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**THE CONSERVATIVE CENTRAL OFFICE**

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

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THE CONSERVATIVE CENTRAL OFFICE

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## THE CONSERVATIVE CENTRAL OFFICE

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### GENERAL INFORMATION

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These accounts relate to the central accounts of the Conservative and Unionist Party (commonly known as the Conservative Party) as registered with the Electoral Commission. The central accounting unit is referred to as The Conservative Central Office. Conservative Central Office is also known as Conservative Campaign Headquarters (CCHQ).

The Officers registered with the Electoral Commission are:

Leader: Rt Hon Rishi Sunak MP  
Nominating officer: Mrs Rachel Mary Oldham  
Treasurer: Mr Alan Mabbutt OBE  
Deputy treasurers: Mr Thomas James, Ms Catherine Christofi, Mr James Tweedie

The Conservative Central Office is the Office of the Leader of the Conservative Party. The Board of the Conservative and Unionist Party lays down policies for the activities of the Conservative Central Office.

The principal objectives of the Conservative Central Office are to represent the interests of the Conservative Party by winning elections, to support the Parliamentary Party, to assist the Constituency Associations in campaigning and other activities, and to promote Party policy.

The Board is responsible for the administration of the Party and the authorisation of expenditure within agreed guidelines.

The operations and budgets of the Conservative Central Office are therefore subject to the scrutiny of the Board with the support of the Finance and Audit Committee. The Board of the Party is responsible for preparing this Annual Report and Financial Statement.

#### The Board of the Conservative Central Office as at 31 December 2022

(Served throughout the year ended 31 December 2022, unless otherwise stated)

Rt Hon Greg Hands MP*	Chairman of the Conservative Party and Chairman of the Board (from February 2023)
Rt Hon Nadhim Zahawi MP*	Chairman of the Conservative Party and Chairman of the Board (from October 2022 to January 2023)
Rt Hon Sir Jake Berry MP*	Co-Chairman of the Conservative Party and a Deputy Chairman (from September 2022 to October 2022)
Rt Hon Andrew Stephenson MP*	Chairman of the Conservative Party and Chairman of the Board (July 2022 to September 2022)
Rt Hon Oliver Dowden CBE MP*	Co-Chairman of the Conservative Party and a Deputy Chairman (to June 2022)
Sir Ben Elliot*	Co-Chairman of the Conservative Party (to September 2022)
Mr Peter Booth*	Chairman of the National Conservative Convention and a Deputy Chairman of the Board
Sir Graham Brady MP*	Chairman of the 1922 Committee
Mr Robert Blackman MP	Appointed to the board pursuant to rule 12.13
Mr Richard Graham MP	Appointed to the board pursuant to rule 12.13
Mr David Morris MP	Appointed to the board pursuant to rule 12.13
Rt Hon Lord Forsyth of Drumlean	Chairman of the Association of Conservative Peers
Mr Craig Hoy MSP	Chairman, Scottish Conservative & Unionist Party (from May 2022)
Mr Robert Forman MBE	WS Chairman, Scottish Conservative & Unionist Party (to May 2022)
Mr Glyn Davies	Chairman, Welsh Conservatives
Mr Graham Edwards*	Treasurer of the Conservative Party (from December 2022)
Mr Malik Karim*	Treasurer to the Conservative Party (to November 2022)
Cllr Phil Broadhead	Chairman of the Conservative Councillors' Association

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## THE CONSERVATIVE CENTRAL OFFICE

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### COMPANY INFORMATION (CONTINUED)

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Cllr Mark Hawthorne MBE  
Mr Matthew Wright\*  
Ms Fleur Butler

Ms Debbie Toon MBE  
Cllr Gotz Mohindra  
Mr Peter Smallwood  
Mr Michael Winstanley  
Mr Alan Malbutt OBE\*

Chairman of the Conservative Councillors' Association (to March 2022)  
Appointed to the board pursuant to rule 12.13  
Vice President of the National Conservative Convention (from September 2021)  
Vice President of the National Conservative Convention  
Vice President of the National Conservative Convention (to July 2022)  
Vice President of the National Conservative Convention  
Vice President of the National Conservative Convention  
Registered Treasurer and Senior member of the professional staff of the Party

#### Administrative Information

The Board carries out some of its functions via the following boards and committees:

C&JCO Properties Limited Board  
Candidates Committee  
Conferences Committee  
Constitutional Review Board  
Disciplinary Committee  
Finance and Audit Committee  
Investment Committee  
Governance and Risk Board  
Membership Committee

\*Members of the Board that also served as members of the Finance and Audit Committee in the year.

#### Elected Representatives

The current list of Elected Members of Parliament is available on the website.

#### Accounting Units

At 31 December 2022, the Party had 571 (2021 - 571) accounting units registered with the Electoral Commission throughout the UK.

#### Central Office

4 Matthew Parker Street  
London  
SW1H 9HQ  
Telephone: [REDACTED]  
Website: [www.conservatives.com](http://www.conservatives.com)

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**THE CONSERVATIVE CENTRAL OFFICE**

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**COMPANY INFORMATION (CONTINUED)**

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**Auditors**

CLA Evelyn Partners Limited (previously Nexia Smith and Williamson)  
Chartered Accountants & Statutory Auditors  
Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA

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## THE CONSERVATIVE CENTRAL OFFICE

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### Treasurers' Financial Review FOR THE YEAR ENDED 31 DECEMBER 2022

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The Conservative and Unionist Party navigated a turbulent 2022 and enters 2023 with a new leader in the Rt Hon Rishi Sunak MP.

