

Charity Registration No. 1095118

Company Registration No. 4606846 (England and Wales)

**COMMONWEALTH PARLIAMENTARY ASSOCIATION (UNITED
KINGDOM BRANCH)**

**(A COMPANY LIMITED BY GUARANTEE AND A REGISTERED
CHARITY)**

THE EXECUTIVE COMMITTEE'S REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2012

OFFICE COPY:

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**COMMONWEALTH PARLIAMENTARY ASSOCIATION (UNITED KINGDOM
BRANCH)**

(A COMPANY LIMITED BY GUARANTEE AND A REGISTERED CHARITY)

LEGAL AND ADMINISTRATIVE INFORMATION

Executive Committee Members	For full details see the Executive Committee Report
Secretary	Mr Andrew Tuggey DL
Charity number	1095118
Company number	4606846
Principal address & registered office	Westminster Hall Houses of Parliament London SW1A 0AA
Accountants	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER United Kingdom
Bankers	Royal Bank of Scotland plc 119-121 Victoria Street London SW1E 6RA

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**THE REPORT OF THE MEMBERS OF THE EXECUTIVE COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2012**

INTRODUCTION

The members of the Executive Committee, who are trustees of the charity for the purposes of charity law and directors for the purposes of company law, present their report and accounts for the 12 month financial period 1 April 2011 to 31 March 2012.

The accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the company's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Commonwealth Parliamentary Association (UK Branch) (CPA UK) was established at the Houses of Parliament at Westminster in 1911 as the Empire Parliamentary Association. In 1948 the title was changed to the Commonwealth Parliamentary Association (CPA). CPA UK became a registered charity under the laws of the United Kingdom in 1973 and was incorporated on 3 December 2002 as a company limited by guarantee. With effect from 10 January 2003 the assets, liabilities and functions of the unincorporated charity were transferred to the company.

CPA UK is one of over 175 branches of the CPA. Each branch is autonomous, raises its own finance and pays a subscription to the CPA Secretariat, the subscription being determined at the annual meeting of the General Assembly of the CPA.

The members of the Executive Committee of CPA UK, who are trustees for the purposes of charity law and directors for the purposes of company law and who served during the 12 month period were:

Rt Hon. Lord Anderson of Swansea DL	
Rt Hon. Kevin Barron MP (Honorary Treasurer)	
Mr Hugh Bayley MP	
Dr Roberta Blackman-Woods MP (Vice Chair)	
Sir Peter Bottomley MP	(Resigned 19 October 2011)
Rt Hon. Baroness Boothroyd OM	
Rt Hon. Malcolm Bruce MP	(Appointed 19 October 2011)
Mr Alun Cairns MP	(Appointed 19 October 2011)
Rt Hon. Baroness Corston	(Appointed 8 November 2011)
Lord Dholakia OBE DL	
Rt Hon. Jeffrey Donaldson MP	(Appointed 8 November 2011)
Rt Hon. Lord Foulkes of Cumnock	(Appointed 19 October 2011)
Rt Hon. David Hanson MP	
Rt Hon. Sir Alan Haselhurst MP (Chair)	
Baroness Hooper CMG	
Mrs Pauline Latham OBE MP (Vice Chair)	(Appointed 19 October 2011)
Mr Ian Liddell-Grainger MP	
Professor Lord McColl of Dulwich CBE (Vice Chair)	
Miss Anne McIntosh MP	
Rt Hon. Alun Michael MP	
Mr Mark Pritchard MP	(Resigned 19 October 2011)
Mr John Robertson MP	
Mr Andrew Rosindell MP	
Mr Adrian Sanders MP (Vice Chair)	(Resigned 19 October 2011)
Mr Gavin Williamson MP	

None of the members of the Executive Committee has any beneficial interest in the company. All members of the Executive Committee are members of the company and guarantee to contribute £1.00 in the event of a winding-up.

Rt Hon. Sir Alan Haselhurst MP, Rt Hon. Kevin Barron MP, Dr Roberta Blackman-Woods MP, Rt Hon. Lord Foulkes, Rt Hon. David Hanson MP, Mr Alun Cairns MP, Mr Gavin Williamson MP, and Professor Lord McColl are members of the Finance, Audit & Remuneration Committee.

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**THE REPORT OF THE MEMBERS OF THE EXECUTIVE COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2012**

Management of CPA UK is vested in the members of the Executive Committee who are trustees of the charity and directors of the company and who determine the strategy and overall running arrangements. The day to day activities are the responsibility of the Secretary.

Each member of the Executive Committee is a trustee and director and is elected in both capacities at the Annual General Meeting. Although there is no formal training for the trustees and directors, on election to the Committee each trustee and director receives a copy of the Charity Commission booklet, "*The Essential Trustee: what you need to know*", together with the accounts and copies of the charity's and company's governing documents. Every member of the Executive Committee receives the minutes of meetings of the Executive Committee and the Finance, Audit and Remuneration Committee, copies of the accounts; and statements of income and expenditure during each financial year.

