



**Charity Registration No. 263147**

**Commonwealth Parliamentary Association  
Annual Report and Financial Statements  
31 December 2018**

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# **Commonwealth Parliamentary Association**

## **Annual report for the year ended 31 December 2018**

### **ADMINISTRATIVE INFORMATION**

The Commonwealth Parliamentary Association (CPA) was established in 1911 as the Empire Parliamentary Association. In 1948, the name was changed to the Commonwealth Parliamentary Association.

The CPA is a registered charity (registration number 263147) under the laws of the United Kingdom with its principal office and registered address located at Room103/104, Richmond House, Houses of Parliament, London SW1A 0AA, United Kingdom (since June 2018).

The CPA is run by an Executive Committee which acts as the board of Trustees of the Charity and determines its strategy and overall management. Day-to-day direction of the Charity is vested in the Secretary-General.

### **PATRON OF THE ASSOCIATION**

H.M. Queen Elizabeth II  
Head of the Commonwealth

### **VICE-PATRON OF THE ASSOCIATION**

*Vacant*

### **OFFICERS OF THE ASSOCIATION**

#### **President of the Association**

*Vacant*

#### **Vice-President of the Association**

Rt Hon. Rebecca A. Kadaga, MP  
Speaker of Parliament  
Uganda (2017 – to date)

#### **Chairperson of the Executive Committee**

Hon. Emilia Monjowa Lifaka, MP  
Deputy Speaker of Parliament  
Cameroon (2017 – to date)

#### **Vice-Chairperson of the Executive Committee**

Hon. Alexandra Mendes, MP  
(also *Regional Representative for Canada Region*)  
(2017 – to date)

#### **Treasurer of the Association**

Mrs Vicki Dunne, MLA  
Deputy Speaker of the Legislative Assembly  
Australian Capital Territory (2016 – to date)

#### **Chairperson of the Commonwealth Women Parliamentarians (CWP)**

Hon. Dato' Noraini Ahmad, MP  
Malaysia  
(2016 – to date)

**Small Branches Chairperson**

Hon. Anglu Farrugia MP  
Speaker of the House of Representatives, Malta  
(2016 – to date)

**REGIONAL REPRESENTATIVES****Africa**

Rt Hon. Sephiri Enoch Motanyane, MP  
Speaker of the National Assembly  
Lesotho (2017 – to date)

Hon. Dr. Makali Mulu, MP  
Kenya (2017 – to date)

*Vacant*  
Cameroon

*Vacant*  
Nigeria

Hon. Bernard Songa Sibalatani, MP  
Vice Chairperson of the National Council  
Namibia (2016 – to date)

Hon. Lazarous Chungu Bwalya, MP  
Zambia (2016 – to date)

**Asia**

Hon. Dr Lal Chand Ukrani, MPA  
Sindh (2017 – to date)

Hon. Imran Ahmad, MP  
Bangladesh (2015 – to date)

Hon. Dr Fehmida Mirza, MP  
Pakistan (2016 – to date)

**Australia**

Hon. John Ajaka, MLC  
President of the Legislative Council  
New South Wales (2016 – to date)

Hon. Russell Paul Wortley, MLC  
President of the Legislative Council  
South Australia (2015 – to date)

Hon. Bruce Atkinson, MLC  
President of the Legislative Council  
Victoria (2017 – to date)



### **British Islands and Mediterranean**

Hon. Leona Roberts MLA  
Falkland Islands (2017 – to date)

Hon. Dr Roberta Blackman-Woods, MP  
United Kingdom (2017 – to date)

*Vacant*  
Northern Ireland

### **Canada**

Hon. Alexandra Mendes, MP  
Canada (2015 – to date)  
*(also Vice-Chairperson of the Executive Committee)*

Hon. Jackson Lafferty, MLA  
Speaker of Legislative Assembly  
Northwest Territories (2016 – to date)

Hon. Kevin Murphy  
Speaker of the Nova Scotia House of Assembly  
Nova Scotia (2018 – to date)

### **Caribbean, Americas and Atlantic**

Hon. Brigid Annisette-George  
Speaker of the House of Representatives of Trinidad and Tobago  
Trinidad & Tobago (2018 – to date)

Hon. Anthony Michael Perkins, MP  
Speaker of the National Assembly  
St Kitts and Nevis (2015 – to date)

*Vacant*  
Anguilla

**India**

Shri Hitendra Goswami, MLA  
Speaker of the Legislative Assembly  
Assam (2017 – to date)

Shri Feroze Varun Gandhi, MP  
Lok Sabha  
India Union (2015 – to date)

Shri Kavinder Gupta, MLA  
Speaker of the Legislative Assembly  
Jammu and Kashmir (2016 – to date)

**Pacific**

Hon. Simon Pentanu  
Speaker of the House of Representative  
Bougainville (2017 – to date)

Mr Nafotoa Talaimanu Ketu, MP  
Deputy Speaker of the Legislative Assembly  
Samoa (2015 – to date)

Hon. Clayton Mitchell, MP  
New Zealand (2016 – to date)

**South-East Asia**

Hon. Mr Zainal Sapari, MP  
Singapore (2017 – to date)

Hon. Datuk Seri Dr Ronald Khande, MP  
Deputy Speaker of the House of Representatives  
Malaysia (2015 – to date)

Hon. Shamsul Iskandar Md Akin, MP  
Malacca (2018 – to date)

**FORMER OFFICERS AND MEMBERS OF THE EXECUTIVE COMMITTEE DURING 2018**

**The following also served during the year:**

**Africa Region**

Hon. Umar Buba Jibril, MP  
Nigeria (2015 – March 2018)

**Caribbean Region**

Hon. Leroy Rogers  
Speaker of the House of the Assembly  
Anguila (2016 – September 2018)

**Trustees of CPA Trust Funds**

Mr Akbar Khan  
Secretary-General  
Commonwealth Parliamentary Association (CPA)

Mrs Vicki Dunne, MLA  
Treasurer of the Association  
Deputy Speaker of the Legislative Assembly  
Australian Capital Territory

Mr. Robin Swan, MLA  
Northern Ireland Assembly  
Northern Ireland, United Kingdom

**Senior Management Team (SMT)**

The Senior Management Team (SMT) for 2018 comprised:

Secretary-General  
Mr Akbar Khan

Finance Director  
Mr Ian Grattidge

Director of Operations  
Mr Jarvis Matiya

**Professional Advisers and Partner Organisations:**

<b>External Auditors:</b>	Buzzacott LLP 130 Wood Street, London EC2V 6DL
<b>Internal Auditors:</b>	Crowe Clark Whitehill LLP St. Bride's House 10 Salisbury Square London EC4Y 8EH
<b>Bank:</b>	National Westminster Bank plc 2nd Floor Argyll House 246 Regent Street London W1B 3PB
<b>Investment Managers:</b>	Close Brothers Asset Management 10 Exchange Square Primrose Street London EC2AR 2BY
<b>Legal Advisers:</b>	Bates Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE
<b>Commonwealth Secretariat:</b>	Marlborough House Pall Mall, London SW1Y 5HX

The Commonwealth Secretariat is the governmental wing of the Commonwealth and has 53 countries as its members. The CPA's relationship with the Commonwealth Secretariat is informal. However, it is recognised that the CPA is the parliamentary wing of the Commonwealth and some CPA programmes are implemented jointly with the Commonwealth Secretariat. The Commonwealth Secretary-General or their representative attends the CPA Annual Conference and the CPA Secretary-General and/or the Officers of the Association participate in the Commonwealth Heads of Government Meeting (CHOGM).

