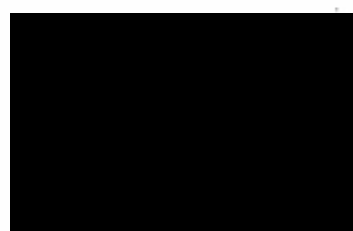


Ulster Unionist Party
Report and financial statements
for the year ended 31 December 2017



Ulster Unionist Party

Report and financial statements for the year ended 31 December 2017

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Ulster Unionist Party

Party Officers and advisers

Leader

Robin Swann MLA

Chairman

Lord Empey of Shandon Kt OBE

Vice-Chairman

Roy McCune

Honorary Treasurer

Alderman Mark Cosgrove

Parliamentary Officer

Lord Rogan of Lower Iveagh

Nominating Officer

Robin Swann MLA

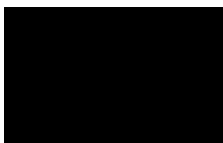
Assembly Chief WHIP

Steve Aiken MLA

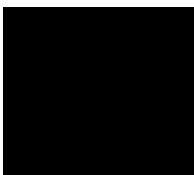
Additional Officers

Tom Elliot M.P
Sandra Overend
Jenny Palmer
Cllr Alexander Redpath
George White OBE JP

Solicitors



Bankers



Councillor's Officer

Cllr Trevor Wilson

European Parliament Officer

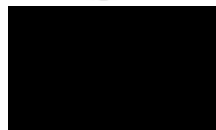
Jim Nicholson MEP

Party Headquarters

Strandtown Hall
2-4 Belmont Road
Belfast
BT4 2AN

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory
Auditors



Ulster Unionist Party

Report of the Party Officers for the year ended 31 December 2017

The officers present their report and the audited financial statements of the party for the year ended 31 December 2017.

Chairman's Report

2017 was a financially challenging year for the Ulster Unionist party. Two unscheduled elections back to back in the Spring were expensive, and the financial consequences of our loss of MPs profound. Nevertheless, the Leader and Party Officers decided that we would maintain our policy of financial prudence which has greatly strengthened our balance sheet over recent years and led to a huge reduction in debt.

The Party embarked on a process to reduce our staff numbers accordingly. It was sad to see some excellent servants of the Party leave but we had to bring our costs into line with anticipated income. This has now been achieved.

We also looked closely at our LLP [REDACTED] and working with partners a significant improvement in expected yield is expected. Our Members continue to give us good financial support, and tribute must be paid to our Newtownbreda branch for all their help and generosity. The on-going support of our remaining staff, who have co-operated fully with the new structures put in place, has been critical to rebalancing our finances.

We will continue to maintain a strong financial framework despite a desire to do more and will use our available resources to the best effect in the interests of Ulster Unionism.

[REDACTED]

Lord Empey of Shandon Kt OBE
Party Chairman
Date: 29 June 2018

Ulster Unionist Party

Report of the Party Officers for the year ended 31 December 2017 (continued)

Administrative information

Committees

The governance and management of the Party is carried on through the Executive Committee. The Terms of Reference for this Committee are contained within the Party's Rules and Standing Orders. The Chairman is Lord Empey of Shandon.

Elected representatives

The Party's elected representatives are shown at Annex A (page 4).

Membership

Each constituency has a different number of branches with varying numbers of members and the members change regularly.

Accounting units

During the year under review the Party had 41 accounting units registered with the Electoral Commission. No accounting units were added during the year.

Ulster Unionist Party

Report of the Party Officers for the year ended 31 December 2017 (continued)

Annex A

List of elected representatives

European Parliament
Mr Jim Nicholson MEP
Northern Ireland Assembly
Steve Aiken MLA
Andy Allen MLA
Rosemary Barton MLA
Doug Beattie MLA
Roy Beggs MLA
Robbie Butler MLA
Alan Chambers MLA
Mike Nesbitt MLA
John Stewart MLA
Robin Swann MLA