As our economy recovers from the pandemic and Putin's illegal invasion of Ukraine, we must take immediate action to fix the problems families are facing across the United Kingdom. At the same time putting in place the long-term solutions to build a stronger and more innovative economy that will guarantee a better future for the next generation. That is why we are focused on five immediate priorities. We will:

1. Halve inflation
2. Grow the economy
3. Reduce debt
4. Cut NHS waiting lists
5. Stop the boats

2022 was expected to be financially challenging, with the first half of the year still directly impacted by lifting COVID-19 restrictions. The Party was prudent in its forecasting, to allow for a cautious return to business in a difficult national economic climate and with the usual pressures of this point in the electoral cycle. These challenges coincided with the resignation of two Prime Ministers, and therefore Party leaders, which required additional unplanned activity.

Due to a concerted effort by every member of the professional Party, the delivery of these leadership elections was carried out seamlessly and opportunities seized to reduce the cost of these campaigns wherever possible. But, these leadership elections understandably saw a hiatus in donor giving whilst our supporters watched and waited for the outcome of events.

2022 saw a consolidated deficit of £2.4million; however, the Party did not access its investment reserves in the period and this negative result is in part due to a delay with major donor pledges moving into 2023.

The Party has started 2023 with a renewed sense of stability and focus. Our donors have returned, and the new financial year saw the most successful fundraising quarter since the start of this term in government. Research shows that the Prime Minister's five priorities speak to what the public and voters want from this government and remain the focus of the Cabinet as our politicians work to win back trust from the electorate.

With a lower and more agile cost base because of changes made during the pandemic, the Board is confident that sufficient funding will be generated for the Party in 2023 to meet its General Election campaign spend ambitions and without eroding these reserves. The Party has therefore prepared its accounts on the going concern basis.

Day to day financial governance on behalf of the Board of the Party was exercised throughout the year by the Finance and Audit Committee under the chairmanship of Peter Booth, Chairman of the National Conservative Convention. The Party would like to formally thank Peter and this committee for their support through a challenging year.

Without the dedication and professionalism of all our staff the delivery of those seamless leadership elections, whilst maintaining business as usual at CCHQ would not have been possible and they are due great credit.

As always, a big thank you must also go to our donors, whatever the size of donation for their unwavering support of conservative values and the long-term ambitions of the Party.

We value the professionalism of our colleagues in the Parliamentary and Voluntary Parties for coming together in support of the new Cabinet so quickly after the leadership election and thank them also for the

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**THE CONSERVATIVE CENTRAL OFFICE**

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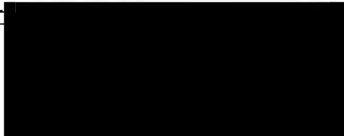
**Treasurers' Financial Review (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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work they do at a national and local level on behalf of the Party.

This report was approved by the Board and signed on

  
Rt Hon Greg Hands MP  
Chairman

  
Alan Mabbutt OBE  
Registered Treasurer

Date: 3 July 2023

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## THE CONSERVATIVE CENTRAL OFFICE

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### Statement of Responsibilities of the Board and Treasurer FOR THE YEAR ENDED 31 DECEMBER 2022

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The Board of the Conservative and Unionist Party ("the Board") are responsible for preparing this report and the financial statements in accordance with applicable law and regulations.

The Political Parties, Elections and Referendums Act 2000 requires the Board to prepare financial statements for each financial year. Under that act, the Board are required to prepare the financial statements in accordance with the accounting guidance issued by the Electoral Commission and in so doing have chosen to comply with the requirements of Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland. The Board must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the Conservative Central Office and of the surplus or deficit of the Conservative Central Office for that period.

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting guidance has been followed subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Conservative Central Office will continue in business.

The Board are responsible for keeping adequate accounting records that are sufficient to show and explain the Conservative Central Office's transactions and disclose with reasonable accuracy at any time the financial position of the Conservative Central Office and enable them to ensure that the financial statements comply with the Political Parties, Elections and Referendums Act 2000. They are also responsible for safeguarding the assets of the Conservative Central Office and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board are responsible for the maintenance and integrity of the financial information included on the Party's website.



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## THE CONSERVATIVE CENTRAL OFFICE

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CONSERVATIVE CENTRAL OFFICE

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#### Opinion

We have audited the financial statements of The Conservative Central Office and its quasi-subidiaries (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of income and expenditure, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated statement of cash flows, the consolidated analysis of net debt, the accounting policies 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 group's affairs as at 31 December 2022 and of the group's loss 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 group 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 those 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 Treasurer's 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 group'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 Treasurer with respect to going concern are described in the relevant sections of this report.

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## THE CONSERVATIVE CENTRAL OFFICE

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CONSERVATIVE CENTRAL OFFICE (CONTINUED)

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#### Other information

The other information comprises the information included in the Annual report and financial statements, other than the financial statements and our auditor's report thereon. The Board are responsible for the other information contained within the Annual report and financial statements. 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.

