

Financial Statements of the Commonwealth Youth Programme

Year Ended 30 June 2015



The Commonwealth



**The RT Hon
Patricia Scotland QC**
Secretary-General
June 2016



Paula Harris
Director - Corporate Services
June 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. Its 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 Youth Programme 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 2015.

Up until the 2013-14 financial year, the financial statements for CYP included 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.

Due to the restructuring of the Commonwealth Youth Programme Fund, which was approved by the Board of Governors of The Commonwealth on 31 October 2013, all four CYP regional centres ceased their operations by March 2014. As such these financial statements are for the CYP London HQ (Pancom).

Governance and Structure

The Commonwealth is headed by a Secretary-General, The RT Hon Patricia Scotland QC, 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.

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PRINCIPAL ACTIVITIES AND OPERATING STRUCTURE

The Secretary-General is assisted by three Deputy Secretaries-General, and thirteen directors in managing the activities of the organisation. The Commonwealth 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.

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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 2015, 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 19.

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 2015, 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

COMMONWEALTH YOUTH PROGRAMME FUND
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

		30 June 2015	30 June 2014
ASSETS	Notes	£	£
Current Assets			
Cash and Cash Equivalents	2	2,305,144	1,273,726
Prepayments		6,962	11,130
Members' Contributions Receivable from non-exchange transactions - net	6(a)	565,646	433,730
Other Receivables from exchange transactions - net	3	10,770	62,563
		<u>2,888,522</u>	<u>1,781,149</u>
Non-current Assets			
Members' Contributions Receivable from non-exchange transactions - net	6(a)	51,172	66,920
TOTAL ASSETS		<u>2,939,694</u>	<u>1,848,069</u>
LIABILITIES			
Current Liabilities			
Provisions	5	54,135	54,090
Deferred Income from non-exchange transactions	7	345,208	135,155
Members' Contributions Prepaid from non-exchange transactions	6(a)(i)	62,848	83,151
Payables and Other Current Liabilities from exchange transactions	4	409,218	271,172
		<u>871,409</u>	<u>543,568</u>
Non-current Liabilities			
Provisions	5	71,607	-
		<u>71,607</u>	<u>-</u>
TOTAL LIABILITIES		<u>943,016</u>	<u>543,568</u>
NET ASSETS		<u>1,996,678</u>	<u>1,304,501</u>
FUND BALANCES AND RESERVES			
General Reserve	1.13	1,004,345	5,723
CYMM/RAB Reserve	1.13	216,413	216,413
Working Capital Reserve	1.13	775,920	961,783
Designated Reserve	1.13	-	120,582
TOTAL FUND BALANCES AND RESERVES		<u>1,996,678</u>	<u>1,304,501</u>

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STATEMENT OF FINANCIAL PERFORMANCE AS AT 30 JUNE 2015

	Notes	2014-15 £	2013-14 £
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Contributions to the Youth Programme	6(a)(i)	3,092,060	3,006,974
Special Projects	14	95,433	105,186
REVENUE FROM EXCHANGE TRANSACTIONS			
Conference & Hostel Income		-	179,338
Interest Receivable	9	3,794	6,599
Other Income		16,266	18,286
Currency Gain		4,109	15,258
TOTAL REVENUE		<u>3,211,662</u>	<u>3,331,641</u>
EXPENSES			
Staff Costs	10	803,830	1,648,232
Other Costs	12	1,168,702	1,239,823
Common Service Charge	1.15 (e)	546,953	528,126
TOTAL EXPENSES		<u>2,519,485</u>	<u>3,416,181</u>
SURPLUS / (DEFICIT) FOR THE YEAR		<u>692,177</u>	<u>(84,540)</u>

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STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2015

	Notes	General Reserve	CYMM/RAB Reserve	Working Capital Reserve	Designated Reserve	Total
		£	£	£	£	£
Balance at 30 June 2013		60,094	216,413	870,560	120,582	1,267,649
Deficit		(84,540)	-	-	-	(84,540)
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
Surplus		692,177	-	-	-	692,177
Working Capital Funds Transfer	1.13	185,863	-	(185,863)	-	-
Transfer of Designated Reserve	8 (a,b)	120,582	-	-	(120,582)	-
Balance at 30 June 2015		1,004,345	216,413	775,920	-	1,996,678

