

The Conservative Party Foundation Limited  
(a company limited by guarantee)

Report and Financial Statements

Year Ended

31 December 2018

Company Number 5289086

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# **The Conservative Party Foundation Limited**

## **Report and financial statements for the year ended 31 December 2018**

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### **Directors**

M A Spencer Esq., Chairman  
M J C Bamford Esq.  
Sir David Ord  
The Lord Saatchi  
The Lord Chadlington  
The Lord Farmer  
The Baroness Finn  
The Rt Hon Brandon Lewis MP  
The Lord Feldman

### **Secretary**

T&H Secretarial Services Limited

### **Registered office**

4 Matthew Parker Street  
London  
SW1H 9HQ

### **Company number**

05289086

### **Auditors**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

# **The Conservative Party Foundation Limited**

## **Directors' report for the year ended 31 December 2018**

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The Board present their report together with the audited financial statements for the year ended 31 December 2018.

### **Results**

The statement of comprehensive income is set out on page 6 and shows the profit for the year.

The company's Memorandum and Articles of Association do not allow a payment of a dividend.

### **Principal activities and trading review**

The Foundation was established to safeguard the Conservative Party's finances over the long term.

Profit for the year was £595,955 (2017: £1,268,773) and accumulated reserves increased to £3,654,379 (2017: £3,058,424).

### **Directors**

The directors of the company during the year and to the date of this report were:

M A Spencer Esq., Chairman  
The Lord Fink (resigned 15 Jun 2018)  
M J C Bamford Esq.  
Sir David Ord  
The Lord Saatchi  
The Lord Chadlington  
The Lord Farmer  
The Baroness Finn (appointed 7 Feb 2018)  
The Rt Hon Brandon Lewis (appointed 7 Feb 2018)  
The Lord Feldman (appointed 24 Oct 2018)  
The Rt Hon Sir Patrick McLoughlin MP (resigned 29 Jan 2018)

### **Interest of directors**

The Foundation is a company limited by guarantee and does not have a share capital. The directors have no interest in the surplus or assets of the Foundation.

### **Going concern**

The purpose of the Conservative Party Foundation Limited is to raise and manage legacy funds to support the long term finance of the Conservative Party. The groundwork has been laid over the past few years for this to be achieved and we consider the Foundation to have a positive future ahead.

Accordingly, the financial statements have been prepared on a going concern basis.

# The Conservative Party Foundation Limited

## Directors' report for the year ended 31 December 2018 (*continued*)

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### Directors' responsibilities

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this report the Directors have taken advantage of the small companies exemptions in the Companies Act 2006.

On behalf of the Board



M A Spencer Esq.  
Director

Date 15/05/19

# **The Conservative Party Foundation Limited**

## **Independent auditor's report**

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### **TO THE MEMBERS OF THE CONSERVATIVE PARTY FOUNDATION LIMITED**

#### **Opinion**

We have audited the financial statements of The Conservative Party Foundation Limited ("the Company") for the year ended 31 December 2018 which comprise the statement of comprehensive income and retained earnings, the statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit 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 Companies Act 2006.

#### **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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

# **The Conservative Party Foundation Limited**

## **Independent auditor's report (*continued*)**

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### **Other information**

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

In connection with our audit of the 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

We have nothing to report in respect of the following matters in relation to which 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

# The Conservative Party Foundation Limited

## Independent auditor's report (*continued*)

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### Responsibilities of Directors

As explained more fully in the Directors' report, the Directors 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 Directors 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 Directors are responsible for assessing the Company'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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://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 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 Company's members 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicholas Carter-Pegg (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

Date

16/5/19

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# The Conservative Party Foundation Limited

## Statement of comprehensive income and retained earnings for the year ended 31 December 2018

	Note	2018 £	2017 £
<b>Income</b>		<b>935,816</b>	1,698,851
Administrative expenses		(263,675)	(388,398)
Losses on remeasurement to fair value	5	(95,366)	(51,806)
<b>Operating profit</b>	2	<b>576,775</b>	1,258,647
Interest receivable		2,364	852
<b>Profit from ordinary activities before taxation</b>		<b>579,139</b>	1,259,499
Taxation from profit from ordinary activities	3	16,816	9,274
<b>Profit from ordinary activities after taxation</b>		<b>595,955</b>	1,268,773
Accumulated reserves at the beginning of the reporting period		3,058,424	1,789,651
Accumulated reserves at the end of the reporting period		<b>3,654,379</b>	3,058,424

All amounts relate to continuing activities.

There are no recognised gains or losses for the year, other than the profit.

The notes on pages 8 to 12 form part of these financial statements.

# The Conservative Party Foundation Limited

## Statement of financial position as at 31 December 2018

<i>Company number 5289086</i>	Note	2018 £	2018 £	2017 £	2017 £
<b>Current assets</b>					
Debtors		-		-	
Prepayments		1,550		1,476	
Current asset investments	5	2,390,142		1,485,508	
Cash at bank and in hand		1,273,308		1,599,768	
		<u>3,665,000</u>		<u>3,086,752</u>	
<b>Creditors: amounts falling due within one year</b>	6	(10,621)		(28,328)	
<b>Net current assets</b>			<u>3,654,379</u>		<u>3,058,424</u>
<b>Net assets</b>			<u>3,654,379</u>		<u>3,058,424</u>
<b>Reserves</b>					
Members' equity funds:					
Accumulated reserves			<u>3,654,379</u>		<u>3,058,424</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 15/5/19

M A Spencer Esq.  
Director

The notes on pages 8 to 12 form part of these financial statements.

