

Financial Statements of the Commonwealth Secretariat Fund

Year Ended 30 June 2015



The Commonwealth



Kamallesh Sharma
Secretary-General

17 December 2015



Paula Harris
Director - Corporate Services

17 December 2015

COMMONWEALTH SECRETARIAT 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 in 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 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 financial statements for each of the funds.

Accordingly, these are the financial statements of the **Commonwealth Secretariat Fund** for the year ended 30 June 2015.

COMSEC facilitates consultation and consensus building amongst Commonwealth governments. It monitors international developments, conducts research and prepares briefings on political, social and economic issues which are of interest to member countries.

The financial statements for COMSEC also include the financial performance and position of the Joint Office for Commonwealth Permanent Missions to the United Nations which is based in New York. This office operates as a base for ten smaller Commonwealth countries, i.e. "small states", to work out of and represent their respective countries at the United Nations. The office is funded by these states together with contributions from other major donor countries.

The financial performance and position of the Geneva office is included within the financial statements for COMSEC. The Commonwealth Small States Office in Geneva provides subsidised office space for diplomatic missions of Commonwealth small states and a business centre for tenants and visiting small states delegations attending multilateral meetings. The office is funded by the small states tenants together with contributions from other major donor countries.

COMMONWEALTH SECRETARIAT FUND

PRINCIPAL ACTIVITIES AND OPERATING STRUCTURE

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 16 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.

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 SECRETARIAT FUND

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS

We have audited the financial statements of the Commonwealth Secretariat 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 24.

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 Secretariat 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

17 December 2015

COMMONWEALTH SECRETARIAT FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

ASSETS	Notes	30 June 2015 £	30 June 2014 £
Current Assets			
Cash and Cash Equivalents	2	6,844,579	5,634,250
Inventories	3	10,354	10,364
Prepayments		571,444	684,563
Members' Contributions Receivable from non-exchange transactions - net	9(a)	1,552,322	1,532,915
Other Receivables from exchange transactions - net	4	2,359,290	3,030,327
		11,337,989	10,892,419
Non-Current Assets			
Property, Plant and Equipment	5	18,449,230	18,523,703
Intangible Assets	5	86,492	6,492
Prepayments		-	3,038
Members' Contributions Receivable from non-exchange transactions	9(a)	321,558	315,408
		18,857,280	18,848,641
TOTAL ASSETS		30,195,269	29,741,060
LIABILITIES			
Current Liabilities			
Provisions	8	601,922	1,183,016
Deferred Income from non-exchange transactions	11(a)	590,029	168,075
Members' Contributions Prepaid from non-exchange transactions	9(a)	160,049	169,053
Payables and Other Current Liabilities from exchange transactions	6	4,776,646	5,251,726
Finance Lease Liability	21(a)	-	126,813
		6,128,646	6,898,683
Non-Current Liabilities			
Payables and Other Non-Current Liabilities from exchange transactions	6	1,996,039	1,851,975
Pension Liabilities	7	12,229,000	13,018,100
Provisions	8	2,016,610	1,775,933
		16,241,649	16,646,008
TOTAL LIABILITIES		22,370,295	23,544,691
NET ASSETS		7,824,974	6,196,369
FUND BALANCES AND RESERVES			
General Reserve		1,731,698	1,168,130
Working Capital Fund		2,219,838	2,219,838
Joint Office in New York	18	372,193	347,246
Small States Office in Geneva	18	(94,569)	(92,326)
Designated Funds	12	578,918	476,927
Revaluation Reserve		15,245,896	15,094,654
Pension Reserve	7	(12,229,000)	(13,018,100)
TOTAL FUND BALANCES AND RESERVES		7,824,974	6,196,369

COMMONWEALTH SECRETARIAT FUND

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015

		2014-15	2013-14
	Notes	£	£
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Contributions to COMSEC	9(a)	16,767,822	16,296,661
Contributions to Joint Office in New York	9(b)	388,225	406,625
Contributions to Small States Office in Geneva	9(c)	256,055	154,505
Special Projects	11	123,687	50,000
Service in-kind - Rent	13(b)(ii)	1,609,000	1,609,000
REVENUE FROM EXCHANGE TRANSACTIONS			
Common Service Charge	10	3,381,753	3,504,860
Designated Funds	12	124,612	163,983
Interest Revenues	13(a)	32,690	9,628
Other Income	13(b)(i)	804,116	910,826
TOTAL REVENUE		<u>23,487,960</u>	<u>23,106,088</u>
EXPENSES			
Staff Costs	14	9,940,845	10,059,315
Other Costs	15	11,218,924	10,708,487
Finance Costs		23,009	29,079
Currency Loss		8,623	41,201
TOTAL EXPENSES		<u>21,191,401</u>	<u>20,838,082</u>
SURPLUS FOR THE YEAR		<u>2,296,559</u>	<u>2,268,006</u>

COMMONWEALTH SECRETARIAT FUND

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

	Notes	General Reserve	Working Capital Fund	Joint Office	Small States Office	Designated Funds	Revaluation Reserve	Pension Reserve	Total
		£	£	£	£	£	£	£	£
Balance at 30 June 2013		(8,859)	2,219,838	327,793	(68,886)	443,552	14,697,003	(12,937,200)	4,673,241
Surplus / (Deficit)		2,241,964	-	52,914	(26,872)	-	-	-	2,268,006
Revaluation of Leasehold Property	5	-	-	-	-	-	-	-	-
Actuarial Loss on Former SG's Pension Scheme	7(a)	-	-	-	-	-	397,651	-	397,651
Actuarial Loss on Defined Benefit Scheme	7(b)	-	-	-	-	-	-	(223,000)	(223,000)
Actuarial Loss on Supplementary Pension	7(c)	-	-	-	-	-	-	(809,500)	(809,500)
Transfer of Funds to Pension Reserve	7(a,b,c)	(1,031,600)	-	-	-	-	-	(80,000)	(80,000)
Transfer of Designated Funds Surplus from General Reserve	12(a)	(33,375)	-	-	-	33,375	-	1,031,600	-
Currency Translation of Foreign Operations		-	-	(33,461)	3,432	-	-	-	(30,029)
Balance at 30 June 2014		1,168,130	2,219,838	347,246	(92,326)	476,927	15,094,654	(13,018,100)	6,198,369
Surplus / (Deficit)		2,296,559	-	-	-	-	-	-	2,296,559
Revaluation of Leasehold Property	5	-	-	-	-	-	151,242	-	151,242
Actuarial Loss on Former SG's Pension Scheme	7(a)	-	-	-	-	-	-	(226,000)	(226,000)
Actuarial Loss on Defined Benefit Scheme	7(b)	-	-	-	-	-	-	(744,900)	(744,900)
Actuarial Gain on Supplementary Pension	7(c)	-	-	-	-	-	-	129,000	129,000
Transfer of Funds to Pension Reserve	7(a,b,c)	(1,631,000)	-	-	-	-	-	1,631,000	-
Transfer of Designated Funds Surplus from General Reserve	12(a,b)	(1,991)	-	-	-	1,991	-	-	-
Transfer from General Reserve to Designated Funds	12(c)	(100,000)	-	-	-	100,000	-	-	-
Currency Translation of Foreign Operations		-	-	24,947	(2,243)	-	-	-	22,704
Balance at 30 June 2015		1,731,698	2,219,838	372,193	(94,569)	578,918	15,245,896	(12,229,000)	7,824,974

COMMONWEALTH SECRETARIAT FUND

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	2014-15	2013-14
	£	Restated £
Cash Flow from Operating Activities		
Surplus for the year	2,296,559	2,268,006
Non-Cash Movements		
Amortisation	19,375	3,914
Depreciation	561,331	909,717
Loss on Disposal of Fixed Asset	4,660	-
Increase in Contributions Receivable	(25,557)	(188,037)
(Decrease) / Increase in Contributions Prepaid	(9,004)	26,934
Decrease / (Increase) in Receivables	671,037	(2,400,247)
Decrease in Prepayments	116,157	70,990
Decrease / (Increase) in Inventories	10	(3,898)
(Decrease) / Increase in Payables and Other Current Liabilities	(296,605)	393,707
(Decrease) / Increase in Provisions	(340,417)	289,624
Increase / (Decrease) in Deferred Income	421,954	(19,089)
Increase / (Decrease) in Payables and Other Non Current Liabilities	240,064	(483,008)
Pension Actuarial Adjustments	(1,631,000)	(1,031,600)
Net Cash Flow from Operating Activities	2,028,564	(162,987)
Cash Flow from Investing Activities		
Purchase of Intangible Assets	(99,375)	(1,854)
Purchase of Non Current Assets (non-lease)	(335,771)	(136,631)
Net Cash Flow from Investing Activities	(435,146)	(138,485)
Cash Flow from Financing Activities		
Repayment of Lease Liabilities	(126,813)	(403,724)
Repayment of Bank Loans	(274,475)	(274,331)
Net Cash Flow from Financing Activities	(401,288)	(678,055)
Net Increase in Cash and Cash Equivalents	1,192,130	(979,527)
Cash and Cash Equivalents at the Beginning of Period	5,634,250	6,635,729
Currency Translations on Foreign Operations	18,199	(21,952)
Cash and Cash Equivalents at the End of Period	6,844,579	5,634,250

COMMONWEALTH SECRETARIAT FUND

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

1. Accounting Policies

1.1.1 Statement of Compliance

The financial statements of the COMSEC 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 and analysis relating to the Joint Office for Commonwealth Permanent Missions to the United Nations (Joint Office) and the Commonwealth Small States Office in Geneva (Small States Office) have been provided in the financial statements.