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CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	2014-15	2013-14
	£	£
Cash Flow from Operating Activities		
Surplus/(Deficit)	692,177	(84,540)
Adjustments for:		
Depreciation	-	28,895
Loss on Disposal/Impairment Loss on Fixed Assets	-	27,641
(Increase)/Decrease in Contributions Receivable	(116,168)	501,507
(Decrease) in Contributions Prepaid	(20,303)	(781)
Decrease in Receivables	51,793	128,988
Decrease in Prepayments	4,168	32,433
(Increase)/Decrease in inventories	-	5,475
Increase / (Decrease) in Deferred Income	210,053	(151,618)
Increase/ (Decrease) in Payables and other current liabilities	138,046	(505,693)
Effect of Foreign Exchange Rate Changes	-	50,932
Increase/(Decrease) in Provisions	71,652	(422,821)
Net Cash Flow from Operating Activities	<u>1,031,418</u>	<u>(389,582)</u>
Cash Flow from Investing Activities		
Proceeds from sale of Fixed Assets	-	6,823
Net Cash Flow from Investing Activities	<u>-</u>	<u>6,823</u>
Cash Flow from Financing Activities	-	-
Net Increase in Cash and Cash Equivalents	<u>1,031,418</u>	<u>(382,759)</u>
Cash and Cash Equivalents at the Beginning of Period	1,273,726	1,586,025
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-	70,460
Movement In Cash and Cash Equivalents	<u>2,305,144</u>	<u>1,273,726</u>

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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.

1.2 New Accounting Standards

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

- IPSAS 34 Separate Financial Statements (effective date 1 January 2017)
- IPSAS 35 Consolidated Financial Statements (effective date 1 January 2017)
- IPSAS 36 Investments in Associates and Joint Ventures (effective date 1 January 2017)
- IPSAS 37 Joint Arrangements (effective date 1 January 2017)
- IPSAS 38 Disclosure of Interests in Other Entities (effective date 1 January 2017)

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 property assets.

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 approved the 2015-16 budget paper and associated funding on behalf of the member states. There is a commitment from the Board of Governors to fund this budget effective July 2015.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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 2015, 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 2015, 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 Payables and Accruals

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

1.11 Deferred Income

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.

Where a transfer is subject to conditions that, if unfulfilled, require the return of the transferred resources, deferred income is reported as a non-exchange liability in the Statement of Financial Position. Details of deferred income are given in note 7.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1.12 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.

1.13 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;
- 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

1.14 Revenue

(a) Revenue from non-exchange transactions

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

(i) 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.

(ii) Special Projects

CYP receives additional contributions and grants from member governments, non-Commonwealth countries and other organisations for special projects (see note 14(b) for details of individual special projects). These monies are awarded subject to specific performance conditions.

Where a transfer is subject to conditions that, if unfulfilled, require the return of the transferred resources, deferred income is reported as a non-exchange liability on the Statement of Financial Position. The revenue for these projects is recognized when these conditions are met.

(b) Revenue from exchange transactions

Exchange transactions are transactions in which CYP provides a service and receives nominal consideration in return.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1.14 Revenue (Continued)

(i) 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.

1.15 Expenses

(a) Staff costs

i) Unused annual leave

Staff are permitted to accumulate unused annual leave for use in future periods. The value of unused annual leave at 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.

iii) Staff Gratuity Fund

The Commonwealth contributes fifteen percent of gross salary on a monthly basis for permanent members of staff who opt in to 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 staff at the end of their contract or on leaving The Commonwealth. 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 The Commonwealth. 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. The liability is classified as current or non-current dependent on the expiry dates of the employees' contracts.

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1.15 Expenses (Continued)

Staff Defined Benefit Pension Scheme

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

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

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

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

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

Further details of the defined benefit scheme are disclosed on pages 20-26 of the 2014-15 financial statements of the Commonwealth Secretariat Fund.

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 which is accessible to staff of COMSEC, CFTC and CYP. All contributions are recognised in the Statement of Financial Performance in the period in which the obligations arise.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1.15 Expenses (Continued)

(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.

(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

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

(e) Common Service Charge

CYP is charged a levy referred to as the Common Service Charge by COMSEC. The charge recovers some of the costs incurred by COMSEC in operating the 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.

1.16 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 Financial Statements.