<b>Inter-Parliamentary Union:</b>	5 Chemin du Pommier Case postale 330 CH-1218 Le Grand Saconnex Geneva, Switzerland
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The Inter-Parliamentary Union (IPU) deals with the national parliaments of all countries around the world. The Association's relationship with the IPU is informal. However, national CPA parliamentary members are also members of the IPU.

# **Commonwealth Parliamentary Association**

## **Annual report for the year ended 31 December 2018**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing Document**

The CPA has its own constitution '*Constitution of the Commonwealth Parliamentary Association*' as adopted by the General Assembly of the Association at its meeting in Cyprus on 6 September 1993 and amended by the General Assembly of the Association from time-to-time.

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

Trustees, working through the Executive Committee, are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Charity and of the income and expenditure of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Observe the methods and principles in Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with the *Charities Act 2011*, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Charity's Constitution and Trust Deeds. They are also responsible for safeguarding the assets of the Charity and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Website**

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Recruitment and Appointment of new Trustees**

Members of the Executive Committee act as the Trustees of the Charity. The General Assembly elects new Trustees on the advice of the regions of the CPA. All Trustees are unpaid.

#### **Induction and Training of new Trustees**

The CPA Headquarters Secretariat organises induction sessions for new Trustees. New Trustees also receive recent data on the operations of the CPA, including financial reports and minutes of immediate past meetings. The CPA Headquarters Secretariat updates Trustees on recent Charity legislation/developments at their bi-annual meetings.

## **Commonwealth Parliamentary Association Annual report for the year ended 31 December 2018**

### **Organisational Structure**

The Secretary-General is responsible for the day-to-day management of the CPA. During 2018, he was supported by two Directors: Finance Director and Director of Operations. The Secretary-General makes decisions on operational matters, in consultation with the SMT.

The Secretary-General reports to the Executive Committee, and annually to the General Assembly on the operations of the CPA Headquarters Secretariat. The Executive Committee meets twice a year, and reports to the General Assembly. Certain aspects of the work of the Executive Committee are undertaken between meetings by the Co-ordinating Committee. The Sub-Committees of the Executive Committee meet on the margins during its meetings. These are the Performance and Review Sub-Committee (from 2019 this has been renamed as the Audit Committee), Planning and Review Sub-Committee, and Finance Sub-Committee.

### **Branches**

The CPA is composed of Branches that have been admitted as Members to the Association. Each Branch is autonomous, raises its own finances and pays an annual subscription to the Association's International Headquarters. The Commonwealth Parliamentary Association Secretariat is the International Headquarters for the Association. It has close links with the 171 members Branches (2017: 180 Branches) on a day-to-day working level. Income raised by the Association's Headquarters Secretariat is used to pay for the CPA's programmes of work and for the meetings and conferences of its members. The annual subscription is determined at meetings of the General Assembly.

### **Risk Management**

The Trustees are responsible for risk management. Risks identified by the SMT are reviewed, assessed and appropriate action incorporated as part of operational delivery. During 2018, the main risks and uncertainties facing the Association were:

- restricted opportunities to grow or diversify income.
- significant reliance on membership fees, and the timely payment of subscriptions.
- the challenge of ensuring that membership remains a worthwhile proposition for the CPA's Branches.
- investment in the infra-structure that helps ensure the CPA Headquarters Secretariat is run efficiently and is pro-active in communications with its membership.
- new or unexpected pressures on HQ Secretariat or Programme costs.
- governance, given the CPA's status as a UK Charity with both UK and international Trustees.

Appropriate systems and /or actions have been developed/taken to identify and mitigate risk. These systems or actions include:

- expanding the Association's revenue streams by reviewing its membership categories.
- maximising the Association's investment returns within an agreed risk appetite framework.
- actively seeking hosts for the Association's events to achieve a reduced cost burden on reserves.
- financial governance-related policies (i.e. use of credit cards, funding policy to support branch programme delivery, cash handling, etc).
- a programme of internal audit of the Association's governance, risks, controls and performance management arrangements.
- performance and review subcommittee oversight.
- staff handbook detailing HR policies, practices and procedures.
- business and financial risk management plan (risk register) which details the nature of risk (i.e. external, fraud, governance, operational, liquidity and security) likelihood of occurrence, controls in place and the risk holder.

## **Commonwealth Parliamentary Association**

### **Annual report for the year ended 31 December 2018**

- appropriate insurance cover (management liability: Trustees' liability, employment practices liability and legal liability; office cover: employer's liability, public liability, business interruption, and office contents; health and life).
- establishment of an expert group to consider options for longer term organisational status.

#### **Pay-Setting Policy for Key Management Personnel**

The Trustees have an established pay-setting policy for the charity's key management personnel and other staff. It is based on an approved pay band. Progression from one spine point to another within a given band is on the basis of satisfactory performance. The Trustees adopted the pay band on the recommendation of independent pay review consultants.

#### **STATEMENT OF PURPOSE, AIMS, OBJECTIVES AND PUBLIC BENEFIT**

##### **Statement of purpose**

The CPA connects, develops, promotes and supports Parliamentarians and their staff to identify benchmarks of good governance, and implement the enduring values of the Commonwealth.

##### **Aims**

Under section 1(1) of the Constitution of the CPA, the Association's aim is '*to promote knowledge of the constitutional, legislative, economic, social and cultural aspects of parliamentary democracy with particular reference to the countries of the Commonwealth.*'

##### **Main Objectives**

During the 1<sup>st</sup> quarter of 2018 the Trustees approved a revised strategy covering the period 2018 – 2021.

The overarching objective for CPA in this period is to develop the programmes it delivers to support its members and re-establish its reputation as the leading parliamentary association. In addition to developing its programmes, communication and partnering with other organisations, this will require achievement of a range of operational objectives. The main objectives in the strategic plan and which formed the basis of organizational priorities in 2018 were:

1. continue to design and deliver activities and programmes under the 9 Strands of the CPA Revised Programmes Strategy (introduced in 2016);
2. be recognised as one of the leading Commonwealth parliamentary strengthening organisations to which its Members and other relevant, external stakeholders first turn to for advice, information and support or with which to partner;
3. collaborate with other leading organisations, including Parliamentary bodies in delivering programmes and services;
4. be established as an international organisation established under UK law and located in the UK;
5. operate from offices appropriate to its needs, owned or rented by CPA or provided gratis by the UK Parliament;
6. be financially sustainable, with diverse income streams and unpaid membership subscriptions reduced;



## **Commonwealth Parliamentary Association**

### **Annual report for the year ended 31 December 2018**

7. have IT systems fit for purpose to support CPA's efficient operations for the foreseeable future;
8. have established a holistic way of working throughout the Secretariat, that ensures all parts of the organisation work together to achieve its aims;
9. have established management practices that ensure that all staff develop and perform to their full potential.

Each year, the Trustees review the objectives and activities to ensure that they continue to be relevant. In carrying out this review, the Trustees have considered the Charity Commission's general guidance on public benefit when reviewing the aims and objectives that have been set, and in planning the Charity's future activities. In particular, the Trustees consider how planned activities contribute to the aims and objectives they have set.

