

United Kingdom Independence Party Limited  
(a company limited by guarantee)  
Report and accounts  
31 December 2010



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31 December 2010

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United Kingdom Independence Party Limited  
(a company limited by guarantee)  
Company Information

Accounting Unit

Chairman:  
Steve Crowther

Secretary:  
Mark Wadsworth

Treasurer:  
Mark Wadsworth

Registered Office:  
Lexdrum House Unit 1  
King Charles Business Park  
Old Newton Road, Heathfield  
Newton Abbey, Devon  
TQ12 6UT

Auditors:  
CK Partnership Limited  
1 Old Court Mews  
311 Chase Road  
London  
N14 6JS

United Kingdom Independence Party Limited  
(a company limited by guarantee)  
Directors' Report  
For the year ended 31 December 2010

The directors present their report and accounts for the year ended 31 December 2010.

### **Principal activities and business review**

The company is limited by guarantee without share capital. The guarantee of the members is limited to a contribution of £1 each in the event of the company being wound up. The company commenced its activities on 01<sup>st</sup> January 2010. The Company's principal activity during the year was that of an accounting unit of the central party.

By an agreement dated 14 December 2009, the company acquired the existing assets and liabilities of the UK Independence Party ('UKIP') and agreed to deal with the day-to-day administration of the affairs of UKIP from 1 January 2010 onwards.

The company was registered as an Accounting Unit of UKIP with the Electoral Commission on 16 October 2009.

### **Directors and their interests**

All members of the National Executive Committee of UKIP are appointed as directors of the company and each director is a guarantor of the company. The directors serving during the year were as follows:

M A Zuckerman  
D R Clark  
D E Denny  
A Moncreiff  
G E Seymour  
G S Curtis  
D Campbell Bannerman  
R J Oxley  
A Bown  
M J McGough (appointed 8 November 2009)  
S Allison (appointed 8 November 2010)  
E Burton (appointed 8 November 2010)  
J Reid (appointed 8 November 2010)  
H M Williams (appointed 8 November 2010)  
S J Crowther (appointed 5 November 2010)

United Kingdom Independence Party Limited  
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Directors' Report  
For the year ended 31 December 2010

### **Disclosure of information to auditors**

Each person who was a director at the time the report was approved confirms that:

- So far as he/she is aware, there is no relevant audit information of which the company's auditor is unaware; and
- He/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of relevant audit information and to establish that the company's auditor is aware of that information

### **Small company provisions**

This report has been prepared in accordance with the provisions in part 15 of the Companies Act 2006 applicable to companies subject to the small companies' regime.

This report was approved by the board on 5 March 2011 and signed on its behalf



Mark Wadsworth  
Company Secretary & Treasurer

United Kingdom Independence Party Limited  
(a company limited by guarantee)  
Statement of Directors Responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain that the companies' transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

United Kingdom Independence Party Limited  
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Report of the Party Officers  
For the year ended 31 December 2010

### **Treasurer's Financial Review**

On 1 January 2010, all assets and liabilities and day to day administration of UKIP, including collecting donations and paying expenses, were transferred to the company. The net book value of the assets and liabilities transferred was £24,653.

The accounts show only funds of the company, which is registered as an Accounting Unit of UKIP with the Electoral Commission. Other Accounting Units (branches and regions) are registered as separate accounting units with the Electoral Commission and have separate financial identities and produce their own financial statements. Their accounts are reported separately to the Electoral Commission if their turnover is sufficiently large to make this necessary. Although this report only refers to the company, it is appropriate to thank the diligence of the officers in all Accounting Units.

The company ended the year 2010 with a deficit of £18,292 and had a balance of £6,361 in the general fund.

In accordance with the party's policy of transparency, accountability and rigorous compliance with PPERA and other relevant legislation, ongoing development of controls and procedures is continuing.

Special thanks are due as ever to all those who have contributed to the financing of the party in such a generous manner.

