

Financial Statements of the Commonwealth Youth Programme

Year Ended 30 June 2014



The Commonwealth



Kamallesh Sharma
Secretary-General

28 January 2016



Paula Harris
Director - Corporate Services

28 January 2016

COMMONWEALTH YOUTH PROGRAMME FUND

PRINCIPAL ACTIVITIES AND OPERATING STRUCTURE

Principal Activities of the Commonwealth Secretariat

The Commonwealth is a voluntary association of 53 independent countries.

The Commonwealth Secretariat implements the decisions and plans of Commonwealth leaders.

It also organises meetings for members to discuss global and Commonwealth issues; promotes members' interests at international forums; offers advice; and provides experts who share their skills and experience with governments and institutions.

The Commonwealth Secretariat partners with other international and Commonwealth organisations to deliver its work.

Commonwealth organisations are involved in diverse activities, from helping countries with trade negotiations to encouraging women's leadership, building the small business sector, supporting youth participation at all levels of society and providing experts to write laws.

The Commonwealth Secretariat continues to be a pioneer in many areas of development. Our work on maritime boundaries is leading strategic thinking on ocean governance internationally. The Commonwealth Youth Programme Fund has championed rights of young people for more than 40 years.

Further information regarding The Commonwealth Secretariat's current four year Strategic Plan from 2013-14 to 2016-17, which was approved in May 2013, can be found on the website www.thecommonwealth.org.

Commonwealth Secretariat Fund

The activities of The Commonwealth 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 Commonwealth 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 2014.

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 operated as regional bases for all Commonwealth countries to deliver the CYP programmes.

On 31 October 2013, the Board of Governors of The Commonwealth approved a proposal for the restructuring of the Commonwealth Youth Programme Fund which resulted in the cessation of operations at all four CYP regional centres by March 2014, and the consolidation of most of the CYP team into London.

Governance and Structure

The Commonwealth is headed by a Secretary-General, Mr Kamalesh 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 Commonwealth.

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 three Deputy Secretaries-General, and sixteen directors and heads of units in managing the activities of the organisation. The Commonwealth has 16 divisions and units which carry out programmes of work based on mandates set at CHOGM.

COMMONWEALTH YOUTH PROGRAMME FUND

PRINCIPAL ACTIVITIES AND OPERATING STRUCTURE

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

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 that are sufficient to show and explain the Fund's transactions and disclose with reasonable accuracy at any time the financial position of the Fund;
- safeguarding the assets;
- such internal control as is determined 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 FUND

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 2014, 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 23.

Our report is made solely to the Board of Governors in accordance with the engagement letter dated 6 October 2015 and the Financial Regulations of the funds. Our work has been undertaken so that we might state to the Board of Governors 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 do 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 opinions we have formed.

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 2014, 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

28 January 2016

COMMONWEALTH YOUTH PROGRAMME FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

		30 June 2014	30 June 2013
ASSETS	Notes	£	£
Current assets			
Cash and Cash Equivalents	2	1,273,726	1,586,025
Inventories	3	-	5,475
Receivables	4	62,563	191,550
Prepayments		11,130	43,563
Members' Contributions Receivable	8	433,730	909,673
		<u>1,781,149</u>	<u>2,736,286</u>
Non-current assets			
Property, Plant and Equipment	5	-	121,759
Members' Contributions Receivable	8	66,920	92,484
		<u>66,920</u>	<u>214,243</u>
TOTAL ASSETS		<u>1,848,069</u>	<u>2,950,529</u>
LIABILITIES			
Current liabilities			
Payables and Other Current Liabilities	6	271,172	776,864
Deferred Income	9	135,155	286,773
Members' Contributions Prepaid	8	83,151	83,932
Provisions for Liabilities and Charges	7	54,090	459,048
		<u>543,568</u>	<u>1,606,617</u>
Non-current liabilities			
Provisions for Liabilities and Charges	7	-	17,863
TOTAL LIABILITIES		<u>543,568</u>	<u>1,624,480</u>
NET ASSETS		<u>1,304,501</u>	<u>1,326,049</u>
FUND BALANCES AND RESERVES			
General Reserve	1.15	5,723	60,094
Revaluation Reserve	5	-	58,400
CYMM/RAB Reserve		216,413	216,413
Working Capital Reserve	1.15	961,783	870,560
Designated Fund Reserve	10	120,582	120,582
TOTAL FUND BALANCES AND RESERVES		<u>1,304,501</u>	<u>1,326,049</u>

COMMONWEALTH YOUTH PROGRAMME FUND

STATEMENT OF FINANCIAL PERFORMANCE AS AT 30 JUNE 2014

		2013-14	2012-13 (Restated)
	Notes	£	£
REVENUE			
Contributions to the Youth Programme	8	3,006,974	3,043,102
Special Projects	16(a)	105,186	129,345
Conference & Hostel Income		179,338	400,529
Interest Revenues	11	6,599	18,501
Other Income		18,286	30,074
Currency Gain		15,258	3,174
TOTAL REVENUE		3,331,641	3,624,725
EXPENSES			
Staff Costs	12, 21	1,648,232	1,590,714
Other Costs	14	1,239,823	2,129,373
Common Service Charge		528,126	647,086
Impairment of Fixed Assets	5	-	75,261
TOTAL EXPENSES		3,416,181	4,442,434
DEFICIT FOR THE YEAR		(84,540)	(817,709)