1.1.2 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)

1.2 Change to Accounting Policies

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

1.3 Basis for Non-Consolidation of Financial Statements

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

- Commonwealth Secretariat Fund (COMSEC)
- Commonwealth Fund for Technical 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.

1.4 Accounting Convention

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

1.5 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 paper and associated funding on behalf of the member states. The most significant liabilities are in respect of pensions which fall due in future periods in excess of one year.

1.6 Functional and Presentational Currency

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

COMMONWEALTH SECRETARIAT FUND

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

1.7 Financial Instruments

Financial instruments are recognised when COMSEC 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 COMSEC 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 within 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 amortized cost.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that COMSEC 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 COMSEC.

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 COMSEC.

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

1.8 Cash and Cash Equivalents

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

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.

1.9 Inventories

The Commonwealth operates a limited Commissariat for duty-free goods and holds stocks of souvenirs and gifts for official purposes.

Stocks not held for resale are valued at the lower of cost and current replacement cost.

1.10 Property, Plant and Equipment

(a) Costs

Items of property, plant and equipment that meet the recognition criteria for assets and have a value greater than £1,000, or a group of similar assets with a value greater than £10,000 where the individual value is less than £1,000, are capitalised and depreciated to residual value over their useful life.

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.

Capital work in progress represents the value of refurbishment works in Quadrant House. The total cost of this work is transferred to the relevant asset category on the completion of the project and then depreciated.

(b) Revaluation

Land and buildings are revalued every five years. This is supplemented by interim professional valuations to ensure that the carrying amount does not differ materially from fair value. All other classes of property, plant and equipment are carried at cost, less any accumulated depreciation and impairment losses.

COMMONWEALTH SECRETARIAT FUND

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

1.10 Continued

(c) 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 for assets is provided from the month the asset is made available for use. The estimated useful lives applicable are as follows:

Asset Type	
Leasehold buildings	Remaining term of lease
Building Improvements	Remaining life of the building or term of lease or the useful life of the improvement
Plant 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

(d) Impairment

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

1.11 Intangible Assets

Computer software purchased for internal use which meets the recognition criteria for intangible assets and have a value greater than £1,000 are capitalised and amortised to residual value over their useful life. Computer software is recorded at cost, which includes the purchase price and directly attributable costs of bringing the software to usable condition for their intended use.

Computer software is amortised from the month it is made available for use. The estimated useful life is four years.

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 on deferred income are given in note 1.17(a)(ii).

1.14 Borrowings

Borrowings consist of bank overdraft and bank loans. These are analysed as short- and long-term borrowings in the Statement of Financial Position. Their fair values are determined by the principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest and charges are recognised in the reporting period in which they are incurred.

1.15 Provisions and Contingent Liabilities

Provisions are made for future liabilities and charges where COMSEC 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.

COMMONWEALTH SECRETARIAT FUND

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

1.16 Reserves

COMSEC's reserves consist of the following balances:

- General Reserve, is 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;
- General Reserves of the Joint Office for Commonwealth Permanent Missions to the United Nations in New York and the Commonwealth Small States Office in Geneva, are included as they form part of COMSEC's activities;
- Revaluation Reserve, relates to the revaluation of the Secretary General's residence, see note 5. The balance is made up of gains and losses in the value of the property since its acquisition in 2001 and subsequent refurbishment;
- Designated Funds, specifically relate to the Publication and the Marlborough House Funds carried forward to the next year. (See note 1.16(d)); as well as Funds set aside for specific purposes within the overall reserves as agreed by the Board of Governors as part of the budget paper; and
- Pension Reserve, created to reflect the surplus or deficit on The Commonwealth's pension obligations.

1.17 Revenue

(a) Revenue from non-exchange transactions

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

(i) Contributions

COMSEC is financed by assessed 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 they relate, the amount is recognised as a non-exchange 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.

The Joint Office for Commonwealth Permanent Missions to the United Nations in New York and the Commonwealth Small States Office in Geneva are financed by contributions from donors.

(ii) Special Projects

COMSEC receives additional contributions and grants from member governments, non-Commonwealth countries and other organisations for special projects (see note 11 for details of individual special projects). These funds 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 COMSEC provides a service and receives nominal consideration in return.

COMMONWEALTH SECRETARIAT FUND

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

1.17. Continued

(i) Common Service Charge

COMSEC levies an administrative charge referred to as the Common Service Charge, on the Commonwealth Fund for Technical Co-operation, Commonwealth Youth Programme and Commonwealth Association of Tax Administrators. The charge recovers from these institutions 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.

(ii) Designated Funds

This income relates to monies generated from certain self-financing funds (see note 12 for details of the individual designated funds). Any surpluses or losses arising during the financial period are carried forward to the next year in the Designated Funds Reserves (see note 1.16).

(iii) Tenants Re-charges

In addition to contributions from donors the Joint Office for Commonwealth Permanent Missions to the United Nations in New York and the Commonwealth Small States Office in Geneva are also financed by contributions from the tenants using the office facilities.

(iv) Other Income

Other income consists of:

- interest received from interest-bearing accounts and investments;
- rent received and costs recovered from tenants in the Joint Office for Commonwealth Permanent Missions to the United Nations in New York and the Commonwealth Small States Office in Geneva;
- costs recovered from the Commonwealth Foundation in COMSEC;
- recoveries by COMSEC, the Joint Office and the Small States Office of various costs, through insurance and tax reclaims; and
- service in-kind, representing the provision of Marlborough House free of rent, as recognised under IPSAS 23 Revenue from Non-Exchange Transactions.

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

1.18 Expenses

(a) Staff costs

(i) Unused annual leave

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

The Commonwealth 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.

COMMONWEALTH SECRETARIAT FUND

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

1.18 Continued

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. These are recognised as restricted cash and cash equivalents in the Statement of Financial Position, with a corresponding liability. This liability is classified as either 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.

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. 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.

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 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.

COMMONWEALTH SECRETARIAT FUND

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

1.18 Continued

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

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

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 actuarial gains and losses are recognised in the Statement of Changes in Net Assets.

Group Stakeholder Defined Contribution Pension Scheme

The Commonwealth also operates a defined contribution pension scheme for staff. All employer 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. The service in-kind has been estimated using the rental value of Quadrant House in proportion to the office area in Marlborough House.

Significant improvements made to the Marlborough House or Quadrant House are capitalised and depreciated through the statement of financial performance over the useful life of the improvements in case of Marlborough House and the remaining term of lease in case of Quadrant house.

(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) Leases

Leases are classified at their inception. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incident to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incident to ownership. Such classification is made in accordance with the substance and financial reality of the lease, not merely with its legal form.

Assets acquired under finance leases are recognised as assets in the Statement of Financial Position and the associated lease liabilities are recognised as liabilities. The assets and liabilities are recognised at amounts equal to the fair value of the leased asset at the inception of the lease or, if lower, at the present value of the minimum lease payments.

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is recognised in the Statement of Financial Performance each year during the lease term.

COMMONWEALTH SECRETARIAT FUND

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

1.18 Continued

Lease payments under an operating lease are recognised as an expense in the Statement of Financial Performance on a straight line basis over the lease term.

(e) Foreign currency transactions

Transactions in foreign currencies are translated to GB Pounds Sterling at the rate of exchange on the date of the transactions. Gains and losses resulting from the settlement of foreign currency transactions are recognised in the Statement of Financial Performance. COMSEC does not have any hedging arrangements.

Assets and liabilities of the Joint Office in New York and the Small States Office in Geneva 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.

1.19 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 Special Projects funds, Joint Office in New York, Small States Office in Geneva and the Staff Gratuity Fund, which are held only for these specific purposes.

	Unrestricted		Restricted		Total	
	2015	2014	2015	2014	2015	2014
	£	£	£	£	£	£
Cash and Cash Deposits	795,679	677,335	442,690	781,924	1,238,369	1,459,259
Foreign Bank Accounts	-	-	249,996	496,193	249,996	496,193
Money Market	788,942	917,624		-	788,942	917,624
Fixed Term Deposit	-	-	4,567,272	2,761,174	4,567,272	2,761,174
Total Cash and Cash Equivalents	1,584,621	1,594,959	5,259,958	4,039,291	6,844,579	5,634,250

3. Inventories

	2015	2014
	£	£
Commissariat Stock	1,861	1,207
Souvenirs and Gifts	8,493	9,157
Total Inventories	10,354	10,364

COMMONWEALTH SECRETARIAT FUND

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

4. Receivables from exchange transactions

	2015	2014
	£	£
Current Receivables		
Staff Advances & Season Ticket Loans	83,605	72,248
Geneva Office	107,414	8,411
New York Office	259,760	147,690
Other debtors	187,837	228,816
Miscellaneous	9,412	2,520
Commonwealth Fund for Technical Co-operation	1,686,828	2,552,477
Commonwealth Youth Programme	195,079	-
Commonwealth Foundation Re-charges	66,200	83,791
	2,596,135	3,182,901
Provision for doubtful debt	(236,845)	(65,626)
Total Current Receivables	2,359,290	3,030,327

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

	As at 30 June 2014	(Decrease)/ Increase in provision	Amount reversed in year	As at 30 June 2015
	£	£	£	£
Provision for doubtful debt	65,626	171,219	-	236,845

Royalties due from prior years is proving difficult to collect due to financial difficulties of the other party. After review, a provision for the total amount outstanding was created in 2014-15.