  
Mark Wadsworth  
Company Secretary and Treasurer

31 MARCH 2011

United Kingdom Independence Party Limited  
(a company limited by guarantee)  
Statement of Treasurer's Responsibilities  
For the year ended 31 December 2010

The company is an Accounting Unit of a political party, so the Treasurer of the company is required by PPERA to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the company and of its surplus or deficit for that period. In preparing those financial statements, the Treasurer is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the accounts on a going concern basis unless it is inappropriate to presume that the party will continue in business

Section 41 PPERA requires that the Treasurer is responsible for keeping proper accounting records, which are disclosed with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with PPERA. The Treasurer is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

United Kingdom Independence Party Limited  
(a company limited by guarantee)  
Report of the Independent auditors  
For the year ended 31 December 2010

**To the Treasurer of the United Kingdom Independence Party Limited**

We have audited the financial statements of the United Kingdom Independence Party Limited for the year that ended 31 December 2010, which comprise the income and expenditure account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out in Note 1.

This report is made solely to the registered treasurer of the United Kingdom Independence Party Limited in accordance with the Party's rules and section 43 PPERA. Our audit work has been undertaken so that we might state to the Treasurer those matters we are required to state 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 Treasurer for our audit work, for this report or for the opinions we have formed.

**Respective responsibilities of registered treasurer and auditors**

The responsibilities of the registered treasurer for preparing the annual report and the financial statements in accordance with applicable law and UK accounting standards are set out in the Statement of Treasurer's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and UK Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with PPERA and the Statement of Accounts guidance and other directions issued by The Electoral Commission there under. We also report to you if in our opinion the Overview is not consistent with the financial statements, if the party has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the report of the Party Officers. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

United Kingdom Independence Party Limited  
(a company limited by guarantee)  
Report of the Independent auditors  
For the year ended 31 December 2010

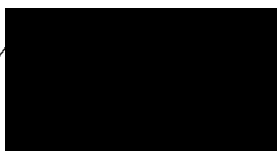
### **Basis of audit opinion**

We conducted our audit in accordance with UK Auditing Standards issued by the Auditing Practices Board. An audit includes an examination on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the registered treasurer in the preparation of the financial statements and of whether the accounting policies are appropriate to the party's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the party's affairs as at 31 December 2010 and of its surplus for the year then ended and have been properly prepared in accordance with the accounting policies set out in Note 1 and the requirements of PPERA.



Ravi Koppa  
(Senior Statutory Auditor)  
For and on behalf of  
CK Partnership  
Accountants and Statutory Auditors  
31 March 2011

1 Old Court Mews  
311 Chase Road  
London, N14 6JS

United Kingdom Independence Party Limited  
(a company limited by guarantee)  
Independent auditors report  
To the trustees of United Kingdom Independence Party Limited

We have audited the accounts of United Kingdom Independence Party Limited for the year ended 31 December 2010 which comprise the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practise applicable to smaller entities)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of Directors Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

#### **Scope of the audit opinion**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the accounts.

#### **Opinion on the accounts**

In our opinion the accounts:

- Give a true and fair view of the state of the companies affairs as at 31 December 2010 and of its deficit for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

United Kingdom Independence Party Limited  
(a company limited by guarantee)  
Independent auditors report  
To the trustees of United Kingdom Independence Party Limited


**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the directors Report for the financial year for which the accounts are prepared is consistent with the accounts.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the accounts and the director's report in accordance with the small companies' regime.

  
Ravi Koppa  
(Senior Statutory Auditor)  
For and on behalf of  
CK Partnership  
Accountants and Statutory Auditors

1 Old Court Mews  
311 Chase Road  
London, N14 6JS

31 March 2011

United Kingdom Independence Party Limited  
(a company limited by guarantee)  
Income and expenditure account  
For the year ended 31 December 2010

	Note	2010 £	2009 £
<b>Income</b>			
A	2	999,458	-
B		170,309	-
C	3	759	-
D	4	49,105	-
E		48,084	-
F	5	74	-
G		-	-
H		27,962	-
I	2, 6	46,986	-
J		-	-
K		<u>1,342,737</u>	-
<b>Expenditure</b>			
L	3	-	-
M	4	27,253	-
N	6	46,986	-
O	7	216,171	-
P		299,638	-
Q	8	4,760	-
R	9	681,279	-
S		-	-
T		74,839	-
U	10	10,103	-
		<u>1,361,029</u>	-
	11	<u>(18,292)</u>	-

No Statement of Recognised Gains and Losses is included as there were no gains or losses other than those included in the income and expenditure account.