# The Conservative Party Foundation Limited

## Notes forming part of the financial statements for the year ended 31 December 2018

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### 1 Accounting policies

The Conservative Party Foundation Limited is a private company limited by guarantee, incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the directors report. The financial statements have been prepared in accordance with FRS 102 Section 1A Small Entities, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 Section 1A Small Entities requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

The financial statements have been prepared under the historical cost convention except for current asset investments recognised at fair value through profit or loss.

The following principal accounting policies have been applied:

#### *Income*

Donation income is recognised when cash is received or becomes receivable under a legal or constructive obligation. Income from legacies is only recognised when received, unless the personal representatives give notification that the legacy is receivable before the year end and the payment is received after the year end. Interest on investments and bank interest are recognised on the accruals basis.

#### *Expenditure*

Expenditure is recognised in the year in which it is incurred and amounts payable at the year-end are recorded as creditors. Advertising expenditure is charged to the income statement as and when advertising is placed.

#### *Current asset investments*

All current asset investments are shares held in funds which are valued on a regular basis. Investments have been classified as current asset investments and are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

#### *Financial instruments*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

#### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that: the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

# The Conservative Party Foundation Limited

Notes forming part of the financial statements  
for the year ended 31 December 2018 (*continued*)

## 2 Operating profit

	2018 £	2017 £
This has been arrived at after charging:		
Auditor's remuneration - audit services	2,700	2,440
Auditor's remuneration - other services relating to taxation	2,046	1,860
	<u>          </u>	<u>          </u>

## 3 Taxation

	2018 £	2017 £
<i>Current tax</i>		
Corporation tax on profits of the year	-	-
<i>Deferred tax</i>		
Origination and reversal of timing differences (note 7)	(16,816)	(9,274)
	<u>          </u>	<u>          </u>
Taxation on profit on ordinary activities	(16,816)	(9,274)
	<u>          </u>	<u>          </u>
Factors affecting to tax charge for the year:		
Profit on ordinary activities before taxation	579,140	1,259,499
	<u>          </u>	<u>          </u>
Profit on ordinary activities before taxation multiplied by standard rate of UK Corporation tax at 19% (2017 – 19.25%)	110,036	239,305
Effects of:		
Expenses not deductible for Corporation Tax	68,218	83,639
Income not taxable	(178,254)	(322,944)
Origination and reversal of timing differences	(16,816)	(9,274)
	<u>          </u>	<u>          </u>
Total tax charge for the period	(16,816)	(9,274)
	<u>          </u>	<u>          </u>

# The Conservative Party Foundation Limited

## Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

### 4 Employees

	2018 £	2017 £
Staff costs consist of:		
Wages and salaries	78,068	68,193
Social security costs	8,894	7,442
	<u>86,962</u>	<u>75,635</u>

The average number of employees (excluding directors) during the year was 2 (2017 - 2).

No director received any remuneration during either the current or previous year.

### 5 Current asset investments

	2018 £	2017 £
Opening fair value	1,485,508	1,287,314
Purchases	1,000,000	250,000
(Losses) /gains on remeasurement to fair value	(95,366)	(51,806)
	<u>2,390,142</u>	<u>1,485,508</u>

All current asset investments are shares held in funds which are valued on a regular basis. The total loss recognised on these investments in the period was £95,366 (2017 – loss £51,806), representing the fair value remeasurements shown above.

### 6 Creditors: amounts falling due within one year

	2018 £	2017 £
Accruals	8,556	8,349
Social security creditors	2,065	3,163
Deferred tax (note 8)	-	16,816
	<u>10,621</u>	<u>28,328</u>

# The Conservative Party Foundation Limited

Notes forming part of the financial statements  
for the year ended 31 December 2018 (*continued*)

## 7 Deferred taxation

		Deferred taxation £
At 1 January 2018		(16,816)
Charged to profit and loss account (note 3)		16,816
		<hr/>
At 31 December 2018		-
		<hr/>
	2018 £	2017 £
Remeasurement of current asset investment	-	(16,816)
	<hr/>	<hr/>
Deferred tax liability	-	(16,816)
	<hr/>	<hr/>

## 8 Members' liability

The members of the company are the subscribing members of the Foundation at any one time, and their liability, in the event of the winding-up of the Foundation, is limited to £1 per member.

## 9 Contingent liability

The company can receive potential claims in relation to legacy donations. Whilst there are still some matters that are yet to be finalised, the directors do not believe there are material claims outstanding and accordingly no provisions for claims have been made within these financial statements.

# The Conservative Party Foundation Limited

## Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

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### 10 Related party transactions

During the year, there were no legacies transferred from the Conservative Central Office to the Foundation. A total of £114,720 (2017 - £284,110) was paid to the Conservative Central Office in respect of bursaries given and expenses incurred.

The Board of The Conservative Party Foundation has determined that, under FRS 102 related parties to the Foundation include its Chairman, M A Spencer Esq and any person who has at any time during the year been a Member or a Board Director of the Foundation.

Under FRS 102, transactions and balances with these related parties or with certain connected persons must be disclosed. Details of such transactions and balances (except where nil) for the year ended 31 December 2018 are provided below:

- a) The following transaction was made during the year by IPGL Limited a company in which M A Spencer Esq has an interest:

Donation in Kind £7,449 (2017 - £7,120)

### 11 Control

The Conservative Party Foundation is a quasi-subsiidiary of Conservative Central Office, registered address 4 Matthew Parker Street, London, SW1H 9HQ, and its results are incorporated in the consolidated financial statements of that entity. Quasi-subsiidiaries are entities which are not legally owned by the Conservative Central Office but over which it has certain control and beneficial ownership.

The leader of the Conservative Party is considered to be a person of significant control due to the right to appoint or remove nominated directors of the board, whose aggregate number shall always comprise a majority of one. When appointing nominated directors of the company, the leader shall consult with the existing members of the Board.