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	
	2015	2014	2015	2014	2015	2014
	£	£	£	£	£	£
Cash and Cash Deposits	2,250,517	1,173,858	-	-	2,250,517	1,173,858
Foreign Bank Accounts	54,627	48,402	-	51,466	54,627	99,868
Total Cash and Cash Equivalents	2,305,144	1,222,260	-	51,466	2,305,144	1,273,726

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

3. Other Receivables from exchange transactions - net

	Notes	2015 £	2014 £
Staff Debtors	(a)	4,466	447
Commonwealth Secretariat		-	35,710
Commonwealth Fund for Technical Co-operation		5,119	16,553
Other Debtors		2,662	9,853
Total Receivables		12,247	62,563
Less: Provision for Doubtful Debts	(b)	(1,477)	-
Total Receivables less provision		10,770	62,563

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

(b) Provision for doubtful relates to amounts owed to CYP Africa.

The change in the provision for doubtful debt during 2014-15 is as follows:

	2014 £	Increase £	2015 £
Provision for doubtful debt	-	1,477	1,477

Ageing of receivables from exchange transactions:

	2015 £	2014 £
Current	6,304	52,710
< 12 months	4,466	3,391
> 12 months	-	6,462
Total	10,770	62,563

4. Payables and Other Current liabilities from exchange transactions

Amounts falling due within one year

	Notes	2015 £	2014 £
Staff Balances		2,616	54,684
Trade Payables & Accruals		211,523	113,420
Commonwealth Fund for Technical Co-operation		195,079	-
Employee Benefits	(a)	-	97,560
Other Creditors		-	5,508
Total Payables and Current Liabilities		409,218	271,172

(a) Employee benefits relate to staff in Regional Centres. These were paid in 2014-15.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

5. Provisions

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

	At 30 June 2015		At 30 June 2014	
	Due within one year	Due after one year	Due within one year	Due after one year
	£	£	£	£
Relocation Expenses	45,047	64,080	20,915	-
Home Leave Expenses	-	7,527	2,486	-
Termination Benefits	-	-	22,704	-
Arbitral Tribunal Claims	7,985	-	7,985	-
Conference Deposits	1,103	-	-	-
Total Provisions	54,135	71,607	54,090	-

Movements in provisions during the year are as follows:

Provisions for Liabilities	Notes	As at 30 June 2014	(Decrease)/ Increase in provision	Amount used in year	As at 30 June 2015
		£	£	£	£
Relocation Expenses	(a)	20,915	88,213	-	109,128
Home Leave Expenses	(b)	2,486	5,040	-	7,526
Termination Benefits	(c)	22,704	-	(22,704)	-
Arbitral Tribunal Claims	(d)	7,985	-	-	7,985
Conference Deposits		-	1,103	-	1,103
Total Provisions for Liabilities		54,090	94,356	(22,704)	125,742

(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 and their dependents are provided with one home leave passage after serving 20 months of any of their contract. 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) During the financial year 2013-14 The Commonwealth implemented a new organisational structure which came into effect on 1 July 2014. Termination benefits resulting from this structural reconfiguration were paid during 2014-15.

(d) Claims for legal cases are shown as a liability in the Statement of Financial Position. New litigation claims have been included in the Statement of Financial Performance and remain unsettled as at the end of 30 June 2015.

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

6. (a) Members' Contributions Receivable from non-exchange transactions

	2015	2014
	£	£
Current	1,083,923	822,229
Provision for doubtful accounts	(518,277)	(388,499)
Net Current Contributions Receivable	565,646	433,730
Non-Current	51,172	66,920
Total Net Contributions Receivable	616,818	500,650

The provision for doubtful debts relates to current member contributions. The net current contributions receivable is £565,646 (2014: £433,730).

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, two governments had agreed payment plans amounting to £119,662 (2014: £100,286).

Ageing of receivables from non-exchange transactions:

	2015	2014
	£	£
Less than one year	385,582	346,351
Between one and two years	231,236	72,934
More than two years	-	81,365
Total	616,818	500,650

The provision for doubtful accounts is for the outstanding contributions receivable where there is a delay in settlement of arrears. The change in the provision for doubtful accounts during 2014-15 is as follows:

	Provisions as at 30 June 2014	Increase in provision	(Decrease) in provision	Provision Used in the year	Provisions as at 30 June 2015
	£	£	£	£	£
Provision for doubtful debt	388,499	157,694	(27,916)	-	518,277

The increase in provision of £157,694 (2014: £Nil) is for additional doubtful contributions receivable that were outstanding as at 30 June 2015.

