



FINANCIAL STATEMENTS
OF THE
COMMONWEALTH YOUTH PROGRAMME
FOR THE YEAR ENDED
30 JUNE 2012

A handwritten signature in black ink, appearing to read 'Stephen J. Cutts', written over a horizontal line.

Stephen Cutts
Assistant Secretary General

18th February 2013

A handwritten signature in black ink, appearing to read 'Kamalesh Sharma', written over a horizontal line.

Kamalesh Sharma
Secretary General

18th February 2013

COMMONWEALTH YOUTH PROGRAMME

PRINCIPAL ACTIVITIES AND OPERATING STRUCTURE

Principal Activities of the Commonwealth Secretariat

The Commonwealth Secretariat (The Secretariat) is an inter-governmental organisation set up by the 54 Commonwealth Member Governments to promote democracy, good governance, economic and human development in member countries.

The Secretariat's role is articulated in the following Mission Statement:

"We work as a trusted partner for all Commonwealth people as:

- A force for peace, democracy, equality, equity, respect and good governance;
- A catalyst for global consensus-building; and
- A source of assistance for sustainable development and poverty eradication"

The Secretariat delivers its core programmes of work in four main areas: policy development, advisory services and advocacy, technical assistance, and consensus-building.

Further information regarding The Secretariat's current four year Strategic Plan from 2008/09 to 2011/12, which was extended to allow for full consideration of the mandates from CHOGM 2011 to be developed into a new Strategic Plan, can be found on the website www.thecommonwealth.org.

Commonwealth Secretariat Fund

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

- Commonwealth Secretariat Fund (ComSec)
- Commonwealth Fund for Technical Co-operation (CFTC)
- Commonwealth Youth Programme Fund (CYP)

The Memoranda of Understanding of the three funds require The Secretariat to operate and prepare separate audited accounts for each of the funds.

Accordingly, these are the financial statements of the **Commonwealth Youth Programme Fund** for the year ended 30 June 2012.

The financial statements for CYP also include the financial performance and position of the CYP London HQ (Pancom) and the Regional Centres based in Chandigarh, India; Lusaka, Zambia; Honiara, Solomon Islands; and Georgetown, Guyana. These centres operate as regional bases for all Commonwealth countries to deliver the CYP programmes.

Governance and Structure

The Secretariat is headed by a Secretary General, Mr Kamallesh Sharma, who is appointed by the Heads of Government of the Commonwealth Member Countries and is responsible to them and the Board of Governors for the management of The Secretariat.

The Secretary General reports to the Heads of Government through individual meetings and also collectively at the biennial Commonwealth Heads of Government Meeting (CHOGM). The Secretary General is also held accountable through the Commonwealth's Board of Governors which meets regularly in London on behalf of member governments at senior diplomatic level.

The Secretary General is assisted by two Deputy Secretaries General, an Assistant Secretary General and twelve directors in managing the activities of the organisation. The Secretariat has 13 divisions and units which carry out programmes of work based on mandates set at CHOGM.

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

COMMONWEALTH YOUTH PROGRAMME
PRINCIPAL ACTIVITIES AND OPERATING STRUCTURE

Responsibilities of the Secretary-General

The Secretary-General of the Commonwealth Secretariat is responsible for preparing financial statements in accordance with the requirements of International Public Sector Accounting Standards and the Financial Regulations as authorised by the Commonwealth Heads of Government.

The Secretary-General of the Commonwealth Secretariat is also responsible for:

- keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Fund;
- safeguarding the assets;
- such internal control as you determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- taking reasonable steps for the prevention and detection of fraud and other irregularities; and
- maintaining the integrity of the audited financial statements published on the Commonwealth Secretariat's website.

COMMONWEALTH YOUTH PROGRAMME
PRINCIPAL ACTIVITIES AND OPERATING STRUCTURE

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS

We have audited the financial statements of the Commonwealth Youth Programme Fund for the year ended 30 June 2012, which comprise the Statement of Financial Position, the Statement of Financial Performance, the Statement of Changes in Net Assets, the Cash Flow Statement and the related notes 1 to 21.

Our report will be made solely to the Board of Governors in accordance with this engagement letter and the Financial Regulations of the funds. Our work will be undertaken so that we might state to the Secretary-General those matters we are required to state to them in an independent auditor's report and for no other purpose. To the fullest extent permitted by law, we will not accept or assume responsibility to anyone other than the Board of Governors as a body, for our audit work, for our reports, or for the conclusions we form.

Secretary General's responsibilities for the Financial Statements

The Secretary General of the Commonwealth Secretariat is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards and the Financial Regulations as authorised by the Commonwealth Heads of Government, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with the Auditing Practices Board's Ethical Standards for Auditors and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Commonwealth Youth Programme Fund as at 30 June 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards and the Financial Regulations as authorised by the Commonwealth Heads of Government.



Deloitte LLP
Chartered Accountants and Statutory Auditor
St Albans, UK

19 FEBRUARY 2013

COMMONWEALTH YOUTH PROGRAMME

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

ASSETS	Notes	30 June 2012	30 June 2011
		£	£
Current assets			
Cash and cash equivalents	2	2,392,625	1,973,671
Inventories	3	4,634	3,369
Receivables and Prepayments	4	59,573	73,059
Members' Contributions Outstanding	8	680,483	1,777,721
		<u>3,137,315</u>	<u>3,827,820</u>
Non-current assets			
Property, plant and equipment	5	<u>184,860</u>	<u>110,613</u>
		<u>184,860</u>	<u>110,613</u>
TOTAL ASSETS		<u>3,322,175</u>	<u>3,938,433</u>
LIABILITIES			
Current liabilities			
Payables and Other Current Liabilities	6	703,933	281,989
Deferred Income	9	261,437	330,988
Members' Contributions Prepaid	8	32,460	128,691
Provisions for liabilities and charges	7	98,973	27,000
		<u>1,096,803</u>	<u>768,668</u>
Non-current liabilities			
Provisions for liabilities and charges	7	<u>129,501</u>	<u>112,207</u>
TOTAL LIABILITIES		<u>1,226,304</u>	<u>880,875</u>
NET ASSETS		<u>2,095,871</u>	<u>3,057,559</u>
FUND BALANCES AND RESERVES			
General Reserve		121,532	2,245,564
CYMM/RAB Reserve		528,824	94,407
Working Capital Reserve		745,000	717,588
Designated Fund Reserve	10	700,515	-
TOTAL FUND BALANCES AND RESERVES		<u>2,095,871</u>	<u>3,057,559</u>