The CPA HQ Secretariat is the international secretariat. CPA UK has close links with the CPA HQ Secretariat and pays an annual subscription (£178,135 for the 12 month period) whilst the CPA HQ Secretariat pays a contribution towards the return airfares of CPA UK delegates attending the annual Commonwealth Parliamentary Conference (CPC). CPA UK works closely with the CPA HQ Secretariat, Commonwealth Secretariat, FCO, DfID, British Council, and Westminster Foundation for Democracy and the Industry & Parliament Trust. The Inter-Parliamentary Union (IPU) is a sister organisation of the CPA. The relationship at Westminster between the British Group of the IPU (BG IPU) and CPA UK is informal, friendly and fruitful.

The members of the Executive Committee have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to manage those risks.

OBJECTS OF THE CHARITY

The objects of the charity as registered with the Charity Commission are: "The advancement and promotion of knowledge and education in the social, economic, cultural, constitutional and legislative systems within a parliamentary democratic framework with particular reference to the countries of the Commonwealth of Nations and to countries outside the Commonwealth having close historical and parliamentary associations with it."

WORK OF THE CHARITY

As derived from the objects of the charity, the mission of the charity is to strengthen parliamentary democracy. The annual programme is designed to achieve the mission by conducting international parliamentary outreach activities both in the UK and overseas. These activities, set out in detail below under 'activities of the charity, enable UK parliamentarians and those parliamentarians in other Commonwealth and Commonwealth associated countries to gain greater knowledge and understanding of one another's countries and of how their parliamentary democracies can be strengthened, and to focus on specific issues of major international concern within the Commonwealth and more widely.

The main activities of the charity during the report and accounts period were:

April 2011

- Meeting of the Policy, Plans & Programme Committee (P3)

May 2011

- Meeting of the Executive Committee
- CPA UK lunchtime lecture: Preventing conflict through cultural dialogue attended by 20 participants; MPs, peers and parliamentary staff, partner organisations including the FCO, and the Commonwealth Secretariat

June 2011

- Meeting of the Executive Committee
- Meeting of the Finance, Administration & Remuneration (FAR) Committee
- One MP represented the UK Parliament at the 36th CPA Caribbean, Americas and Atlantic Region Conference in Grenada
- Inward delegation of two MPs and one Clerk from the Botswana Parliament attended a parliamentary strengthening programme
- One MP and a Clerk attended a three-day seminar to address Botswana Parliament on the independence of government and the separation of powers, held in Gaborone

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- CPA UK lunchtime lecture: “The impact of devolution on Pakistan’s democracy” attended by 15 Parliamentarians, parliamentary staff, staff of FCO and DFID, and civil society representatives
- One MP and BIMR Secretary attended the 42nd CPA African Region Conference in Kigali, Rwanda

July 2011

- CPA UK and the Houses of Parliament hosted the 57th Commonwealth Parliamentary Conference attended by nearly 600 Commonwealth Parliamentarians
- CPA UK and British High Commission in Islamabad hosted a joint programme for ten MPs and two clerks of the Implementation Commission from the Parliament of Pakistan
- CPA UK lunchtime lecture: “Empowering women as agents of social, economic and political change” for 20 MPs, peers, civil society representatives

August 2011

September 2011

- Meeting of the Policy, Plans and Programme Committee (P3)
- CPA UK and the CPA HQ Secretariat jointly hosted the 4th Commonwealth Youth Parliament attended by 63 Commonwealth Youth Parliamentarians
- Inward visit of eleven Committee Clerks from the Sierra Leone Parliament to attend a capacity building programme.
- Meeting of the FAR Committee

October 2011

- CPA UK and the Westminster Consortium held a joint parliamentary strengthening programme for the Parliament of Mozambique attended by two MPs, one Peer, and a Clerk
- Two MPs attended the 9th Canadian Parliamentary Seminar “*Strengthening Democracy and role of Parliamentarians*” in Ottawa, Canada.
- CPA UK lunchtime lecture: “Famine in the Horn of Africa” for approximately 25 parliamentarians, parliamentary staff and civil society representatives
- CPA UK and the House of Lords held a joint programme on management and administration for the Deputy Speaker of the Ugandan Parliament and eight delegates
- Meeting of the Executive Committee
- Annual General Meeting of CPA UK

November 2011

- Inward delegation of six members of the Climate Change Steering Committee from the Parliament of South Africa for a programme on the role of the committee
- The British Isles and Mediterranean Region sent an election observing mission to the British Virgin Islands, attended by two Westminster MPs and one Member each from Guernsey and the Isle of Man respectively
- Three MPs and a Clerk conducted a parliamentary strengthening programme run jointly with British High Commission in Colombo and in the Maldives Parliament
- CPA UK hosted a week-long International Parliamentary Conference on the Millennium Development Goals “Reaching for 2015; Governance, Accountability and Role of the Parliamentarians” attended by 61 delegates from Commonwealth and non-Commonwealth countries
- One Peer represented the UK Parliament at the 22nd Annual Commonwealth Parliamentary Seminar in New Delhi
- Meeting of the FAR Committee
- Meeting of the P3 Committee
- Meeting of the Executive Committee

