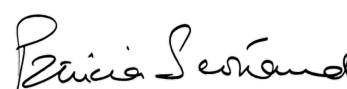


Financial Statements of the Commonwealth Youth Programme

Year Ended 30 June 2023



The Commonwealth



**The Rt Hon
Patricia Scotland KC**
Secretary-General
14 December 2023



Dr Arjoon Suddhoo
Deputy Secretary-General
13 December 2023

COMMONWEALTH YOUTH PROGRAMME FUND
PRINCIPAL ACTIVITIES AND OPERATING STRUCTURE

Principal Activities of the Commonwealth Secretariat

The Commonwealth Secretariat, herein after referred to as The Commonwealth, is a voluntary association of 56 independent countries and equal sovereign states. Its members are bound together by respect for all states and peoples; by shared values and principles; and by concern for the vulnerable.

Commonwealth members are supported by a network of more than 80 intergovernmental, civil, cultural and professional organisations.

The Commonwealth:

- Supports Commonwealth member states to achieve development, democracy and peace. It is a voice for small and vulnerable states and a champion for young people;
- Helps to strengthen governance, build inclusive institutions and promote justice and human rights. Its work helps to grow economies and boost trade, empower young people, and address threats such as climate change, debt and inequality; and
- Provides technical assistance and supports decision-makers to draw up legislation and deliver policies. The Commonwealth deploys experts and observers who offer impartial advice and solutions to national issues. The Commonwealth also provides systems, software and research for managing resources.

At Commonwealth summits, the Commonwealth brings together government leaders whose decisions will have an enduring impact on all its citizens.

Priority areas of work are agreed at Commonwealth Heads of Government Meetings (CHOGM), which occur every two years.

Further information regarding The Commonwealth's current four year Strategic Plan from 2021-22 to 2024-25, which was approved in September 2021, can be found on the website www.thecommonwealth.org.

Commonwealth Youth Programme Fund

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

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

The Memoranda of Understanding of the three funds require The Commonwealth to operate and prepare separate financial statements for each of the funds.

Accordingly, these are the financial statements of the **Commonwealth Youth Programme Fund** for the year ended 30 June 2023.

COMMONWEALTH YOUTH PROGRAMME FUND
PRINCIPAL ACTIVITIES AND OPERATING STRUCTURE

Governance and Structure

The Commonwealth is headed by a Secretary-General, The Rt Hon Patricia Scotland KC, who is appointed by the Heads of Government of the Commonwealth Member States.

The Secretary-General reports to the Heads of Government through individual meetings and also collectively at the biennial CHOGM. The Secretary-General is also held accountable through the Commonwealth's Board of Governors which meets regularly in London on behalf of all member governments at a senior diplomatic level. The Board of Governors also approves the Commonwealth Secretariat's strategic plan and supporting delivery plan and budget.

The Secretary-General is assisted by a senior management team in managing the activities of the organisation.

The Commonwealth Secretariat's structure is split into three directorates:

- Governance and Peace;
- Trade, Oceans and Natural Resources; and
- Economic, Youth and Sustainable Development.

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

COMMONWEALTH YOUTH PROGRAMME FUND

FINANCIAL STATEMENT HIGHLIGHTS

Overview of Financial Statements

In this second year off the 2021/22-2024/25 Strategic Plan, despite the many challenges, the Secretariat is committed to delivering the 2022 Commonwealth Heads of Government Meeting mandates, in alignment with agreed Strategic Plan outcomes.

The Commonwealth Youth Programme (CYP) showed positive financial performance in 2022-23, with a surplus for the year, and improved liquidity. The slight growth in Contributions and Interest is an indication of positive outlook.

CYP effectively managed its expenses, with insignificant increase in total expenses primarily due to higher staff costs. The organization also improved its financial position, as indicated by the increase in net assets of 6.4%.

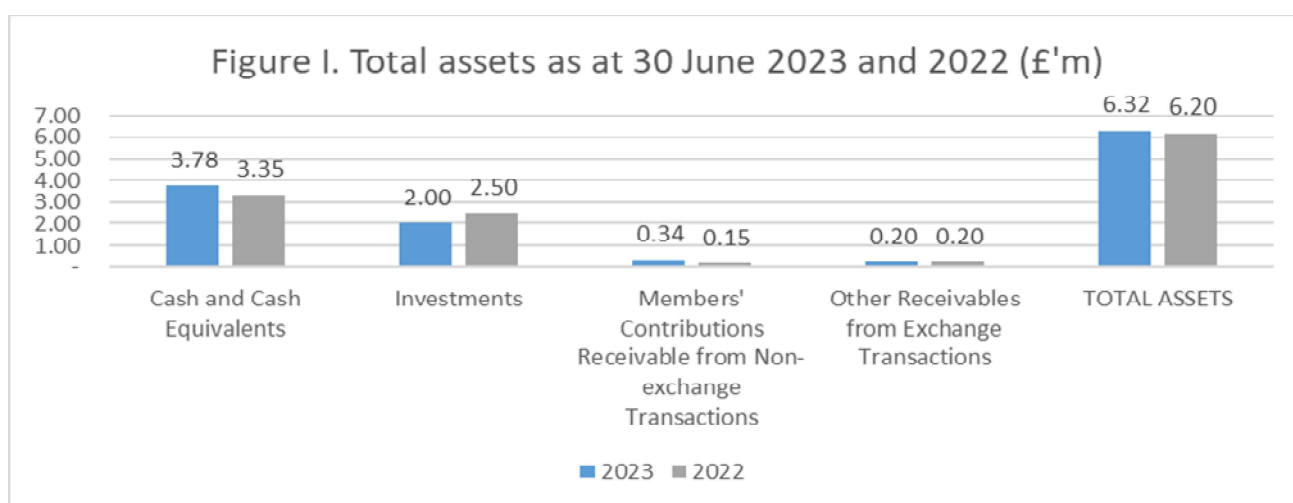
The Secretariat continues to adapt and focus on the effective implementation of its programmatic activities. Below are the highlights of the financial outcomes for 2023.

Financial review

Assets

At the end of 2023, CYP's total assets were £6.32 million (2022: £6.20 million), an increase of £0.12 million (2%) compared to the previous year.

A significant portion of the assets that CYP managed is Cash and cash equivalents and Investments £5.78 million or 91% (2022: £5.85 million or 94%) that support its core and extrabudgetary activities. CYP also reported £0.34 million (2022: £0.15 million) of Members' contributions receivable and £0.2 million (2022: £0.20 million) in Other receivables.



The decrease of £0.08 million in Cash and cash equivalents and investments is attributed to the reduced collections from CYP members' contributions combined with pressure on the fund to redeem its obligations as they fall due.

Investments decreased from £2.5 million (2022) to £2.0 million (2023). With the increase in interest revenue as recorded in 2023, it is obvious that the investment policy as adopted by the organisation will yield positive fruit when adhered to. This in turn will augment the revenue stream.

Other Receivables retains at the similar level as the previous year.

Members' Contributions Receivable from Non-exchange Transactions increased by £0.19 million (125%) attributable to a slow down collection rate of 78% (2022: 86%) during the year.

