



**Charity Registration No. 263147**

**Commonwealth Parliamentary Association  
Annual Report and Financial Statements  
31 December 2020**

# **Contents**

<b>Annual report</b>	<b>1</b>
<b>Statement of Trustees' responsibilities</b>	<b>7</b>
<b>Independent auditor's report</b>	<b>16</b>
<b>Statement of financial activities</b>	<b>20</b>
<b>Balance sheet</b>	<b>21</b>
<b>Statement of cash flow</b>	<b>22</b>
<b>Notes to the financial statements</b>	<b>23</b>

# **Commonwealth Parliamentary Association**

## **Annual report for the year ended 31 December 2020**

### **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 – TBC Canada Federal*

### **OFFICERS OF THE ASSOCIATION**

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

Hon. Anthony Rota, MP  
Speaker of the House of Commons  
Canada Federal (2019 – to date)

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

*TBC*  
Ghana (2019 – 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. 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 Gulzar Khan, MNA  
National Assembly of Pakistan  
(2019 – to date)

**Acting Small Branches Chairperson**

Hon. Joy Burch, MLA  
Speaker of the Australia Capital Territory Legislative Assembly  
(Feb 2021 – 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. Osei Kyei 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  
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. Mahinda Yapa Abeywardana, MP  
Speaker of the Parliament  
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)

Senator the Hon. 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  
Speaker of the National Assembly  
Quebec (stand-in Branch for Northwest Territories)  
(2016 – to date)

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

Hon. Yasmin Ratansi, MP  
Ontario (2019 – to date)

## **Caribbean, Americas and Atlantic**

Hon. Arthur Holder, MP  
Speaker of the House of Assembly  
Barbados  
(Stand-in Branch for Trinidad and Tobago)  
(2018 – to date)

Hon. Andy Glenn Daniel, MP  
Speaker of the House of Assembly  
St. Lucia (2019 – to date)

Hon. Dwayne Taylor, MHA  
Speaker of the House of Assembly  
Turks and Caicos (2019 – to date)

#### **India**

Shri Premchand Aggarwal, MLA  
Speaker of the Legislative Assembly  
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. Gerry Brownlee, MP  
New Zealand (2016 – to date)

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

Hon. Lim Biow Chuan, MP  
Deputy Speaker of the Parliament  
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 2020 REGIONAL REPRESENTATIVES**

#### **Small Branches Chairperson**

Hon. Niki Rattle,  
Speaker of the Parliament of Cook Islands  
(2019 – to Feb 2021)

## **Pacific**

Hon. Clayton Mitchell, MP  
New Zealand (2016 – 2020)

Hon. Francesca Semoso, MHR  
Deputy Speaker of the House of Representative  
Bougainville (2019 – 2020)

## **South-East Asia**

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)

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

Hon. Lyndon Trott (Appointed Aug 2020)  
Guernsey Assembly  
Guernsey

## **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

Finance Director  
Mr Paul Townley (April 2019 - to date)

Deputy Secretary-General  
Mr Jarvis Matiya (August 2020 - to date)

**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 Westminster Branch 57 Victoria Street London SW1H 0HN
<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
-----------------------------------	--

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 2020**

### **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, with particular emphasis on their legal responsibilities. 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 2020**

### **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 over 171 members Branches (2019: 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 2020, 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.
- the impact of the Covid-19 pandemic on activities, its staff and its membership.

Appropriate systems and /or actions have been and continue to be developed 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 proposed programme of internal audits to cover areas as agreed by the Audit Subcommittee the Association.
- Audit subcommittee oversight.
- staff handbook detailing HR policies, practices and procedures.
- extensive support for staff during the Covid-19 pandemic.
- A wide range of programmes to support members carried out virtually as well as regular virtual governance meetings.

## **Commonwealth Parliamentary Association Annual report for the year ended 31 December 2020**

- 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.
- 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. In addition, for staff at the top of their pay band, one off payments are awarded dependent on performance.

### **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 2020 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;

## **Commonwealth Parliamentary Association Annual report for the year ended 31 December 2020**

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;
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.