COMMONWEALTH YOUTH PROGRAMME

STATEMENT OF FINANCIAL PERFORMANCE AS AT 30 JUNE 2012

		2011-12	2010-11
	Notes	£	£
REVENUE			
Contributions to the Youth Programme	8	2,988,873	2,869,941
Special Projects		273,200	264,513
Conference & Hostel Income		324,996	316,715
Interest Revenues	11	14,695	9,049
Other Income		(85,325)	200,903
Currency Gain		14,044	-
		<hr/>	<hr/>
TOTAL REVENUE		3,530,483	3,661,121
		<hr/>	<hr/>
EXPENSES			
Staff Costs	12	1,501,801	1,344,976
General Administration	14	1,349,130	635,283
Common Service Charge		241,321	226,070
Training & Workshops		1,034,609	1,150,030
Conference & Hostel Expenses		338,979	334,275
Currency Loss		-	24,639
		<hr/>	<hr/>
TOTAL EXPENSES		4,465,840	3,715,273
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DEFICIT FOR THE YEAR		(935,357)	(54,152)
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COMMONWEALTH YOUTH PROGRAMME

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2012

	Notes	General Reserve	CYMM/RAB Reserve	Working Capital Reserve	Designated Fund Reserve	Total
		£	£	£		£
Balance at 30 June 2010		2,312,018	75,507	703,754	-	3,091,279
Deficit		(54,152)	-	-	-	(54,152)
Working Capital Funds Transfer		(13,834)	-	13,834	-	-
Currency Translation of Foreign Operations		7,837	(477)	-	-	7,360
Movement in Reserves		13,072	-	-	-	13,072
Transfers between funds		(19,377)	19,377	-	-	-
Balance at 30 June 2011		2,245,564	94,407	717,588	-	3,057,559
Deficit		(935,357)	-	-	-	(935,357)
Transfer of Expenditure from Designated Reserves	10	199,485	-	-	(199,485)	-
Working Capital Funds Transfer		(27,412)	-	27,412	-	-
Currency Translation of Foreign Operations		(43,190)	16,859	-	-	(26,331)
Transfers between funds		(1,317,558)	417,558	-	900,000	-
Balance at 30 June 2012		121,532	528,824	745,000	700,515	2,095,871

COMMONWEALTH YOUTH PROGRAMME

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

		2011-12	2010-11
	Notes	£	£
Cash flow from Operating Activities			
Deficit		(935,357)	(54,152)
Adjustments for:			
Depreciation	5	39,612	26,981
Decrease/(Increase) in outstanding contributions		1,097,238	(582,002)
(Decrease)/Increase in contributions received in advance		(96,231)	92,089
Decrease in receivables and prepayments		13,486	272,897
Increase in inventories		(1,265)	(880)
Decrease in deferred income		(69,551)	(13,515)
Increase/(Decrease) in payables and accrued charges		421,944	(126,178)
Increase in Provisions	7	89,267	19,207
Interest Revenues		(14,695)	-
Net Cash Flow from Operating Activities		544,448	(365,553)
Cash Flow from Investing Activities			
Purchase of property, plant and equipment		(115,534)	(25,153)
Proceeds from sale of fixed assets		4,893	-
Interest Received and Receivable		14,695	(9,049)
Net Cash Flow from Investing Activities		(95,946)	(34,202)
Currency (Loss)/Gain arising from Foreign Operations		(29,548)	4,848
Net Increase/(Decrease) in Cash and Cash Equivalents		418,954	(394,907)
Cash and Cash Equivalents at the Beginning of Period		1,973,671	2,368,578
Cash and Cash Equivalents at End of Period	2	2,392,625	1,973,671
Movement in Cash and Cash Equivalents		418,954	(394,907)

COMMONWEALTH YOUTH PROGRAMME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

1. Accounting Policies

1.1 Statement of Compliance

The financial statements of the Commonwealth Youth Programme (CYP) have been prepared on an accruals basis in accordance with the International Public Sector Accounting Standards (IPSAS).

- In accordance with IPSAS 1, budgets and related budget reconciliation analysis have not been provided as they are not publicly available
- Segmental information relating to the four CYP Centres and PanCom has been provided in the financial statements

1.2 New Accounting Standards

The Secretariat has not opted for early adoption of the following International Public Sector Accounting Standards:

- IPSAS 28 Financial Instruments: Presentation (effective date 1 January 2013)
- IPSAS 29 Financial Instruments: Recognition & Measurement (effective date 1 January 2013)
- IPSAS 30 Financial Instruments: Disclosure (effective date 1 January 2013)

The Secretariat is of the opinion that the introduction of these Standards will not have any impact on the financial statements.

IPSASB has introduced IPSAS 31 (Intangible Assets) and requires entities to apply this standard for annual financial statements covering periods beginning on or after 1 April 2011. The Commonwealth Secretariat has applied IPSAS 31 in preparing these financial statements.

IPSASB has introduced IPSAS 32 (Service Concession Arrangements) and requires entities to apply this standard for annual financial statements covering periods beginning on or after 1 January 2014. IPSASB encourages earlier application of this Standard. The Commonwealth has not applied IPSAS 32 in preparing these financial statements since it did not enter into any service concession arrangements within the scope of IPSAS 32.

1.3 Basis for Non-Consolidation of Financial Statements

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

- Commonwealth Secretariat Fund (ComSec)
- Commonwealth Fund for Technical Co-operation (CFTC)
- Commonwealth Youth Programme Fund (CYP)

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

The Secretariat has reviewed IPSAS 6 Consolidated and Separate Financial Statements and considers that the consolidation requirement is not applicable in this situation.

1.4 Accounting Convention

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

1.5 Going Concern Assumption

The financial statements have been prepared on the going concern basis. Management has a reasonable expectation that The Secretariat will continue in operational existence for the foreseeable future. The Board of Governors have approved the 2012-13 budget on behalf of the member states. The new Strategic Plan is being developed and is expected to be finalised before the end of 2012. There is a commitment from the Board of Governors to fund this Strategic Plan effective July 2013.

COMMONWEALTH YOUTH PROGRAMME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

1.6 Functional and Presentational Currency

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

1.7 Financial Instruments

Financial instruments are initially measured at fair value plus transaction costs unless they are carried at fair value through profit and loss in which case transaction costs are charged to operating costs.