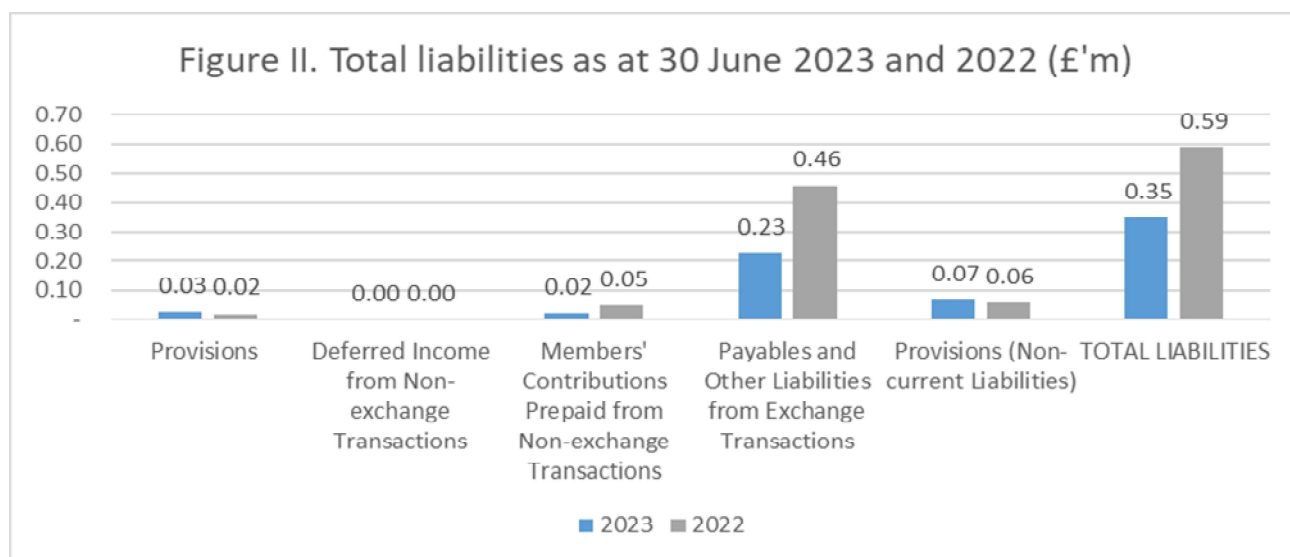
COMMONWEALTH YOUTH PROGRAMME FUND

FINANCIAL STATEMENT HIGHLIGHTS

Overview of Financial Statements (Continued)

Liabilities

Total liabilities of £0.35 million at the end of 2023 (2022: £0.59 million) show a decrease of £0.24 million (41%) compared to the previous year. This is an indication that the organisation is highly committed to satisfying its obligations and maintaining its reputation.



The decrease of £0.25 million (47%) in current liabilities was due to the decrease in Payables and other liabilities from exchanged transactions (£0.23 million). There was 54% decrease in Members' contributions prepaid from non-exchange transactions (£0.03 million) and a minor increase in Provisions.

Payables and other liabilities from exchange transactions decreased by 50% mainly due to the decrease in outstanding payments at year end.

Non-current liabilities which consist of Provisions increased by 16% attributable to the staff relocation expenses calculation.

Net assets

The net assets position increased by £0.36 million (6.4%) from £5.61 million as at 30 June 2022 to £5.97 million as at 30 June 2023. This is presented on the Statement of Financial Position. It constitutes the fund balances for the CYP as a whole.

The distribution of the net assets is shown on figure III below. The movements in net assets for the year ended 30 June 2023 is reported in Statement of Changes in Net Assets.

COMMONWEALTH YOUTH PROGRAMME FUND

FINANCIAL STATEMENT HIGHLIGHTS

Overview of Financial Statements (Continued)

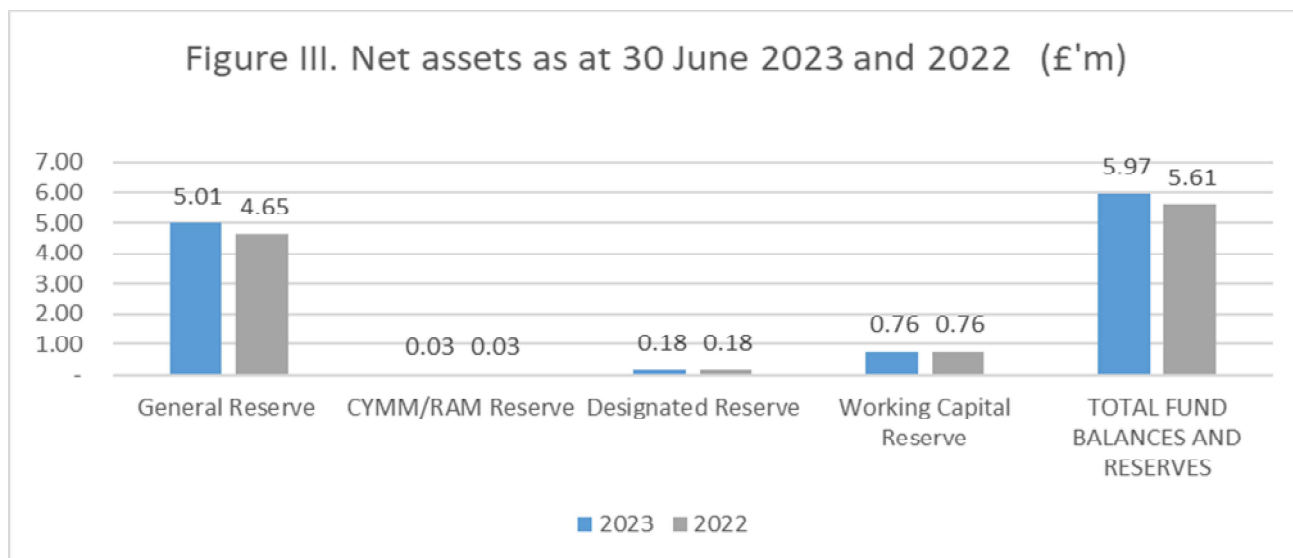


Figure III highlights that the General reserve increased by £0.36 million and this is attributed to the year's surplus of £0.36 million, representing a relatively strong financial position.

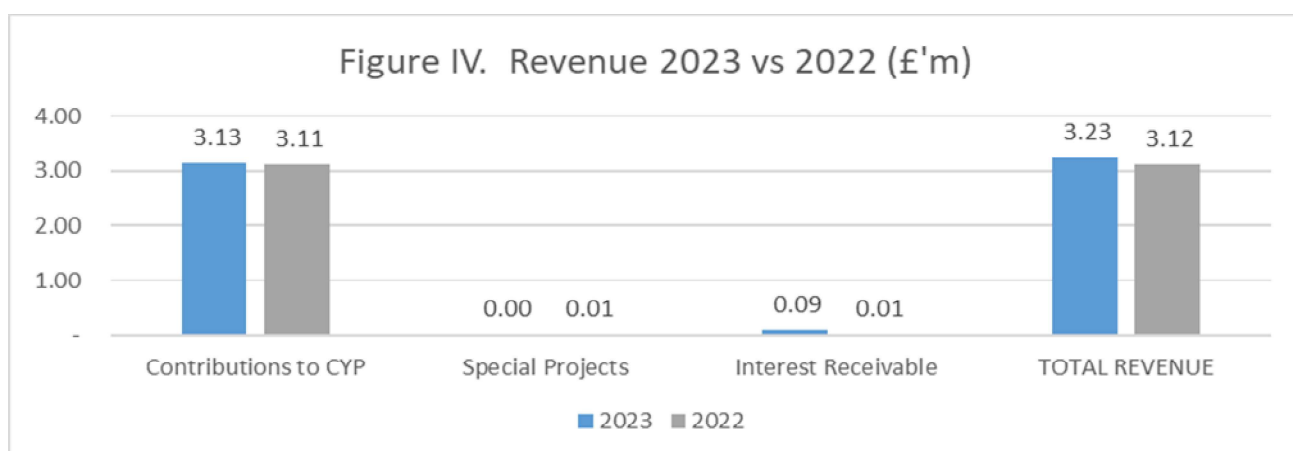
There was no movements in Working Capital, Commonwealth Youth Ministers Meeting (CYMM)/Regional Advisory Meeting (RAM) and Designated Funds. As of 30 June 2023, Working Capital Fund presents as 24% of approved planned expenditure for that year, is in line with Section V of the revised Financial Regulations.

