.8.

Further information about how we have reinforced our outstanding organisation is available in the [performance analysis section](#).

Risks

Due to the continuing challenging fiscal environment and difficult political and security contexts in an increasing number of WFD locations, several of our key risks have increased in severity in the period. These risks relate to:

- short- and long-term funding. The short-term position was assisted by an additional £2m of funding from FCDO for FY 2024/25 but could be negatively impacted by the announced cut to Official Development Assistance (ODA) funding from FY 2026/2027 onwards
- mitigating the loss or misuse of funds
- programme quality and impact
- conduct and safeguarding
- reputation
- leadership and oversight
- inadequate or insecure systems and processes
- health, safety, and security
- competitive remuneration constraints
- loss or distraction of critical staffing capacity

Our assessment of the net risk ratings for most of these areas remained the same, but we increased the potential risks around short- and long-term funding and loss of critical staffing capacity. Recent developments in geopolitics, like the reduction in United States Agency for International Development (USAID) spending and UK ODA spending from 2026 onwards have had a significant impact on the industry and programming. WFD is working to manage this uncertainty amongst staff. In addition, WFD continues to face a number of cyber threats, with an increase in security threats felt more generally by staff as the anti-non-governmental organisation (NGO) and anti-democratic governance legislation increases in prevalence, creating a hostile atmosphere in some locations for our work.

WFD uses a 3 lines of defence approach to manage strategic risks. We use a business development strategy, annual regional plans, and our headquarters and regional business development capabilities to help mitigate the risk related to uncertain or insufficient funding. Without mitigation, this risk would significantly and directly affect delivery of Strategic Goal 1, and indirectly, our credibility and resourcing to deliver Strategic Goals 2 and 3 respectively.

As with any service delivery organisation, the quality of our policy work and programmes is critical to our vision and mission. Most of our incoming resources are spent on service delivery. Our core work follows a programme management and quality cycle, based on 5 principles (problem driven, locally led, purposefully adaptive, politically informed, and gender and conflict sensitive). This is overseen by experienced regional programme teams, and monitored centrally through a portfolio-wide programme performance review process each quarter.

We have adopted a range of policies and procedures to manage the risks relating to loss or misuse of funds, conduct and safeguarding, inadequate and insecure systems and processes, and health, safety and security. These are supported by training, tools, and specialist guidance, as well as an internal controls environment which is integrated with our systems and processes. If these risks materialised, they would directly affect our ability to achieve Strategic Goal 3 and become an outstanding organisation. They would indirectly undermine our capacity to deliver Strategic Goals 1

and 2. They would also undermine our reputation with donors and stakeholders, and in some cases result in harm to our staff or stakeholders.

Management works closely with our Board and the FCDO to ensure that the organisation benefits from a clear strategic direction, adheres to good governance practice, and has transparent, documented, and accountable arrangements for decision making. These structures and arrangements are essential to enable WFD to achieve all 3 strategic goals.

During the period, the Board regularly reviewed our financial position based on known information and remains confident that we have sufficient access to resources to remain sustainable as a going concern.

Performance analysis

This section provides a detailed view of WFD's performance during FY 2024-2025, against the three goals set out in the 2022-2025 strategy. The section then outlines key risks and uncertainties, and our commitment to sustainability, social responsibility and accountability. The section ends with a review of financial performance.

Reversing the decline in global democracy will require societal level shifts in countries around the world. While the challenges from aggressive autocracies remained significant, our work continued to focus on countries where there was an opportunity to consolidate existing democratic institutions and practices and on strengthening international democratic standards. The details of our contribution and achievements are set out below.

Achieving our goals

Goal 1: Deliver impactful programmes and policy support

We supported people working to strengthen democracy through our programmes and policy support.

Our work focused on several key themes:

- women's political leadership
- democratic action on climate and the environment
- accountability and transparency
- inclusion and equality of participation
- electoral integrity
- disinformation and political discourse
- political parties and political pluralism

Programmes

We implemented 64 programmes across 58 countries and territories promoting inclusive political processes, enabling accountable political systems, supporting the protection of freedom and rights, and fostering pluralist societies.

Women's political leadership

Women's political representation has traditionally been low in Sierra Leone. In 2024, WFD helped support the foundation of a parliamentary female caucus to link with civil society and work together with an action plan on issues that matter to them. With our support, the caucus reviewed progress on the implementation of the 2023 Gender, Equality and Women's Empowerment Act, producing holistic recommendations for debate and response by government.

A 2021 study by the Inter-Parliamentary Union (IPU) and the African Parliamentary Union (APU) found that sexism, harassment, and violence against women were ubiquitous in parliaments across

Africa. In Kenya, WFD commissioned research on the Role of Political Parties in Addressing Violence Against Women in Politics (VAWP) and Gendered Disinformation. This insightful report found that VAWP is a pervasive and escalating threat to women's human rights, their political participation and Kenya's democratic integrity more broadly. The role of political parties as gatekeepers of political participation is central to mitigating this threat, through developing strong internal policies, normalising women's political participation, actively supporting women experiencing VAWP and challenging gendered disinformation. Political parties, government, religious organisations, and civil society were invited to discuss the report and the action they could take. The report will be used to guide further WFD advocacy and programme interventions.

In the Asia-Pacific region, we continued our efforts to advance gender equality through the second phase of the ASEAN Advancing Equal Societies programme. The project is working across the region to improve the representation of women in politics and decision making, while also fostering inclusive governance. In this reporting period, WFD helped improve data collection and sharing on violence against women in politics (VAWP) by introducing a 'gender observatory' approach. This work builds on longstanding partnerships and aims to create a safer, more inclusive political environment for women in Laos, Thailand, Malaysia, and Indonesia.

We worked with the Coalition of Women MPs from Arab Countries to Combat Violence Against Women (the Coalition) to raise awareness of the Arab Declaration to Combat Violence Against Women and Girls (VAWG), adopted by the League of Arab States in 2022. In Algeria and Jordan, WFD collaborated with the Coalition and the national parliaments to convene sessions introducing the Declaration to MPs and the parliamentary leadership. The events highlighted the connection between regional frameworks and national action, and enhanced the visibility of the Coalition as a key player working to address issues of violence against women in the Middle East and North Africa region.

Democratic action on climate and the environment

Africa is one of the most affected continents by climate change, with an urgent agenda needed to adapt to its impact. WFD launched initiatives across Nigeria, Kenya, Sierra Leone, Uganda and The Gambia, taking a regional approach to pilot and support environmental democracy action on climate change:

- in Nigeria, we presented a political economy analysis to the National Council on Climate Change
- in Kenya, we commissioned a report and developed a climate financing monitoring tool, focused on the flow of funds from national to local level
- in Sierra Leone, we used innovative drama and storytelling techniques to capture and relay citizens' concerns on climate change to their MPs and parliament
- in Uganda, we organised a special 'Environment Parliament' to review action and promote a citizens' charter
- in The Gambia, we supported a review of policy and legislative gaps on climate change which is leading to the development of a Climate Act

In Morocco, we piloted programming on environmental democracy, aiming to support the Moroccan Parliament to become a more active player in environmental governance. The programme built the skills of parliamentary staff in post-legislative scrutiny (PLS) of climate/environmental legislation,

and developed a mapping of civil society organisations working on environmental and climate issues with whom MPs can connect to inform their legislative and oversight work.

We delivered targeted training on PLS for parliamentary staff in Morocco. A national expert facilitated a practical session focused on climate legislation, linking national needs with international commitments. WFD supported a mapping of civil society organisations working on environmental and climate issues, producing a resource that received positive feedback from Parliament and will serve as a foundation for future engagement.

In Indonesia, we signed a Memorandum of Understanding with the Inter-Parliamentary Cooperation Agency to promote environmental democracy. This partnership will enable us to continue to support Indonesia's Parliament as it takes more ambitious climate action. The programme has led to the inclusion of a climate change bill in the priority national legislative agenda for the first time.

WFD established the ASEAN Environmental Democracy Framework Observatory, the central aspect of which is to create an updated environmental democracy assessment tool and conduct baseline studies on ASEAN member states. The initiative promotes transparency and citizen oversight in environmental governance.

Accountability and transparency

In Ukraine, we are working with political parties, civil society, and local government to ensure that democratic institutions can respond to the needs and expectations of citizens during war and recovery, using innovative methods such as participatory action research. We helped address the Verkhovna Rada of Ukraine's (VRU) weaknesses in legislative and oversight processes and supported the VRU in its commitment to become an effective institution that promotes accountability and democratic development in Ukraine.

We have worked in a number of African countries to support PLS of Acts that are already in place, to assess whether they are having their intended impact. With WFD support, countries in Africa such as Sierra Leone, Uganda and the Gambia are starting to embed PLS within parliamentary structures and practice. In Nigeria, Oyo State House Assembly, and even the state's Attorney General, have enthusiastically taken up this model. In Kenya, with our support, the Senate conducted a pilot PLS on the Health Act with recommendations presented for government action and Senate debate.

WFD piloted, institutionalised and embedded a PLS methodology in the Albanian Parliament, which is now being used independently to assess the impact of legislation. A corruption-proofing methodology was established, resulting in reviews and changes to key laws. Four major political parties made progress in reforming their procedures to limit malign and corrupt influence.

As part of a wider programme supporting the National Parliament of Solomon Islands, we facilitated a peer-to-peer partnership with the Tynwald (Isle of Man), including ongoing online knowledge exchange sessions between secretariat staff. These regular, self-selected thematic sessions are helping to improve internal processes, strengthen committee systems, and support long-term institutional development – demonstrating our locally-led approach to capacity building and trusted international co-operation.

In Montenegro, we facilitated dialogue between Parliament and the State Audit Institution on budget oversight, resulting in a roadmap with concrete short- and long-term steps, including a new standard operating procedure for acting on audit reports.

In Uganda, alongside our partners Netherlands Institute for Multiparty Democracy (NIMD), the EU-funded Strengthening Accountable Democracy in Uganda (SADU) programme is working with Public Accountability Committees (PACs) and the Committee on Human Rights Affairs to help them perform their oversight role more effectively and transparently. We supported the PACs to analyse the Auditor General's Report and to solicit feedback from civil society regarding service delivery to citizens. The consultations resulted in action taken against a number of government employees found to have been involved in fraudulent activity and the submission of recommendations to MPs, including a review of the Public Finance Management Act of 2015.

In Algeria, WFD and the Council of the Nation (upper house of parliament) worked in partnership to strengthen institutional capacity through joint initiatives. This collaboration focused on enhancing the Council's communication and knowledge management systems, resulting in improvements to its communication infrastructure and archive management processes. Furthermore, the Council began implementing 4 recommendations from a jointly-designed communication strategy, including the restructuring of its website and the recruitment of additional communication staff.

Co-operation between the State Audit Office (SAO), Prosecutors Office, and parliament in North Macedonia led to significantly improved follow up on audit findings, with the SAO becoming central to transparency discourse in the country. Eight political parties engaged with WFD's Political Party Transparency Index (PPTI), with all showing progress in internal democracy and financial openness. WFD also supported the third Club of Youth MPs.

In Sri Lanka, we continued our support to building institutional trust in parliament through training, technical assistance, and policy engagement. Efforts centred on improving public access to information and strengthening the role of parliamentary committees, particularly in financial oversight. The programme also responded to parliamentary elections with a tailored induction programme, developed in conjunction with parliamentary stakeholders and other development partners.

In Jordan, WFD completed a review of the House of Representatives Centre for Strategic and Legislative Studies, including a set of recommendations now under consideration by the Secretary-General. The Centre has committed to a set of follow-up activities, including the development of an operational plan to translate the recommendations into actionable outcomes, reflecting strong institutional support. WFD also produced and disseminated 2 publications: 'The Regulatory Framework for Jordanian Women Parliamentarians' and 'Jordanian Women Parliamentarians Forum'. WFD translated and shared materials on financial oversight and public debt management and supported the Research Centre for Strategic and Legislative Studies in improving access to legal and legislative information tools that underpin parliamentary research and scrutiny.

In many African countries, sovereign public debt is increasing. This has an impact on the availability of state resources to support other budgetary needs of citizens and can place a burden on future generations. There are variable levels of parliamentary and public scrutiny of agreements that the executive intend to make. In Nigeria, Uganda, Sierra Leone, The Gambia and Kenya, we have supported more transparent and accountable processes around issues of sovereign public

debt. In 4 of the countries, we have used a WFD-developed assessment framework to help parliaments explore how they can better engage on public debt decisions and scrutiny, offering pathways for reform. In Kenya, this has led to support for the National Assembly's Public Debt and Privatisation Committee to start developing new legislation.

Inclusion and equality of participation

In pursuit of more open parliaments and the ability of citizens to engage with and monitor political debate in The Gambia, we facilitated the agreement of a memorandum of understanding between the parliament, civil society organisations and the media. This enabled greater access and interaction. We also organised briefing sessions for civil society and the media to better understand parliamentary proceedings. This has led to increased civil society engagement on legislative and policy debate, and increased media reporting and scrutiny.

In Uganda, we continued to support a greater focus on gender issues and the ability of women to engage on policies and legislation that affect them. Drawing on WFD-supported inclusion champion networks, women from across Uganda held in the Chamber of the Parliament of Uganda their own debate and passed 4 resolutions as part of a 'Women's Parliament'. The resolutions were presented in person to the Minister of Gender for response in the formal parliament's proceedings on government action.

In collaboration with the House of Representatives of Morocco, WFD's youth inclusion programme equipped young people from political parties and civil society organisations with the skills and knowledge they need to effectively engage with parliament, including developing policy papers to be taken forward by legislators. The programme also provided opportunities for the parliament to learn about good practices for youth inclusion implemented by the UK Parliament.

Despite a polarised political climate, we maintained trusted relationships with political institutions in Serbia, enabling dialogue on issues of public concern such as representation, violence, and political participation. Initiatives included youth-focused reforms such as the Talent Fund process and the 'Parliamentorship' initiative, linking young people to institutions.

In Laos, we supported inclusive parliamentary processes by working with the National Assembly and subnational assemblies to introduce post-legislative scrutiny approaches at a provincial level. The work extended beyond 2 champion provinces to include all 18 provinces across Laos.

In Lebanon, WFD worked with the Parliament's Women and Children Committee to develop its strategy and annual workplan, setting out clear legislative and oversight priorities for the year ahead. WFD also continued supporting young representatives from civil society for future engagement with policymakers on a range of issue areas, including the public maritime law and the management of natural resource exploitation.

Additionally, in response to shifting political dynamics, WFD launched an intergenerational research study on Lebanon's future vision and social contract. The initiative – which will continue throughout 2025 – seeks to capture perspectives from across Lebanese society, ensuring that youth voices are considered alongside those of other groups.

In 2024, the Kenya Inclusive Political Parties programme came to a formal end. In partnership with DEMO Finland, WFD worked with political parties to remove barriers to political participation faced by people with disabilities. Twenty political parties were engaged, establishing 19 disability leagues

within their structures. Thirty-one people with disabilities became National Executive Council members within their respective parties. A National Disability Multi-Party Caucus (NDMC) was established to advocate for people with disabilities in political parties and in national governance, and which WFD will continue to support. This included engagement of the Multi-Party Disability Caucuses in Parliament, The Kenya Disability Parliamentary Association (KEDIPA), in the review of the Political Parties Act 2011, leading to the drafting of the Political Parties Amendment Bill 2024 to be tabled in parliament. A Political Parties Disability Charter was developed in conjunction with the Office of the Registrar of Political Parties which will use it as a regulatory document to ensure political parties comply with inclusion of people with disabilities in political processes.

In FY 2024-2025, we advanced inclusive political participation by strengthening the capacities and confidence of LGBT+ advocates and allies via our global LGBT+ programme. Our programme helped shift parliamentary rhetoric on LGBT+ rights, with MPs increasingly willing to engage on these issues publicly and in parliaments. WFD supported study visits and policy brief development to equip MPs with evidence for debate. Through the programme, we built the skills of LGBT+ civil society with tailored training and mentoring, enhancing their ability to engage with political actors.

Electoral integrity

2024 was the year of elections. Through our ongoing service agreement with the FCDO, WFD continued to act as the UK focus point for the supply of UK-nation observers to international election observation missions, run by the OSCE Office for Democratic Institutions and Human Rights (OSCE/ODIHR). Over the reporting period, we supported UK contributions to OSCE/ODIHR Election Observation Missions in Azerbaijan, Bosnia and Herzegovina (BiH), Georgia, Moldova, North Macedonia, Serbia and Uzbekistan. Cumulatively, WFD supported UK contributions to these missions of 12 long-term observers and 149 short-term observers.

In the Philippines, we continued to support democratic stability in Bangsamoro through the third phase of a long-term partnership with the transitional government. This programme has focused on building inclusive institutions and strengthening electoral frameworks in preparation for Bangsamoro's first parliamentary elections in 2025. Notable achievements included technical assistance to legislative processes and increasing youth and civil society engagement in political processes, which together contribute to a more accountable and representative democratic transition.