#### Responsibilities of the Treasurer and the Board of the Conservative Central Office

As explained more fully in the statement of responsibilities of the Board set out on page 5, the Treasurer is 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 Treasurer 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 group'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 Board either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

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## THE CONSERVATIVE CENTRAL OFFICE

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CONSERVATIVE CENTRAL OFFICE (CONTINUED)

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#### 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 group'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 group's industry and regulation.

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

- Engaging with independent advisors to ensure compliance with the interpretations of the accounting guidance issued by the Electoral Commission as well as the reporting framework Political Parties, Elections and Referendums Act 2000.
- 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:

- Compliance with the Electoral Commission regulations;
- Political Parties, Elections and Referendums Act 2000; and
- VAT regulations.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations identified above:

- Reviewed the procedures management has implemented over compliance with the regulations.
- Inspected the year end internal reporting to the Board regarding compliance with significant regulations.

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.
- Risk of manipulation of notional income/expenses through not including relevant items.
- Risk that the pension scheme is incorrectly disclosed.

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

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THE CONSERVATIVE CENTRAL OFFICE

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CONSERVATIVE CENTRAL OFFICE  
(CONTINUED)

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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;
- Consulting with pension specialists to confirm the treatment of the pension scheme is correct.

A further description of our responsibilities is available on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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 Treasurer and Board members, as a body, in accordance with Part III of the Political Parties, Elections and Referendums Act 2000. Our audit work has been undertaken so that we might state to the Treasurer and Board 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 group and the Treasurer and Board members as a body, for our audit work, for this report, or for the opinions we have formed.



for and on behalf of  
**CLA Evelyn Partners Limited**

Chartered Accountants  
Statutory Auditors

Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA

4 July 2023

**THE CONSERVATIVE CENTRAL OFFICE**

**CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Donation income		18,101	20,494
Membership fees	2	1,967	1,989
Income from fundraising activities		538	333
Income from commercial activities		515	513
Income from legacies		514	1,259
Investment income	2	63	629
Grant income	2	467	511
Income from conferences		6,281	4,519
Notional income	2	807	436
Westminster Foundation for democracy		549	719
Other income		880	357
<b>Gross income</b>		<b>30,682</b>	<b>31,759</b>
<b>Expenditure</b>			
Cost of fundraising activities		938	442
Cost of commercial activities		230	337
Notional expenditure		807	436
Staff costs		11,884	11,305
Management and administration expenses		8,899	8,109
Depreciation and amortisation		528	899
Campaign expenditure		1,966	5,020
Interest charge	5	311	273
Conference expenditure		4,285	3,519
Westminster Foundation for Democracy	2	549	719
Other expenditure		1,650	271
Investment expenditure		678	15
		<b>32,725</b>	<b>31,345</b>
<b>(Loss)/profit before tax</b>		<b>(2,043)</b>	<b>414</b>
Tax on (loss)/profit	6	(337)	(95)
<b>(Loss)/profit and total comprehensive (loss)/income for the financial year</b>		<b>(2,380)</b>	<b>319</b>

The notes on pages 18 to 38 form part of these financial statements.

**THE CONSERVATIVE CENTRAL OFFICE  
REGISTERED NUMBER:**

**CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Intangible assets	7	181	132
Tangible fixed assets	8	1,189	1,653
		<u>1,370</u>	<u>1,785</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	2,848	3,939
Current asset investments	10	9,357	9,596
Cash and cash equivalents	11	2,786	4,098
		<u>14,991</u>	<u>17,633</u>
Creditors: amounts falling due within one year	12	(11,398)	(9,506)
		<u>3,593</u>	<u>8,127</u>
<b>Net current assets</b>		<u>3,593</u>	<u>8,127</u>
<b>Total assets less current liabilities</b>		<u>4,963</u>	<u>9,912</u>
Creditors: amounts falling due after more than one year	13	(805)	(1,760)
<b>Provisions for liabilities</b>			
Deferred tax		(196)	(277)
Pension provision	15	(3,601)	(5,134)
Other provisions	15	(250)	(250)
		<u>(4,047)</u>	<u>(5,661)</u>
<b>Net assets</b>		<u>111</u>	<u>2,491</u>
<b>Capital and revenue reserves</b>			
Called up share capital		1,172	1,172
Profit and loss account		(1,061)	1,319
		<u>111</u>	<u>2,491</u>

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**THE CONSERVATIVE CENTRAL OFFICE  
REGISTERED NUMBER:**

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**CONSOLIDATED BALANCE SHEET (CONTINUED)  
AS AT 31 DECEMBER 2022**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 July 2023.



Rt Hon Greg Hands MP  
Chairman

The notes on pages 18 to 38 form part of these financial statements.

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THE CONSERVATIVE CENTRAL OFFICE

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022

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	Capital reserves £000	Revenue reserves £000	Total equity £000
At 1 January 2021	1,172	1,000	2,172
Comprehensive income for the year			
Profit for the year	-	319	319
Total comprehensive income for the year	-	319	319
At 1 January 2022	1,172	1,319	2,491
Comprehensive income for the year			
Loss for the year	-	(2,380)	(2,380)
Total comprehensive income for the year	-	(2,380)	(2,380)
At 31 December 2022	1,172	(1,061)	111

The notes on pages 18 to 38 form part of these financial statements.