Income

Total revenue for 2022-23 was £3.23m, an increase of £0.11m (3.4%) from 2022 (£3.12m). Assessed contribution of £3.13m accounted for 97% (2022: 99%) of the total revenue followed by interest receivable at 3%.

Revenue from assessed contributions has increased by £0.03m.

Interest Receivable has increased by £0.08m by the reason of higher interest rates. Despite the decrease in investment in 2023 by 20%, the remaining deposit still managed to rake in a sizeable amount of interest to support revenue.



COMMONWEALTH YOUTH PROGRAMME FUND

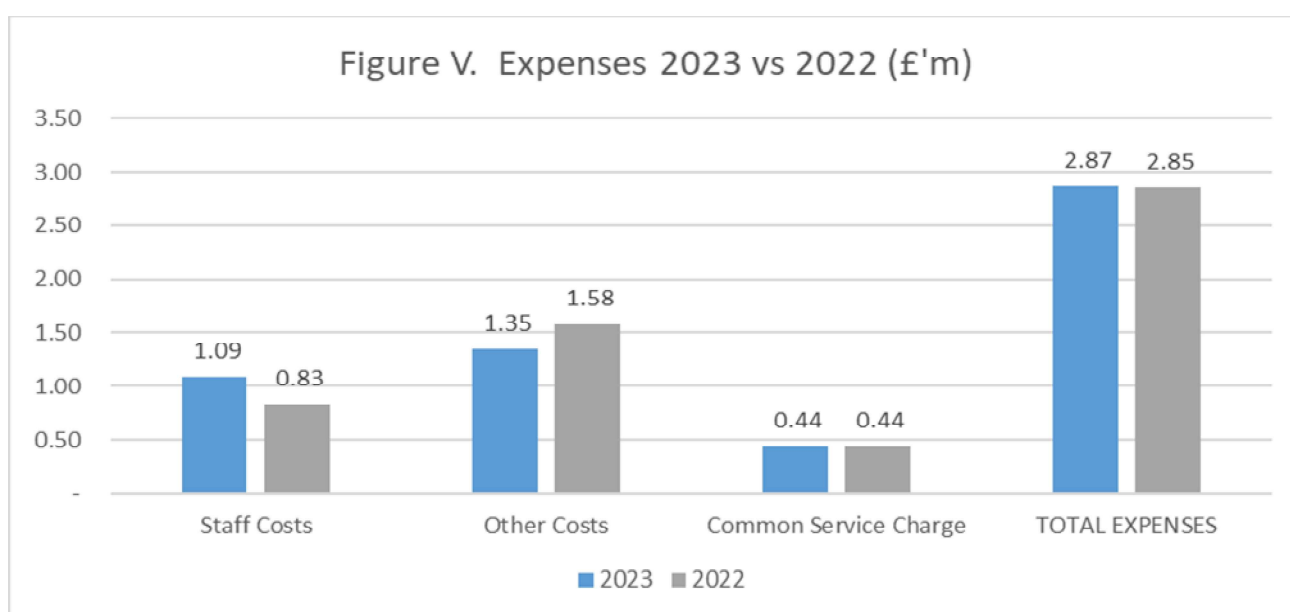
FINANCIAL STATEMENT HIGHLIGHTS

Overview of Financial Statements (Continued)

Expenses

Total expenses for 2023 amounted to £2.87m compared with £2.85m in 2022, a net increase of £0.02m (1%). The increase in the total expenses is the net effect of: increased spending on events and venue and travel costs necessitated by the easing of COVID-19 restrictions. Though consultants and conference facility cost decreased significantly, there was higher staff and other personnel costs, mainly due to higher number of overseas staff appointments albeit the average number of staff is similar to 2022.

Other costs remain the significant portion of the organisation's total operating expense at 47% (2022: 55%), followed by staff costs at 38% (2022: 29%), and common service charge at 15% (2022: 15%). Even though staff cost increased, there was almost a corresponding decrease in other cost thereby aligning the discipline in cost management.



Result for the year 2023

The overall financial performance increased by £0.09 million (33%) from £0.27 million in 2022 to £0.36 million in 2023. The increase is the combined effect of the increase in total revenue by £0.11m and a minor increase in total expenses.

It should be noted that the financial performance of revenue and expenses reflected in Statement of Financial Performance is presented on an IPSAS accrual basis and thus is different in its measurement and accounting from the budgetary performance of receipts and payments reflected in Management accounts prepared on a modified cash/accrual basis.

COMMONWEALTH YOUTH PROGRAMME FUND
INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS

Independent auditor's report to the Board of Governors of Commonwealth Youth Programme Fund

Opinion

We have audited the non-statutory financial statements of Commonwealth Youth Programme Fund (CYP) for the year ended 30 June 2023 which comprise the Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets, Cash Flow Statement and notes to the non-statutory financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Public Sector Accounting Standards and the Financial Regulations as authorised by the Commonwealth Heads of Government.

In our opinion the non-statutory financial statements:

- give a true and fair view of the state of CYP's affairs as at 30 June 2023 and of its surplus for the year then ended; and
- have been properly prepared in accordance with International Public Sector Accounting Standards and the Financial Regulations as authorised by the Commonwealth Heads of Government.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the non-statutory financial statements section of our report. We are independent of CYP in accordance with the ethical requirements that are relevant to our audit of the non-statutory financial statements in the UK, including the FRC's Ethical Standard, and also the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the non-statutory financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the non-statutory financial statements is appropriate.

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

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

Other information

The Board are responsible for the other information. The other information comprises the information included in the annual report, other than the non-statutory financial statements and our auditor's report thereon. Our opinion on the non-statutory financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-statutory financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-statutory financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the non-statutory financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

COMMONWEALTH YOUTH PROGRAMME FUND
INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS

Independent auditor's report to the Board of Governors of Commonwealth Youth Programme Fund

Responsibilities of the Secretary-General

The Secretary-General is responsible for the preparation of the non-statutory financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Secretary-General determines is necessary to enable the preparation of non-statutory financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-statutory financial statements, the Secretary-General is responsible for assessing CYP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Secretary-General either intends to liquidate CYP or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the non-statutory financial statements

Our objectives are to obtain reasonable assurance about whether the non-statutory financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-statutory financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the non-statutory financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the non-statutory financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which CYP operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the non-statutory financial statements. The laws and regulations we considered in this context were the Commonwealth Secretariat Act 1966 (as amended by the International Organisations Act 2005) and financial reporting standards. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related non-statutory financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the non-statutory financial statements but compliance with which might be fundamental to CYP's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within CYP for fraud.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the non-statutory financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, and reading minutes of meetings of those charged with governance.

COMMONWEALTH YOUTH PROGRAMME FUND
INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS

Independent auditor's report to the Board of Governors of Commonwealth Youth Programme Fund

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the non-statutory financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the non-statutory financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Board of Governors in accordance with the engagement letter dated 16 May 2022 and the Financial Regulations of CYP. Our audit work has been undertaken so that we might state to CYP's Board of Governors those matters we are required to state to them in an 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 CYP's Board of Governors, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe UK LLP
London, United Kingdom

Date: 15 December 2023

COMMONWEALTH YOUTH PROGRAMME FUND
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

		30 June 2023	30 June 2022
ASSETS	Notes	£	£
Current Assets			
Cash and Cash Equivalents	2	3,775,639	3,354,138
Investments	3	2,000,000	2,500,000
Prepayments		4,725	2,024
Members' Contributions Receivable from Non-exchange Transactions	7(a)	336,217	149,603
Other Receivables from Exchange Transactions	4	204,720	198,339
		6,321,301	6,204,104
TOTAL ASSETS		6,321,301	6,204,104
LIABILITIES			
Current Liabilities			
Provisions	6	27,150	20,869
Deferred Income from Non-exchange Transactions	8	390	2,414
Members' Contributions Prepaid from Non-exchange Transactions	7(a)(i), 7(a)(ii)	23,018	50,367
Payables and Other Liabilities from Exchange Transactions	5	229,696	457,983
		280,254	531,633
Non-current Liabilities			
Provisions	6	68,264	59,049
		68,264	59,049
TOTAL LIABILITIES		348,518	590,682
NET ASSETS		5,972,783	5,613,422
FUND BALANCES AND RESERVES			
General Reserve		5,007,884	4,648,523
CYMM/RAM Reserve		25,893	25,893
Designated Reserve		175,487	175,487
Working Capital Reserve		763,519	763,519
TOTAL FUND BALANCES AND RESERVES		5,972,783	5,613,422