December 2011

- Meeting of the P3 Committee
- Meeting of the Executive Committee

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FOR THE YEAR ENDED 31 MARCH 2012**

January 2012

- CPA UK supported by the British High Commission in Dar es Salaam, hosted an inward delegation of eleven women MPs from Tanzania on a capacity building programme
- Three women parliamentarians, one Peer and two MPs including Deputy Speaker Dawn Primorolo MP participated in a two-day seminar in Naivasha, Kenya, with members of the Kenya Women Parliamentary Association
- CPA UK hosted a multilateral capacity building programme for Whips from the Parliaments of Kenya and Ghana
- New Year Event in CPA Room

February 2012

- CPA UK and the Westminster Consortium held a joint programme for a delegation of three newly elected committee Members and one Clerk from the Ugandan Parliament's Committee on Rules, Privileges and Discipline
- CPA UK lunchtime lecture: "Securing women's land rights in southern and east Africa" attended by 20 parliamentarians, parliamentary staff and civil society representatives
- Inward visit for ten newly elected Members from the Isle of Man Tynwald for a three-day programme on the Westminster Parliamentary System
- CPA UK lunchtime lecture: "Ethics and good governance, Commonwealth Parliaments" power to curb corruption and fraud attended by 20 parliamentarians, parliamentary staff and civil society representatives
- Meeting of the P3 Committee
- Meeting of the Executive Committee

March 2012

- Week-long 61st Westminster Seminar on Parliamentary Practice & Procedures for 55 Commonwealth and non-Commonwealth parliamentarians
- The 2nd Westminster Workshop: The Public Accounts Committee attended by 61 delegates, some of whom attended the Westminster Seminar on Parliamentary Practice & Procedure
- CPA UK and British High Commission Bandar Seri Begawan organised a joint, week-long outward delegation of one MP and one peer to the Brunei Legislative Council to mark the Diamond Jubilee Commonwealth Day
- CPA UK Diamond Jubilee reception for the Diplomatic Corps after Parliament's Loyal Addresses to HM the Queen
- Inward visit of nine MPs from Ghana Parliament on a climate change focused capacity building programme
- Inward visit of four MPs from the Canadian Parliament on a parliamentary diplomacy programme on trade issues
- Meeting of the FAR Committee

57TH COMMONWEALTH PARLIAMENTARY CONFERENCE 21-27 JULY 2011 (CPC 2011)

CPA UK and the Houses of Parliament hosted the 57th CPC (CPC 2011) in London. CPC 2011 included the General Assembly, the 31st Small Branches Conference, Executive Committee meetings and the meeting of the Commonwealth Women Parliamentarians. On Monday 25 July HRH the Princess Royal opened the 57th CPC in Westminster Hall, which also marked the 100th anniversary of the founding of the original Association at Westminster on 18 July 1911.

The CPC 2011 project was CPA UK's biggest output in the accounting period. It was an outstanding success, delivered by a joint CPA UK / Houses of Parliament project team together with contributions from many British parliamentarians.

FINANCIAL REVIEW

CPA UK expected an annual grant-in-aid payment of £1,948,000 from the Houses of Parliament (70% Commons / 30 % Lords). However, in support of the cost savings agenda in the country at large, the Executive Committee approved a 10% reduction in the grant in aid for the financial year ending 31 March 2012 in addition to agreeing to forego the fourth quarter grant-in-aid payment from the financial year ending 31 March 2011. The impact has been a year-end overspend (deficit) of £58,208.

CPC 2011. In year, Parliament contributed £692,241 to CPC 2011 to which CPA UK added a contribution from reserves bringing the total in year amount for CPC 2011 to £752,151.

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FOR THE YEAR ENDED 31 MARCH 2012**

New Reserves Policy. As part of the new March 2012 Financial Memorandum with both Houses of Parliament, the Executive Committee has agreed that no more than one quarter of the annual funding will be retained as reserves at any one time. As at 31 March 2012 CPA UK's reserves stood at £856,819. CPA UK will work in year to reduce those reserves to the correct level.

CPA UK Fellowship Scheme. On 19 April 2000 the Executive Committee designated a stand-alone fund of non-public money, originally raised by sponsorship for the 1986 CPC in London, as the CPA UK Fellowship Scheme. The purpose of the Fellowship Scheme is to assist CPA UK Members to visit Commonwealth countries to study specific topics as approved by the Executive Committee. As at 31 March 2012 the designated Fellowship Scheme funds have been reduced to £115,901 by in-year grants of £20,972 awarded to:

- Three MPs and one peer for a gender inquiry in Bangladesh
- Three MPs for a visit to Nigeria to learn about barriers to achieving universal primary education
- One MP to participate in a joint programme in Sri Lanka with the Royal Commonwealth Society to learn more about conflict resolution

Cash at Bank. Cash at bank at 31 March 2012 includes the £115,901 of non-public money / designated Fellowship Scheme funds.