**THE CONSERVATIVE CENTRAL OFFICE**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £000	2021 £000
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(2,380)	319
<b>Adjustments for:</b>		
Amortisation of intangible assets	46	436
Depreciation of tangible assets	484	463
Loss on disposal of tangible assets	183	-
Interest paid	311	273
Investment income	(52)	(21)
Taxation charge	337	95
Decrease/(increase) in debtors	1,090	(2,385)
(Decrease)/increase in creditors	(1,931)	1,863
(Decrease) in provisions	(1,533)	(894)
Net fair value losses/(gains) recognised in P&L	645	(446)
Corporation tax (paid)	(155)	(185)
<b>Net cash generated from operating activities</b>	<b>(2,955)</b>	<b>(482)</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(95)	-
Purchase of tangible fixed assets	(202)	(1,011)
Deferred payment on IT hardware acquired	-	(647)
Purchase of investments	(492)	(5,001)
Sale of investments	90	-
Interest received	2	1
Dividends received	50	20
<b>Net cash from investing activities</b>	<b>(647)</b>	<b>(6,638)</b>
<b>Cash flows from financing activities</b>		
Repayment of finance leases	(244)	-
Loans from other participating interests repaid	(712)	(45)
Interest paid	(311)	(273)
<b>Net cash used in financing activities</b>	<b>(1,267)</b>	<b>(318)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(4,869)</b>	<b>(7,438)</b>
Cash and cash equivalents at beginning of year	4,098	11,536
<b>Cash and cash equivalents at the end of year</b>	<b>(771)</b>	<b>4,098</b>

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THE CONSERVATIVE CENTRAL OFFICE

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CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022

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	2022 £000	2021 £000
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,786	4,098
Bank overdrafts	(3,557)	-
	<u>(771)</u>	<u>4,098</u>

The notes on pages 18 to 38 form part of these financial statements.

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THE CONSERVATIVE CENTRAL OFFICE

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CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2022

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	At 1 January 2022 £000	Cash flows £000	Other non- cash changes £000	At 31 December 2022 £000
Cash at bank and in hand	4,098	(1,312)	-	2,786
Bank overdrafts	-	(3,557)	-	(3,557)
Debt due after 1 year	(9,506)	(1,816)	-	(11,322)
Debt due within 1 year	(1,760)	955	-	(805)
Finance leases	(488)	244	-	(244)
Current asset investments	9,596	500	(739)	9,357
	<u>1,940</u>	<u>(4,986)</u>	<u>(739)</u>	<u>(3,785)</u>

The notes on pages 18 to 38 form part of these financial statements.

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## THE CONSERVATIVE CENTRAL OFFICE

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

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#### 1 Accounting policies

##### 1.1 Basis of preparation of financial statements

The Conservative Central Office (CCO) is not incorporated in law and is thus not bound by the Companies Act 2006. The group is required to prepare financial statements in accordance with the Political Parties, Elections and Referendums Act 2000 ('PPERA'). The financial statements have been prepared under the historical cost convention, and in accordance with the Statement of Accounts Guidance Notes issued by the Electoral Commission, including the transitional arrangements permitted therein and in so doing have chosen to comply with the requirements of Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland. Accordingly, the statements follow the format recommended by the Guidelines published by the Electoral Commission and include the disclosures encouraged with the exception of certain disclosures where the information cannot be reliably obtained, the disclosure would not be required under Companies Act 2006, or where the information can be obtained from other disclosures provided.

The Conservative Central Office relies on donation income to meet a large proportion of its expenditure, including most of its non-recurring expenditure. Loans from supporters of the Conservative Party are used to cover short-term cash requirements. Donation income is inherently unpredictable, but the Board is confident that sufficient donations will be received and existing facilities will continue to be available to meet the needs of the Conservative Central Office. In addition, the Board is satisfied that the Conservative Central Office will not be called upon to repay the loans it has received from Constituency Associations unless it has sufficient funds available for this purpose, with lenders agreeing to the deferral of loan repayments and/or the arrangement of replacement loans as necessary. This is consistent with the Board's experience in prior years.

The financial statements are presented in Sterling (£).

A summary of the principal accounting policies is set out below. The policies have been applied consistently, save where otherwise specified.

##### 1.2 Basis of consolidation

The financial statements include the assets and liabilities and results of quasi-subidiaries and excludes accounting units which report separately to the Electoral Commission. The principal effect of this is to include in the accounts additional associated liabilities, investments and cash balances.

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## THE CONSERVATIVE CENTRAL OFFICE

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

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#### 1. Accounting policies (continued)

##### 1.3 Income recognition

Income is recognised when a particular resource is receivable or when the Conservative Central Office's right to it becomes legally enforceable, when there is reasonable certainty that it will be received and when its monetary value can be determined. Donations and constituency income are recognised when cash is received or becomes receivable under a legal or constructive obligation. CCO's share of income from membership fees and levies are recognised when they are received. Renewals are only recognised if they have been received before the approval of the financial statements and it is clear that the receipt is not related to events that have occurred since the relevant financial year end. Loans payable that are waived are treated as donations in the period in which the loans are waived. All incoming resources are reported gross in the accounts.

Income in the form of grants is recognised over the period to which it relates. Income from legacies is only recognised when received unless the personal representatives give notification that the legacy is receivable before the year end and payment is received after the year end.

Where the Conservative Central Office does not bear the risks or rewards of fundraising, only the net difference between the costs incurred and the income received is recognised. Certain goods and services are provided to MPs and constituency associations and these are charged at cost. Invoiced goods and services exclude Value Added Tax and are recognised within income from commercial activities when the goods are supplied or the service is provided.

