



Charity Registration No. 263147

**Commonwealth Parliamentary Association
Annual Report and Financial Statements
31 December 2019**

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Commonwealth Parliamentary Association

Annual report for the year ended 31 December 2019

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

Vacant

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. John Ajaka, MLC
President of the Legislative Council, New South Wales
(*also Regional Representative for Australia Region*)
(2019 – to date)

Treasurer of the Association

Hon. Datuk Shamsul Iskandar Md Akin, MP
Federal Parliament of Malaysia
(2019 – to date)

Chairperson of the Commonwealth Women Parliamentarians (CWP)

Hon. Shandana Gilzar Khan, MNA
National Assembly of Pakistan
(2019 – to date)

Small Branches Chairperson

Hon. Niki Rattle,
Speaker of the Parliament of the Cook Islands
(2019 – 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)

Hon. Mensah Bonsu, MP, Ghana
(2019 – to date)

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

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

Rt. Hon. Dr Abass Bundu, MP
Speaker of the Parliament of Sierra Leone
(2019 – to date)

Asia

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

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

Hon. Karu Jayasuriya, MP
Speaker of the Parliament of Sri Lanka
(2019 – to date)

Australia

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

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

Hon. Senator Scott Ryan,
President of the Senate of Australia
(2019 – to date)

British Islands and Mediterranean

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

Hon. Stuart McMillan, MSP,
Scotland (stand-in Branch for Northern Ireland)
(2016 – to date)

Hon. Ian Liddell-Grainger, MP, United Kingdom
(2019 – to date)

Canada

Hon. Francois Paradis, MNA,
Quebec (stand-in Branch for North-West Territories)
(2016 – to date)

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

Hon. Yasmin Ratansi, MP
Ontario (2019 – 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. Andy Glenn Daniel, MP
Speaker of the House of Assembly, Turks and Caicos
(2019 – to date)

Hon. Dwayne Taylor, MHA
Speaker of the House of Assembly of St. Lucia
(2019 – to date)

India

Shri Premchand Aggaral, MLA,
Speaker of the Assembly of Uttarakhand (Stand-in Branch for Jammu and Kashmir),
(2016 – to date)

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

Shri Anurag Sharma, MP, Lok Sabha, Indian Union
(2019 – to date)

Pacific

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

Hon. Francesca Semoso, MHR,
Deputy Speaker of the House of Representative
Bougainville (2017 – to date)

Rt. Hon. Ratu Epeli Nailatikau, MP
Speaker of the Parliament, Fiji
(2019 – to date)

South-East Asia

Hon. Suhaizan Kayat, MLA, Speaker of the Johor State Legislative Assembly
(Stand-in Branch for Malacca) (2016 - to date)

Hon. Lim Biow Chuan, MP
Singapore (July 2020 – to date)

Hon. Datuk Wira Dr Mohd Hatta Md Ramli, MP
Malaysia (2019 – to date)

FORMER OFFICERS AND MEMBERS OF THE EXECUTIVE COMMITTEE DURING 2019

The following also served during the year:

Vice-President of the Association

Rt Hon. Rebecca A. Kadaga, MP
Speaker of Parliament
Uganda (2017 – September 2019)

Vice-Chairperson of the Executive Committee

Hon. Alexandra Mendes, MP
(also Regional Representative for Canada Region)
(2017 – September 2019)

Treasurer of the Association

Mrs Vicki Dunne, MLA
Deputy Speaker of the Legislative Assembly
Australian Capital Territory (2016 – September 2019)

Chairperson of the Commonwealth Women Parliamentarians (CWP)

Hon. Dato' Noraini Ahmad, MP
Malaysia
(2016 – September 2019)

Small Branches Chairperson

Hon. Anġlu Farrugia MP
Speaker of the House of Representatives, Malta
(2016 – September 2019)

REGIONAL REPRESENTATIVES

Africa

Hon. Senator Eno Emma Veryelle, MP
Cameroon (2015 – September 2019)

Asia

Hon. Imran Ahmad, MP
Bangladesh (2015 – September 2019)

Australia

Hon. Russell Paul Wortley, MLC
President of the Legislative Council
South Australia (2015 – September 2019)

British Islands and Mediterranean

Hon. Dr Roberta Blackman-Woods, MP
United Kingdom (2017 – September 2019)

Canada

Hon. Alexandra Mendes, MP
Canada (2015 – September 2019)
(also Vice-Chairperson of the Executive Committee)

Hon. Jackson Lafferty, MLA
Speaker of Legislative Assembly
Northwest Territories (2016 – September 2019)

Caribbean, Americas and Atlantic

Hon. Terry Harrigan
Speaker of the House of Assembly of Anguilla
Anguilla (2018 – September 2019)

Hon. Anthony Michael Perkins, MP
Speaker of the National Assembly
St Kitts and Nevis (2015 – September 2019)

India

Shri Feroze Varun Gandhi, MP
Lok Sabha
India Union (2015 – September 2019)

Shri Kavinder Gupta, MLA
Speaker of the Legislative Assembly
Jammu and Kashmir (2016 – September 2019)

Pacific

Hon. Simon Pentanu
Speaker of the House of Representative
Bougainville (2017 – September 2019)