Cash Balances. Cash balances not required for short term expenditure and for the CPA UK Fellowship Scheme are held in a Business High Interest Account and the Commonwealth Parliamentary Fellowship Fund account respectively with the Royal Bank of Scotland. To spread the risk, £50,000 of the cash balances of CPA UK has been transferred to an account with the Hong Kong & Shanghai Bank.

ASSET COVER FOR FUNDS

Note 16 to the accounts sets out an analysis of the assets attributable to the unrestricted and designated funds. These assets are sufficient to meet with the charity's obligations on a fund-by-fund basis.

PLANS FOR THE FUTURE

CPA UK looks to the future. Following the cancellation of the planned International Relations Directorate in March 2011, in May 2011 CPA UK restructured and reorganised to enable the organisation to deliver its mission and international parliamentary outreach on behalf of Parliament and the wider CPA in a more effective and efficient manner. Five teams were established; an operational & communications team, three regional teams and a finance, HR and administration team. The new structure recognises the importance of effective communications in CPA UK's work and its flexibility enables specialist project teams to be set up to deliver CPA UK's trademark international parliamentary conferences, seminars and workshops whilst continuing to deliver parliamentary strengthening partnership programmes (PSPP) and parliamentary diplomacy.

Parliaments throughout the Commonwealth and around the world look to Westminster for help, advice and guidance. CPA UK will continue to focus on the extremely important and ever-growing demand driven work of parliamentary strengthening with more PSPPs. To achieve the successful delivery of parliamentary strengthening, CPA UK recognises the need for Parliament's international outreach work to be coordinated and will continue to work with others to ensure intra-Parliament coordination and communication.

In November 2012 CPA UK will partner with BG IPU to deliver the annual International Parliamentary Conference which this year will address Gender and Politics; in December 2012 CPA UK, together with the CPA HQ Secretariat will deliver the 5th Commonwealth Youth Parliament, and in March 2013 CPA UK will deliver the 62nd benchmark Westminster Seminar on Parliamentary Practice & Procedure followed directly by the 3rd of the Westminster Workshop Series.

CPA UK will seek to deliver more for less or the same by leveraging funding from government departments, the Commonwealth Secretariat and other international organisations. Long-term (2-5 year) PSPP with evolving and new parliamentary democracies and other partners are underway. Their successful delivery depends on the involvement of Westminster Members, Peers, Clerks and officials.

CPA UK's work is extremely important for parliamentary democracy, is of great relevance to Members of both Houses and

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contributes to the soft power of the UK. By building on the success of its programmes and enhancing its communications in Parliament and beyond, CPA UK will seek to involve a greater number of Members and Peers.

PUBLIC BENEFIT STATEMENT

The trustees have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission.

DISCLOSURE OF INFORMATION TO AUDITORS

The members of the Executive Committee have confirmed in their letter of representation that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. The members have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

AUDITORS

HW Fisher & Company remain the appointed auditors to the Company and in accordance with Section 485 of the Companies Act 2006 a resolution proposing that they be re-appointed will be put to the members at the next Annual General Meeting of CPA UK on 27 June 2012.

On behalf of the members of Executive Committee of CPA UK;

K J Barron

Rt Hon. Kevin Barron MP
Honorary Treasurer

Dated: *25 June 2012*

**COMMONWEALTH PARLIAMENTARY ASSOCIATION (UNITED
KINGDOM BRANCH)
(A COMPANY LIMITED BY GUARANTEE AND A REGISTERED
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STATEMENT OF THE EXECUTIVE COMMITTEE'S RESPONSIBILITIES**

The Executive Committee Members, who are also the directors of Commonwealth Parliamentary Association (United Kingdom Branch) for the purpose of company law, are responsible for preparing the The Executive Committee's Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Executive Committee Members to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Executive Committee Members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Executive Committee Members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. 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.

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**STATEMENT ON INTERNAL CONTROL
FOR THE YEAR ENDED 31 MARCH 2012**

SCOPE OF RESPONSIBILITY

As members of the Executive Committee, trustees of the charity and directors of the company we have responsibility for ensuring that the uses to which the Branch puts funds received from the grant-in-aid are consistent with the purpose for which the grant-in-aid was given and comply with any conditions attaching to them, including the provisions of the Financial Memorandum. In addition we are responsible for signing the accounts and ensuring that the relevant records are adequately maintained.

GOVERNANCE ARRANGEMENTS

CPA UK's governance arrangements are set out in three principal documents: the Memorandum and Articles of Association of the Commonwealth Parliamentary Association (United Kingdom Branch); the Financial Memorandum of the Commonwealth Parliamentary Association (United Kingdom Branch), and the Rules of the Commonwealth Parliamentary Association (United Kingdom Branch) (CPA UK). The Annual General Meeting of 16 May 1973 formally adopted CPA UK's present Rules, subject to minor amendments endorsed by the Annual General Meetings held in 1974, 1976, 1978, 1979, 1981, 1982, 1987, 1989, 1990, 1991, 2005, 2006, 2008, 2009 and 2010.