#### **Activities and Public Benefit**

The Association carries out a wide range of activities in pursuit of its charitable aims and the Trustees consider that these activities, as summarised below, provide benefit both to the Association's members and (indirectly) to the wider community in Commonwealth countries/dependencies.

In 2017, the CPA launched a new Policy Framework which is based on the Association's mission statement. This is articulated in its current '*Statement of Purpose*', and identifies its role in connecting and supporting Parliamentarians and their staff across the Commonwealth to identify and implement benchmarks of good governance and implement the enduring values of the Commonwealth to promote parliamentary democracy. The new Policy Framework proposes three Strategic Programme pillars which form the basis for all CPA's work. These include: Parliamentary Benchmarking and Development; Public Outreach Activities; and Communications and Publishing.

In 2018, the CPA Headquarters Secretariat continued to implement the Revised Programme Strands, with particular focus on the new flagship Parliamentary Fundamentals Course on Practice and Procedure and CPA Roadshows programmes together with existing programmes such as the CPA Post-Election Seminars, Technical Assistance Programmes and Commonwealth Day activities. Details are set out in full in the **CPA's Annual Report and Performance Review 2018**.

This report outlines CPA activity in the three strategic pillars of the CPA Strategic Plan – ***Parliamentary Benchmarking and Development (which includes two CPA networks – Commonwealth Women Parliamentarians and CPA Small Branches); Public Outreach; and Communications and Publishing*** – to highlight each programme's activities and outcomes. Further CPA activity is covered under the areas of CPA Branch Visits, CPA Regional Conferences and working with partner organisations.

## Commonwealth Parliamentary Association

### Annual report for the year ended 31 December 2018

The CPA's **Annual Report and Performance Review 2018** is composed of reports, analysis and monitoring and evaluation data captured for each of the CPA programmes and work strands throughout the year.

<b>Strategic Pillars</b>	<b><i>Parliamentary Benchmarking and Development</i></b>	<b><i>Public Outreach</i></b>	<b><i>Communications and Publishing</i></b>
<b>Strategic Outcome</b>	<i>Strong democratic legislatures that adhere to principles of good governance</i>	<i>CPA recognised as a global resource centre for advice and information on parliamentary practices</i>	<i>Greater awareness of the Commonwealth, its values and parliamentary democracy</i>
<b>Intermediate Outcomes</b>	A strong and effective pool of parliamentarians and parliamentary staff across the Commonwealth who are better equipped on fundamentals of parliamentary practices and procedures	Increased awareness of the role and value of parliamentary democracy and the role of Parliaments in promoting these values	Improved visibility and profile of CPA
	Increased awareness, understanding and ownership of CPA benchmarks	Parliamentarians are informed, included and better equipped to engage in international discussions on trends and issues that have an impact on parliamentary democracy	Increased sharing of knowledge and best practices on good governance and rule of law among CPA membership
	Technical assistance responds flexibly to needs and priorities of member legislatures and 'Special Interest Groups'	Parliaments more responsive to CPA outreach activities	CPA is a partner of choice in parliamentary strengthening

## **Commonwealth Parliamentary Association**

### **Annual report for the year ended 31 December 2018**

#### **FINANCIAL REVIEW**

The total revenue for the financial year under review was £2,680,040 (2017: £2,565,509). Of this, the Association's core funding streams were from Branch Membership fees (91%) and financial investments (7%) with the balance coming from other sources such as subscriptions for the Parliamentarian and Partnership income.

The decision not to hold a Plenary Conference in 2018 has had a significant impact on results. The Trustees had planned to draw down on reserves to fund a fuller range of Programme activities. In the end the savings realized as a result of the decision not to hold the conference meant that a surplus of £330,585 (2017: deficit of £495,237) is now being reported.

Total revenue increased by £114,131 when compared to the year ended 31 December 2017. Membership income increased by £45,155, whilst income from Investments increased by £48,794. CPA also received £23,878 in income from the Westminster Foundation for Democracy to fund Commonwealth Partnership for Democracy programmes.

Total operating costs during the reporting period were £2,349,455 (2017: £3,061,236), made up of the costs of *raising funds*, totalling £48,711 (2%), and *direct charitable activities* totalling £2,300,744 (98%). In 2017, these were £47,270 (2%) and £3,013,966 (98%) respectively. The decrease in total operating costs as previously reported largely reflected the decision not to hold a CPA plenary conference in 2018. Expenditure on Programme activity was also lower than in 2017.

At the end of the Financial Year the Association's unrestricted reserves amounted to £2,003,078 (2017: £1,754,444). During 2018 the Trustees reviewed their existing Reserves policy and the resulting changes are explained on page 14.

In addition to the General Reserves, both the Working Capital Trust Fund and the Conference Assistance Trust Fund (managed by Trustees under separate Trust Deeds), had total funds of £6,999,553 (2017: £7,290,636). Income from each Trust Fund is used for the benefit of the members in support of the wider objectives of the Association.

#### **Financial Strategy**

The Trustees agreed on the CPA financial strategy in South Africa in August 2013. The issues addressed in the policy include the reserves, income generation, and financial and administrative control policies for the Association. Trustees will keep the strategy under review and in particular ensure that it meets the wider strategic objectives of the CPA.

## **Commonwealth Parliamentary Association**

### **Annual report for the year ended 31 December 2018**

#### **Reserves Policy**

Until the end of the financial year 2017, the Trustees established and maintained a Contingency Reserve of £1,000,000. This comprised two separate funds: the Unforeseen Liabilities Fund and the Free Reserves Fund. The Unforeseen Liabilities Fund was set at £500,000 and was created to deal with unplanned events such as: a sudden increase in the cost of airfares; a need to find a new venue for the Annual Plenary Commonwealth Parliamentary Conference as a result of a sudden cancellation by a potential host Branch; or such other unforeseen liabilities that can arise due to circumstances beyond the control of the Association. The Free Reserves Fund was established to cover three months of the Association's net annual operating costs (i.e. annual operating costs less annual conference costs) and was also set at £500,000. The balance was held as a General Fund available to fund the charitable objectives of the CPA.

During 2018 the Trustees agreed a change in policy to one that better addresses the likely risks and financial pressures faced by the CPA in the medium to long-term. Trustees have accordingly agreed a policy to retain all unrestricted reserves at between 3 to 6 months planned operating expenditure.

As at December 2018, the Association held unrestricted reserves of £2,003,078. The Trustees note that this is significantly in excess of the required amount in the reserves policy. This figure will be kept under review and the Trustees will consider the scope for releasing funds from these reserves to meet the strategic priorities of the CPA. As a result of CPA's plans agreed by the Trustees for 2019 it is anticipated that unrestricted reserves should begin to fall back to within the range implied by the Reserves policy.

#### **Investment Policy**

The CPA has investments in two trust funds under the guidance and supervision of the funds' Trustees. Under the trust deeds the funds' Trustees are mandated as the Secretary General, the Association's Treasurer and another member of the CPA who is not a member of the Executive Committee. These Trustees are listed on page 6. The purposes of these funds are to promote knowledge and education about the constitutional legislatures within a parliamentary democratic framework, arrange study group meetings, seminars and conferences, and provide facilities for the exchange of visits between members of branches of the CPA.

The Trustees have the power to invest in such stocks, shares and investments as they see fit. The policy is to adopt a cautious-to-moderate risk investment strategy aimed at maximising income and capital growth. Within this strategy, the Trustees have set a target of exceeding the average market performance for a similar fund, based on the market value of the portfolio.