The categorisation of financial assets and liabilities depends on the purpose for which the asset or liability is held or acquired. Management determines the categorisation of assets and liabilities at initial recognition and re-evaluates this designation at each reporting date.

Current financial assets held by CYP comprise cash and cash equivalents, investments, inventories, receivables and prepayments. These are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. Since these balances are expected to be realised within 12 months of the reporting date, there is no material difference between fair value, amortised cost and historical cost. CYP does not hold any non-current financial assets.

Current financial liabilities held by CYP comprise payables, accruals and deferred income. For liabilities expected to be settled within 12 months of the reporting date, there is no material difference between fair value, amortised cost and historical cost.

Non-current liabilities are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest and charges are accrued over the period they become due and are recorded as part of other creditors.

1.8 Cash and Cash Equivalents

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

Managed investments are held in interest bearing accounts on the money market or as fixed short term deposits. All investments are due to mature within three months and, as such, are all classified as cash and cash equivalents under current assets. The fixed term deposits relate to restricted balances held for Special Projects and the Staff Gratuity Fund and are not available for general use by CYP.

1.9 Inventories

Regional CYP Centres in Chandigarh, India and Lusaka, Zambia also operate as Conference Centres. Stocks of goods held for resale are valued at the lower of cost and net realisable value. Stocks not held for resale are valued at cost.

1.10 Property, Plant and Equipment

(a) Costs

Items of property, plant and equipment that meet the recognition criteria for assets and have a value greater than £1,000, or a group of similar assets with a value greater than £10,000 where the individual value is less than £1,000, are capitalised and depreciated to residual value over their useful life. Assets not previously recognised by The Secretariat prior to its adoption of IPSAS 17 on 1 July 2008 were recognised at their fair value on the date of first recognition and credited back to the General Reserve.

Property, plant and equipment are recorded at cost, which includes the purchase price and directly attributable costs of bringing the asset to working condition for its intended use.

(b) Depreciation

Depreciation on purchased and revalued assets is charged in the Statement of Financial Performance to write off the cost or valuation over their estimated useful lives using a straight-line method. Depreciation on assets acquired

COMMONWEALTH YOUTH PROGRAMME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

under finance leases is charged to the Statement of Financial Performance over the shorter of the lease term and the assets' useful life.

Depreciation is provided from the month of acquisition of an asset and in the month of disposal. The estimated useful lives applicable are as follows:

• Building Improvements	Remaining term of the lease
• Plant and Equipment	12 years
• Fixtures and Fittings	8 years
• Motor Vehicles	5 years
• Computers	4 years

(c) Impairment

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

1.11 Payables and Accruals

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

1.12 Deferred Income

Details of deferred income are given in note 9.

1.13 Provisions and Contingent Liabilities

Provisions are made for future liabilities and charges where CYP has a present legal or constructive obligation as a result of a past event.

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

1.14 Reserves

CYP's reserves consist of the following:

- General Reserve is the fund carried forward after accounting for contributions, other sources of income and expenses for all programme related and administrative categories
- Working Capital Fund which is maintained at 25% of the annual Plan of Expenditure
- CYMM/RAB Reserve is the fund set aside to finance the governance meetings. Commonwealth Youth Ministers Meeting (CYMM) is held every four years, while Regional Advisory Board (RAB) is held biennially
- Designated Fund Reserve is set aside for specific purposes within the overall reserves as agreed with the Board of Governors as part of the budget paper

1.15 Revenue

(a) Contributions

CYP is financed by contributions from the 54 Member Governments that make up the Commonwealth. Revenue is recognised when the amounts are invoiced following agreement of contributions at the meeting of the Board of Governors held annually in May. Where contributions are received in advance of the year to which it relates, the amount is recognised as a liability in the Statement of Financial Position.

Members' contributions receivable in the Statement of Financial Position are stated at the agreed amount and reduced by a provision for anticipated delay in settlement of arrears for members temporarily excluded due to suspension.

COMMONWEALTH YOUTH PROGRAMME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

(b) Special Projects

CYP receives additional contributions and grants from member governments, non-Commonwealth countries and other organisations for special projects. These monies are awarded subject to specific performance conditions.

The revenue for these projects is recognised when expenditure on these projects has been incurred, which is when specific performance conditions are met. When revenue has been received but the expenditure has not been incurred, it is reported as deferred income in the Statement of Financial Position (see note 9 for details of deferred income). Excess funds are returned to the provider.

(c) Conference and Hostel income

This income relates to monies generated from operating Conference and Hostel facilities at the Regional Centres, and is recognised when the service/conference/hostel is provided.

(d) Other Income

Other income consists of:

- interest received from interest-bearing accounts

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

1.16 Expenses

(a) Staff costs

i) Unused annual leave

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

ii) Tax

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

Locally recruited staff at the CYP Africa and Caribbean Regional Centre are exempt from paying income tax. Staff at the Asia and Pacific Regional Centres pay tax on their income to the Host Government. Internationally recruited Regional Directors and Programme Managers are exempt from paying income tax except where they are nationals of the Host Government in which case, income tax paid is reimbursed by CYP.

iii) Staff Gratuity Fund

CYP contributes fifteen percent of the gross salary paid to permanent members of staff on a monthly basis to its Staff Gratuity Fund. Contributions to the fund are recognised as staff costs in the Statement of Financial Performance. Payments of accumulated gratuity plus interest are made to internationally recruited staff at the end of their contract or on leaving CYP, and annually for locally recruited administrative and support staff.

The contributions are paid into the fund's bank account and managed separately in readily convertible investments. Cash deposits and fixed term deposits relating to the staff gratuity fund are not available for general use by CYP. These are recognised as assets in the Statement of Financial Position, with a corresponding liability. This liability is classified as both current and non-current dependent upon the expiry dates of the employees' contracts.

For Pancom staff, the relating asset and liability are reported in the Statement of Financial Position of the Commonwealth Secretariat Fund (COMSEC) because it is not possible to readily separate the proportion relating to CYP employees.

iv) Relocation expenses

The Secretariat pays relocation expenses for overseas recruited staff and experts at the beginning and end of their contracts.

COMMONWEALTH YOUTH PROGRAMME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

v) Home leave

The Secretariat pays for home leave passages for overseas recruited staff after serving 20 months of their contracts. A provision for future home leave passages is included within staff costs in the financial statements.

vi) Pensions

The Secretariat operates two defined benefit pension schemes, one for former Secretaries General and one for permanent staff, with a supplementary arrangement as described below.

