

Ulster Unionist Party
Report and financial statements
for the year ended 31 December 2019

Ulster Unionist Party

Report and financial statements for the year ended 31 December 2019

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Ulster Unionist Party

Party Officers and advisers

Leader

Steve Aiken MLA

Chairman

Danny Kennedy

Vice-Chairman

Roy McCune

Honorary Treasurer

Alexander Redpath

Parliamentary Officer

Lord Empey of Shandon Kt OBE

Nominating Officer

Steve Aiken OBE MLA

Assembly Chief WHIP

Robbie Butler MLA

Additional Officers

Tom Elliot M.P
Bethany Ferris
Jenny Palmer
Cllr Joshua Lowry
George White OBE JP
Philip Smith

Solicitors

Peden & Reid



Bankers



Councillor's Officer

Cllr Sam Nicholson

Party Headquarters

Strandtown Hall
2-4 Belmont Road
Belfast
BT42AN

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory
Auditors
Waterfront Plaza
8 Laganbank Road
Belfast
BTI 3LR

Ulster Unionist Party

Report of the Party Officers for the year ended 31 December 2019

The officers present their report and the audited financial statements of the party for the year ended 31 December 2019.

Chairman's Report

The financial performance for 2019 is reflective of the unprecedented financial challenges faced by the Party. In 2018-2019 we fought three election campaigns of which two were unscheduled. It is therefore understandable that the Party invested appropriately in these elections which resulted in a small loss for 2019.

Cunningham House LLP impairment amounted to £37,864 which is a prudent step by our representatives to reflect the true value of this asset.

Our associations and elected representative contributions have decreased compared to 2018 in line with the number of elected representatives is slightly reduced. The Party has also launched new fundraising initiatives to diversify and strengthen our funding base.

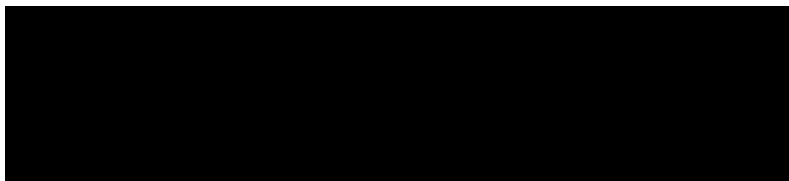
I want to pay tribute to our Hon Treasurer and deputy Treasurer for sterling work, and to our Associations for rising to the challenge of running the Party without access to either Short money or policy development grants.

In 2020 we are not scheduled to fight any election campaigns and our focus will be to build a fighting fund for future elections whilst strengthening the political resources to which we have access.

Our settled policy is not to allow a return to unsustainable borrowing or spending.

The search for further savings will continue, but using our resources more effectively is also a major consideration.

Normal business models do not always translate into our political activities, but some principles must still be adhered to, and we remain determined to manage our finances responsibly.



Party Chairman

Date: 7 July 2020

Ulster Unionist Party

Report of the Party Officers for the year ended 31 December 2019 (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 Danny Kennedy.

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 29 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 2019 (continued)

Review of political activities

Conferences

The Party postponed its annual conference in light of the snap UK General Election.

Regional reports

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

Financial review

2019 present significant financial challenges in the form of two unscheduled elections and an additional local government campaign. The Party adopted a prudent approach to these elections and fought the campaign with strict financial constraints. Excluding our share of further depreciating Cunningham House, which owns our former HQ, and other investments, we operated at a small deficit.

Our public funding remained constant throughout 2019 and our internal party contributions were slightly up on 2018. This is reflective of an increase in contributions from our local government representatives despite the loss of a number of seats at the local government elections. With the restoration of the Northern Ireland Assembly we can expect increased contributions from office holders and MLAs in the future.

In response to the small deficit expected in 2019 the Party has launched a number of new fundraising initiatives which are beginning to bear fruit.

Overall at the end of 2019 our balance sheet remains strong and our income streams robust.

COVID-19

The Ulster Unionist Party is aware of the business risk posed by the COVID-19 pandemic and has taken a number of steps to mitigate the impact of the pandemic on our activities. The Ulster Unionist Party has taken action to reduce payroll expenses and has applied for support through a number of COVID-19 related schemes.