COMMONWEALTH YOUTH PROGRAMME FUND

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2014

	General Reserve	CYMM/RAB Reserve	Working Capital Reserve	Revaluation Reserve	Designated Fund Reserve	Total
	£	£	£	£	£	£
Balance at 30 June 2012	121,532	528,824	745,000	-	700,515	2,095,871
Deficit	(817,709)	-	-	-	-	(817,709)
Surplus on revaluation of motor vehicles	-	-	-	58,400	-	58,400
Transfer of Expenditure from Reserves	579,933	-	-	-	(579,933)	-
Working Capital Funds Transfer	(125,560)	-	125,560	-	-	-
Currency Translation on Foreign Operations	(10,513)	-	-	-	-	(10,513)
Transfers between funds	312,411	(312,411)	-	-	-	-
Balance at 30 June 2013	60,094	216,413	870,560	58,400	120,582	1,326,049
Deficit	(84,540)	-	-	-	-	(84,540)
Release of revaluation reserve on Disposal	-	-	-	(58,400)	-	(58,400)
Working Capital Funds Transfer	(91,223)	-	91,223	-	-	-
Currency Translations on Foreign Operations	121,392	-	-	-	-	121,392
Balance at 30 June 2014	5,723	216,413	961,783	-	120,582	1,304,501

COMMONWEALTH YOUTH PROGRAMME FUND

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

		2013-14	2012-13
	Notes	£	£
Cash flow from Operating Activities			
Deficit		(84,540)	(817,709)
Adjustments for:			
Depreciation	5	28,895	44,990
Loss on Disposal/Impairment Loss on Fixed Assets	5	27,641	75,261
Decrease/(Increase) in Contributions Receivable		501,507	(321,674)
(Decrease)/Increase in Contributions Received In Advance		(781)	51,472
Decrease/(Increase) in Receivables		128,988	(150,121)
Decrease/(Increase) in Prepayments		32,433	(25,419)
Decrease/(Increase) in Inventories		5,475	(841)
(Decrease)/Increase in Deferred Income		(151,618)	25,336
(Decrease)/Increase in Payables and Accrued Charges		(505,693)	72,931
Effect of Foreign Exchange Rate Changes		50,932	2,448
(Decrease)/Increase in Provisions	7	(422,821)	248,438
Interest Revenues	11	(6,599)	(18,501)
Net Cash Flow from Operating Activities		(396,181)	(813,389)
Cash Flow from Investing Activities			
Purchase of Property, Plant and Equipment	5	-	(1,766)
Proceeds from sale of Fixed Assets	5	6,823	959
Interest Received and Receivable	11	6,599	18,501
Net Cash Flow from Investing Activities		13,422	17,694
Net (Decrease)/Increase in Cash and Cash Equivalents		(382,759)	(795,695)
Cash and Cash Equivalents at the Beginning of Period	2	1,586,025	2,392,625
Effect of Exchange Rate Changes on Cash and Cash Equivalents		70,460	(10,905)
Cash and Cash Equivalents at End of Period	2	1,273,726	1,586,025

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1. Accounting Policies

1.1 Statement of Compliance

The financial statements of the Commonwealth Youth Programme Fund (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 have been provided in the financial statements.

1.2 New Accounting Standards

The International Public Sector Accounting Standards Board (IPSASB) has issued IPSAS 28 Financial Instruments: Presentation, IPSAS 29 Financial Instruments: Recognition & Measurement, IPSAS 30 Financial Instruments: Disclosure. IPSASB requires entities to apply these standards for annual financial statements covering periods beginning on or after 1 January 2013. The Commonwealth Secretariat has applied these standards in preparing these financial statements. The adoption of these standards required retrospective application which has resulted in a different presentation of the comparative results in the 2012-13 audited financial statements. This presentation however has had no effect on the recognition and measurement of the financial instruments, but additional qualitative and quantitative disclosures have been provided in accordance with IPSAS 30. Consequently the presentation in the Statement of Financial Position and Cash Flow Statement has been changed to adopt these new standards.

IPSASB 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 Change to Accounting Policies

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

1.4 Basis for Non-Consolidation of Financial Statements

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

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

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

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

1.5 Accounting Convention

The financial statements have been prepared using the historical cost convention except for the revaluation of motor vehicles.

1.6 Going Concern Assumption

The financial statements have been prepared on the going concern basis. Management has a reasonable expectation that The Commonwealth will continue in operational existence for the foreseeable future. The Board of Governors have approved the 2015-16 budget on behalf of the member states. There is a commitment from the Board of Governors to fund this budget effective July 2015.

The Board of Governors also approved the new four year Strategic Plan from 2013-14 to 2016-17.

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

On 31 October 2013, the Board of Governors of The Commonwealth approved a proposal for the restructuring of the Commonwealth Youth Programme Fund which resulted in the closure of the operations of all four CYP regional centres by March 2014, and the streamlining and consolidating of most of the CYP team into London.

The new CYP model will allow for more cohesive and strategic programming. It will also reduce the number of administrative and conference centre roles and thus result in the maximum redeployment of resources towards programmes.

1.7 Functional and Presentational Currency

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

1.8 Financial Instruments

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

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

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active markets. Loans and receivables comprise contributions receivable in cash, other receivables and cash and cash equivalents. Loans and receivables are stated at amortised cost.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that CYP has both the intention and the ability to hold to maturity. As at 30 June 2014, no-held-to-maturity financial assets were held by CYP.

Available-for-sale financial assets are non-derivative financial assets that are not designated within any other category. As at 30 June 2014, no available-for-sale financial assets were held by CYP.

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

1.9 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.

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

1.10 Inventories

Regional CYP Centres in Chandigarh, India and Lusaka, Zambia also operated 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 the lower of cost and current replacement cost.

1.11 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 Commonwealth 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.