In Nepal, WFD worked to support provincial assemblies in 3 provinces to develop and enhance the assemblies' systems, structures, rules, procedures, and protocols. This work has focused on achieving more inclusive, transparent and participative assembly committees, secretariats and leaderships, but also civil society actors and representatives of structurally marginalised groups and communities. For example, in Lumbini Province, we supported public hearings on the Good Governance Act, ensuring that marginalised communities, including women and Dalits, could engage directly with lawmakers to share their experiences of public service delivery.

In the Maldives, WFD began implementing a new programme to strengthen the role of political parties in democratic governance. Early activities focused on working through a political academy to encourage parties towards greater commitments to reforms of structures and processes, increasing internal accountability and transparency. The programme has also delivered a cross-party statement, Ensuring Safety and Equal Opportunities for Women in Politics, signed by 7 out of

the 9 Maldivian political parties. This work lays a foundation for improved interparty dialogue and greater electoral competitiveness.

Disinformation and political discourse

Around the world, WFD advanced efforts to counter disinformation and promote democratic resilience in the digital age. Through the Democratic Resilience in a Digital World (DRDW) programme, we worked with parliaments to address harmful online content, strengthen digital literacy, and protect electoral processes.

Ahead of the 2024 local elections in BiH, we helped reduce hate speech and polarising rhetoric by supporting parties to implement codes of conduct, supporting moderate voices, and encouraging voters to report hate speech. Cross-party coalitions led to citizen-oriented outcomes, such as the unanimous adoption of an employment strategy and joint advocacy for uniform improved maternity benefits. New research on the economic impact of hate speech is now being widely used in political and civil society debate.

Political parties and political pluralism

Nigeria has one of the lowest political representation scores in Africa for women, youth and people with disabilities. This is leading to disaffection from political parties, and even lower voter turnouts in national and state elections. We are collaborating with 19 political parties through the Inter Party Advisory Council to agree on approaches to change this, including the development of a political party performance index to measure progress. This has so far resulted in:

- the formation and development of the National Women Political Leaders' Forum and action plan, with increased engagement and advocacy on women's representation
- the elevation and strengthening of the Inter-Party Advisory's Council's guidance on representation to a more robust constitutional provision
- agreement among these political actors to support legislation that will increase women's representation in parliament.

Together with CARE International, WFD also helped review the Disability Act, with a particular focus on adherence by political parties, presenting findings to a parliamentary committee and receiving a committee award for the quality and relevance of the work.

We worked with 5 political parties in Montenegro to produce comprehensive mapping of political parties. Our work served as a pathway for further engagement, improving internal structures, selection processes and increased inclusion. An action plan for the Women MPs Club was adopted, including priorities on tackling violence against women in politics and addressing issues related to the financing of women's party wings.

We continued to support political party development through our programmes in partnership with the Labour Party, Conservative Party, and Scottish National Party, as well as the Multi-Party Office.

The Labour Party WFD programme

Over the past financial year, the Labour Party has worked on the following programmes:

- MENA Youth Political Leadership
- LGBTQ+ in the Western Balkans

- policy development on combatting sexual violence against women and girls in the Western Balkans
- Women's Academy for Africa (WAFA) development programme, democratic resilience and programme oversight.

There have been many highlights and successes across the programme portfolio including Labour's work on their MENA project. The UK Labour Party and their partners, Foundation Max Van Der Stoel (FMS), hosted phase 2 of the Middle East and North Africa Youth Political Leadership Programme in Amman, Jordan in February 2025. This was a follow up to the first session that took place in November 2024. The training session in Jordan focused on campaigning and advocacy skills and ensured participating young people had opportunities to engage with party leadership, who are often seen as inhibiting success. The event brought together Labour experts, FMS and partner parties from across the region, facilitating stronger connections and collaboration on addressing challenges to youth leadership.

The Labour Party WFD programme has been working with FMS as part of a co-design approach on project activities for the LGBTQ+ programme. This programme sought to increase the political participation of LGBTQ+ members in social democratic political parties in the Western Balkans through:

- conducting activities dedicated to accommodating discussions
- identifying opportunities with targeted parties
- creating dialogue with party leadership in order to foster LGBTQ+ inclusivity within parties
- taking significant steps towards acceptance in broader society in the 4 target areas for LGBTQ+ inclusion in Bosnia and Herzegovina, North Macedonia, Montenegro and Serbia.

The political education activities for party leadership created an open discussion between party members and the leadership, fostering a good dynamic and sense of willingness to learn, as well as making leadership aware of issues and challenges that they may not have known about before. In Montenegro, the session was attended by the Social Democratic Party (SDP) President, the Main Board President and the Vice President, as well as regional LGBTQ+ organisations such as Queer Montenegro, Juventas and Stana. This discussion was particularly useful in contributing towards NGOs representing the LGBTQ+ community and how they can work with the SDP now and in the future.

The Conservative Party WFD programme

The Conservative Party WFD programme has continued to work with sister parties in Africa and the Caribbean, this year focusing on tackling disinformation, as well as engaging with the online electorate.

In Africa, the WFD Conservative programme has continued to build on the theme of countering disinformation in further detail, discussing the differences between disinformation, misinformation, malinformation, and the different ways in which some parties use the different definitions within campaigning. In Morocco, we made progress towards tackling such issues, and alongside a session of improving public speaking, we have seen continued improvements on responses from

internal party structures. We have seen similar effects in South Africa, following our disinformation and public speaking training, the IFP have now set up both a broadcasting suite and appointed a training lead for public speaking (who attended our course in late 2024). In addition, we also held sessions with KANU on how best to support women and young people to progress in politics, and with the MCP on how to structure campaigns that enable communication to communities that are often forgotten due to their rurality.

In the Caribbean, we strengthened our focus on youth and women's political leadership by supporting party reforms that improve access to training, funding, and support for candidates who might otherwise feel excluded from political life. Given the previous year's success, we have continued our partnership with the LeadHERship Institute, this year facilitating an 11-week course in St Kitts and Nevis. The course supported Kittitian women to navigate the balance between their personal and political lives, a dynamic that has often discouraged women from entering politics in St Kitts due to long-term underrepresentation. We focused on gender and political advocacy, creating space for women to champion not only reforms to parliamentary law, but also changes within their own party structures. Furthermore, within our CYDU workshop in St Lucia, we focused on the struggles of youth wings within the parties, their lack of resources and seeming lack of direct support from the centralised party. As a result, the CYDU has created a report for their party leaders, containing a SWOT analysis and their strategic vision for the future.

Scottish National Party (SNP) WFD programme

The SNP WFD programme focused on promoting gender equality, enhancing governance transparency, and addressing climate change. The programme's initiatives in partner countries have contributed to integrating these values within political parties.

In Malawi, the programme supported the Parliamentary Women's Caucus (PWC), a group of all female legislators from the National Assembly. Support included:

- publishing a guidance note to enable parliamentarians to scrutinise budgets for gender biases, in a step towards equitable planning
- an anti-hate campaign to address societal barriers to women's political participation, using artistic expression to the testimonies received from female politicians. The campaign achieved media coverage and facilitated a parliamentary dialogue on the challenges faced by women in politics
- constituency mapping to provide legislators with insights into constituents' perspectives and prepare for electoral activities
- establishing a task force with key partners to create a toolkit to monitor voter registration, overview of voting, and vote counting in political primaries. This programme was delivered in conjunction with the Malawi Human Rights Commission and has since gone on to receive further funding to use the monitoring tool.

In Zambia, the programme established the Parliamentary Caucus on Post-Legislative Scrutiny (PLS). This initiative, inspired by a study mission to the Scottish Parliament, convened Zambian parliamentarians to assess the effectiveness of key articles in the Food Reserve Act (FRA 2020) which is responsible for strategic food reserves. The Caucus has since been invited by the Ministry of Agriculture to give their submissions on suggested legal changes as the government enacts reforms to the FRA. MPs and clerks have also been trained through the support of SNP WFD in how to conduct PLS, thereby enhancing parliamentary oversight and accountability.

WFD's Multi-Party Office (MPO)

The MPO³ ran the Women Leadership Programme Alumni Summit in partnership with the African Liberal Network. The programme enhances participants' understanding of leadership and expands their networks to help overcome challenges in their careers.

Twenty women from liberal parties across Africa, serving in the National Assemblies and other public sectors of their countries, received support and professional development. This included training in the form of a two-day workshop in Casablanca, Morocco, 8 women attending the Anew School of Facilitation in Cape Town, South Africa, and 12 women have 2 one-to-one online communications training sessions focused on public speaking and overcoming nerves.

In collaboration with the Green Party of England and Wales, the MPO supported the Serbian Green Left Front. This programme increases the policy-making capabilities of Green Party members in Serbia by focusing on policy development and policy implementation. 5 policy papers were created alongside 5 seminar meetings with the focus on themes including green energy and critical and strategic minerals, 2 of which have since been adopted in resolutions during party conference. Additionally, the programme produced a manual on localising party programme which will be shared with Green Left Front members in Serbia.

The MPO initiated a programme working with our partners in Serbia focusing on preventing online sexual violence against women and girls. This programme supported an in-person weekend workshop in Belgrade, Serbia in November 2024, with expert panel speakers, a feminist tour of Belgrade and question and answers with experts, Dr Maeve Walsh and Sey Akiwoyo, from the UK Online Safety Network. In March 2025, the programme facilitated a series of 5 online meetings with UK experts sharing their experiences from the UK Online Safety Act 2023. Strategies for campaigning, networking and broadening support were key themes of these workshops and participants were able to share their challenges with the group.

Policy support

Having provided policy-relevant research and advisory support to funders, programme managers, and partners around the world since 2016, and benefiting from an extensive network of associates and experts, we established WFD as a centre of expertise on democratic governance and elections as part of our 2022-2025 strategy.

The UK Government Centre of Expertise (CoE) on Politics and Governance – launched by the FCDO and delivered by WFD – is playing a crucial role in tackling the complex challenges faced by democratic governance worldwide. In FY 2024-25, the centre handled 50 enquiries from 36 countries. These enquiries ranged from conducting diploatches and tackling mis/disinformation to providing political economy analyses and diagnostic assessments. During this period, the CoE produced 70 deliverables.

³ MPO is comprised of the Liberal Democrats, Plaid Cymru, Green Party of England and Wales, Social Democrat and Labour Party (SDLP).

Since the Centre of Expertise opened in January 2023, we have been engaged across 113 Pillar 2 enquiries from Posts, covering all of the regions in which WFD is active. To date, we have completed 68 of these enquiries (33 in FY 2023-24, and 35 in FY 2024-25), with 84% of posts rating the Centre of Expertise's service as good or excellent.

To improve post-legislative scrutiny (PLS), we:

- launched a new webinar series on environmental and climate-related PLS and convened global outreach with parliamentary committees across multiple continents
- deepened engagement through the Global Community of Practice on PLS, including new clinics and the release of the 'PLS Pulse' bulletin
- provided technical input to the Advanced Course on Post-Legislative Scrutiny, with a new focus on environmental emergency, and initiated planning for a regional PLS conference in the Asia-Pacific
- contributed to new comparative knowledge products, including a forthcoming collection of global parliamentary PLS practices.

We expanded our work on parliamentary oversight of public debt. With the World Bank, African Forum and Network On Debt and Development (AFRODAD) and other partners, we co-hosted regional webinars on debt accountability involving parliaments from Malawi, Sierra Leone and Kenya. We established a new expert reference group to guide the next iteration of our Public Debt Management Assessment Tool (PDMAT), peer-reviewed academic papers on African debt oversight, and began developing a digital tool to support wider uptake.

We also strengthened WFD's role in shaping democratic oversight of emerging technologies. At the September Democratic Resilience in a Digital World (DRDW) Learning Summit and a dedicated panel at PolTech 2025, we led discussions on AI and parliamentary practice. Our Guidelines for AI in Parliaments, now being translated into 8 languages, have spurred new partnerships with organisations including United Nations Development Programme (UNDP), Inter-Parliamentary Union (IPU) and the Commonwealth Parliamentary Association (CPA).

We produced over 150 products, with flagship research and evidence initiatives including a study on the overlaps between environmental democracy and climate adaptation, as well as new studies on the cost of politics in Sri Lanka, Thailand, and the Democratic Republic of Congo.

Goal 2: Convene supportive coalitions for democracy

Engagement to strengthen commitment to supporting democracy around the world and accelerate action to reverse the global decline in democracy

Throughout the reporting period, we collaborated with the FDCO and civil society organisations from all regions. This engagement was also a feature of our work with the European Partnership for Democracy, of which WFD is a Board member (represented by the Chief Executive), the Global Democracy Coalition, the AGORA Portal for Parliamentary Development and Parliamentary Development Community of Practice, and the Summit for Democracy cohorts on environment and technology. We attended 2 Open Government Partnership (OGP) regional meetings (Asia/Pacific and Africa/Middle East), and continued working closely with the Open Parliament eNetwork (OPeN), of which WFD is a founding consortium member, to ensure the role of parliaments is

central to transnational discussions on government transparency and accountability. Senior WFD participation was also prioritised at the OECD's Global Forum on Building Trust and Reinforcing Democracy and the Council of Europe's World Forum for Democracy to further build support for public commitment to democracy with key international partners.

Continuing a long-running partnership with the Government of Indonesia, we hosted the Democracy Action Partnership (DAP) in Jakarta in December 2024. This gathered over 100 democracy leaders from the Indo-Pacific region to explore WFD's extensive cost of politics research and develop action ideas to tackle this endemic democratic governance challenge.

Following the rapid transformation of the geopolitical context at the beginning of 2025, we partnered with Wilton Park to convene a dialogue in Kenya with around 50 senior government officials and non-government experts. The event discussed the future of international collaboration on democratic governance, and produce tangible recommendations for a path forwards.

Throughout these UK-led events, as well as contributing to wider initiatives, we have worked closely alongside FCDO colleagues to ensure the UK voice is heard within international democracy discussions. Simultaneously, we have championed the greater and more equitable integration of Global South leadership into the global democracy support architecture.

Providing information to UK parliamentarians about global democracy and its relevance to citizens and UK national priorities

Activity to engage UK parliamentarians is part of our parliamentary engagement plan, developed to support progress against Strategic Goal 2 by guiding our parliamentary work and maintaining a system for tracking the quality and impact of our relationships with UK parliamentarians and relevant policymakers.

The UK held a General Election in July 2024, leading to a large number of new MPs being elected to parliament for the first time. The change of government led to changes in membership of our Board, and a new chair being appointed. Since the election we have met regularly with Board members, forming relationships with them and supporting them in their work.

We worked to engage new and existing MPs on issues related to democratic governance by hosting events such as a drop-in event for Labour MPs in the Parliamentary Labour Party's office in October 2024, with the support of the Labour Political Party Office (PPO), and a drop-in event in partnership with other FCDO ALBs on the parliamentary estate in January 2025. Both events sought to inform parliamentarians and their staff about WFD's work and how it helps deliver UK Government priorities.

Alongside drop-in events, we organised closed briefing sessions for small groups of MPs and their staff to give them access to our expertise and ask questions. In November 2024, we hosted a roundtable event on recent elections around the world to discuss emerging trends from these and their wider impact. The event included Nic Cheeseman from the University of Birmingham's Centre for Elections, Democracy, Accountability and Representation (CEDAR) and parliamentarians were able to receive more detailed, confidential information from our panel due to its closed-door nature.

In October 2024, MPs and officials were invited to a private roundtable discussion on disinformation, authoritarianism, and political polarisation with Nobel prize winner Maria Ressa. The event gave attendees the chance to hear about Ressa's current and recent research on

disinformation and provided an opportunity to discuss key issues of shared concern with her. There are significant areas of overlap between Ressa's work and UK policy initiatives such as the Online Safety Act and the work of the Defending Democracy Taskforce.

UK MPs and parliamentary staff met and shared their experiences with counterparts from Bangsamoro (in the Philippines), Taiwan and North Macedonia, and others as part of WFD programmes.

Securing more third-party funding to deepen existing work and increase our presence

We also secured additional funding to expand our impact, through extensions to existing programmes and new grant agreements from a range of donors, including non-UK funders. These included:

- the UK Integrated Security Fund (ISF)
- the Foreign, Commonwealth and Development Office (FCDO)
- Global Affairs Canada
- European Union
- New Zealand Ministry of Foreign Affairs and Trade (MFAT) / The Asia Foundation
- Ministry of Foreign Affairs of Finland / Demo Finland

Decisions by the Trump administration in the United States to shut down the US Agency for International Development, and other sources of democratic governance funding administered by the US, had a significant impact on the sector during the reporting period. The withdrawal of the world's largest donor country directly affected decision making by other donors, many of whom paused their work to assess their strategic response.

WFD engaged closely with donors during this time to help inform these decisions. We continue to work with existing and potential donors and partners to reinforce where WFD is best placed to make a difference in the current challenging context.

Goal 3: Reinforce our Outstanding Organisation

We made progress in pursuing our strategic goal to Reinforce our Outstanding Organisation, with a sub-strategy guiding our efforts through 2025. Central to this strategy is supporting the development of a 'One WFD' culture, which emphasises wellbeing, professional development, and operational agility. We continued to celebrate our achievements and foster a strong sense of shared purpose among staff, maintaining a vibrant organisational culture.