Former Secretaries General Pension Scheme

The pension scheme for former Secretaries General is unfunded. Payments made in the year are recognised in the Statement of Financial Performance of COMSEC.

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

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

Staff Defined Benefit Pension Scheme

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

The current Schedule of Contributions requires the employer to contribute the amount required to bring the aggregate contribution to one twelfth of 40% of the total contributory payroll of the active members of all the funds each month in respect of future service, together with additional monthly contributions of £109,000 to meet the past service shortfall on behalf of entitled employees. Also payable are insurance premiums for death-in-service benefits and expenses incurred by the trustees in administering the scheme.

The Scheme is subject to UK pension regulations. It undertakes valuations every three years and prepares financial statements to 31 March. The financial statements of the scheme are audited by Ash Shaw LLP. The scheme's actuary is Mr. M C Richmond, Senior Manager, Pensions, Equitable Life Assurance Society. The audited financial statements and details of advisors are available on request from the Payroll and Pensions Team, Finance and Management Information Section, Marlborough House, London SW1Y 5HX.

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

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

Supplementary Pension

To supplement The Commonwealth Secretariat Pension & Life Assurance Scheme (1979), The Secretariat may also award an additional increase on a discretionary basis. A review is carried out annually to compare the pension benefits to UK Public Sector pension increases, and consider whether to award an additional increase on a discretionary basis to bring them into line. This arrangement is paid as supplementary to the pension payment.

An actuarial valuation of The Secretariat's obligation as at the year end is obtained with the entire liability recognised in the Statement of Financial Position of COMSEC as it is not possible to separate the scheme liabilities under the different funds. The present value of the supplementary pension obligations is determined

COMMONWEALTH YOUTH PROGRAMME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

by discounting the estimated future cash outflows using agreed assumptions. There are no directly attributable investments or assets to support the obligations of this scheme. Unrealised gains and losses are recognised in the Statement of Changes in Net Assets.

The supplementary pension scheme which was accessible to staff of COMSEC, CFTC, CYP and Commonwealth Science Council Funds was closed to new members with effect from 1 January 2002.

Group Stakeholder Defined Contribution Pension Scheme

The Secretariat also operates a defined contribution pension scheme for staff. All contributions are recognised in the Statement of Financial Performance in the period in which the obligations arise.

(b) Accommodation costs

The headquarters of The Secretariat is located in London and its operations are sited in two separate office buildings: Marlborough House and Quadrant House. Marlborough House is provided free of rent by the UK Government. Under IPSAS 23 Revenue from Non-Exchange Transactions, the value of this service in-kind is recognised as both income and expense in the Statement of Financial Performance of ComSec.

Accommodation costs are an apportionment of costs incurred by ComSec in respect of the rental of Quadrant House, maintenance and utility bills relating to the two official buildings.

Regional Centres are also provided rent-free accommodation by the host governments; African Centre – Zambian Government, Asia Centre – Government of India, Caribbean Centre – Guyana Government and South Pacific Centre – The Solomon Islands Government. No value for this is recognised in relation to a non-exchange transaction as this is not material to these financial statements.

(c) Direct Projects

Where contracts exist for expenditure on direct projects, costs are recognised in the Statement of Financial Performance as specific conditions in the individual contracts are fulfilled.

(d) Foreign currency transactions

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

Assets and liabilities of the CYP Regional Centres are translated at the exchange rates existing at reporting date. Revenues and expenses are translated at the average rate of exchange over the financial year. Unrealised gains and losses from the revaluation of foreign operations are recognised in the Statement of Changes in Net Assets as currency translations.

(e) Common Service Charge

ComSec levies an administrative charge referred to as the Common Service Charge on CYP. The charge recovers from CYP some of the costs incurred by ComSec in operating the common service divisions. The common service divisions are Office of the Secretary General, Strategic Planning & Evaluation, Corporate Services, Human Resources and Communications & Public Affairs.

The present method of apportioning these costs is based on the proportion of the staff members' time devoted to supporting activities in a particular area of work. The costs are apportioned on the basis of an agreed formula which includes staff costs, office accommodation and other administrative costs related to the common service divisions.

1.17 Use of Estimates and Judgements

The financial statements include amounts based on estimates and key assumptions about the future made by management. These estimates and underlying assumptions are reviewed on an on-going basis. Further details are given where applicable in the individual notes to the assets and liabilities.

COMMONWEALTH YOUTH PROGRAMME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

2. Cash and Cash Equivalents

Restricted balances relate to balances for Special Projects and Staff Gratuity Funds which are held for use only for these specific purposes.

	Unrestricted		Restricted		Total	
	2012	2011	2012	2011	2012	2011
	£	£	£	£	£	£
Cash and Cash Deposits	1,697,480	1,811,335	695,145	162,336	2,392,625	1,973,671

3. Inventories

	2012	2011
	£	£
Total Inventories	4,634	3,369

4. Receivables and Prepayments

	Notes	2012	2011
		£	£
Staff Debtors	(a)	3,052	6,546
Prepayments	(b)	18,144	25,901
Other Debtors		45,728	40,612
Less: Provision for Doubtful Debts	(c)	(7,351)	-
Total Receivables and Prepayments		59,573	73,059

(a) Staff debtors mainly represent accountable advances issued to staff for programme work.

(b) Prepayments include amounts paid in advance towards project and administration expenses.

(c) Provision by CYP Africa for doubtful Conference Centre debts.

COMMONWEALTH YOUTH PROGRAMME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

5(a) Non-Current Assets

Property, Plant & Equipment 2012

	Building Improvement	Furniture & Fixtures	Hardware & Software	Equipment	Vehicles	Total 2012
	£	£	£	£	£	£
Cost						
Opening Balance at 1 July	11,436	53,380	151,912	23,579	91,208	331,515
Additions	-	8,245	96,663	2,264	8,362	115,534
Disposals	-	(3,033)	(1,860)	-	-	(4,893)
Currency Translation	530	(963)	(3,368)	(1,349)	(1,573)	(6,723)
Closing Balance as at 30 June	11,966	57,629	243,347	24,494	97,997	435,433

Depreciation

Opening Balance at 1 July	(8,467)	(36,130)	(126,885)	(13,567)	(35,853)	(220,902)
Depreciation	(598)	(3,342)	(21,497)	(1,136)	(13,039)	(39,612)
Disposals	-	2,332	1,632	-	-	3,964
Currency Translation	(406)	431	3,572	809	1,571	5,977
Closing Balance as at 30 June	(9,471)	(36,709)	(143,178)	(13,894)	(47,321)	(250,573)