Ageing of receivables from exchange transactions:

	2015	2014
	£	£
Current	1,944,464	2,624,980
< 12 months	350,938	325,392
> 12 months	63,888	79,955
Total	2,359,290	3,030,327

COMMONWEALTH SECRETARIAT FUND

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

5. (a) Non-Current Assets

(i) Property, Plant & Equipment 2015

Cost	LAND AND BUILDINGS £	BUILDING IMPROVEMENT £	FURNITURE & FIXTURES £	HARDWARE Restated £	EQUIPMENT £	VEHICLES £	CAPITAL WORK IN PROGRESS £	TOTAL 2015 Restated £
Balance as at 30 June 2014	16,750,000	2,212,486	703,457	3,101,204	490,839	83,897	-	23,341,883
Additions	-	-	8,051	29,234	50,904	63,920	183,662	335,771
Disposals	-	-	(536,000)	(2,337,767)	-	(34,941)	-	(2,908,708)
Currency Translations	-	328	3,368	1,856	2,602	-	-	8,154
Closing Balance as at 30 June 2015	16,750,000	2,212,814	178,876	794,527	544,345	112,876	183,662	20,777,100

Depreciation

Balance as at 30 June 2014	-	(1,155,820)	(613,162)	(2,882,217)	(130,169)	(36,812)	-	(4,818,180)
Depreciation	(151,242)	(101,292)	(23,053)	(182,584)	(76,508)	(26,652)	-	(581,331)
Disposals	-	-	536,000	2,337,767	-	30,281	-	2,904,048
Revaluation Adjustment	151,242	-	-	-	-	-	-	151,242
Currency Translations	-	(131)	(1,808)	(1,022)	(688)	-	-	(3,649)
Closing Balance as at 30 June 2015	-	(1,257,243)	(102,023)	(728,056)	(207,365)	(33,183)	-	(2,327,870)

Assets held under Finance Leases	-	-	-	-	-	-	-	-
Other Assets	16,750,000	955,571	76,853	66,471	336,980	79,693	183,662	18,449,230
Net Book Value 30 June 2015	16,750,000	955,571	76,853	66,471	336,980	79,693	183,662	18,449,230

(ii) Intangible Assets (Software) 2015

	BALANCE AS AT 30 JUNE 2014	ADDITIONS	DISPOSALS	AMORTISATION CHARGE FOR THE PERIOD	BALANCE AS AT 30 JUNE 2015
Cost	17,840	99,375	(3,743)	-	113,472
Depreciation	(11,348)	-	3,743	(19,375)	(26,980)
Net Book Value 30 June 2015	6,492	99,375	-	(19,375)	86,492

COMMONWEALTH SECRETARIAT FUND

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

5. (b) Non-Current Assets

(i) Property, Plant & Equipment 2014

Cost	LAND AND BUILDINGS	BUILDING IMPROVEMENT	FURNITURE & FIXTURES	HARDWARE	EQUIPMENT	VEHICLES	CAPITAL WORK IN PROGRESS	TOTAL 2014
	£	£	£	£	£	£	£	£
Balance as at 30 June 2013	16,500,000	2,188,023	670,356	3,170,577	515,114	83,897	-	23,127,967
Additions	-	25,000	38,184	47,813	25,634	-	-	136,631
Disposals	-	-	-	(114,358)	(46,050)	-	-	(160,408)
Revaluation Adjustments	250,000	-	-	-	-	-	-	250,000
Currency Translations	-	(537)	(5,083)	(2,828)	(3,859)	-	-	(12,307)
Closing Balance as at 30 June 2014	16,750,000	2,212,486	703,457	3,101,204	490,839	83,897	-	23,341,883

Depreciation

Balance as at 30 June 2013	-	(1,056,206)	(507,501)	(2,532,912)	(104,100)	(20,033)	-	(4,220,752)
Depreciation	(147,651)	(99,781)	(107,887)	(464,800)	(72,819)	(16,779)	-	(909,717)
Disposals	-	-	-	114,358	46,050	-	-	160,408
Revaluation Adjustments	147,651	-	-	-	-	-	-	147,651
Currency Translations	-	167	2,226	1,137	700	-	-	4,230
Closing Balance as at 30 June 2014	-	(1,155,820)	(613,162)	(2,882,217)	(130,169)	(36,812)	-	(4,818,180)

Assets held under Finance Leases	-	-	-	156,311	-	-	-	156,311
Other Assets	16,750,000	1,056,666	90,295	62,676	360,670	47,085	-	18,367,392
Net Book Value 30 June 2014	16,750,000	1,056,666	90,295	218,987	360,670	47,085	-	18,523,703

(ii) Intangible Assets (Software) 2014

	BALANCE AS AT 30 JUNE 2013	ADDITIONS	DISPOSALS	AMORTISATION CHARGE FOR THE PERIOD	BALANCE AS AT 30 JUNE 2014
Cost					
Depreciation	15,986	1,854	-	-	17,840
Net Book Value 30 June 2015	(7,434)	-	-	(3,914)	(11,348)
	8,552	1,854	-	(3,914)	6,492

COMMONWEALTH SECRETARIAT FUND

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

5 Continued

The asset classified as land and buildings relates to the Secretary-General's official residence, a long leasehold property (see note 6 (a)).

The fair value of the residence has been determined with reference to its market value. It is assumed to be part of the super prime sector of the market due to its size, stature and location. The valuation is made on the assumption that The Commonwealth has full vacant possession of the property.

A full valuation was last performed by Knight Frank LLP in August 2012. In accordance with The Commonwealth's accounting policy, a desktop valuation was performed in July 2015 to ensure that the carrying amount does not differ materially from fair value.

This valuation was based on a detailed review of the current market for similar buildings. The valuation was considered to be in the order of £16.75 million due to strong international demand and limited supply for this type of property. The valuers are independent from The Commonwealth and conform to the Royal Institution of Chartered Surveyors Appraisal and Valuations standards. The next full valuation is due in 2017.

6. Payables and Other Liabilities from exchange transactions

Amounts falling due within one year

	Notes	2015	2014
		£	£
Bank Loans	(a)	96,000	274,475
Trade Payables & Accruals		2,601,757	2,164,625
Staff Gratuity Fund Obligations	(b)	1,811,064	2,576,615
Staff Expenses		9,994	5,322
New York Office		17,721	13,058
Geneva Office		234,388	181,769
Commonwealth Association for Tax Administrators		5,722	-
Miscellaneous		-	152
Commonwealth Youth Programme		-	35,710
Total Payables and Current Liabilities		4,776,646	5,251,726

Amounts falling due after more than one year

	Notes	2015	2014
		£	£
Bank Loans	(a)	936,000	1,032,000
Staff Gratuity Fund Obligations	(b)	1,060,039	819,975
Total Non-Current Liabilities		1,996,039	1,851,975

COMMONWEALTH SECRETARIAT FUND

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

(a) Bank Loans

Acquisition of Secretary-General's Residence

In March 2001 The Commonwealth purchased a 125 year lease on the Secretary-General's residence at 40b Hill Street in Mayfair, for £2,000,000. This property was refurbished at a cost of £400,000 giving a total historic cost of £2,400,000. A loan was negotiated with Barclays Bank plc to cover these costs, and Barclays holds a first charge on this property. The capital is repayable in 100 equal quarterly instalments of £24,000 over 25 years and interest is payable quarterly. The first quarterly payment of capital was made on 11 June 2001. The balance on the loan as at 30 June 2015 was £1,032,000 (2014: £1,128,000) of which £96,000 is due for repayment in the next twelve months. The interest of £8,933 (2013-14: £9,494) on this loan is expensed during the year.

Refurbishment of Quadrant House

In December 1999 The Commonwealth took out a 25 year lease on Quadrant House, Pall Mall London, which is used as office premises. A loan of £1,900,000 from HSBC Bank plc was taken out in 2002 to cover the costs of the refurbishment of this property. The loan was repayable in quarterly instalments over thirteen years and interest was payable quarterly. The first quarterly payment was made in October 2002. The loan was repaid in full during the year and the balance is now £Nil (2014: £178,475). The interest of £1,063 (2013-14: £4,352) on this loan was expensed during the year.

(b) Staff Gratuity Fund Obligations

The Staff Gratuity Fund Obligations also includes amounts relating to other funds and separate entities as analysed below. The total amount is covered by restricted balances held within cash and cash equivalents.