We implemented a multi-year wellbeing action plan to enhance staff health and support, alongside increasing investment in staff learning and development to ensure team members possess cutting-edge skills. This approach supports professional growth and strengthens our organisational capacity.

Operational enhancements included initiating a network agility review to standardise effective agile working practices across our global network, aimed at enhancing responsiveness to dynamic challenges. We also conducted a comprehensive Systems Architecture Review with subsequent

system and process upgrades planned between 2024 and 2026, focusing on system integration and boosting operational competencies.

Further internal enhancements included expanding our expert roster to deepen specialised knowledge and to provide targeted support around the world. We also strengthened cyber security measures on which we conducted rigorous testing, and enhanced partnering and compliance practices, including broadening framework agreements with regular suppliers and supporting partners in strengthening their safeguarding practices.

We took the opportunity to map our key cross-functional processes during the period and to improve alignment of policies and practice to Government Functional Standards, notably around commercial, fraud, and grants. We also updated our procurement and contracting templates and tools.

WFD is exempt on de minimus grounds regarding the Greening Government Commitments (GGCs).

Key risks and uncertainties

WFD's Corporate Register comprised 10 strategic risks during the period. WFD's management also monitored 4 operational-level sub-registers covering Programme Policy and Quality (Strategic Goal 1), Strategic Engagement and Governance and Portfolio Renewal and Growth (Strategic Goal2), and Outstanding Organisation (Strategic Goal 3). Each separate global or country programme also benefited from its own bespoke risk register.

Throughout the year, we focused on managing the strategic risks in the register most relevant to our strategic goals. These risks were funding, governance issues, loss of critical staff, and insecure systems.

We experienced significant disruption to our governance processes and have overseen an almost total replacement of our Board of Governors. At one point during 2024/2025 we had only 4 remaining governors, but through working closely with FCDO we have been able to restore our Board to a full complement following the UK General Election and have resolved the vacancies in the People and Audit and Risk Committee.

Corporate and programme budgets remained under significant pressures due to significant increases in the costs of goods and services. In response, we took continuous mitigation measures and actions to refine short-term financial projections and longer-term financial modelling. The Public Body Review (published in March 2024) confirmed the efficiency of our operations and agreed some small additional efficiency measures.

Due to the election in the UK and several WFD country locations, we took steps to increase awareness of the Code of Conduct, Political Activity Policy, and Social Media Policy. These establish standards and parameters for the political and social media activity of our staff in an official or private capacity.

Due to the threat and level of regular attempted attacks experienced by WFD, we continue to deliver the recommendations of the Government Security Centre's Cyber Gap Analysis and have completed the implementation of our Security Operations Centre / Security Incident Event Monitoring Software. Focus will also continue on the effectiveness and efficiency of our systems

through a three-phase roadmap and transformation programme recommended by the external Systems Architecture Review.

Strategic risk	Key risk management
Strategic engagement and governance	
Lack of effective leadership and oversight by the Board and its committees governing strategic direction, internal leadership, or risk assessment and management, could undermine FCDO and donor confidence and expose the organisation and its governors to reputational harm.	<p>Three-year strategy adopted by the Board, aligned to the ambitions of the Integrated Review, and cleared with ministers. Mid-term review completed.</p> <p>Annual Plan and Budget for 2024-2025 adopted, with regular reporting at quarterly Board and Audit and Risk Committee meetings.</p> <p>Monthly Leadership team meeting, quarterly Leadership strategic stand-back, to provide coherent management direction to WFD.</p> <p>Strategic and partnership framework ways of working document developed and in place with FCDO.</p> <p>Governance Handbook provides clarity on governance roles/responsibilities.</p> <p>People Committee and Audit and Risk Committee (ARC) membership expanded with additional co-opted members.</p> <p>Board-level programme quality oversight function reviewed and improved with introduction of new Board-level programmes lead.</p> <p>Code of Conduct/safeguarding orientation delivered to the Board.</p> <p>Independent Board effectiveness review carried out and individual appraisal process for Board members established.</p> <p>Quarterly FCDO/WFD oversight meetings to review progress, relationship, and governance. In line with Public Body Review recommendations WFD has drafted a new framework document with FCDO to reinforce the nature and obligations of the relationship between WFD and its sponsor dept and provide clarity on governance requirements.</p> <p>Following the UK General Election in 2024, WFD’s Board is once again at full compliment.</p>

<p>WFD's reputation is materially damaged by a failure to monitor for or respond to unexpected events.</p>	<p>Current communication and external affairs strategy targets informed awareness of WFD's activities among stakeholders and focuses on outcomes and key programme deliverables in its messaging, in the event of adverse publicity either directly or across our sector, underpinned by a campaigning approach and the Stakeholder Engagement Plan.</p> <p>Horizon scanning approach developed.</p> <p>Maintain relations with network of media contacts to ensure quick notification of adverse issues and develop interim holding responses.</p> <p>Crisis Management Plan, Business Continuity Plan (including Pandemic Response Plan and Industrial Action Response Plan) adopted and updated annually, reinforced by table-top simulations – overseen by Outstanding Organisation Board.</p> <p>Strategic Engagement Board oversees positive strategies and relations with key stakeholders.</p> <p>ARC scrutinises management action on business continuity/crisis management.</p> <p>Internal audit completed May 2020 on Business Continuity Plan with partial assurance achieved; actions agreed and implemented.</p>
<p>Outstanding organisation</p>	
<p>Loss, diversion or misuse of funds under WFD management could expose WFD to reputational harm, legal/regulatory action and/or a deterioration in its reserves.</p>	<p>Key policies (such as compliance, procurement, bank and cash) adopted and promoted with guidance, toolkits, templates, and incident management procedures.</p> <p>Vetting checks and due diligence carried out on all new staff, consultants, suppliers, and partners.</p> <p>Basic orientation and annual refresher (Learning Essentials) provided to all staff on key compliance practices.</p> <p>Outsourced legal advisers and contracts and grants manager provide advice and assistance with downstream contracting and sub-granting.</p> <p>Standard financial controls implemented and checked via controls self-assessment, control improvement plans and targeted internal audit. Counter Fraud and Corruption Action Plan and special risk guidance adopted as required.</p> <p>Pre-paid charge cards deployed to mitigate cash handling risks.</p>

	<p>Code of Conduct and Reporting Concerns Policy included in all contracts and promoted to all staff, experts, partners and event participants.</p> <p>Business Central provides robust document storage and approval processes.</p> <p>IT security upgrades implemented to improve prevention of cyber security incidents.</p> <p>Office Opening and Closure Task Forces provide close supervision of higher risks of incidents during openings/closures.</p> <p>Outstanding Organisation Board monitors organisation-wide Compliance Tracker, annual declarations, and annual self-assessment.</p> <p>ARC reviews Risk Register on quarterly basis and key risks via internal/external audit, including substantial assurance via internal controls audit.</p>
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<p>WFD's reputation amongst stakeholders suffers material damage owing to poor control over behaviour and standards, including in relation to safeguarding staff and stakeholders and compliance with applicable laws.</p>	<p>Code of Conduct, Reporting Concerns Policy, and Incident Response procedures adopted and signed by Board members/staff. Political Activity Policy and Safeguarding Policy provide additional guidance on managing risks.</p> <p>Rigorous staff selection processes and vetting/due diligence carried out on all staff/experts/critical suppliers/partners.</p> <p>PPO Partnership Agreements and all third-party contract templates ensure partners/experts/suppliers comply with WFD Code of Conduct, Reporting Concerns Policy, key policies, etc. Translated into key languages.</p> <p>Board and senior staff orientation on safeguarding and Code of Conduct.</p> <p>All Leadership team members completed diversity and inclusion e-learning.</p> <p>All staff inducted on Code of Conduct, mandatory bespoke e-learning course on safeguarding delivered, and Learning Essentials on reporting concerns provided.</p> <p>Safer Events Risk Assessment and Safer Events checklist required for events/activities involving young people or vulnerable adults.</p> <p>All programme risk registers include safeguarding risks.</p> <p>Annual declaration of conflicts of interest for Board members and senior staff; procurement procedure requires disclosure of potential conflicts. Conflict and declaration of interest Learning Essentials training conducted with all staff.</p> <p>Outstanding Organisation Board monitors organisation-wide Compliance Tracker, annual declarations, and annual self-assessment.</p> <p>People Committee reviews management action on safeguarding.</p> <p>Internal audit on Safeguarding Policy positively benchmarked against sector standards and audit on Code of Conduct by Crowe, completed in previous financial years, providing substantial assurance.</p>
<p>Inadequate or insecure systems and processes reduce productivity and efficiency, which can lead to reduced staff morale, poor value for</p>	<p>New systems implemented as part of Building for the Future programme, with implementation of Evidence and Impact Hub (programme data), World Check One (vetting), Policy and Practice Hub, PeopleHR (HR, recruitment, and performance / induction), MS Teams (communications and collaboration), Business Central (finance), Key Travel portal (travel management) and PAIS</p>

<p>money and increased exposure to business disruptions, thereby reducing our impact.</p>	<p>(programme approvals and information), now subject to system improvement plans.</p> <p>New joiner guidance on navigating WFD systems and information storage provided as part of improved induction.</p> <p>Multi-factor authentication, advanced threat protection, and mobile device management implemented to protect WFD systems.</p> <p>Managing Organisational Change Policy in place, supported by Outstanding Organisation project toolkit.</p> <p>Expert roster and streamlined procurement procedures in place, promoted via new Expert Finder interface.</p> <p>Agile working policy in place for UK.</p> <p>Detailed cyber risk assessment and gap analysis completed by Government Security Centre for Cyber, underpinned by regular engagement with the National Cyber Security Centre (NCSC) and the FCDO.</p> <p>Strengthened working-level engagement with the FCDO around procurement and contracting practice via new FCDO Commercial Forum and cyber security in new FCDO Cyber Security Forum.</p> <p>Outstanding Organisation strategy, including Technology sub-strategy, Systems Improvement Project and other continuous improvement actions implemented.</p> <p>ARC scrutinises management action on systems improvement.</p> <p>Cyber Essentials Plus accreditation secured.</p>
<p>Threats to the general health, safety, and security of WFD staff, contractors, or participants could lead to individuals suffering mental or physical harm, damage to WFD's reputation, legal action and breach of donor agreements.</p>	<p>Safe and Sustainable Travel Policy, Safety and Security Risk Management Policy, Approach, and Guidelines adopted and implemented. Crisis Management Plan and Incident Response procedures in place.</p> <p>Threat Tracker regularly updated based on changing threat assessment of all WFD locations.</p> <p>All Local Security Plans updated annually, and Welcome Packs provided as required. Travel Risk Assessments required for all higher-risk travel.</p> <p>Comprehensive business travel and emergency evacuation insurance in place, and health insurance provided for staff in countries with poor quality local provision.</p> <p>United Nations Department for Safety and Security (UNDSS) e-learning course adopted as basic training offer for staff and experts, all-</p>

	<p>staff training on WFD security, and SAFE course offered for high-risk travel.</p> <p>Key Travel platform/service includes Riskline traveller tracking, security alerts, and Mobile Messenger for travellers.</p> <p>Elections security partner procured and onboarded.</p> <p>Security co-operation protocol implemented with FCDO and close collaboration with FCDO posts in key high-threat locations.</p> <p>Duty of Care group provides coordination of security management, with oversight by Outstanding Organisation Board.</p> <p>People Committee and ARC review management action on health, safety and security.</p> <p>Internal Audit on safety and security by Crowe previously completed, provides substantial assurance. Internal Audit on adapting to fragile operating contexts completed providing substantial assurance.</p>
<p>WFD's efforts to offer market competitive remuneration to staff are constrained by flat grant in aid and/or the need to remain competitive for new funding proposals.</p>	<p>Business Development policy and practice aims to develop professional, credible proposals/bids for funding that target full (direct and indirect) cost recovery.</p> <p>Proactive network-wide pay benchmarking to be carried out to enable WFD to understand its current and target position in the market and evidence proposed costs to donors.</p> <p>Proactive Network Agility Review to identify efficient and supportive ways of working for WFD offices.</p> <p>Enhancement of non-cash benefits for existing staff where practicable.</p> <p>Promote positive recruitment practices that emphasise the overall WFD employee offer.</p>
<p>Short-term or long-term loss of critical staffing capacity due to unresolved wellbeing issues and/or local cost of living pressures resulting in staff leaving for higher pay or better conditions elsewhere.</p>	<p>Qualitative assessment of wellbeing completed.</p> <p>UK and network staff equipped to work remotely.</p> <p>Regular line management check-in chats promoted.</p> <p>Employee assistance programme and framework of potential responses to local contextual developments in place.</p> <p>Three-year Spending Review funding settlement agreed at £6.5 million per annum with an additional £2.0 million secured for FY 24-25 communicated to all staff.</p> <p>Pay award agreed and benefits/support signposted.</p>

	<p>Revisited and updated key person risk matrix and scheme of delegated authority.</p> <p>Leadership team away day focused on the medium- and long-term outlook and challenges faced by the organisation.</p> <p>Operating Model Review completed, restructure implemented, and high-level budget agreed.</p> <p>Outstanding Organisation strategy includes a people sub-strategy focused on positive employee experience and other actions to address wellbeing issues.</p> <p>Board and People Committee oversight in place.</p>
Programme policy and quality	
WFD fails to deliver programmes of sufficient quality and relevance, or inadequately monitors, measures, or evidences impact.	<p>Multi-year WFD strategy and 3Rs programme strategy (including regional plans) adopted. Operating model Review completed, restructure implemented, and high-level budget agreed, including decisions on sustainable network presence.</p> <p>Programme management cycle, responsibility mapping, and guidance for senior responsible officers and responsible leads developed.</p> <p>Rigorous political economy analysis, outcome mapping, and monitoring of progress markers, together with case studies.</p> <p>Evidence and Impact Hub and Programme Management Hub provide access to consolidated data, guidance, and learning pathways.</p> <p>WFD Learn e-learning platform, Zoom/Teams, and digital partners support online engagement and digital delivery.</p> <p>Learning and Development aspects of Outstanding Organisation strategy and performance management process to drive focus on core competencies required by WFD and continuous learning to support development of those competencies.</p> <p>Programme Approvals and Information System (PAIS) implemented to improve visibility/sign off of bids/proposals and visibility of portfolio.</p> <p>Impact and Innovation Awards quarterly to recognise and encourage innovative practice and share learning.</p> <p>Leadership team monitors critical programmes and risks monthly via a dashboard.</p>

	<p>Programme Policy and Quality Board oversees quarterly programme performance review to ensure review of all programmes and risks across the portfolio, with mitigation plans introduced where necessary.</p> <p>Board-level programme lead provides further scrutiny of programme implementation/discussion of underperforming programmes, and as appropriate reports to Board meetings.</p> <p>External evaluations commissioned as appropriate.</p>
Portfolio renewal and growth	
<p>Inability to maintain adequate funding over the short, medium, or long term (3 years), could result in liquidity or sustainability challenges, undermining ability to achieve impact.</p>	<p>Three-year Spending Review funding settlement agreed at £6.5 million per annum with an additional £2.0 million secured for FY 24-25. Multi-year strategy adopted and confirmed in 2024 mid-term review; operating model review completed. Funding settlement for FY25/26 not confirmed on 31 March 2025, nor for subsequent years, presenting significant uncertainty to our core funding. Scenarios modelled to understand impact of a cut in funding. Spending Review bid for FY26 – FY29 submitted in February 2025.</p> <p>New Opportunities Policy adopted and promoted internally.</p> <p>Significantly expanded Business Development function and Programme Approvals and Information System supports planning, monitoring, and coordination of prospecting and quality proposal/bid writing.</p> <p>Proactive business development activities in priority WFD locations.</p> <p>Maintain active participation in key HMG Framework Agreements (for example, Conflict, Stability and Security Fund (CSSF), and new Global Development Delivery (GDD)).</p> <p>Strategic engagement with HMG on new FCDO Democracy and Human Rights strategy following Integrated Review.</p> <p>Business Central supports more efficient Accounts Receivable function.</p> <p>Portfolio Renewal and Growth Board periodically reviews sustainability of WFD portfolio and network.</p> <p>Dynamic in-year forecasting and processes to monitor spend, with monthly Leadership team reporting and oversight and quarterly ARC and Board scrutiny.</p>

Our commitment to sustainability and social responsibility

WFD is committed to ensuring all aspects of our work in the UK and overseas are managed sustainably. Across our offices we address our environmental impact in energy management, waste management, and transport. We are a small, service delivery organisation with a limited physical infrastructure, but have continued to improve our environmental performance, make careful use of resources, and minimise adverse environmental impact. We remain committed to complying with all applicable UK and local environmental legislation.

Our Environmental Policy is based on 3 principles. We will:

- do all we reasonably can to keep the negative environmental impact of the organisation to a minimum
- act responsibly in management of resources
- reduce, re-use and recycle wherever possible.

While WFD is exempt from the Greening Government commitments and reporting scheme, during the reporting period, we occupied offices managed by the Ministry of Justice, which is committed to the Greening Government agenda.