Amounts receivable at the year end are recorded within the appropriate category in current assets. Interest on investments, bank interest and dividends are recognised when receivable.

Where an organisation or individual bears the costs of goods or services that the Conservative Central Office would otherwise have been liable for, that cost is referred to as notional expenditure and the Conservative Central Office is deemed to have received notional income. Notional income and expenditure are presented separately in the income and expenditure account. Gifts of tangible fixed assets are recognised as income according to their current value on the date they are received. Work carried out for the Conservative Central Office by volunteers who provide their own time free of charge is not treated as a notional income.

##### 1.4 Expenditure

Expenditure is recognised in the period in which it is incurred and amounts payable at the year end are recorded within the appropriate category in current liabilities.

##### 1.5 Employee benefits

Short term employee benefits including holiday pay and annual bonuses are accrued as services are rendered. Contributions to defined contribution pension schemes are charged to profit or loss as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and those actually paid are shown as either accruals or prepayments in the balance sheet.

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## THE CONSERVATIVE CENTRAL OFFICE

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

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#### 1. Accounting policies (continued)

##### 1.6 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 balance sheet date in the countries where the Company and the Group operate and generate income.

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 it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future

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 balance sheet date

##### 1.7 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

##### 1.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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## THE CONSERVATIVE CENTRAL OFFICE

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

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#### 1. Accounting policies (continued)

##### 1.8 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Land and buildings	- Over the term of the lease or 50 years if freehold
Fixtures and fittings	- Straight line over 5 years
Office equipment	- Straight line over 5 years
Computer equipment	- Straight line over 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

##### 1.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions. Cash equivalents are cash held by investment custodians.

##### 1.10 Current asset investment

Current asset investments include shares held in funds which are valued on a regular basis and unlisted investments which are stated at cost. Investments have been classified as current asset investments and those held in funds are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the income and expenditure account within investment income or other expenditure.

##### 1.11 Pensions

The Conservative Central Office participates in the Conservative and Unionist Agents' Superannuation Fund along with the Conservative Constituency Associations. The Fund is a centralised pension scheme offering defined benefits. It is not possible to segregate the assets and liabilities of the Fund attributable to the Conservative Central Office. Accordingly, under the provisions of FRS 102, the Fund has been accounted for as if it was a defined contribution scheme with the deficit of the scheme(s) taken onto the balance sheet.

The amount charged to the income and expenditure account in respect of pension costs therefore represents the contributions payable for the year. The Conservative Central Office has agreed with the Trustees additional pension contributions to reduce the Fund's deficit and has recognised the present value of these contributions which are payable over a number of years. Differences between contributions payable for the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet whilst provision has been made for the additional commitments.

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## THE CONSERVATIVE CENTRAL OFFICE

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

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#### 1. Accounting policies (continued)

##### 1.12 Dilapidations provisions

Where the Conservative Central Office has entered into property lease agreements which result in an unavoidable commitment to return the leased premises to their original state a provision is made for the best estimate of the expected reinstatement costs to be incurred.

Provisions are made as soon as they become quantifiable; therefore, when it is possible to make such a provision at the commencement of a property lease, an asset is also recognised and classified as a fixed asset, equal in value to the dilapidations provision. This asset is subject to depreciation calculated to write off its value evenly over the term of the lease.

##### 1.13 Lease incentives

Reverse premiums, rent free periods and similar incentives received to enter into operating lease agreements are released to the income and expenditure account over the period of the lease.

##### 1.14 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### 1.15 Financial Instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the



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THE CONSERVATIVE CENTRAL OFFICE

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

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1. Accounting policies (continued)

1.15 Financial instruments (continued)

difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Income

	2022 £000	2021 £000
<b>Membership Share</b>		
Party membership share	1,967	1,989
	<u>1,967</u>	<u>1,989</u>
	<u><u>1,967</u></u>	<u><u>1,989</u></u>
	2022 £000	2021 £000
<b>Investment income</b>		
Dividends received	49	20
Interest receivable	2	1
Gains on investments	12	608
	<u>63</u>	<u>629</u>
	<u><u>63</u></u>	<u><u>629</u></u>

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THE CONSERVATIVE CENTRAL OFFICE

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

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	2022	2021
	£000	£000
<b>Grant income</b>		
Policy Development Grant	392	490
Scottish Parliament Grant	75	21
	<u>467</u>	<u>511</u>

The Party also received £1,034,312 (2021 - £854,784) of income for the reimbursement of security costs from the Home Office in the form of a Home Office Security Grant.

**Notional income**

	2022	2021
	£000	£000
Goods and services	<u>807</u>	<u>436</u>

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**THE CONSERVATIVE CENTRAL OFFICE**

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

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**3. Operating (loss)/profit**

The operating (loss)/profit is stated after charging:

	2022 £000	2021 £000
Campaign expenditure:		
Genera. election (reportable)	-	-
Campaign expenditure (non-reportable)	1,966	5,020
Auditor's remuneration:		
Audit services to the Conservative Central Office	84	85
Other assurance services to the Conservative Central Office	11	10
Non-audit services to the Conservative Central Office	10	14
Audit services to quasi-subsiidiaries	18	17
Operating lease rentals:		
Land and buildings	932	867
Motor vehicles	4	5
Office equipment	4	8
Depreciation of tangible fixed assets:		
Owned assets	299	248
Leased assets	185	183
Amortisation of intangible fixed assets:		
Owned assets	46	436
Westminster Foundation for Democracy:		
Project funding recognised during the year	(549)	(719)
Project expenditure supported by funding	549	719
	-	-

Other assurance services relate to tax compliance services provided to the Party. Non audit services relate to independent assurance reports issued to the Party under ISAE 3000.