	2015		2014	
	Due within one year	Due after one year	Due within one year	Due after one year
	£	£	£	£
Commonwealth Secretariat Fund	1,321,233	810,237	1,879,516	570,047
Commonwealth Fund for Technical Co-operation	338,808	183,710	384,568	220,993
Commonwealth Youth Programme Fund	14,774	32,668	109,028	6,471
Commonwealth Association of Tax Administrators	-	27,334	-	13,075
Commonwealth Foundation	124,763	-	203,503	-
New York Office	11,486	1,831	-	9,389
Geneva Office	-	4,259	-	-
Total Staff Gratuity Fund Obligations	1,811,064	1,060,039	2,576,615	819,975

7. Pension Liabilities

	Notes	2015	2014
		£	£
Former Secretaries-General Pension Scheme	(a)	2,997,000	2,866,000
Staff Defined Benefit Scheme	(b)	6,046,000	6,751,100
Supplementary Pension	(c)	3,186,000	3,401,000
Total		12,229,000	13,018,100

COMMONWEALTH SECRETARIAT FUND

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

(a) Former Secretaries-General Pension Scheme

There are no directly attributable assets held by The Commonwealth to support the above pension liability.

An actuarial valuation of the scheme as at 30 June 2015 was carried out by First Actuarial LLP for the specific purpose of these Financial Statements, in line with the provisions of IPSAS 25.

Payments into the scheme for the year ending 30 June 2016 are estimated at £210,000.

The present values of the defined benefit obligation for the current and previous four years are as follows:

	2015	2014	2013	2012	2011
	£	£	£	£	£
Defined Benefit Obligations	2,997,000	2,866,000	2,725,000	2,552,000	2,698,000
Experience adjustments on Scheme liabilities	(61,000)	(4,000)	(34,000)	163,000	(39,000)
Change of basis adjustments on Scheme liabilities	(165,000)	(219,000)	(233,000)	(66,000)	(27,000)

The cumulative actuarial losses recognised through the Statement of Changes in Net Assets as at 30 June 2015 amounted to £1,037,000 (2014: £811,326).

Statement of Financial Position:

As at 30 June	2015	2014
	£	£
Fair Value of Assets	-	-
Value of liabilities (defined benefit obligations)	2,997,000	2,866,000
Funded Status	(2,997,000)	(2,866,000)

Statement of Financial Performance:

For the 12 months ending 30 June	2015	2014
	£	£
Interest cost on scheme liabilities	105,000	118,000
Total recognised in Statement of Financial Performance	105,000	118,000

£95,000 (2014: £82,000) has been transferred to the pension reserve from the general reserve representing the difference between the cost recognised in Statement of Financial Performance and benefits paid out.

Changes in the present value of the defined benefit obligations are as follows:

	2015	2014
	£	£
Defined Benefit Obligation at the beginning of period	2,866,000	2,725,000
Movement in period:		
Interest cost on obligation	105,000	118,000
Benefits paid	(200,000)	(200,000)
Actuarial loss on liabilities	226,000	223,000
Defined Benefit Obligation at end of period	2,997,000	2,866,000

COMMONWEALTH SECRETARIAT FUND

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

7. (a) Continued

The following assumptions were used in the actuarial valuation calculations:

	2015	2014
Discount Rate	3.3%	3.8%
Price Inflation (RPI)	3.1%	3.2%

- Mortality – 90% PNMA00 and PNFA00 with an allowance for future improvements in mortality in accordance with the core CMI mortality projection model CMI_2014, with long term rates of improvement of 1% p.a.
- Marital Status - members' actual marital statuses have been taken into account along with their spouses' dates of birth.
- Pension Increases – on average, member's pensions are assumed to increase in line with RPI each year with pensions being reassessed at four yearly intervals. The next review date is assumed to be in 2016 and an approximate adjustment has been made in the above valuation to allow for this.

The discount rate at 30 June 2015 has been taken as the yield on the iBoxx £ Corporates AA15+ corporate bond index.

The amount of the liabilities for the year ending 30 June 2015 varies if the main financial assumptions used in the valuation change, in particular the discount rate and inflation rates. If the assumed discount rate was 1% p.a lower, the liabilities would increase from £2,997,000 to £3,361,000. If the assumed rate of RPI was 1% p.a higher, the liabilities would increase from £2,997,000 to £3,400,000.

(b) Staff Defined Benefit Scheme

First Actuarial LLP carried out an actuarial valuation of the assets and liabilities of the scheme as at 30 June 2015 for the specific purpose of these accounts, in line with the provisions of IPSAS 25.

	2015	2014
	£	£
Present value of funded obligations	49,836,000	46,093,200
Fair value of scheme assets	(43,790,000)	(39,342,100)
Net liability	6,046,000	6,751,100

The present values of the defined benefit obligations and scheme assets for the current and previous four years are as follows:

	2015	2014	2013	2012	2011
	£	£	£	£	£
Defined Benefit Obligations	(49,836,000)	(46,093,200)	(43,932,000)	(42,012,600)	(37,021,600)
Scheme Assets	43,790,000	39,342,100	37,123,800	33,194,900	30,038,800
Deficit	(6,046,000)	(6,751,100)	(6,808,200)	(8,817,700)	(6,982,800)
Experience adjustments on Scheme liabilities	461,000	(337,600)	(54,800)	106,100	(132,000)
Experience adjustments on Scheme assets	3,017,000	1,012,400	1,396,100	1,531,500	1,395,100

The cumulative actuarial losses recognised through the Statement of Changes in Net Assets as at 30 June 2015 amounted to £5,470,100 (2014: £4,725,200).

COMMONWEALTH SECRETARIAT FUND

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

7.(b) Continued

Statement of Financial Position:

The assets valued below are in the form of portfolios of investments with Legal & General Investment Management and Standard Life, an insurance policy invested in the unit-linked Index-linked Gilt fund with the Equitable Life Assurance Society and the scheme bank accounts. The value of the Legal & General holding has been taken as the value at bid price as at the year end. The value of the Standard Life holding has been taken as the market value as at the year end. The value of the assets held in the Equitable Life unit-linked fund has been taken as the value of the units at bid price as at the year end. The value of the bank accounts has been taken as the amounts held, less payments due, on 30 June 2015. The major categories of scheme assets as a percentage of total scheme assets are as follows:

As at 30 June	2015	2014
	%	%
Fixed Interest Gilts	20	23
Index Linked Gilts	21	20
Corporate Bonds	-	3
Equities and Property	31	42
Cash and Derivatives	-	12
Diversified Growth Fund	28	-

The expected rate of return on plan assets is determined as follows:

Fixed Interest and Index-Linked Gilts:	the yield on the FT-SE Actuaries 15 year gilt index
Corporate Bonds:	the yield on the iBoxx £ Corporates AA 15+ year index
Equities and Property:	the above gilt yield assumption plus 3.5% p.a
Cash and Derivatives:	the current Bank of England base rate
Diversified Growth Fund:	In line with Equities and Property, less 0.5% p.a

Overall expected rate of return for the year beginning 1 July 2015 = 4.2% (2014: 4.1%).

The rate of return given allows for the annual management charges on investment at 0.7% per annum by Standard Life and 0.1% by Legal and General Investment Management.

Statement of Financial Performance:

For the 12 months ending 30 June	2015	2014
	£	£
Current service cost	313,000	330,300
Expected return on the assets	(1,609,000)	(1,438,300)
Interest cost on scheme liabilities	1,896,000	1,941,900
Total included in pension costs	600,000	833,900
Actual return on plan assets	4,626,000	2,450,700

Members' and employers' contributions into the scheme for the year ending 30 June 2016 are estimated at £1,886,000. An amount of £1,450,000 (2014: £866,600) was transferred to the pension reserve from the general reserve in the year representing the difference between the cost recognised in the Statement of Financial Performance and contributions made to the scheme.

COMMONWEALTH SECRETARIAT FUND

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

7.(b) Continued

The movement in surplus during the period is as follows (unless otherwise specified, the figures calculated are based on the assumptions as at the beginning of the period):

Assets	2015	2014
	£	£
Assets in scheme at beginning of period	39,342,100	37,123,800
Movement in period:		
Expected return on assets	1,609,000	1,438,300
Employer contributions	2,050,000	1,700,500
Member contributions	21,000	40,300
Benefits paid	(2,249,000)	(1,973,200)
Actuarial gain on assets	3,016,900	1,012,400
Assets in scheme at end of period	43,790,000	39,342,100

Liabilities	2015	2014
	£	£
Liabilities in scheme at the beginning of period	46,093,200	43,932,000
Movement in period:		
Interest cost	1,896,000	1,941,900
Current Service cost	313,000	330,300
Member contributions	21,000	40,300
Benefits paid	(2,249,000)	(1,973,200)
Actuarial loss on liabilities	3,761,800	1,821,900
Liabilities in scheme at end of period	49,836,000	46,093,200

The actuarial loss charged to the pension reserve is the net of the actuarial loss on liabilities £3,761,800 (2014: £1,821,900) and the actuarial gain on scheme assets £3,016,900 (2014: £1,012,400) totalling £744,900 (Actuarial gain including the ELPS gain in 2014: £809,500).

The assumptions used in calculating the liabilities were as follows:

	2015	2014
	%	%
Inflation (RPI)	3.3	3.3
Rate of Increases in Salary in 2015-16	1.0	3.0
Rate of Increases in Salary thereafter	2.0	3.0
Pension Increases:		
Subject to RPI, maximum 5%, minimum 3%	3.4	3.4
Statutory Revaluation in Deferment	2.3	2.3
Discount Rate (pre and post retirement)	3.6	4.2

The discount rate on 30 June 2015 has been taken as the yield on the iBoxx £ Corporates AA15+ corporate bond index. Mortality after retirement at 90% PNMA00 and PNFA00 with an allowance for future improvements in mortality in accordance with the core CMI mortality projection model CMI_2014, with long term rates of improvement of 1% p.a.

