

Registered number: 05289086

THE CONSERVATIVE PARTY FOUNDATION LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

MONDAY



AC8WXMRF

A04

31/07/2023

#104

COMPANIES HOUSE

THE CONSERVATIVE PARTY FOUNDATION LIMITED
(A Company Limited by Guarantee)

CONTENTS

	Page
Company Information	1
Directors' Report	2 - 3
Independent Auditors' Report	4 - 7
Statement of Income and Retained Earnings	8
Statement of Financial Position	9
Notes to the Financial Statements	10 - 15

THE CONSERVATIVE PARTY FOUNDATION LIMITED
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors	Lord Spencer Mark Bamford Sir David Ord Lord Chadlington (resigned 21 May 2022) Lord Farmer Baroness Finn Lord Feldman Lord Mott OBE Lord Udny-Lister (appointed 26 October 2022) Julia Nonie Bouverat OBE (appointed 26 October 2022)
Company secretary	T&H Secretarial Services Limited
Registered number	05289086
Registered office	4 Matthew Parker Street London SW1H 9HQ
Independent auditors	CLA Evelyn Partners Limited Chartered Accountants & Statutory Auditors Portwall Place Portwall Lane Bristol BS1 6NA

THE CONSERVATIVE PARTY FOUNDATION LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Board present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Principal activity

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

Profit for the year, after tax, was £282,390 (2021 - £1,282,121) and accumulated reserves increased to £6,735,480 (2021 - £6,453,090).

Results

The statement of comprehensive income is set out on page 8 and shows the profit for the year.

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

Directors

The Directors who served during the year were:

Lord Spencer
Mark Bamford
Sir David Ord
Lord Chadlington (resigned 21 May 2022)
Lord Farmer
Baroness Finn

THE CONSERVATIVE PARTY FOUNDATION LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Lord Feldman
Lord Mott OBE
Lord Udny-Lister (appointed 26 October 2022)
Julia Nonie Bouverat OBE (appointed 26 October 2022)

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.

Auditors

The auditors, CLA Evelyn Partners Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

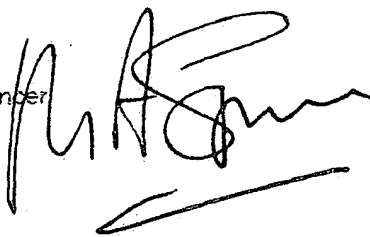
In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

18/07/23

and signed on its behalf.

Lord Spencer
Director



THE CONSERVATIVE PARTY FOUNDATION LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' 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 2022 which comprise the Statement of income and retained earnings, 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 2022 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.

THE CONSERVATIVE PARTY FOUNDATION LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONSERVATIVE PARTY FOUNDATION LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Directors' report and financial statements, 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.

Opinion 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 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 Directors' Report.

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 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' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

THE CONSERVATIVE PARTY FOUNDATION LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONSERVATIVE PARTY FOUNDATION LIMITED (CONTINUED)

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.

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 company's ability to conduct its business, and where there is a risk that failure to comply could result in material penalties. We 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 entity's financial statements to material misstatement, including how fraud might occur. The areas identified in this 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 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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

THE CONSERVATIVE PARTY FOUNDATION LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONSERVATIVE PARTY FOUNDATION LIMITED (CONTINUED)

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

Chartered Accountants
Statutory Auditors

Portwall Place
Portwall Lane
Bristol
BS1 6NA
Date: 19 July 2023

THE CONSERVATIVE PARTY FOUNDATION LIMITED
(A Company Limited by Guarantee)

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Income		1,488,307	1,107,114
Administrative expenses		(962,649)	(212,535)
Investment Income		30,149	21,111
Realised gain on Investments		6,623	42,472
(Loss)/Gain from changes in fair value of investments		(370,601)	479,577
Operating profit	3	191,829	1,437,739
Interest receivable and similar income		2,523	11
Profit before tax		194,352	1,437,750
Tax on profit	5	88,038	(155,629)
Profit after tax		282,390	1,282,121
Retained earnings at the beginning of the year		6,453,090	5,170,969
		6,453,090	5,170,969
Profit for the year		282,390	1,282,121
Retained earnings at the end of the year		6,735,480	6,453,090

All amounts relate to continuing activities.

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

The notes on pages 10 to 15 form part of these financial statements.