Mr Nafotoa Talaimanu Ketu, MP
Deputy Speaker of the Legislative Assembly
Samoa (2015 – September 2019)

South-East Asia

Hon. Datuk Seri Dr Ronald Kiandee, MP
Deputy Speaker of the House of Representatives
Malaysia (2015 – September 2019)

Hon. Shamsul Iskandar MD Akin, MP
Malacca (2018 – September 2019)

Mr Zainal Sapari, MP
Singapore (2017 – July 2020)

Trustees of CPA Trust Funds

Secretary-General

Mr Stephen Twigg (Appointed August 2020)
Commonwealth Parliamentary Association (CPA)

Acting Secretary-General

Mr Jarvis Matiya (September 2019 – August 2020)
Commonwealth Parliamentary Association (CPA)

Secretary-General

Mr Akbar Khan (Resigned September 2019)
Commonwealth Parliamentary Association (CPA)

Treasurer of the Association

Hon. Datuk Shamsul Iskandar Md Akin, MP (Appointed September 2019)
Federal Parliament of Malaysia

Treasurer of the Association

Mrs Vicki Dunne, MLA (Resigned September 2019)
Deputy Speaker of the Legislative Assembly
Australian Capital Territory

Hon. Lyndon Trott (Appointed Aug 2020)

Guernsey Assembly
Guernsey

Mr. Robin Swan, MLA (Resigned September 2019)

Northern Ireland Assembly
Northern Ireland, United Kingdom

Senior Management Team (SMT)

The Senior Management Team (SMT) comprised:

Secretary-General

Mr Stephen Twigg (Appointed August 2020 – to date)

Acting Secretary-General (September 2019 – July 2020)

Mr Jarvis Matiya

Secretary-General

Mr Akbar Khan (2016 - September 2019)

Finance Director

Mr Paul Townley (April 2019 - to date)

Mr Ian Grattidge (2018 - April 2019)

Director of Operations

Mr Jarvis Matiya

Professional Advisers and Partner Organisations:

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|----------------------------------|--|
| External Auditors: | Buzzacott LLP 130 Wood Street, London EC2V 6DL |
| Internal Auditors: | Crowe Clark Whitehill LLP St. Bride's House 10 Salisbury Square London EC4Y 8EH |
| Bank: | National Westminster Bank plc Westminster Branch 57 Victoria Street London SW1H 0HN |
| Investment Managers: | Close Brothers Asset Management 10 Exchange Square Primrose Street London EC2AR 2BY |
| Legal Advisers: | Bates Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE |
| Commonwealth Secretariat: | 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).

| | |
|-----------------------------------|--|
| Inter-Parliamentary Union: | 5 Chemin du Pommier Case postale 330 CH-1218 Le Grand Saconnex Geneva, Switzerland |
|-----------------------------------|--|

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.

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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.

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Organisational Structure

The Secretary-General is responsible for the day-to-day management of the CPA. During 2019, he and latterly the Acting Secretary-General were 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 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 (2018: 171 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 2019, 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.
- Audit 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.

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- 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 1st 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 2019 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;

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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 2019, the CPA Headquarters Secretariat continued to implement a revised programme, with particular focus on parliamentary development and benchmarking, post-election seminars and technical assistance programmes. There was a focus on youth engagement through the CPA's Commonwealth Day activities, Commonwealth Youth Parliament and CPA Roadshows for young people. Details are set out in full in the **CPA's Annual Report and Performance Review 2019**.

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

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The CPA's Annual Report and Performance Review 2019 is composed of reports, analysis and monitoring and evaluation data captured for each of the CPA programmes and work strands throughout the year.

| Strategic Pillars | <i>Parliamentary Benchmarking and Development</i> | <i>Public Outreach</i> | <i>Communications and Publishing</i> |
|------------------------------|---|--|---|
| Strategic Outcome | <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> |
| Intermediate Outcomes | 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 |

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FINANCIAL REVIEW

The total revenue for the financial year under review was £2,835,653 (2018: £2,680,040). Of this, the Association's core funding streams were from Branch Membership fees (86%) and financial investments (9%) with the balance coming from other sources such as subscriptions for the Parliamentarian and Partnership income.

The Plenary Conference held in Kampala, Uganda, along with the additional cost incurred in human resource planning had a significant impact on 2019 reflected a deficit of £746,818 which is now being reported. This compares to 2018 where, the decision not to hold a Plenary Conference in 2018 shows a surplus of £330,585.

Total revenue increased by £155,613 when compared to the year ended 31 December 2018. Membership income increased by £2,166, whilst income from Investments increased by £42,544. CPA also received £137,196 in income from the Westminster Foundation for Democracy to fund Commonwealth Partnership for Democracy programmes.

Total operating costs during the reporting period were £3,582,471 (2018: £2,349,455), made up of the costs of *raising funds*, totalling £51,670 (1%), and *direct charitable activities* totalling £3,530,801 (99%). In 2018, these were £48,711 (2%) and £2,300,744 (98%) respectively. The increase in total operating costs reported is as a result of the CPA plenary conference held in Kampala, Uganda during the year, as well as additional legal, governance and human resources cost. No CPA plenary conference was held in 2018.

At the end of the Financial Year the Association's unrestricted reserves amounted to £1,398,851 (2018: £2,003,078) which is in excess of the target in the reserves policy.