In accordance with our Safe and Sustainable Travel Policy, we took action to ensure that all business travel is booked, approved, and managed in a way that represents value for money, keeps people safe, and mitigates negative environmental impact. Business travel is approved if considered:

- necessary (for programme, management, or stakeholder engagement purposes)
- efficient and cost effective (reflecting our responsibilities as a public body to secure value for money in any travel arrangements and use our resources for the public good, not personal advantage)
- safe and secure (complying with our duty to take reasonable care of the health, safety, and security of staff, volunteers, experts or governors, and to avoid unnecessary risks)
- green-aware (mitigating, where possible, the negative environmental impact associated with travel).

Staff are encouraged to select the greenest possible travel option for their journey.

As part of all above-threshold procurement, WFD assesses bidders' commitment to social value and includes contractual commitments as appropriate. We require all suppliers and grantees of any value to agree to comply with our Code of Conduct, which includes our values and a range of specific undertakings on socially responsible conduct.

Our commitment to accountability

As a values-based, public service organisation, we aim to observe the highest standards of professionalism and accountability for the stewardship of taxpayers' funding at all times. In September 2024 we ended our internal audit contract with Crowe LLP due to an issue discovered during our due diligence process. This means that that remaining period (between September and March) we did not have the services of an internal audit service. We have subsequently agreed a

new internal audit provider in FCDO Internal Audit. Our new audit provider gives us access to 3 times the number of auditor days to complete internal audits and provide the NAO with an opinion of WFD's risk management. We will continue to enhance our capabilities to prevent, detect, and respond to the potential risks associated with the diversion of WFD resources.

Plans and priorities

Plans are guided by our 2022-2025 strategy and sub-strategies. The goals of our 2022-2025 strategy are outlined above.

During the next period, we have set out ambitious regional plans to guide efforts to reinforce activity within our current geographic locations and priority thematic areas, reach into new complementary areas of interest, and react to emerging opportunities to expand our impact. As implementer of FCDO's Democratic Governance Centre of Expertise, we will deepen our support for FCDO posts and programme managers through a range of advisory services.

We will continue to engage with partners internationally, building on our collaboration with the Inter-Parliamentary Union on new Indicators for Democratic Parliaments, launched in 2023, and our engagement with the third Summit for Democracy, held in Seoul in March 2024. We have adapted our Stakeholder Engagement Plan to increase awareness of the relevance of our work to UK MPs and their constituencies following the UK General Election.

Our Outstanding Organisation strategy continues to work towards deepening and strengthening our 'One WFD' culture, built on our values as well as equity, diversity, inclusion and wellness. We will seek to maintain our Best Companies employee engagement accreditation. The Systems Improvement Project continues to work towards implementing the outcomes of the 2023 Systems Architecture Review and over 700 recommendations from staff collected in 2024 as to how to improve our working practices. We will continue to strengthen our cyber security capabilities and approach, refresh, and simplify all corporate policies and guidance, and support the delivery of programmes and Centre of Expertise activities.

We have worked with the FCDO to implement the recommendations of the Public Body Review of WFD, commissioned by the UK Government and published in March 2024. The review strongly reaffirmed WFD's relevance to UK international policy priorities.

Finance review

Income

In the financial year 2024–2025, WFD received total income of £11.2 million (excluding GIA), an increase from £8.8 million in 2023–2024. The income was derived from a range of funding sources, as outlined below:

Breakdown of Income Sources

- **UK Government Cross-Government Funds:**

A total of £4.9 million was received from other UK Government sources. This includes revenues from the Conflict, Stability and Security Fund (CSSF), UK Integrated Security Fund (ISF), Good Governance Fund (GGF) and UK Partnering for Accelerated Climate Transitions (UK PACT). These funds supported WFD programmes in several regions, including - the Philippines, Maldives, Western Balkans, Georgia, Sri Lanka, Taiwan, Indonesia, and Solomon Islands.

- **Other Income – £6.3 million**, comprising:

- **FCDO (non- GIA): £3.77 million**

This includes funding for the Centre of Expertise and other initiatives.

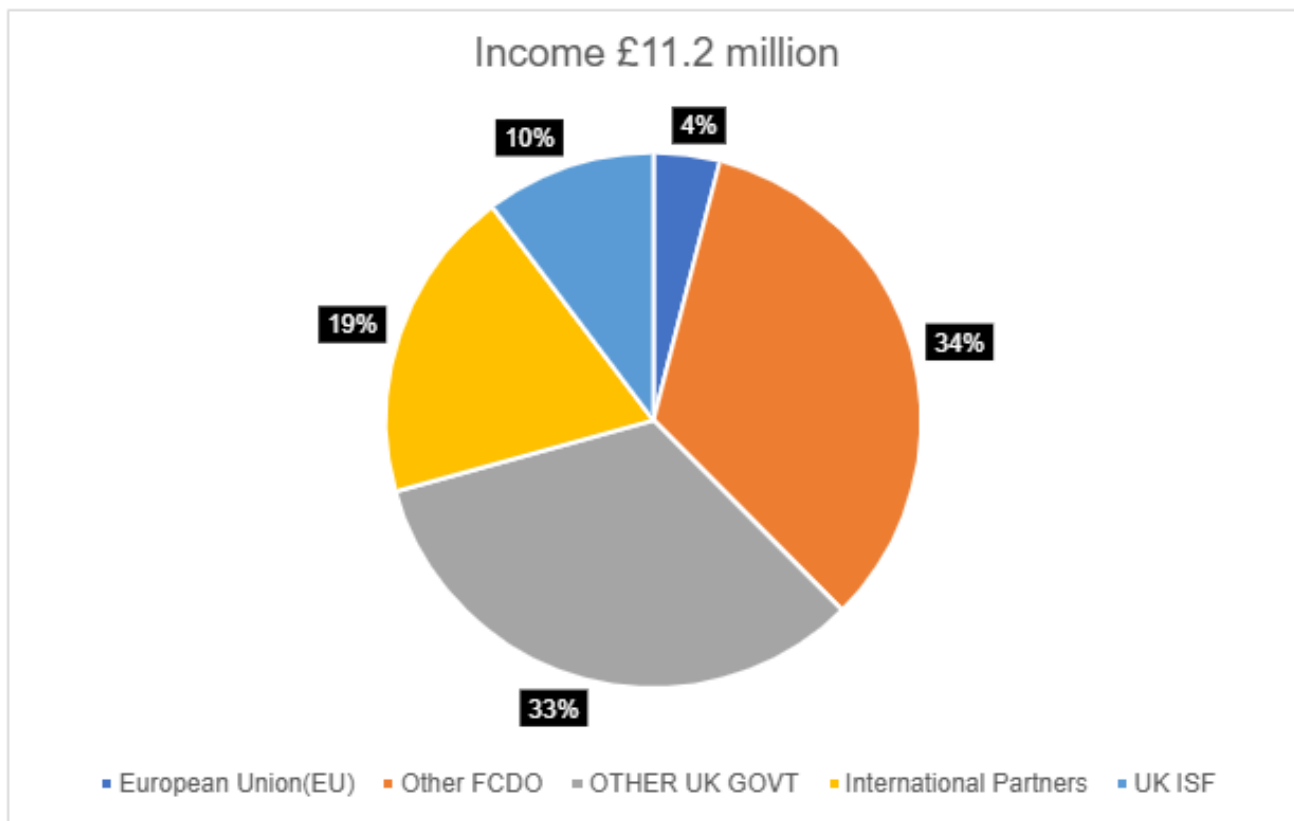
- **International Partners & British Embassies – £2.1 million**

Contributions were received from a variety of international partners including:

- Ministry of Foreign Affairs of Finland / Demo Finland
- US Agency for International Development (USAID)
- Global Affairs Canada
- Several embassies

- **European Union funding: £0.448 million**

The income breakdown is also shown in the chart below.



Expenditure

In 2024–2025, WFD’s total expenditure was £19.4 million, allocated across the following key areas:

Programmes Implemented Directly by WFD

Direct programme delivery costs, including all Parliamentary and Integrated programme activities, accounted for £12.4 million or 64% of total expenditure (2023–2024: £9.3 million or 59%). These costs include the work of WFD staff based in regional offices outside the UK, who support the implementation of projects worldwide.

UK Political Party International Programmes

As part of its grant-in-aid funding, WFD provided support to international programmes delivered by UK political parties. These programmes are managed independently by the parties and overseen by WFD. Expenditure in this area totalled £1.36 million in 2024–2025 (2023–2024: £1.26 million).

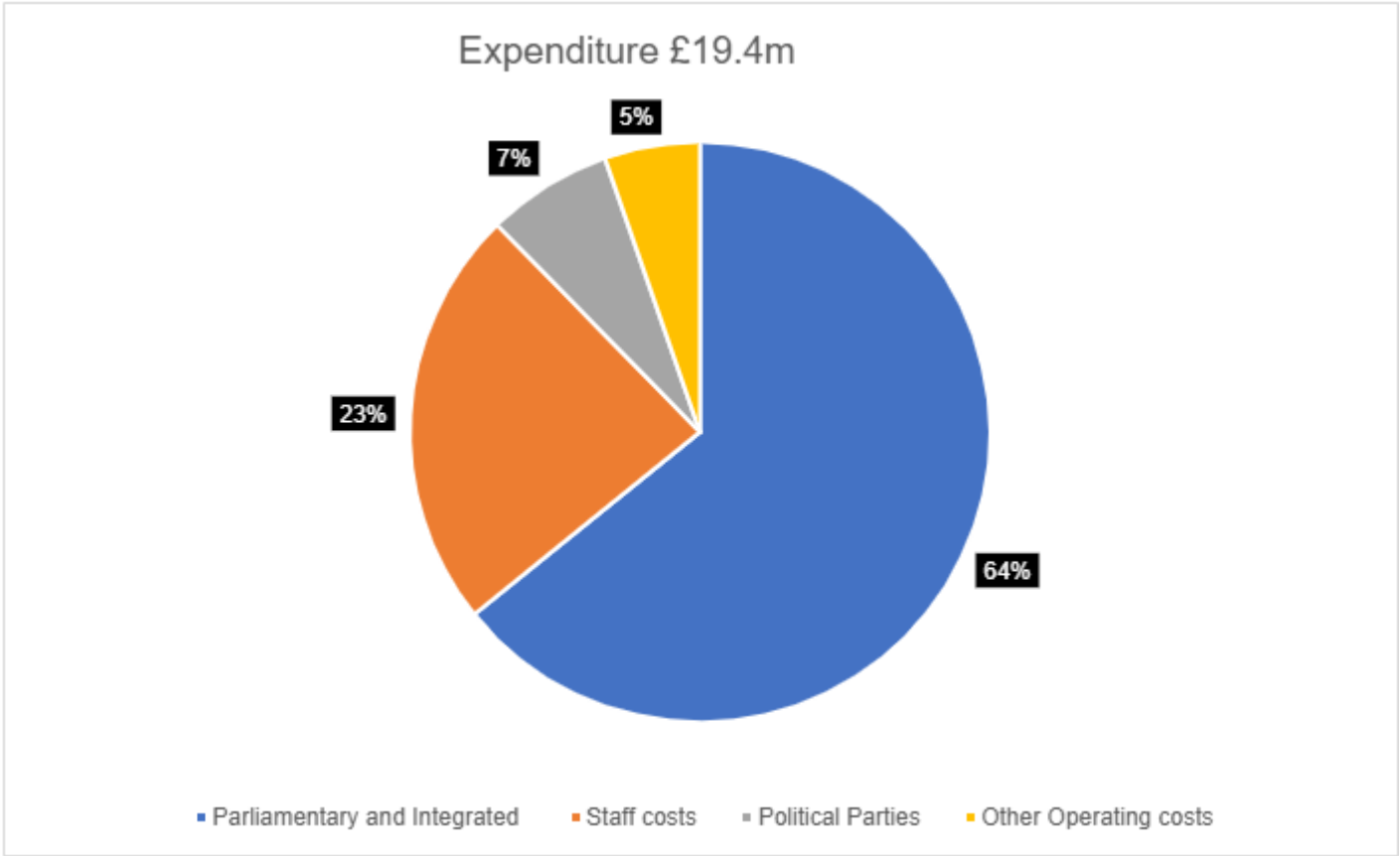
UK-Based Staff Costs

Staff costs relate to WFD employees based in the UK and totalled **£4.5 million** in 2024–2025, representing **24%** of total expenditure (2023–2024: £4.3 million or 27%).

WFD employed an average of **62.8 full-time equivalent (FTE)** staff in the UK during the year (2023–2024: 56.8 FTE). Of these, **38 FTE** were directly engaged in programme design, delivery, monitoring, and partnership management (2023–2024: 32.4 FTE). The remaining staff supported

core functions, including Finance, Human Resources, Operations, Communications, External Affairs, and Leadership.

Staff based overseas are included under direct programme costs.



Financial position and liquidity

In March 2022, the FCDO confirmed a core grant-in-aid (GIA) of £6.5 million per annum for the financial years 2022/23, 2023/24, and 2024/25. For 2024–2025, an additional £2 million in GIA was awarded, recognising the effectiveness of WFD’s work and the positive findings of the Public Body Review. This brought the total GIA allocation for 2024–2025 to £8.5 million.

Looking ahead, the GIA allocation for FY 2025–2026 has been confirmed at £8.5 million. WFD’s budget for FY 2025–2026 has been developed using financial modelling based on this baseline allocation, alongside projected income from other UK funding sources and international partners under various funding scenarios.

As of 31 March 2025, WFD reported total reserve of £854,847, reflecting an increase from the previous year. This improvement is largely attributable to a revised reserve strategy. WFD will continue to maintain a minimum reserve level of £520,000, in line with the policy approved by the Audit and Risk Committee, to ensure financial resilience and support organisational sustainability. Further details on WFD’s assessment of its **going concern** status are provided in **Note 1.3** of the financial statements.

Regularity of expenditure

WFD ensures that all expenditure of public funds is conducted in accordance with the principles and guidance set out in HM Treasury's *Managing Public Money (MPM)*. All transactions and underlying expenditure are subject to appropriate controls and comply fully with these requirements.

Creditors

WFD complies with the UK Government-wide standard on prompt payment, which requires all valid invoices to be settled within 30 calendar days. Where possible, WFD aims to pay invoices within the supplier's agreed payment terms, if earlier. In 2024–2025, the average time taken to pay invoices was 14 calendar days (2023–2024: 15 days). During the year, 95% of undisputed invoices were paid within the agreed credit terms.

On behalf of the Board

A handwritten signature in blue ink, appearing to read 'Anthony 27.', is displayed within a light blue rectangular box.

Anthony Smith, Chief Executive and Accounting Officer

Date 7 July 2025

The Westminster Foundation for Democracy Limited Directors' Report

The purpose of this report is to explain the composition and organisation of the entity's governance structures and how they support the achievement of its objectives.

The governors who served on the Board of the Westminster Foundation for Democracy Limited during the year ending 31 March 2025 and who were Directors under the Companies Act 2006 were:

Board member	Appointment in the year	Resignation in the year	Appointment ends
Richard Graham MP (Former Chair)		4 July 2024	
Mark Babington (Former Vice Chair)		23 October 2024	
Rt Hon. Dame Maria Miller MP		1 August 2024	
Yasmin Qureshi MP (Chair)			6 September 2025
Anthony Smith (ex-officio) (Chief Executive)			N/A
Dr Milicia Delevic (Vice Chair)			21 May 2026
Elizabeth Saville Roberts MP			23 May 2026
Anne McLaughlin MP		1 August 2024	
Julie Elliott MP		14 August 2024	
James Deane			18 December 2026
Janet Bamisaye (ex-officio) (Interim Finance Director)			N/A

Duncan Hames	18 November 2024		
Alice Macdonald MP	10 January 2025		
Tom Morrison MP	14 January 2025		
Rt Hon Wendy Morton MP	8 January 2025		
Sir Alec Shelbrooke MP	9 January 2025		
Iain Wright	18 November 2024		

Natasha Kurzeja continued to hold the office of Company Secretary following her appointment to WFD in May 2024. WFD's Interim Finance Director, Janet Bamisaye, continued to attend relevant meetings of the Board and Audit and Risk Committee.

All Board members and senior managers are required to declare any interests they may have to enable possible conflicts to be managed. No Board member holds company directorships or has other significant interests which may conflict with their responsibilities. No Board member has undertaken any material transactions with related parties. The Register of Interests is available to the public on WFD's website at <https://www.wfd.org/governance-document/registers-board-members-interests> or at WFD's registered office with 24 hours' notice.

During the financial year 2024-2025, Iain Wright, Duncan Hames, Alice Macdonald MP, Tom Morrison MP, Sir Alec Shelbrooke MP and the Rt Hon Wendy Morton MP have been appointed as Board members by the Minister of State for Foreign, Commonwealth and Development Affairs on behalf of the Foreign Secretary, effective 18 November 2024, 10 January, 14 January, 9 January and 8 January 2025 respectively.