THE CONSERVATIVE PARTY FOUNDATION LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05289086

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Current assets			
Debtors: amounts falling due within one year	6	502,961	26,410
Current asset investments	7	4,489,683	4,451,707
Cash and cash equivalents	8	1,949,582	2,273,302
		<u>6,942,226</u>	<u>6,751,419</u>
Creditors: amounts falling due within one year	9	(19,341)	(21,978)
Net current assets		<u>6,922,885</u>	<u>6,729,441</u>
Provisions for liabilities			
Deferred tax	10	(187,405)	(276,351)
		<u>(187,405)</u>	<u>(276,351)</u>
Net assets		<u><u>6,735,480</u></u>	<u><u>6,453,090</u></u>
Capital and reserves			
Members' equity funds: Accumulated reserves		<u>6,735,480</u>	<u>6,453,090</u>
		<u><u>6,735,480</u></u>	<u><u>6,453,090</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


 Lord Spencer
 Director

The notes on pages 10 to 15 form part of these financial statements.

THE CONSERVATIVE PARTY FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 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.

2.3 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.

2.4 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.

2.5 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

THE CONSERVATIVE PARTY FOUNDATION LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.7 Valuation of 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.

3. Operating profit

The operating profit is stated after charging:

	2022	2021
	£	£
Auditor's remuneration - audit services	7,525	5,000
Auditor's remuneration - tax return	3,300	2,000
Auditor's remuneration - additional tax fees related to investment portfolio	4,750	-
	<u>15,575</u>	<u>7,000</u>

THE CONSERVATIVE PARTY FOUNDATION LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Employees

	2022 £	2021 £
Wages and salaries	115,286	96,892
Social security costs	9,537	16,943
Cost of defined contribution scheme	5,843	-
	<u>130,666</u>	<u>113,835</u>

The average monthly number of employees, including all paid directors, during the year was 2 (2021 - 2).

5. Taxation

	2022 £	2021 £
Corporation tax		
Corporation tax - current year	908	8,623
	<u>908</u>	<u>8,623</u>
Total current tax	<u>908</u>	<u>8,623</u>
Deferred tax		
Origination and reversal of timing differences	(88,946)	165,988
Adjustment to prior year timing difference	-	(18,982)
Total deferred tax	<u>(88,946)</u>	<u>147,006</u>
Taxation (credit)/charge on ordinary activities	<u>(88,038)</u>	<u>155,629</u>

THE CONSERVATIVE PARTY FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - *lower than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	194,352	1,437,750
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	36,927	273,173
Effects of:		
Expenses not deductible for tax purposes	243,637	37,499
Income not taxable	(346,875)	(205,576)
Origination and reversal of timing differences	(21,727)	50,533
Total tax charge for the year	(88,038)	155,629

Factors that may affect future tax charges

The Finance Bill 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. This rate was substantively enacted at the balance sheet date and deferred tax has been calculated at 25%.

6. Debtors

	2022 £	2021 £
Other debtors	500,000	21,383
Prepayments	2,961	5,027
	502,961	26,410

Included in other debtors at 31 December 2022 is £500,000 that was sent to an investment custodian in December 2022 but was not processed by the investment custodian until January 2023.

THE CONSERVATIVE PARTY FOUNDATION LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Current asset investments

	2022 £	2021 £
Market value	4,489,683	4,451,707
	<u>4,489,683</u>	<u>4,451,707</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 £363,978 (2021 - gain of £522,049), representing the fair value remeasurements included in the balances above.

The amount of cash held by the investment custodian at 31 December 2022 was £259,722 which is also included in cash and cash equivalents. Included in the market value of investments at 31 December 2021 was £147,141 of cash held by the investment custodian, which has now been recognised under cash and cash equivalents.

8. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	1,689,860	2,126,161
Cash equivalents	259,722	147,141
	<u>1,949,582</u>	<u>2,273,302</u>

9. Creditors: Amounts falling due within one year

	2022 £	2021 £
Corporation tax	934	8,623
Other taxation and social security	6,017	4,955
Other creditors	3,360	-
Accruals and deferred income	9,030	8,400
	<u>19,341</u>	<u>21,978</u>

THE CONSERVATIVE PARTY FOUNDATION LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Deferred taxation

	2022 £	2021 £
At beginning of year	(276,351)	(129,345)
Charged to profit or loss	88,946	(147,006)
At end of year	(187,405)	(276,351)

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Remeasurement of current asset investment	(187,405)	(276,351)
	(187,405)	(276,351)

11. 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.

12. Related party transactions

During the year, there were no legacies transferred from the Conservative Central Office to the Foundation. A total of £758,996 (2021 - £41,364) was paid to the Conservative Central Office in respect of campaign manager support given including expenses incurred.

13. Controlling party

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.