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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 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:

Asset Type	
Building Improvements	Remaining life of the building or term of lease or the useful life of the improvement
Plant and Equipment	12 years or term of lease
Fixtures and Fittings	8 years or term of lease
Motor Vehicles	5 years or term of lease
Computers	4 years or term of lease

(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.

Following the decision of the Board of Governors of The Commonwealth to close down the operations of all the four CYP regional centres by March 2014, the net book value of the fixed assets at the regional centres were revalued at recoverable value, which resulted in an impairment loss.

1.12 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.

1.13 Deferred Income

Details of deferred income are given in note 9.

1.14 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.

1.15 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, serves to protect the Fund against temporary shortages of cash, arising from the need to maintain expenditure levels in the event of irregular settlement of receivables by member states. Investments are held separately to represent the Working Capital Fund. In accordance with Section V of the revised Financial Regulations, the reserve will be subject to a maximum of 25% of approved planned expenditure for that year;
- CYMM/RAB Reserve is the fund set aside to finance the governance meetings. Commonwealth Youth Ministers Meeting (CYMM) is held every four years;

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

- 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; and
- Revaluation Reserve, relates to the revaluation of two vehicles at the Commonwealth Youth Programme Caribbean Centre.

1.16 Revenue

(a) Contributions

CYP is financed by contributions from the 53 Member Governments that make up the Commonwealth. Revenue is recognised in the period to which the contribution relates 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.

(b) Special Projects

CYP receives additional contributions and grants from member governments, non-Commonwealth countries and other organisations for special projects (see note 16(b) for details of individual special projects). These monies are awarded subject to specific performance conditions.

The revenue for these projects is recognised when expenditure 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 gross salary on a monthly basis for permanent members of staff who opt into the Staff Gratuity Fund instead of the Staff Defined Contribution Pension Scheme. 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 or on leaving CYP for locally recruited administrative and support staff.

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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

v) Home leave

The Commonwealth 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 Commonwealth 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. Costs relating to the financial year are recognised in the Statement of Financial Performance of COMSEC.

An actuarial valuation of The Commonwealth's obligation as at the year-end is obtained with the liability recognised in the Statement of Financial Position of COMSEC. The present value of 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 Commonwealth 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 Commonwealth 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 72% 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 £137,333 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 Assure UK. The scheme's actuary is Ms Elaine Pickering, Senior Pensions Actuary, 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

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Financial Position in COMSEC. The liability or asset recognised in respect of the scheme is the fair value of the plan assets less the present value of the defined obligation at the reporting date.

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

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

Supplementary Pension

To supplement The Commonwealth Secretariat Pension & Life Assurance Scheme (1979), The Commonwealth 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 Commonwealth's obligation as at the year-end is obtained with the entire liability recognised in the Statement of Financial Position of COMSEC as it is not possible to separate the scheme liabilities under the different funds. The present value of the supplementary pension obligations is determined by discounting the estimated future cash outflows using agreed assumptions. There are no directly attributable investments or assets to support the obligations of this scheme. Unrealised gains and losses are recognised in the Statement of Changes in Net Assets in COMSEC.

Group Stakeholder Defined Contribution Pension Scheme

The Commonwealth 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 Commonwealth 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. The service-in-kind has been estimated using the rental value of Quadrant House in proportion to the office area of in Marlborough House.

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 were 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

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

(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.

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

(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.

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.

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	
	2014	2013	2014	2013	2014	2013
	£	£	£	£	£	£
Cash and Cash Deposits	1,173,858	1,112,058	-	-	1,173,858	1,112,058
Foreign Bank Accounts	48,402	274,607	51,466	199,360	99,868	473,967
Total Cash and Cash Equivalents	1,222,260	1,386,665	51,466	199,360	1,273,726	1,586,025

3. Inventories

	2014	2013
	£	£
Total Inventories	-	5,475

4. Receivables

	Notes	2014	2013
		£	£
Staff Debtors	(a)	447	24,842
Commonwealth Secretariat		35,710	20,313
Commonwealth Fund for Technical Co-operation		16,553	-
Other Debtors		9,853	161,548
Total Receivables		62,563	206,703
Less: Provision for Doubtful Debts	(b)	-	(15,153)
Total Receivables less provision		62,563	191,550

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

- (a) Staff debtors mainly represent accountable advances issued to staff for programme work.
 (b) Provision by CYP Africa for doubtful Conference Centre debts.

The change in the provision for doubtful debt during 2013-14 is as follows:

	2013	Decrease	2014
	£	£	£
Provision for doubtful debt	15,153	(15,153)	-

Ageing of receivables that are past due but not impaired:

	2014	2013
	£	£
Neither past due nor impaired	52,710	45,155
< 12 months	3,391	508
> 12 months	6,462	145,887
Total	62,563	191,550

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

5.(a) Non-Current Assets

Property, Plant & Equipment 2014

	Building Improvement £	Furniture & Fixtures £	Hardware & Software £	Equipment £	Vehicles £	Total £
Cost or Revaluation						
Opening Balance at 1 July 2013	9,579	49,031	177,289	19,770	151,977	407,646
Revaluations	-	-	-	-	(58,400)	(58,400)
Disposals	-	-	-	(6,823)	-	(6,823)
Asset transfers/donations	(9,579)	(49,031)	(177,289)	(12,947)	(93,577)	(342,423)
Closing Balance as at 30 June 2014	-	-	-	-	-	-

Depreciation

Opening Balance at 1 July 2013	(9,579)	(34,025)	(169,339)	(11,761)	(61,193)	(285,887)
Depreciation	-	(7,221)	(8,311)	(765)	(12,598)	(28,895)
Disposals	-	-	-	-	-	-
Adjustments	9,579	41,246	177,650	12,516	73,791	314,782
Closing Balance as at 30 June 2014	-	-	-	-	-	-

