
THE CONSERVATIVE CENTRAL OFFICE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

THE CONSERVATIVE CENTRAL OFFICE

CONTENTS

	Page
General Information	1 - 2
Treasurers' Financial Review	3
Statement of Responsibilities of the Board and the Treasurer	4
Independent Auditor's Report	5 - 8
Consolidated Statement of Income and Expenditure	9 - 10
Consolidated Balance Sheet	11 - 12
 Consolidated Statement of Changes in Equity	 13
 Consolidated Statement of Cash Flows	 14 - 15
Consolidated Analysis of Net Debt	16
Notes to the Financial Statements	17 - 39
The following pages do not form part of the statutory financial statements:	

THE CONSERVATIVE CENTRAL OFFICE

GENERAL INFORMATION AS AT 31 DECEMBER 2023

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. The 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 Statements.

The Board of the Conservative and Unionist Party as at 31 December 2023

(Served throughout the year ended 31 December 2023, unless otherwise stated)

Rt Hon Nadhim Zahawi MP*	Chairman of the Conservative Party and Chairman of the Board (from October 2022 to January 2023)
Rt Hon Greg Hands MP*	Chairman of the Conservative Party and Chairman of the Board (from February 2023 to November 2023)
Rt Hon Richard Holden MP*	Chairman of the Conservative Party and Chairman of the Board (from November 2023)
Lord Peter Booth*	Chairman of the National Conservative Convention and Deputy Chairman of the Board
Nickie Aiken MP	Deputy Chairman of the Board (from October 2023)
Mr Graham Edwards*	Treasurer of the Conservative Party
Mr Peter Smallwood	Vice President of the National Conservative Convention (to July 2023) President of the National Conservative Convention and Conference Chairman (from July 2023)
Ms Fleur Butler	President of the National Conservative Convention and Conference Chairman (to July 2023) Vice President of the National Conservative Convention (from July 2023)
Ms Debbie Toon	Vice President of the National Conservative Convention (to July 2023)
Mr Julian Ellacott*	Vice President of the National Conservative Convention (from July 2023)
Mr Michael Winstanley	Vice President of the National Conservative Convention
Mr Alan Mabbutt OBE*	Senior member of the professional staff of the Party

THE CONSERVATIVE CENTRAL OFFICE

GENERAL INFORMATION (CONTINUED) AS AT 31 DECEMBER 2023

Cllr Philip Broadhead	Chairman of the Conservatives Concillors' Association
Mr Craig Hoy MSP	Chairman, Scottish Conservative & Unionist Party
Mr Glyn Davies	Chairman, Welsh Conservatives (to July 2023)
Cllr Tomos Davies	Chairman, Welsh Conservatives (from July 2023)
Mr Matthew Wright*	Appointed by the Leader pursuant to Rule 12.10 of the Constitution
Katy Bourne OBE	Appointed by the Board pursuant to Rule 12.12 of the Constitution (from November 2023)
Rt Hon Lord Forsyth of Drumlean	Chairman, Association of Conservative Peers
Sir Graham Brady MP*	Chairman of the 1922 Committee
Mr Robert Blackman CBE MP	Elected pursuant to Rule 12.13 of the Constitution
Mr David Morris MP	Elected pursuant to Rule 12.13 of the Constitution
Mr Richard Graham CMG MP	Elected pursuant to Rule 12.13 of the Constitution

Administration Information

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

C&UCO Properties Limited Board
Candidates Committee
Conferences Committee
Constitutional Review Committee
Disciplinary Committee
Finance and Audit Committee
Investment Committee
Governance and Risk Committee
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 2023, the Party had 544 (2022 - 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

Auditors

CLA Evelyn Partners Limited
Chartered Accountants and Statutory Auditors
Portwall Place, Portwall Lane
Bristol
BS1 6NA

THE CONSERVATIVE CENTRAL OFFICE

Treasurers' Financial Review FOR THE YEAR ENDED 31 DECEMBER 2023

The Conservative and Unionist Party entered 2023 with a new leader in the Rt Hon Rishi Sunak MP. There was a determined focus to stabilise and then grow the UK economy in the face of multiple global challenges.

For Conservative Central Office (CCO), the year began with the most successful fundraising quarter ever achieved in a non-election year. This strong start addressed the deficit carried forward from the prior year, stabilising the Party's finances and allowing preparations for a general election in 2024 to begin.