The Rules of CPA UK provide for its management to be vested in an Executive Committee. The powers of the Committee include:

- The determination of CPA UK's strategy, business plan and annual programme of activity
- The election of a Finance, Audit & Remuneration Committee
- Employing a Secretariat comprising permanent, fixed term contract and seconded members of staff, of whom two job-share, headed by the Secretary (CEO and Director of Commonwealth & International Relations), who is answerable to the Executive Committee for the running of the day-to-day affairs of CPA UK
- Appointing a Chair and Honorary Treasurer from amongst its members
- The nomination of delegates to participate in delegations
- The promotion of membership of CPA UK
- Signing the accounts

The Secretary who is appointed by the Executive Committee advises the Executive Committee on all aspects of the operation of the affairs of CPA UK. In particular the Secretary is to:

- Ensure that all resources are used economically, efficiently and effectively
- Ensure that appropriate personnel management policies are observed
- Ensure that adequate internal expenditure controls are maintained
- Seek to ensure that financial considerations are taken into account at all stages by the Executive Committee in framing and reaching decisions
- Make appropriate written representation to the Chair if instructions are received which might be regarded as conflicting with these duties
- Maintain accurate records relating to the accounts
- Satisfy her/himself that the audited accounts may be laid before Finance, Audit & Remuneration Committee for its subsequent recommendation for approval by the Executive Committee

The Rules of CPA UK provide for an Annual General Meeting to be held in each year on such a date as the Executive Committee shall direct. The Rules also allow for the Executive Committee to call a Special General Meeting to consider and determine any matter of interest or importance that may arise.

The relationship of CPA UK with its funding Sponsor (the House of Commons Commission (70%) and the House of Lords House Committee (30%)) is embodied in a Financial Memorandum. The Memorandum sets out the respective

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**STATEMENT ON INTERNAL CONTROL
FOR THE YEAR ENDED 31 MARCH 2012**

responsibilities of the Sponsor and CPA UK with regard to propriety, financial management and the safeguarding of public funds.

Copies of the accounts are submitted to the Sponsor, the Charity Commission and Companies House.

GOVERNANCE ACTIVITIES 1 APRIL 2011 – 31 MARCH 2012

The Finance, Audit & Remuneration Committee met four times and the Executive Committee met six times to consider and discuss matters arising from the day-to-day running of CPA UK, especially the programme of activities, personnel matters and financial issues. Amongst other things, the Finance, Audit & Remuneration Committee examined: the Financial Memorandum, applications for the CPA UK Fellowship Scheme, the audited Accounts for the financial year ending 31 March 2011, the forecast budgets for 2011/12 up to 2012/15 and the budget for the Commonwealth Parliamentary Conference in July 2011 to be facilitated on behalf of Parliament by CPA UK. The Executive Committee examined CPA UK's strategy and policy, risk documentation, the forecast programme of activities, including activities to strengthen parliamentary democracy, and funding for the Commonwealth Parliamentary Conference in July 2011. The Annual General Meeting was held on Wednesday 19 October 2011.

CAPACITY TO HANDLE RISK AND THE RISK AND CONTROL FRAMEWORK

Risk documents have been created to identify the risks relevant to CPA UK, assess the likelihood of those risks occurring and state the action taken to minimise them. The documents have been approved by the Executive Committee.

EFFECTIVENESS OF INTERNAL CONTROL

Internal Financial Control Procedures are laid down in an Annex to the Houses of Parliament's Financial Memorandum with CPA UK. The system is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve the policies, aims and objectives of CPA UK. In doing this, it can only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks for the achievement of the agreed objectives and activities of CPA UK, to consider the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically.

As laid down in the Houses of Parliament's Financial Memorandum, internal audits may take place at the request of the Sponsor. The internal audit work conducted in December 2010 was satisfactory and certified with substantial assurance.

CPA UK reviews its compliance with the Charity Commission's "Internal Financial Controls Self Help Check-list for Charities" each year.

EXTERNAL AUDIT

CPA UK is subject to audit by independent external auditors. During 2007 the external audit of CPA UK was put out to competitive tender, following which CPA UK's previous independent external auditors, H W Fisher & Company, were appointed on the basis of a new Letter of Engagement, subject to annual review. The external auditors carry out the audit in accordance with International Standards of Auditing and each year report the results of their work to the Finance, Audit & Remuneration Committee and Executive Committee.