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THE CONSERVATIVE CENTRAL OFFICE

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

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4. Employees

The average monthly number of permanent staff employed in the Conservative Central Office during the year was as follows:

	2022 No.	2021 No.
Central office staff	179	157
Regional office staff	73	73
	<u>252</u>	<u>230</u>

Their aggregate payroll costs were:

	2022 £000	2021 £000
Salaries	10,124	9,535
Social security costs	1,100	1,037
Cost of superannuation Pension Fund	373	456
Other staff costs	369	277
	<u>11,966</u>	<u>11,305</u>

The Conservative Central Office participates in the Conservative and Unionist Agents' Superannuation Fund along with the Conservative Constituency Associations. The assets of the Fund are held separately by Trustees, independently of the participating employers. This scheme is now closed to further accrual.

Contributions to the Fund are determined by a qualified independent actuary using the projected unit method based on triennial valuations. The last actuarial valuation of the Fund was carried out as at 31 March 2021.

**THE CONSERVATIVE CENTRAL OFFICE**

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

The key assumptions adopted for this valuation are as follows:	%
Rate of increase in salaries	N/A
Rate of increase to excess pension in payment (pre-1997)	NIL
Rate of increase to pensions in payment (1997 to 2005)	2.20
Rate of increase to pensions in payment (post 2005 pensions)	2.20
Discount rate prior to retirement	3.00
Discount rate in retirement	3.00
Inflation - Retail Prices Index	N/A
Inflation - Consumer Prices Index	2.00
	Years
Assumed life expectancy for a female pensioner aged 60 at the valuation date	28.7
Assumed life expectancy for a male pensioner aged 60 at the valuation date	27.3
Assumed life expectancy at age 60 for a female non pensioner currently aged 40	30.6
Assumed life expectancy at age 60 for a male non pensioner currently aged 40	29.2

The market value of the Fund's invested assets as at 31 March 2021 was £21.3 million. The actuarial value of these assets represented 76% of the value of the Fund's liabilities at that date. The fund had a shortfall of £6.6 million as at 31 March 2021.

The Conservative Central Office and the Constituency Associations paid a contribution of 22.5% of salary to meet the cost of accruing benefits. These contributions stopped on 1 January 2012 when the fund ceased to have any employee members. In order to address the shortfall in the Fund, the Conservative Central Office has agreed to pay additional contributions of £550,000 per annum, payable monthly, in the period 1 April 2018 to 30 June 2019, and £1,100,000 per annum, payable monthly over the period 1 July 2019 to 30 November 2027.

The trustees of the Pension Fund have commissioned the scheme actuary to carry out a valuation of the scheme as at 31 March 2023. The deficit of the scheme as at that date is expected to improve with a reduction in the future liability for Conservative Central Office.

**5. Interest charge**

	2022	2021
	£000	£000
Interest payable on loans and overdrafts	15	22
Unwinding of discounts on provisions	270	206
Interest payable on other loans	26	45
	311	273
	311	273

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THE CONSERVATIVE CENTRAL OFFICE

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

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6. Taxation

	2022 £000	2021 £000
Corporation tax		
Current tax on profits for the year	423	(59)
	<u>423</u>	<u>(59)</u>
Total current tax	<u>423</u>	<u>(59)</u>
Deferred tax		
Origination and reversal of timing differences	(86)	154
Total deferred tax	<u>(86)</u>	<u>154</u>
Taxation on profit on ordinary activities	<u>337</u>	<u>95</u>

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**THE CONSERVATIVE CENTRAL OFFICE**

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

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**6. Taxation (continued)**

**Factors affecting tax charge for the year**

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

	2022 £000	2021 £000
(Loss)/profit on ordinary activities before tax	(2,425)	414
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(461)	79
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	6,056	5,719
Capital allowances for year in excess of depreciation	141	180
Adjustments to tax charge in respect of prior periods	11	-
Non-taxable income	(5,222)	(5,628)
Book profit on chargeable assets	(56)	-
Changes in provisions leading to an increase (decrease) in the tax charge	3	-
Prior year adjustment - current tax	(33)	(240)
Movement in deferred tax not recognised	45	-
Other differences leading to an increase (decrease) in the tax charge	(147)	(15)
<b>Total tax charge for the year</b>	<b>337</b>	<b>95</b>

**Factors that may affect future tax charges**

Finance Act 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. A small-profits rate will also apply from that date reducing tax for profits up to £250,000 to a minimum of 19%. The closing deferred tax provision has now been calculated at 25%.