COMMONWEALTH SECRETARIAT FUND

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

7.(b) Continued

The actuarial assumptions are identified as key judgements and sources of uncertainty, and the amount of the liability for the year ending 30 June 2015 varies if the main financial assumptions used in the valuation change, in particular the discount rate and inflation rates. If the assumed discount rate was 1.0% p.a. lower the liabilities would increase from £49,836,000 to £58,482,000. If the assumed RPI and CPI rates were 1.0% p.a. higher the liabilities would increase from £49,836,000 to £53,618,000.

(c) Supplementary Pension

There are no directly attributable assets held by The Commonwealth to support the above pension liability.

An actuarial valuation as at 30 June 2015 was carried out by First Actuarial LLP for the specific purpose of these accounts, in line with the provisions of IPSAS 25.

Payments in relation to these pensions for the year ending 30 June 2016 are estimated at £223,000.

The present values of the defined benefit obligation for the current and previous years are as follows:

	2015	2014	2013	2012	2011
	£	£	£	£	£
Defined Benefit Obligations	3,186,000	3,401,000	3,404,000	2,598,000	2,985,000
Experience (loss) / gain on liabilities	(120,000)	(18,000)	(41,000)	(61,000)	62,000
Change of basis adjustments on liabilities	249,000	(62,000)	(847,000)	393,000	984,000

The cumulative actuarial gains recognised through the Statement of Changes in Net Assets as at 30 June 2015 amounted to £539,000 (2014: £410,000).

Statement of Financial Position:

For the 12 months ending	2015	2014
	£	£
Fair Value of Assets	-	-
Value of liabilities (defined benefit obligations)	3,186,000	3,401,000
Funded Status	(3,186,000)	(3,401,000)

Statement of Financial Performance:

For the 12 months ending	2014-15	2013-14
	£	£
Interest cost on liabilities	125,000	135,000
Total recognised in Statement of Financial Performance	125,000	135,000

£86,000 has been transferred to the pension reserve from the general reserve (2014: £83,000) representing the difference between cost recognised in the Statement of Financial Performance and benefits paid out.

COMMONWEALTH SECRETARIAT FUND

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

7.(c) Continued

Changes in the present value of the supplementary pension's obligations are as follows:

	2015	2014
	£	£
Defined Benefit Obligation at the beginning of period	3,401,000	3,404,000
Movement in period:		
Interest cost on liabilities	125,000	135,000
Benefits paid	(211,000)	(218,000)
Actuarial loss (gain) on liabilities	(129,000)	80,000
Defined Benefit Obligation at end of period	3,186,000	3,401,000

The following assumptions were used in the actuarial valuation calculations:

	2015	2014
Discount Rate	3.3%	3.8%
Price Inflation (RPI)	3.1%	3.2%
Price Inflation (CPI)	2.1%	2.2%
Discretionary increase over guaranteed increase	0.1%	0.2%

After a review of the market conditions as at 30 June 2015, specific assumptions have been provided for use in the actuarial valuation calculations as follows:

- a lower discount rate assumption of 3.3% pa which reflects a shorter duration for the Supplementary Pensions' liabilities, compared to the Defined Benefit Scheme; the discount rate has been taken as the yield on the iBoxx £ Corporates AA15+ corporate bond index;
- a lower CPI inflation assumption of 2.1% pa which similarly reflects the shorter duration;
- Mortality assumption base tables – Male: 90% PNMA000 and Female 90% PNFA00;
- Future mortality improvement – Core CMI mortality projection model CMI_2014, with long term minimum rates of improvement of 1% pa; and
- Members' actual marital statuses have been taken into account along with their spouses' dates of births.

The amount of the liabilities for the year ending 30 June 2015 varies if the main financial assumptions used in the valuation change, in particular the discount rate and inflation rates. If the assumed discount rate was 1% pa lower, the liabilities would increase from £3,186,000 to £3,539,000. If the assumed rate of RPI and CPI were 1% pa higher, the liabilities would increase from £3,186,000 to £5,246,000.

COMMONWEALTH SECRETARIAT FUND

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

8. Provisions

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

	2015		2014	
	Due within one year	Due after one year	Due within one year	Due after one year
	£	£	£	£
Provision for Building Dilapidation	-	930,773	-	878,976
Relocation Expenses	467,202	1,031,173	885,122	834,780
Home Leave Expenses	97,420	54,664	104,586	62,177
Termination Benefits Provision	-	-	193,308	-
Arbitral Tribunal	37,300	-	-	-
Total Provisions	601,922	2,016,610	1,183,016	1,775,933

Movements in provisions during the year are as follows:

Provisions for Liabilities	Notes	2014	Increase in provision	Amount used in year	2015
		£	£	£	£
Provision for Dilapidation	(a)	878,976	51,797	-	930,773
Relocation Expenses	(b)	1,719,902	53,781	(275,308)	1,498,375
Home Leave Expenses	(c)	166,763	29,379	(44,058)	152,084
Termination Benefits Provision	(d)	193,308	-	(193,308)	-
Arbitral Tribunal	(e)	-	37,300	-	37,300
Total Provisions for Liabilities		2,958,949	172,257	(512,674)	2,618,532

(a) The terms of the lease for Quadrant House renders The Commonwealth liable for any dilapidation the property may suffer while in use over its lease period. A desktop exercise was carried out in July 2012 which resulted in an estimate of cost of repairs covering the lease period to 2024. In 2012 a provision of £840,000 for these costs was included in the Statement of Financial Position in COMSEC and the expenditure was shared among the three Funds. In April 2013, The Commonwealth commissioned MHBC to prepare a building surveyor's report relating to the assessment of likely dilapidation responsibilities at Quadrant House. Since then, on an annual basis, The Commonwealth has commissioned MHBC to conduct follow up desktop reviews of this assessment. The findings in the 2015 report have been considered and COMSEC has accordingly increased the provision by £51,797 to £930,773 (2014: £878,976).

(b) COMSEC incurs relocation expenses for overseas recruited staff at the beginning and end of their contracts. The costs of relocation are variable as 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 the provision is based on an annual review of future costs and the movement on the provision for the year has been included in the Statement of Financial Performance under staff costs.

(c) The provision relates to home leave passages for overseas recruited staff. Overseas recruited staff and their dependents are provided with one home leave passage per contract. The level of provision is based on an annual review of

COMMONWEALTH SECRETARIAT FUND

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

8. Continued

future costs and the movement on the provisions for the year has been included in the Statement of Financial Performance under staff costs.

(d) During the financial year 2013-14 the Commonwealth implemented a new organisational structure which came into effect on 1 July 2014. COMSEC recognised an obligation for estimated termination benefits that would occur in the 2014-15 financial period resulting from this structural reconfiguration. The structural reconfiguration was completed and all termination benefits were settled.

(e) Two litigation claims were made against COMSEC during the year and an estimated provision has been made in the financial statements based on a legal review of the cases.

9. (a) Commonwealth Secretariat Members' Contributions from non-exchange transactions

	2015	2014
	£	£
Current	2,103,472	1,617,066
Non- Current	321,558	315,408
Total contributions receivable	2,425,030	1,932,474
Provision for doubtful accounts	(551,150)	(84,151)
Total net contributions receivable	1,873,880	1,848,323

The provision for doubtful accounts relates to current member contributions. The net current contributions receivable is £1,552,322 (2014: £1,532,915).

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 for arrears amounting to £670,326 (2014: £479,208).

Ageing of receivables from non-exchange transactions:

	2015	2014
	£	£
Less than 1 year	1,340,166	1,072,845
Between one and two years	391,258	328,892
More than two years	142,456	446,586
Total	1,873,880	1,848,323

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

	As at 30 June 2015	(Decrease)/ Increase in provision	Amount used in year	As at 30 June 2015
	£	£	£	£
Provision for doubtful debt	84,151	466,999	-	551,150