Audit and Risk Committee

During the year ending 31 March 2025, membership of WFD's Audit and Risk Committee comprised:

Name	Role
Mark Babington	Chair (Appointment ended October 2024)
Iain Wright	Chair (Appointed January 2025)
Khalid Hamid	Co-opted member
Anne McLaughlin MP	Board member (Appointment ended August 2024)
Sir Alec Shelbrooke MP	Board member (Appointed January 2025)

Personal data

In 2024-2025, there were no personal data-related incidents that required reporting to the Information Commissioner's Office.

Registered office

WFD maintained our registered office to Clive House, 70 Petty France, which is operated by the Ministry of Justice, effective 1 April 2022.

Statement of Directors' and Accounting Officer's Responsibilities

In accordance with Company Law and the Articles of Association, the Directors (who are also known as the Governors of Westminster Foundation for Democracy) are responsible for preparing an annual report and financial statements in accordance with the Companies Act 2006 and the Accounts Direction given by the Secretary of State for Foreign, Commonwealth and Development Affairs and relevant International Financial Reporting Standards (IFRS) as amended for application to the central government sector.

Within the terms and conditions of a Framework Agreement signed on behalf of the (then) Foreign and Commonwealth Office and the Directors of WFD in 2020, the Directors, through the Chief Executive, are required to prepare financial statements for each financial year on an accruals basis which give a true and fair view of the state of affairs of WFD and of the incoming resources and application of resources, changes in taxpayers' equity, and cash flows for the financial year.

In preparing the financial statements, the Directors and the Accounting Officer are required to comply with the requirements of the Companies Act and then, secondly, the 'Government Financial Reporting Manual,' and to:

- a. observe the Accounts Direction issued by the Secretary of State for Foreign, Commonwealth and Development Affairs, including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- b. make judgements and estimates on a reasonable basis
- c. state whether applicable financial reporting standards as set out in the 'Government Financial Reporting Manual' have been followed, and disclose and explain any material departures in the financial statements
- d. prepare the financial statements on a going concern basis

The Directors and the Accounting Officer are responsible for ensuring:

- proper accounting records are kept that disclose with reasonable accuracy at any time the financial position of WFD and enable them to ensure the financial statements comply with the Companies Act 2006 and the Accounts Direction given by the Secretary of State for Foreign, Commonwealth and Development Affairs and relevant International Financial Reporting Standards
- the assets of WFD are safeguarded, and reasonable steps are taken to ensure the prevention and detection of fraud and other irregularities
- sound financial systems and management controls are in place to safeguard public funds
- funds from the Foreign, Commonwealth and Development Office are used only for the purposes for which they have been given and in accordance with the Framework Agreement and the relevant Accountable Grant
- funds from all other grants are used only for the purposes for which they have been given.

The Directors are responsible for the maintenance and integrity of the corporate and financial information on WFD's website. Legislation in the UK governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Political and charitable donations

WFD made no political or charitable donations and incurred no political expenditure during the period.

Accounting Officer

Section 5 of the Framework Agreement defines the Permanent Under-Secretary of State for Foreign, Commonwealth and Development Affairs as Principal Accounting Officer for the departmental group. The Principal Accounting Officer has appointed the Chief Executive as Accounting Officer of WFD.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding WFD's assets, are set out in Managing Public Money published by HM Treasury.

As Accounting Officer, I hereby confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

Statement of disclosure to our auditors

In so far as the Directors and the Accounting Officer are aware at the time of approving our Directors' Annual Report:

- there is no relevant information, being information needed by the Auditor in connection with preparing their report, of which WFD's Auditor is unaware
- the Directors and the Accounting Officer, having made enquiries of fellow directors and WFD's auditor that they ought to have individually made, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

Auditor

The Comptroller and Auditor General is the statutory Auditor for the accounts of WFD.

Approved and signed on behalf of the Board on 07 July 2025.



Iain Wright

Director and Chair of the Audit and Risk Committee



Anthony Smith

Chief Executive and Accounting Officer

Accountability Report

Overview

The purpose of this Accountability Report, which comprises a Corporate Governance Report, Statement of Accounting Officer's Responsibilities, and Governance Statement, is to meet key accountability requirements to parliament and address the matters required to be dealt with in a Directors' Report and Directors' Remuneration Report, as set out in Chapters 5 and 6 of Part 15 of the Companies Act 2006. This comprises of the Corporate Governance Report, the Remuneration and Staff Report, and the Parliamentary Accountability and Audit Report.

Corporate Governance Report

The purpose of the Corporate Governance Report is to explain the composition and organisation of the entity's governance structures and how they support the achievement of its objectives.

Governance Statement

Scope of responsibility

As Accounting Officer of the Westminster Foundation for Democracy Limited, I have responsibility for maintaining a sound system of internal control that supports the achievements of WFD's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money. I am therefore responsible for ensuring that WFD is administered prudently and economically and that resources are applied efficiently and effectively to deliver our agreed goals.

In addition, I am accountable to the Principal Accounting Officer of the Foreign, Commonwealth and Development Office (FCDO) to enable him to discharge his overall responsibility for ensuring that WFD as an FCDO executive non-departmental public body has adequate financial systems and procedures in place. WFD's multi-year strategy, Annual Plan, priorities, and associated risks are discussed regularly in my meetings with the FCDO.

The Governance Framework

The relationship between WFD and the FCDO is set out in the Framework Agreement signed on behalf of the (then) Foreign and Commonwealth Office and WFD in May 2020. The Framework Agreement establishes the governance relationship between WFD and the FCDO founded on clear expectations, structured oversight and accountability processes and improved collaboration. An updated version of the Framework Agreement was drafted in 2024, and will be implemented in FY 2025/2026. The revised Framework Agreement provides minimal changes but brings WFD in line with the Framework Agreement template established by HM Treasury. This oversight function is exercised by the Open Societies directorate on behalf of the FCDO, with the support of an Arms-Length Body hub located in the Strategic Finance directorate, which in turn is guided by an FCDO/ALB forum of which WFD is an active member and co-convenor. A copy of the current Framework Agreement is published and available on WFD's website. It is supplemented by a

strategy and partnership ways of working document that describes the strategic alignment between WFD's work and the government's international priorities and sets out a protocol as to how the FCDO and WFD will work together to achieve their common goals.

WFD is guided by the principles and provisions published in the UK Corporate Governance Code and HM Treasury's Audit Committee Handbook. The 'Corporate governance in central government departments: code of good practice 2017', published by HM Treasury and the Cabinet Office, is intended for the boards of government departments, rather than arms-length bodies. The composition and role of a government department's board, which includes ministers, senior civil servants, and non-executives, differs from that of a board of an arms-length body such as WFD, which is comprised of unremunerated governors (6 political and 4 independent) serving with two ex-officio executive members. As such, WFD complies with the principles of the central government code, including through periodic Board effectiveness reviews.

Following the review carried out during the previous reporting period and led by an external facilitator, the review planned for 2024/25 was deferred to 2025/26 since it was affected by the UK General Election and the subsequent recruitment and appointment of 6 new governors.

The Board has oversight of WFD programmes through the systematic engagement of individual governors in WFD's work and rotation of Board attendance by WFD regional directors and directors of policy and programmes and quality and innovation. Designation of a lead governor to take a special interest in WFD's programme work, for oversight, includes induction, access to management information, the opportunity to attend internal meetings, and the ability to propose to the Chairs of the Audit and Risk Committee and the People Committee issues for their review.

Board members are also asked to complete an individual appraisal with the Chair at least once in each three-year term. The company and its directors act in accordance with the requirements of company law.

Accountability within WFD is overseen and exercised through the Board and its two committees (see sections below), each chaired by a governor and including co-opted members who bring additional expertise and experience. The Board met three times formally during the year. The average attendance by Board members, at meetings they were entitled to attend during the period, was 89%⁴. At each meeting, the Board received and agreed reports that demonstrated satisfactory approaches to managing risk and monitoring governance, operations, programmes, and resourcing matters. Throughout the year, they tracked delivery of organisational objectives, in line with the WFD strategy and received regular progress reports on the implementation of the Annual Plan and budget. As a non-departmental public body, WFD does not employ any civil servants.

WFD signed updated versions of the previous multi-year Partnership Agreements with the Conservative Party, Labour Party, and SNP Westminster Parliamentary Group in relation to their

⁴ During most of 2024-25, delays in the appointment process following the UK General Election meant only 3 of the 4 independent governor positions were filled and 2 of the 6 political governor positions.

political party programmes for the period 2023-2025. In addition, WFD hosts a Multi-Party Office, representing the interests of a consortium of other smaller parties represented in parliament.

The Audit and Risk Committee (ARC)

The Audit and Risk Committee supports the Board to discharge its fiduciary, risk control, and governance responsibilities by monitoring and providing advice to me in the exercise of my duties, and by promoting a climate of financial discipline and control within the organisation. The Committee performs the key role of reviewing and monitoring the systems of internal control and receives regular reports on the work and findings of the internal auditors, and the external auditors, the National Audit Office.

The internal auditors until Sept 2024 were Crowe LLP, whose contract was terminated on the discovery of a discrepancy in their declarations during the due diligence process, leaving WFD without internal audit support between September 2024 and March 2025. In January 2025, WFD confirmed that it would be employing the services of the FCDO Internal Auditor to provide its internal audit functions from the start of FY25/26. The resulting gap in internal audit coverage was communicated to the WFD Audit and Risk Committee. The 2 remaining audits for the year which were cancelled as a result of the termination of the Crowe LLP contract were the audit of DEI and of the Party Political Offices. Both of these audits will be considered for audit in FY25-26. From January 2025, WFD was able to discuss any audit and risk issues with the FCDO internal audit team as they arose, and sought additional assurance risk areas through the employment of external auditors in March 2025. The Committee provides assurance on the full range of WFD systems and processes, and reviews any notifiable incidents in relation to our key corporate policies. Future audit opinions will be provided by FCDO Internal Audit. Minutes are prepared following each meeting and a report provided to the Board, together with an annual report from the internal auditors.

The Committee was chaired by Mark Babington until his term ended in October 2024, with Iain Wright taking over as Chair in January 2025. The committee includes members with a range of audit and risk management experience, including Khalid Hamid, a co-opted member. The Board and the Accounting Officer are satisfied that the Committee has recent and relevant experience as required by the Corporate Governance Code.

During the year, the Committee met for three scheduled meetings. Its principal activities over the year included:

- reviewing budget scenarios, including multi-year financial projections considered matters related to WFD's sustainability as a going concern, and challenging financial projections, funding outlook and reserves to ensure that we can demonstrate this to our auditors
- reviewing management information on organisational performance and the Corporate Risk Register, and periodic deep dives on specific risk areas, such as internal control and controls over new business opportunities
- overseeing an internal audit programme to examine key risks and business practices, including reviewing audit reports during the period on the adequacy and arrangement on

organisational learning and development, and commissioning audits on country office compliance and key Functional reviews

- scrutinising management actions to strengthen controls and the review of the report of FCDO Independent Public Body Review for WFD
- reviewing the draft Annual Report and Accounts
- reviewing the work of the external audit to confirm the independence of the auditor and the effectiveness of the work done to ensure a high-quality audit

WFD is committed to our policy of zero tolerance to fraud and to be transparent in our management of counter fraud. Our controls improvement actions will help to mitigate these risks and keep any further potential issues of fraud to an absolute minimum.

The People Committee

The People Committee assists the Board to discharge its responsibilities relating to the terms and conditions of employment of WFD staff and employee engagement. The Committee oversees WFD policies relating to terms and conditions of service (which are closely aligned to those of the FCDO), wellbeing, engagement and remuneration, equity, diversity and inclusion and duty of care. The Committee met once during the year, in May 2024 (due to the Chair stepping down from the board following the results of the UK General Election in July 2024, and another committee member's board term ending). The Committee was kept informed on matters relating to staff, including relevant issues identified by the Audit and Risk Committee. The Committee was chaired, during the period, by Rt Hon. Maria Miller MP (until July 2024), with Peter Taylor (FCDO Safeguarding Unit) and Scott Gemmell (FCDO Deputy Director, Places for Growth in the Organisational Improvement Directorate) as co-opted committee members. From January 2025, James Deane (Independent Governor) was appointed as the Committee Chair, with Alice Macdonald MP also appointed as a committee member.

At its meeting during the period, the Committee:

- continued to provide oversight on the delivery of WFD's Wellbeing Action Plan
- considered matters relating to pay, benefits, and support provided to staff in light of the global cost of living pressures, including the annual staff pay award and targeted support initiative. The Committee also scrutinised WFD's gender and ethnicity pay reporting
- discussed the results of WFD's Best Companies employee engagement survey and accreditation
- followed up on a number of key deliverables from WFD's Outstanding Organisation strategy, including targeted action on equity, diversity and inclusion, strengthening safeguarding practices internally and with external partners, and the Code of Conduct and organisation values

The committee structures reporting through to the Board have been clearly defined and the terms of reference, membership, and reporting arrangements are reviewed regularly as part of the Governance Handbook. The Governance Handbook also covers the role of the Leadership team (LT), chaired by the CEO and consisting of WFD's leadership and senior managers. The LT

provides strategic leadership to WFD and is accountable to staff for WFD's strategic direction, risk management, planning and resources, performance, people, external affairs, and assurance. The LT has the wellbeing of WFD and WFD staff as its primary focus and its membership aims to have an in-depth understanding of WFD's effectiveness and WFD's people.

Board and sub-committee attendance (1 April 2024 to 31 March 2025 inclusive)

Board members' attendance presented as: actual attendance/possible attendance

Board member	Board	Audit and Risk Committee	People Committee
Mark Babington (Vice Chair)	1/1	2/2	1/1
Rt Hon. Dame Maria Miller MP			1/1
Yasmin Qureshi MP (Chair)	3/3		
Anthony Smith (ex-officio) (Chief Executive)	3/3	3/3	1/1
Dr Milicia Delevic	3/3		
Elizabeth Saville Roberts MP	2/3		
Anne McLaughlin MP		0/1	
Julie Elliott MP (Vice Chair)			
James Deane	1/1		
Duncan Hames	2/2		
Iain Wright	1/2	1/1	
Sir Alec Shelbrooke MP	1/1	0/1	
Alice Macdonald MP	1/1		
Tom Morrison MP			
Rt Hon Wendy Morton MP	1/1		

Risk management

During the year, the Board and the Audit and Risk Committee (ARC) regularly reviewed WFD's key strategic risks in the form of a corporate risk register, and the Committee also received a more detailed update on individual risks on a rolling basis through the year.

WFD's governors and employees have a duty to identify, assess, and manage the risks faced by the organisation in strategic decision making and day-to-day operations. These risks are managed by WFD having a robust and documented risk management process in place. The purpose of risk management is to preserve and protect WFD's assets, reputation, and staff; strengthen corporate governance by integrating risk management with operational systems and internal controls; and improve business performance. Integral to WFD's approach is the identification of opportunities, not just challenges, and the risks of not trying things which could help us to achieve our ambitions. WFD believes that risk management is about taking conscious positive risks, as well as mitigating negative risks. This relies on creating a culture of risk awareness and transparency within the organisation, facilitating regular, open, and honest discussions across WFD about risk. It is also about proactive engagement of all leaders and senior managers in risk oversight and management.

During the reporting period, the Board and the Leadership team continued to be guided by the Risk Appetite Statement adopted the previous year. This statement establishes a framework to guide decision making by risk focal points or senior responsible officers and reporting to the Board and its committees.

Overall responsibility for the management of risk lies with me as the Accounting Officer and I am assisted in this task by the Director of Operations. The WFD Board has responsibility to ensure that robust systems of internal control and management are in place. To this end, WFD continues to:

- identify, assess, manage, and review the nature and extent of the risks facing WFD
- agree the extent and categories of risk which it regards as acceptable for WFD to bear
- analyse the likelihood and impact(s) of the risks concerned materialising
- regularly document the organisation's ability to reduce the incidence of risks, and the impact on WFD of risks that do materialise
- review the costs of operating controls relative to the benefit thereby obtained in managing the related risks
- always endeavour to adhere to relevant donor policies and requirements, legislation, and applicable regulations.

A framework for risk control is provided by the Risk Management Policy and Risk Management Procedures. One element of this is the Corporate Risk Register that is reviewed by the Leadership team (LT) and Board at each of its meetings. The Corporate Risk Register reports the current strategy for managing each strategic risk, the relative strength of that risk control, and the net risk outcome – whether low, moderate, high, or severe. This is a standing item on the monthly LT agenda. The 4 sub-registers, covering Strategic Engagement and Governance, Outstanding Organisation, Programme Policy and Quality, and Portfolio Renewal and Growth, are reviewed periodically by the relevant internal board.

The Board's responsibility is supported through the sub-committees of the Board, with appropriate membership or input from members of the LT. Risk is considered on the agenda at all meetings of the Audit and Risk Committee (ARC). The ARC members review the action plans presented for each risk and the progress made towards reducing risk to the tolerance level set on an individual risk basis.

WFD also regularly reports to the FCDO in relation to risk, strategy, and our Annual Plan and budget, and to our donors on programme-related risks as required.