The Trustees have a formal Investment Policy Statement that:

- Defines and assigns the responsibilities of all parties.
- Establishes a clear understanding of the investment goals and objectives of Fund(s) assets.
- Offers guidance and limitations to investment advisors and/or managers regarding the investment of Fund(s) assets.
- Establishes a basis for evaluating investment results.
- Provides guidelines on managing Fund(s) assets in accordance with prudent, ethical and environmental considerations, the Trust Deeds of the Fund(s), and the *Trustee Act 2000*.

Close Brothers Asset Management have been appointed to manage the trust funds. The Trustees met twice in 2018 to review the funds' performance.

## **Commonwealth Parliamentary Association**

### **Annual report for the year ended 31 December 2018**

#### **Investment Performance**

The value of the Association's listed investments fell by £406,681 (6%) from £6,948,046 at 31 December 2017 to £6,541,185 as at the end of the reporting period. The Charity holds no unlisted funds.

The target total return on the Trustees' portfolio of investments, within an agreed level of risk appetite, is 6% from 1 January 2017. This is equally apportioned between annual investment income (3%) and long-term capital appreciation (3%).

The Trustees will continue to monitor the performance of the investments.

#### **Fundraising**

Following the implementation of the *Charities (Protection and Social Investment) Act 2016*, the Trustees have reviewed its fundraising activities and confirms that it complies with the regulation. There were no fundraising activities and the Association did not make use of any external fundraisers.

#### **PLANS FOR FUTURE PERIODS**

The current Strategic Plan, covering the period from 2018 – 2021, was agreed by Trustees in the first quarter of 2018.

In the next two years, the CPA will continue to pursue its key aims of holding conferences and seminars; disseminating information on Parliamentarians and political issues; organising international exchanges among Members and officials of Parliaments and Legislatures; and assisting newly emerging Commonwealth democracies.

The Trustees consider that the Association's assets are adequate to meet its annual obligations in the next two years.

#### **Auditors**

Buzzacott LLP, Registered Auditors, have indicated their willingness to continue in office and it is proposed that they be re-appointed auditors for the ensuing year.

The Executive Committee approved this report on 14 April 2019.

Signed on behalf of the Executive Committee:



Hon. Emilia Monjowa Lifaka, MP  
Chairperson of the Executive Committee



Mr Akbar Khan  
Secretary-General

## **Independent Auditor's Report to the Trustees of Commonwealth Parliamentary Association**

### **Opinion**

We have audited the financial statements of Commonwealth Parliamentary Association for the year ended 31 December 2018 which comprise the Statement of Financial Activities (SOFA), the Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the *Charities Act 2011*.

### **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 financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

## Independent Auditor's Report to the Trustees of Commonwealth Parliamentary Association

Continued

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charity'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 the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

### Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with section 144 of the *Charities Act 2011* and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustees 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 the Charity's Trustees as a body for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP  
Statutory Auditor

Date: 14 June 2019

130 Wood Street  
London  
EC2V 6DL

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the *Companies Act 2006*



**Commonwealth Parliamentary Association**  
**Statement of financial activities**  
**for the year ended 31 December 2018**

	Note	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>Income from:</b>					
Investments	2	5,858	195,926	201,784	152,990
<i>Charitable activities</i>					
Branch membership fees		2,447,055	-	2,447,055	2,401,900
Subscriptions for the Parliamentarian		4,167	-	4,167	4,759
Partnership income	3	-	23,878	23,878	-
Other		3,156	-	3,156	6,260
<b>Total</b>		<b>2,460,236</b>	<b>219,804</b>	<b>2,680,040</b>	<b>2,565,909</b>
<b>Expenditure on:</b>					
<i>Raising funds</i>					
Investment Management Costs		-	48,711	48,711	47,270
<i>Charitable activities</i>					
Publications & Communications		581,898	-	581,898	542,793
Conferences		-	-	-	657,103
Seminars, Projects & Commonwealth Development		1,347,334	89,142	1,436,476	1,543,015
Technical Assistance Programmes		282,370	-	282,370	271,055
<b>Total</b>	6	<b>2,211,602</b>	<b>137,853</b>	<b>2,349,455</b>	<b>3,061,236</b>
<b>Net income/(expenditure) before (losses)/gains on investments</b>		<b>248,634</b>	<b>81,951</b>	<b>330,585</b>	<b>(495,327)</b>
Net (losses)/gains on investments	16	-	(373,034)	(373,034)	541,201
<b>Net movement in funds</b>		<b>248,634</b>	<b>(291,083)</b>	<b>(42,449)</b>	<b>45,874</b>
<b>Reconciliation of funds</b>					
<b>Balance brought forward</b>	21	<b>1,754,444</b>	<b>7,290,636</b>	<b>9,045,080</b>	<b>8,999,206</b>
<b>Balance carried forward</b>	21	<b>2,003,078</b>	<b>6,999,553</b>	<b>9,002,631</b>	<b>9,045,080</b>

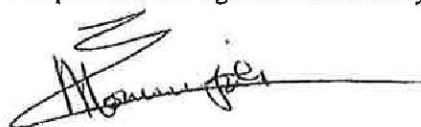
All recognised gains and losses have been included in the SOFA. All activities are continuing.



**Commonwealth Parliamentary Association**  
**Balance sheet as at**  
**31 December 2018**

	Note	2018 £	2018 £	2017 £	2017 £
<b>Fixed asset</b>					
Tangible assets	15		397		1,297
Investments	16		6,541,185		6,948,046
			<u>6,541,582</u>		<u>6,949,343</u>
<b>Current assets</b>					
Debtors	17	574,179		271,774	
Short term deposit	18	2,356,801		2,351,173	
Cash at bank and in hand		154,170		488,424	
		<u>3,085,150</u>		<u>3,111,371</u>	
<b>Creditors: amounts falling due within one year</b>	19	<u>(624,101)</u>		<u>(1,015,634)</u>	
<b>Net current assets</b>			<u>2,461,049</u>		<u>2,095,737</u>
<b>Net assets</b>			<u>9,002,631</u>		<u>9,045,080</u>
<b>Funds</b>					
<b>Unrestricted</b>					
General fund	21		2,003,078		754,444
Contingency reserve	21		-		1,000,000
<b>Restricted</b>					
Conference assistance fund	21		4,548,272		3,063,989
Working capital fund	21		2,451,281		4,226,647
			<u>9,002,631</u>		<u>9,045,080</u>

The financial statements were approved, and authorised for distribution, by the Executive Committee on  
14 April 2019 and signed on its behalf by:



Hon. Emilia Monjowa Lifaka, MP  
Chairperson of the Executive Committee



Mr Akbar Khan  
Secretary-General

## Commonwealth Parliamentary Association

### Statement of cash flows for the year ended 31 December 2018

	2018 £	2017 £
<b>Cash flows from operating activities</b>	<u>(564,237)</u>	<u>(366,770)</u>
<b>Cash flows from investing activities</b>		
Interest and dividends	201,784	152,990
Purchase of property, plant and equipment	-	(998)
Purchase of investments	(861,635)	(6,499,611)
Proceeds from the sale of investments	1,078,579	6,484,955
Movement in investment cash account	<u>(183,117)</u>	<u>78,639</u>
<b>Net cash provided by investing activities</b>	<u>235,611</u>	<u>215,975</u>
<b>Change in cash and cash equivalents in the reporting period</b>	<u>(328,626)</u>	<u>(150,795)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<u>2,839,597</u>	<u>2,990,392</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	<u><u>2,510,971</u></u>	<u><u>2,839,597</u></u>