£59 million of income was raised or generated by CCO in 2023. This exceptional result was boosted by the receipt of a £10 million legacy to the Conservative Party Foundation.

The Conservative Party is reliant on the generosity and commitment of our loyal members and supporters. A sincere 'Thank You' goes to all our donors, whatever the size of their donation and for their unwavering support.

Throughout 2023 CCO staff continued to demonstrate the dedication and professionalism that saw the Party through the challenges of the COVID pandemic and the leadership election of 2022. This staff body has grown by 37% since January 2022 and the Party is now well positioned financially and organisationally to fight a general election.

2023 saw the comprehensive reorganisation of the Party's structure at an Association level, in line with the 2023 Parliamentary Constituencies and Boundaries Review. This exercise required significant support from both our Voluntary Party and Parliamentary colleagues, working closely with the CCO team, and we thank all our volunteers who helped deliver this project.


In this period CCO also significantly invested in its digital media infrastructure and in staff and volunteer development. A comprehensive national network of Campaign Managers now supports our parliamentary colleagues and candidates and will be key to election success at a local level.

With a consolidated surplus of £18m and a Balance Sheet position of £18m at the end of 2023, the Party has prepared its accounts on a going concern basis. The Board remains confident that sufficient funding will be generated in 2024 to build on this positive result and support the spending ambitions of a general election campaign.

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 Lord Booth, Chairman of the National Conservative Convention. The Party would like to formally thank Peter and this committee for their ongoing support.

This report was approved by the Board and signed on its behalf.


Rt Hon Richard Holden MP
Chairman


Alan Mabbutt OBE
Registered Treasurer

Date: 21st MAY 2024

THE CONSERVATIVE CENTRAL OFFICE

Statement of Responsibilities of the Board and Treasurer FOR THE YEAR ENDED 31 DECEMBER 2023

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 explain 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.

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

Opinion

We have audited the financial statements of The Conservative Central Office and its quasi-subsiidiaries (the 'group') for the year ended 31 December 2023 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 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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.

THE CONSERVATIVE CENTRAL OFFICE

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

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 determines 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.

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.

THE CONSERVATIVE CENTRAL OFFICE

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

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

- Management structures and reporting lines who would bring any litigations and claims to the attention of the Board to 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.

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. 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.

THE CONSERVATIVE CENTRAL OFFICE

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



for and on behalf of
CLA Evelyn Partners Limited

Chartered Accountants
Statutory Auditors

Portwall Place
Portwall Lane
Bristol
BS1 6NA

Date: 22 May 2024

THE CONSERVATIVE CENTRAL OFFICE

**CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £000	2022 £000
Income			
Donation income		35,203	18,101
Membership fees	2	1,507	1,967
Income from fundraising activities		661	538
Income from commercial activities		341	515
Income from legacies		10,250	514
Investment income		992	63
Grant income	2	536	467
Income from conferences		6,887	6,281
Notional income	2	1,813	807
Westminster Foundation for Democracy		421	549
Other Income		750	880
Total Income		59,361	30,682
Expenditure			
Cost of fundraising activities		844	938
Cost of commercial activities		193	230
Notional expenditure		1,813	807
Staff costs	5	12,834	11,884
Management and administration expenses		12,554	8,899
Depreciation and amortisation		507	528
Campaign expenditure		6,270	1,966
Interest charge	6	255	311
Conference expenditure		4,363	4,285
Westminster Foundation for Democracy		421	549
Other expenditure		817	1,650
Investment expenditure		105	678
Total expenditure		40,976	32,725
Profit/(loss) before tax		18,385	(2,043)
Tax on profit/(loss)	7	(493)	(337)
Profit/(loss) for the financial year		17,892	(2,380)
Profit/(loss) and total comprehensive income for the year		17,892	(2,380)

THE CONSERVATIVE CENTRAL OFFICE

CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

The notes on pages 17 to 39 form part of these financial statements.