Net Book Value 30 June 2012	2,495	20,920	100,169	10,600	50,676	184,860
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Net Book Value 1 July 2011	2,969	17,260	25,027	10,012	55,355	110,613
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COMMONWEALTH YOUTH PROGRAMME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

5(b) Non-Current Assets

Property, Plant & Equipment 2011

	Building Improvement	Furniture & Fixtures	Hardware & Software	Equipment	Vehicles	Total 2011
Cost	£	£	£	£	£	£
Opening Balance at 1 July	10,100	49,428	158,432	23,270	79,493	320,723
Additions	-	2,781	9,212	952	42,212	55,157
Disposals	-	-	(14,704)	-	(30,386)	(45,090)
Adjustments	-	-	(3,717)	-	-	(3,717)
Currency Translation	1,336	1,171	2,689	(643)	(111)	4,442
Closing Balance as at 30 June	11,436	53,380	151,912	23,579	91,208	331,515

Depreciation

Opening Balance at 1 July	(6,973)	(29,559)	(137,695)	(11,812)	(49,224)	(235,263)
Depreciation	(572)	(3,498)	(7,506)	(2,043)	(13,362)	(26,981)
Disposals	-	-	4,514	-	-	4,514
Adjustment	-	(2,598)	15,785	-	25,913	39,100
Currency Translation	(922)	(475)	(1,983)	288	820	(2,272)
Closing Balance as at 30 June	(8,467)	(36,130)	(126,885)	(13,667)	(35,853)	(220,902)

Net Book Value 30 June 2011	2,969	17,250	25,027	10,012	55,355	110,613
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Net Book Value 1 July 2010	3,127	19,869	20,737	11,458	30,269	85,460
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COMMONWEALTH YOUTH PROGRAMME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

6. Payables and Other Liabilities

Amounts falling due within one year

	Notes	2012	2011
		£	£
Staff Balances		385	502
Trade Payables & Accruals		185,310	86,019
Commonwealth Secretariat		121,764	57,586
Commonwealth Fund for Technical Co-operation		1,412	-
Employee Benefits	(a)	345,026	122,613
Other Creditors		50,036	15,269
Total Payables and Current Liabilities		703,933	281,989

(a) Employee Benefits

Employee Benefits represent salary arrears, accrued gratuity for staff based at the Regional Centres and provision for accrued leave as at 30 June 2012. The gratuity for locally recruited support staff at the Regional Centres is paid annually while that for internationally-recruited staff is payable at the earlier of end of an employee's contract and termination of employment. The gratuity scheme for Pancom employees is managed under the Commonwealth Secretariat Fund.

7. Provisions

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

	At 30 June 2012		At 30 June 2011	
	Due within one year	Due after one year	Due within one year	Due after one year
	£	£	£	£
Arbitral Tribunal Claims	16,110	-	27,000	-
Relocation Expenses	74,476	128,021	-	112,207
Home Leave Expenses	8,387	1,480	-	-
Total Provisions	98,973	129,501	27,000	112,207

Movements in provisions during the year are as follows:

Provisions for Liabilities	Notes	At 1 July 2011	(Decrease)/ Increase in provision	Amount used in year	As at 30 June 2012
		£	£	£	£
Arbitral Tribunal Claims	(a)	27,000	(10,890)	-	16,110
Relocation Expenses	(b)	112,207	95,783	(5,493)	202,497
Home Leave Expenses	(c)	-	9,867	-	9,867
Total Provisions for Liabilities		139,207	94,760	(5,493)	228,474

COMMONWEALTH YOUTH PROGRAMME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

- (a) One litigation claim against CYP was decided during the year resulting in part of the provision being written back to the financial statements.
- (b) CYP incurs relocation expenses for overseas recruited staff and experts at the beginning and end of their contracts. The costs of relocation are variable because they depend on the timing of the relocation, which can be at any stage within the maximum contract period of nine years (depending on renewal of three year contracts); the location to which the staff member is relocated; the size and circumstances of the family; and the complexity of the individual's affairs at the time.

The level of provision is based on an annual review of future costs and the movement on the provisions for the year has been included in the Statement of Financial Performance under staff costs.

- (c) The provision relates to home leave passages for overseas recruited staff. Overseas recruited staff are provided with home leave passages after serving 20 months of any of their contracts. The level of provision is based on an annual review of future costs and the movement on the provisions for the year has been included in the Statement of Financial Performance under staff costs.

COMMONWEALTH YOUTH PROGRAMME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