Net Book Value 30 June 2014	-	-	-	-	-	-
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Net Book Value 1 July 2013	-	15,012	7,950	8,019	90,778	121,759
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COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

5.(b) Non-Current Assets

Property, Plant & Equipment 2013

	Building Improvement	Furniture & Fixtures	Hardware & Software	Equipment	Vehicles	Total
	£	£	£	£	£	£
Cost or Revaluation						
Opening Balance at 1 July 2012	11,966	57,629	243,347	24,494	97,997	435,433
Additions	-	-	1,766	-	-	1,766
Revaluations	-	-	-	-	58,400	58,400
Disposals	-	-	(264)	-	(695)	(959)
Asset impairment	(1,851)	(6,983)	(59,954)	(4,485)	(1,988)	(75,261)
Currency Translation	(536)	(1,615)	(7,806)	(239)	(1,737)	(11,733)
Closing Balance as at 30 June 2013	9,579	49,031	177,289	19,770	151,977	407,646

Depreciation

Opening Balance at 1 July 2012	(9,471)	(36,709)	(143,178)	(13,894)	(47,321)	(250,573)
Depreciation	(580)	(3,126)	(26,161)	(1,245)	(13,878)	(44,990)
Disposals	-	-	-	-	6	6
Currency Translation	472	5,810	-	3,388	-	9,670
Closing Balance as at 30 June 2013	(9,579)	(34,025)	(169,339)	(11,751)	(61,193)	(285,887)

Net Book Value 30 June 2013	-	15,012	7,950	8,019	90,778	121,759
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Net Book Value 1 July 2012	2,495	20,920	100,169	10,600	50,676	184,860
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COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

6. Payables and Other Liabilities

Amounts falling due within one year

	Notes	2014	2013
		£	£
Staff Balances		54,684	307
Trade Payables & Accruals		113,420	416,654
Commonwealth Fund for Technical Co-operation		-	11,119
Employee Benefits	(a)	97,560	326,127
Other Creditors		5,508	22,657
Total Payables and Current Liabilities		271,172	776,864

(a) Employee Benefits

Employee Benefits represent salary arrears, accrued leave and gratuity for staff based at the Regional Centres as at 30 June 2014.

7. Provisions

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

	At 30 June 2014		At 30 June 2013	
	Due within one year	Due after one year	Due within one year	Due after one year
	£	£	£	£
Relocation Expenses	20,915	-	139,042	17,863
Home Leave Expenses	2,486	-	11,385	-
Backdated Pay Award	-	-	308,621	-
Termination Benefits	22,704	-	-	-
Arbitral Tribunal Claims	7,985	-	-	-
Total Provisions	54,090	-	459,048	17,863

Movements in provisions during the year are as follows:

Provisions for Liabilities	Notes	At 1 July 2013	(Decrease)/ Increase in provision	Amount used in year	As at 30 June 2014
		£	£	£	£
Relocation Expenses	(a)	156,905	(135,990)	-	20,915
Home Leave Expenses	(b)	11,385	(8,899)	-	2,486
Backdated Pay Award/Redundancy	(c)	308,621	-	(308,621)	-
Termination Benefits	(d)	-	22,704	-	22,704
Arbitral Tribunal Claims	(e)	-	7,985	-	7,985
Total Provisions for Liabilities		476,911	(114,200)	(308,621)	54,090

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

- (a) 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.

- (b) 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.
- (c) The provision relates to backdated salaries for CYP London-appointed regional staff and regional local staff as a result of a new terms and condition of service (TACOS) for CYP Regional staff which was backdated to July 2011.
- (d) During the financial year 2013-14 The Commonwealth implemented a new organisational structure which came into effect on 1 July 2014. CYP has recognised an obligation for estimated termination benefits that will occur in the 2014-15 financial period resulting from this structural reconfiguration.
- (e) Claims for legal cases are shown as a liability in the Statement of Financial Position. The litigation claims remain unsettled as at the end of 30 June 2014.

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

8. (a) Commonwealth Youth Programme Members' Contributions

	2014	2013
	£	£
Current	822,229	1,319,719
Non-Current	66,920	92,484
Total Contributions Receivable	889,149	1,412,203
Provision for doubtful accounts	(388,499)	(410,046)
Total Net Contributions Receivable	500,650	1,002,157

The provision for doubtful debts relates to current member contributions. The net current contributions receivable is £500,650 (2013: £1,002,157).

In order to manage and reduce long outstanding arrears, affected governments are invited to discuss and agree suitable payment plans. As at the year end, three governments had agreed payment plans amounting to £100,286 (2013: £152,084).

Ageing of receivables that are past due but not impaired:

	2014	2013
	£	£
Less than one year	338,060	739,393
Between one and two years	64,744	81,878
More than two years	97,846	180,886
Total	500,650	1,002,157

The provision for doubtful accounts is for the outstanding contributions receivable where there is delay in settlement of arrears. The change in the provision for doubtful accounts during 2013-14 is as follows:

	2014	2013
	£	£
Provision for doubtful debts	388,499	410,046

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

8. (a) (i) Commonwealth Youth Programme Fund Members' Contributions 2013-14

Country	Balance at 30 June 2013		Assessment 2013-14		Receipts in year	Balance at 30 June 2014	
	Receivable	Prepaid				Receivable	Prepaid
	£	£	%	£	£	£	£
Antigua & Barbuda	-	-	0.28	8,291	(8,291)	-	-
Australia	-	-	10.65	319,355	(319,355)	-	-
Bahamas	-	-	0.63	19,038	(19,038)	-	-
Bangladesh	-	-	0.53	15,969	(15,969)	-	-
Barbados	785	-	0.53	15,969	(16,754)	-	-
Belize	-	-	0.28	8,291	(8,291)	-	-
Botswana	-	-	0.56	17,042	-	17,042	-
Brunei Darussalam	-	-	0.84	24,413	(24,413)	-	-
Cameroon	-	(10,258)	0.53	15,969	-	5,711	-
Canada	-	-	24.26	729,510	(729,510)	-	-
Cyprus	60,924	-	0.84	24,414	(48,535)	36,803	-
Dominica	61,757	-	0.28	8,292	(14,368)	55,681	-
Fiji	17,570	-	-	-	-	17,570	-
The Gambia	153,555	-	0.28	8,292	-	161,847	-
Ghana	21,087	-	0.71	21,342	-	42,429	-
Grenada	26,668	-	0.28	8,292	(27,158)	7,802	-
Guyana	3,252	-	0.28	8,292	(7,701)	3,843	-
India	6,329	-	3.96	119,138	-	125,467	-
Jamaica	118,228	-	0.71	21,342	(66,400)	73,170	-
Kenya	49,600	-	0.74	22,262	(49,600)	22,262	-
Kiribati	-	-	0.14	4,300	(4,300)	-	-
Lesotho	-	-	0.28	8,291	(8,291)	-	-
Malawi	23,997	-	0.28	8,291	(32,288)	-	-
Malaysia	-	-	1.35	40,687	(40,687)	-	-
Maldives	-	-	0.20	5,680	(5,680)	-	-
Malta	-	-	0.53	15,969	(15,969)	-	-
Mauritius	15,778	-	0.53	15,969	(31,747)	-	-
Mozambique	-	(23,119)	0.28	8,292	(19,463)	-	(34,290)
Namibia	-	-	0.64	19,498	(19,498)	-	-
Nauru	-	-	0.12	3,685	-	3,685	-
New Zealand	-	-	-	-	-	-	-
Nigeria	-	(35,374)	1.15	33,779	-	-	(1,595)
Pakistan	-	-	1.06	31,321	(31,321)	-	-
Papua New Guinea	1,857	-	0.45	13,665	(18,161)	-	(2,639)
Rwanda	20,484	-	0.34	10,441	(20,484)	10,441	-
St Kitts & Nevis	-	-	0.28	8,291	(8,291)	-	-
St Lucia	-	-	0.28	8,292	(16,584)	-	(8,292)
St Vincent & the Grenadines	37,158	-	0.28	8,292	(8,046)	37,404	-
Samoa	-	-	0.28	8,291	(8,291)	-	-
Seychelles	-	-	0.28	8,291	(8,291)	-	-
Sierra Leone	64,492	-	0.46	13,665	(92,164)	-	(14,007)
Singapore	-	-	1.73	52,048	(52,048)	-	-
Solomon Islands	5,854	-	0.28	8,292	-	14,146	-
South Africa	-	(15,181)	3.31	99,640	(99,640)	-	(15,181)
Sri Lanka	228	-	0.71	21,342	(21,570)	-	-
Swaziland	20,062	-	0.28	8,291	(28,353)	-	-
Tanzania	20,763	-	0.71	21,342	-	42,105	-
Tonga	8,192	-	0.28	8,292	(23,631)	-	(7,147)
Trinidad & Tobago	28,064	-	0.96	28,404	(28,064)	28,404	-
Tuvalu	-	-	0.12	3,685	-	3,685	-
Uganda	21,087	-	0.71	21,342	(21,087)	21,342	-
United Kingdom	504,321	-	33.54	1,005,594	(1,509,915)	-	-
Vanuatu	8,192	-	0.28	8,292	-	16,484	-
Zambia	-	-	0.69	21,034	-	21,034	-
Zimbabwe	76,339	-	-	-	-	76,339	-
Cook Islands	35,580	-	-	8,873	-	44,453	-
Total	1,412,203	(83,932)	100.00	3,006,974	(3,529,247)	889,149	(83,151)