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 £7,699,997 (2018: £6,999,553). 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 included reserve levels, income generation, and financial and administrative control policies for the Association. Trustees have kept the strategy under review and in particular to ensure that it meets the wider strategic objectives of the CPA. The revised Strategic Plan covering the period 2018 – 2021 has further reinforced and informed the existing Financial Strategy.

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Reserves Policy

During 2018 the Reserves Policy of the Association was reviewed and 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 2019, the Association held unrestricted reserves of £1,398,851. 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 7. 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 three times in 2019 to review the funds' performance.

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Investment Performance

The value of the Association's listed investments increased by £826,751 (13%) from £6,541,185 at 31 December 2018 to £7,367,936 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 2019. This is equally apportioned between annual investment income (3%) and long-term capital appreciation (3%).

As a result of the Covid-19 pandemic stock markets have experienced significant volatility and falls since the balance sheet date followed by a recent recovery. It is estimated that the market value of investments has reduced by £23,333 (or 0.3%) as at the 10 August 2020 but future major fluctuations remain a distinct possibility. 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.

Following the outbreak of the Covid-19 pandemic all activities of the CPA have been examined and activities have continued remotely with staff working from home with the appropriate support and guidance. Operational plans, related budgets and forecasts have all been reviewed and updated for the years 2020 - 2022.

The CPA Headquarters Secretariat continuously strives to ensure that it can serve its membership to the highest possible standards as well as remaining a relevant and valuable service. To that effect, the Secretariat is reviewing its programme, communications and outreach activities and delivery methodology to ensure it can continue to provide a full-spectrum service whilst the COVID-19 global pandemic remains in place.

With the WHO's recent reporting that COVID-19 could potentially be infecting persons across the world for the next five-years, the CPA Headquarters Secretariat will be considering in-depth its performance and outputs over the next six-months, one year and up to five years. As part of that process, the CPA will be reviewing if it is doing everything possible within the conditions and resources of the Association to provide support to its Members and Branches. For example, moving to providing long-term online services, the development of remote resources and platforms as well as harnessing technology for maximum impact.

The impact on revenue, which relates predominantly to Membership fees, is not expected to be significant overall as the CPA will ensure members continue to receive a full range of services and support, which, in the current climate may well be even more valuable than in the past. However, it is likely some Branches may take longer to pay their fees than in the past as a result of restricted working arrangements currently in place as a result of COVID-19.

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Operational costs may well reduce compared to historic figures as a result of a reduction in overseas travel in the short to medium term.

Following the above review, and despite future plans still being, to a degree, uncertain as a result of Covid-19, the Trustees consider that the Association's assets, and in particular, liquid funds 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 21st August 2020.

Signed on behalf of the Executive Committee:



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



.....
Mr Stephen Twigg
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 2019 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 2019 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' 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. 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: 30 September 2020

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

| | Note | Unrestricted funds £ | Restricted funds £ | Total 2019 £ | Restated Total 2018 £ |
|--|------|----------------------------|--------------------------|--------------------|--------------------------------|
| Income from: | | | | | |
| Investments | 2 | 26,854 | 217,474 | 244,328 | 201,784 |
| <i>Charitable activities</i> | | | | | |
| Branch membership fees | | 2,449,221 | - | 2,449,221 | 2,447,055 |
| Subscriptions for the Parliamentarian | | 4,665 | - | 4,665 | 4,167 |
| Partnership income | 3 | - | 137,196 | 137,196 | 23,878 |
| Other | | 243 | - | 243 | 3,156 |
| Total | | 2,480,983 | 354,670 | 2,835,653 | 2,680,040 |
| Expenditure on: | | | | | |
| <i>Raising funds</i> | | | | | |
| Investment Management Costs | | - | 51,670 | 51,670 | 48,711 |
| <i>Charitable activities</i> | | | | | |
| Parliamentary Benchmarking and Development | | 2,398,776 | 445,591 | 2,844,367 | 1,861,623 |
| Public Outreach | | 342,463 | - | 342,463 | 186,726 |
| Communications and Publishing | | 343,971 | - | 343,971 | 252,395 |
| Total | 6 | 3,085,210 | 497,261 | 3,582,471 | 2,349,455 |
| Net (expenditure)/income before gains/(losses) on investments | | (604,227) | (142,591) | (746,818) | 330,585 |
| Net gains/(losses) on investments | 12 | - | 843,035 | 843,035 | (373,034) |
| Net movement in funds | | (604,227) | 700,444 | 96,217 | (42,449) |
| Reconciliation of funds | | | | | |
| Balance brought forward | 17 | 2,003,078 | 6,999,553 | 9,002,631 | 9,045,080 |
| Balance carried forward | 17 | 1,398,851 | 7,699,997 | 9,098,848 | 9,002,631 |