8(a) Commonwealth Youth Programme Members' Contributions 2011-12

Country	Balance at 30 June 2011		Assessment 2011-12	Receipts in year	Balance at 30 June 2012		
	Receivable	Prepaid			Receivable	Prepaid	
	£	£			£	£	
Antigua & Barbuda	2,894	-	0.27	8,046	(6,917)	4,023	-
Australia	49,390	-	10.37	309,890	(359,280)	-	-
Bahamas	2,364	-	0.62	18,474	(20,838)	-	-
Bangladesh	14,942	-	0.52	15,496	(25,227)	5,211	-
Barbados	5,211	-	0.52	15,496	(10,700)	10,007	-
Beize	-	(1,972)	0.27	8,046	(6,074)	-	-
Botswana	38,889	-	0.55	16,537	-	55,426	-
Brunei Darussalam	5,961	-	0.79	23,690	(29,651)	-	-
Cameroon	4,309	-	0.52	15,496	(19,805)	-	-
Canada	-	(109,190)	23.97	716,470	(607,280)	-	-
Cyprus	13,113	-	0.79	23,690	-	36,803	-
Dominica	61,324	-	0.27	8,046	(7,759)	61,611	-
Fiji	17,570	-	0.00	-	-	17,570	-
The Gambia	140,533	-	0.27	8,046	(3,216)	145,363	-
Ghana	22,864	-	0.69	20,710	(22,636)	20,938	-
Grenada	13,303	-	0.27	8,046	-	21,349	-
Guyana	3,082	-	0.27	8,046	(8,058)	3,070	-
India	3,925	-	3.87	115,612	(102,003)	17,534	-
Jamaica	76,431	-	0.69	20,710	-	97,141	-
Kenya	106,949	-	0.72	21,603	(100,948)	27,604	-
Kiribati	12,890	-	0.14	4,172	(4,172)	12,890	-
Lesotho	-	(1,972)	0.27	8,046	-	6,074	-
Malawi	7,759	-	0.27	8,046	-	15,805	-
Malaysia	37,587	-	1.32	39,481	(77,068)	-	-
Maldives	447	-	0.18	5,512	(447)	5,512	-
Malta	5,211	-	0.52	15,496	(20,707)	-	-
Mauritius	14,852	-	0.52	15,496	(9,731)	20,617	-
Mozambique	7,759	-	0.27	8,046	(29,193)	-	(13,388)
Namibia	18,247	-	0.63	18,921	(18,247)	18,921	-
Nauru	-	-	0.12	3,576	(3,576)	-	-
New Zealand	17,854	-	2.08	62,127	(79,981)	-	-
Nigeria	7,286	-	1.10	32,777	(40,063)	-	-
Pakistan	9,567	-	1.02	30,393	(39,960)	-	-
Papua New Guinea	50,992	-	0.44	13,260	(57,948)	6,304	-
Rwanda	38	-	0.34	10,131	-	10,169	-
St Kitts & Nevis	35,978	-	0.27	8,046	(28,219)	15,805	-
St Lucia	-	(11,613)	0.27	8,046	-	-	(3,567)
St Vincent & the Grenadines	26,853	-	0.27	8,046	-	34,899	-
Samoa	-	(1,972)	0.27	8,046	(6,074)	-	-
Seychelles	-	(1,972)	0.27	8,046	-	6,074	-
Sierra Leone	141,686	-	0.44	13,260	-	154,946	-
Singapore	28,963	-	1.69	50,506	(79,469)	-	-
Solomon Islands	7,759	-	0.27	8,046	(9,951)	5,854	-
South Africa	93,245	-	3.24	96,691	(205,117)	-	(15,181)
Sri Lanka	19,971	-	0.69	20,710	(40,453)	228	-
Swaziland	39,434	-	0.27	8,046	(8,046)	39,434	-
Tanzania	19,971	-	0.69	20,710	(41,005)	-	(324)
Tonga	44,863	-	0.27	8,046	(52,909)	-	-
Trinidad & Tobago	26,580	-	0.92	27,562	(27,562)	26,580	-
Tuvalu	1,306	-	0.12	3,576	(4,882)	-	-
Uganda	22,608	-	0.69	20,710	(43,318)	-	-
United Kingdom	401,207	-	32.65	975,820	(1,369,497)	7,530	-
Vanuatu	35,978	-	0.27	8,046	-	44,024	-
Zambia	39,768	-	0.68	20,411	-	60,179	-
Zimbabwe	76,339	-	-	-	-	76,339	-
Cook Islands	35,580	-	0.30	8,873	(8,873)	35,580	-
Total	1,871,632	(128,691)	100.00	2,988,873	(3,636,860)	1,127,414	(32,460)

The balance of members' contributions in the Statement of Financial Position of £680,483 is made up of the balance receivable at 30 June 2012 of £1,127,414 less a provision of £446,931 (2011: £93,911).

COMMONWEALTH YOUTH PROGRAMME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

8(b) Commonwealth Youth Programme Members' Contributions 2010-11

Country	Balance at 30 June 2010		Assessment 2010-11		Receipts in year	Balance at 30 June 2011	
	Receivable	Prepaid	%	£	£	Receivable	Prepaid
	£	£				£	£
Antigua & Barbuda	-	-	0.27	7,759	(4,865)	2,894	-
Australia	-	-	10.41	298,845	(249,455)	49,390	-
Bahamas	-	-	0.62	17,816	(15,452)	2,364	-
Bangladesh	-	-	0.52	14,942	-	14,942	-
Barbados	-	-	0.52	14,942	(9,731)	5,211	-
Belize	-	-	0.27	7,759	(9,731)	-	(1,972)
Botswana	22,941	-	0.56	15,948	-	38,889	-
Brunei Darussalam	-	-	0.80	22,844	(16,883)	5,961	-
Cameroon	-	(1,963)	0.52	14,942	(8,670)	4,309	-
Canada	-	-	24.07	690,935	(800,125)	-	(109,190)
Cyprus	-	-	0.80	22,844	(9,731)	13,113	-
Dominica	53,565	-	0.27	7,759	-	61,324	-
Fiji	17,570	-	0.00	-	-	17,570	-
The Gambia	132,774	-	0.27	7,759	-	140,533	-
Ghana	2,893	-	0.70	19,971	-	22,864	-
Grenada	19,094	-	0.27	7,759	(13,550)	13,303	-
Guyana	3,070	-	0.27	7,759	(7,747)	3,082	-
India	-	-	3.88	111,492	(107,567)	3,925	-
Jamaica	56,460	-	0.70	19,971	-	76,431	-
Kenya	106,442	-	0.73	20,833	(20,326)	106,949	-
Kiribati	8,869	-	0.14	4,021	-	12,890	-
Lesotho	9,641	-	0.27	7,759	(19,372)	-	(1,972)
Malawi	9,641	-	0.27	7,759	(9,641)	7,759	-
Malaysia	29,558	-	1.33	38,074	(30,045)	37,587	-
Maldives	-	-	0.19	5,315	(4,868)	447	-
Malta	-	-	0.52	14,942	(9,731)	5,211	-
Mauritius	9,641	-	0.52	14,942	(9,731)	14,852	-
Mozambique	-	-	0.27	7,759	-	7,759	-
Namibia	16,046	-	0.64	18,247	(16,046)	18,247	-
Nauru	-	-	-	-	-	-	-
New Zealand	-	-	2.09	59,913	(42,059)	17,854	-
Nigeria	-	(22,857)	1.10	31,609	(1,466)	7,286	-
Pakistan	-	-	1.02	29,310	(19,743)	9,567	-
Papua New Guinea	38,205	-	0.45	12,787	-	50,992	-
Rwanda	4,821	-	0.34	9,769	(14,552)	38	-
St Kitts & Nevis	28,219	-	0.27	7,759	-	35,978	-
St Lucia	-	(9,641)	0.27	7,759	(9,731)	-	(11,613)
St Vincent & the Grenadines	19,094	-	0.27	7,759	-	26,853	-
Samoa	-	-	0.27	7,759	(9,731)	-	(1,972)
Seychelles	-	-	0.27	7,759	(9,731)	-	(1,972)
Sierra Leone	140,390	-	0.45	12,787	(11,491)	141,686	-
Singapore	-	-	1.70	48,706	(19,743)	28,963	-
Solomon Islands	9,641	-	0.27	7,759	(9,641)	7,759	-
South Africa	-	-	3.25	93,245	-	93,245	-
Sri Lanka	-	-	0.70	19,971	-	19,971	-
Swaziland	31,675	-	0.27	7,759	-	39,434	-
Tanzania	-	-	0.70	19,971	-	19,971	-
Tonga	37,104	-	0.27	7,759	-	44,863	-
Trinidad & Tobago	-	-	0.93	26,580	-	26,580	-
Tuvalu	-	(2,141)	0.12	3,447	-	1,306	-
Uganda	2,637	-	0.70	19,971	-	22,608	-
United Kingdom	319,417	-	32.47	931,790	(850,000)	401,207	-
Vanuatu	28,219	-	0.27	7,759	-	35,978	-
Zambia	20,084	-	0.69	19,684	-	39,768	-
Zimbabwe	76,339	-	-	-	-	76,339	-
Cook Islands	35,580	-	0.31	8,873	(8,873)	35,580	-
Total	1,289,630	(36,602)	100.00	2,869,941	(2,380,028)	1,871,632	(128,691)

