

**The Conservative Party Foundation
Limited**

(a company limited by guarantee)

Report and Financial Statements

Year Ended

31 December 2021

Company Number 5289086

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The Conservative Party Foundation Limited

Report and financial statements for the year ended 31 December 2021

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Directors

The Lord Spencer, Chairman
M J C Bamford Esq.
Sir David Ord
The Lord Chadlington
The Lord Farmer
The Baroness Finn
The Lord Feldman
Darren Mott OBE

Secretary

T&H Secretarial Services Limited

Registered office

4 Matthew Parker Street
London
SW1H 9HQ

Company number

05289086

Auditors

CLA Evelyn Partners Limited
Portwall Place, Portwall Lane
Bristol
BS1 6NA

The Conservative Party Foundation Limited

Directors' report for the year ended 31 December 2021

The Board present their report together with the audited financial statements for the year ended 31 December 2021.

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 £1,286,138 (2020: £1,326,519) and accumulated reserves increased to £6,457,107 (2020: £5,170,969).

Directors

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

The Lord Spencer, Chairman
M J C Bamford Esq.
Sir David Ord
The Lord Chadlington
The Lord Farmer
The Baroness Finn
The Lord Feldman
Darren Mott OBE

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 2021 (continued)**

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.

The auditors, CLA Evelyn Partners Limited (formerly Nexia Smith & Williamson audit Limited) 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


The Lord Spencer
Director

Date 21-09-2022

The Conservative Party Foundation Limited

Independent auditor's report

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 2021 which comprise the statement of comprehensive income and retained earnings, the statement of financial position and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2021 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

In auditing the financial statements, we have concluded that the directors' 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 company'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Directors' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Directors' report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

The Conservative Party Foundation Limited

Independent auditor's report (continued)

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report or the directors' 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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.

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:

We obtained a general understanding of the company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We also drew on our existing understanding of the company's industry and regulation.

The Conservative Party Foundation Limited

Independent auditor's report (*continued*)

We understand that the group complies with requirements of the framework through:

- Making note of relevant updates and updating internal procedures and controls as necessary as legal and regulatory requirements change; and
- Given the management structure and reporting lines, any litigation or claims would come to the Board's attention and would be considered at Board meetings.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the group's ability to conduct its business and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the group:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the group's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were:

- Manipulation of the financial statements, especially Income through manual journal entries.

These areas were communicated to the other members of the engagement team who were not present at the discussion.

The procedures we carried out to gain evidence in the above areas included;

- Testing of a sample of revenue transactions to underlying documentation;
- Testing of a sample of journal entries, selected through applying specific risk assessments based on the processes and controls surrounding journal entries;
- Challenging management regarding the assumptions used in the estimates identified above, and comparison to post-year-end data and third-party correspondence as appropriate.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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.

CLA Evelyn Partners Limited

Nigel Hardy (Senior Statutory Auditor)
for and on behalf of
CLA Evelyn Partners Limited

Statutory Auditors
Chartered Accountants

Portwall Place
Portwall Lane
Bristol BS1 6NA

Date: 22 September 2022

The Conservative Party Foundation Limited

Statement of comprehensive income and retained earnings for the year ended 31 December 2021

	Note	2021 £	2020 £ (Restated)
Income		1,107,114	1,425,008
Administrative expenses		(212,535)	(311,068)
Investment Income	5	21,111	20,422
Realised gain on Investments	5	42,472	-
Gain on remeasurement to fair value	5	479,577	263,563
Operating profit	2	1,437,739	1,397,925
Interest receivable		11	827
Profit from ordinary activities before taxation		1,437,750	1,398,752
Taxation from profit from ordinary activities	3	(155,629)	(72,233)
Profit from ordinary activities after taxation		1,282,121	1,326,519
Accumulated reserves at the beginning of the reporting period		5,170,969	3,844,450
Accumulated reserves at the end of the reporting period		6,453,090	5,170,969

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

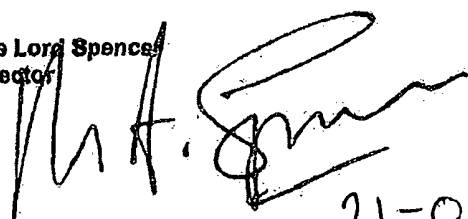
Statement of financial position as at 31 December 2021