COMMONWEALTH YOUTH PROGRAMME FUND

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

		2022-23	2021-22
	Notes	£	£
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Contributions to CYP	7(a)(i),7(a)(ii)	3,134,765	3,105,509
Special Projects	8	2,024	8,712
SUB-TOTAL REVENUE FROM NON-EXCHANGE TRANSACTIONS		<u>3,136,789</u>	<u>3,114,221</u>
REVENUE FROM EXCHANGE TRANSACTIONS			
Interest Receivable	9	90,482	6,969
SUB-TOTAL REVENUE FROM EXCHANGE TRANSACTIONS		<u>90,482</u>	<u>6,969</u>
TOTAL REVENUE		<u>3,227,271</u>	<u>3,121,190</u>
EXPENSES			
Staff Costs	10	1,086,416	832,149
Other Costs	12	1,345,566	1,581,066
Common Service Charge		435,928	437,493
TOTAL EXPENSES		<u>2,867,910</u>	<u>2,850,708</u>
SURPLUS FOR THE YEAR		<u>359,361</u>	<u>270,482</u>

COMMONWEALTH YOUTH PROGRAMME FUND
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023

	Notes	General Reserve	CYMM/RAM Reserve	Working Capital Reserve	Designated Reserve	Total
		£	£	£	£	£
Balance at 30 June 2021		4,273,578	25,893	763,519	279,950	5,342,940
Surplus		270,482	-	-	-	270,482
Transfer from Designated Reserve	1.13	104,463	-	-	(104,463)	-
Balance at 30 June 2022		4,648,523	25,893	763,519	175,487	5,613,422
Surplus		359,361	-	-	-	359,361
Balance at 30 June 2023		5,007,884	25,893	763,519	175,487	5,972,783

COMMONWEALTH YOUTH PROGRAMME FUND
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

		2022-23	2021-22
	Notes	£	£
Cash Flow from Operating Activities			
Surplus		359,361	270,482
Adjustments for:			
(Increase)/Decrease in Contributions Receivable		(186,614)	283,437
(Decrease)/Increase in Contributions Prepaid		(27,349)	7,218
(Increase) in Other Receivables		(6,381)	(138,895)
Increase in Prepayments		(2,701)	(2,024)
Decrease in Deferred Income		(2,024)	(8,712)
(Decrease)/Increase in Payables and Other Current Liabilities		(228,287)	167,539
Increase/(Decrease) in Provisions		15,496	(15,085)
Net Cash Flow from Operating Activities		<u><u>(78,499)</u></u>	<u><u>563,960</u></u>
Cash Flow from Investing Activities			
Investments in Fixed Term Investments		(2,000,000)	(2,500,000)
Cash from Fixed Term Deposit Maturities		2,500,000	2,500,000
Net Cash Flow from Investing Activities		<u><u>500,000</u></u>	<u><u>-</u></u>
Net Increase in Cash and Cash Equivalents		<u><u>421,501</u></u>	<u><u>563,960</u></u>
Cash and Cash Equivalents at the Beginning of the Period		3,354,138	2,790,178
Cash and Cash Equivalents at the End of the Period	2	<u><u>3,775,639</u></u>	<u><u>3,354,138</u></u>

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. Accounting Policies

1.1 Statement of Compliance

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

In accordance with IPSAS 1, budgets and related budget reconciliation analysis have not been provided as they are not publicly available.

The financial statements include segmental information relating to the General Fund and Special Projects. Information is analysed into the statement of financial position and statement of financial performance for each segment. The segmental information does not include income, expenses, advances or loans to or between segments.

1.1.1 Standards Issued not yet effective:

IPSAS 41 – Financial Instruments

IPSAS 41, which replaces IPSAS 29, addresses the principles for recognition, measurement, classification and de-recognition of financial assets, financial liabilities and some contracts to buy or sell non-financial items. The main changes from IPSAS 29 to IPSAS 41 are the introduction of simplified classification and measurement requirements for financial assets, a forward looking impairment model, and a flexible hedge accounting model. IPSAS 41 will be effective from 1 January 2023. The Commonwealth has not yet implemented this standard whose expected impact on the Commonwealth's financial statements is minimal primarily because the entity already recognises impairment losses on its financial assets at the earliest opportunity.

IPSAS 42 – Social benefits

IPSAS 42, also effective from 1 January 2023 applies to a transaction that meets the definition of a social benefit. This standard has not been implemented by CYP as the nature of the entity's work does not include transactions which would be classified as social benefits.

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); and
- 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 may vary from fund to fund.

The Commonwealth has reviewed IPSAS 35 Consolidated and Separate Financial Statements and considers that the consolidation requirement is not applicable in this situation.

1.4 Accounting Convention

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

1.5 Going Concern Assumption

The financial statements have been prepared on the going concern basis. The going-concern assertion is based on the approval by the Commonwealth's Board of Governors of the work programme and budget estimates for the 2023-24, its net assets position, the stable historical trend of collection of assessed contributions and the fact that the Secretariat has made no decision to cease the operations of CYP. Management has a reasonable expectation that The Commonwealth will continue in operational existence for the foreseeable future and at least for a period of 12 months subsequent to the date of these financial statements are approved. The Board of Governors has approved the 2023-24 Budget and Delivery Plan along with the associated funding by member states.

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. Accounting Policies (continued)

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.

1.7 Financial Instruments

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

Financial assets that are held for trading are initially 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.

Financial assets with fixed or determinable payments that are not quoted in active markets comprise contributions receivable in cash, other receivables and cash and cash equivalents which are initially measured at fair value and subsequently stated at amortised cost.

Financial assets with fixed or determinable payments and fixed maturity dates that CYP has both the intention and the ability to hold to maturity are initially measured at fair value and subsequently measured at amortised cost. As at 30 June 2023, no such financial assets were held by CYP.

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

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

Cash and cash equivalents held for use for specific purposes are considered as restricted.

1.9 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.

1.10 Payables and Accruals

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

1.11 Deferred Income

CYP receives additional contributions and grants from member states, non-Commonwealth countries and other organisations. These are awarded subject to specific performance conditions. The revenue for these contributions and grants is recognised when the conditions are met and is reported in the Statement of Financial Performance as Special Project Income under revenue from non-exchange Transactions. The unutilised balance is reported as Deferred Income from non-exchange transactions in the Statement of Financial Position.

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. Accounting Policies (continued)

1.12 Provisions and Contingent Liabilities

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

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

1.13 Reserves

CYP's reserves consist of the following:

- General Reserve is the fund carried forward after accounting for contributions, other sources of income and expenses for all programme related and administrative categories;
- Working Capital Reserve, serves to protect the Fund against temporary shortages of cash, arising from the need to maintain expenditure levels in the event of irregular settlement of receivables by member states. Investments are held separately to represent the Working Capital Fund. In accordance with Section V of the revised Financial Regulations, the reserve will be subject to a maximum of 25% of approved planned expenditure for that year;
- CYMM/RAM Reserve is the fund set aside to finance the governance meetings. Commonwealth Youth Ministers Meeting (CYMM)/Regional Advisory Meeting (RAM) is held every four years; and
- Designated Reserve is set aside for specific purposes within the overall reserves as agreed with the Board of Governors as part of the annual budget.