THE CONSERVATIVE CENTRAL OFFICE

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023**

	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	8	130	181
Tangible fixed assets	9	993	1,189
		<u>1,123</u>	<u>1,370</u>
Current assets			
Debtors: amounts falling due after more than one year	10	10	-
Debtors: amounts falling due within one year	10	2,744	2,848
Current asset investments	11	16,592	9,357
Cash and cash equivalents	12	13,045	2,786
		<u>32,391</u>	<u>14,991</u>
Creditors: amounts falling due within one year	13	(10,664)	(11,398)
Net current assets		<u>21,727</u>	<u>3,593</u>
Total assets less current liabilities		<u>22,850</u>	<u>4,963</u>
Creditors: amounts falling due after more than one year	14	(870)	(805)
Provisions for liabilities			
Deferred tax		(318)	(196)
Pension provision	16	(3,121)	(3,601)
Other provisions	16	(538)	(250)
		<u>(3,977)</u>	<u>(4,047)</u>
Net assets		<u>18,003</u>	<u>111</u>
Capital and reserves			
Capital reserves		1,172	1,172
Profit and loss account		16,831	(1,061)
		<u>18,003</u>	<u>111</u>

THE CONSERVATIVE CENTRAL OFFICE

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2023

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 018 MAY 2024


Rt Hon Richard Holden MP
Chairman 

The notes on pages 17 to 39 form part of these financial statements.

THE CONSERVATIVE CENTRAL OFFICE

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Capital reserves £000	Profit and loss account £000	Total equity £000
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 1 January 2023	1,172	(1,061)	111
Comprehensive income for the year			
Profit for the year	-	17,892	17,892
Total comprehensive income for the year	-	17,892	17,892
At 31 December 2023	1,172	16,831	18,003

The notes on pages 17 to 39 form part of these financial statements.

THE CONSERVATIVE CENTRAL OFFICE

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 £000	2022 £000
Cash flows from operating activities		
Profit/(loss) for the financial year	17,892	(2,380)
Adjustments for:		
Amortisation of intangible assets	51	46
Depreciation of tangible assets	456	484
Fixed asset transfer in from Association	(120)	-
Loss on disposal of tangible assets	-	183
Interest received	(191)	-
Interest paid	255	311
Investment income	(144)	(52)
Taxation charge	493	337
Decrease in debtors	429	1,090
Increase/(decrease) in creditors	3,342	(1,931)
(Decrease) in provisions	(192)	(1,533)
Net fair value (gains)/losses recognised in P&L	(751)	645
Corporation and income tax (paid)	(192)	(155)
Net cash generated from/(used in) operating activities	21,328	(2,955)
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(95)
Purchase of tangible fixed assets	(140)	(202)
Assets invested on behalf of Conservative Associations	(667)	-
Purchase of investments	(9,670)	(492)
Sale of investments	3,853	90
Interest received	191	2
Investment income	144	50
Net cash used in investing activities	(6,289)	(647)
Cash flows from financing activities		
Repayment of loans	(500)	-
Repayment of finance leases	(244)	(244)
Deposits from Constituency Associations	732	-
Deposits from Constituency Associations repaid	(956)	(712)
Interest paid	(255)	(311)
Net cash used in financing activities	(1,223)	(1,267)
Net increase/(decrease) in cash and cash equivalents	13,816	(4,869)

THE CONSERVATIVE CENTRAL OFFICE

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 £000	2022 £000
Cash and cash equivalents at beginning of year	(771)	4,098
Cash and cash equivalents at the end of year	<u>13,045</u>	<u>(771)</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	13,045	2,786
Bank overdrafts	-	(3,557)
	<u>13,045</u>	<u>(771)</u>

The notes on pages 17 to 39 form part of these financial statements.

THE CONSERVATIVE CENTRAL OFFICE

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2023**

	At 1 January 2023 £000	Cash flows £000	At 31 December 2023 £000
Cash at bank and in hand	2,786	10,259	13,045
Bank overdrafts	(3,557)	3,557	-
Debt due after 1 year	(805)	(65)	(870)
Debt due within 1 year	(542)	(132)	(674)
Finance leases	(244)	244	-
Current asset investments	-	667	667
	<u>(2,362)</u>	<u>14,530</u>	<u>12,168</u>

The notes on pages 17 to 39 form part of these financial statements.

THE CONSERVATIVE CENTRAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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-subsiidiaries 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.

THE CONSERVATIVE CENTRAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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. The Conservative Central Office'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.

THE CONSERVATIVE CENTRAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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.

THE CONSERVATIVE CENTRAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 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 investment expenditure.

1.10 Cash and cash equivalents

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

1.11 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.

THE CONSERVATIVE CENTRAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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.