Rt Hon. Sir Alan Haselhurst MP
Chairman

Rt Hon. Kevin Barron MP
Honorary Treasurer

Dated: 25-6-12

**COMMONWEALTH PARLIAMENTARY ASSOCIATION (UNITED KINGDOM BRANCH)
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INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF COMMONWEALTH PARLIAMENTARY ASSOCIATION
(UNITED KINGDOM BRANCH)**

We have audited the accounts of Commonwealth Parliamentary Association (United Kingdom Branch) for the year ended 31 March 2012 set out on pages 12 to 22. These accounts have been prepared in accordance with the accounting policies set out on pages 14 to 15.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Executive Committee Members and auditors

As described on page 7, the Executive Committee Members, who are also the directors of Commonwealth Parliamentary Association (United Kingdom Branch) for the purposes of company law, are responsible for preparing the The Executive Committee's Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the accounts give a true and fair view.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the The Executive Committee's Report is consistent with those accounts.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's accounts are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Executive Committee's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Scope of the audit of the accounts

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Executive Committee Members in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

**TO THE MEMBERS OF COMMONWEALTH PARLIAMENTARY ASSOCIATION
(UNITED KINGDOM BRANCH)**

Opinion on accounts

In our opinion:

- the accounts give a true and fair view of the state of the charity's affairs as at 31 March 2012, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the accounts have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the accounts have been prepared in accordance with the Companies Act 2006; and

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the The Executive Committee's Report for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of the Executive Committee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Sailesh Mehta (Senior Statutory Auditor)
for and on behalf of H W Fisher & Company

Chartered Accountants

Statutory Auditor

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

Dated: 29 June 2012

COMMONWEALTH PARLIAMENTARY ASSOCIATION (UNITED KINGDOM BRANCH)
(A COMPANY LIMITED BY GUARANTEE AND A REGISTERED CHARITY)

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2012

	Notes	Unrestricted funds £	Designated funds £	Total 2012 £	Total 2011 £
<u>Incoming resources from generated funds</u>					
Investment income	2	1,575	-	1,575	3,059
Incoming resources from charitable activities	3	2,134,709	-	2,134,709	1,988,304
Total incoming resources		2,136,284	-	2,136,284	1,991,363
<u>Resources expended</u>					
Charitable activities					
Fellowship Scheme - 3 (2011: 6) grants awarded		-	20,972	20,972	40,902
Mainstream programme activities		1,095,910	-	1,095,910	1,522,283
Governance & strengthening parliamentary democracy		329,523	-	329,523	441,980
Commonwealth Parliamentary Conference 2011		752,151	-	752,151	-
Total charitable expenditure		2,177,584	20,972	2,198,556	2,005,165
Governance costs		13,320	-	13,320	11,220
Total resources expended		2,190,904	20,972	2,211,876	2,016,385
Net outgoing resources before transfers		(54,620)	(20,972)	(75,592)	(25,022)
Gross transfers between funds	11	(3,588)	3,588	-	-
Net expenditure for the year/ Net movement in funds		(58,208)	(17,384)	(75,592)	(25,022)
Fund balances at 1 April 2011		915,027	133,285	1,048,312	1,073,334
Fund balances at 31 March 2012		856,819	115,901	972,720	1,048,312

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**COMMONWEALTH PARLIAMENTARY ASSOCIATION (UNITED
KINGDOM BRANCH)
(A COMPANY LIMITED BY GUARANTEE AND A REGISTERED
CHARITY)
BALANCE SHEET**

AS AT 31 MARCH 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	12		9,427		15,268
Current assets					
Stocks		3,732		4,365	
Debtors	13	184,698		528,990	
Cash at bank and in hand		1,010,825		740,524	
		<u>1,199,255</u>		<u>1,273,879</u>	
Creditors: amounts falling due within one year	14	<u>(235,962)</u>		<u>(240,835)</u>	
Net current assets			<u>963,293</u>		<u>1,033,044</u>
Total assets less current liabilities			<u>972,720</u>		<u>1,048,312</u>
Income funds					
Designated funds - Fellowship Fund	16		115,901		133,285
Unrestricted funds			856,819		915,027
			<u>972,720</u>		<u>1,048,312</u>

The accounts were approved by the Executive Committee on

KJ Barron

Rt Hon. Kevin Barron MP
Honorary Treasurer

COMMONWEALTH PARLIAMENTARY ASSOCIATION (UNITED KINGDOM BRANCH)
(A COMPANY LIMITED BY GUARANTEE AND A REGISTERED CHARITY)
NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006.

Grant-in-aid of a revenue nature is credited as income in the year to which it relates. Where the grant received relates to a specific project, this is shown as restricted income.

Membership fees were abolished at a previous AGM of the charity. Membership is now granted by completion of an application form and therefore no fees are chargeable.

1.2 Resources expended

Support costs have been allocated to charitable activities on the basis of staff time (see note 7).

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Resources expended are accounted for on an accruals basis.

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Franking equipment	8 years straight line
Other office equipment	4 years straight line

1.4 Stock

A stock of professional items is held on a non-profit making basis. These items are stated at the lower of cost and net realisable value.