for the year ended 31 December 2019

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

Commonwealth Parliamentary Association
Balance sheet as at
31 December 2019

| | Note | 2019 £ | 2019 £ | 2018 £ | 2018 £ |
|---|------|--------------------|-------------------------|------------------|-------------------------|
| Fixed asset | | | | | |
| Tangible assets | 11 | | 62,039 | | 397 |
| Investments | 12 | | 7,367,936 | | 6,541,185 |
| | | | <u>7,429,975</u> | | <u>6,541,582</u> |
| Current assets | | | | | |
| Debtors | 13 | 115,377 | | 574,179 | |
| Short term deposit | 14 | 2,262,623 | | 2,356,801 | |
| Cash at bank and in hand | | 637,070 | | 154,170 | |
| | | <u>3,015,070</u> | | <u>3,085,150</u> | |
| Creditors: amounts falling due within one year | 15 | <u>(1,346,197)</u> | | <u>(624,101)</u> | |
| Net current assets | | | <u>1,668,873</u> | | <u>2,461,049</u> |
| Net assets | | | <u><u>9,098,848</u></u> | | <u><u>9,002,631</u></u> |
| Funds | | | | | |
| Unrestricted | | | | | |
| General fund | 17 | | 1,398,851 | | 2,003,078 |
| Restricted | | | | | |
| Conference assistance fund | 17 | | 4,961,528 | | 4,548,272 |
| Working capital fund | 17 | | 2,738,469 | | 2,451,281 |
| | | | <u>9,098,848</u> | | <u>9,002,631</u> |

The financial statements were approved, and authorised for distribution, by the Executive Committee on 21st August 2020 and signed on its behalf by:



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



.....
Mr Stephen Twigg
Secretary-General

Commonwealth Parliamentary Association

Statement of cash flows for the year ended 31 December 2019

| | 2019 | 2018 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Cash flows from operating activities | <u>212,249</u> | <u>(564,237)</u> |
| Cash flows from investing activities | | |
| Interest and dividends | 244,328 | 201,784 |
| Purchase of property, plant and equipment | (84,139) | - |
| Purchase of investments | (2,163,556) | (861,635) |
| Proceeds from the sale of investments | 2,028,190 | 1,078,579 |
| Movement in investment cash account | <u>151,650</u> | <u>(183,117)</u> |
| Net cash provided by investing activities | <u>176,473</u> | <u>235,611</u> |
| Change in cash and cash equivalents in the reporting period | 388,722 | (328,626) |
| Cash and cash equivalents at the beginning of the reporting period | <u>2,510,971</u> | <u>2,839,597</u> |
| Cash and cash equivalents at the end of the reporting period | <u><u>2,899,693</u></u> | <u><u>2,510,971</u></u> |

NOTES TO THE CASH FLOW STATEMENT

| | 2019 | 2018 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities | | |
| Net movement in funds | 96,217 | (42,449) |
| Depreciation charges | 22,497 | 900 |
| Decrease/(Increase) in debtors | 458,802 | (302,405) |
| Increase/(Decrease) in creditors | 722,096 | (391,533) |
| Interest and dividends | (244,328) | (201,784) |
| (Gains)/Losses on investments | <u>(843,035)</u> | <u>373,034</u> |
| Net cash provided by operating activities | <u><u>212,249</u></u> | <u><u>(564,237)</u></u> |
| Analysis of Cash and Cash Equivalents | | |
| | 2019 | 2018 |
| | £ | £ |
| Cash at bank and in hand | 637,070 | 154,170 |
| Short term deposits | <u>2,262,623</u> | <u>2,356,801</u> |
| | <u><u>2,899,693</u></u> | <u><u>2,510,971</u></u> |

Commonwealth Parliamentary Association

Notes to the financial statements for the year ended 31 December 2019

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. The 2018 expenditure has been reallocated to more closely align with the three strategic pillars of the CPA Strategic Plan. They are Parliamentary Benchmarking and Development, Public Outreach and Communications and Publishing.

(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.

(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.

Commonwealth Parliamentary Association

Notes to the financial statements for the year ended 31 December 2019

(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 17 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.

(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.

Commonwealth Parliamentary Association

Notes to the financial statements for the year ended 31 December 2019

(n) Stocks

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

(o) Debtors

Branch fees 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 and Covid-19 Pandemic

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 relates to the Covid-19 pandemic and 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).

Following the outbreak of the Covid-19 pandemic all activities of the CPA have been examined and activities have continued remotely with staff working from home with the appropriate support and guidance. Operational plans, related budgets and forecasts have all been reviewed and updated for the years 2020- 2022.

Following the above review, and despite future plans still being, to a degree, uncertain as a result of Covid-19, the Trustees consider that the Association's assets, and in particular, liquid funds are adequate to meet its annual obligations in the next two years.

Commonwealth Parliamentary Association

Notes to the financial statements for the year ended 31 December 2019

Whilst changes to and timing of activities have had to take place the financial impact on the CPA has been limited. The impact on revenue, which relates predominantly to Membership fees, is not expected to be significant overall as the CPA will ensure members continue to receive a full range of services and support, which, in the current climate may well be even more valuable than in the past. However, it is likely some Branches may take longer to pay their fees than in the past as a result of restricted working arrangements currently in place as a result of COVID-19. Operational costs may well reduce compared to historic figures as a result of a reduction in overseas travel in the short to medium term.

As a result of the above review of the Charity's financial position, reserves levels and future plans, the Trustees are of the view that the Charity remains a going concern in respect to a period of one year from the date of approval of these financial statements, notwithstanding the uncertainties outlined above.

(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.