<i>Company number 5289086</i>	<i>Note</i>	2021 £	2021 £	2020 £	2020 £
Current assets					
Accrued income		21,383		-	
Prepayments/Debtors		5,027		1,550	
Current asset investments	5	4,598,848		4,070,908	
Cash at bank and in hand		2,126,181		1,248,921	
		<u>6,751,419</u>		<u>5,321,379</u>	
Creditors: amounts falling due within one year	6	(298,329)		(150,410)	
Net current assets			6,453,090		5,170,969
Net assets			6,453,090		5,170,969
Reserves					
Members' equity funds:					
Accumulated reserves			6,453,090		5,170,969

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

The Lord Spencer
Director



21-09-2022

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 2021**

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:

Going Concern

The Directors have prepared the financial statements on a going concern basis as, in their opinion, the company is able to meet its obligations as they fall due. This opinion is based on forecasting for the next 12 months from the signing of these financial statements. It remains the view of the directors that the company has sufficient resources to continue operating for the foreseeable future, which is at least 12 months from the date of approval of these financial statements.

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 2021 (*continued*)

2	Operating profit	2021	2020
		£	£
	This has been arrived at after charging:		
	Auditor's remuneration - audit services	5,000	3,726
	Auditor's remuneration - other services relating to taxation	2,000	2,160
		<hr/>	<hr/>
3	Taxation	2021	2020
		£	£
	<i>Current tax</i>		
	Corporation tax on profits of the year	8,623	157
	<i>Deferred tax</i>		
	Origination and reversal of timing differences (note 7)	165,988	53,957
	Adjustment to prior year timing difference	(18,982)	18,119
		<hr/>	<hr/>
	Taxation on profit on ordinary activities	155,629	72,233
		<hr/>	<hr/>
	Factors affecting to tax charge for the year:		
	Profit on ordinary activities before taxation	1,437,760	1,398,752
		<hr/>	<hr/>
	Profit on ordinary activities before taxation multiplied by standard rate of UK Corporation tax at 19% (2020 – 19%)	273,173	265,763
	Effects of:		
	Expenses not deductible for Corporation Tax	37,499	59,104
	Income not taxable	(205,576)	(324,709)
	Origination and reversal of timing differences	50,533	53,957
	Adjustment to prior year timing difference	-	18,118
		<hr/>	<hr/>
	Total tax charge for the period	(155,629)	72,233
		<hr/>	<hr/>

The Conservative Party Foundation Limited

Notes forming part of the financial statements
for the year ended 31 December 2021 (*continued*)

4 Employees

	2021 £	2020 £
Staff costs consist of:		
Wages and salaries	96,792	103,576
Social security costs	16,943	11,697
	<u>113,735</u>	<u>115,273</u>

The average number of employees (excluding directors) during the year was 2 (2020 - 2).

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

6 Current asset investments

	2021 £	2020 £ (Restated)
Opening fair value	4,070,908	3,786,924
Purchases	-	-
Investment income	21,111	20,422
Realised gain on investments	42,472	-
Portfolio fees	(15,220)	-
Gain on remeasurement to fair value	479,577	263,563
	<u>4,598,848</u>	<u>4,070,908</u>
Market value	<u>4,598,848</u>	<u>4,070,908</u>

All current asset investments are shares held in funds which are valued on a regular basis.

6 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals	8,400	17,348
Social security/Creditors	4,955	3,560
Deferred tax (note 7)	276,361	129,345
Corporation tax payable	8,623	157
	<u>298,329</u>	<u>150,410</u>

The Conservative Party Foundation Limited

Notes forming part of the financial statements
for the year ended 31 December 2021 (continued)

7 Deferred taxation

		Deferred taxation £
At 1 January 2021		(129,345)
Charged to profit and loss account (note 3)		(147,006)
		<u>(276,351)</u>
At 31 December 2021		<u>(276,351)</u>
	2021 £	2020 £
Remeasurement of current asset investment	(276,351)	(129,345)
	<u>(276,351)</u>	<u>(129,345)</u>
Deferred tax liability	(276,351)	(129,345)

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.

The Conservative Party Foundation Limited

**Notes forming part of the financial statements
for the year ended 31 December 2021 (continued)**

9 Related party transactions

During the year, there were no legacies transferred from the Conservative Central Office to the Foundation. A total of £41,364 (2020 - £178,276) was paid to the Conservative Central Office in respect of campaign manager support given including expenses incurred.

The Board of The Conservative Party Foundation has determined that, under FRS 102 related parties to the Foundation include its Chairman, The Lord Spencer 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 2021 are provided below:

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

Donations in Kind £NIL (2020 - £1,169)

10 Control

The Conservative Party Foundation is a quasi-subsidiary 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-subsidiaries 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.

11 Prior year adjustment

The income statement has been restated to show investment income separate from gain on remeasurement to fair value. This has no impact on brought forward reserves.