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

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 has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's Balance Sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are

THE CONSERVATIVE CENTRAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. Accounting policies (continued)

1.15 Financial instruments (continued)

initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables

THE CONSERVATIVE CENTRAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. Accounting policies (continued)

1.15 Financial instruments (continued)

are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

2. Income

	2023 £000	2022 £000
Membership Share		
Party membership share	1,507	1,967
	<u>1,507</u>	<u>1,967</u>

	2023 £000	2022 £000
Grant income		
Policy Development Grant	433	392
Scottish Parliament Grant	103	75
	<u>536</u>	<u>467</u>

The Party also received £828,000 (2022 - £1,034,000) of income for the reimbursement of security costs from the Home Office in the form of a Home Office Security Grant. This has been included within income from conferences.

Notional income

	2023 £000	2022 £000
Goods and services	<u>1,813</u>	<u>807</u>

Where notional income relates to activity spanning the financial year end, the value of the gift received to 31 December is recognised in the accounts. The full amount is declared to the Electoral Commission at the point of acceptance in line with the Commission's reporting requirements.

THE CONSERVATIVE CENTRAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3. Investment income

	2023 £000	2022 £000
Investment income		
Dividends received	108	49
Interest receivable	36	2
Gain from changes in fair value of investments	448	5
Capital gains	400	7
	<u>992</u>	<u>63</u>

THE CONSERVATIVE CENTRAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. Operating profit/(loss)

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

	2023 £000	2022 £000
Campaign expenditure:		
General election (reportable)	-	-
Campaign expenditure (non-reportable)	6,270	1,966
Auditor's remuneration:		
Audit services to the Conservative Central Office	92	84
Other assurance services to the Conservative Central Office	14	11
Non-audit services to the Conservative Central Office	10	10
Audit services to quasi-subidiaries	21	18
Tax compliance services	9	10
Operating lease rentals:		
Land and buildings	1,151	932
Motor vehicles	9	4
Office equipment	6	4
Depreciation of tangible fixed assets:		
Owned assets	456	299
Leased assets	-	185
Amortisation of intangible fixed assets:		
Owned assets	51	46
Westminster Foundation for Democracy:		
Project funding recognised during the year	(421)	(549)
Project expenditure supported by funding	421	549

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.

THE CONSERVATIVE CENTRAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

5. Employees

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

	2023 No.	2022 No.
Central office staff	200	179
Regional office staff	94	73
	<u>294</u>	<u>252</u>

Their aggregate payroll costs were:

	2023 £000	2022 £000
Salaries	10,933	10,124
Social security costs	1,162	1,100
Cost of Superannuation Pension Fund	388	373
Other staff costs	351	369
	<u>12,834</u>	<u>11,966</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 2023

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.

6. Interest charge

	2023 £000	2022 £000
Interest payable on loans and overdrafts	6	15
Unwinding of discounts on provisions	217	270
Interest payable on deposits	32	26
	<u>255</u>	<u>311</u>

THE CONSERVATIVE CENTRAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

7. Taxation

	2023 £000	2022 £000
Income and corporation tax		
Current tax on profits for the year	372	423
Total current tax	372	423
Deferred tax		
Origination and reversal of timing differences	121	(86)
Total deferred tax	121	(86)
Taxation on profit on ordinary activities	493	337

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - *higher than*) the standard rate of corporation tax in the UK of 20% (2022 - 19%). The differences are explained below:

	2023 £000	2022 £000
Profit/(loss) on ordinary activities before tax	18,385	(2,043)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.5% (2022 - 19%)	4,323	(388)
Effects of:		
Expenses not deductible for tax purposes	7,621	5,983
Fixed asset differences	102	141
Income not taxable for tax purposes	(11,175)	(5,222)
Chargeable gains/(losses)	66	(56)
Changes in provisions leading to an increase (decrease) in the tax charge	-	3
Adjustments to tax charge in respect of prior periods	2	(33)
Adjustments to tax charge in respect of prior periods - deferred tax	-	11
Movement in deferred tax not recognised	(68)	45
Remeasurement of deferred tax for changes in tax rates	6	-
Other differences leading to an increase (decrease) in the tax charge	(384)	(147)
Total tax charge for the year	493	337

THE CONSERVATIVE CENTRAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

7. Taxation (continued)

Factors that may affect future tax charges

The current year tax rate has increased from 19% to 23.5% due to the increase in UK corporation tax to 25% from 1 April 2023, hence the hybrid rate this year. Deferred tax has therefore been calculated at 25%, the rate at which timing differences are expected to unwind. There were no factors that may affect future tax charges.