COMMONWEALTH SECRETARIAT FUND

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

9.(a) (i) Commonwealth Secretariat 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	16,506	-	33,412	16,506	33,412	-
Australia	-	-	2,037,173	2,037,173	-	-
Bahamas	-	-	118,600	118,600	-	-
Bangladesh	-	-	118,600	118,600	-	-
Barbados	-	-	118,600	118,600	-	-
Belize	-	-	33,412	-	33,412	-
Botswana	82,470	-	118,600	118,600	82,470	-
Brunei Darussalam	-	-	168,431	168,431	-	-
Cameroon	106,128	-	118,600	106,128	118,600	-
Canada	-	-	3,393,824	3,393,824	-	-
Cyprus	-	-	211,373	-	211,373	-
Dominica	405,915	-	33,412	73,836	365,491	-
Fiji	84,152	-	68,885	-	153,037	-
The Gambia	32,622	-	-	-	32,622	-
Ghana	114,409	-	118,600	-	233,009	-
Grenada	24,796	-	33,412	58,208	-	-
Guyana	-	(2,029)	33,412	70,364	-	(38,981)
India	-	-	674,084	674,084	-	-
Jamaica	115,793	-	118,600	115,793	118,600	-
Kenya	115,793	-	118,600	241,755	-	(7,362)
Kiribati	48,497	-	33,412	81,909	-	-
Lesotho	32,622	-	33,412	66,034	-	-
Malawi	10,470	-	33,412	-	43,882	-
Malaysia	-	-	269,626	269,626	-	-
Maldives	-	-	33,412	-	33,412	-
Malta	-	-	118,600	118,600	-	-
Mauritius	-	-	118,600	118,800	-	-
Mozambique	-	(19,906)	33,412	-	13,506	-
Namibia	-	-	118,600	118,600	-	-
Nauru	32,622	-	33,412	66,034	-	-
New Zealand	-	-	456,033	456,033	-	-
Nigeria	45,727	-	228,466	274,193	-	-
Pakistan	-	-	228,466	224,840	3,626	-
Papua New Guinea	32,622	-	33,412	-	66,034	-
Rwanda	32,622	-	33,412	43,063	22,971	-
St Kitts & Nevis	-	-	33,412	-	33,412	-
St Lucia	-	(11,094)	33,412	33,412	-	(11,094)
St Vincent & the Grenadines	64,324	-	33,412	64,325	33,411	-
Samoa	-	-	33,412	33,412	-	-
Seychelles	-	-	33,412	33,412	-	-
Sierra Leone	-	(67,112)	33,412	-	-	(33,700)
Singapore	-	-	456,033	456,033	-	-
Solomon Islands	32,622	-	33,412	-	66,034	-
South Africa	-	(43,162)	456,033	456,033	-	(43,162)
Sri Lanka	-	-	118,600	118,600	-	-
Swaziland	-	(14,765)	33,412	33,412	-	(14,765)
Tanzania	228,444	-	118,600	42,208	304,836	-
Tonga	-	-	33,412	-	33,412	-
Trinidad & Tobago	-	(10,985)	168,431	168,431	-	(10,985)
Tuvalu	60,049	-	33,412	38,834	54,627	-
Uganda	115,793	-	118,600	-	234,393	-
United Kingdom	-	-	5,455,484	5,455,484	-	-
Vanuatu	64,854	-	33,412	64,854	33,412	-
Zambia	32,622	-	33,412	-	66,034	-
Total	1,932,474	(169,053)	16,767,822	18,266,264	2,425,028	(160,049)

COMMONWEALTH SECRETARIAT FUND

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

9.(a)(ii) Commonwealth Secretariat 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	7,060	-	32,622	(23,176)	16,506	-
Australia	-	-	1,988,945	(1,988,945)	-	-
Bahamas	-	-	115,793	(115,793)	-	-
Bangladesh	-	-	115,793	(115,793)	-	-
Barbados	-	-	115,793	(115,793)	-	-
Belize	-	(9,951)	32,622	(22,671)	-	-
Botswana	-	(14,255)	115,793	(19,068)	82,470	-
Brunei Darussalam	-	-	164,444	(164,444)	-	-
Cameroon	-	(9,665)	115,793	-	106,128	-
Canada	-	-	3,273,672	(3,273,672)	-	-
Cyprus	-	-	206,370	(206,370)	-	-
Dominica	450,583	-	32,622	(77,290)	405,915	-
Fiji	84,152	-	-	-	84,152	-
The Gambia	-	-	32,622	-	32,622	-
Ghana	114,409	-	115,793	(115,793)	114,409	-
Grenada	116,028	-	32,622	(123,854)	24,796	-
Guyana	-	(3,342)	32,622	(31,309)	-	(2,029)
India	-	-	658,107	(658,107)	-	-
Jamaica	-	-	115,793	-	115,793	-
Kenya	144,026	-	115,793	(144,026)	115,793	-
Kiribati	112,118	-	32,622	(96,243)	48,497	-
Lesotho	-	-	32,622	-	32,622	-
Malawi	10,470	-	32,622	(32,622)	10,470	-
Malaysia	-	-	263,244	(263,244)	-	-
Maldives	-	-	32,622	(32,622)	-	-
Malta	114,409	-	115,793	(230,202)	-	-
Mauritius	-	-	115,793	(115,793)	-	-
Mozambique	-	(14,156)	32,622	(38,372)	-	(19,906)
Namibia	-	-	115,793	(115,793)	-	-
Nauru	-	-	32,622	-	32,622	-
New Zealand	-	-	445,238	(445,238)	-	-
Nigeria	-	-	223,058	(177,331)	45,727	-
Pakistan	-	-	223,058	(223,058)	-	-
Papua New Guinea	-	-	32,622	-	32,622	-
Rwanda	63,888	-	32,622	(63,888)	32,622	-
St Kitts & Nevis	17,175	-	32,622	(49,797)	-	-
St Lucia	-	(16,466)	32,622	(27,250)	-	(11,084)
St Vincent & the Grenadines	63,358	-	32,622	(31,656)	64,324	-
Samoa	-	-	32,622	(32,622)	-	-
Seychelles	-	-	32,622	(32,622)	-	-
Sierra Leone	127,810	-	32,622	(227,544)	-	(67,112)
Singapore	-	-	445,238	(445,238)	-	-
Solomon Islands	-	-	32,622	-	32,622	-
South Africa	-	(43,162)	445,238	(445,238)	-	(43,162)
Sri Lanka	-	-	115,793	(115,793)	-	-
Swaziland	-	(20,137)	32,622	(27,250)	-	(14,765)
Tanzania	112,651	-	115,793	-	228,444	-
Tonga	32,232	-	32,622	(64,854)	-	-
Trinidad & Tobago	-	(10,985)	164,444	(164,444)	-	(10,985)
Tuvalu	27,427	-	32,622	-	60,049	-
Uganda	114,409	-	115,793	(114,409)	115,793	-
United Kingdom	-	-	5,326,331	(5,326,331)	-	-
Vanuatu	32,232	-	32,622	-	64,854	-
Zambia	-	-	32,622	-	32,622	-
Total	1,744,437	(142,119)	16,296,661	(16,135,558)	1,932,474	(169,053)

COMMONWEALTH SECRETARIAT FUND

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

9. (b) Joint Office In New York – Major Donors Contributions from non-exchange transactions 2014-15

Country	2014-15	2013-14
	£	£
Australia	112,302	107,564
Canada	-	39,066
New Zealand	183,373	183,661
India	64,271	61,560
Malaysia	12,854	-
Singapore	12,854	12,312
Cyprus	2,571	2,462
Total Donors	388,225	406,625

9. (c) Small States Office in Geneva Contributions from non-exchange transactions 2014-15

Country	2014-15	2013-14
	£	£
India	103,710	-
Australia	56,641	49,796
New Zealand	82,232	90,581
Singapore	13,472	14,128
Total Contributions	256,055	154,505

10. Common Service Charge from exchange transactions

Fund	2014-15	2013-14
	£	£
Commonwealth Fund for Technical Co-operation (CFTC)	2,786,667	2,933,253
Commonwealth Youth Programme Fund (CYP)	546,951	528,126
Commonwealth Association of Tax Administrators (CATA)	48,135	43,481
Total	3,381,753	3,504,860

11. (a) Special Projects from exchange transactions 2014-15

Special Projects	Deferred Income Balance 30 June 2014	Project Cash Receipts	Project Expenses	Adjustments	Deferred Income Balance 30 June 2015
	£	£	£	£	£
Commonwealth Media Development	62,094	78	-	-	62,172
Commonwealth Observer Missions	105,981	500,000	(29,712)	(48,437)	527,832
COG – Solomon Islands	-	94,000	(93,975)	-	25
TOTAL	168,075	594,078	(123,687)	(48,437)	590,029

The adjustments represent funds that have been written off or paid back to donor for recovery in the subsequent financial period.

COMMONWEALTH SECRETARIAT FUND

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

11. (b) Special Projects from non-exchange transactions 2013-14

Special Projects	Deferred Income Balance 30 June 2013	Project Cash Receipts	Project Expenses	Adjustments	Deferred Income Balance 30 June 2014
	£	£	£	£	£
Commonwealth Media Development	62,018	76	-	-	62,094
Commonwealth Observer Missions	105,353	-	-	628	105,981
Absolute Return for Kids (ARK)	19,793	-	-	(19,793)	-
COG - Maldives	-	50,000	(50,000)	-	-
TOTAL	187,164	50,076	(50,000)	(19,165)	168,075

11. (c) Special Projects from non-exchange transactions by cost type

For additional information, a breakdown of special project expenses is provided below according to cost type:

	Notes	2014-15	2013-14
		£	£
Staff & Short Term Consultants Costs	14	62,180	9,662
Training & Workshops	17	61,507	40,338
Total		123,687	50,000

12. (i) Designated Funds from exchange transactions 2014-15

Designated Funds		Balance 30 June 2014	Receipts/ Transfers	Payments	Balance 30 June 2015
	Notes	£	£	£	£
Publications Revolving	(a)	402,673	117,792	(121,577)	398,888
Marlborough House Makeover	(b)	74,254	6,820	(1,044)	80,030
Sub-total		476,927	124,612	(122,621)	478,918
Quadrant House Refurbishment	(c)	-	100,000	-	100,000
TOTAL		476,927	224,612	(122,621)	578,918

12. (ii) Designated Funds from exchange transactions 2013-14

Designated Funds		Balance 30 June 2013	Receipts/ Transfers	Payments	Balance 30 June 2014
	Notes	£	£	£	£
Publications Revolving	(a)	368,963	156,293	(122,583)	402,673
Marlborough House Makeover	(b)	74,589	7,690	(8,025)	74,254
TOTAL		443,552	163,983	(130,608)	476,927

COMMONWEALTH SECRETARIAT FUND

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

12. Continued

(a) Publications Revolving Fund from exchange transactions

The Finance Committee of the Board of Governors, at its meeting on 26 June 1998, agreed that a fund should be established to self-finance and support divisional efforts in contributing to the development and production of publications. Income from royalties and the sales of publications are retained to offset the corresponding expenses.