#### NOTES TO THE CASH FLOW STATEMENT

	2018 £	2017 £
<b>Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities</b>		
Net movement in funds	(42,449)	45,874
Depreciation charges	900	4,774
(Increase)/Decrease in debtors	(302,405)	185,163
(Decrease)/Increase in creditors	(391,533)	91,610
Interest and dividends	(201,784)	(152,990)
Losses/(gains) on investments	<u>373,034</u>	<u>(541,201)</u>
<b>Net cash provided by operating activities</b>	<u><u>(564,237)</u></u>	<u><u>(366,770)</u></u>

#### Analysis of Cash and Cash Equivalents

	2018 £	2017 £
Cash at bank and in hand	154,170	488,424
Short term deposits	<u>2,356,801</u>	<u>2,351,173</u>
	<u><u>2,510,971</u></u>	<u><u>2,839,597</u></u>

## **Commonwealth Parliamentary Association**

### **Notes to the financial statements for the year ended 31 December 2018**

#### **1. Summary of Accounting Policies**

##### **(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention with items recognized at cost or transaction value unless otherwise stated in these notes to the financial statements. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), Charities SORP (FRS102), and the Charities Act 2011.

The financial statements are presented in sterling and are rounded to the nearest pound. The charity constitutes a public benefit entity as defined by FRS 102.

##### **(b) Income recognition**

All membership fee income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably. In the event of branch suspension, we stop recognising its income.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably when notification is received of the interest paid or payable by the bank. Dividends are recognised when notification is received of the dividend due.

##### **(c) Expenditure recognition**

Liabilities are recognised as expenditure when there is a legal or constructive commitment, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Disclosures of CPA expenditure in relation to its Strategic Priorities have been reported on the following lines;

Parliamentary Benchmarking and Development – reported under Technical Assistance Programmes, Projects & Commonwealth Development.

Public Outreach – reported under Conferences, Seminars.

Communications and Publishing – reported under Publications & Communications.

##### **(d) Allocation of support and governance costs**

Support costs are allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

## **Commonwealth Parliamentary Association**

### **Notes to the financial statements for the year ended 31 December 2018**

#### **(e) Pension costs**

The Secretariat operates a defined contribution pension scheme for the benefit of its employees. The net assets of the fund are held separately from those of the Charity. Contributions payable are charged to the SOFA in the year in which they are incurred.

#### **(f) Employee benefits**

- *Short term benefits*  
Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.
- *Employee termination benefits*  
Termination benefits are accrued in line with FRS 102.

#### **(g) Fund accounting**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the Charity's funding partners. Note 21 sets out the aim and use of each restricted fund.

#### **(h) Operating leases**

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the SOFA in the year in which they fall due.

#### **(i) Subventions to Branches**

Branches' outstanding travel claims are accrued at the end of the financial year. If after one year from the date of accrual such claims have not been made, the accrued amounts are written back.

#### **(j) Foreign exchange**

Balances denominated in foreign currencies are translated into Pounds Sterling at the rate of exchange prevailing at the balance sheet date. Financial transactions are translated at the rate of exchange prevailing on the date the transaction is processed.

#### **(k) Fixed asset investments**

Investments are a form of basic financial instrument and are recognised initially at their transaction value and measured subsequently at their fair value as at the balance sheet date using the closing quoted market price. The SOFA includes the net gains and losses arising on revaluation and disposals throughout the year.

#### **(l) Tangible fixed assets and depreciation**

All assets costing more than £350 are capitalised and valued at historical cost. Depreciation is charged on IT and other equipment on a straight-line basis over their estimated useful life of three years from the year of acquisition.

## **Commonwealth Parliamentary Association**

### **Notes to the financial statements for the year ended 31 December 2018**

#### **(m) Realised gains and losses**

All gains and losses are taken to the SOFA as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the SOFA.

#### **(n) Stocks**

Stocks are not included in the balance sheet and costs are written off as incurred.

#### **(o) Debtors**

Trade and other debtors are recognised at the settlement amount due, less any provision for bad or doubtful amount. Such provisions are specific and applied in a consistent manner based on a debts aging and other factors affecting potential recoverability such as the status of the branch.

Prepayments are valued at the amount prepaid net of any trade discounts due.

#### **(p) Creditors and provisions**

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that probably will result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

#### **(q) Cash and cash equivalents**

Cash and cash equivalents in the cash flow statement comprise cash in hand, balances with banks, investments in money market instruments representing short-term, highly liquid investments that are readily convertible to known amounts of cash.

#### **(r) Going concern**

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. With respect to the next reporting period, the most significant areas of uncertainty that affect the Charity's assets are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' annual report for more information). The review of the Charity's financial position, reserves levels and future plans gives the Trustees confidence that guarantee the Charity remains a going concern during the next reporting period, notwithstanding these uncertainties.

# Commonwealth Parliamentary Association

## Notes to the financial statements for the year ended 31 December 2018

### (s) Judgements and estimates

Judgements made by the Trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next reporting period are deemed to be in relation to the valuation of investments and the provision for doubtful debts. The CPA HQ Secretariat is currently hosted by the UK Parliament on the Parliamentary Estate. The Trustees do not believe that the value of this benefit, although a Gift in Kind, can be measured with sufficient accuracy.

### 2. Investment Income

	Unrestricted funds £	Restricted funds £	Total 2018 £
Dividends – equities	-	163,430	163,430
Interest – fixed interest securities	-	32,290	32,290
Interest on cash and money market deposits	5,858	206	6,064
	<u>5,858</u>	<u>195,926</u>	<u>201,784</u>

	Unrestricted funds £	Restricted funds £	Total 2017 £
Dividends – equities	-	125,195	125,195
Interest – fixed interest securities	-	25,482	25,482
Interest on cash and money market deposits	2,255	58	2,313
	<u>2,255</u>	<u>150,735</u>	<u>152,990</u>

Investment income consists of dividend & interest received from investments, bank interest and interest earned on term deposits.

### 3. Partnership Income

	2018 £	2017 £
Westminster Foundation for Democracy – CP4D	23,878	-
	<u>23,878</u>	<u>-</u>

# Commonwealth Parliamentary Association

## Notes to the financial statements for the year ended 31 December 2018

### 4. Staff Costs

	Note	Total 2018 £	Total 2017 £
Salaries and wages		773,275	850,470
Redundancy costs		-	86,924
Social security costs		71,755	93,414
Pension costs	5	64,457	136,652
	6a	<u>909,487</u>	<u>1,167,460</u>

The Benefits-in-kind payments of £27,588 (2017: £17,193) cover qualifying employees' relocation, home leave, health & travel insurance and death-in-service expenses to the Association. These payments are covered by a PAYE Settlement Agreement with HM Customs and Excise.

A restructuring programme was undertaken in 2017 with a redundancy cost of £86,924. This sum was fully paid in the first quarter 2018.