Northern Ireland Council Members		
Frazer Agnew	Richard Holmes	Alex Redpath
Diana Armstrong	Sandra Hunter	Kenneth Reid
David Arthurs	Derek Hussey	Drew Ritchie
Joan Baird	Elizabeth Ingram	Jim Rodgers
Alex Baird	Robert Irvine	John Scott
James Baird	Peter Johnston	George Shiels
Glenn Barr	Gordon Kennedy	Richard Smart
Jim Bingham	William King	Marion Smith
Brian Bloomfield	Hazel Legge	Chris Smyth
Mark Brooks	Jill Macauley	Jim Speers
David Browne	Michael Maguire	Roderick Swann
Robert Burgess	William McCandless	David Taylor
Ian Burns	Carl McClean	Howard Thornton
Angus Carson	Colin McCusker	Nicholas Trimble
David Chambers	Chris McGimpsey	Ken Twyble
Robin Cherry	Tom McKeown	Victor Warrington
Sonia Copeland	Derek McKinney	Darryl Wilson
Mark Cosgrove	Mark McKinty	Bert Wilson
Walter Cuddy	William McNeilly	Andrew Wilson
Jim Dillion	Vera McWilliam	Andrew Wilson
Jeff Dudgeon	Paul Michael	Trevor Wilson
Katherine Ferguson	Lindsay Millar	Marc Woods
Julie Flaherty	Jim Montgomery	
Jim Fletcher	Maureen Morrow	
Mark Glasgow	Robert Mulligan	
Mary Hamilton	Stephen Nicholl	
Arnold Hatch	Sam Nicholson	
Michael Henderson	John Palmer	
Ian Henry	Allan Rainey	
Norman Hillis	Mervyn Rea	

Ulster Unionist Party

Report of the Party Officers for the year ended 31 December 2017 (continued)

Review of political activities

Conferences

The Party held its Annual Conference on the 21 October in the [REDACTED]

Regional reports

The Party organisation covers the whole of Northern Ireland as one region.

Financial review

2017 was an extremely challenging year for our party finances. Both Stormont and Westminster were in a state of chaos with unscheduled elections in both resulting in electoral and financial losses for the party. Losing our two MPs precipitated the immediate loss of our Short income and also resulted in significant staff restructuring planning for the loss of our Policy Development Grant in 2018.

Given this back drop the financial results in these accounts was a commendable one. Income was solid and expenditure excluding the exceptional and un budgeted election and staff restructuring costs were very well managed.

With the continued support of our members and elected representatives we have a very strong balance sheet and our overall financial situation remains healthy.

Statement of Treasurer's Responsibilities

The Treasurer is responsible for preparing the Report and the financial statements in accordance with applicable law and regulations.

The Treasurer of the Party is required by the Political Parties, Elections and Referendums Act 2000 ("the Act") to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Party and of its surplus or deficit for that period.

In preparing those financial statements, the treasurer is required to:

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

Section 41 of the Act requires that the Treasurer is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Party at that time and to enable him to ensure that the financial statements comply with the Act. He is also responsible for safeguarding the assets of the Party and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Ulster Unionist Party

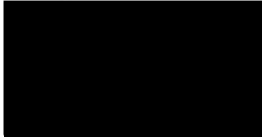
Report of the Party Officers for the year ended 31 December 2017 (continued)

Statement of disclosure of information to auditors

So far as each of the Party Officers in office at the date of approval of these financial statements is aware:

- there is no relevant audit information of which the Party's auditors are unaware; and
- they have taken all the steps that they ought to have taken as Party Officers in order to make themselves aware of any relevant audit information and to establish that the Party's auditors are aware of that information.

On behalf of the Party



Mark Cosgrove
Honorary Treasurer
Date: 29 June 2018

Ulster Unionist Party

Independent auditors' report to the officers of Ulster Unionist Party

Report on the financial statements

Our opinion

In our opinion, Ulster Unionist Party's financial statements (the "financial statements"):

- give a true and fair view of the state of the Party's affairs as at 31 December 2017 and of its loss and cash flows for the year then ended; and
- have been properly prepared in accordance with accounting guidance issued by the Electoral Commission and the Political Parties, Elections and Referendums Act 2000.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Balance sheet as at 31 December 2017;
- the Income and expenditure account and Statement of total recognised gains and losses for the year then ended;
- the Cash flow statement for the year then ended;
- the Reconciliation of movements in funds for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is the accounting guidance issued by the Electoral Commission and the Political Parties, Elections and Referendums Act 2000.