The decrease in provision of £27,916 (2014: £21,547) is for receipts received during the year, which related to prior year provisions for doubtful contributions receivable.

The provision used in the year of £Nil (2014: £Nil) relates to any write offs of doubtful contributions receivable.

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

6. (a) (i) Members' Contributions from non-exchange transactions 2014-15

Country	Balance at 30 June 2014		Assessment 2014/15	Received in 2014/15	Balance at 30 June 2015	
	Receivable	Prepaid			Receivable	Prepaid
	£	£			£	£
Antigua & Barbuda	-	-	8,499	-	8,499	-
Australia	-	-	327,348	(327,348)	-	-
Bahamas	-	-	19,514	(19,514)	-	-
Bangladesh	-	-	16,369	(16,369)	-	-
Barbados	-	-	16,369	-	16,369	-
Belize	-	-	8,499	-	8,499	-
Botswana	17,042	-	17,468	-	34,510	-
Brunei Darussalam	-	-	25,025	-	25,025	-
Cameroon	5,711	-	16,369	(5,711)	16,369	-
Canada	-	-	756,814	(756,814)	-	-
The Cook Islands	44,453	-	8,873	(8,873)	44,453	-
Cyprus	36,803	-	25,025	(36,803)	25,025	-
Dominica	55,681	-	8,499	(8,499)	55,681	-
Fiji	17,570	-	9,507	-	27,077	-
The Gambia	161,849	-	-	-	161,849	-
Ghana	42,430	-	21,876	(21,087)	43,219	-
Grenada	7,802	-	8,499	(16,301)	-	-
Guyana	3,842	-	8,499	-	12,341	-
India	125,466	-	122,120	-	247,586	-
Jamaica	73,170	-	21,876	(66,275)	28,771	-
Kenya	22,262	-	22,819	(58,665)	-	(13,584)
Kiribati	-	-	4,407	(4,407)	-	-
Lesotho	-	-	8,499	(8,499)	-	-
Malawi	-	-	8,499	-	8,499	-
Malaysia	-	-	41,705	(41,705)	-	-
Maldives	-	-	5,822	(5,822)	-	-
Malta	-	-	16,369	(16,369)	-	-
Mauritius	-	-	16,369	(16,369)	-	-
Mozambique	-	(34,290)	8,499	-	-	(25,791)
Namibia	-	-	19,986	(19,986)	-	-
Nauru	3,685	-	3,777	(3,777)	3,685	-
New Zealand	-	-	-	-	-	-
Nigeria	-	(1,595)	34,624	(33,029)	-	-
Pakistan	-	-	32,106	(32,106)	-	-
Papua New Guinea	-	(2,639)	14,007	-	11,368	-
Rwanda	10,441	-	10,702	(10,702)	10,441	-
Samoa	-	-	8,499	(8,499)	-	-
Seychelles	-	-	8,499	(8,499)	-	-
Sierra Leone	-	(14,007)	14,007	-	-	-
Singapore	-	-	53,350	(53,350)	-	-
Solomon Islands	14,146	-	8,499	-	22,645	-
South Africa	-	(15,181)	102,134	(102,134)	-	(15,181)
Sri Lanka	-	-	21,876	(21,876)	-	-
St Kitts & Nevis	-	-	8,499	-	8,499	-
St Lucia	-	(8,292)	8,499	(8,499)	-	(8,292)
St Vincent & the Grenadines	37,404	-	8,499	-	45,903	-
Swaziland	-	-	8,499	(8,499)	-	-
Tanzania	42,104	-	21,876	-	63,980	-
Tonga	-	(7,147)	8,499	-	1,352	-
Trinidad & Tobago	28,404	-	29,115	(28,404)	29,115	-
Tuvalu	3,685	-	3,777	(3,777)	3,685	-
Uganda	21,342	-	21,876	-	43,218	-
United Kingdom	-	-	1,030,760	(1,030,760)	-	-
Vanuatu	16,484	-	8,499	(16,484)	8,499	-
Zambia	21,034	-	21,560	-	42,594	-
Zimbabwe	76,339	-	-	-	76,339	-
Total	889,149	(83,151)	3,092,060	(2,825,811)	1,135,095	(62,848)