The average number of employees during the year was:

	2018 No.	2017 No.
Management	3	3
Charitable activities	14	13
	<u>17</u>	<u>16</u>

Key management personnel

	2018 £	2017 £
Management	146,143	126,550
Director of Operations	76,072	-
Finance Director	33,080	-
Director of Finance and Administration	-	107,900
Director of Programmes	-	99,313
	<u>255,295</u>	<u>333,763</u>

The key management personnel comprised members of the Senior Management Team (SMT). In 2018, the SMT was made up of the Secretary General, Director of Operations and Finance Director. During the 2017 financial year, the SMT comprised of the Secretary General, Director of Finance and Administration and Director of Programmes.

The total employee benefits including employer's pension contributions and employer's national insurance, of the key management personnel of the Charity were £255,295 (2017: £333,763).

## Commonwealth Parliamentary Association

### Notes to the financial statements for the year ended 31 December 2018

#### 4. Staff Costs (continued)

Staff receiving emoluments in excess of £60,000, (exclusive of pension contributions paid by the CPA Secretariat), during the year were as follows:

	Total 2018 No.	Total 2017 No.
£60,000 - £70,000	1	-
£80,000 - £90,000	-	1
£90,000 - £100,000	-	1
£100,000 - £110,000	-	1
£110,000 - £120,000	1	-
	<hr/> 2	<hr/> 3

All of the employees whose emoluments were greater than £60,000 are part of the personal pension scheme and the CPA Secretariat paid £22,388 (2017: £43,597) for these employees.

A total of £223,686 was reimbursed to 34 Parliaments of members of the Executive Committee for their travel to Executive Committee meetings (2017: £67,559 to 22 Parliaments of members of the Executive Committee).

#### 5. Pension scheme

The CPA Secretariat's Personal Pension Scheme ("Scheme") for employees is with Scottish Widows, which commenced on 1<sup>st</sup> August 2010 (previously with Clerical Medical). The Scheme is funded by contributions from Scheme members and the CPA Secretariat.

The Scheme is operated on a Personal Pension Scheme basis and is not a defined benefits final salaries arrangement. Contributions are invested with Scottish Widows under the pension rules to produce the maximum fund of monies at retirement for each individual member. Members can contribute towards the cost of their benefits at rates between the range of 2-15% of annual salary. CPA Secretariat pays 16%.



## Commonwealth Parliamentary Association

### Notes to the financial statements for the year ended 31 December 2018

#### 5. Pension scheme (continued)

In 2017, in response to the UK Pension Act 2008, CPA Secretariat registered for automatic enrolment. From April 2017 staff members can contribute towards the cost of their benefits at rates of 3% of annual salary. CPA Secretariat pays 5%.

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Total Premiums paid	77,043	166,068
Less: Contributions from employees	(11,300)	(29,416)
Employer Contributions	<u>65,743</u>	<u>136,652</u>

#### 6. Total Expenditure

	<b>Note</b>	<b>Direct costs £</b>	<b>Support costs £</b>	<b>Total 2018 £</b>
<b>Cost of generating funds</b>				
Investment management costs		48,711	-	48,711
<b>Cost of charitable activities</b>				
Publications & communications	8	155,325	426,573	581,898
Conferences	9	-	-	-
Seminars, projects & commonwealth development	10	703,443	733,033	1,436,476
Technical assistance programmes	11	194,286	88,084	282,370
		<u>1,101,765</u>	<u>1,247,690</u>	<u>2,349,455</u>

(Note 6a)

## Commonwealth Parliamentary Association

### Notes to the financial statements for the year ended 31 December 2018

6.	Total Expenditure (continued)	Note	Direct costs £	Support costs £	Total 2017 £
	<b>Cost of generating funds</b>				
	Investment management costs		47,270	-	47,270
	<b>Cost of charitable activities</b>				
	Publications & communications	8	184,612	358,181	542,793
	Conferences	9	291,146	365,957	657,103
	Seminars, projects & commonwealth development	10	1,044,615	498,400	1,543,015
	Technical assistance programmes	11	9,126	261,929	271,055
			<u>1,576,769</u>	<u>1,484,467</u>	<u>3,061,236</u>

(Note 6a)

#### 6a. Allocation of Support Costs

	Staff costs (Note 4) £	HR costs £	IT support costs £	Legal £	Facilities £	Depreciation £	Governance £	Total 2018 £
<b>Cost of charitable activities</b>								
Publications & communications	239,862	8,489	5,324	791	28,126	106	143,875	426,573
Conferences	-	-	-	-	-	-	-	-
Seminars, projects & commonwealth development	305,815	21,679	29,193	4,335	154,219	582	217,210	733,033
Technical assistance programmes	37,408	7,018	2,662	395	14,063	53	26,485	88,084
<b>Governance costs</b>	<u>326,402</u>	<u>9,935</u>	<u>7,942</u>	<u>1,180</u>	<u>41,952</u>	<u>159</u>	<u>(387,570)</u>	<u>-</u>
	<u>909,487</u>	<u>47,121</u>	<u>45,121</u>	<u>6,701</u>	<u>238,360</u>	<u>900</u>	<u>-</u>	<u>1,247,690</u>

## Commonwealth Parliamentary Association

### Notes to the financial statements for the year ended 31 December 2018

#### 6a. Allocation of Support Costs (continued)

	Staff costs (Note 4) £	HR costs £	IT support costs £	Legal £	Facilities £	Depreciation £	Governance £	Total 2017 £
<b>Cost of charitable activities</b>								
Publications & communications	261,074	10,598	4,861	311	18,260	450	62,627	358,181
Conferences	231,898	14,024	10,239	656	38,464	945	69,731	365,957
Seminars, projects & commonwealth development	343,156	14,024	10,239	656	38,464	945	90,916	498,400
Technical assistance programmes	144,512	14,024	10,239	656	38,464	945	53,089	261,929
<b>Governance costs</b>	<u>186,820</u>	<u>10,277</u>	<u>16,134</u>	<u>1,033</u>	<u>60,610</u>	<u>1,489</u>	<u>(276,363)</u>	<u>-</u>
	<u>1,167,460</u>	<u>62,947</u>	<u>51,712</u>	<u>3,312</u>	<u>194,262</u>	<u>4,774</u>	<u>-</u>	<u>1,484,467</u>

Support costs have been allocated to the Charity's activities as follows:

- Staff costs: allocation based on staff time spent on operational activities
- Human Resources costs: allocated on basis of headcount
- IT Support: allocated on basis of headcount
- Legal & Professional: allocated on basis of headcount
- Facilities: allocated on basis of staff usage or headcount
- Depreciation: allocated on basis of headcount

## Commonwealth Parliamentary Association

### Notes to the financial statements for the year ended 31 December 2018

#### 7. Governance

Costs classified as governance relate to the general running of the Charity and included operations of the Board of Trustees and those addressing constitutional, audit and other statutory matters, and are made up of the following:

	2018 £	2017 £
External Auditors' remuneration	14,286	18,588
Internal Auditors' remuneration	-	33,020
Mid-year Executive meeting	173,520	105,220
Legal & professional fees	38,109	112,979
Consultants' fees	78,987	76,497
Apportionment of support costs	387,570	276,363
	<u>692,472</u>	<u>622,667</u>

#### 8. Direct Publications & Communications Costs

	2018 £	2017 £
The Parliamentarian		
Printing	42,013	63,840
Distribution	52,936	72,170
Fees to contributors	2,775	1,664
	<u>97,724</u>	<u>137,674</u>
Annual Report	3,000	2,285
CPA Website	8,692	3,135
Books, periodicals and information	936	654
Governance costs	44,973	40,864
	<u>155,325</u>	<u>184,612</u>