United Kingdom Independence Party Limited  
(a company limited by guarantee)  
Statement of total recognised gains and losses  
For the year ended 31 December 2010

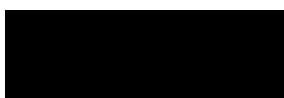
	Notes	2010 £	2009 £
Deficit for the financial year		(18,292)	-
Total recognised surplus and deficit related to the year		<u>(18,292)</u>	<u>-</u>

United Kingdom Independence Party Limited  
(a company limited by guarantee)  
Balance sheet  
As at 31 December 2010

	Note	2010 £	2009 £
<b>Fixed assets</b>			
Tangible assets	12	10,945	-
<b>Current assets</b>			
Stocks		8,000	-
Cash at bank and in hand		49,740	-
		<u>57,740</u>	-
<b>Creditors falling due within one year</b>	13	<u>(62,324)</u>	-
<b>Net current assets</b>		(4,584)	-
<b>Total assets less current liabilities</b>		<u>6,361</u>	-
<b>Reserves</b>			
General fund	14	<u>6,361</u>	-

In accordance with the Party's constitution, the accounts were approved the National Executive Committee on 7 February 2011 and by Party members at a Business Meeting on 5 March 2011.

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies' regime.



H M Williams  
Company Director

3! March 2011

United Kingdom Independence Party Limited  
(a company limited by guarantee)  
Cash Flow Statement  
For the year ended 31 December 2010

	Note	2010 £	2009 £
Deficit before and after taxation		(18,292)	-
Depreciation charge and loss on disposal	8	4,759	-
(Increase) in stocks		(3,391)	-
Increase in creditors	13	35,015	-
<b>Net cash flow from operating activities</b>		<u>18,091</u>	-
<b>Capital expenditure</b>	12	(6,260)	-
<b>Increase in cash in the year</b>		<u>11,831</u>	-
<b>Cash at bank and in hand</b>			
Transferred in 1 January 2010		37,909	-
Increase in cash in period		11,831	-
As at 31 December 2010		<u>49,740</u>	-

United Kingdom Independence Party Limited  
(a company limited by guarantee)  
Notes to the financial statements  
For the year ended 31 December 2010

## **1. Accounting policies**

### **Accounting convention**

United Kingdom Independence Party Limited is incorporated by law and thus bound by Companies Act 2006. The party is also 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 historic cost convention, and in accordance with applicable accounting standards and the statement of accounts permitted therein. Accordingly, the statements follow the format recommended by the guidelines published by the Electoral Commission.

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

### **Depreciation**

Depreciation is provided on all tangible fixed asset at rates calculated to write off the cost, less estimated residual value of each assets evenly over its useful expected life as follows:

Computer and office equipment - 25% reducing balance.

### **Stocks**

Stocks are valued at the lower of cost and net realisable value.

### **Financial accounting**

The company's accounts do not include income and expenditure of regional, branch or constituency associations. Financial administration of the substantial activities at by-elections and constituency campaigns are dealt with at the appropriate level.

### **Income**

Subscriptions are included in the accounts as and when received. An insignificant number of long-term memberships have been received and these are not refundable in any circumstances.

### **Expenditure**

Expenditure is recognised in the period in which it is incurred and amounts payable at the year-end are recorded as trade creditors.

### **Notional Income and Expenditure**

Notional income and expenditure is defined in PPERA. Where an organisation or individual bears the cost of goods or services for which the party otherwise would have been liable, that cost is referred to as notional expenditure and the party is deemed to have received notional income of an equal amount.

United Kingdom Independence Party Limited  
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Notes to the financial statements  
For the year ended 31 December 2010

### **Going concern**

The financial statements have been prepared on a going concern basis, which assumes that the company can meet its financial obligations as and when they fall due. The directors and the National Executive Committee are confident that funds will be available to meet the company's liabilities as they fall due.