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THE CONSERVATIVE CENTRAL OFFICE

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

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7. Intangible assets

Group and Company

	Website £000	Database £000	Total £000
<b>Cost</b>			
At 1 January 2022	158	918	1,076
Additions	95	-	95
At 31 December 2022	<u>253</u>	<u>918</u>	<u>1,171</u>
<b>Amortisation</b>			
At 1 January 2022	26	918	944
Charge for the year on owned assets	46	-	46
At 31 December 2022	<u>72</u>	<u>918</u>	<u>990</u>
<b>Net book value</b>			
At 31 December 2022	<u>181</u>	<u>-</u>	<u>181</u>
At 31 December 2021	<u>132</u>	<u>-</u>	<u>132</u>



THE CONSERVATIVE CENTRAL OFFICE

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

8. Tangible fixed assets

Group

	Land and buildings £000	Fixtures and fittings £000	Office equipment £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>					
At 1 January 2022	125	1,664	144	1,394	3,327
Additions	-	131	22	49	202
Disposals	-	(522)	(28)	-	(550)
At 31 December 2022	<u>125</u>	<u>1,273</u>	<u>138</u>	<u>1,443</u>	<u>2,979</u>
<b>Depreciation</b>					
At 1 January 2022	87	887	56	643	1,673
Charge for the year on owned assets	9	171	24	95	299
Charge for the year on financed assets	-	-	-	185	185
Disposals	-	(339)	(28)	-	(367)
At 31 December 2022	<u>96</u>	<u>719</u>	<u>52</u>	<u>923</u>	<u>1,790</u>
<b>Net book value</b>					
At 31 December 2022	<u>29</u>	<u>554</u>	<u>86</u>	<u>520</u>	<u>1,189</u>
<i>At 31 December 2021</i>	<u>38</u>	<u>776</u>	<u>88</u>	<u>751</u>	<u>1,653</u>

**THE CONSERVATIVE CENTRAL OFFICE**

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

**Company**

	Fixtures and fittings £000	Office equipment £000	Other fixed assets £000	Total £000
<b>Cost or valuation</b>				
At 1 January 2022	1,023	116	1,394	2,533
Additions	131	22	49	202
Disposals	(401)	-	-	(401)
At 31 December 2022	<u>753</u>	<u>138</u>	<u>1,443</u>	<u>2,334</u>
<b>Depreciation</b>				
At 1 January 2022	247	28	643	918
Charge for the year on owned assets	171	24	95	290
Charge for the year on financed assets	-	-	185	185
Disposals	(218)	-	-	(218)
At 31 December 2022	<u>200</u>	<u>52</u>	<u>923</u>	<u>1,175</u>
<b>Net book value</b>				
At 31 December 2022	<u>553</u>	<u>86</u>	<u>520</u>	<u>1,159</u>
At 31 December 2021	<u>776</u>	<u>88</u>	<u>751</u>	<u>1,615</u>

**9. Debtors**

	2022 £000	2021 £000
Trade debtors	243	369
Other debtors	1,226	1,138
Prepayments and accrued income	1,379	2,432
	<u>2,848</u>	<u>3,939</u>

**THE CONSERVATIVE CENTRAL OFFICE**

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

**10. Current asset investments**

	Group 2022 £000	Group 2021 £000
Market value	9,357	9,596
	9,357	9,596
	9,357	9,596

Current asset investment of £9,357,000 (2021 - £9,596,000) are shares held in funds which are valued on a regular basis. The total loss recognised on these investments in the period was £609,000 (2021 - Gain £593,000), representing the fair value remeasurements shown above. These financial instruments are the only assets held at fair value through profit or loss.

In 2021, cash of £147,000 held by the investment custodian was included in current asset investments, which is now recognised under cash and cash equivalents. In 2022, cash of £260,000 held by the investment custodian has been recognised under cash and cash equivalents.

**11. Cash and cash equivalents**

	Group 2022 £000	Group 2021 £000
Cash at bank and in hand	2,526	3,951
Cash equivalents	260	147
	2,786	4,098
	2,786	4,098

**12. Creditors: Amounts falling due within one year**

	2022 £000	2021 £000
Bank overdrafts	3,557	-
Commercial loan	500	500
Trade creditors	1,426	3,109
Other loans payable	2,635	2,179
Corporation tax	459	191
Other taxation and social security	282	299
Obligations under finance lease and hire purchase contracts	244	244
Other creditors	1,317	1,460
Accruals and deferred income	978	1,524
	11,398	9,506
	11,398	9,506

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THE CONSERVATIVE CENTRAL OFFICE

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

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13. Creditors: Amounts falling due after more than one year

	2022 £000	2021 £000
Net obligations under finance leases and hire purchase contracts	-	244
Other loans payable	805	1,516
	<u>805</u>	<u>1,760</u>

14. Loans

	Group 2022 £000	Group 2021 £000
<b>Amounts falling due within one year</b>		
Commercial loan	500	500
Loans from Constituency Associations	2,635	2,179
	<u>3,135</u>	<u>2,679</u>
<b>Amounts falling due over one year</b>		
Loans from Constituency Associations	805	1,516
	<u>805</u>	<u>1,516</u>
	<u>3,940</u>	<u>4,195</u>

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**THE CONSERVATIVE CENTRAL OFFICE**

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

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15. Provisions

Group

	Pension commitment £000	Other provisions £000	Total £000
At 1 January 2022	5,134	250	5,384
Utilised in year	(1,533)	-	(1,533)
<b>At 31 December 2022</b>	<b>3,601</b>	<b>250</b>	<b>3,851</b>

Pension provision utilised relates to the additional contributions of £1,100,000 per annum, payable monthly over the period 1 July 2019 to 30 November 2027. (See note 2)

The Schedule of Contributions shows amounts payable all paid by the sponsor (deemed to be the Conservative Central Office, on behalf of all the participating employers). Additional contributions can be paid to the Fund as required by the advice of the Scheme Actuary under the Fund's trust deed and rules, and additional discretionary contributions at any time if they so wish.