In applying the financial reporting framework, the officers have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the officers

As explained more fully in the Statement of Treasurer's Responsibilities set out on page 5, the officers are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK) ("ISAs (UK)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the Electoral Commission in accordance with section 43 of the Political Parties, Elections and Referendums Act 2000 (the "Act"), and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the Party, save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Party's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the officers; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the officers' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

Ulster Unionist Party

Independent auditors' report to the officers of Ulster Unionist Party (continued)

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



PricewaterhouseCoopers LLP
Chartered Accountants
Belfast
29 June 2018

Income and expenditure account for the year ended 31 December 2017

	Note	2017 £	2016 £
Income			
Membership and subscription fees		232,540	241,764
Investment income		16,033	16,096
Other income	4	209,254	219,582
		457,827	477,442
Expenditure			
Impairment of investment in LLP		31,582	39,388
Running costs	5	447,478	463,028
Depreciation		1,009	1,346
Interest payable	6	22,917	21,664
Conferences, AGM and other Special Meetings		49,011	55,499
		551,997	580,925
Surplus/(deficit) before taxation	3	(94,170)	(103,483)
Taxation	7	-	-
(Deficit)/surplus for the financial year	15	(94,170)	(103,483)

All amounts above relate to continuing operations of the Party.

There is no material difference between the surplus/(deficit) before taxation and the surplus/(deficit) for the financial year stated above, and their historical cost equivalents.

Statement of total recognised gains and losses for the year ended 31 December 2017

	2017	2016
	£	£
Surplus/(Deficit) for the financial year	(94,170)	(103,483)
Recognised revaluation gain on fixed asset investments	10,832	4,177
Total recognised gains and losses for the year	(83,338)	(99,306)

Reconciliation of movements in funds for the year ended 31 December 2017

	2017	2016
	£	£
Surplus / (deficit) for the financial year	(94,170)	(103,483)
Other recognised gains and losses relating to the year	10,832	4,177
Net movement to funds	(83,338)	(99,306)
Opening funds	736,065	835,371
Closing funds	652,727	736,065

Balance sheet as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	8	3,027	4,036
Investments	9	877,593	839,097
		880,620	843,133
Current assets			
Cash at bank		68,379	195,581
Debtors	11	21,243	13,327
		89,622	208,908
Creditors: amounts falling due within one year	12	(61,161)	(40,199)
Net current assets		28,461	168,709
Total assets less current liabilities		909,081	1,011,842
Creditors: amounts falling due after more than one year	13	(256,354)	(275,777)
Net assets		652,727	736,065
Reserves			
Revaluation reserve	15	44,628	33,796
Donated fixed asset fund	15	32,000	32,000
General fund	15	576,099	670,269
Total funds		652,727	736,065

The financial statements have been prepared under the Statement of Accounts Guidance Notes issued by the Electoral Commission.

The financial statements on pages 9 to 20 were approved by the Party Officers and were signed on its behalf by:


 Mark Cosgrove
 Honorary Treasurer
 Date: 29 June 2018

Cash flow statement for the year ended 31 December 2017

	Note	2017 £	2016 £
Net cash inflow from operating activities	16	(37,406)	(24,653)
Returns on investments and servicing of finance			
Investment income		16,033	16,096
Interest paid		(22,917)	(24,004)
		(6,884)	(7,908)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		-	-
Purchase of investments		(59,246)	(2,261)
		(59,246)	(2,261)
Cash inflow before financing		(103,536)	(34,822)
Financing			
Repayment of bank and other loans		(23,667)	(20,024)
		(23,667)	(20,024)
Increase/ (decrease) in cash in the year	17 - 18	(127,203)	(54,846)

Notes to the financial statements for the year ended 31 December 2017

1 Accounting policies

The financial statements are prepared under the Statement of Accounts Guidance Notes issued by the Electoral Commission. The principal accounting policies which have been applied consistently throughout the year are set out below:

Income recognition

Income is recognised when all of the following conditions have been met:-

- The Party is entitled to the asset;
- There is reasonable certainty that the asset will be received; and
- The value of the asset can be measured with reasonable certainty.