In addition to the above, the full impact following the recent emergence of the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the CPA's activities, members, suppliers and the wider economy. Estimates used in the financial statements, are subject to a greater degree of uncertainty and volatility.

As set out in these accounting policies under "going concern and Covid-19 pandemic", the trustees have considered the impact of the pandemic on the charity and have concluded that it is appropriate for the CPA to continue to prepare its financial statements on the going concern basis.

Commonwealth Parliamentary Association

Notes to the financial statements for the year ended 31 December 2019

2. Investment Income

| | Unrestricted funds | Restricted funds | Total |
|--|---------------------------|-------------------------|----------------|
| | £ | £ | £ |
| 2019 | | | |
| Dividends – equities | - | 176,659 | 176,659 |
| Interest – fixed interest securities | - | 37,130 | 37,130 |
| Interest on cash and money market deposits | 26,854 | 3,685 | 30,539 |
| | <u>26,854</u> | <u>217,474</u> | <u>244,328</u> |
| 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> |

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

3. Partnership Income

| | 2019 | 2018 |
|---|----------------|---------------|
| | £ | £ |
| Westminster Foundation for Democracy – CP4D | 137,196 | 23,878 |
| | <u>137,196</u> | <u>23,878</u> |

Commonwealth Parliamentary Association

Notes to the financial statements for the year ended 31 December 2019

4. Staff Costs

| | Note | Total 2019 £ | Restated Total 2018 £ |
|-----------------------|------|--------------------|--------------------------------|
| Salaries and wages | | 734,678 | 773,277 |
| Redundancy costs | | 115,751 | - |
| Social security costs | | 77,590 | 71,755 |
| Pension costs | 5 | 57,821 | 64,457 |
| | | 985,840 | 909,489 |

The Benefits-in-kind payments of £15,502 (2018: £27,588) 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.

The average number of employees during the year was:

| | 2019 No. | 2018 No. |
|-----------------------|-------------|-------------|
| Management | 3 | 3 |
| Charitable activities | 14 | 14 |
| | 17 | 17 |

Key management personnel

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Secretary General | 168,927 | 146,143 |
| Acting Secretary General/Director of Operations | 91,384 | 76,072 |
| Finance Director | 51,461 | 33,080 |
| | 311,772 | 255,295 |

The key management personnel comprised members of the Senior Management Team (SMT). The SMT is made up of the Secretary General, Director of Operations and Finance Director.

The total employee benefits, including employer's pension contributions and employer's national insurance, of the key management personnel of the Charity were £335,299 (2018: £277,683).

Commonwealth Parliamentary Association

Notes to the financial statements for the year ended 31 December 2019

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 2019 No. | Total 2018 No. |
|---------------------|-------------------------------|-------------------------------|
| £60,000 - £70,000 | 1 | 1 |
| £70,000 - £80,000 | 1 | - |
| £110,000 - £120,000 | - | 1 |
| £130,000 - £140,000 | 1 | - |
| | <hr/> 3 | <hr/> 2 |

All of the employees whose emoluments were greater than £60,000 are part of the personal pension scheme and the CPA Secretariat paid £26,702 (2018: £22,388) for these employees.

A total of £308,048 was reimbursed to 38 Parliaments of members of the Executive Committee for their travel to Executive Committee meetings (2018: £223,686 to 34 Parliaments of members of the Executive Committee). None of the Executive Committee members received remuneration or benefits from employment with the CPA (2018: none).

5. Pension scheme

The CPA Secretariat's Personal Pension Scheme ("Scheme") for employees is with Scottish Widows, which commenced on 1st 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 2019

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%.

| | Total 2019 £ | Restated Total 2018 £ |
|------------------------------------|-----------------------------|--|
| Total Premiums paid | 71,496 | 77,043 |
| Less: Contributions from employees | (13,675) | (11,300) |
| Employer Contributions | <u>57,821</u> | <u>65,743</u> |

6. Total Expenditure

| <u>2019</u> | Note | Direct costs £ | Support costs £ | Total 2019 £ |
|--|------|----------------------|-----------------------|--------------------|
| Cost of generating funds | | | | |
| Investment management costs | | 51,670 | - | 51,670 |
| Cost of charitable activities | | | | |
| Parliamentary Benchmarking and Development | 8 | 1,629,352 | 1,215,015 | 2,844,367 |
| Public Outreach | 9 | 120,730 | 221,733 | 342,463 |
| Communications and Publishing | 10 | 167,764 | 176,207 | 343,971 |
| | | <u>1,969,516</u> | <u>1,612,955</u> | <u>3,582,471</u> |

(Note 6a)

Commonwealth Parliamentary Association

Notes to the financial statements for the year ended 31 December 2019

| 6. Total Expenditure (continued) | | Direct costs | Support costs | Total 2018 |
|--|------|------------------|----------------|------------------|
| <u>2018 (Restated)</u> | Note | £ | £ | £ |
| Cost of generating funds | | | | |
| Investment management costs | | 48,711 | - | 48,711 |
| Cost of charitable activities | | | | |
| Parliamentary Benchmarking and Development | 8 | 1,133,906 | 727,717 | 1,861,623 |
| Public Outreach | 9 | 74,481 | 112,245 | 186,726 |
| Communications and Publishing | 10 | 160,723 | 91,672 | 252,395 |
| | | <u>1,417,821</u> | <u>931,634</u> | <u>2,349,455</u> |