The Leadership team ensures a consistent focus on operational risk management. This includes:

- developing an Annual Plan, with key deliverables and key performance indicators linked to an aligned budget approved by the Board
- reviewing monthly management reports, including dashboards to report progress on the Annual Plan, as well as management accounts providing analysis on programme and project expenditure and income with variance analysis. This ensures that we deliver our corporate and programme activities on time and within a balanced budget. These reports are reviewed by the ARC and approved by the Board
- scrutinising a monthly Critical Programme Dashboard and the results of a quarterly, comprehensive Programme Performance Review (PPR) process, ensuring all programmes across the WFD portfolio are subject to detailed review, risk-assessed, and actively performance-managed
- enforcing a requirement for all programmes to develop a bespoke risk assessment and, following mobilisation, for programme risk registers to be reviewed on a quarterly basis as part of the PPR. All programme risk registers consider the same standard risk categories, namely context, delivery, safeguarding, operational, fiduciary, and reputational, with clear escalation routes to designated risk focal points for each standard risk category. The programme risks are constantly monitored, and effectiveness of mitigation actions are reviewed regularly using the '3 lines of defence' methodology. All programme risk registers are uploaded to the Evidence and Impact Hub to enable portfolio level and drill-down analysis and insights on WFD's risk profile at any time
- ensuring that all staff are trained in the identification and management of risk appropriate to their authority and duties and that the senior responsible officer for each office is responsible for compliance with all applicable laws, policies, and procedures and signs a certificate of assurance annually
- ensuring that internal boards are accountable for the oversight of relevant risk identification and mitigation activities and that senior responsible officers have clear guidance about their roles in risk management
- adopting and regularly updating tailored risk assessments, preparedness and contingency plans for key risk areas such as cyber security, business continuity, travel, and local safety and security plans
- commissioning a risk-based programme of internal audit work, to provide assurance and suggestions for improvement across a number of areas.

Internal audit

WFD has an internal audit function provided by an independent firm of auditors, which operates to standards defined in the Government Internal Audit Standards. This service was provided between April 2024 and September 2024 by Crowe LLP under a contract signed in March 2022.

The work of internal audit is informed by an analysis of the risks to which WFD is exposed. An internal audit plan is proposed on an annual basis. I am responsible for approval of the analysis of risk and internal audit plans. The Audit and Risk Committee reviews these plans and they are endorsed by the Board. The rolling programme of internal audit provides me with regular reports on effectiveness of controls in WFD. Reports are also provided to WFD's Board and to the Internal Audit Department of the FCDO.

This year, our contract with Crowe LLP, our internal audit providers, was cancelled in September. Due to the transition away from our internal auditors, WFD was not provided with an internal audit opinion for FY24/25. WFD has implemented new audit arrangements with FCDO Internal Audit (our new auditors) from FY25/26 onwards. During the period September to March WFD was without internal auditors, but did consult with FCDO Internal Audit on any risks as they arose, and on one occasion employed the services of external auditors to examine a potential issue. Recommendations from this external audit are being taken forward into the FY25/26 internal audit plan with FCDO Internal Audit.


Work to finalise the implementation of the recommendations from the Public Body Review is ongoing.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing and reporting the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the senior managers within WFD who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their annual management letter and other reports. While we have not had internal auditors in place for the entire duration of this reporting period, I am confident that with the support of our incoming internal auditors, FCDO Internal Audit, we have minimised any risks to the organisation, and that we are in an improved place going into the next reporting period.

The Board drew assurance over the quality of the information provided to it during the year from the review of Board papers by the relevant member(s) of the Leadership team and by the Chief Executive Officer prior to submission to the Board and from prior review of relevant papers by the ARC and, in some cases, by the People Committee.

I am satisfied that an effective system of internal control has been in place at WFD throughout the year ended 31 March 2025 and up to the date of approval of the Annual Report and Accounts and accords with Treasury guidance.



Anthony Smith

Chief Executive and Accounting Officer

7 July 2025

Directors' Remuneration Report

This report provides details of the remuneration, service contracts, and pensions for WFD's senior civil servant (SCS) grade staff and governors in 2024-2025.

WFD entered into a Service Agreement with Anthony Smith, Chief Executive, on 18 August 2014 and this remained in effect throughout the year to 31 March 2025.

In-year, SCS remuneration for the Chief Executive (SCS2), and the Director of Policy and Programmes (SCS1) was reviewed. It is reviewed annually and is determined by reference to the recommendations of the Senior Salaries Review Body. In line with WFD's annual performance appraisal process, performance objectives are set for the succeeding year and these are reviewed on an iterative basis through the year to assess performance. A performance-related bonus can be paid dependent on performance in line with Civil Service guidelines.

In the year to 31 March 2025, WFD's eligible SCS were awarded a 5% consolidated increase. This is in line with the approved SCS pay award across the wider UK government. The Director of Policy and Programmes received non-consolidated performance-related payments (PRPs) of £2,245 in 2023-2024, based on their performance in the prior year, 2023-2024. Directors' PRPs are consistent with all UK staff and are non-contractual. PRP values are set proportionately based on the distribution of performance ratings awarded that year.

Governor and SCS remuneration and pensions

The following table has been subject to audit. During the year, the single total figure of remuneration is as below:

	Salary £000		Bonus payment £000		Pension benefit (to nearest £000)		Total £000	
	2024-2025	2023-2024	2024-2025	2023-2024	2024-2025	2023-2024	2024-2025	2023-2024
Anthony Smith (CEO)	105-110 (110-115)	100-105 (110-115)	-	-	41	-32	145-150	65-70
Shannon O'Connell (Director of Policy and Programmes)	85-90	85-90	0-5	0-5	35	33*	125-130	110- 115
Janet Bamisaye (Finance Director – Interim) Effective January 2024	75-80	15-20	0-5	-	11	2	85-90	20-25

* The 2023/24 pension benefit has been updated to correct the prior year's figure, which was inaccurately reported as £24k instead of £33k.

Salary figures above are pro-rated to reflect the period that each individual was a member of the Board (or at SCS grade). Full year equivalents are shown in brackets, as applicable to the reduction of the CEO's FTE to 0.9 in 2023-24 and maintained throughout 2024-25. There were no benefits-in-kind paid to staff in the year (2023-2024: £Nil).

Governors did not receive any remuneration or benefits-in-kind in respect of their roles during the period 2024-2025.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid employee in their organisation at the reporting period end date, and the median, lower and upper quartile of remuneration of the organisation's workforce.

The following table is subject to audit.

	2024-25	2023-24	Percentage change (%)
Mid-point of band of highest paid employee's total remuneration	107,500	112,500	-4
Median Salary (£)	48,530	46,990	3%
Median total pay and benefits (£)	50,300	48,651	3%
Ratio	2.14	2.31	-8%
Lower quartile - salary (£)	38,494	38,595	0%
Lower quartile - total pay and benefits (£)	38,494	38,595	0%
Ratio	2.79	2.91	-4%
Upper quartile – salary (£)	64,000	62,000	3%
Upper quartile - total salary and benefits (£)	66,245	63,730	4%
Ratio	1.62	1.77	-8%

In 2024-2025 no employees (2023-2024: £Nil) received remuneration in excess of the highest paid director. Remuneration ranged from £28,000 to £107,500 (2023-2024: £26,000 to £102,500).

Total remuneration includes salary and non-consolidated performance-related pay but excludes severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Change in ratio relates to proportional increase in headcount.

Percentage change in total salary and bonuses for the highest paid director and staff average

The following table is subject to audit.

2024-2025	Salary	Performance-related pay
Staff average	3%	-2.5%
Highest paid director	5%	0%

Total PRP is always 4% of the UK pay bill as at 31st March of the relevant year.

Compensation for loss of office

This section is subject to audit.

During the year, no compensation was paid to staff members for loss of office (2023-24: Nil).

Pension benefits at 31 March 2025

The following table is subject to audit.

	Accrued pension at pension age as at 31 March 2025 and related lump sum (£000)	Real change in pension and related lump sum at pension age	CETV at 31 March 2025	CETV at 31 March 2024	Real change in CETV	Employer' s contribution to partnership pension account at 31 March 2025 (£000)	Employer' s contribution to partnership pension account at 31 March 2024 (£000)
Anthony Smith	50-55 plus a lump sum of 140-145	0-2.5 plus a lump sum of 0	1,151	1,115	*37	-	-
Shannon O'Connell	15-20	0-2.5	250	202	*25	-	-
Janet Bamisaye						11	2

* Taking account of inflation, the CETV funded by the employer has decreased in real terms.

CETV is the Cash Equivalent Transfer Value and is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a point in time. As the Principal Civil Service

Pension Scheme (PCSPS) is a multi-employer fund, the CETV values will include accumulated accrued benefits from any previous employers that operate the PCSPS.

Real change in CETV reflects the increase/(decrease) in CETV that is funded by WFD. It does not include the increase in accrued pension due to inflation or the contributions paid by the employee and uses common market valuation factors for the start and end of the period.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2025. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2024-25 CETV figures.

Governors

Governors are appointed by the Secretary of State for Foreign, Commonwealth and Development Affairs for a term of 3 years. Appointments can be renewed for a maximum of 2 consecutive terms (6 years). As noted above, governors are not remunerated and WFD does not pay allowances and benefits-in-kind to governors. Details of the dates of appointments of new governors and the dates that appointments end are shown in the Directors' Report on page 47-49.

Staff report

Staff numbers and composition

The breakdown of each gender (full-time equivalent (FTE)) as at 31 March 2025 was as follows:

	Female 2024-2025	Female 2023-2024	Male 2024- 2025	Male 2023-2024
Governors	5	6	5	3
Senior civil service staff	1	1	0.9	0.9
UK staff	42.5	33.9	25.1	21.1
Rest of world staff	100.0	83.7	43.6	37.2

Staff costs	2025 £	2024 £
Wages and salaries	3,264,073	3,095,065
Temporary staff	99,040	141,273
Social security costs	336,101	335,160
Pension costs	853,135	729,860
Total	4,552,349	4,301,358

Organisational structure

UK-based programme staff are organised into regional operational teams covering Africa, Europe and Central Asia, Middle East and North Africa (MENA), Asia Pacific and the Americas. These teams are each led by a regional director responsible for strategy, policy, business development, and high-level engagement with strategic partners and stakeholders. In 2024-25, WFD maintained our regional-based programme support resources in communications, finance, business partnering, and business development.

A dedicated London-based team manage WFD's Centre of Expertise (CoE). The CoE draws on WFD's accumulative knowledge and evidence to support the FCDO's Democratic Governance Centre of Expertise by providing substantive and insightful information analysis and advice.

Core capabilities within the CEO and Communications Office, Policy and Programme directorate, Operations and People Services directorate, Quality and Innovation directorate, and Finance directorate are provided by WFD's London office.

As at 31 March 2025, WFD employed 67.6 full-time equivalent staff in the UK (2024: 55), of whom 41 (2024: 32.6) were directly responsible for the design, management and delivery of programmes and for managing local and UK partnerships. The average UK FTE for 2024-2025 was 62.8, with 38 working in direct programme roles (2023: 56.8 and 32.4).

Overseas arrangements are continually assessed and determined by the scale and complexity of the programming. Most follow the model of a country director or representative leading a country-based team. Where programmes can be managed effectively from regional hubs or the UK, this alternative model is used.

In countries where WFD is represented, WFD engaged local staff either on WFD-agreed local contract of services terms or contract for services terms, as determined by the local circumstances, registration status and labour law requirements. As at 31 March 2025, there were 143.6 full-time equivalent appointments overseas (2023-2024: 120.9). The average country-based staff FTE for 2024-2025 was 132.2 (2024: 117.3).

WFD did not close any programmes, nor were there any country office deregistrations during the reporting period.

For additional information on staff numbers and costs, including the Remuneration and Staff Report, please see:

- the Finance Review on page 43
- Note 4 of the financial statements

Performance management and engagement

Each member of staff has their performance appraised annually against agreed objectives, behavioural competencies and WFD's organisational values (people-focused, excellence, integrity and accountability, and mission-oriented). An integral part of this review is the identification of learning and development needs. Staff are encouraged to pursue professional studies and learning opportunities, which will support their career development and benefit WFD by improving

performance. They can also access internal knowledge sharing and learning initiatives through WFD's internal learning agenda.

Staff meetings held during 2024-2025 afforded the opportunity for consultation. This was by providing information to employees on operational delivery and organisational improvement projects and encouraging views to be expressed. Meetings between management and WFD's union representatives (PCS) provided opportunities to receive feedback from UK staff on a range of organisational matters. We made further progress against our internal communications plan to support employee engagement e.g. delivering training on internal comms channels, improving and refining the OneWFD internal newsletter, and providing opportunities for staff to come together to discuss global issues and conflicts that impact WFD's work.

Expertise

WFD's Heads of Practice and Practice Leads group forms an in-house centre of expertise on accountability, inclusion, electoral integrity, gender, political parties, environmental democracy, and fragile and conflict-affected contexts. The Heads of Practice and Practice Leads enhance programme design, directly delivering aspects of WFD programmes and contributing to WFD's growing reputation for policy and research work.

The more than 200 products launched by WFD in FY 2024-2025 included

- our original Political Party Transparency Index applied to North Macedonia
- new work on post-legislative scrutiny focusing on its relevance for monitoring climate legislation
- innovative guidelines for the use of artificial intelligence in parliaments
- new studies on the cost of politics in the Democratic Republic of Congo, Indonesia, Bangladesh, Mexico, and India.

In 2024-2025, WFD continued as the primary delivery partner for the FCDO's Democratic Governance Centre of Expertise (CoE). It serves as an authoritative source of expertise and insight, drawing on WFD's accumulated knowledge and evidence and on input from networks of partners and collaborators. The CoE provides information resources, technical support, and policy-relevant analysis to help FCDO posts understand the local democracy context and advance the UK's strategic priorities in ways that strengthen freedom and democratic resilience.

Access to UK political parties' expertise and trainers, and the ability to draw on specialist expertise in the UK's parliaments, provide WFD with an extensive network of skills, knowledge, and relationships. As part of our role in delivering the Centre of Expertise, we continue to invest in our network of experts, diversifying the pool of available experts in key thematic areas and strengthening our ability to respond quickly and effectively to demand for democratic governance expertise.

Learning and development

WFD's learning agenda for 2024-2025 included strengthening staff awareness and understanding of several core compliance policy areas, such as anti-bribery, fraud and corruption, safeguarding, and the introduction of the new UK procurement legislation. There has been a focus on learning associated with our System Improvement Project, specifically related to our finance system, and

targeted skills development for key post holders identified as future internal systems owners and data stewards. We have continued our investment in management skills through our Management Development Programme, and our offer of technical learning for programme teams, focusing on key WFD thematic areas. We have rolled out a series of facilitation skills workshops, and continued to offer our internal mentoring scheme, matching colleagues seeking mentorship with more experienced colleagues in the organisation.

Following the introduction of our internal volunteer wellbeing focal points in 2023-24 to support staff across the network, we have continued to invest in upskilling this group. Targeted learning in this reporting period included mental health awareness and coaching skills.

WFD's annual reading week is an opportunity for the organisation to pause and reflect collectively on what is working well and where change and alternative approaches in our work are needed. In this reporting year, the theme of reading week was 'programme delivery for 21st century challenges to democracy', with daily sessions structured around how WFD operationalise programming in line with our 5 programme principals in the current context.

Staff policies

Organisational values and behavioural policies

WFD has an established set of core organisational values to guide the way in which we work and support internal decision making. They also make clear what our donors and partners can expect when working with WFD. These values are people focused, excellence, integrity and accountability, and mission oriented. Our values have been embedded in several key HR and organisational policies and procedures, including recruitment and selection and performance management. These are being promoted through WFD's staff learning and engagement activities.

WFD's Code of Conduct and safeguarding policies set out the expected standards of behaviour for all WFD staff, contractors, and partners. WFD's Reporting Concerns Policy and complaints process (which includes our Whistleblowing Policy) and response procedures are expected to be used by staff if they witness or experience any unethical or inappropriate behaviour by colleagues or external stakeholders.

Based on feedback from staff, WFD management is confident that there are good levels of awareness of these policies and procedures, including whistleblowing protection, and that the reporting channels are accessible and effective. WFD remains committed to ensuring that third parties with whom WFD works and programme beneficiaries are fully aware of these policies. WFD has also engaged with several downstream partners during the reporting period to ensure comprehensive and consistent conduct and safeguarding are followed whilst delivering work on WFD programmes.

Equity, Diversity, and Inclusion (ED&I)

As a UK-based employer, WFD observes all aspects of the Equality Act 2010 and is committed to being an equal opportunities employer. Our aim is there will be no discrimination of any kind against any person on the grounds of age, disability, ethnicity, gender, sex, marital status, nationality, race, religion, belief, or lack of religion or belief, sexual orientation, being or becoming a transsexual person, or any other personal characteristics. We will make reasonable adjustments for

people with disabilities and should a member of staff become disabled while working with us, we will do everything possible to ensure they can continue working with us.

As a global organisation, WFD also recognises we are strengthened by the diversity of our colleagues in all locations and from all communities, at all levels of the business. WFD therefore aims to go beyond meeting our legal obligation and to establish truly inclusive workplaces where all staff have a strong sense of belonging and have equal opportunities to thrive. To support this vision, WFD has the following strategic equity, diversity, and inclusion objective as part of our Outstanding Organisation sub-strategy this year: (1) increase transparency of ED&I data and performance, (2) ensure colleagues are supported to create spaces for discussion, collaboration, learning, and socialising, and (3) foster safe spaces and psychological safety within working environments.