Applying these criteria to specific types of income results in the following treatment:-

- Donations of monetary assets and liquid investments are recognised in the income and expenditure account on receipt. Donations of other investments and tangible assets are credited to the donated fixed asset reserve and a transfer is made from this reserve to the general fund as the assets received are utilised or sold. Donations of notional income are recognised on receipt at the relevant market value of the donation received with an expense of the same amount being recognised contemporaneously.
- Membership and subscription fees that are not in arrears are recognised in the income and expenditure account in the period to which they relate. Arrears of membership and subscription fees are only recognised in the income and expenditure account if received before the financial statements are approved.
- Conference income is recognised in the accounts on receipt.
- Legacies are recognised when the personal representatives of the deceased have notified the Party of the legacy, they have obtained grant of representation and there are no significant matters outstanding concerning the precise division of the estate.
- Interest receivable and rental income are recognised in the income and expenditure account on an accruals basis. Dividend income is recognised when declared.

Tangible assets

Tangible assets are stated at cost less accumulated depreciation.

The cost of tangible assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost, or valuation, of tangible fixed assets, less their estimated residual values, on a reducing balance basis over the expected useful economic lives of the assets concerned. The principal annual rates used are as follows:

		%
Computers	-	25
Furniture, fixtures and fittings	-	25

Impairment reviews of fixed assets are carried out on a regular basis.

Investments

Fixed assets investments, which consist entirely of marketable securities and subsidiary undertakings, are stated at market value. Changes in the market value of fixed asset investments are taken to the revaluation reserve, except that permanent diminutions in value are taken to the income and expenditure account. Investment income is included in the income and expenditure account on an accruals basis.

Notes to the financial statements for the year ended 31 December 2017 (continued)

1 Accounting policies (continued)

Leased assets

Rentals under operating leases are charged to the profit and loss account as incurred.

Pension costs

The Party operates a defined contribution scheme for employees. The cost of funding the defined contribution scheme is charged to the income and expenditure account as incurred.

2 Staff support costs

The officers did not receive any emoluments in respect of their services to the party (2016: £nil).

The average monthly number of persons employed (2 Fte) by the party during the year was:

	2017 Number	2016 Number
Administration	6	7

3 Surplus/(deficit) before taxation

	2017 £	2016 £
This is stated after charging:		
Staff support costs	194,261	150,570
Auditors' remuneration - audit services	9,200	9,200
Depreciation		
- owned assets	1,009	1,346
Operating lease charges		
- other	14,933	13,200

Notes to the financial statements for the year ended 31 December 2017 (continued)
4 Other income

	2017	2016
	£	£
Office services and publications	12,517	13,588
Other income and donations	163,198	139,350
Short money	33,539	66,644
	209,254	219,582

5 Running costs

	2017	2016
	£	£
Other Costs	129,404	171,387
Staff support costs	194,261	150,570
Election expenses	123,813	141,071
	447,478	463,028

6 Interest payable

	2017	2016
	£	£
Bank interest and charges	22,917	21,664
	22,917	21,664

Notes to the financial statements for the year ended 31 December 2017 (continued)

7 Taxation

	2017 £	2016 £
Current tax:		
UK corporation tax at 20% (2016: 20%)	-	-
Tax on surplus/(deficit)	-	-

The tax assessed for the year is equal to the standard rate of corporation tax in the UK (20%) 2016: (20%).

	2017 £	2016 £
Surplus / (Deficit) before taxation	(94,753)	(103,483)
(Surplus / (Deficit) multiplied by standard rate in the UK 20% (2016: 20%))	(18,951)	(20,697)
Effects of:		
Income not deductible	18,951	20,697
Current tax credit for the year	-	-

8 Tangible assets

	Computers £	Furniture, fixtures & fittings £	Total £
Cost			
At 1 January 2017 and 31 December 2017	79,740	139,348	219,088
Accumulated depreciation			
At 1 January 2017	75,704	139,348	215,052
Charge for the year	1,009	-	1,009
At 31 December 2017	76,713	139,348	216,061
Net book amount			
At 31 December 2017	3,027	-	3,027
At 31 December 2016	4,036	-	4,036

Notes to the financial statements for the year ended 31 December 2017 (continued)
9 Investments