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

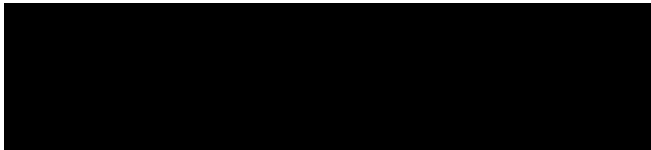
Report of the Party Officers for the year ended 31 December 2019 (continued)

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



Honorary Treasurer
Date: 7 July 2020

Ulster Unionist Party

Report of the Party Officers for the year ended 31 December 2019 (continued)

Annex A

List of elected representatives

Northern Ireland Assembly
Steve Aiken MLA
Andy Allen MLA
Rosemary Barton MLA
Doug Beattie MLA
Roy Beech MLA
Robbie Butler MLA
Alan Chambers MLA
Mike Nesbitt MLA
John Stewart MLA
Robin Swann MLA

Northern Ireland Council Members		
Frazer Agnew	Richard Holmes	Maureen Morrow
Diana Armstrong	Stuart Hughes	Sam Nicholson
Joan Baird	Sandra Hunter	Jenny Palmer
Alex Baird	Derek Hussey	John Palmer
James Baird	Robert Irvine	Allan Rainey
Glenn Barr	Gordon Kennedy	Jim Rodgers
Craig Blaney	Danny Kinahan	Kyle Savage
Mark Brooks	Hazel Leeche	Philio Smith
Robert Burgess	Alan Lewis	Richard Smart
Ian Burns	Jill Macauley	Marion Smith
Angus Carson	William McCandless	Chris Smyth
David Chambers	John McClaurin	Leah Smyth
Robin Cherry	Carl McClean	Irim Speers
Robert Colvin	John McDermott	Robin Stewart
Sonia Copeland	Harold McKee	Paul Alex Swan
Mark Cosgrove	Tom McKeown	Roderick Swann
Walter Cuddy	Derek McKinney	David Taylor
Jim Dillion	Louise McKinsty	Howard Thornton
Julie Flaherty	Mark McKinty	Nicholas Trimble
Robert Foster	Ross McLemon	Ken Twyble
Mark Glasgow	William McNeill	Victor Warrington
Meta Graham	Vera McWilliam	Darryl Wilson
Darren Ross Guy	Paul Michael	Bert Wilson
Michael Henderson	Tim Mitchell	Andrew Wilson
Norman Hillis	Jim Montgomery	Trevor Wilson

Ulster Unionist Party

Independent auditors' report to the members of Ulster Unionist Party

Report on the audit of the financial statements

Opinion

In our opinion, Ulster Unionist Party's financial statements:

- give a true and fair view of the state of the Party's affairs as at 31 December 2019 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.

We have audited the financial statements, included within the Report and financial statements "Annual report", which comprise: the Balance sheet as at 31 December 2019; the Income and expenditure account; the Statement of total gains and losses; the Reconciliation in movements in funds and the Cash flow statement for the year ended 31 December 2019; and the notes to the financial statements, which include a description of the significant accounting policies .

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Party in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements .

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the Party's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Party Officers 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, *this* statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Party Officers are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Ulster Unionist Party

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Report of the Party Officers

In our opinion, based on the work undertaken in the course of the audit, the information given in the Report of the Party Officers for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Report of the Party Officers.

Responsibilities for the financial statements and the audit

Responsibilities of the Treasurer/or the financial statements

As explained more fully in the Statement of Treasurer's Responsibilities set out on page 5, the Treasurer is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Party Officers are also responsible for such internal control as they 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 Treasurer is 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.