(Note 6a)

6a. Allocation of Support Costs

| <u>2019</u> | Staff costs £ | HR costs £ | IT support costs £ | Facilities £ | Depreciation £ | Governance £ | Total 2019 £ |
|--|------------------|----------------|-----------------------|-----------------|-------------------|-----------------|------------------|
| Cost of charitable activities | | | | | | | |
| Parliamentary Benchmarking and Development | 362,801 | 116,804 | 40,252 | 204,376 | 16,947 | 473,835 | 1,215,015 |
| Public Outreach | 66,209 | 21,316 | 7,346 | 37,297 | 3,093 | 86,472 | 221,733 |
| Communications and Publishing | 52,616 | 16,939 | 5,838 | 29,640 | 2,457 | 68,717 | 176,207 |
| | <u>481,626</u> | <u>155,059</u> | <u>53,436</u> | <u>271,313</u> | <u>22,497</u> | <u>629,024</u> | <u>1,612,955</u> |

Commonwealth Parliamentary Association

Notes to the financial statements for the year ended 31 December 2019

6a. Allocation of Support Costs (continued)

| 2018 (Restated) | Staff costs £ | HR costs £ | IT support costs £ | Facilities £ | Depreciation £ | Governance £ | Total 2018 £ |
|--|--------------------------|-----------------------|-------------------------------|-------------------------|---------------------------|-------------------------|-------------------------|
| Cost of charitable activities | | | | | | | |
| Parliamentary Benchmarking and Development | 310,559 | 42,039 | 35,244 | 186,190 | 703 | 152,982 | 727,717 |
| Public Outreach | 47,902 | 6,484 | 5,436 | 28,719 | 108 | 23,596 | 112,245 |
| Communications and Publishing | 39,122 | 5,296 | 4,440 | 23,455 | 89 | 19,270 | 91,672 |
| | <u>397,583</u> | <u>53,819</u> | <u>45,120</u> | <u>238,364</u> | <u>900</u> | <u>195,848</u> | <u>931,634</u> |

Support costs are allocated between activities based on the proportion of direct expenditure attributable to each activity.

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:

| | 2019 £ | Restated 2018 £ |
|-------------------------------------|-------------------|----------------------------|
| External Auditor's remuneration | | |
| - Statutory audit | 15,600 | 14,286 |
| - Other services | 2,520 | - |
| Expert Committee on CPA status | - | 26,768 |
| Working group for programmes review | 36,952 | - |
| Coordinating Committee meetings | 39,272 | - |
| Legal & professional fees | 394,588 | 38,109 |
| Consultants' fees | 89,750 | 78,987 |
| Officers travel | 17,598 | 21,122 |
| Overseas travel | 32,744 | 16,576 |
| | <u>629,024</u> | <u>195,848</u> |

Commonwealth Parliamentary Association

Notes to the financial statements for the year ended 31 December 2019

8. Parliamentary Benchmarking and Development

| | 2019 | Restated |
|---|------------------|------------------|
| | £ | 2018 |
| | | £ |
| Post-Election Seminars | (1,283) | 58,766 |
| Technical Assistance Programmes | (50,839) | 138,030 |
| Commonwealth Women Parliamentarians | 52,387 | 78,545 |
| Commonwealth Initiative for Freedom of Religion and Belief | - | 2,500 |
| Small Branches Committees Workshop | 33,957 | 28,071 |
| Parliamentarians Disabilities Network | 13,696 | 4,124 |
| Clearing House for Exchange Visits | - | 2,500 |
| Commonwealth Heads of Governments Meeting | - | 12,514 |
| Commonwealth Fundamentals Course | 230,838 | 199,775 |
| CPA Masterclass | (950) | 3,789 |
| International Humanitarian Law Handbook for Commonwealth Parliamentarians | - | 6,400 |
| Commonwealth Partnership for Democracy | 137,196 | 23,878 |
| Commonwealth Regional Conferences | 48,015 | 28,403 |
| Annual Parliamentary and Mid-year Executive Conference | 786,518 | 146,752 |
| Direct staff costs | 379,817 | 399,859 |
| | <u>1,629,352</u> | <u>1,133,906</u> |

9. Public Outreach

| | 2019 | Restated |
|--|----------------|-----------------|
| | £ | 2018 |
| | | £ |
| Commonwealth Day | 14,653 | 9,828 |
| Commonwealth Youth Parliament | 36,531 | - |
| CPA Roadshows for Schools and Universities | 232 | 2,977 |
| Direct staff costs | 69,314 | 61,676 |
| | <u>120,730</u> | <u>74,481</u> |

Commonwealth Parliamentary Association

Notes to the financial statements for the year ended 31 December 2019

10. Communications and Publishing

| | 2019 | Restated |
|------------------------------------|-------------|-----------------|
| | £ | 2018 |
| | | £ |
| The Parliamentarian | | |
| Printing | 46,169 | 42,013 |
| Distribution | 53,245 | 52,936 |
| Fees to contributors | 2,400 | 2,775 |
| | <hr/> | <hr/> |
| | 101,814 | 97,724 |
| Annual Report | 3,000 | 3,000 |
| CPA Website | 7,867 | 8,692 |
| Books, periodicals and information | - | 936 |
| Direct staff costs | 55,083 | 50,371 |
| | <hr/> | <hr/> |
| | 167,764 | 160,723 |