During the year, the Covid-19 pandemic has resulted in significant changes to the way that many of the activities and programmes of the CPA have been carried out. In particular, programmes, meetings and conferences have all been carried out virtually and very successfully. However, the main objectives of the CPA have remained unchanged.

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 2020, the CPA Headquarters Secretariat planned to continue to implement a revised programme, with particular focus on parliamentary development and benchmarking, post-election seminars and technical assistance programmes together with an emphasis on youth engagement through the CPA's Commonwealth Day activities, Commonwealth Youth Parliament and CPA Roadshows for young people. However, as a result of the Covid-19 Pandemic, physical activities during 2020 have been severely restricted so a wide range of virtual activities have been organised very successfully.

Details are set out in full in the **CPA's Annual Report and Performance Review 2020 and the** 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.

## Commonwealth Parliamentary Association Annual report for the year ended 31 December 2020

The CPA's Annual Report and Performance Review 2020 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 2020

### FINANCIAL REVIEW

The total revenue for the financial year under review was £2,636,145 (2019: £2,835,653). Of this, the Association's core funding streams were from Branch Membership fees (90%) and financial investments (7%) with the balance coming from other sources such as subscriptions for the Parliamentarian and Partnership income.

There was no Plenary Conference in 2020. The Covid-19 pandemic and resulting travel restrictions caused significant disruption in the deployment of CPA programmes, leading to a shift to online delivery. Hence, this has resulted in a surplus of £1,221,807. In 2019, the Plenary Conference was held in Kampala, Uganda and this together with additional costs incurred in human resource planning resulted in a deficit of £746,818.

Total revenue decreased by £199,508 when compared to the year ended 31 December 2019. Membership income decreased by £67,548, and income from Investments decreased by £47,640. CPA also received £54,606 in income from the Westminster Foundation for Democracy to fund Commonwealth Partnership for Democracy programmes compared to £137,196 the previous year.

Total operating costs during the reporting period were £1,548,711 (2019: £3,582,471), made up of the costs of *raising funds*, totalling £49,726 (3%), and *direct charitable activities* totalling £1,498,985 (97%). In 2019, these were £51,670 (1%) and £3,530,801 (99%) respectively. The decrease in total operating costs reported was due to no CPA Plenary Conference occurring in 2020, reduced legal and governance costs and a significant reduction in travel costs as a result of the Covid-19 pandemic restrictions.

At the end of the financial year the Association's unrestricted reserves amounted to £2,372,927 (2019: £1,398,851) with free reserves, after deducting the value of tangible assets, amounting to £2,245,602 (2019: £1,336,812) 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 £7,947,728 (2019: £7,699,997). 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.

# **Commonwealth Parliamentary Association**

## **Annual report for the year ended 31 December 2020**

### **Reserves Policy**

In 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 unrestricted reserves at between 3 to 6 months planned operating expenditure.

As at December 2020, the Association held unrestricted reserves of £2,372,927. 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 2020 it was anticipated that unrestricted reserves would have begun to move to within the range implied by the Reserves policy but as a consequence of the Covid -19 pandemic this has not occurred. However, it is expected that once travel restrictions are weakened, that the full range of physical activities including Plenary Conferences which will take place, will reduce the level of reserves in future.

### **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 four times in 2020 to review the funds' performance.

# **Commonwealth Parliamentary Association**

## **Annual report for the year ended 31 December 2020**

### **Investment Performance**

The value of the Association's listed investments decreased by £86,645 (1%) from £7,367,936 at 31 December 2019 to £7,281,291 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 2020. This is equally apportioned between annual investment income (3%) and long-term capital appreciation (3%). At the Trustees' meeting in November 2020, the Trustees have approved the Socially Responsible Portfolio proposed by Close Brothers with an annual forecasted yield of 2.1%. The targeted total return of the Trustees' portfolio remained at 6%.

As a result of the Covid-19 pandemic, the stock markets have experienced significant volatility and future major fluctuations remain a distinct possibility. The Trustees will continue to monitor the performance of the investments and it is encouraging to note that the portfolio recovered very well in latter months of the year from the significant market falls experienced in the earlier part.