1.14 Revenue

(a) Revenue from Non-Exchange Transactions

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

(i) Contributions

CYP is financed by assessed contributions from the 55 member states of the Commonwealth (53 for the 2021-22 period). Revenue is recognised in the period to which the contribution relates following agreement of contributions at the annual meeting of the Board of Governors. 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 is stated at the agreed amount and reduced by a provision for doubtful balances.

(ii) Special Projects

CYP receives additional contributions and grants from member states, non-Commonwealth countries and other organisations for special projects (see note 8 for details of individual special projects). These monies are awarded subject to specific performance conditions.

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

(b) Revenue from Exchange Transactions

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

(i) Interest Receivable

Interest income from interest-bearing accounts and investments is recognised in the period in which the transaction occurred rather than when the income is received.

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1.15 Expenses

(a) Staff Costs

(i) Unused Annual Leave

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

(ii) 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 these financial statements.

(iii) Home Leave

The Commonwealth pays for home leave passages for overseas recruited staff after serving a minimum period of 18 months of their contracts. A provision for future home leave passages is included within staff costs in these financial statements.

(iv) Pensions

The Commonwealth operates a defined contribution pension scheme, two defined benefit pension schemes, and a supplementary arrangement as described below.

Work Place Pension

With the introduction of Automatic Enrolment on 1 January 2018, a Commonwealth Secretariat Workplace Pension Scheme was established. The Workplace Pension Scheme is a defined contribution pension scheme administered by Scottish Widows. Staff can elect to have either The Commonwealth's contribution of 15% of their gross salary transferred to the Workplace Pension Scheme or The Commonwealth's contribution of 10% of their gross salary transferred to the Workplace Pension Scheme with the remaining 5% invested in the Staff Gratuity Fund.

The Commonwealth's contributions to the workplace pension scheme are recognised as staff costs in the statement of financial performance.

Former Secretaries-General Pension Scheme

An unfunded, defined benefit pension scheme is in operation for three former Secretaries-General. Costs relating to the financial year are recognised in the Statement of Financial Performance of COMSEC.

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

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

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1.15 Expenses (a) Staff Costs (iv) Pensions (Continued)

Staff Defined Benefit Pension Scheme

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

The current Schedule of Contributions requires the employer to contribute the amount required to bring the aggregate contribution to one twelfth of 99.7% 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 £90,000 to meet the past service shortfall on behalf of entitled employees. Also payable are insurance premiums for death-in-service benefits and expenses incurred by the trustees in administering the scheme.

The Scheme is subject to UK pension regulations. It undertakes valuations every three years and prepares financial statements to 31 March. The financial statements of the scheme are audited by Assure UK. The scheme's actuary is Neal Thompson, Partner, First Actuarial LLP. The audited financial statements and details of advisors are available on request from the Payroll and Pensions Team, Finance and Management Information Section, Marlborough House, London, SW1Y 5HX.

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

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

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

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

Further details of the defined benefit scheme are disclosed on pages 35 to 39 of the June 2023 financial statements of the Commonwealth Secretariat Fund (COMSEC Fund).

Supplementary Pension

The Secretariat operates an unfunded defined benefit pension plan, Supplementary Pension. This arrangement is not a registered pension scheme in the UK and there are no directly attributable assets held by The Commonwealth to support the liability of the arrangement.

Under the plan, the members are entitled to post-retirement monthly instalments that provide discretionary pension increases in payment over and above the minimum pension increases set out in the Trust Deed and Rules of the Commonwealth Secretariat Pension & Life Assurance Scheme (1979) ("the Main Scheme").

Members are guaranteed a 2.5% increase on pension payments each year in the main scheme. Additional increases may be awarded on a discretionary basis based on an annual review by The Commonwealth.

An actuarial valuation of The Commonwealth's obligation as at the year-end is obtained, with the entire liability recognised in the Statement of Financial Position of COMSEC as it is not possible to separate the scheme liabilities under the different funds. The present value of the supplementary pension obligations is determined by discounting the estimated future cash outflows using agreed assumptions.

There are no directly attributable investments or assets to support the obligations of this scheme. Unrealised gains and losses are recognised in the Statement of Changes in Net Assets in COMSEC.

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1.15 Expenses (a) Staff Costs (iv) Pensions (Continued)

Further details of the supplementary pension scheme are disclosed on pages 40 to 42 of the 2022-23 financial statements of the Commonwealth Secretariat Fund.

(v) Gratuity

For staff who opt out of or select the reduced contribution to the Commonwealth Secretariat Workplace Pension Scheme, The Commonwealth contributes up to 15% of gross salary into the Staff Gratuity Fund. The Commonwealth's contributions to the staff gratuity 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 a COMSEC bank account and managed separately in readily convertible investments. Cash deposits and fixed term deposits relating to the staff gratuity fund are not available for general use by The Commonwealth. The related asset and liability are reported in the Statement of Financial Position of COMSEC because it is not possible to readily separate the proportion relating to CYP employees. The liability is classified as current or non-current dependent on the expiry dates of the employees' contracts.

(b) Office Rental Costs

The headquarters of The Commonwealth is located in Marlborough House in London. Marlborough House is provided free of rent by the UK Government. Under IPSAS 23 Revenue from Non-Exchange Transactions, the value of this service-in-kind is recognised as both income and expense in the Statement of Financial Performance of COMSEC. Marlborough House is a unique Grade1 listed property and as a result identifying comparable properties to produce an estimate of fair value is challenging. In previous financial years the service in kind has been estimated using the rental value of Commonwealth House in proportion to the office area in Marlborough House. In financial year 2023 to arrive a more reliable fair value the rateable value from UK government was adopted.

(c) Direct Projects

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

(d) Foreign Currency Transactions

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

(e) Common Service Charge

CYP is charged a levy referred to as the Common Service Charge by COMSEC. The charge recovers some of the costs incurred by COMSEC in operating the internal corporate business support functions which includes Finance, Human Resources and Facility Management, Information Technology, Strategy, Portfolio, Partnerships and Digital and to a lesser extent, Communications.

The present method of apportioning these costs is based on the proportion of 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 corporate business support functions.

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1.16 Tax

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

1.17 Use of Estimates and Judgements

Preparing financial statements in accordance with IPSAS requires The Commonwealth to make estimates, judgements and assumptions in the selection and application of accounting policies and in the reported amounts of assets, liabilities, revenues and expenses. For this reason, actual results may differ from those estimates. Accounting estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised in the year in which they are revised and in any future period affected.

There are no key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Cash and Cash Equivalents

Restricted balances relate to balances for special project funds, which are held for use only for these specific purposes.

	Unrestricted		Restricted		Total	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	£	£	£	£	£	£
Cash and Cash Deposits	3,775,249	3,351,724	390	2,414	3,775,639	3,354,138
Total Cash and Cash Equivalents	3,775,249	3,351,724	390	2,414	3,775,639	3,354,138

3. Investments

	30 June 2023 £	30 June 2022 £
Fixed term deposits - current	2,000,000	2,500,000
Total Investments	2,000,000	2,500,000

Fixed term deposits held for a period of more than three months have been classified as investments.