## Commonwealth Parliamentary Association

### Notes to the financial statements for the year ended 31 December 2018

#### 9. Direct Conference costs

	2018 £	2017 £
Annual conference including subvention	-	420,812
Less: Prior year accrued airfares no longer required	-	(194,079)
Governance costs	-	64,413
	<u>-</u>	<u>291,146</u>

#### 10. Direct Seminars, Projects and Commonwealth Development Costs

	Note	2018 £	2017 £
Canadian Parliamentary Seminar		-	721
Overseas visits	12	37,698	58,799
CPA Youth Parliament		-	20,568
Post-election seminars	13	58,766	30,639
Commonwealth and parliamentary development activities	14	403,304	694,938
Governance costs		203,675	238,950
		<u>703,443</u>	<u>1,044,615</u>

#### 11. Direct Technical Assistance Programme

	2018 £	2017 £
St Helena	24,432	-
Bermuda	22,603	-
Mauritius	5,000	2,370
Samoa	35,996	2,001
Fiji	-	2,677
Zambia	30,000	-
Pakistan	20,000	-
Governance costs	56,255	2,078
	<u>194,286</u>	<u>9,126</u>

## Commonwealth Parliamentary Association

### Notes to the financial statements for the year ended 31 December 2018

#### 12. Overseas visits

	2018 £	2017 £
Chairperson	18,756	322
Vice Chairperson	131	-
Treasurer	474	5,637
Small Branch Chairperson	1,761	-
Secretary-General	13,375	37,576
Staff	3,201	15,264
	<u>37,698</u>	<u>58,799</u>

#### 13. Post-Election Seminars

	2018 £	2017 £
Falklands	-	12,651
Cayman Islands	-	17,988
Kenya	16,396	-
St Helena	(842)	-
Nevis	8,115	-
Grenada	18,783	-
Bermuda	16,314	-
	<u>58,766</u>	<u>30,639</u>

## Commonwealth Parliamentary Association

### Notes to the financial statements for the year ended 31 December 2018

#### 14. Commonwealth and Parliamentary Development Activities

	2018	2017
	£	£
Commonwealth Day	9,828	12,579
Support for attendance at workshops	-	285
Development of Public Accounts Committees (financial oversight):		
Canada	-	8,423
Clearing House for Exchange Visits	2,500	-
Commonwealth Women Parliamentarians (CWP) Annual Meetings & CWP Work Programme	-	8,712
CWP Regional Strengthening & CWP Conference	78,545	192,495
Commonwealth Initiative for Freedom of Religion and Belief	2,500	-
Commonwealth Heads of Government Meeting	12,514	-
CPA Roadshows for Schools and Universities	2,977	11,609
Parliamentary Lecture Series	-	2,665
Regional Hot Topics	-	5,870
Governance and Institutional Workshops	-	17,420
CPA Fundamentals	199,775	336,393
CPA Masterclass	3,789	7,756
Disability Conference	4,124	24,497
Branches Regional Conferences	28,403	57,615
Commonwealth Partnership for Democracy	23,878	-
International Humanitarian Law Handbook for Commonwealth Parliamentarians	6,400	-
Small Branches Committees Workshop	28,071	8,619
	<u>403,304</u>	<u>694,938</u>

# Commonwealth Parliamentary Association

## Notes to the financial statements for the year ended 31 December 2018

### 15. Tangible assets

Tangible fixed assets comprise of computer and office equipment.

	2018 £	2017 £
<b>Cost</b>		
At 1 January	14,323	30,798
Additions	-	998
Eliminated on disposal	-	(17,473)
At 31 December	14,323	14,323
<b>Depreciation</b>		
At 1 January	13,026	25,725
Charge for the year	900	4,774
Eliminated on disposal	-	(17,473)
At 31 December	13,926	13,026
Net book value at 31 December	397	1,297

### 16. Investments

	2018 £	2017 £
Market value at 1 January	6,948,046	6,470,828
Additions	861,635	6,499,611
Disposal proceeds	(1,078,579)	(6,484,955)
Investments cash account movement	183,117	(78,639)
Realised gains	59,984	23,239
Unrealised (losses)/gains	(433,018)	517,962
Market value at 31 December	6,541,185	6,948,046
Historical cost value at 31 December	6,582,434	6,559,929



## Commonwealth Parliamentary Association

### Notes to the financial statements for the year ended 31 December 2018

#### 16. Investments (continued)

The total unrealised gains at 31 December 2018 constitute movements on the revaluation and are as follows:

	2018 £	2017 £
Unrealised (losses)/gains included above:		
On investments	(41,249)	388,117
Total unrealised (losses)/gains at 31 December	(41,249)	388,117
Reconciliation of movements in unrealised (losses)/gains:		
Unrealised gains at 1 January	388,117	615,937
Add/(Less): in respect to disposal in the year	3,652	(745,782)
(Less)/Add: net (losses)/gains arising on revaluation in the year	(433,018)	517,962
Total unrealised (losses)/gains at 31 December	(41,249)	388,117

#### Analysis of investments assets

	Fixed interest securities £	Equities £	Cash £	Total £
2018	1,412,036	4,800,969	328,180	6,541,185
2017	1,427,084	5,375,899	145,063	6,948,046

The underlying assets contained within the various funds invested in by the Charity are recognised on a listed stock exchange.

# Commonwealth Parliamentary Association

## Notes to the financial statements for the year ended 31 December 2018

### 17. Debtors

	2018	2017
	£	£
Branch fees	1,172,860	747,789
Less: Provision for doubtful debts	(684,226)	(511,936)
Net branch fees	<u>488,634</u>	<u>235,853</u>
Staff advances	2,460	-
Other debtors and prepayments	<u>83,085</u>	<u>35,921</u>
	<u>574,179</u>	<u>271,774</u>

### 18. Short term deposit investment

	2018	2017
	£	£
Coutts 90 Day Notice Accounts	<u>2,356,801</u>	<u>2,351,173</u>
	<u>2,356,801</u>	<u>2,351,173</u>

### 19. Creditors: Amounts Falling Due Within One Year

	Note	2018	2017
		£	£
Trade creditors		261,082	282,807
General accruals		285,472	212,511
Conference fares accruals		-	343,052
Tax and social security		14,582	30,004
Deferred income	20	<u>62,965</u>	<u>147,260</u>
		<u>624,101</u>	<u>1,015,634</u>

# Commonwealth Parliamentary Association

## Notes to the financial statements for the year ended 31 December 2018

### 20. Deferred income

	At 1 Jan 2018 £	Released to income £	Deferred in the year £	At 31 Dec 2018 £
Branch fees - 2018	147,260	(147,260)	62,965	62,965
	147,260	(147,260)	62,965	62,965

	At 1 Jan 2017 £	Released to income £	Deferred in the year £	At 31 Dec 2017 £
Branch fees - 2017	86,971	(86,971)	147,260	147,260
	86,971	(86,971)	147,260	147,260

This primarily represents 2019 memberships received in 2018. They are treated as deferred income, and will be released as income in 2019 in line with the membership period.