8. Intangible assets

Group and The Conservative Central Office

	Website £000	Database £000	Total £000
Cost			
At 1 January 2023	253	918	1,171
At 31 December 2023	253	918	1,171
Amortisation			
At 1 January 2023	72	918	990
Charge for the year on owned assets	51	-	51
At 31 December 2023	123	918	1,041
Net book value			
At 31 December 2023	130	-	130
At 31 December 2022	181	-	181

THE CONSERVATIVE CENTRAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

9. Tangible fixed assets

Group

	Land & buildings £000	Fixtures and fittings £000	Office equipment £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 January 2023	125	1,273	138	1,443	2,979
Additions	121	3	5	131	260
Disposals	-	-	(25)	(195)	(220)
At 31 December 2023	246	1,276	118	1,379	3,019
Depreciation					
At 1 January 2023	96	719	52	923	1,790
Charge for the year on owned assets	9	143	30	274	456
Disposals	-	-	(25)	(195)	(220)
At 31 December 2023	105	862	57	1,002	2,026
Net book value					
At 31 December 2023	141	414	61	377	993
At 31 December 2022	29	554	86	520	1,189

THE CONSERVATIVE CENTRAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Conservative Central Office

	Land & buildings £000	Fixtures and fittings £000	Office equipment £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 January 2023	-	753	138	1,443	2,334
Additions	121	3	5	131	260
Disposals	-	-	(25)	(195)	(220)
At 31 December 2023	121	756	118	1,379	2,374
Depreciation					
At 1 January 2023	-	200	52	923	1,175
Charge for the year on owned assets	-	143	30	274	447
Disposals	-	-	(25)	(195)	(220)
At 31 December 2023	-	343	57	1,002	1,402
Net book value					
At 31 December 2023	121	413	61	377	972
At 31 December 2022	-	553	86	520	1,159

THE CONSERVATIVE CENTRAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

10. Debtors

	2023 £000	2022 £000
Due after more than one year		
Other debtors	10	-
	<u>10</u>	<u>-</u>
	2023 £000	2022 £000
Due within one year		
Trade debtors	479	243
Other debtors	480	1,226
Prepayments and accrued income	1,785	1,379
	<u>2,744</u>	<u>2,848</u>

11. Current asset investments

	Group 2023 £000	Group 2022 £000
Assets held in trust on behalf of Conservative Associations which are invested in share or cash funds	667	-
Market value	15,925	9,357
	<u>16,592</u>	<u>9,357</u>

Current asset investment of £16,592,000 (2022 - £9,357,000) are shares held in funds which are valued on a regular basis. The total gain recognised on these investments in the period was £751,000 (2022 - loss of £603,000), representing the fair value movements. These financial instruments are the only assets held at fair value through profit or loss.

In 2023, cash of £219,000 (2022: £260,000) held by the investment custodian is recognised under cash and cash equivalents.

THE CONSERVATIVE CENTRAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

12. Cash and cash equivalents

	Group 2023 £000	Group 2022 £000
Cash at bank and in hand	12,826	2,526
Cash equivalents	219	260
	<u>13,045</u>	<u>2,786</u>

Included within cash is £10.2m arising from a legacy which is held in separate bank accounts. There are restrictions over its use relating to the future purchase of property and the funding of bursaries from income arising.

13. Creditors: Amounts falling due within one year

	2023 £000	2022 £000
Bank overdrafts	-	3,557
Commercial loan	-	500
Trade creditors	2,372	1,426
Deposits from Constituency Associations	2,340	2,635
Income tax	639	459
Other taxation and social security	379	282
Obligations under finance lease and hire purchase contracts	-	244
Other creditors	1,103	1,317
Accruals and deferred income	3,831	978
	<u>10,664</u>	<u>11,398</u>

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

	2023 £000	2022 £000
Deposits from Constituency Associations	870	805
	<u>870</u>	<u>805</u>

THE CONSERVATIVE CENTRAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

15. Deposits

Analysis of the maturity of deposits is given below:

	Group 2023 £000	Group 2022 £000
Amounts falling due within one year		
Deposits from Constituency Associations	1,673	2,635
Assets held in trust on behalf of Conservative Associations which are invested in share or cash funds	667	-
	<u>2,340</u>	<u>2,635</u>
Amounts falling due within 1-2 years		
Deposits from Constituency Associations	870	805
	<u>870</u>	<u>805</u>
	<u><u>3,210</u></u>	<u><u>3,440</u></u>

Assets held in trust on behalf of Conservative Associations which are invested in a cash fund have been included within cash and cash equivalents. Assets held in trust on behalf of Conservative Associations which are invested in a share fund have been included within current asset investments.