4. Other Receivables from Exchange Transactions

	Notes	30 June 2023 £	30 June 2022 £
Commonwealth Secretariat		165,698	132,350
Commonwealth Fund for Technical Co-operation		11,702	54,197
Other Debtors		27,320	11,792
Total Receivables less provision		204,720	198,339

Ageing of Receivables from Exchange Transactions:

	30 June 2023 £	30 June 2022 £
Current	204,721	198,339
Total	204,721	198,339

5. Payables and Other Liabilities from Exchange Transactions

Amounts falling due within one year

	30 June 2023 £	30 June 2022 £
Staff Balances	14,371	8,500
Trade Payables and Accruals	215,325	449,483
Total Payables and Current Liabilities	229,696	457,983

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

6. Provisions

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

	As at 30 June 2023		As at 30 June 2022	
	Due within one year	Due after one year	Due within one year	Due after one year
	£	£	£	£
Relocation Expenses	26,325	68,264	10,980	59,049
Home Leave Expenses	825	-	9,889	-
Total Provisions	27,150	68,264	20,869	59,049

Movements in provisions during the year are as follows:

Provisions for Liabilities	Notes	As at 1 July 2022	Increase in provision	Amount used in year	As at 30 June 2023
		£	£	£	£
Relocation Expenses	(a)	70,029	42,674	(18,114)	94,589
Home Leave Expenses	(b)	9,889	1,697	(10,761)	825
Total Provisions for Liabilities		79,918	44,371	(28,875)	95,414

(a) CYP incurs relocation expenses for overseas recruited staff and experts at the beginning and end of their contracts. The costs of relocation are variable because they depend on the timing of the relocation, which can be at any stage within the maximum contract period of nine years (depending on renewal of three year contracts); the location from which the staff member is relocated; the size and circumstances of the family; and the complexity of the individual's affairs at the time.

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

(b) The provision relates to home leave passages for overseas recruited staff. Overseas recruited staff and their dependents are provided with one home leave passage after serving 18 months of any of their contracts. The level of provision is based on an annual review of future costs and the movement in the provision for the year has been included in the Statement of Financial Performance under staff costs.

7. (a) Members' Contributions Receivable from Non-Exchange Transactions

	30 June 2023	30 June 2022
	£	£
Current	756,074	511,058
Provision for doubtful accounts	(419,857)	(361,455)
Total Net Current Contributions Receivable	336,217	149,603
Non-Current	79,991	59,238
Provision for doubtful accounts	(79,991)	(59,238)
Total Net Non-current Contributions Receivable	-	-

The provision for doubtful accounts relates to members' contributions. The net contributions receivable is £336,217 (2022: £149,603).

In order to manage and reduce long outstanding arrears, affected governments are invited to discuss and agree a suitable payment plan. As at 30 June 2023, three member countries had agreed a payment plan amounting to £99,881 (2022: £74,115).

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

7. (a) Members' Contributions Receivable from Non-Exchange Transactions (Continued)

Ageing of receivables from non-exchange transactions:

	30 June 2023	30 June 2022
	£	£
Less than one year	251,941	116,695
Between one and two years	66,542	26,304
More than two years	17,734	6,604
Total	<u>336,217</u>	<u>149,603</u>

The provision for doubtful accounts is for the outstanding contributions receivable where there is a delay in settlement of arrears. The change in the provision for doubtful accounts during 2022-23 is as follows:

	As at 1 July 2022	Increase in provision	(Decrease) in provision	As at 30 June 2023
	£	£	£	£
Provision for doubtful debt	420,693	110,382	(31,227)	499,848

The increase in provision of £110,382 (2022: £125,475) is for additional outstanding balances from member states assessed as doubtful contributions as at 30 June 2023 due to delay in settlement of arrears.

The decrease in provision of £31,227 (2022: £9,591) is for receipts received during the year for outstanding contribution balances previously provided for as doubtful.

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

7. (a) (i) Members' Contributions from Non-Exchange Transactions 2022-23

Country	Balance as at 01 July 2022		Assessment 2022-23	Received 2022-23	Balance as at 30 June 2023	
	Receivable	Prepaid			Receivable	Prepaid
	£	£	£	£	£	£
Antigua & Barbuda	15,014	-	7,458	15,014	7,458	-
Australia	-	-	387,825	387,825	-	-
The Bahamas	-	-	22,374	22,374	-	-
Bangladesh	-	-	19,391	19,391	-	-
Barbados	-	-	8,950	8,950	-	-
Belize	-	-	5,967	5,967	-	-
Botswana	-	-	22,374	22,374	-	-
Brunei Darussalam	-	(111)	25,358	25,358	-	(111)
Cameroon	41,122	-	22,374	19,406	44,090	-
Canada	-	-	633,943	633,943	-	-
Cyprus	-	-	31,324	31,324	-	-
Dominica	54,875	-	5,967	-	60,842	-
Fiji	-	(92)	8,950	8,869	-	(11)
Gabon	-	-	21,942	21,942	-	-
The Gambia	26,470	-	5,967	-	32,437	-
Ghana	-	-	22,374	-	22,374	-
Grenada	-	(26)	5,967	-	5,941	-
Guyana	34,934	-	7,458	-	42,392	-
India	-	(4,773)	141,704	137,002	-	(71)
Jamaica	-	-	8,950	8,950	-	-
Kenya	-	-	25,358	25,358	-	-
Kiribati	5,967	-	5,967	11,986	-	(52)
Lesotho	5,967	-	5,967	11,934	-	-
Malawi	7,458	-	7,458	-	14,916	-
Malaysia	-	-	82,039	82,039	-	-
Maldives	19,240	-	8,950	21,588	6,602	-
Malta	-	(22,374)	22,374	-	-	-
Mauritius	-	-	19,391	19,391	-	-
Mozambique	-	-	8,950	8,950	-	-
Namibia	19,391	-	19,391	19,391	19,391	-
Nauru	-	(245)	5,967	-	5,722	-
Nigeria	-	-	67,123	-	67,123	-
Pakistan	1,840	-	44,749	-	46,589	-
Papua New Guinea	28,458	-	19,391	-	47,849	-
Rwanda	8,950	-	8,950	17,900	-	-
Samoa	-	-	5,967	5,967	-	-
Seychelles	-	-	7,458	7,458	-	-
Sierra Leone	-	-	5,967	5,967	-	-
Singapore	-	-	82,039	82,039	-	-
Solomon Islands	18,057	-	5,967	-	24,024	-
South Africa	-	(20,512)	67,123	67,123	-	(20,512)
Sri Lanka	19,059	-	44,749	-	63,808	-
St Kitts & Nevis	-	-	5,967	5,967	-	-
St Lucia	-	(2,234)	5,967	5,967	-	(2,234)
St Vincent & The Grenadines	-	-	5,967	5,967	-	-
eSwatini	-	-	7,458	7,458	-	-
Tanzania	-	-	19,391	-	19,391	-
Togo	-	-	7,314	-	7,314	-
Tonga	-	-	5,967	-	5,967	-
Trinidad & Tobago	31,324	-	31,324	31,324	31,324	-
Tuvalu	5,967	-	5,967	11,961	-	(27)
Uganda	67,885	-	8,950	-	76,835	-
United Kingdom	-	-	1,017,223	1,017,223	-	-
Vanuatu	-	-	5,967	-	5,967	-
Zambia	37,526	-	19,391	-	56,917	-
Zimbabwe*	76,339	-	-	-	76,339	-
Cook Islands	44,453	-	-	-	44,453	-
Total	570,296	(50,367)	3,134,765	2,841,647	836,065	(23,018)

*Zimbabwe withdrew from The Commonwealth in 2003

*Gabon and Togo joined The Commonwealth in June 2022.