	Property Investments £	Other investments £	Total £
Cost or valuation at 31 December 2016			
Market value of investments			
At 1 January 2017	776,920	62,177	839,097
Additions	-	59,246	59,246
Impairment of investments	-	-	-
Change in market value of investments	(31,582)	10,832	(20,750)
At 31 December 2017	745,338	132,255	877,593
Net book amount			
At 31 December 2017	745,338	132,255	877,593
At 31 December 2016	776,920	62,177	839,097

Detail of investments:

Name	Principal activities	Country of incorporation or regulation	Proportion held directly by Party	Loss for the financial year £	Capital and reserves at 31 December 2017 £
	Rental of property	Northern Ireland	70%	31,582	877,593

The officers believe that the carrying value of the investment is supported by its underlying net assets.

10 Accounting units and similar affiliated organisations

The Ulster Unionist Party is constituted under section 26 of the Political Parties, Elections and Referendums Act 2000 as a central organisation with accounting units. None of these accounting units are controlled by the Party and their financial statements are not consolidated into those of the central organisation.

At 31 December 2017 there were 41 registered accounting units. Details of these units are available from Party headquarters.

11 Debtors

	2017 £	2016 £
Quota fees due	21,243	12,982
Prepayments and accrued income	-	345
	21,243	13,327

Notes to the financial statements for the year ended 31 December 2017 (continued)
12 Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loan (note 14)	22,329	21,132
Trade creditors	3,525	2,749
Accruals and deferred income	35,307	16,318
	61,161	40,199

13 Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Bank loans (note 14)	219,913	242,276
Other loans (note 14)	31,001	33,501
Accruals and deferred income	5,440	0
	256,354	275,777

14 Bank and other loans

	2017	2016
	£	£
Maturity of debt		
Less than one year, or on demand	22,329	21,132
Between one and two years	23,556	22,297
Between two and five years	227,357	253,480
	273,242	296,909

The bank loans and overdraft are secured by a letter of guarantee signed by [REDACTED] for £575,000 plus interest supported by a legal charge over [REDACTED]

15 Reserves

	Revaluation reserve £	Donated fixed asset fund £	General Fund £
At 1 January 2017	33,796	32,000	670,269
Surplus/(deficit) for the financial year	-	-	(94,170)
Gain in value of investments	10,832	-	-
At 31 December 2017	44,628	32,000	576,099

Notes to the financial statements for the year ended 31 December 2017 (continued)

16 Net cash inflow from operating activities

	2017 £	2016 £
Operating surplus/(deficit) before investment income, interest payable and taxation	(87,286)	(64,198)
Depreciation and impairment on tangible fixed assets	1,009	1,346
Impairment of investment in LLP	31,582	39,388
Movement in debtors	(7,916)	9,086
Movement in trade creditors	776	2,484
Movement in accruals and deferred income	24,429	(12,759)
Net cash inflow from operating activities	(37,406)	(24,653)

17 Analysis of net debt

	At 1 January 2017 £	Cash Flow £	Non Cash Changes £	At 31 December 2017 £
Cash at Bank	195,581	(127,203)	-	68,378
Debt due within one year	(21,132)	(1,197)	-	(22,329)
Debt due after one year	(275,777)	19,423	-	(256,354)
	(296,909)	18,226	-	(278,683)
Net debt	(101,328)	(108,977)	-	(210,305)

18 Reconciliation of net cash inflow to movement in net debt

	2017 £	2016 £
Increase/ (decrease) in cash in the financial year	(127,203)	(54,846)
Cash inflows from decrease in debt	18,226	(11,365)
Change in net debt resulting from cash flows	(108,977)	(66,211)
Movement in net debt in the year	(108,977)	(66,211)
Net debt at 1 January	(101,328)	(35,117)
Net debt at 31 December	(210,305)	(101,328)

19 Ultimate controlling party

The ultimate controlling party is the executive committee.

20 Related party transactions

On the 31 December 2008 the Party created an LLP called [REDACTED]. The Party's premises at [REDACTED] became an asset of LLP and the Party retains an 70% share in LLP.

Notes to the financial statements for the year ended 31 December 2017 (continued)

21 Financial commitments

At 31 December the company had annual commitments under non-cancellable operating leases expiring as follows:

	Property 2017 £	Property 2016 £
After five years	13,200	13,200