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

6. (a) (ii) Members' Contributions from non-exchange transactions 2013-14

Country	Balance at 30 June 2013		Assessment 2013/14	Received in 2013/14	Balance at 30 June 2014	
	Receivable	Prepaid			Receivable	Prepaid
	£	£			£	£
Antigua & Barbuda	-	-	8,291	(8,291)	-	-
Australia	-	-	319,355	(319,355)	-	-
Bahamas	-	-	19,038	(19,038)	-	-
Bangladesh	-	-	15,969	(15,969)	-	-
Barbados	785	-	15,969	(16,754)	-	-
Belize	-	-	8,291	(8,291)	-	-
Botswana	-	-	17,042	-	17,042	-
Brunei Darussalam	-	-	24,413	(24,413)	-	-
Cameroon	-	(10,258)	15,969	-	5,711	-
Canada	-	-	729,510	(729,510)	-	-
The Cook Islands	35,580	-	8,873	-	44,453	-
Cyprus	60,924	-	24,414	(48,535)	36,803	-
Dominica	61,757	-	8,292	(14,368)	55,681	-
Fiji	17,570	-	-	-	17,570	-
The Gambia	153,555	-	8,292	-	161,847	-
Ghana	21,087	-	21,342	-	42,429	-
Grenada	26,668	-	8,292	(27,158)	7,802	-
Guyana	3,252	-	8,292	(7,701)	3,843	-
India	6,329	-	119,138	-	125,467	-
Jamaica	118,228	-	21,342	(66,400)	73,170	-
Kenya	49,600	-	22,262	(49,600)	22,262	-
Kiribati	-	-	4,300	(4,300)	-	-
Lesotho	-	-	8,291	(8,291)	-	-
Malawi	23,997	-	8,291	(32,288)	-	-
Malaysia	-	-	40,687	(40,687)	-	-
Maldives	-	-	5,680	(5,680)	-	-
Malta	-	-	15,969	(15,969)	-	-
Mauritius	15,778	-	15,969	(31,747)	-	-
Mozambique	-	(23,119)	8,292	(19,463)	-	(34,290)
Namibia	-	-	19,498	(19,498)	-	-
Nauru	-	-	3,685	-	3,685	-
New Zealand	-	-	-	-	-	-
Nigeria	-	(35,374)	33,779	-	-	(1,595)
Pakistan	-	-	31,321	(31,321)	-	-
Papua New Guinea	1,857	-	13,665	(18,161)	-	(2,639)
Rwanda	20,484	-	10,441	(20,484)	10,441	-
Samoa	-	-	8,291	(8,291)	-	-
Seychelles	-	-	8,291	(8,291)	-	-
Sierra Leone	64,492	-	13,665	(92,164)	-	(14,007)
Singapore	-	-	52,048	(52,048)	-	-
Solomon Islands	5,854	-	8,292	-	14,146	-
South Africa	-	(15,181)	99,640	(99,640)	-	(15,181)
Sri Lanka	228	-	21,342	(21,570)	-	-
St Kitts & Nevis	-	-	8,291	(8,291)	-	-
St Lucia	-	-	8,292	(16,584)	-	(8,292)
St Vincent & the Grenadines	37,158	-	8,292	(8,046)	37,404	-
Swaziland	20,062	-	8,291	(28,353)	-	-
Tanzania	20,763	-	21,342	-	42,105	-
Tonga	8,192	-	8,292	(23,631)	-	(7,147)
Trinidad & Tobago	28,064	-	28,404	(28,064)	28,404	-
Tuvalu	-	-	3,685	-	3,685	-
Uganda	21,087	-	21,342	(21,087)	21,342	-
United Kingdom	504,321	-	1,005,594	(1,509,915)	-	-
Vanuatu	8,192	-	8,292	-	16,484	-
Zambia	-	-	21,034	-	21,034	-
Zimbabwe	76,339	-	-	-	76,339	-
Total	1,412,203	(83,932)	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 2015

7. Deferred Income from non-exchange transactions

Special Projects	Deferred Income 30 June 2014 £	Receipts £	Expenses £	Adjustment £	Deferred Income 30 June 2015 £
Youth Gold Awards	2,664	-	-	(2,664)	-
Sport for Development	4,776	-	-	(4,776)	-
Solomon Islands Government (Accommodation Funds)	3,073	-	-	(3,073)	-
Commonwealth Youth Council	20,000	57,571	(29,811)	-	47,760
Sports as a Tool for Development & Peace	30,414	25,000	(9,636)	-	45,778
Sports Activities & Capacity Building	41,639	-	-	-	41,639
Youth Mainstreaming	2,589	-	(600)	-	1,989
Young Professionals Programme	30,000	-	-	-	30,000
Youth Development Index	-	233,428	(55,386)	-	178,042
TOTAL	135,155	315,999	(95,433)	(10,513)	345,208

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

8. Designated Fund from exchange transactions 2014-15

Designated Funds	Notes	Balance 30 June 2014 £	Transfer to General Reserve £	Expenses £	Balance 30 June 2015 £
ICT Revamp & Upgrade	(a)	41,900	(41,900)	-	-
CYP Review	(b)	78,682	(78,682)	-	-
Total		120,582	(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. Due to the closure of the CYP Regional Centres the balance has been transferred back to the General Reserve.