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

7. (a) (ii) Members' Contributions from Non-Exchange Transactions 2021-22

Country	Balance as at 01 July 2021		Assessment 2021-22	Received 2021-22	Balance as at 30 June 2022	
	Receivable	Prepaid			Receivable	Prepaid
	£	£	£	£	£	£
Antigua & Barbuda	7,556	-	7,458	-	15,014	-
Australia	-	-	387,825	387,825	-	-
The Bahamas	-	-	22,374	22,374	-	-
Bangladesh	-	-	19,391	19,391	-	-
Barbados	9,067	-	8,950	18,017	-	-
Belize	6,045	-	5,967	12,012	-	-
Botswana	-	-	22,374	22,374	-	-
Brunei Darussalam	-	-	25,358	25,469	-	(111)
Cameroon	18,748	-	22,374	-	41,122	-
Canada	-	-	633,943	633,943	-	-
Cyprus	31,735	-	31,324	63,059	-	-
Dominica	63,907	-	5,967	14,999	54,875	-
Fiji	-	(39)	8,949	9,002	-	(92)
The Gambia	20,503	-	5,967	-	26,470	-
Ghana	22,668	-	22,374	45,042	-	-
Grenada	6,045	-	5,967	12,038	-	(26)
Guyana	27,476	-	7,458	-	34,934	-
India	-	-	141,703	146,476	-	(4,773)
Jamaica	19,645	-	8,950	28,595	-	-
Kenya	23,824	-	25,358	49,182	-	-
Kiribati	2,071	-	5,967	2,071	5,967	-
Lesotho	-	-	5,967	-	5,967	-
Malawi	15,112	-	7,458	15,112	7,458	-
Malaysia	-	-	82,040	82,040	-	-
Maldives	19,240	-	8,950	8,950	19,240	-
Malta	-	-	22,374	44,748	-	(22,374)
Mauritius	-	-	19,391	19,391	-	-
Mozambique	-	-	8,950	8,950	-	-
Namibia	-	-	19,391	-	19,391	-
Nauru	-	-	5,967	6,212	-	(245)
Nigeria	65,416	-	67,123	132,539	-	-
Pakistan	-	-	44,749	42,909	1,840	-
Papua New Guinea	18,134	-	19,392	9,068	28,458	-
Rwanda	-	-	8,950	-	8,950	-
Samoa	7,066	-	5,967	13,033	-	-
Seychelles	6,045	-	7,458	13,503	-	-
Sierra Leone	-	-	5,967	5,967	-	-
Singapore	-	-	82,040	82,040	-	-
Solomon Islands	12,090	-	5,967	-	18,057	-
South Africa	-	(15,181)	67,122	72,453	-	(20,512)
Sri Lanka	-	(25,690)	44,749	-	19,059	-
St Kitts & Nevis	6,045	-	5,967	12,012	-	-
St Lucia	-	(2,234)	5,967	5,967	-	(2,234)
St Vincent & The Grenadines	24,254	-	5,967	30,221	-	-
eSwatini	-	-	7,458	7,458	-	-
Tanzania	19,645	-	19,391	39,036	-	-
Tonga	-	(5)	5,967	5,962	-	-
Trinidad & Tobago	63,470	-	31,324	63,470	31,324	-
Tuvalu	12,090	-	5,967	12,090	5,967	-
Uganda	58,935	-	8,950	-	67,885	-
United Kingdom	-	-	1,017,222	1,017,222	-	-
Vanuatu	12,090	-	5,967	18,057	-	-
Zambia	18,134	-	19,392	-	37,526	-
Zimbabwe*	76,339	-	-	-	76,339	-
Cook Islands	44,453	-	-	-	44,453	-
Total	737,848	(43,149)	3,105,509	3,280,279	570,296	(50,367)

*Zimbabwe withdrew from The Commonwealth in 2003

*Gabon and Togo joined The Commonwealth in June 2022.

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

8. (a) Deferred Income from Non-Exchange Transactions 2022-23

Special Projects

	Deferred Income as at 1 July 2022 £	Project Receipts £	Project Expenses £	Deferred Income as at 30 June 2023 £
Young Professionals Programme	2,414	-	(2,024)	390
TOTAL	2,414	-	(2,024)	390

8. (b) Deferred Income from Non-Exchange Transactions 2021-22

Special Projects

	Deferred Income as at 1 July 2021 £	Project Receipts £	Project Expenses £	Deferred Income as at 30 June 2022 £
Young Professionals Programme	11,126	-	(8,712)	2,414
TOTAL	11,126	-	(8,712)	2,414

9. Interest Receivable from Exchange Transactions

	2022-23 £	2021-22 £
Interest on Bank Deposits	90,482	6,969
Total Interest Receivable	90,482	6,969

Interest bearing accounts and investments yielded an average rate of 2.07% (2022: 0.39%) during the reporting period.

10. Staff Costs

	2022-23 £	2021-22 £
Salaries and Allowances	869,083	689,119
Employer's National Insurance Contributions	78,892	58,932
Contributions to Staff Gratuity Fund	71,801	56,214
Contributions to Staff Defined Contribution Scheme	22,269	19,201
Increase in Staff Provisions	44,371	8,683
Total Staff Costs	1,086,416	832,149

£56,711 (2021: £86,397) of staff costs has been charged to projects and included in other costs. (See note 12).

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

11. Remuneration of Key Management Personnel

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

	Number of persons		Aggregate Remuneration	
	2022-23	2021-22	2022-23	2021-22
			£	£
Senior Management Committee	1	1	17,933	17,789
Directors	-	-	31,613	31,448
TOTAL	1	1	49,546	49,237

Key management personnel includes members of the Senior Management Committee of the Commonwealth, which comprised the Secretary-General, Deputy Secretary-General, Assistant Secretary-General, Director and Head of Office of the Secretary-General and Senior Directors. The Senior Management Committee has the authority and responsibility for planning, directing and controlling the activities of The Commonwealth. Key management personnel also includes the Directors of Divisions.

Aggregate remuneration includes salary, allowances and employer's contribution to the gratuity fund and/or workplace pension scheme as analysed further below. The Secretary-General is provided with rent-free accommodation at The Commonwealth's official residence at Hill Street along with a chauffeur driven car for official use which is also available for the Secretary-General's private use.

	Senior Management Committee		Directors and Heads of Units	
	2022-23	2021-22	2022-23	2021-22
	£	£	£	£
Salary	10,614	11,517	24,706	25,193
Allowances	4,925	3,687	2,165	1,611
Gratuity	2,524	2,585	4,742	4,644
TOTAL	18,063	17,789	31,613	31,448

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

12. Other Costs

	2022-23	2021-22
	£	£
Travel and Subsistence Costs	389,320	306,202
Events and Venue Costs	340,375	100,304
Short Term Consultants Costs	130,711	405,033
Communication, Publication and Information	98,684	191,272
Rent and Rates	96,038	87,468
Conference Facility Costs	76,178	232,934
Increase/(Decrease) in Provision for Doubtful Balances	79,155	115,884
Computer Maintenance	75,950	78,088
Audit Fees	18,509	18,970
Miscellaneous Expenses	16,426	18,964
Insurance	14,906	12,958
Library and Subscriptions	5,217	7,965
Bank and Financial Charges	4,097	5,024
Total Other Costs	1,345,566	1,581,066

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

13. Direct Project Expenses

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

	2022-23	2021-22
	£	£
Staff Costs	1,086,416	832,149
Other Costs	1,003,092	1,182,159
Total	<u>2,089,508</u>	<u>2,014,308</u>

14. Segmental Information

Segment information is based on the principal activities and sources of financing of CYP. These segments are as follows:

(a) General Fund

This segment includes all resources of CYP that are commingled and not earmarked. The main funding sources of this segment are assessed contributions from member states of the Commonwealth, other voluntary contributions and miscellaneous revenue. Funding from the contributions is used to carry out programme activities as set out in the annual budget and delivery plan approved by the Board of Governors.

(b) Special Project Funds

CYP receives additional contributions and grants from member states, non-Commonwealth countries and other organisations to carry out special projects. The resources in this segment can only be used for the purpose of expenditure subject to specific performance conditions as set out in the agreements with the donors.