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

8. (a) (ii) Commonwealth Youth Programme Fund Members' Contributions 2012-13

Country	Balance at 30 June 2012		Assessment 2012-13		Receipts in year	Balance at 30 June 2013	
	Receivable	Prepaid				Receivable	Prepaid
	£	£	%	£	£	£	£
Antigua & Barbuda	4,023	-	0.27	8,192	(12,215)	-	-
Australia	-	-	10.38	315,530	(315,530)	-	-
Bahamas	-	-	0.62	18,810	(18,810)	-	-
Bangladesh	5,211	-	0.52	15,778	(20,989)	-	-
Barbados	10,007	-	0.52	15,778	(25,000)	785	-
Belize	-	-	0.27	8,192	(8,192)	-	-
Botswana	55,426	-	0.55	18,838	(72,264)	-	-
Brunei Darussalam	-	-	0.79	24,121	(24,121)	-	-
Cameroon	-	-	0.52	15,778	(26,036)	-	(10,258)
Canada	-	-	23.97	729,510	(729,510)	-	-
Cyprus	36,803	-	0.79	24,121	-	60,924	-
Dominica	61,611	-	0.27	8,192	(8,046)	61,757	-
Fiji	17,570	-	0.00	-	-	17,570	-
The Gambia	145,363	-	0.27	8,192	-	153,555	-
Ghana	20,938	-	0.69	21,087	(20,938)	21,087	-
Grenada	21,349	-	0.27	8,192	(2,873)	26,668	-
Guyana	3,070	-	0.27	8,192	(8,010)	3,252	-
India	17,534	-	3.87	117,717	(128,922)	6,329	-
Jamaica	97,141	-	0.69	21,087	-	118,228	-
Kenya	27,604	-	0.72	21,996	-	49,600	-
Kiribati	12,890	-	0.14	4,248	(17,138)	-	-
Lesotho	6,074	-	0.27	8,192	(14,266)	-	-
Malawi	15,805	-	0.27	8,192	-	23,997	-
Malaysia	-	-	1.32	40,200	(40,200)	-	-
Maldives	5,512	-	0.18	5,612	(11,124)	-	-
Malta	-	-	0.52	15,778	(15,778)	-	-
Mauritius	20,617	-	0.52	15,778	(20,617)	15,778	-
Mozambique	-	(13,388)	0.27	8,192	(17,923)	-	(23,119)
Namibia	18,921	-	0.63	19,265	(38,186)	-	-
Nauru	-	-	0.12	3,641	(3,641)	-	-
New Zealand	-	-	2.08	63,258	(63,258)	-	-
Nigeria	-	-	1.10	33,374	(68,748)	-	(35,374)
Pakistan	-	-	1.02	30,946	(30,946)	-	-
Papua New Guinea	6,304	-	0.44	13,501	(17,948)	1,857	-
Rwanda	10,169	-	0.34	10,315	-	20,484	-
St Kitts & Nevis	15,805	-	0.27	8,192	(23,997)	-	-
St Lucia	-	(3,567)	0.27	8,192	(4,625)	-	-
St Vincent & the Grenadines	34,899	-	0.27	8,192	(5,933)	37,158	-
Samoa	-	-	0.27	8,192	(8,192)	-	-
Seychelles	6,074	-	0.27	8,192	(14,266)	-	-
Sierra Leone	154,946	-	0.44	13,501	(103,955)	64,492	-
Singapore	-	-	1.69	51,425	(51,425)	-	-
Solomon Islands	5,854	-	0.27	8,192	(8,192)	5,854	-
South Africa	-	(15,181)	3.24	98,451	(98,451)	-	(15,181)
Sri Lanka	228	-	0.69	21,087	(21,087)	228	-
Swaziland	39,434	-	0.27	8,192	(27,564)	20,062	-
Tanzania	-	(324)	0.69	21,087	-	20,763	-
Tonga	-	-	0.27	8,192	-	8,192	-
Trinidad & Tobago	26,580	-	0.92	28,064	(26,580)	28,064	-
Tuvalu	-	-	0.12	3,641	(3,641)	-	-
Uganda	-	-	0.69	21,087	-	21,087	-
United Kingdom	7,530	-	32.65	993,581	(496,790)	504,321	-
Vanuatu	44,024	-	0.27	8,192	(44,024)	8,192	-
Zambia	60,179	-	0.68	20,782	(80,961)	-	-
Zimbabwe	76,339	-	-	-	-	76,339	-
Cook Islands	35,580	-	0.29	8,873	(8,873)	35,580	-
Total	1,127,414	(32,460)	100.00	3,043,102	(2,809,785)	1,412,203	(83,932)

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

9. Deferred Income

	2014	2013
Project	£	£
Absolute Return for Kids (ARK) projects	-	103,429
Youth Gold Awards	2,664	3,000
External Regional Moderators & Regional Quality Assurance (ERM & RQA)	-	6,575
Youth Leadership through Sport	4,776	5,377
OAS - Research Project	-	6,510
Financial Literacy Manuals	-	316
Solomon Islands Government (Accommodation Funds)	3,073	45,470
Conference on Gender	-	465
Youth Financial Inclusion Project	-	9,256
Sri Lanka Government – Commonwealth Youth Council	20,000	20,000
UK Sport – Sports as a Tool for Development & Peace	30,416	24,748
Malaysian Government – Youth Mainstreaming	2,587	19,988
India Government – Development Sports Activities & Capacity Building	41,639	41,639
FCO – Young Professionals Programme	30,000	-
Total Deferred Income	135,155	286,773

10. (a) Designated Fund Reserve 2013-14

Designated Funds	Notes	Balance 1 July 2013 £	Transfer from General Reserve £	Expenses £	Balance 30 June 2014 £
ICT Revamp & Upgrade	(a)	41,900	-	-	41,900
CYP Review	(b)	78,682	-	-	78,682
Total		120,582	-	-	120,582

10. (b) Designated Fund Reserve 2012-13

Designated Funds	Notes	Balance 1 July 2012 £	Transfer from General Reserve £	Expenses £	Balance 30 June 2013 £
ICT Revamp & Upgrade	(a)	100,515	-	(58,615)	41,900
CYP Review	(b)	150,000	-	(71,318)	78,682
Common Service Charge	(c)	450,000	-	(450,000)	-
Total		700,515	-	(579,933)	120,582

(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. There was no expenditure during the year.

(b) This fund was designated at the May 2012 Board meeting from General Reserves for implementation of CYP review recommendations. There was no expenditure during the year.

(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 FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

11. Interest Revenues

	2013-14	2012-13
	£	£
Interest on Bank Deposits	6,599	18,501
Total Interest Receivable	6,599	18,501

Interest bearing accounts and investments yielded an average rate of 0.30% (2012-13: 0.27%) during the reporting period.

12. Staff Costs

	Notes	2013-14	2012-13 (Restated)
		£	£
Salaries & Allowances		158,787	333,542
Salaries & Allowances – Direct		743,732	781,636
Employers National Insurance Contributions		34,770	38,671
Contributions to Staff Gratuity Fund		112,347	132,536
Provision for backdated pay, home & relocation expenses	7	46,105	268,358
Termination Benefits	(a)	533,386	-
Other Staff and Short Term Consultants Costs	16(a)	11,120	29,723
Other		7,985	6,248
Total Staff Costs		1,648,232	1,590,714

(a) During the financial year 2013-14, The Commonwealth implemented a new organisational structure which came into effect 1 July 2014. As a result of the structural reconfiguration, The Commonwealth has incurred termination benefits during the period for voluntary and compulsory redundancies.