11. Tangible assets

Tangible fixed assets comprise of computer and office equipment.

| | 2019 | 2018 |
|-------------------------------|-------------|-------------|
| | £ | £ |
| Cost | | |
| At 1 January | 14,323 | 14,323 |
| Additions | 84,139 | - |
| Eliminated on disposal | (13,325) | - |
| | <hr/> | <hr/> |
| At 31 December | 85,137 | 14,323 |
| Depreciation | | |
| At 1 January | 13,926 | 13,026 |
| Charge for the year | 22,497 | 900 |
| Eliminated on disposal | (13,325) | - |
| | <hr/> | <hr/> |
| At 31 December | 23,098 | 13,926 |
| | <hr/> | <hr/> |
| Net book value at 31 December | 62,039 | 397 |

Commonwealth Parliamentary Association

Notes to the financial statements for the year ended 31 December 2019

| | 2019 | 2018 |
|--------------------------------------|------------------|------------------|
| | £ | £ |
| 12. Investments | | |
| Market value at 1 January | 6,541,185 | 6,948,046 |
| Additions | 2,163,556 | 861,635 |
| Disposal proceeds | (2,028,190) | (1,078,579) |
| Investments cash account movement | (151,650) | 183,117 |
| Realised (losses)/gains | (91,217) | 59,984 |
| Unrealised gains/(losses) | 934,252 | (433,018) |
| | <u>7,367,936</u> | <u>6,541,185</u> |
| Market value at 31 December | | |
| Historical cost value at 31 December | <u>6,475,129</u> | <u>6,582,434</u> |

The total unrealised gains at 31 December 2019 constitute movements on the revaluation and are as follows:

| | 2019 | 2018 |
|---|----------------|-----------------|
| | £ | £ |
| Unrealised gains/(losses) included above: | | |
| On investments | 892,807 | (41,249) |
| Total unrealised gains/(losses) at 31 December | <u>892,807</u> | <u>(41,249)</u> |
| Reconciliation of movements in unrealised gains/(losses): | | |
| Unrealised (losses)/gains at 1 January | (41,249) | 388,117 |
| (Less)/Add: in respect to disposal in the year | (196) | 3,652 |
| Add/(Less): net gains/(losses) arising on revaluation in the year | 934,252 | (433,018) |
| Total unrealised gains/(losses) at 31 December | <u>892,807</u> | <u>(41,249)</u> |

| Analysis of investments assets | Fixed interest securities | Equities | Cash | Total |
|--------------------------------|---------------------------------|------------------|----------------|------------------|
| | £ | £ | £ | £ |
| 2019 | 1,382,781 | 5,808,625 | 176,530 | 7,367,936 |
| 2018 | <u>1,412,036</u> | <u>4,800,969</u> | <u>328,180</u> | <u>6,541,185</u> |

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

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Notes to the financial statements for the year ended 31 December 2019

13. Debtors

| | 2019 | 2018 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Branch fees | 804,015 | 1,172,860 |
| Less: Provision for doubtful debts | (768,554) | (684,226) |
| Net branch fees | <u>35,461</u> | <u>488,634</u> |
| Staff advances | 4,320 | 2,460 |
| Other debtors and prepayments | 75,596 | 83,085 |
| | <u>115,377</u> | <u>574,179</u> |

14. Short term deposit investment

| | 2019 | 2018 |
|---|------------------|------------------|
| | £ | £ |
| Close Brothers business notice account and term deposit | 2,262,623 | - |
| Coutts 90 Day Notice Accounts | - | 2,356,801 |
| | <u>2,262,623</u> | <u>2,356,801</u> |

15. Creditors: Amounts Falling Due Within One Year

| | Note | 2019 | 2018 |
|---|------|------------------|----------------|
| | | £ | £ |
| Trade creditors | | 142,791 | 261,082 |
| General accruals | | 381,664 | 21,683 |
| Parliamentary Benchmarking and Development accruals | | 159,712 | 263,789 |
| Tax and social security | | 90,288 | 14,582 |
| Deferred income | 16 | 571,742 | 62,965 |
| | | <u>1,346,197</u> | <u>624,101</u> |

Commonwealth Parliamentary Association

Notes to the financial statements for the year ended 31 December 2019

16. Deferred income

| | At 1 Jan 2019 £ | Released to income £ | Deferred in the year £ | At 31 Dec 2019 £ |
|--------------------|--------------------------|----------------------------|---------------------------------|---------------------------|
| Branch fees - 2019 | 62,965 | (62,965) | 571,742 | 571,742 |
| | <u>62,965</u> | <u>(62,965)</u> | <u>571,742</u> | <u>571,742</u> |
| | 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 |
| | <u>147,260</u> | <u>(147,260)</u> | <u>62,965</u> | <u>62,965</u> |

This primarily represents 2020 memberships received in 2019. They are treated as deferred income and will be released as income in 2020 in line with the membership period.