Auditors' responsibilities / or 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 auditors' 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 on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Belfast
Date: 7 July 2020

Income and expenditure account for the year ended 31 December 2019

	Note	2019 £	2018 £
Income			
Membership and subscription fees		228,223	235,031
Investment income		14,000	19,811
Other income	4	83,677	83,715
		325,900	338,557
Expenditure			
Impairment of investment in LLP		37,864	29,019
Running costs	5	288,596	254,734
Depreciation		568	757
Interest payable	6	18,609	34,623
Conferences, AGM and other Special Meetings			51,731
		345,637	370,864
Deficit before taxation	3	(19,737)	(32,307)
Taxation	7		
Deficit for the financial year	15	(19,737)	(32,307)

All amounts above relate to continuing operations of the Party.

There is no material difference between the deficit before taxation and the 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 2019

	2019	2018
	£	£
Deficit for the financial year	(19,737)	(32,307)
Recognised revaluation gain on fixed asset investments	16,255	
Total recognised gains and losses for the year	(3,482)	(32,307)

Reconciliation of movements in funds for the year ended 31 December 2019

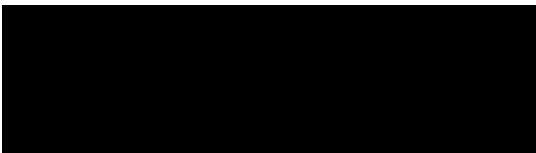
	2019	2018
	£	£
Deficit for the financial year	(19,737)	(32,307)
Other recognised gains and losses relating to the year	16,255	
Net movement to funds	(3,482)	(32,307)
Opening funds	620,420	652,727
Closing funds	616,938	620,420

Balance sheet as at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	8	1,702	2,270
Investments	9	828,050	843,369
		829,752	845,639
Current assets			
Cash at bank		8,397	21,018
Debtors	11	29,198	24,614
		37,595	45,632
Creditors: amounts falling due within one year	12	(69,376)	(45,731)
Net current liabilities		(31,781)	(99)
Total assets less current liabilities		797,971	845,540
Creditors: amounts falling due after more than one year	13	(181,033)	(225,120)
Net assets		616,938	620,420
Reserves			
Revaluation reserve	15	55,678	39,423
Donated fixed asset fund	15	32,000	32,000
General fund	15	529,260	548,997
Total funds		616,938	620,420

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

The financial statements on pages 10 to 21 were approved by the Party Officers and were signed on its behalf by:



Honorary Treasurer

Date: 7 July 2020

Cash flow statement for the year ended 31 December 2019

	Note	2019 £	2018 £
Net cash inflow/ (outflow) from operating activities	16	28,504	(9,759)
Returns on investments and servicing of finance			
Investment income		14,000	19,811
Interest paid		(18,609)	(34,623)
		(4,609)	(14,812)
Capital expenditure and financial investment			
Sale of investments		5,119	
Purchase of investments		(11,409)	
		(6,290)	
Cash inflow/ (outflow) before financing		17,605	(24,571)
Financing			
Repayment of bank and other loans		(30,226)	(22,790)
		(30,226)	(22,790)
Decrease in cash in the year	17 - 18	(12,621)	(47,361)

Notes to the financial statements for the year ended 31 December 2019

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 2019 (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 (2018: £nil).

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

	2019 Number	2018 Number
Administration	2	5

3 Deficit before taxation

	2019 £	2018 £
This is stated after charging:		
Staff support costs	119,663	127,442
Auditors' remuneration - audit services	10,731	9,200
Depreciation		
- owned assets	568	757
Operating lease charges		
- other	16,499	11,646

Notes to the financial statements for the year ended 31 December 2019 (continued)

4 Other income

	2019	2018
	£	£
Office services and publications	7,175	12,585
Other income and donations	76,502	71,130
	83,677	83,715

5 Running costs

	2019	2018
	£	£
Other Costs	99,411	126,052
Staff support costs	119,663	127,442
Election expenses	69,522	1,240
	288,596	254,734

6 Interest payable

	2019	2018
	£	£
Bank interest and charges	18,609	34,623
	18,609	34,623

Notes to the financial statements for the year ended 31 December 2019 (continued)

7 Taxation

	2019 £	2018 £
Current tax:		
UK corporation tax at 19% (2018: 19%)		
Tax on deficit		

The tax assessed for the year is less than the standard rate of corporation tax in the UK as follows:

	2019 £	2018 £
Deficit before taxation	(19,737)	(32,307)
Deficit multiplied by standard rate in the UK 19% (2018: 19%)	(3,750)	(6,138)
Effects of:		
Income not deductible	3,750	6,138
Current tax credit for the year		

8 Tangible assets

	Computers £	Furniture, fixtures & fittings £	Total £
Cost			
At 1 January 2019 and 31 December 2019	79,740	139,348	219,088
Accumulated depreciation			
At 1 January 2019	77,470	139,348	216,818
Charge for the year	568		568
At 31 December 2019	78,038	139,348	217,386
Net book amount			
At 31 December 2019	1,702		1,702
At 31 December 2018	2,270		2,270

Notes to the financial statements for the year ended 31 December 2019 (continued)

9 Investments

	Property Investments £	Other investments £	Total £
Cost or valuation at 31 December 2018			
Market value of investments			
At 1 January 2019	716,319	127,050	843,369
Additions		11,409	11,409
Disposals		(5,119)	(5,119)
Change in market value of investments	(37,864)	16,255	(21,609)
At 31 December 2019	678,455	149,595	828,050
Net book amount			
At 31 December 2019	678,455	149,595	828,050
At 31 December 2018	716,319	127,050	843,369

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 2019 £
Cunningham House LLP	Rental of property	Northern Ireland	70%	(37,864)	822,671

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 2019 there were 41 registered accounting units. Details of these units are available from Party headquarters.

11 Debtors

	2019 £	2018 £
Quota fees due	29,198	24,614
	29,198	24,614

Notes to the financial statements for the year ended 31 December 2019 (continued)

12 Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loan (note 14)	39,193	25,332
Trade creditors	4,782	6,662
Accruals and deferred income	25,401	13,737
	69,376	45,731

13 Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Bank loans (note 14)	150,032	194,119
Other loans (note 14)	31,001	31,001
	181,033	225,120

14 Bank and other loans

	2019	2018
	£	£
Maturity of debt		
Less than one year, or on demand	39,193	25,332
Between one and two years	41,042	26,510
Between two and five years	139,991	198,610
	220,226	250,452

The bank loans, other loans and overdraft are secured by a letter of guarantee signed by Cunningham House LLP for £575,000 plus interest supported by a legal charge over Cunningham House, Holywood Road, Belfast.

15 Reserves

	Revaluation reserve £	Donated fixed asset fund £	General Fund £
At 1 January 2019	39,423	32,000	548,997
Deficit for the financial year			(19,737)
Revaluation gain in year	16,255		
At 31 December 2019	55,678	32,000	529,260

Notes to the financial statements for the year ended 31 December 2019 (continued)
16 Net cash inflow from operating activities

	2019	2018
	£	£
Operating deficit before investment income, interest payable and taxation	(15,128)	(17,496)
Depreciation and impairment on tangible fixed assets	568	757
Impairment of investments	37,864	34,224
Movement in debtors	(4,584)	(3,371)
Movement in trade creditors	(1,880)	3,137
Movement in accruals and deferred income	11,664	(27,010)
Net cash outflow from operating activities	28,504	(9,759)

17 Analysis of net debt

	At1 January 2019	Cash Flow	Non Cash Changes	At31 December 2019
	£	£	£	£
Cash at Bank	21,018	(12,621)		8,397
Debt due within one year	(25,332)	(13,861)		(39,193)
Debt due after one year	(225,120)		44,087	(181,033)
	(250,452)	(13,861)	44,087	(220,226)
Net debt	(229,434)	(26,482)	44,087	(211,829)

18 Reconciliation of net cash inflow to movement in net debt

	2019	2018
	£	£
Decrease in cash in the financial year	(12,621)	(47,361)
Cash inflows from decrease in debt	30,226	22,790
Change in net debt resulting from cash flows	17,605	(24,571)
Movement in net debt in the year	17,605	(24,571)
Net debt at 1 January	(229,434)	(204,863)
Net debt at 31 December	(211,829)	(229,434)

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 Cunningham House LLP. The Party's premises at Cunningham House 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 2019 (continued)

21 Financial commitments

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

	2019	2018
	£	£
Within five years	2,074	1,383