### 21. Movement in funds

	At 1 Jan 2018 £	Income £	Expenditure £	Gains (Losses)/ Transfers £	At 31 Dec 2018 £
<b>CPA Headquarters Secretariat</b>					
<u>Unrestricted Funds</u>					
General reserve	754,444	2,460,236	(2,211,602)	1,000,000	2,003,078
Contingency reserve	1,000,000	-	-	(1,000,000)	-
<b>Total funds</b>	<b>1,754,444</b>	<b>2,460,236</b>	<b>(2,211,602)</b>	<b>-</b>	<b>2,003,078</b>
<u>Restricted Funds</u>					
Westminster Foundation for Democracy	-	23,878	(23,878)	-	-
Conference Assistance Fund (CAF)	3,063,989	86,975	(24,959)	1,422,267	4,548,272
Working Capital Fund (WCF)	4,226,647	108,951	(89,016)	(1,795,301)	2,451,281
<b>Total CAF &amp; WCF restricted funds</b>	<b>7,290,636</b>	<b>219,804</b>	<b>(137,853)</b>	<b>(373,034)</b>	<b>6,999,553</b>
<b>Total funds</b>	<b>9,045,080</b>	<b>2,680,040</b>	<b>(2,349,455)</b>	<b>(373,034)</b>	<b>9,002,631</b>

# Commonwealth Parliamentary Association

## Notes to the financial statements for the year ended 31 December 2018

### 21. Movement in funds (continued)

	At 1 Jan 2017 £	Income £	Expenditure £	Gains (Losses)/ Transfers £	At 31 Dec 2017 £
<b>CPA Headquarters Secretariat (CPA HQ)</b>					
<u>Unrestricted Funds</u>					
General reserve	1,183,109	2,415,174	(2,873,141)	29,302	754,444
Contingency reserve	1,000,000	-	-	-	1,000,000
<b>Total funds</b>	<b>2,183,109</b>	<b>2,415,174</b>	<b>(2,873,141)</b>	<b>29,302</b>	<b>1,754,444</b>
<u>Restricted Funds</u>					
Conference Assistance Fund (CAF)	2,916,123	61,378	(121,483)	207,971	3,063,989
Working Capital Fund (WCF)	3,899,974	89,357	(66,612)	303,928	4,226,647
<b>Total CAF &amp; WCF restricted funds</b>	<b>6,816,097</b>	<b>150,735</b>	<b>(188,095)</b>	<b>511,899</b>	<b>7,290,636</b>
<b>Total funds</b>	<b>8,999,206</b>	<b>2,565,909</b>	<b>(3,061,236)</b>	<b>541,201</b>	<b>9,045,080</b>

## Commonwealth Parliamentary Association

### Notes to the financial statements for the year ended 31 December 2018

#### 21. Movement in funds (continued)

##### *Unrestricted funds*

- The general reserve represents the accumulated surplus which is available for spending on CPA's objectives.
- The contingency reserve of £1m, which has been created to meet any unforeseen liabilities, is made up of two separate funds.

The 1993 general assembly in Cyprus decided that a fund should be created to deal with unforeseen liabilities: a sudden increase in the cost of airfares to the annual conference, a need to find a new venue for a conference or other liabilities which arise due to circumstances which are beyond the control of the Association. The Executive Committee decided in Singapore in May 1999 that the fund should be built up to a maximum level of £500,000 and that when this has been achieved, the interest earned on it should be applied to meet CPA headquarters secretarial operating expenses.

In addition to the unforeseen liabilities fund, the Trustees decided in April 2008 in Malaysia to create an additional unrestricted reserve of £500,000 to cover three months of the Association's other annual operating costs, excluding annual conference airfares. This fund is to be used to maintain the range of services for the Association's members should there be a sudden and unexpected loss in its revenue.

During 2018 the Trustees agreed a change in policy to one that better addresses the likely risks and financial pressures faced by the CPA in the medium to long-term. Trustees have accordingly agreed a policy to retain all unrestricted reserves at between 3 to 6 months planned operating expenditure.

##### *Restricted funds*

##### *Westminster Foundation for Democracy (WFD)*

The object of the fund is to work with parliaments in Commonwealth Member States across Sub-Saharan Africa and Asia to improve representation of women, young people with disabilities and the LGBT+ community in the democratic process.

##### *Conference Assistance Fund (CAF)*

The object of the fund is to advance the charitable purposes of the Commonwealth Parliamentary Association as directed by the Trust Deed by applying the income or such parts of the capital as the Trustees may deem fit which are to provide financial aid and assistance to assist Branches to organise, constitute and hold plenary conferences and to assist Branches to facilitate the attendance of Regional Representative and/or delegates at plenary conferences. Expenditure is restricted to fulfilling these aims.

##### *Working Capital Fund (WCF)*

The object of the fund is to advance the charitable purposes of the Commonwealth Parliamentary Association as directed by the Trust Deed by applying the income or such parts of the capital as the Trustees may deem fit which are to provide financial aid to host Branches and Parliamentarians officials to organise educational seminars in accordance with the objects of the Association on parliamentary practice and procedure. Expenditure is restricted to fulfilling these aims.

## Commonwealth Parliamentary Association

### Notes to the financial statements for the year ended 31 December 2018

#### 22. Analysis of net assets between funds

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £
Tangible fixed assets	397	-	397
Fixed asset investment	-	6,541,185	6,541,185
Current assets	2,568,330	516,820	3,085,150
Current liabilities	(565,649)	(58,452)	(624,101)
	<u>2,003,078</u>	<u>6,999,553</u>	<u>9,002,631</u>
	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
Tangible fixed assets	1,297	-	1,297
Fixed asset investment	-	6,948,046	6,948,046
Current assets	2,735,571	375,800	3,111,371
Current liabilities	(982,424)	(33,210)	(1,015,634)
	<u>1,754,444</u>	<u>7,290,636</u>	<u>9,045,080</u>

**Commonwealth Parliamentary Association**  
**Notes to the financial statements for the year ended 31 December 2018**

**23. Comparative statement of financial activities**

	Note	Unrestricted funds £	Restricted funds £	Total 2017 £
<b>Income from:</b>				
Investments	2	2,255	150,735	152,990
<i>Charitable activities</i>				
Branch membership fees		2,401,900	-	2,401,900
Subscriptions for the Parliamentarian		4,759	-	4,759
Other		6,260	-	6,260
<b>Total</b>		<b>2,415,174</b>	<b>150,735</b>	<b>2,565,909</b>
<b>Expenditure on:</b>				
<i>Raising funds</i>				
Investment Management Costs		47,270	-	47,270
<i>Charitable activities</i>				
Publications & Communications		542,793	-	542,793
Conferences		657,103	-	657,103
Seminars, Projects & Commonwealth Development		1,354,920	188,095	1,543,015
Technical Assistance Programmes		271,055	-	271,055
<b>Total</b>	6	<b>2,873,141</b>	<b>188,095</b>	<b>3,061,236</b>
<b>Net (expenditure) before transfer and gains on investments</b>		<b>(457,967)</b>	<b>(37,360)</b>	<b>(495,237)</b>
Transfer between funds	21	29,302	(29,302)	-
Net gains on investments	16	-	541,201	541,201
<b>Net movement in funds</b>		<b>(428,665)</b>	<b>474,539</b>	<b>45,874</b>
<b>Reconciliation of funds</b>				
<b>Balance brought forward</b>	22	<b>2,183,109</b>	<b>6,816,097</b>	<b>8,999,206</b>
<b>Balance carried forward</b>	22	<b>1,754,444</b>	<b>7,290,636</b>	<b>9,045,080</b>