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.

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

14. Other Costs

	2013-14	2012-13 (Restated)
	£	£
Rent and Rates	51,625	52,017
Property Services & Maintenance Costs	32,323	70,647
Vehicle Running Costs	9,324	16,696
Office Equipment Maintenance	2,463	7,992
Printing & Stationery	9,442	20,746
Professional Fees	94,703	173,012
Communications, Publicity & Information	100,219	170,651
Events	94,652	338,333
Accommodation and Venue Costs	60,920	94,186
Participants Travel, Subsistence and Course Materials	192,983	79,120
Insurance	23,715	24,705
Library & Subscriptions	1,420	2,077
Liveries	409	1,205
Audit Fees	93,270	67,481
Bank & Financial Charges	5,243	5,197
Travel Costs	31,752	58,169
Conference Facility Costs	114,083	262,819
Computer Maintenance	13,209	25,914
Depreciation	28,892	44,990
Other Miscellaneous Expenses	279,176	613,416
Total Other Costs	1,239,823	2,129,373

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:

	2013-14	2012-13 (Restated)
	£	£
Youth	1,188,513	-
Youth Enterprise & Sustainable Livelihoods (YESL)	-	959,205
Youth Work, Education and Training (YWET)	-	315,000
Governance, Development and Youth Network (GDYN)	-	438,168
Total	1,188,513	1,712,373

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

In continuing to improve the reporting of the Commonwealth's results, 2013-14 direct project expenditure has been reported in accordance with the outcomes in the four-year Strategic Plan 2013-14 to 2016-17. As the 2009-10 to 2012-13 Strategic Plan programme areas differ from those of the current Strategic Plan, prior period expenditure is reported under the categories of the previous Strategic Plan categories.

Direct project expenses are analysed below according to cost types:

	Notes	2013-14	2012-13 (Restated)
		£	£
Salaries & Allowances	12	743,732	781,636
Communications, Publicity & Information		-	57,046
Training & Workshops	18	444,781	873,691
Total		1,188,513	1,712,373

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:

	Notes	2013-14	2012-13
		£	£
Staff & Short Term Consultants Costs	12	11,120	29,723
Communications, Publicity & Information		-	4,983
Training & Workshops	18	94,066	94,639
Total		105,186	129,345

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

16(b) Special Projects 2013-14

Special Projects	Balance 1 July 2013 £	Receipts £	Expenses £	Adjustments £	Balance 30 June 2014 £
Absolute Return for Kids (ARK) projects	103,429	-	-	(103,429)	-
Youth Gold Awards	3,000	-	-	(336)	2,664
External Regional Moderators & Regional Quality Assurance (ERM & RQA)	6,575	-	-	(6,575)	-
Sport for Development	5,377	-	-	(601)	4,776
EAD – Printing & Distribution of Manuals	316	-	(287)	(29)	-
OAS – Research Project	6,510	-	-	(6,510)	-
Solomon Islands Government (Accommodation Funds)	45,470	3,134	(42,637)	(2,894)	3,073
Commemorative Events	-	25,529	(25,529)	-	-
Youth Financial Inclusion Project	9,256	-	-	(9,256)	-
Centres of Excellence, Development, Sports Activities & Capacity Building	106,375	55,000	(36,733)	-	124,642
PCO – Conference on Gender	465	-	-	(465)	-
TOTAL	286,773	83,663	(105,186)	(130,095)	135,155

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 FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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		Inter-Segment Transactions		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
REVENUE	731,104	825,631	658,429	636,084	448,012	589,167	509,668	727,135	3,046,579	3,078,056	(2,077,408)	(2,214,522)	3,316,383	3,621,551
EXPENSES	842,281	942,365	814,142	635,715	437,700	543,638	538,118	616,146	2,861,349	3,919,092	(2,077,408)	(2,214,522)	3,416,181	4,442,434
SURPLUS/(DEFICIT)	(111,177)	(116,734)	(155,713)	369	10,312	25,529	(28,450)	110,989	185,230	(841,036)	-	-	(99,798)	(820,883)
Currency Gain/(Loss)	14,496	5,167	(43)	(45)	162	(1,909)	-	(244)	843	205	-	-	15,258	3,174
Net Surplus/(Deficit)	(96,681)	(111,567)	(155,756)	324	10,474	23,620	(28,450)	110,745	185,873	(840,831)	-	-	(84,540)	(817,709)

Statement of Financial Position

	Africa		Asia		Caribbean		South Pacific		Pancom		Inter-Segment Adjustments		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
ASSETS														
Current assets	33,484	249,237	19,847	168,895	10,157	101,008	42,841	152,142	2,273,527	2,504,126	(531,787)	(346,638)	1,848,069	2,825,770
Non-current assets	-	15,988	-	21,778	-	78,461	-	5,522	-	-	-	-	-	121,759
TOTAL ASSETS	33,484	265,235	19,847	190,673	10,157	179,469	42,841	157,664	2,273,527	2,504,126	(531,787)	(346,638)	1,848,069	2,950,529
LIABILITIES														
Current liabilities	413,421	639,530	60,548	72,447	-	151,441	148,437	227,760	452,949	862,057	(531,787)	(346,638)	843,568	1,806,517
Non-current liabilities	-	-	-	-	-	-	-	-	-	17,863	-	-	-	17,863
Net Assets/(liabilities)	(379,937)	(374,295)	(40,701)	118,228	10,157	28,028	(105,596)	(70,116)	1,820,578	1,624,206	-	-	1,304,501	1,326,049

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

18. Training & Workshops

	Notes	2013-14	2012-13 (Restated)
		£	£
Training & Workshops - Direct Projects	15	444,781	873,691
Training & Workshops - Special Projects	16(a)	94,066	94,639
Total Training and Workshops		538,847	968,330

19. Related Party Disclosures

(a) Controlled Entities

The Commonwealth 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, see page 5.