(b) This fund was designated at the May 2012 Board meeting from General Reserves for implementation of CYP review recommendations, which was completed during 2014-15.

9. Interest Receivable from exchange transactions

	2014-15 £	2013-14 £
Interest on Bank Deposits	3,794	6,599
Total Interest Receivable	3,794	6,599

Interest bearing accounts and investments yielded an average rate of 0.24% (2013-14: 0.30%) during the reporting period.

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

10. Staff Costs

	Notes	2014-15	2013-14
		£	£
Salaries & Allowances		79,450	158,787
Salaries & Allowances – Direct		524,229	743,732
Employers National Insurance Contributions		35,033	34,770
Contributions to Staff Gratuity Fund		55,276	112,347
Provision for backdated pay, home & relocation expenses		109,842	46,105
Termination Benefits		-	533,386
Other Staff and Short Term Consultants Costs		-	11,120
Other		-	7,985
Total Staff Costs		803,830	1,648,232

11. Remuneration of Key Management Personnel

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

	Number of persons		Aggregate Remuneration	
	2014-15	2013-14	2014-15	2013-14
			£	£
Management Committee	1	1	10,914	12,544
Directors and Heads of Units	1	1	134,061	131,580
TOTAL	1	1	144,975	144,124

The Management Committee consists of the Secretary-General and three Deputy Secretaries-General. Aggregate remuneration includes salary, allowances and employer's contribution to the gratuity fund as analysed further below. The Secretary-General is provided with rent-free accommodation at The Commonwealth's official residence at Hill Street.

	Management Committee		Directors and Heads of Units	
	2014-15	2013-14	2014-15	2013-14
	£	£	£	£
Salary	6,632	6,710	94,304	92,021
Allowances	2,748	4,810	19,748	19,908
Gratuity	1,534	1,024	20,009	19,651
TOTAL	10,914	12,544	134,061	131,580

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

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

12. Other Costs

	2014-15	2013-14
	£	£
Rent and Rates	56,045	51,625
Property Services & Maintenance Costs	-	32,323
Vehicle Running Costs	-	9,324
Office Equipment Maintenance	635	2,463
Printing & Stationery	435	9,442
Professional Fees	119,381	94,703
Communications, Publicity & Information	42,015	100,219
Events and Venue Costs	106,962	155,572
Travel & Subsistence Costs	509,965	224,735
Restructure Costs	55,467	208,545
Insurance	4,637	23,715
Library & Subscriptions	-	1,420
Audit Fees	14,120	93,270
Bank & Financial Charges	2,146	5,243
Conference Facility Costs	46,634	114,083
Computer Maintenance	8,749	13,209
Depreciation	-	28,892
Non Staff Related Provision	131,256	-
Miscellaneous Expenses	70,255	71,040
Total Other Costs	1,168,702	1,239,823

13. Direct Project Expenses

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

	2014-15	2013-14
	£	£
Youth	1,417,576	1,188,513
Total	1,417,576	1,188,513

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

	2014-15	2013-14
	£	£
Salaries & Allowances	698,038	743,732
Training & Workshops	719,538	444,781
Total	1,417,576	1,188,513

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

14. Special projects

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

	2014-15	2013-14
	£	£
Staff & Short Term Consultants Costs	-	11,120
Training & Workshops	95,433	94,066
	95,433	105,186

15. 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 1.15(e), costs of common service divisions are incurred by COMSEC. These charges are then recovered from CFTC and CYP.

(b) Other Related Parties

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 2015, there were no transactions outside the normal operations between The Commonwealth Youth Programme Fund and the two Commonwealth organisations mentioned above (2014: £nil).

The Management Committee is remunerated through COMSEC and a portion of the cost is allocated to CYP as disclosed in note 11.

16. 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 £29,992 (2013-14: £28,162).