Interest is offered to Associations with funds on deposit with the Conservative Central Office. These interest rates are reviewed annually and are consistent with rates offered by high street banks to similar sized unincorporated associations or community amateur sports clubs (CASCs).

THE CONSERVATIVE CENTRAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

16. Provisions

Group

	Pension commitment £000	Other provisions £000	Total £000
At 1 January 2023	3,601	250	3,851
Charged to profit or loss	403	-	403
Unwind of discount	217	-	217
Payments in year	(1,100)	-	(1,100)
Other movements	-	288	288
At 31 December 2023	3,121	538	3,659

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 5). The total provision as at 31 December 2023 is £4,221,000, this includes £1,100,000 which has been recognised within creditors due less than one year.

The Schedule of Contributions shows amount 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 received and the discount rates amended in 2023 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.

THE CONSERVATIVE CENTRAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Conservative Central Office

	Pension commitment £000	Total £000
At 1 January 2023	3,601	3,601
Charged to profit or loss	403	403
Unwind of discount	217	217
Payments in year	(1,100)	(1,100)
At 31 December 2023	<u>3,121</u>	<u>3,121</u>

17. Quasi-subsidaries

The financial statements incorporate the quasi-subsidaries of the Conservative Central Office, namely C&UCO Management Limited, C&UCO Services Limited (both of which were dormant during the year under review), C&UCO Properties Limited, The Conservative Party Foundation Limited and the Conservative Party Association. Quasi-subsidaries 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-subsidaries totalled £16,940,000 (2022 - £7,310,000) as at 31 December 2023, comprising fixed assets of £21,000 (2022 - £29,000), investments of £6,383,000 (2022 - £4,563,000), debtors of £94,000 (2022 - £513,000), cash at bank of £11,838,000 (2022 - £2,786,000), creditors and accruals of £565,000 (2022 - £331,000) and provisions and deferred tax of £829,000 (2022 - £250,000).

There are also intra-group balances of £9,000 (2022 - £9,000) due from the Conservative Central Office and of £500,000 (2022 - £nil) due to the Conservative Central Office which are eliminated on consolidation. In aggregate, the quasi-subsidaries reported a gain for the year of £9,542,000 (2022 - £176,000).

18. 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.

THE CONSERVATIVE CENTRAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

19. Commitments under operating leases

At 31 December 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £000	Group 2022 £000
Not later than 1 year	923	881
Later than 1 year and not later than 5 years	1,554	2,525
Later than 5 years	531	399
	<u>3,008</u>	<u>3,805</u>

THE CONSERVATIVE CENTRAL OFFICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

20. 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 2023 are provided below:

a) The following transactions were made by Mr Graham Edwards during the year:

Donations	£2,043,300	(2022 - £694,525)
Donations in kind	£2,015,000	

b) The following transactions were made during the year by Lord Michael Farmer:

Donations	£99,711	(2022 - £50,000)
-----------	---------	------------------

:

c) The following transactions were made during the year by Golden Lane securities, a company in which Dr Christopher Moran has an interest:

Donations	£58,290	(2022 - £56,000)
-----------	---------	------------------

d) 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	(2022 - £50,000)
-----------	---------	------------------

ie) The following transactions were made during the year by IPGL, a company in which Lord Michael Spencer has an interest:

Donations	£35,000	(2022 - £185,000)
Donations in kind	£1,410	

f) The following transactions were made by Mr Stephen Massey:

Donations	£40,050	(2022 - £36,000)
-----------	---------	------------------

g) The following transactions were made during the year by SLM Management Limited, a company in which Mr Stephen Massey has an interest:

Donations	£25,000	
-----------	---------	--

h) The following transactions were made during the year by

Donations	£nil	(2022 - £973,000)
-----------	------	-------------------

i) Certain other individual members of the Board and Party Officers made donations during the year in aggregate of:

Donations	£11,830	(2022 - £2,990)
Donations in kind	£748	(2022 - £nil)

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.

THE CONSERVATIVE CENTRAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

21. Controlling party

As described on page 4, the Board of the Conservative Party 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.