(b) Key Management Personnel

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

In the financial year to 30 June 2014, there were no transactions outside the normal operations between The Commonwealth Youth Programme Fund and the two Commonwealth organisations mentioned above (2013: £nil).

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

20. 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 £28,162 (2012-13: £33,990).

21. Restatement of Prior Year Comparatives

The Statement of Financial Performance for the year ended 30 June 2013 has been restated to address the categorisation of expenditure between nature and function in the Statement of Financial Performance. Consequently, staff costs previously included in 'Training & Workshops' and 'Conference and Hostel' in the Statement of Financial Performance have been moved to 'Staff Costs'.

The change in presentation had no effect on the previously reported Total Expenses or Deficit for the year ended 30 June 2013.

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

The following table summarises the corrections on each of the affected Statement of Financial Performance line items for the year ended 30 June 2013.

Expense Category	As previously stated	Restatement Adjustment	As Restated
	£	£	£
Staff Costs	1,452,864	137,850	1,590,714
Training & Workshops	998,053	(29,723)	968,330
Conference Facility Costs	370,946	(108,127)	262,819

22. Financial instruments

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

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

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

(a) Fair Values

The assets of CYP are categorised as follows:

	2014	2013
	£	£
Loans and receivables	1,836,939	2,779,732
Non-financial assets	11,130	170,797
Total	1,848,069	2,950,529

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

Financial Assets:

	Carrying Amount	Fair Value
	£	£
2014:		
Loans and receivables	1,836,939	1,836,939
Total	1,836,939	1,836,939
2013:		
Loans and receivables	2,779,732	2,779,732
Total	2,779,732	2,779,732

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Financial Liabilities:

	Carrying Amount	Fair Value
	£	£
2014:		
Payables	271,172	271,172
Total	271,172	271,172
2013:		
Payables	776,864	776,864
Total	776,864	776,864

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

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

(b) Foreign Currency Risk

CYP is exposed to foreign currency risk arising primarily from Non-GB Pound Sterling holdings to support local operating activities in the regional centres. To manage this risk CYP maintains a minimum level of assets in local currencies, and whenever possible, maintains bank accounts in GB Pound Sterling.

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.

As at 30 June 2014, 93 per cent of cash and cash equivalents are denominated in GB Pound Sterling, 3 per cent in Solomon Islands dollars and the remaining 4 per cent in other currencies (2013: 77 per cent in GB Pound Sterling, 9 per cent in India Rupees, 4 per cent in Zambia Kwacha and Guyanese Dollars respectively, and the remaining 6 per cent in other currencies).

(c) Credit Risk

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

The treasury and investment management policy manages credit risk on cash and cash equivalents by limiting the amount of credit exposure to any one counterparty and ensuring these financial assets are held with well-recognised financial institutions. As at 30 June 2014, 96 per cent of these financial assets were held at counterparty banks with a Moody's credit rating of A3 and higher.

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

(d) Liquidity Risk

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

CYP ensures that it has sufficient cash on demand to meet expected funding needs of the organisation through the use of cash flow forecasts, taking into consideration timing of investment maturities. All

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

investments are short term in nature to ensure that sufficient funds are available to meet CYP commitments as and when they fall due.

The following are contractual liabilities:

2014	<6 months	6 —12 months	1 — 5 years	>5 years	Total
	£	£	£	£	£
Liabilities					
Payables	271,172	-	-	-	271,172
Total Liabilities	271,172	-	-	-	271,172

2013	<6 months	6 —12 months	1 — 5 years	>5 years	Total
	£	£	£	£	£
Liabilities					
Payables	776,864	-	-	-	776,864
Total Liabilities	776,864	-	-	-	776,864

As at 30 June 2014 CYP had not issued any financial guarantees.

(f) Market Risk

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

Interest Rate Risk

Owing to the short maturity of cash and investments an interest rate sensitivity analysis does not disclose significant variations in value. If the weighted average interest rate at 30 June 2014 had been 10 per cent higher or lower, the interest income would have been affected as follows:

	Increase (+) / Decrease (-)	Effect on Surplus / Deficit
Cash and Cash Equivalents		£
	+10%	660
	-10%	(660)

Foreign Currency Risk

Foreign currency balances in GB Pound Sterling as at 30 June 2014 comprises of the following:

2014	GBP	Other Currencies	Total
	£	£	£
Financial Assets	1,753,224	83,715	1,836,939
Percentage of Total	95%	5%	100%
Financial Liabilities	154,856	116,316	271,172
Percentage of Total	57%	43%	100%

The table below shows the impact of a 10% movement in the relative value of the GB Pound Sterling against the foreign currency balances as at 30 June 2014.

	Increase (+) / Decrease (-)	Effect on Balances
Financial Assets		£
	+10%	8,372
	-10%	(8,372)

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	Increase (+) / Decrease (-)	Effect on Balances
Financial Liabilities		£
	+10%	11,632
	-10%	(11,632)

23. Events After Reporting Date

The Secretary General authorised these financial statements for issue on..... January 2016.

There are no material events, favourable or unfavourable that occurred between the reporting date, 30 June 2014, and the date of authorisation for issue that would have impacted these statements.

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

thecommonwealth.org