As the £1.1m is not split and recharged to any of the other participating employers it is reasonable to account for the scheme as a whole within the Conservative Central Office accounts. Within the participating employers accounts, it can be treated as a defined contribution scheme, and the costs would be any contributions made. The future payment schedule was reviewed and the discount rate amended in 2022 based on market standards to be in line with the median discount rate taken from a pension accounting trends analysis.

Other provisions is a dilapidation provision relating to the estimated costs expected to arise on vacating premises currently occupied by the Conservative Central Office.

Company

	Pension commitment £000	Total £000
At 1 January 2022	5,134	5,134
Utilised in year	(1,533)	(1,533)
<b>At 31 December 2022</b>	<b>3,601</b>	<b>3,601</b>

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## THE CONSERVATIVE CENTRAL OFFICE

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

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#### 16. Quasi-subidiaries

The financial statements incorporate the quasi-subidiaries of the Conservative Central Office, namely C&JCO Management Limited, C&UCO Services Limited (all of which were dormant during the year under review), C&UCO Properties Limited, The Conservative Party Foundation Limited and the Conservative Party Association. Quasi-subidiaries are entities which are not legally owned by the Conservative Central Office but over which it has control and beneficial ownership.

The net assets of the quasi-subidiaries totalled £7,310,000 as at 31 December 2022 (2021 - £7,137,000), comprising fixed assets of £29,000 (2021 - £38,000), investments of £4,563,000 (2021 - £4,668,000), debtors of £513,000 (2021 - £35,000), cash at bank of £2,786,000 (2021 - £2,959,000), creditors and accruals of £331,000 (2021 - £313,000) and provisions of £250,000 (2021 - £250,000).

There are also intra-group balances, of £9,000 (2021 - £9,000) due from the Conservative Central Office, which are eliminated on consolidation. In aggregate, the quasi-subidiaries reported a gain for the year of £176,000 (2021 - £1,287,000).

#### 17. Contingent liabilities

The Party, from time to time, has a number of legal cases ongoing. It is not considered possible to reliably estimate the amount of costs that might be payable on current cases as they are dependent on the outcome of legal proceedings which are ongoing. No further information can be disclosed on the grounds that it can be expected to prejudice the outcome of the legal process. At this time we do not consider any potential claim made to be material.

#### 18. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group</b>	<i>Group</i>
	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Not later than 1 year	881	800
Later than 1 year and not later than 5 years	2,525	2,884
Later than 5 years	399	923
	<u>3,805</u>	<u>4,607</u>

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## THE CONSERVATIVE CENTRAL OFFICE

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

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#### 19. Related party transactions

The Board of the Conservative Central Office has determined that, under FRS 102, related parties to the Conservative Central Office include the Leader of the Conservative Party and any person who has, at any time during the year, been a member of the Board of the Conservative Central Office or a Party Officer or is a close family member.

Under FRS 102, transactions and balances with these related parties, or with certain partnerships, companies, trusts or other entities, must be disclosed. Details of such transactions and balances (except where they are below Electoral Commission reporting thresholds) for the year ended 31 December 2022 are provided below:

- a) The following transactions were made during the year by Mr Mark Bamford:  
Donations           £973,000           ██████████
- b) The following transactions were made during the year by Mr Graham Edwards  
Donations           £694,525           ██████████
- c) The following transactions were made during the year by Lord Michael Farmer  
Donations           £50,000           ██████████
- d) The following transactions were made during the year by Lord Stanley Fink  
Donations           £52,025           (2021 - £50,000)
- e) The following transactions were made during the year by Mr Malik Karim:  
Donations           £347,500           (2021 - £830,025)  
Donations in kind   £108,042           (2021 - £20,252)
- f) The following transactions were made during the year by Fenchurch Advisory Partners LLP, a partnership in which Mr Malik Karim has an interest:  
Donations           £46,000           (2021 - £20,000)
- g) The following transactions were made during the year by ██████████  
Donations           £nil               (2021 - £10,000)
- h) The following transactions were made during the year by Golden Lane Securities Limited, a company in which Dr Christopher Moran has an interest:  
Donations           £56,000           (2021 - £50,000)
- i) The following transactions were made during the year by David Ord Limited, a company in which Sir David Ord has an interest:  
Donations           £50,000           ██████████
- j) The following transactions were made during the year by PGL, a company in which Lord Michael Spencer has an interest:  
Donations           £185,000           (2021 - £100,500)
- k) Certain other individual members of the Board and Party Officers made donations during the year in aggregate of:  
Donations           £2,990           (2021 - £7,650)  
Donations in kind   £nil               (2021 - £nil)

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**THE CONSERVATIVE CENTRAL OFFICE**

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

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Spend on behalf of the Party to promote, support or defend the activity of its members, representatives and leaders in the normal course of their Party of political activity is not deemed related party expenditure for the purpose of these accounts.

**20. Controlling party**

As described on page 5, The Board of the Conservative Central Office is responsible for the management and administration of the Conservative Central Office and the Leader of the Party is considered to be a person of significant control due to the right to appoint or remove a majority of the Board of the Party