Equity around remuneration remains a priority for WFD. To ensure this, rates of pay by gender are monitored at regular intervals in the UK and internal ethnicity pay gap reporting has also been introduced. This reporting is undertaken even though WFD is not required to report on gender or ethnicity pay gaps under statutory requirements because of our size.

As of 31 March 2025, the figures showed that women slightly out-earned men in our upper support level and lower management and leadership level grades. There is complete pay parity at our lower support-level grades (4 out of our 6 grades). At an overall level, the gender pay gap on 31 March 2025 was calculated with men out-earning women but with a reduced gap from 2024. This is inclusive of all WFD staff at delegated grades and SCS positions.

WFD's ethnicity reporting is voluntary and therefore the data is not fully representative but does include all UK staff at delegated grades and SCS positions. From those staff that have opted to participate, the data at 31 March 2025 (for UK staff) shows that there is complete pay parity for staff in support level role (2 grades), and for staff in upper management level grades. The differentials in pay remain marginally negative for staff identifying as 'ethnic minority background/group' working in lower management and leadership level positions, where pay is higher on average for staff identifying as 'ethnic minority background/group' in our upper leadership-level roles.

Recruitment and selection

WFD also complies with the principles set out in the Civil Service Commissioners' Recruitment Code. We manage our recruitment and selection processes based on openness, fairness, and appointment on merit. This ensures there is no unlawful direct or indirect discrimination and enables the development of good employment practices. WFD's application process for externally advertised vacancies is designed to ensure that we attract applications from diverse communities and that candidates with disabilities are given full and fair consideration.

General

WFD's management and staff policies are maintained, reviewed, and updated on a regular basis and made available to all staff. They are also subject to internal audit to ensure compliance with legislation and best practice.

WFD has a grievance procedure to be used by staff if they believe they may have been subject to unfair treatment, including perceived cases of discrimination.

As noted in the Performance Report, WFD has continued implementation of our Outstanding Organisation sub-strategy, to support delivery of Strategic Goal 3: Reinforce our outstanding organisation (see page 16). This sub-strategy incorporates the 4 people themes of (1) our community, (2) talent and growth, (3) safe and healthy work environments, and (4) people-focused management and leadership. It sets the vision and agenda through to 2025, focusing on building a strong values-based and inclusive 'One WFD' culture, prioritising staff wellbeing, system improvement, and greater investment in equitable growth and development opportunities for all staff.

Sickness absence

WFD recorded 274.75 days (2023-2024: 428.5) of staff sickness absence across UK and overseas offices in 2024-2025. This equated to 1.4 days (2023-2024: 2.4) of average recorded sickness absence per full-time equivalent.

Staff turnover

WFD's annual staff turnover for the reporting period across all UK and overseas offices was 5.5% (2023-24: 11.8%).

Off-payroll workers and consultancy

WFD did not hire any off-payroll consultants during this reporting period.

Expenditure on temporary staff

During the year, WFD employed an average of 1 UK temporary full-time equivalent staff. The total cost was £99,040 (2024: 3 UK, £141,273).

Others - staff

Increase in untaken employee holiday entitlement: £47,455.

Time spent on trade union activities: 2.7 weeks (across 3 staff representatives).

Direct expenditure on WFD projects includes overseas locally engaged staff: £3.3 million (2024: £2.7 million) and is included in Note 4.

The governors did not receive any remuneration for their services. Travel costs of £ Nil (2024: £ Nil) were reimbursed in the year.

Trade Union Facility Time Publication

Relevant union official

<i>Number of employees who were relevant union officials during the relevant period</i>	<i>Full-time equivalent employee number</i>
2	2

Percentage of working hour spent on facilitation time

<i>Number of employees who were relevant union officials during the relevant period</i>	<i>Full-time equivalent employee number</i>
2	1-50%

Percentage of pay bill spent on facility time

Total cost of facility time	£1,938.46
Total pay bill	£3,517,268
Percentage of the total pay bill spent on facility	0.1%

Percentage of pay bill spent on facility time

<i>Time spent on paid trade union activities as a percentage of total paid facility time hours</i>	2.39%
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Staff numbers (audited)

The average number of full-time equivalent employees (excluding governors and vacancies) during the year was:

	2025	2024
Permanent – UK	62.8	56.8
Temporary – UK	1.0	1.7
Rest of world	132.2	117.3
Total	196	157.5

Please see note 4 for further details on costs.

Pension commitments

As a publicly funded body listed in Schedule 1 to the Superannuation Act 1972, WFD is included in Civil Service pension arrangements. The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as ‘alpha’ – are unfunded multi-employer defined benefit schemes. As multi-employer schemes, it is not possible for WFD to obtain sufficient information to identify its share of the underlying assets and liabilities. Therefore, they are accounted for as defined contribution schemes. Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

For 2024-2025, employers’ contributions of £823,322 were payable to the PCSPS and CSOPS and the partnership scheme (2024: 692,972). Employer contributions range between 8%-14.75% (age-related) for partnership members, and 28.97% of pensionable pay for PCSPS and CSOPS members. The Scheme Actuary usually reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2024-2025 to be paid when the member retires, and not the benefits paid during this period to existing pensioners. The report on the actuary valuation as at 31 March 2020 was released during 2022-2023. As a result, employer contributions increased from 1 April 2024. The full valuation report can be found in the ‘scheme valuations’ section of the Civil Service Pensions website.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. For 2024-2025, employers’ contributions of £61,424 were payable (2024: £61,773). Employer contributions are age-related and range from 8.0% to 14.75% of pensionable pay. WFD also matches employee contributions up to 3% of pensionable pay.

Parliamentary accountability and audit report

Parliamentary accountability disclosures

Losses and special payments (audited)

There were net realised foreign exchange losses totalling £187,939 in the year 2024-2025 (£129,512 in 2023-2024). No special payments were made during the reporting period

Fraud

Information on fraud, loss and error is submitted, via the FCDO, to the Cabinet Office on a quarterly basis through the Consolidated Data Return. This information is then published in the cross-government fraud landscape annual report. During the reporting period WFD experienced no material losses due to fraud.

Gifts and hospitality (audited)

During the reporting period, one WFD Board member reported a gift or hospitality valued at over £25. No employees reported gifts or hospitality valued over £25 during this period.

Indemnities or guarantees (audited)

WFD did not enter into any agreements to provide an indemnity or guarantee during the reporting period.

Remote contingent liabilities (audited)

WFD does not have any material remote contingent liabilities.

Government Functional Standards

WFD policies and practices are aligned with the Government's Functional Standards, notably around commercial, fraud, and grants.



Anthony Smith

Chief Executive and Accounting Officer,

Date 7 July 2025

The Certificate and Report of the Comptroller and Auditor General to the Members of Westminster Foundation for Democracy Limited and Houses of Parliament

Opinion on financial statements

I have audited the financial statements of the Westminster Foundation for Democracy Limited for the year ended 31 March 2025 under the Government Resources and Accounts Act 2000.

The financial statements comprise the Westminster Foundation for Democracy Limited's:

- Statements of Financial Position as at 31 March 2025;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the UK adopted International Accounting Standards .

In my opinion the financial statements:

- give a true and fair view of the state of the Westminster Foundation for Democracy Limited's affairs as at 31 March 2025 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the UK adopted International Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024*. I am independent of the Westminster Foundation for Democracy Limited in

accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Westminster Foundation for Democracy Limited's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

My responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this certificate.

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate thereon. The directors are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions issued under the Government Financial Reporting Manual.

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Westminster Foundation for Democracy Limited and its environment obtained in the course of the audit, I have not identified material misstatements in the Strategic Report or the Directors' Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Westminster Foundation for Democracy Limited from whom the auditor determines it necessary to obtain audit evidence.
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- preparing financial statements, which give a true and fair view, in accordance with the Companies Act 2006;
- preparing the Annual Report, which includes the Directors' Remuneration Report, in accordance with the Companies Act 2006; and
- assessing the Westminster Foundation for Democracy Limited'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 directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with the applicable law and Government Resources and Accounts Act 2000.

My 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 a certificate that includes my 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

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

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Westminster Foundation for Democracy Limited's accounting policies and key performance indicators.
- inquired of management and those charged with governance, including obtaining and reviewing supporting documentation relating to the Westminster Foundation for Democracy Limited's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Westminster Foundation for Democracy Limited's controls relating to the Westminster Foundation for Democracy Limited's compliance with the Companies Act 2006, Government Resources and Accounts Act 2000, and Managing Public Money;
- inquired of management and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Westminster Foundation for Democracy Limited for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Westminster Foundation for Democracy's framework of authority and other legal and regulatory frameworks in which the Westminster Foundation for Democracy Limited operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Westminster Foundation for Democracy Limited. The key laws and regulations I considered in this context included Companies Act 2006, Government Resources and Accounts Act 2000, Managing Public Money, the Framework Document with the Foreign, Commonwealth & Development Office, and employment law.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management and the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- I reviewed new transaction streams to confirm they were regular; and
- I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my 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 my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies

Date

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

Financial statements for Westminster Foundation for Democracy (WFD) 2024-25

Statement of Comprehensive Net Expenditure (SoCNE) for the year ended 31 March 2025

		2024-2025 Total £	2023-2024 Total £
	Notes		
INCOME			
Revenue from contracts with customers	2	11,229,141	8,845,445
TOTAL INCOME		11,229,141	8,845,445
DIRECT EXPENDITURE			
Direct expenditure on WFD projects	3	(13,897,989)	(10,581,679)
		(2,668,848)	(1,736,234)
OTHER EXPENDITURE			
Staff costs	4	(4,552,349)	(4,301,358)
Depreciation	5	(5,771)	(5,771)
Depreciation of right-of-use-assets	5	(263,322)	(217,986)
Property costs	6	-	(8,101)
Office consumables		(35,087)	(24,936)
IT and systems	7	(421,189)	(343,093)
Other employee costs	8	(130,601)	(77,891)
Professional fees		(38,929)	(53,572)
Audit fees	5	(46,554)	(39,000)
TOTAL OTHER EXPENDITURE		(5,493,802)	(5,071,708)
NET OPERATING EXPENDITURE		(8,162,650)	(6,807,942)
Finance interest		52,476	30,505
Finance expense	5	(34,461)	(42,373)
NET EXPENDITURE FOR THE YEAR		(8,144,635)	(6,819,810)
Total other comprehensive expenditure		-	-
COMPREHENSIVE NET EXPENDITURE FOR THE YEAR		(8,144,635)	(6,819,810)

Income does not include grant-in-aid received in the year of £8.5 million (2023-24: £6.5 million) as it is accounted for through reserves.

Notes to the accounts are included on pages 85-98.

Statement of Financial Position (SoFP) at 31 March 2025

		2024-2025	2023-2024
	Notes	Total £	Total £
NON-CURRENT ASSETS			
Plant & Equipment	9	1,103	6,874
Intangibles	10	142,675	-
Right-of-use assets	11	154,329	326,980
TOTAL NON-CURRENT ASSETS		298,107	333,854
CURRENT ASSETS			
Trade receivables and other current assets	12	2,473,302	976,768
Cash at bank and in-hand		1,978,282	2,168,151
TOTAL CURRENT ASSETS		4,451,584	3,144,919
CURRENT LIABILITIES			
Trade payables and other current liabilities	13	(3,687,971)	(2,635,044)
Provisions	14	(90,671)	-
Lease Liability	11	(116,202)	(228,047)
NET CURRENT LIABILITIES		(3,894,844)	(2,863,091)
TOTAL ASSETS LESS CURRENT LIABILITIES		854,847	615,682
Lease Liability more than 1 year	11	-	(116,200)
TOTAL ASSETS LESS ALL LIABILITIES		854,847	499,482
TAXPAYERS' EQUITY			
General fund	16	854,847	499,482
Total		854,847	499,482

(Companies House number 02693163)

Notes to the accounts are included on pages 85-98..

These accounts are exempt from the requirements of Part 16 of the Companies Act 2006 by virtue of section 482 (non-profit-making companies subject to public sector audit) of that Act.

The accounts were approved and authorised for issue by the Board on 7 July 2025.



Iain Wright

Chair Audit and Risk Committee



Anthony Smith

Chief Executive and Accounting Officer

Statement of Cash Flows for the year ended 31 March 2025

	Notes	2024-2025 Total £	2023-2024 Total £
CASHFLOWS FROM OPERATING ACTIVITIES			
Net operating expenditure for the year		(8,162,651)	(6,807,942)
Adjustment for depreciation computer equipment	9	5,771	5,771
Adjustment for depreciation charge for right of use asset		263,322	217,986
Adjustments for non-cash transactions		1,095	3,239
Adjustments for unrealised foreign exchange (gains)/losses		(1,271)	171,976
(Increase)/Decrease in trade receivables and other current assets	12	(1,496,534)	1,700,882
Increase/(decrease) in trade payables and other current liabilities	13	1,052,928	492,406
(Decrease)/ Increase in provisions	14	-	(7,299)
Net cash outflow from operating activities		(8,337,340)	(4,222,981)
CASHFLOW FROM INVESTING ACTIVITIES			
Purchase of intangible assets	9	(142,675)	-
Net cash inflow/(outflow) from investing activities		(142,675)	-
CASH FLOW FROM FINANCING ACTIVITIES			
Grant-in-aid from FCDO		8,500,000	6,500,000
Capital element of payments of lease liability	11	(229,140)	(225,959)
Interest received		52,476	30,505
Interest expense on lease liabilities and other finance cost		(34,461)	(42,373)
Net cash inflow from financing activities		8,288,875	6,262,173
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS IN THE PERIOD		(191,140)	2,039,192
Cash and cash equivalents at the beginning of the period		2,168,151	300,935
Unrealised foreign exchange gains (losses)		1,271	(171,976)
Cash and cash equivalents at the end of the period		1,978,282	2,168,151

Notes to the accounts are included on pages 85-98.

Statement of Changes in Taxpayers' Equity (SoCTE) for the year ended 31 March 2025

General Fund	Total £
Balances at 31 March 2023	819,292
Comprehensive net expenditure during the year	(6,819,810)
Grant-in-aid from FCDO	6,500,000
Balances as at 31st March 2024	499,482
Comprehensive net expenditure during the year	(8,144,635)
Grant-in-aid from FCDO	8,500,000
Balances as at 31st March 2025	854,847

Notes to the accounts are included on pages 85-98.

Notes to the financial statements

Accounting policies

1.1 Basis of Accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as applied in line with the provisions of the Companies Act 2006. They are prepared under the historical cost convention and in accordance with those parts of HM Treasury's Financial Reporting Manual (FReM) that do not conflict with the Companies Act 2006. The format of the Statement of Comprehensive Net Expenditure (SoCNE) has been adapted from that prescribed by the Companies Act to better reflect the nature of WFD's activities.

The Westminster Foundation for Democracy Limited (WFD) is responsible for preparing an annual report and financial statements in accordance with the Companies Act 2006, and the Accounts Direction issued by the Secretary of State for Foreign, Commonwealth and Development Affairs, and the applicable IFRS.

WFD is required to apply the relevant provisions of HM Treasury's FReM when preparing the financial statements, to the extent that this is consistent with the Companies Act 2006. This application of the FReM relates specifically to the financial statements, with certain FReM-derived disclosures also included within the Annual Report. These include, but are not limited to, disclosures on compensation for loss of office, staff numbers, fair pay ratios, and trade union facility time.

1.2 Critical accounting judgements and key sources of estimation uncertainty

In applying WFD's accounting policies, the governors are required to make judgements, estimates, and assumptions concerning the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and underlying assumptions are based on historical experience and other relevant factors. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the revision is made if it affects only that period, or in both the current and future periods if the revision affects both.

The following areas involve judgements, estimates, and assumptions that have the most significant effect on the amounts recognised in the financial statements:

- Accrued income / contract assets – requiring judgement to assess the likelihood of income being received;
- Deferred income / contract liabilities – requiring judgement to defer recognition of income already received for future periods.

These areas are further discussed in Note 1.4.

WFD does not consider the valuation or useful economic life of tangible fixed assets to be a significant source of judgement or estimation uncertainty, due to the low volume and value of such assets.

In the opinion of the governors, no assumptions regarding the future or estimation uncertainties at the Statement of Financial Position (SoFP) date are expected to result in a material adjustment to the carrying amounts of assets or liabilities in the next financial year.

1.3 Going Concern

The Board has reviewed WFD's financial position based on known information and has concluded that WFD has sufficient access to resources to remain sustainable and that it is appropriate for the Foundation to adopt the going concern basis of accounting. In March 2022, the FCDO confirmed a core grant to WFD of £6.5 million per annum for the following three years – 2022-2023, 2023-2024 and 2024-2025, plus an additional £2m of GIA for 2024-25 announced in a letter from FCDO received on February 2024. WFD was similarly awarded a core grant of £8.5mil for FY 2025-2026. WFD's draft budget for the next financial year has incorporated the funding scenario taking into account of the changing environment that WFD operates in. WFD also ended the year with a reserve position of 2025 £855,000. This reserve figure is higher than in FY2023-2024, but in line with previous years and reflects an improvement in WFD's ability to manage financial uncertainty until the Spending Review budget for FYs 2026-2029 is announced.