(b) Marlborough House Makeover Fund

The fund was established to enhance the Commonwealth character of Marlborough House. Income by way of contributions from governments and receipts from tours and room rentals are offset against the relevant expenditure.

(c) Quadrant House Refurbishment

The fund has been set aside to cater for future Quadrant House refurbishments.

13. (a) Interest Receivable from exchange transactions

	2014-15	2013-14
	£	£
Interest on Bank Deposits	32,690	9,628
Total Interest Income	32,690	9,628

Interest bearing accounts and investments yielded an average rate of 0.35% (2013-14: 0.30%) during the reporting period.

13. (b) (i) Other Income from exchange transactions

	2014-15	2013-14
	£	£
Income for Joint Office in New York	290,717	249,349
Income for Small States Office in Geneva	288,908	491,620
Recovery of Expenses	220,092	164,090
Tax Reclaims	4,399	5,767
Total Other Income	804,116	910,826

13. (b) (i) Other Income from non-exchange transactions

	2014-15	2013-14
	£	£
Service in-kind: Provision of Rent Free Property	1,609,000	1,609,000

COMMONWEALTH SECRETARIAT FUND

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

14. Staff Costs

	Notes	2014-15	2013-14 Restated
		£	£
Salaries and allowances		7,528,775	5,441,562
Employers National Insurance Contributions		808,866	979,248
Contributions to Staff Gratuity Fund		1,041,324	1,171,691
Pension Contributions - Defined Contribution Scheme		60,250	36,306
Pension Contributions & Expenses	(a)	318,117	1,115,029
Termination Benefits	(b)	100,353	1,079,568
Provision for relocation expenses	8(b)	53,781	200,542
Provision for home leave expenses	8(c)	29,379	35,369
Total Staff Costs		9,940,845	10,059,315

(a) The pension contributions and expenses also include actuarial gains/losses, the shortfall on the defined benefit scheme for all The Commonwealth staff, as well as costs relating to the supplementary pension arrangements and the former Secretaries General Scheme. (See note 7).

(b) 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 incurred termination benefits during the period for voluntary and compulsory redundancies.

COMMONWEALTH SECRETARIAT FUND

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

15. Other Costs

	2014-15	2013-14 Restated
	£	£
Rent & Rates	2,248,133	2,124,666
Notional Value of Rent for Marlborough House	1,609,000	1,609,000
Property Services and Maintenance Costs	543,640	504,088
Utilities	138,011	167,430
Other Property Costs	196,690	182,902
Equipment Maintenance	402,293	390,029
Publicity, Information, and Printing	447,770	188,771
Communications	423,130	325,448
Vehicle Maintenance and Running Costs	52,416	59,328
Insurance	174,310	155,649
Library & Subscriptions	76,203	81,473
Staff Development	42,456	38,448
Professional Fees	326,902	594,870
Audit Fees	95,400	38,400
Depreciation	580,707	913,631
Tribunal Expenses	93,033	116,437
Recruitment Costs	302,061	144,879
Pension Administration Costs	109,867	83,820
Conference Costs	437,815	704,593
Travel Costs	1,482,730	1,496,399
Accommodation and Venue Costs	535,944	545,792
Other Costs	228,682	238,950
Net Provisions	671,731	3,484
Total Other Costs	11,218,924	10,708,487

All lease agreements are registered in COMSEC and the costs shared among all the three Funds. Operating lease costs are recognised in the Statement of Financial Performance of the respective Funds. Total operating lease costs recognised in COMSEC in 2014-15 is £1,170,406 (2013-14: £1,937,541). The total future minimum rentals under operating leases are detailed in note 21(b).

16. Training and Workshops

	Notes	2014-15	2013-14 Restated
		£	£
Training & Workshops - Special Projects	11(c)	123,687	50,000
Training & Workshops - Direct Projects	17(b)	2,332,802	2,696,784
Total Training and Workshops		2,456,489	2,746,784

COMMONWEALTH SECRETARIAT FUND

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

17. (a) Direct Project Expenses by Outcome

For additional information, a breakdown of direct project expenses analysed according to the outcomes in the four year Strategic Plan is provided below (2013-14 to 2016/17):

	2014-15	2013-14 Restated
	£	£
Democracy	3,478,963	4,077,876
Public Institutions	121,305	37,479
Social Development	432,009	252,317
Development Pan-Commonwealth	303,550	61,255
Development Small States	-	422,064
Global Advocacy	1,509,517	1,422,199
Technical Assistance	-	15,544
Commonwealth Profile	1,121,733	974,941
Internal Outcomes	26,177	274,670
Total	6,993,254	7,538,345

17. (b) Direct Project Expenses by Cost Type

For additional information, a breakdown of direct project expenses is provided below according to cost type:

	Notes	2014-15	2013-14 Restated
		£	£
Staff Costs		4,660,452	4,679,289
Communications, Publicity & Information		-	162,272
Training & Workshops	16	2,332,802	2,696,784
Total		6,993,254	7,538,345

18. Segmental Information

Segmental information is based on the structure of activities of the London based office, the Joint Office for Commonwealth Permanent Missions to the United Nations in New York (New York) and the Commonwealth Small States Office in Geneva (Geneva). The activities of the New York and Geneva Offices, their financial performance and position have not been disclosed separately in the statements on pages 4 to 7.

The offices in New York and Geneva have been established to provide subsidised office space as a base for Commonwealth Small States representing their respective countries at UN and other multilateral meetings.

For purposes of the segmental report, the COMSEC office in London, the Joint Office for Commonwealth Permanent Missions to the United Nations in New York and the Commonwealth Small States Office in Geneva are referred in the report as London, New York and Geneva respectively.

COMMONWEALTH SECRETARIAT FUND

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

Statement of Financial Position as at 30 June 2015

	London		New York		Geneva		Consolidation Adjustments			TOTAL	
	2015	2014	2015	2014	2014	2014	2015	2014	2015	2015	2014
	£	£	£	£	£	£	£	£	£	£	£
ASSETS											
Current Assets	11,082,791	10,455,857	536,726	390,973	332,901	265,060	(614,429)	(219,471)	11,337,989	10,892,419	
Non-current Assets	18,818,507	18,783,877	12,555	20,908	26,218	43,856	-	-	18,857,280	18,848,641	
TOTAL ASSETS	29,901,298	29,239,734	549,281	411,881	359,119	308,916	(614,429)	(219,471)	30,195,269	29,741,060	
LIABILITIES											
Current Liabilities	6,118,389	6,661,666	175,257	55,246	449,429	401,242	(614,429)	(219,471)	6,128,646	6,898,683	
Non-current Liabilities	16,235,559	16,636,619	1,831	9,389	4,259	-	-	-	16,241,649	16,646,008	
TOTAL LIABILITIES	22,353,948	23,298,285	177,088	64,635	453,688	401,242	(614,429)	(219,471)	22,370,295	23,544,691	
NET ASSETS	7,547,350	5,941,449	372,193	347,246	(94,569)	(92,326)	-	-	7,824,974	6,196,369	

During the reporting year, the London had Property Plant and Equipment additions of £335,770 (2014: £136,357) and disposals of £2,904,049 (2014: £160,408). The office also had Intangible Asset (Computer Software) additions of £99,375 (2014: £1,854) and disposals of £3,743 (2014: £nil). New York had no Property Plant and Equipment additions (2014: £nil) and no disposals (2014: £nil). Geneva had no Property Plant and Equipment additions (2014: £2,130) and no disposals (2014: £nil).

COMMONWEALTH SECRETARIAT FUND

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

Statement of Financial Performance for the year ended 30 June 2015

	London		New York		Geneva		Consolidation Adjustments		TOTAL	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	£	£	£	£	£	£	£	£	£	£
REVENUE	22,263,905	21,803,932	878,918	914,857	545,002	646,130	(199,865)	(258,831)	23,487,960	23,106,088
EXPENSES	19,967,346	19,561,968	878,918	861,943	545,002	673,002	(199,865)	(258,831)	21,191,401	20,838,082
TOTAL REVENUE	2,296,559	2,241,964	-	52,914	-	(26,872)	-	-	2,296,559	2,268,006

COMMONWEALTH SECRETARIAT FUND

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

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 1.17(ii) costs of common service divisions are incurred by COMSEC. These charges are recovered from CFTC and CYP, see note 10.

COMSEC also recognises Staff Gratuity Fund assets and liabilities for CFTC and CYP within the Statement of Financial Position (see note 6(b)).

(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.

COMSEC recognises Staff Gratuity Fund assets and liabilities for the Commonwealth Foundation within the Statement of Financial Position. See note 6(b).

In the financial year to 30 June 2015, there were no transactions outside the normal operations between The Commonwealth and the two Commonwealth organisations mentioned above (2014: £nil).