### **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.

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 were reviewed 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 continues to review 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 likelihood that Covid-19 will continue to impact on countries for a number of years the CPA Headquarters Secretariat will be considering in-depth its future performance and outputs. 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.



## **Commonwealth Parliamentary Association Annual report for the year ended 31 December 2020**

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.

A new Strategic Plan is being prepared to cover 2022 -2025. This plan is being produced after wide ranging consultations have taken place, both internally and externally to ensure it meets the needs of the members.

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 the 26 March 2021.

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 (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and the related notes to the financial statements, including a summary of 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 2020 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

## **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report and performance review 2020, and the 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.

## **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 trustees' annual report is inconsistent in any material respect with the financial statements; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the 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 trustees' responsibilities statement, 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

### **Auditor's responsibilities for the audit of the financial statements (continued)**

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (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) and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation).

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimate for the provision for bad debts were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards

### **Auditor's responsibilities for the audit of the financial statements (continued)**

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

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 with 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Buzzacott LLP*

Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

16 April 2021

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 2020**

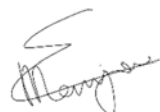
	Note	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b>Income from:</b>					
Investments	2	29,063	167,625	196,688	244,328
<i>Charitable activities</i>					
Branch membership fees		2,381,673	-	2,381,673	2,449,221
Subscriptions for the Parliamentarian		2,849	-	2,849	4,665
Partnership income	3	-	54,606	54,606	137,196
Other		329	-	329	243
<b>Total</b>		<u>2,413,914</u>	<u>222,231</u>	<u>2,636,145</u>	<u>2,835,653</u>
<b>Expenditure on:</b>					
<i>Raising funds</i>					
Investment Management Costs		-	49,726	49,726	51,670
<i>Charitable activities</i>					
Parliamentary Benchmarking and Development		1,087,165	59,147	1,146,312	2,844,367
Public Outreach		65,589	-	65,589	342,463
Communications and Publishing		287,084	-	287,084	343,971
<b>Total</b>	6	<u>1,439,838</u>	<u>108,873</u>	<u>1,548,711</u>	<u>3,582,471</u>
<b>Net income/(expenditure) before gains on investments</b>		974,076	113,358	1,087,434	(746,818)
Net gains on investments	12	-	134,373	134,373	843,035
<b>Net movement in funds</b>		974,076	247,731	1,221,807	96,217
<b>Reconciliation of funds</b>					
<b>Balance brought forward</b>	17	<u>1,398,851</u>	<u>7,699,997</u>	<u>9,098,848</u>	<u>9,002,631</u>
<b>Balance carried forward</b>	17	<u><u>2,372,927</u></u>	<u><u>7,947,728</u></u>	<u><u>10,320,655</u></u>	<u><u>9,098,848</u></u>

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

**Commonwealth Parliamentary Association**  
**Balance sheet as at**  
**31 December 2020**

	Note	2020 £	2020 £	2019 £	2019 £
<b>Fixed asset</b>					
Tangible assets	11		127,325		62,039
Investments	12		7,281,291		7,367,936
			<u>7,408,616</u>		<u>7,429,975</u>
<b>Current assets</b>					
Debtors	13	703,111		115,377	
Short term deposit	14	2,973,681		2,262,623	
Cash at bank and in hand		284,152		637,070	
		<u>3,960,944</u>		<u>3,015,070</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(1,048,905)</u>		<u>(1,346,197)</u>	
<b>Net current assets</b>			<u>2,912,039</u>		<u>1,668,873</u>
<b>Net assets</b>			<u><u>10,320,655</u></u>		<u><u>9,098,848</u></u>
<b>Funds</b>					
<b>Unrestricted</b>					
General fund	17		2,372,927		1,398,851
<b>Restricted</b>					
Conference assistance fund	17		5,109,405		4,961,528
Working capital fund	17		2,838,323		2,738,469
			<u>10,320,655</u>		<u>9,098,848</u>