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

17 Segmental Information

Statement of Financial Performance

	Africa		Asia		Caribbean		South Pacific		Pancom (UK)		Adjustments		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Revenue	-	731,104	-	658,429	-	448,012	-	509,668	3,211,662	3,046,579	-	(2,077,409)	3,211,662	3,316,383
Expenses	-	842,281	-	814,142	-	437,700	-	538,118	2,519,485	2,861,349	-	(2,077,409)	2,519,485	3,416,181
Surplus/(Deficit)	-	(111,177)	-	(155,713)	-	10,312	-	(28,450)	692,177	185,230	-	-	692,177	(99,798)
Currency Gain/(Loss)	-	14,496	-	(43)	-	162	-	-	-	643	-	-	-	15,258
Net Surplus/(Deficit)	-	(96,681)	-	(155,756)	-	10,474	-	(28,450)	692,177	185,873	-	-	692,177	(84,540)

Statement of Financial Position

	Africa		Asia		Caribbean		South Pacific		Pancom (UK)		Adjustments		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Assets														
Current Assets	-	33,484	-	19,847	-	10,157	-	42,841	2,888,522	2,206,607	-	(531,787)	2,888,522	1,781,149
Non-Current assets	-	-	-	-	-	-	-	-	51,172	66,920	-	-	51,172	66,920
Total Assets	-	33,484	-	19,847	-	10,157	-	42,841	2,939,694	2,273,527	-	(531,787)	2,939,694	1,848,069
Liabilities														
Current Liabilities	-	413,421	-	60,548	-	-	-	148,437	871,409	452,949	-	(531,787)	871,409	543,568
Non-Current Liabilities	-	-	-	-	-	-	-	-	71,607	-	-	-	71,607	-
Total Liabilities	-	413,421	-	60,548	-	-	-	148,437	943,016	452,949	-	(531,787)	943,016	543,568
Net Assets	-	(379,937)	-	(40,701)	-	10,157	-	(105,596)	1,996,678	1,820,578	-	-	1,996,678	1,304,501

The CYP Regional Centres were closed in 2013-14.

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

18. 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:

	2015	2014
	£	£
Financial Assets	2,932,732	1,836,939
Non-financial assets	6,962	11,130
Total	2,939,694	1,848,069

The liabilities of CYP are categorised as follows:

	2015	2014
	£	£
Financial Liabilities	409,218	271,172
Non-financial Liabilities	533,798	272,396
Total	943,016	543,568

There is no significant difference between the carrying amounts and fair value of CYP's financial instruments.

Financial Assets:

	Carrying Amount
	£
2015:	
Cash and Cash Equivalents	2,305,144
Receivables - Current	576,416
Non-Current	51,172
Total	2,932,732
2014:	
Cash and Cash Equivalents	1,273,726
Receivables - Current	496,293
Non-Current	66,920
Total	1,836,939

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

18. Financial Instruments (Continued)

Financial Liabilities:

	Carrying Amount
	£
2015:	
Payables	409,218
Total	409,218
2014:	
Payables	271,172
Total	271,172

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).

As at 30 June 2015, 98 per cent of cash and cash equivalents are denominated in GB Pound Sterling, and the remaining 2 per cent in other currencies (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).

(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 2015, 98 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 investments are short term in nature to ensure that sufficient funds are available to meet CYP commitments as and when they fall due.

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

18. Financial Instruments (Continued)

The following are contractual liabilities:

2015	<6 months	6 —12 months	1 — 5 years	>5 years	Total
	£	£	£	£	£
Liabilities					
Payables	409,218	-	-	-	409,218
Total Liabilities	409,218	-	-	-	409,218

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

As at 30 June 2015 CYP had not issued any financial guarantees.

(e) 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 2015 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%	379
	-10%	(379)

Foreign Currency Risk

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

2015	GBP	Other Currencies	Total
	£	£	£
Financial Assets	2,874,076	58,656	2,932,732
Percentage of Total	98%	2%	100%
Financial Liabilities	409,218	-	409,218
Percentage of Total	100%	0%	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 2015.

	Increase (+) / Decrease (-)	Effect on Balances
		£
Financial Assets		
	+10%	5,101
	-10%	(5,101)

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

19. Events After Reporting Date

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

There are no material events, favourable or unfavourable that occurred between the reporting date, 30 June 2015, and the date of authorisation for issue that would have impacted these statements.

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