The Board and the Audit and Risk Committee have satisfied themselves that the funding available to the Foundation is sufficient to meet the cost of operations for at least a period of twelve months from the date of signing of this annual report, and that they do not believe that there are events or conditions that need to be reflected in this disclosure.

1.4 Funding and Revenue Recognition

Income Recognition

Income is recognised when all of the following criteria are satisfied:

- WFD has a demonstrable entitlement to the funds;
- Any conditions attached to the income have been met;
- Receipt of the income is probable; and
- The income can be measured reliably.

Grant Income and Contractual Arrangements

WFD administers a range of grants from institutional donors—including the FCDO—focused on delivering democracy assistance programmes. Grant income is recognised based on the timing of funding and the satisfaction of performance obligations, in accordance with IFRS 15:

- **Grants received in advance of expenditure** are recognised as income when related costs are incurred and performance obligations are fulfilled. If not yet expended, such amounts are deferred and recorded as a *contract liability* at the reporting date.
- **Grants received after expenditure is incurred** are recognised as income in the period in which the expenditure occurs. If not yet received, such amounts are recorded as a *contract asset*.

WFD also enters into service contracts, including with the FCDO, for the delivery of agreed democracy assistance activities. Under these contracts, funders are invoiced based on progress. The services delivered are specific to the contract and have no alternative use to WFD. The terms of the agreements require payment for work completed, unless WFD fails to fulfil its contractual obligations.

For contracts in progress at the reporting date, revenue is recognised using the *stage of completion* method. Progress is measured by comparing actual hours worked to the total estimated hours required to complete the project (input-based method). This approach provides a faithful representation of the transfer of services, as the contract value is directly linked to anticipated effort.

Contract Assets and Liabilities

WFD recognises contract assets and liabilities in the Statement of Financial Position as follows:

- **Contract Asset:** Represents the difference between revenue earned (based on progress) and amounts invoiced to date. This may include receivables for costs incurred in achieving partial milestones. Where applicable, any impairment is assessed and disclosed in accordance with IFRS 9.
- **Contract Liability:** Represents the excess of invoiced income over revenue earned, based on the most recent milestone achieved. A corresponding receivable is recognised if payment from the customer is outstanding.

1.5 Expenditure

Expenditure is recognised when there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Irrecoverable VAT is treated as a cost and charged to the activity to which the expenditure relates.

1.6 Pension costs

Pension contributions made by WFD in respect of employees participating in a defined contribution scheme are charged to the Statement of Comprehensive Net Expenditure (SoCNE) when they become payable. Any differences between contributions payable in the year and amounts paid are recorded under 'Trade payables and other current liabilities' in the Statement of Financial Position (SoFP). Contributions incurred by WFD in respect of employees to a defined contribution scheme are charged to the SoCNE.

For employees participating in a defined benefit, multi-employer scheme, contributions are also charged to the SoCNE when they become payable. This treatment is in accordance with IAS 19, which permits this approach for multi-employer schemes where assets are co-mingled for investment purposes and benefits are paid from the scheme's total assets.

Further details are provided in Note 4.

1.7 Foreign exchange transactions

Foreign currency transactions are translated into sterling at the exchange rate prevailing on the date of the transaction. Foreign currency balances are translated at the exchange rate ruling at the balance sheet date. All exchange differences are recognised in the Statement of Comprehensive Net Expenditure (SoCNE).

1.8 Taxation

WFD is not liable to Corporation Tax on grants received, as it is not a trading entity. However, it is liable to tax on any investment income. WFD had no investment income during the year. WFD is exempt from VAT.

1.9 General fund

Core funds represent unspent balances of income received that are available for use by WFD at its discretion. Designated funds relate to grants received for specific purposes and may only be used in accordance with those purposes. Grant-in-Aid received from the Foreign, Commonwealth and Development Office (FCDO) is recognised directly in the General Fund.

1.10 Non-current assets and depreciation

Non-current assets costing more than £2,000 are capitalised and included at cost on the Statement of Financial Position (SoFP), including any incidental expenses of acquisition. All such tangible assets are fully owned by WFD.

Depreciation is charged on a straight-line basis to write off the cost of tangible fixed assets over their estimated useful economic lives as follows:

Computer equipment	3 years
Furniture and fittings	5 years
Right of use assets	Over the life of the lease

1.11 Intangible Assets

Intangible assets are stated at cost less accumulated amortisation. These primarily relate to a systems improvement project aimed at enhancing SharePoint architecture. Amortisation is applied on a straight-line basis over the assets' expected useful economic life, typically between 3 to 5 years. Intangible assets under development are not amortised until they become operational.

1.12 Reserves policy

WFD has recently agreed with its sponsor department, the Foreign, Commonwealth and Development Office (FCDO), that it is appropriate to retain limited reserves to support the

organisation's stability and long-term sustainability. This approach includes an assessment of current and future working capital needs to enable the effective delivery of programme activities, particularly where funding and delivery may fall in different financial years.

WFD has adopted a Reserves Policy based on the following principles: compliance with HM Treasury rules, risk-based assessment, clear justification and appropriateness, relevance to current conditions, and alignment with good governance practices. The policy is subject to regular consultation and review.

1.13 Financial Instruments

IFRS 9 sets out requirements for the classification, recognition and measurement, impairment, derecognition, and general hedge accounting of financial instruments. WFD's financial instruments primarily consist of trade receivables and trade payables.

Receivables are presented net of expected credit losses. WFD deals primarily with counterparties that pose low credit risk—including UK central government departments, overseas governments, and other reputable organisations. Other receivables are standard trade receivables held for the purpose of collecting contractual cash flows in the normal course of business.

WFD holds financial assets and liabilities that qualify as basic financial instruments. These instruments are initially recognised at transaction value and subsequently measured at amortised cost, representing the present value of future cash flows.

- Financial assets held at amortised cost include cash at bank and in hand, and trade and other receivables (excluding prepayments, accrued income, and contract assets).
- Financial liabilities held at amortised cost include trade and other payables (excluding accrued expenditure, deferred income, and contract liabilities).

Discounting has not been applied to these financial instruments, as the settlement periods are short enough that any impact of discounting would be immaterial.

1.14 Assumption – Right-of-use Asset

WFD has applied IFRS 16 in recognising a right-of-use asset and a corresponding lease liability in the Statement of Financial Position.

Estimates and Key Judgements: in determining the lease term, WFD has recognised the lease liability based on the exercised break clause in the lease agreement. WFD has elected to apply the practical expedient not to separate lease and non-lease components.

A discount rate of 0.95% has been applied to calculate the net present value of the lease liability. WFD considers the cost model to be a reasonable proxy for fair value in measuring the right-of-use asset.

1.15 Future Accounting policies – (IFRS 17)

IFRS 17 Insurance Contracts comes into effect for financial reporting periods beginning on or after 1 January 2023, with adoption by His Majesty's Treasury from 1 April 2025. As WFD does not issue or hold insurance contracts, the implementation of this standard is not expected to have any impact on WFD's financial statements.

1.16 Provisions and Dilapidations Policy

A dilapidations liability assessment was conducted as at 31 March 2025. A provision has been recognised in the financial statements for estimated costs that WFD expects to incur upon vacating its properties in the near future, based on their condition at the year-end. While there is some uncertainty regarding the timing and precise amount of these costs, the provision represents WFD's best estimate.

Provisions for future liabilities are recognised when WFD has a legal or constructive obligation, the amount can be reliably estimated, and it is probable that a settlement will be required

2. Revenue

In 2024/25, WFD earned total income of £11.2 million, excluding core Grant-in-Aid (GIA). A breakdown of this income is provided in the table below::

	2024-25	2023-24
	£	£
European Union	447,930	295,370
Other FCDO	3,768,255	2,098,878
Conflict, Stability and Security Fund (CSSF)	3,723,984	4,908,281
UK Integrated Security Fund	1,156,323	-
UK PACT	-	1,342
Global Equality Project	-	517,446
International Partners & UK embassies	2,132,649	1,024,128
Total	11,229,141	8,845,445

3. Direct expenditure on WFD projects

In the opinion of the Board, WFD operates a single segment of business activity—strengthening pluralist democratic institutions, particularly political parties—due to the scale and nature of its operations. Financial reporting to the Management Board does not differentiate between operating segments.

	2024-25	2023-24
	£	£
Programmes directly implemented by WFD	12,446,192	9,285,227
Conservative Party	495,913	429,553
Labour Party	424,506	391,233
Scottish National Party	163,466	160,915
Multi parties	275,890	276,817
Travel & subsistence	92,022	37,934
Total	13,897,989	10,581,679

4. Staff costs

	2024-25	2023-24
	£	£
Wages and salaries	3,264,073	3,095,065
Temporary staff	99,040	141,273
Social security costs	336,101	335,160
Pension costs	853,135	729,860
Total	4,552,349	4,301,358

Direct expenditure on WFD projects includes costs for overseas locally engaged staff, amounting to £3.39 million (2024: £2.7 million), as disclosed in Note 4.

The Governors did not receive any remuneration for their services. Travel expenses of £nil (2024: £nil) were reimbursed during the year.

Further details are provided in the Remuneration Report on page 62.

Staff numbers

The average number of employees during the year, excluding Governors and vacant positions, was:

	2024-25	2023-24
Permanent – UK	63	56.8
Temporary – UK	1	3.0
Rest of world	132.9	117.3
Total	196.9	177.1

Further details are provided on page 67 in the Staff Report.

Pension commitments

As a publicly funded body listed in Schedule 1 to the Superannuation Act 1972, WFD is included in Civil Service pension arrangements. The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “alpha” - are unfunded multi-employer defined benefit scheme.

For further details on pension arrangements, please refer to the Pension Commitments section on page 73.

5. Other operating charges

	2024-25 £	2023-24 £
Auditor's remuneration	46,554	39,000
Finance costs	34,461	42,373
Depreciation	5,771	5,771
Depreciation of right of use asset	263,322	217,986
Total	350,108	305,130

*In addition to their statutory audit work, the NAO was paid fees of £2,700 (2023-24- £7,300) related to services delivered to the State Audit Office of North Macedonia, part of WFD's Western Balkans Programme. The £46,554 auditors remuneration, includes £5,000 billed for previous year audit.

6. Property Costs

	2024-25 £	2023-24 £
Rent	-	8,101
	0	8,101

7. IT & Systems

	2024-25 £	2023-24 £
Other IT costs	20,783	30,484
IT support contracts	144,785	85,687
IT licenses	210,363	198,663
IT hardware (non-capital)	35,384	14,089
IT disaster recovery	9,874	14,170
	421,189	343,093

8. Other employee costs

	2024-25 £	2023-24 £
Recruitment	3,386	8,350
Others	127,215	69,541
	130,601	77,891

9. Property, Plant and Equipment

	Computer Equipment 2024-25 £	Computer Equipment 2023-24 £
COST		
At 1 April 2024	17,313	17,313
Additions	-	-
as at 31 March 2025	17,313	17,313
DEPRECIATION		
At 1 April 2024	10,439	4,668
Charge in year	5,771	5,771
as at 31 March 2025	16,210	10,439
NET BOOK VALUE		
At 31 March 2025	1,103	6,874
At 31 March 2024	6,874	12,645

10. Intangible Asset

At 1 April 2024	
Additions	142,675
Amortisation	-
as at 31 March 2025	142,675

This amount relates to a Systems Improvement Project aimed at integrating and streamlining digital systems. The associated costs are classified as Assets Under Development (AUD); accordingly, no amortisation has been charged during the year.

11. Right-of-use of assets

11. Right-of-use assets

	£
At 1 April 2024	326,980
Addition in the year	90,671
Depreciation Charge for the year	(263,322)
Net book value at 31 March 2025	154,329

11. Leases

	£
On application of IFRS 16 on 1 April 2024	344,248
Interest accrued	1,094
Payments	(229,140)
Less Long-term lease liability	-
Lease Liability in the period ending 31 March 2025	116,202

Long term Lease Liability in the period ending 31 March 2025	-
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Amounts Recognised in the Statement of Comprehensive Net Expenditure (SoCNE) for the Year to 31 March 2025

- Depreciation expense on right-of-use assets: £263,322
- Finance expense (interest on lease liabilities): £1,094

WFD has applied IFRS 16 to recognise a right-of-use asset and corresponding lease liability in the Statement of Financial Position.

On 1 April 2022, WFD entered into a five-year licence agreement with the Government Property Agency (GPA) to occupy Clive House, 70 Petty France, London. The agreement includes mutual break clauses exercisable in September 2025 and September 2026. GPA has formally exercised the September 2025 break clause, and will work with WFD to secure alternative office accommodation within the Central London civil estate.

The lease has been accounted for in WFD's financial statements for 2022–23, 2023–24, and 2024–25 in accordance with IFRS 16. WFD has applied IFRS 16 in the creation of a right-of-use asset and a corresponding lease liability in the Statement of Financial Position.

12. Trade receivables and other current assets

	2024-25	2023-24
	£	£
Trade receivables and other current assets	1,268,119	508,512
Trade Bad Debt Provision	(58,884)	-
Deposits and advances	233,936	89,944
Prepayments	61,424	162,199
Contract assets	968,707	216,113
Total	2,473,302	976,768

13. Trade payables and other current liabilities

	2024-25	2023-24
	£	£
Trade payables	866,991	792,920
Pension contributions payable	100,439	73,054
Accruals	1,071,940	807,584
Contract liabilities	1,648,601	961,486
Total	3,687,971	2,635,044

14. Provisions

	2024-25	2024-24
	£	£
Dilapidation Provision	90,671	-
Total	90,671	0

15a. Financial exposure

As the cash requirements of WFD are substantially met through grant-in-aid provided by the Foreign, Commonwealth and Development Office (FCDO), financial instruments play a limited role in managing risk compared to other non-departmental public bodies. As such, WFD has low exposure to credit, liquidity, and market risks.

WFD operates across multiple foreign jurisdictions, which necessitates the use of foreign currencies to support overseas operations. Foreign exchange risk is minimised by maintaining only the minimum necessary cash balances in foreign currency bank accounts.

15b. Legal status

WFD is a company limited by guarantee and does not have share capital. The liability of its two members - the Secretary of State for Foreign, Commonwealth and Development Affairs, and the Treasury Solicitor - is limited to £1 each.

16. General fund

The balance of Designated Funds at 31 March 2025 represents a donation that has been designated for a specific purpose. Consistent with previous years, WFD's main bank balances are held in HSBC bank accounts.

	Core £	Designated £	Total £
COST			
At 1 April 2023			
Property, Plant and Equipment	6,874	-	6,874
Right of use assets	326,980	-	326,980
Trade and other receivables	976,768	-	976,768
Cash and cash equivalents	2,157,592	10,559	2,168,151
Trade and other payables	(2,863,092)	-	(2,863,092)
Lease Liability more than 1 Year	(116,200)		(116,200)
as at 31 March 2024	488,922	10,559	499,482
At 1 April 2024			
Property, Plant and Equipment	1,103	-	1,103
Intangibles	142,675	-	142,675
Right of use assets	154,329	-	154,329
Trade and other receivables	2,473,302	-	2,473,302
Cash and cash equivalents	1,967,723	10,559	1,978,282
Trade and other payables	(3,894,844)	-	(3,894,844)
Lease Liability more than 1 Year	-		-
as at 31 March 2025	844,288	10,559	854,847

17. Related party transactions

WFD is a non-departmental public body sponsored by the Foreign, Commonwealth and Development Office (FCDO), which is therefore considered a related party.

During the year, WFD received core grant-in-aid funding of £8.5 million from the FCDO (2023–24: £6.5 million). In addition, WFD earned revenue from the FCDO amounting to £3.8 million, from the Conflict, Stability and Security Fund (CSSF) amounting to £3.7 million, and from the UK Integrated Security Fund amounting to £1.2 million. All related party transactions were conducted on terms equivalent to those that would prevail in arm's length transactions.

No board member, key management personnel, or other related parties undertook any material transactions with WFD during the reporting year. The Government Property Agency (GPA) is also considered a related party.

During 2024–25, WFD held a lease agreement with GPA for its office premises at Clive House, 70 Petty France, London.

18. Events after the reporting period

WFD entered into a new lease agreement in June 2025. The agreed annual rent under the new lease will be £67,161.51, subject to annual increases from 1 January each year, linked to the Retail Price Index (RPI), capped at 5%. Additional running costs under this lease are expected to include landlord services of £61,903.47 per annum and a GPA fee of £6,536.03 per annum.

The Accounting Officer authorised these financial statements for issue on the same date as the Comptroller and Auditor General's audit certificate. The financial statements do not reflect any events occurring after this date.

Westminster Foundation for Democracy (WFD) is the UK public body dedicated to supporting democracy around the world. Operating internationally, WFD works with parliaments, political parties, and civil society groups as well as on elections to help make political systems fairer, and more inclusive and accountable.

 **www.wfd.org**

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