1.5 Pensions

In 2010/11 all permanent employees (including the three previously serving members of the Defined Benefit scheme) contributed to the Principal Civil Service Pension Scheme at a rate of 3.5% of pensionable salary. The CPA UK Branch contributed between 16.8% and 24.3% of employees salaries to the Principal Civil Service Pension Scheme in 2011/12 (amount dependent on salary bandings).

There are no service costs.

COMMONWEALTH PARLIAMENTARY ASSOCIATION (UNITED KINGDOM BRANCH)

(A COMPANY LIMITED BY GUARANTEE AND A REGISTERED CHARITY)

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

1.6 Designated funds

Designated funds comprise funds which have been set aside at the discretion of the Executive Committee Members for a specific purpose. The purpose and use of the designated funds is set out in note 16 to the accounts.

2 Investment income

	2012 £	2011 £
Interest receivable	1,575	3,059

3 Incoming resources from charitable activities

	2012 £	2011 £
Commonwealth Parliamentary Conference 2011	692,241	-
House of Commons Grant in Aid	776,699	1,295,420
House of Lords Grant in Aid	499,000	555,180
Other direct income	166,769	137,704
	<u>2,134,709</u>	<u>1,988,304</u>

Other direct income comprises the following:

	2012 £	2011 £
Reimbursements for travel and accommodation *	39,448	7,415
Observers' fees	674	18,998
CPA Secretariat contributions	51,842	-
Travel refunds reclaimed (CPA UK reclaim from CPA Headquarters) **	40,926	1,373
UK Branch subscriptions from members	350	-
Reimbursement of staff seconded to the House of Commons	32,906	109,918
Reimbursement of staff seconded to House of Lords	623	-
	<u>166,769</u>	<u>137,704</u>

* Accommodation payments are now paid directly by some delegates.

** See note 5

COMMONWEALTH PARLIAMENTARY ASSOCIATION (UNITED KINGDOM BRANCH)
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NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

4 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Grant funding £	Total 2012 £	Total 2011 £
Charitable activities						
<u>Fellowship Scheme - 3 (2011: 6) grants awarded</u>						
Grant funding of activities	-	-	-	20,972	20,972	40,902
<u>Mainstream programme activities</u>						
Activities undertaken directly	330,538	4,089	588,533	-	923,160	1,305,788
Support costs	141,660	-	31,090	-	172,750	216,495
Total	472,198	4,089	619,623	-	1,095,910	1,522,283
<u>Governance & strengthening parliamentary democracy</u>						
Activities undertaken directly	141,659	1,752	112,076	-	255,487	349,199
Support costs	60,712	-	13,324	-	74,036	92,781
Total	202,371	1,752	125,400	-	329,523	441,980
<u>Commonwealth Parliamentary Conference 2011</u>						
Activities undertaken directly	31,638	-	720,513	-	752,151	-
	706,207	5,841	1,465,536	20,972	2,198,556	2,005,165
Governance costs	-	-	13,320	-	13,320	11,220
	706,207	5,841	1,478,856	20,972	2,211,876	2,016,385

The CPA UK Branch does not pay rent for its accommodation.

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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2012

5 Activities undertaken directly

	2012	2011
	£	£
Other costs relating to mainstream programme activities comprise:		
Subscription to CPA International Secretariat	178,135	175,760
Conferences and seminars	272,252	609,731
Inward Delegations (11 inward delegations (2011: 9))	79,819	80,730
CPA Chairperson Support Costs*	58,327	-
	<u>588,533</u>	<u>866,221</u>

* See note 3

Other costs relating to governance & strengthening parliamentary democracy comprise:

Outward & Strengthening Parliamentary Delegations	112,076	160,811
	<u>112,076</u>	<u>160,811</u>

During the year there were 11 outward delegations. (2011: 9 outward delegations).

6 Fellowship scheme

	2012	2011
	£	£
Fellowship Scheme - 3 (2011: 6) grants awarded	<u>20,972</u>	<u>40,902</u>

In the year ended 31 March 2012 8 members received Fellowship Scheme Grant from the Fellowship Scheme Fund for three projects, which is held within designated funds. These grants were awarded to Virendra Sharma MP, Lord Tariq Ahmad, Mary Macleod MP and Deborah Abrahams MP [Bangladesh on Debt, Aid and Trade (July 2011)], Mr Mark Williams MP, Helen Grant MP and Mr Bob Blackman [Nigeria (February 2012)] and Mr James Wharton MP [Sri Lanka (March 2012)].

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NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

7 Support costs

	Mainstream programme activities £	Governance & strengthening parliamentary democracy £	Total 2012 £	Total 2011 £
Office running costs	31,090	13,324	44,414	42,454
Staff costs	141,660	60,712	202,372	266,822
	172,750	74,036	246,786	309,276

For an explanation of the basis of allocating support costs please refer to note 1.2

The staff costs of £202,372 form part of the total Employment costs at note 10.

8 Governance costs

	2012 £	2011 £
Other governance costs comprise:		
Auditor's other services	6,120	4,170
Auditor's remuneration	7,200	7,050
	13,320	11,220

Governance costs include fees of £7,200 (2011: £7,050) payable to the auditor for the audit of the charity's annual-accounts.