COMMONWEALTH YOUTH PROGRAMME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

9. Deferred Income

Project	2012	2011
	£	£
Absolute Return for Kids (ARK) projects	117,032	142,360
Youth Gold Awards	3,000	3,061
External Regional Moderators & Regional Quality Assurance (ERM & RQA)	6,452	6,144
Youth Outreach Programme	455	79
Youth Leadership through Sport	5,719	2,721
Creating Alliance on Youth Entrepreneurship	7,902	-
OAS - Research Project	6,340	6,082
Solomon Islands Government (Accommodation Funds)	11,871	10,190
Australian Youth Funds	1,064	1,017
Financial Inclusion	39	-
Conference on Gender	453	-
Centres of Excellence, Development, Sports Activities & Capacity Building	101,110	159,334
Total Deferred Income	261,437	330,988

10. Designated Fund Reserve

Designated Funds	Notes	Balance 1 July 2011 £	Transfer from General Reserve £	Expenses £	Balance 30 June 2012 £
ICT Revamp & Upgrade	(a)	-	300,000	(199,485)	100,515
CYP Review	(b)	-	150,000	-	150,000
Common Service Charge	(c)	-	450,000	-	450,000
Total		-	900,000	(199,485)	700,515

(a) The fund was designated at the May 2011 Board of Governors meeting from General Reserves to facilitate the revamping and upgrading of the ICT systems at the four CYP Regional Centres. A further amount of £50,000 was designated from General Reserves at the May 2012 Board meeting. A total of £199,485 was spent during the year to upgrade the ICT systems at the four regional centres.

(b) This fund was designated at the May 2012 Board meeting from General Reserves for implementation of CYP review recommendations.

(c) This fund was designated at the May 2012 Board meeting from General Reserves to fund the increase in Common Service Charge in 2012-13.

COMMONWEALTH YOUTH PROGRAMME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

11. Interest Revenues

Interest bearing accounts and investments yielded an average rate of 0.33% (2010-11: 0.36%) during the reporting period. Total interest revenues in 2011-12 was £14,695 (2010-11 £9,049).

12. Staff Costs

	2011-12	2010-11
	£	£
Salaries & Allowances	1,257,544	1,181,047
Employers National Insurance Contributions	21,068	21,678
Contributions to Staff Gratuity Fund	128,429	115,251
Provision for arbitration claims, home & relocation expenses – see note 7	94,760	27,000
Total Staff Costs	1,501,801	1,344,976

13. Remuneration of Key Management Personnel

The members of the Board of Governors do not receive any remuneration from the organisation for their roles.

The aggregate remuneration paid or payable to key management personnel for all three funds during the year is disclosed in the COMSEC's financial statements. A share of the remuneration of key management personnel is recharged to the CYP through the Common Service Charge.

14. General Administration

	2011-12	Restated 2010-11
	£	£
Rent and Rates	81,701	52,576
Property Services & Maintenance Costs	68,465	77,597
Vehicle Running Costs	21,970	18,672
Office Equipment Maintenance	11,817	13,333
Printing & Stationery	12,404	20,616
Communications, Publicity & Information	198,102	174,943
Insurance	41,821	30,067
Library & Subscriptions	5,063	2,383
Liveries	2,150	947
Audit Fees	35,979	29,901
Bank & Financial Charges	8,344	9,062
Computer Maintenance	30,256	18,309
Depreciation	39,612	26,206
Other Miscellaneous Expenses	791,446	160,671
Total General Administration	1,349,130	635,283

The 2010-11 figures above have been restated as a result of the change in categories reported, in order to make them comparable to the 2011-12 figures.

COMMONWEALTH YOUTH PROGRAMME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

15. Direct Project Expenses

For additional information, a breakdown of direct project expenses are provided below. These are analysed according to the strategic plan programme areas:

	2011-12	2010-11
	£	£
Youth Enterprise & Sustainable Livelihoods (YESL)	706,969	690,273
Youth Work, Education and Training (YWET)	214,404	226,929
Governance, Development and Youth Network (GDYN)	311,840	350,613
Total	1,233,213	1,267,815

Direct project expenses are analysed below according to cost types:

	2011-12	2010-11
	£	£
Communications, Publicity & Information	134,290	104,256
Training & Workshops	984,909	1,084,018
Other Miscellaneous Expenses	114,014	79,541
Total	1,233,213	1,267,815

16(a) Special projects by cost type

For additional information, a breakdown of Special projects expenses are provided below. These are analysed below according to cost type:

	2011-12	2010-11
	£	£
Staff & Short Term Consultants Costs	94,845	100,596
Communications, Publicity & Information	581	688
Training & Workshops	49,700	66,012
Other Miscellaneous Expenses	113,103	97,217
Total	258,229	264,513

COMMONWEALTH YOUTH PROGRAMME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

16(b) Special Projects 2011-12

Special Projects	Balance 1 July 2011 £	Receipts £	Expenses £	Adjustments £	Balance 1 June 2012 £
Absolute Return for Kids (ARK) projects	142,360	-	-	(25,327)	117,033
Youth Gold Awards	3,061	-	-	(61)	3,000
External Regional Moderators & Regional Quality Assurance (ERM & RQA)	6,144	-	-	308	6,452
Youth Outreach Programme	79	455	-	(79)	455
International Year of Youth Events	-	4,345	(4,345)	-	-
Sport for Development	-	20,840	(14,570)	(552)	5,718
Financial Inclusion	-	15,853	(15,811)	(3)	39
Creating Alliance on Youth Entrepreneurship	-	15,017	(6,358)	(757)	7,902
Insurance	-	12,216	(12,216)	-	-
Youth Leadership through Sports	2,721	-	(2,721)	-	-
OAS - Research Project	6,082	-	-	258	6,340
Solomon Islands Government (Accommodation Funds)	10,190	97,348	(97,348)	1,681	11,871
Australian Youth Funds	1,017	-	-	47	1,064
Centres of Excellence, Development, Sports Activities & Capacity Building	159,334	20,000	(78,224)	-	101,110
CYCI Workshop FTC/Peace Building	-	26,636	(26,636)	-	-
Conference on Gender	-	453	-	-	453
TOTAL	330,988	213,163	(258,229)	(24,485)	261,437

Adjustments represent funds that have been written off, paid back to donors or transferred to debtors for recovery in the subsequent financial period.