The financial statements were approved, and authorised for distribution, by the Executive Committee on the 26 March 2021 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 2020

	2020	2019
	£	£
<b>Cash flows from operating activities</b>	<u>36,219</u>	<u>212,249</u>
<b>Cash flows from investing activities</b>		
Interest and dividends	196,688	244,328
Purchase of property, plant and equipment	(95,785)	(84,139)
Purchase of investments	(1,809,746)	(2,163,556)
Proceeds from the sale of investments	2,046,922	2,028,190
Movement in investment cash account	<u>(16,158)</u>	<u>151,650</u>
<b>Net cash provided by investing activities</b>	<u>321,921</u>	<u>176,473</u>
<b>Change in cash and cash equivalents in the reporting period</b>	358,140	388,722
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<u>2,899,693</u>	<u>2,510,971</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	<u><u>3,257,833</u></u>	<u><u>2,899,693</u></u>

#### NOTES TO THE CASH FLOW STATEMENT

	2020	2019
	£	£
<b>Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities</b>		
Net movement in funds	1,221,807	96,217
Depreciation charges	30,499	22,497
(Increase)/Decrease in debtors	(587,734)	458,802
(Decrease)/Increase in creditors	(297,292)	722,096
Interest and dividends	(196,688)	(244,328)
(Gains) on investments	<u>(134,373)</u>	<u>(843,035)</u>
<b>Net cash provided by operating activities</b>	<u><u>36,219</u></u>	<u><u>212,249</u></u>
<b>Analysis of Cash and Cash Equivalents</b>		
	2020	2019
	£	£
Cash at bank and in hand	284,152	637,070
Short term deposits	<u>2,973,681</u>	<u>2,262,623</u>
	<u><u>3,257,833</u></u>	<u><u>2,899,693</u></u>



# Commonwealth Parliamentary Association

## Notes to the financial statements for the year ended 31 December 2020

### 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 have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn

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.

#### (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 2020

### (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 2020**

#### **(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 2020

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 and therefore, where necessary, appropriate support will be given to those Branches concerned. 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 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 2020

#### 2. Investment Income

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>2020</b>			
Dividends – equities	-	143,396	143,396
Interest – fixed interest securities	-	20,469	20,469
Interest on cash and money market deposits	29,063	3,760	32,823
	<u>29,063</u>	<u>167,625</u>	<u>196,688</u>
<b>2019</b>			
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>

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

#### 3. Partnership Income

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Westminster Foundation for Democracy – CP4D	54,606	137,196
	<u>54,606</u>	<u>137,196</u>

## Commonwealth Parliamentary Association

### Notes to the financial statements for the year ended 31 December 2020

#### 4. Staff Costs

	Note	Total 2020 £	Total 2019 £
Salaries and wages		747,439	734,678
Redundancy costs		-	115,751
Social security costs		68,973	77,590
Pension costs	5	44,080	57,821
		860,492	985,840

The Benefits-in-kind payments of £19,221 (2019: £15,502) 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:	2020 No.	2019 No.
Management	3	3
Charitable activities	15	14
	18	17

Key management personnel	2020 £	2019 £
Secretary General	49,127	168,927
Acting Secretary General	70,303	33,201
Deputy Secretary General and Director of Operations	35,692	58,183
Finance Director	52,216	51,461
	207,338	311,772

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

# Commonwealth Parliamentary Association

## Notes to the financial statements for the year ended 31 December 2020

### 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:

	<b>Total 2020 No.</b>	<b>Total 2019 No.</b>
£60,000 - £70,000	2	1
£70,000 - £80,000	-	1
£90,000 - £100,000	1	-
£130,000 - £140,000	-	1
	<hr/> 3	<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 £9,691 (2019: £26,702) for these employees.

A total of £42,250 was paid for 8 Parliaments of members of the Executive Committee for their travel and accommodation to Coordinating Committee meetings (2019: £308,048 for 38 Parliaments of members of the Executive Committee). None of the Executive Committee members received remuneration or benefits from employment with the CPA (2019: none).

### 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. 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 2020

#### 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 within this additional scheme, towards the cost of their benefits at rates of 3% of annual salary. CPA Secretariat pays 5%.