9 Executive Committee Members

The members of the Executive Committee are the trustees of the charity. None of the Executive Committee Members (or any persons connected with them) received any remuneration during the year.

In the furtherance of the Association's charitable objectives, the Association sends Executive Committee Members, in their capacity as members of the Association, to parliamentary conferences and meetings in Commonwealth countries. There is an obligation under charity law to declare trustees' expenditure. The travel and subsistence costs of these members are included within direct charitable expenditure. Within this amount 5 out of the 27 members visiting other CPA branches were Executive Committee Members and the associated cost was £15,270 out of £70,934 expended on outward delegations.

No member of the Executive Committee received a Fellowship Scheme Grant during the year.

The costs of the trustees' attendance at trustees' meetings are not reimbursed.

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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2012

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2012 Number	2011 Number
Operations	10	10
Administration and support - permanent staff	2	2
	<u>12</u>	<u>12</u>

Employment costs

	2012 £	2011 £
Wages and salaries	541,275	701,132
Social security costs	47,224	63,164
Other pension costs	117,708	125,117
	<u>706,207</u>	<u>889,413</u>

As in the previous period, temporary members of staff were recruited to the project team for each one of the conferences and seminars during the year. The costs for each member of temporary staff fell within the costs of the specific project. There are nine permanent staff positions, one of which is a job share, therefore there are ten permanent employees.

The number of employees whose annual emoluments were £60,000 or more were:

	2012 Number	2011 Number
£60,000 - £69,999	-	1
£90,000 - £99,999	1	1
	<u>1</u>	<u>1</u>

The staff member whose annual emoluments were £90,000 or more received £21,972 in contributions to their Principal Civil Service Pension Scheme.

The decrease in employment costs is due to the one-off Voluntary Exit Scheme.

11 Transfers

The transfer of £3,588 adjusts the Fellowship Fund balance to agree to the bank balance.

COMMONWEALTH PARLIAMENTARY ASSOCIATION (UNITED KINGDOM BRANCH)

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NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

12 Tangible fixed assets

	Franking equipment	Other office equipment	Total
	£	£	£
Cost			
At 1 April 2011	5,521	39,359	44,880
Disposals	-	(235)	(235)
At 31 March 2012	5,521	39,124	44,645
Depreciation			
At 1 April 2011	5,521	24,091	29,612
On disposals	-	(235)	(235)
Charge for the year	-	5,841	5,841
At 31 March 2012	5,521	29,697	35,218
Net book value			
At 31 March 2012	-	9,427	9,427
At 31 March 2011	-	15,268	15,268

13 Debtors

	2012	2011
	£	£
Other debtors	2,488	2,948
Prepayments and accrued income	182,210	526,042
	184,698	528,990

The decrease in prepayments and accrued income is due to a large amount of accrued income in 2011. The accrued income of £389,601 was for the 2011 final quarter income due from the House of Commons. This was due in January, however both the Commonwealth Parliamentary Association and the House of Commons agreed to defer this transaction to April 2011. The reason for the deferral was to cover expenses in respect of Commonwealth Parliamentary Conference, which was held in July 2011. In April however, the Commonwealth Parliamentary Association had a large cash balance and it was agreed between both parties that this transaction not take place; this has been reflected against Grant in Aid income.

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NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

14 Creditors: amounts falling due within one year	2012	2011
	£	£
Taxes and social security costs	17,566	41,830
Other creditors	178,580	111,712
Accruals	39,816	87,293
	<u>235,962</u>	<u>240,835</u>

The increase in other creditors is due to the timing of the year end.

The decrease in the taxes and social security creditor is in line with the decrease in employment costs due to the end of the Voluntary Exit Scheme in 2011.

15 Pension and other post-retirement benefit commitments
Defined contribution

	2012	2011
	£	£
Contributions payable by the Association for the year	117,708	125,117

16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				Balance at 31 March 2012
	Balance at 1 April 2011	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Fellowship Scheme Fund	133,285	-	(20,972)	3,588	115,901
	<u>133,285</u>	<u>-</u>	<u>(20,972)</u>	<u>3,588</u>	<u>115,901</u>

Fellowship Scheme Fund: This fund is to help members carry out projects or make studies in Commonwealth countries. During the year no member from the branch received a grant from the fund. See note 6 for details.

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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2012

17 **Analysis of net assets between funds**

	Unrestricted funds	Designated funds	Total
	£	£	£
Fund balances at 31 March 2012 are represented by:			
Tangible fixed assets	9,427	-	9,427
Current assets	1,083,354	115,901	1,199,255
Creditors: amounts falling due within one year	(235,962)	-	(235,962)
	<u>856,819</u>	<u>115,901</u>	<u>972,720</u>

Total current assets comprise stocks, debtors and cash at bank and in hand, of which £115,901 of cash at bank relates to the Fellowship Scheme.