COMMONWEALTH YOUTH PROGRAMME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

17. Segmental Information

Segmental information is based on the geographical location of CYP offices. The activities of the Regional Centres, their financial performance and position have not been disclosed separately in the statements on pages 4 to 7.

Statement of Financial Performance

	Africa		Asia		Caribbean		South Pacific		Pancom (UK)		Inter-Segment Transactions			Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
REVENUE	725,100	614,315	651,810	659,390	575,941	483,128	531,777	563,566	3,073,127	2,994,370	(2,041,316)	(1,653,598)	3,516,439	3,661,121	
EXPENSES	880,447	802,347	591,888	630,791	578,920	492,567	661,262	682,761	3,794,639	2,735,766	(2,041,316)	(1,653,598)	4,465,840	3,690,634	
SURPLUS/(DEFICIT)	(155,347)	(188,032)	59,922	28,599	(2,979)	(9,439)	(129,485)	(119,195)	(721,512)	258,554	-	-	(949,401)	(29,513)	
Currency Gain/(Loss)	1,805	(28,554)	(788)	(1,901)	866	5,339	12,213	-	(42)	477	-	-	14,044	(24,639)	
Net Surplus/(Deficit)	(153,542)	(216,586)	59,134	26,698	(2,123)	(4,100)	(117,272)	(119,195)	(721,554)	259,031	-	-	(935,357)	(54,152)	

Statement of Financial Position

	Africa		Asia		Caribbean		South Pacific		Pancom (UK)		Inter-Segment Adjustments			Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
ASSETS															
Current assets	164,270	216,038	171,355	30,495	46,460	49,214	45,676	39,218	3,031,806	3,914,531	(322,252)	(421,676)	3,137,315	3,827,820	
Non-current assets	78,711	41,767	60,223	12,113	28,534	36,433	17,392	20,300	-	-	-	-	184,860	110,613	
TOTAL ASSETS	242,981	257,805	231,578	42,608	74,994	85,647	63,068	59,518	3,031,806	3,914,531	(322,252)	(421,676)	3,322,175	3,938,433	
LIABILITIES															
Current liabilities	523,388	508,930	106,164	23,526	116,119	79,865	264,199	174,032	409,185	403,990	(322,252)	(421,676)	1,096,803	768,667	
Non-current liabilities	-	-	-	-	-	-	-	-	129,501	112,207	-	-	129,501	112,207	
Net Assets/(Liabilities)	(280,407)	(251,125)	125,414	19,082	(41,125)	5,782	(201,131)	(114,514)	2,493,120	3,386,334	-	-	2,095,871	3,057,559	

COMMONWEALTH YOUTH PROGRAMME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

18. Related Party Disclosures

(a) Controlled Entities

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

- Commonwealth Secretariat Fund (ComSec)
- Commonwealth Fund for Technical Co-operation (CFTC)
- Commonwealth Youth Programme Fund (CYP)

As described in note 1.16(e), costs of common service divisions are incurred by ComSec. These charges are then recovered from CFTC and CYP.

(b) Key Management Personnel

The Secretary General of The Commonwealth Secretariat is a member of the Board of Governors of two organisations which are associated with The Secretariat. They are the Commonwealth of Learning and Commonwealth Foundation. These organisations although associated with The Secretariat have separate Memorandum of Understanding, Board of Governors and Executive Management independent of The Secretariat.

In the financial year to 30 June 2012, there were no transactions outside the normal operations between The Commonwealth Secretariat and the two Commonwealth organisations mentioned above.

There were no transactions outside the normal operations between The Secretariat and organisations controlled by key management personnel or their close family members.

19. Obligations under Operating Leases

All lease agreements are registered in COMSEC and the costs are shared among the three Funds. The total amount of operating leases recognised in CYP Statement of Financial Performance for the period is £29,831 (2010-11: £25,332)

20. Financial instruments

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

The risks associated with the use of its financial instruments are currency, interest rate, credit and liquidity risks.

Currency Risk – The functional currencies of the regional centres are denominated as follows; Africa (Zambia Kwacha); Asia (Indian Rupee); Caribbean (Guyanese Dollars) and Pacific (Solomon Island Dollars). To manage the currency risk, host governments pay their contribution invoices directly to the regional centre in local currency, instead of paying it to London. The overall currency gain for the year to 30 June 2012 was £14k (as per segmental information note 17).

COMMONWEALTH YOUTH PROGRAMME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Interest Rate Risk – CYP is not exposed to any interest rate risk as it has no financing debt.

Credit Risk – The Secretariat's exposure relates mainly to receivables and investments. The risk is managed by creating adequate provisions for amounts considered uncollectable. The Secretariat actively seeks recovery of all debts due and given present trends does not see this as a material risk. As at 30 June 2012, CYP made a provision of £446,931 against members' contributions receivable. All bank balances and short term deposits (totalling £2.4m at the year end) are held with well-recognised banking institutions.

Liquidity Risk – Liquidity risk predominately relates to delays in collecting receivables. The liquidity risk is managed by continually monitoring both the receivables position and available funds against anticipated expenditure and commitments and the use of loan and overdraft facilities. CYP had no overdraft facility for the year ended 30 June 2012; however, advances were made from contingency funds to sustain expenditure in the event of irregular settlement of piedad invoices.

21. Events After Reporting Date

The Secretary General authorised these financial statements for issue on ...18th February... 2013.

There are no material events, favourable or unfavourable that occurred between the reporting date, 30 June 2012, and the date of authorisation for issue that would have impacted these statements.