	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Total Premiums paid	71,872	71,496
Less: Contributions from employees	(27,792)	(13,675)
Employer Contributions	<u>44,080</u>	<u>57,821</u>

#### 6. Total Expenditure

<u>2020</u>	Note	Direct costs £	Support costs £	Total 2020 £
<b>Cost of generating funds</b>				
Investment management costs		49,726	-	49,726
<b>Cost of charitable activities</b>				
Parliamentary Benchmarking and Development	8	563,296	583,016	1,146,312
Public Outreach	9	23,127	42,462	65,589
Communications and Publishing	10	120,822	166,262	287,084
		<u>756,971</u>	<u>791,740</u>	<u>1,548,711</u>

(Note 6a)



## Commonwealth Parliamentary Association

### Notes to the financial statements for the year ended 31 December 2020

6. Total Expenditure (continued)		Direct costs	Support costs	Total 2019
<u>2019</u>	Note	£	£	£
<b>Cost of generating funds</b>				
Investment management costs		51,670	-	51,670
<b>Cost of charitable activities</b>				
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)

#### 6a. Allocation of Support Costs

<u>2020</u>	Staff costs £	HR costs £	IT support costs £	Facilities £	Depreciation £	Governance £	Total 2020 £
<b>Cost of charitable activities</b>							
Parliamentary Benchmarking and Development	345,807	43,377	38,875	38,160	22,459	94,338	583,016
Public Outreach	25,186	3,159	2,831	2,779	1,636	6,871	42,462
Communications and Publishing	98,616	12,370	11,086	10,882	6,405	26,903	166,262
	<u>469,609</u>	<u>58,906</u>	<u>52,792</u>	<u>51,821</u>	<u>30,500</u>	<u>128,112</u>	<u>791,740</u>

## Commonwealth Parliamentary Association

### Notes to the financial statements for the year ended 31 December 2020

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

<u>2019</u>	Staff costs £	HR costs £	IT support costs £	Facilities £	Depreciation £	Governance £	Total 2019 £
<b>Cost of charitable activities</b>							
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>

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:

	2020 £	2019 £
External Auditor's remuneration		
- Statutory audit	17,640	15,600
- Other services	-	2,520
Working group for programmes review	-	36,952
Coordinating Committee meetings	40,316	39,272
Legal & professional fees	17,753	394,588
Consultants' fees	48,934	89,750
Officers travel	2,521	17,598
Overseas travel	948	32,744
	<u>128,112</u>	<u>629,024</u>

## Commonwealth Parliamentary Association

### Notes to the financial statements for the year ended 31 December 2020

#### 8. Parliamentary Benchmarking and Development

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Post-Election Seminars	4,513	(1,283)
Technical Assistance Programmes	-	(50,839)
Commonwealth Women Parliamentarians	16,551	52,387
Small Branches Committees Workshop	131	33,957
Parliamentarians Disabilities Network	(4,332)	13,696
Commonwealth Heads of Governments Meeting	21	-
Commonwealth Fundamentals Course	177,354	230,838
CPA Masterclass	7,380	(950)
Commonwealth Partnership for Democracy	65,544	137,196
Commonwealth Regional Conferences	(9,461)	48,015
Annual Parliamentary and Mid-year Executive Conference	16,489	786,518
Direct staff costs	289,106	379,817
	<hr/> 563,296	<hr/> 1,629,352

#### 9. Public Outreach

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Commonwealth Day	-	14,653
Commonwealth Youth Parliament	1,943	36,531
CPA Roadshows for Schools and Universities	128	232
Direct staff costs	21,056	69,314
	<hr/> 23,127	<hr/> 120,730

# Commonwealth Parliamentary Association

## Notes to the financial statements for the year ended 31 December 2020

### 10. Communications and Publishing

	2020	2019
	£	£
The Parliamentarian		
Printing	15,678	46,169
Distribution	14,498	53,245
Fees to contributors	2,325	2,400
	<hr/> 32,501	<hr/> 101,814
Annual Report	-	3,000
CPA Website	5,484	7,867
Books, periodicals and information	391	-
Direct staff costs	82,446	55,083
	<hr/> 120,822	<hr/> 167,764

### 11. Tangible assets

Tangible fixed assets comprise of computer and office equipment.