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

14. Segmental Information (Continued)

STATEMENT OF FINANCIAL POSITION BY SEGMENT AS AT 30 JUNE 2023

	General Fund	Special Projects	TOTAL
	£	£	£
ASSETS			
Current Assets			
Cash and Cash Equivalents	3,775,249	390	3,775,639
Investments	2,000,000	-	2,000,000
Prepayments	4,725	-	4,725
Members' Contributions Receivable from Non-exchange Transactions	336,217	-	336,217
Other Receivables from Exchange Transactions	204,720	-	204,720
	<u>6,320,911</u>	<u>390</u>	<u>6,321,301</u>
Non-Current Assets			
Members' Contributions Receivable from non-exchange transactions	-	-	-
TOTAL ASSETS	<u>6,320,911</u>	<u>390</u>	<u>6,321,301</u>
LIABILITIES			
Current Liabilities			
Provisions	27,150	-	27,150
Deferred Income from Non-exchange Transactions	-	390	390
Members' Contributions Prepaid from Non-exchange Transactions	23,018	-	23,018
Payables and Other Liabilities from Exchange Transactions	229,696	-	229,696
	<u>279,864</u>	<u>390</u>	<u>280,254</u>
Non-Current Liabilities			
Provisions	68,264	-	68,264
TOTAL LIABILITIES	<u>348,128</u>	<u>390</u>	<u>348,518</u>
NET ASSETS	<u>5,972,783</u>	<u>-</u>	<u>5,972,783</u>
FUND BALANCES AND RESERVES			
General Reserve	5,007,884	-	5,007,884
CYMM/RAM Reserve	25,893	-	25,893
Designated Reserve	175,487	-	175,487
Working Capital Reserve	763,519	-	763,519
TOTAL FUND BALANCES AND RESERVES	<u>5,972,783</u>	<u>-</u>	<u>5,972,783</u>

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

14. Segmental Information (Continued)

STATEMENT OF FINANCIAL PERFORMANCE BY SEGMENT FOR THE PERIOD ENDED 30 JUNE 2023

	General Fund £	Special Projects £	TOTAL £
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Contributions to CYP	3,134,765	-	3,134,765
Special Projects	-	2,024	2,024
SUB-TOTAL REVENUE FROM NON-EXCHANGE TRANSACTIONS	<u>3,134,765</u>	<u>2,024</u>	<u>3,136,789</u>
REVENUE FROM EXCHANGE TRANSACTIONS			
Interest Revenue	90,482	-	90,482
SUB-TOTAL REVENUE FROM EXCHANGE TRANSACTIONS	<u>90,482</u>	<u>-</u>	<u>90,482</u>
TOTAL REVENUE	<u>3,225,247</u>	<u>2,024</u>	<u>3,227,271</u>
EXPENSES			
Staff Costs	1,086,416	-	1,086,416
Other Costs	1,343,542	2,024	1,345,566
Common Service Charge	435,928	-	435,928
TOTAL EXPENSES	<u>2,865,886</u>	<u>2,024</u>	<u>2,867,910</u>
SURPLUS FOR THE YEAR	<u>359,361</u>	<u>-</u>	<u>359,361</u>

Included in total expenses of £2,865,886 is the sum of £2,089,508 which represents direct project expenses incurred by CYP. Direct project expenses are analysed in Note 13 of these financial statements.

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

15. Related Party Disclosures

(a) Controlled Entities

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

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

As described in note 1.15(e), costs of the corporate business support functions are incurred by COMSEC. These charges are then recovered from CFTC and CYP as Common Service Charges.

(b) Other Related Parties

The Secretary-General of the Commonwealth is a member of the Board of Governors of two sister organisations of The Commonwealth. They are the Commonwealth of Learning and Commonwealth Foundation. These fellow intergovernmental Commonwealth organisations each have a separate Memorandum of Understanding, Board of Governors and Executive Management independent of The Commonwealth Secretariat.

In the financial year to 30 June 2023, there were no transactions outside the normal operations between The Commonwealth Youth Programme Fund and the two Commonwealth organisations mentioned above (2022: £nil).

The Senior Management Committee is remunerated through COMSEC and a portion of the cost is allocated to CYP as disclosed in note 12.

16. Obligations under Operating Leases

All lease agreements are registered in COMSEC and the costs are shared among the three Funds. The total amount of operating leases recognised in CYP's Statement of Financial Performance for the period is £nil (2022: £nil).

17. Financial Instruments

Details of the significant accounting policies and methods adopted, including the criteria for recognition and de-recognition, the basis on which gains and losses are recognised in respect of each class of financial asset and liability are set out in Note 1.7.

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

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

(a) Fair Values

The assets of CYP are categorised as follows:

	30 June 2023	30 June 2022
	£	£
Financial Assets	6,316,576	6,202,080
Non-financial assets	4,725	2,024
Total	6,321,301	6,204,104

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

17. Financial Instruments (a) Fair Values (Continued)

The liabilities of CYP are categorised as follows:

	30 June 2023	30 June 2022
	£	£
Financial Liabilities	229,696	457,983
Non-financial Liabilities	118,822	132,699
Total	<u>348,518</u>	<u>590,682</u>

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

Financial Assets:

	Carrying Amount
	£
2023:	
Cash and Cash Equivalents	3,775,639
Investments	2,000,000
Receivables - Current	540,937
Total	<u>6,316,576</u>
2022:	
Cash and Cash Equivalents	3,354,138
Investments	2,500,000
Receivables	347,942
Receivables – Non Current	-
Total	<u>6,202,080</u>

Financial Liabilities:

	Carrying Amount
	£
2023:	
Payables	229,696
Total	<u>229,696</u>
2022:	
Payables	457,983
Total	<u>457,983</u>

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.

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

17. Financial Instruments (Continued)

(b) Foreign Currency Risk

CYP is not exposed to foreign currency risk arising from Non-GB Pound Sterling holdings to support local operating activities in programme countries.

As at 30 June 2023, 100% of cash and cash equivalents were denominated in GB Pound Sterling (2022: 100% of cash and cash equivalents were denominated in GB Pound Sterling).

(c) Credit Risk

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

The treasury and investment management policy manages credit risk on cash and cash equivalents by limiting the amount of credit exposure to any one counterparty and ensuring these financial assets are held with well-recognised financial institutions. As at 30 June 2023, 100% of these financial assets were held at counterparty banks with a Standard and Poor's credit rating of A1 and higher.

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

(d) Liquidity Risk

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

CYP ensures that it has sufficient cash on demand to meet expected funding needs of the organisation through the use of cash flow forecasts, taking into consideration timing of investment maturities. All investments are short term in nature to ensure that sufficient funds are available to meet CYP commitments as and when they fall due.

	2023
	<6 months
	£
Liabilities	
Payables	229,696
Total Liabilities	229,696
	2022
	<6 months
	£
Liabilities	
Payables	457,983
Total Liabilities	457,983

As at 30 June 2023 CYP had not issued any financial guarantees.

(e) Market Risk

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

COMMONWEALTH YOUTH PROGRAMME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

17. Financial Instruments (Continued)

(f) Interest Rate Risk

Owing to the short maturity of cash and investments, an interest rate sensitivity analysis does not disclose significant variations in value. If the weighted average interest rate at 30 June 2023 had been 25% higher or lower, the interest income would have been affected as follows:

	Increase (+) / Decrease (-)	Effect on Surplus / Deficit
Cash and Cash Equivalents	%	£
	25%	22,621
	-25%	(22,621)

(g) Foreign Currency Risk

There were no foreign currencies held in CYP as at 30 June 2023 (2022: Nil).

18. Capital Management

The Commonwealth defines the capital that it manages as the aggregate of its net assets, which is comprised of accumulated balances and reserves. The Commonwealth's objectives in managing capital are to safeguard its ability to continue as a going concern to fund its asset base and to fulfil its mission and objectives. The Commonwealth's overall strategy with respect to capital management includes the balancing of its operating and capital activities with its funding on an annual basis.

The Commonwealth manages its capital structure in light of global economic conditions, the risk characteristics of the underlying assets, and working capital requirements. The Commonwealth manages its capital by reviewing, on a regular basis, the actual results against the budgets approved by the Board of Governors.

19. Events After Reporting Date

There are no material events, favourable or unfavourable that occurred between the reporting date, 30 June 2023, and the date of authorisation for issue that would have impacted these statements.

The Secretary-General authorised these financial statements for issue on 14 December 2023.

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