17. Movement in funds

| | At 1 Jan 2019 £ | Income £ | Expenditure £ | Gains (Losses)/ Transfers £ | At 31 Dec 2019 £ |
|---|-----------------------|------------------|--------------------|--------------------------------------|------------------------|
| CPA Headquarters Secretariat | | | | | |
| <u>Unrestricted Funds</u> | | | | | |
| General reserve | 2,003,078 | 2,480,983 | (3,085,210) | - | 1,398,851 |
| <u>Restricted Funds</u> | | | | | |
| Westminster Foundation for Democracy | - | 137,196 | (137,196) | - | - |
| Conference Assistance Fund (CAF) | 4,548,272 | 141,149 | (272,124) | 544,231 | 4,961,528 |
| Working Capital Fund (WCF) | 2,451,281 | 76,325 | (87,941) | 298,804 | 2,738,469 |
| Total CAF & WCF restricted funds | <u>6,999,553</u> | <u>354,670</u> | <u>(497,261)</u> | <u>843,035</u> | <u>7,699,997</u> |
| Total funds | <u>9,002,631</u> | <u>2,835,653</u> | <u>(3,582,471)</u> | <u>843,035</u> | <u>9,098,848</u> |

Commonwealth Parliamentary Association

Notes to the financial statements for the year ended 31 December 2019

17. Movement in funds (continued)

| | At 1 Jan 2018 | Income | Expenditure | Gains (Losses)/ Transfers | At 31 Dec 2018 |
|---|------------------|------------------|--------------------|---------------------------------|-------------------|
| | £ | £ | £ | £ | £ |
| CPA Headquarters Secretariat | | | | | |
| <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) | - |
| Total funds | 1,754,444 | 2,460,236 | (2,211,602) | - | 2,003,078 |
| <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 |
| Total CAF & WCF restricted funds | 7,290,636 | 219,804 | (137,853) | (373,034) | 6,999,553 |
| Total funds | 9,045,080 | 2,680,040 | (2,349,455) | (373,034) | 9,002,631 |

Commonwealth Parliamentary Association

Notes to the financial statements for the year ended 31 December 2019

17. 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, was created to meet any unforeseen liabilities, and was 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 and the contingency reserve was transferred to the general reserve.

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.

Commonwealth Parliamentary Association

Notes to the financial statements for the year ended 31 December 2019

17. Movement in funds (continued)

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.

18. Analysis of net assets between funds

| | Unrestricted Funds 2019 £ | Restricted Funds 2019 £ | Total Funds 2019 £ |
|------------------------|--|--|---------------------------------------|
| Tangible fixed assets | 62,039 | - | 62,039 |
| Fixed asset investment | - | 7,367,936 | 7,367,936 |
| Current assets | 2,617,302 | 397,768 | 3,015,070 |
| Current liabilities | (1,280,490) | (65,707) | (1,346,197) |
| | <u>1,398,851</u> | <u>7,699,997</u> | <u>9,098,848</u> |

| | 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> |

19. Related parties' transaction

Other than transactions with key management personnel as disclosed in note 4, there have been no related party transactions in the reporting period that require disclosure.

Commonwealth Parliamentary Association

Notes to the financial statements for the year ended 31 December 2019

20. Comparative statement of financial activities

| | Note | Unrestricted funds £ | Restricted funds £ | Restated Total 2018 £ |
|--|------|-------------------------|-------------------------|-----------------------------|
| Income from: | | | | |
| Investments | 2 | 5,858 | 195,926 | 201,784 |
| <i>Charitable activities</i> | | | | |
| Branch membership fees | | 2,447,055 | - | 2,447,055 |
| Subscriptions for the Parliamentarian | | 4,167 | - | 4,167 |
| Partnership income | | - | 23,878 | 23,878 |
| Other | | 3,156 | - | 3,156 |
| Total | | <u>2,460,236</u> | <u>219,804</u> | <u>2,680,040</u> |
| Expenditure on: | | | | |
| <i>Raising funds</i> | | | | |
| Investment Management Costs | | - | 48,711 | 48,711 |
| <i>Charitable activities</i> | | | | |
| Parliamentary Benchmarking and Development | | 1,772,481 | 89,142 | 1,861,623 |
| Public Outreach | | 186,726 | - | 186,726 |
| Communications and Publishing | | 252,395 | - | 252,395 |
| Total | 6 | <u>2,211,602</u> | <u>137,853</u> | <u>2,349,455</u> |
| Net income before losses on investments | | 248,634 | 81,951 | 330,585 |
| Net losses on investments | 12 | - | (373,034) | (373,034) |
| Net movement in funds | | 248,634 | (291,083) | (42,449) |
| Reconciliation of funds | | | | |
| Balance brought forward | | <u>1,754,444</u> | <u>7,290,636</u> | <u>9,045,080</u> |
| Balance carried forward | 18 | <u><u>2,003,078</u></u> | <u><u>6,999,553</u></u> | <u><u>9,002,631</u></u> |

21. Post balance sheet events

As a result of the Covid-19 pandemic stock markets have experienced significant volatility and falls since the balance sheet date followed by a recent recovery. It is estimated that the market value of investments has reduced by £23,333 (or 0.3%) as at the 10 August 2020 but future major fluctuations remain a distinct possibility.