	2020	2019
	£	£
<b>Cost</b>		
At 1 January	85,137	14,323
Additions	95,785	84,139
Eliminated on disposal	(998)	(13,325)
At 31 December	<hr/> 179,924	<hr/> 85,137
<b>Depreciation</b>		
At 1 January	23,098	13,926
Charge for the year	30,499	22,497
Eliminated on disposal	(998)	(13,325)
At 31 December	<hr/> 52,599	<hr/> 23,098
Net book value at 31 December	<hr/> 127,325	<hr/> 62,039

## Commonwealth Parliamentary Association

### Notes to the financial statements for the year ended 31 December 2020

	2020	2019
	£	£
<b>12. Investments</b>		
Market value at 1 January	7,367,936	6,541,185
Additions	1,809,746	2,163,556
Disposal proceeds	(2,046,922)	(2,028,190)
Investments cash account movement	16,158	(151,650)
Realised (losses)	(175,717)	(91,217)
Unrealised gains	310,090	934,252
	<u>7,281,291</u>	<u>7,367,936</u>
Market value at 31 December		
Historical cost value at 31 December	<u>6,079,241</u>	<u>6,475,129</u>

The total unrealised gains at 31 December 2020 constitute movements on the revaluation and are as follows:

	2020	2019
	£	£
Unrealised gains included above:		
On investments	1,202,050	892,807
Total unrealised gains at 31 December	<u>1,202,050</u>	<u>892,807</u>
Reconciliation of movements in unrealised gains/(losses):		
Unrealised gains/(losses) at 1 January	892,807	(41,249)
(Less): in respect to disposal in the year	(847)	(196)
Add: net gains arising on revaluation in the year	310,090	934,252
Total unrealised gains at 31 December	<u>1,202,050</u>	<u>892,807</u>

Analysis of investments assets	Fixed interest securities	Equities	Cash	Total
	£	£	£	£
2020	1,112,082	5,976,522	192,687	7,281,291
2019	1,382,781	5,808,625	176,530	7,367,936

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 2020

#### 13. Debtors

	2020	2019
	£	£
Branch fees	1,172,279	804,015
Less: Provision for doubtful debts	(740,515)	(768,554)
Net branch fees	<u>431,764</u>	<u>35,461</u>
Staff advances	2,300	4,320
Other debtors and prepayments	<u>269,047</u>	<u>75,596</u>
	<u>703,111</u>	<u>115,377</u>

#### 14. Short term deposit investment

	2020	2019
	£	£
Close Brothers business notice account and term deposit	<u>2,973,681</u>	<u>2,262,623</u>
	<u>2,973,681</u>	<u>2,262,623</u>

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

	Note	2020	2019
		£	£
Trade creditors		26,531	142,791
General accruals		101,984	381,664
Parliamentary Benchmarking and Development accruals		43,000	159,712
Tax and social security		41,404	90,288
Deferred income	16	<u>835,986</u>	<u>571,742</u>
		<u>1,048,905</u>	<u>1,346,197</u>

## Commonwealth Parliamentary Association

### Notes to the financial statements for the year ended 31 December 2020

#### 16. Deferred income

	At 1 Jan 2020 £	Released to income £	Deferred in the year £	At 31 Dec 2020 £
Branch fees - 2020	571,742	(571,742)	835,986	835,986
	<u>571,742</u>	<u>(571,742)</u>	<u>835,986</u>	<u>835,986</u>
	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>

This primarily represents 2021 memberships received in 2020. They are treated as deferred income and will be released as income in 2021 in line with the membership period.