(c) Key Management Personnel

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

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

The aggregate remuneration paid or payable to key management personnel on a full time equivalent basis for COMSEC during the year was as follows:

	Number of persons		Aggregate Remuneration	
	2014-15	2013-14 Restated	2014-15	2013-14 Restated
			£	£
Management Committee	2	2	332,896	382,581
Directors and Heads of Units	7	7	785,852	837,617
TOTAL	9	9	1,118,748	1,220,198

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. See note 6(a) for details of purchase price and loan repayment.

COMMONWEALTH SECRETARIAT FUND

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

19. continued

	Management Committee		Directors and Heads of Units	
	2014-15	2013-14 Restated	2014-15	2013-14 Restated
	£	£	£	£
Salary	202,288	204,653	571,713	541,691
Allowances	83,820	146,694	107,122	184,912
Gratuity	46,788	31,234	107,017	111,014
TOTAL	332,896	382,581	785,852	837,617

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

20. Contingencies

As at 30 June 2015, there were contingent liabilities amounting to £126,000 relating to Arbitral Tribunal claims (2014: £79,500).

21. Commitments

(a) Obligations under Finance Leases

The Commonwealth used finance leases to acquire computer hardware and software. The terms of the leases were three to five years and interest rates were fixed at the contract date. These leases were on a fixed repayment basis and had no renewal and/or purchase options. All the leases expired in 2014-15 and as such there are no more future minimum lease payments due under finance leases as at 30 June 2015 as shown in the following table:

	Gross Payment		Finance Charges		Net Payment	
	2015	2014	2015	2014	2015	2014
	£	£	£	£	£	£
Not later than one year	-	128,587	-	(1,774)	-	126,813
Total due	-	128,587	-	(1,774)	-	126,813

(b) Obligations under Operating Leases

The Commonwealth has operating lease commitments for a variety of equipment and for its premises in New York, Geneva and Quadrant House in London. The leases have varying terms, escalation clauses and renewal rights.

The total future minimum rentals under operating leases are as follows:

	Gross Future Payment	Gross Future Payment
	2015	2014
	£	£
Not later than one year	2,635,462	2,293,646
Later than one year and not later than five years	8,148,012	7,111,258
Later than five years	8,100,000	6,187,500
Total Due	18,883,474	15,592,404

COMMONWEALTH SECRETARIAT FUND

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

22. Restatement of Prior Year Comparatives

The Statement of Financial Performance for the year ended 30 June 2014 has been restated to address the categorisation of expenditure between contractual staff costs and staff travel and other administrative costs in the Statement of Financial Performance. Consequently staff travel and other administrative costs previously included in staff costs in the Statement of Financial Performance have been moved to 'Other Costs'.

The change in presentation had no effect on the previously reported Total Expenses or Surplus for the year ended 30 June 2014.

The Statement of Financial Position for the year ended 30 June 2014 has been restated to address the categorisation of assets between cash and cash equivalents and money markets. Consequently money markets previously included in cash and cash equivalents in the Statement of Financial Position have been disclosed separately.

The change in presentation had no effect on the previously reported Total Net Assets and for the year ended 30 June 2014.

The following table summarises the corrections on each of the affected Statement of Financial Position and Statement of Financial Performance line items for the year ended 30 June 2014.

Description	Notes	As previously stated	Restatement Adjustment	As Restated
		£	£	£
Staff Costs	14	11,769,982	(1,710,667)	10,059,315
Other Costs (General Administration and Training and Workshops)	15 & 16	8,997,820	1,710,667	10,708,487
Direct Project Expenses by Outcome	17(a)	7,711,175	(172,830)	7,538,345
Direct Project Expenses by Cost Type	17(b)	7,711,175	(172,830)	7,538,345

The Key Management Personnel disclosure for the year ended 30 June 2014 has been restated to reflect the full time equivalent basis of the apportionment of Key Personnel numbers and remuneration between the three funds, COMSEC, CFTC and CYP.

Description	Number of persons			Aggregate Remuneration		
	As previously stated	Restatement Adjustment	As Restated	As previously stated	Restatement Adjustment	As Restated
				£	£	£
Management Committee	4	(2)	2	827,183	(244,602)	382,581
Directors	13	(6)	7	1,397,486	(559,869)	837,617
TOTAL	17	(8)	9	2,024,669	(804,471)	1,220,198

COMMONWEALTH SECRETARIAT FUND

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

22. Continued

Remuneration Type	Number of persons			Aggregate Remuneration		
	As previously stated	Restatement Adjustment	As Restated	As previously stated	Restatement Adjustment	As Restated
	£	£	£	£	£	£
Salary	335,497	(130,844)	204,653	910,267	(368,576)	541,691
Allowances	240,482	(93,788)	146,694	302,903	(117,991)	184,912
Gratuity	51,204	(19,970)	31,234	184,316	(73,302)	111,014
TOTAL	627,183	(244,602)	382,581	1,397,486	(559,869)	837,617

23. Financial Instruments

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

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

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

(a) Fair Values

The assets of COMSEC are categorised as follows:

	2015	2014
	£	£
Financial assets	11,077,749	10,512,900
Non-financial assets	19,117,520	19,228,160
Total	30,195,269	29,741,060

The liabilities of COMSEC are categorised as follows:

	2015	2014
	£	£
Financial liabilities	6,772,685	7,103,701
Non-financial liabilities	15,597,610	16,440,990
Total	22,370,295	23,544,691

COMMONWEALTH SECRETARIAT FUND

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

23. Continued

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

Financial Assets:

	Carrying Amount	Fair Value
	£	£
2015:		
Cash and Cash Equivalents	6,844,579	6,844,579
Receivables	4,233,170	4,233,170
Total	11,077,749	11,077,749
2014:		
Cash and Cash Equivalents	5,634,250	5,634,250
Receivables	4,878,650	4,878,650
Total	10,512,900	10,512,900

Financial Liabilities:

	Carrying Amount	Fair Value
	£	£
2015:		
Borrowings	1,032,000	1,032,000
Payables	5,740,685	5,740,685
Total	6,772,685	6,772,685
2014:		
Borrowings	1,306,475	1,306,475
Payables	5,797,226	5,797,226
Total	7,103,701	7,103,701

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. Interest and charges are accrued over the period they become due and are recorded as part of other creditors.

(b) Foreign Currency Risk

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

The functional currencies of the Joint Office for Commonwealth Permanent Missions to the United Nations in New York, and The Commonwealth Small States Office in Geneva are, United States Dollars and Swiss Francs respectively. To manage the currency risk rents are charged to tenants in the applicable functional currency, in which the expenditure is incurred. The value of net assets for the overseas offices is given in the segmental information note 18.

COMMONWEALTH SECRETARIAT FUND

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

23. Continued

At 30 June 2015, 96 per cent of cash and cash equivalents are denominated in GB Pound Sterling, 2 per cent in Swiss Francs and United States Dollars respectively (2014: 91 per cent in GB Pound Sterling, 5 per cent in Swiss Francs and 4 per cent United States Dollars).

(c) Credit Risk

Credit risk is the risk of financial loss to COMSEC if counterparties and other third parties fail to meet their contractual obligations. COMSEC'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. COMSEC manages risk on these receivables by actively seeking recovery of all amounts due. At the reporting date COMSEC assessed the past due receivables, creating a provision for those debts where it is considered that COMSEC will not collect the full amount due.

(d) Liquidity Risk

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

Rate Loan facility is available if required. As at 30 June 2015 the Base Rate Loan facility of £1,500,000 was not utilised (2014: Overdraft facility £750,000).

COMSEC 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 COMSEC commitments as and when they fall due.

The following are contractual liabilities of which interest is included in borrowings:

2015	<6 months	6 – 12 months	1 – 5 years	>5 years	Total
	£	£	£	£	£
Liabilities					
Borrowings	-	96,000	480,000	456,000	1,032,000
Payables	5,740,685	-	-	-	5,740,685
Total Liabilities	5,740,685	96,000	480,000	456,000	6,772,685

2014	<6 months	6 – 12 months	1 – 5 years	>5 years	Total
	£	£	£	£	£
Liabilities					
Borrowings	139,342	135,133	480,000	552,000	1,306,475
Payables	5,797,226	-	-	-	5,797,226
Total Liabilities	5,936,568	135,133	480,000	552,000	7,103,701

(e) Market Risk

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

COMMONWEALTH SECRETARIAT FUND

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

23. Continued

Interest Rate Risk

The interest rates charged on COMSEC's financing debt are fixed at the contract date. Details of bank loans and interest paid are given in note 6(a).

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%	3,269
	-10%	(3,269)

Foreign Currency Risk

Foreign currency balances in GB Pound Sterling comprises of the following:

2015	GBP	Other Currencies	Total
	£	£	£
Financial Assets	10,544,958	532,792	11,077,749
Percentage of Total	95%	5%	100%
Financial Liabilities	6,520,516	252,169	6,772,685
Percentage of Total	96%	4%	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%	53,279
	-10%	(53,279)

	Increase (+) / Decrease (-)	Effect on Balances
Financial Liabilities		£
	+10%	25,217
	-10%	(25,217)

24. Events After Reporting Date

The Secretary-General authorised these financial statements for issue on 17 December 2015.

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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