#### 17. Movement in funds

	At 1 Jan 2020 £	Income £	Expenditure £	Gains (Losses)/ Transfers £	At 31 Dec 2020 £
<b>CPA Headquarters Secretariat</b>					
<u>Unrestricted Funds</u>					
General reserve	1,398,851	2,413,914	(1,439,838)	-	2,372,927
<u>Restricted Funds</u>					
Westminster Foundation for Democracy	-	54,606	(54,606)	-	-
Conference Assistance Fund (CAF)	4,961,528	107,478	(39,285)	79,684	5,109,405
Working Capital Fund (WCF)	2,738,469	60,147	(14,982)	54,689	2,838,323
Total CAF & WCF restricted funds	<u>7,699,997</u>	<u>222,231</u>	<u>(108,873)</u>	<u>134,373</u>	<u>7,947,728</u>
<b>Total funds</b>	<u>9,098,848</u>	<u>2,636,145</u>	<u>(1,548,711)</u>	<u>134,373</u>	<u>10,320,655</u>

## Commonwealth Parliamentary Association

### Notes to the financial statements for the year ended 31 December 2020

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

	At 1 Jan 2019	Income	Expenditure	Gains (Losses)/ Transfers	At 31 Dec 2019
	£	£	£	£	£
<b>CPA Headquarters Secretariat</b>					
<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	6,999,553	354,670	(497,261)	843,035	7,699,997
<b>Total funds</b>	<b>9,002,631</b>	<b>2,835,653</b>	<b>(3,582,471)</b>	<b>843,035</b>	<b>9,098,848</b>

#### *Unrestricted funds*

- The general reserve represents the accumulated surplus which is available for spending on CPA's objectives.

In 2018, to better address the likely risks and financial pressures faced by the CPA in the medium to long-term, the 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.



## Commonwealth Parliamentary Association

### Notes to the financial statements for the year ended 31 December 2020

#### 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

	<b>Unrestricted Funds 2020 £</b>	<b>Restricted Funds 2020 £</b>	<b>Total Funds 2020 £</b>
Tangible fixed assets	127,325	-	127,325
Fixed asset investment	-	7,281,291	7,281,291
Current assets	3,281,293	679,651	3,960,944
Current liabilities	(1,035,691)	(13,214)	(1,048,905)
	<u>2,372,927</u>	<u>7,947,728</u>	<u>10,320,655</u>

	<b>Unrestricted Funds 2019 £</b>	<b>Restricted Funds 2019 £</b>	<b>Total Funds 2019 £</b>
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>

#### 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 2020

#### 20. Comparative statement of financial activities

	Note	Unrestricted funds £	Restricted funds £	Total 2019 £
<b>Income from:</b>				
Investments	2	26,854	217,474	244,328
<i>Charitable activities</i>				
Branch membership fees		2,449,221	-	2,449,221
Subscriptions for the Parliamentarian		4,665	-	4,665
Partnership income	3	-	137,196	137,196
Other		243	-	243
<b>Total</b>		<u>2,480,983</u>	<u>354,670</u>	<u>2,835,653</u>
<b>Expenditure on:</b>				
<i>Raising funds</i>				
Investment Management Costs		-	51,670	51,670
<i>Charitable activities</i>				
Parliamentary Benchmarking and Development		2,398,776	445,591	2,844,367
Public Outreach		342,463	-	342,463
Communications and Publishing		343,971	-	343,971
<b>Total</b>	6	<u>3,085,210</u>	<u>497,261</u>	<u>3,582,471</u>
<b>Net (expenditure)/income before gains/(losses) on investments</b>		(604,227)	(142,591)	(746,818)
Net gains/(losses) on investments	12	-	843,035	843,035
<b>Net movement in funds</b>		(604,227)	700,444	96,217
<b>Reconciliation of funds</b>				
<b>Balance brought forward</b>	17	<u>2,003,078</u>	<u>6,999,553</u>	<u>9,002,631</u>
<b>Balance carried forward</b>	17	<u><u>1,398,851</u></u>	<u><u>7,699,997</u></u>	<u><u>9,098,848</u></u>

#### 21. Post balance sheet events

As a result of the Covid-19 pandemic, the stock markets have experienced significant volatility and future major fluctuations remain a distinct possibility. The Trustees will continue to monitor the performance of the investments.