### **2. Donation income**

Under section 62 PPERA single or aggregated donations from an individual greater than £5,000 in any calendar year are reportable to The Electoral Commission. During the year the company received cash donations and bequests of £999,458, of which £749,790 was reportable to The Electoral Commission, and donations in kind of £46,986, of which £46,722 was reportable. The party's administrative staff checks the permissibility of all donors (as defined by section 54 PPERA) who make individual donations of more than £500.

### **3. Fundraising income and expenditure**

Fundraising income and costs of fund raising activities related to raffles, tickets and prizes.

### **4. Costs of commercial activities**

Costs of commercial activities relate to the cost of goods purchased. These costs do not include related costs of storage and postage, or any allocation of staff or other administrative costs.

### **5. Investment income**

Investment income consisted of bank interest income.

### **6. Notional income and expenditure**

	<b>2010</b>
	£
Goods received	45,806
Services received	1,180
	<u>46,986</u>

United Kingdom Independence Party Limited  
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Notes to the accounts  
For the year ended 31 December 2010

**7. Staff costs and remuneration**

	<b>2010</b>
	No.
Party officers	4
Administrative staff	11
	<u>15</u>
	£
Salaries and Employer's National Insurance	<u>216,171</u>

No staff member received any additional benefits either paid or in kind during 2010 or 2009, and no staff member's emoluments exceeded £50,000. The positions of Leader, Nominating Officer and Chairman are not currently salaried.

**8. Depreciation and loss on disposal of fixed assets**

The depreciation charge relates to depreciation of tangible fixed assets (Note 12). The loss on disposal of £1,111 relates to the motor vehicle, which was scrapped in 2010.

**9. Campaign expenditure**

	<b>2010</b>
	£
General Election and Malton & Thirsk	511,941
Contribution to candidates' leaflets and deposits	131,326
London Campaign Office (post-General Election)	48,952
Oldham & Saddleworth by-election	1,390
Refunds of 2009 expenditure	(11,440)
Other refunds	(890)
	<u>681,279</u>

**10. Other expenditure**

	<b>2010</b>
	£
Leadership election expenses	8,853
Compensation	750
Electoral Commission fines	500
	<u>10,103</u>

United Kingdom Independence Party Limited  
(a company limited by guarantee)  
Notes to the accounts  
For the year ended 31 December 2010

## 11. Deficit before and after taxation

The deficit before and after taxation is stated after charging:

	2010 £
<u>Auditor's remuneration</u>	
- Audit services	11,369
- Non-audit services	-
<u>Operating lease charges</u>	
- Property	16,000
- Equipment	1,893
<u>Depreciation</u>	3,648
Loss on disposal of fixed assets	<u>1,111</u>

## 12. Tangible fixed assets

	Computer and office equipment £	Motor vehicle £	Total £
Cost			
Transferred in 1 January 2010	34,922	1,976	36,898
Additions	6,260	-	6,260
Disposals	<u>-</u>	<u>(1,976)</u>	<u>(1,976)</u>
At 31 December 2010	<u>41,182</u>	<u>-</u>	<u>41,182</u>
Depreciation			
Transferred in 1 January 2010	26,589	865	27,454
Charge for the year	3,648	-	3,648
Eliminated on disposals	<u>-</u>	<u>(865)</u>	<u>(865)</u>
At 31 December 2010	<u>30,237</u>	<u>-</u>	<u>30,237</u>
Net book value			
Transferred in 1 January 2010	8,333	1,111	9,444
At 31 December 2010	<u>10,945</u>	<u>-</u>	<u>10,945</u>

United Kingdom Independence Party Limited  
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Notes to the accounts  
For the year ended 31 December 2010

**13. Creditors falling due within one year**

	<b>2010</b>
	£
Trade creditors	51,914
Sundry creditors	4,910
Accruals	5,500
	<u>62,324</u>

**14. General Fund**

	<b>2010</b>
	£
Transferred in 1 January 2010	24,653
Deficit for the financial year	<u>(18,292)</u>
Accumulated surplus at 31 December	<u>6,361</u>

**15. Contingent assets and liabilities**

On 8 and 9 June 2010, the Supreme Court found in favour of UKIP in its long running dispute with the Electoral Commission and UKIP were awarded costs.

The company has received further invoices for legal services in connection with the above mentioned case, which are not included in these accounts on the assumption that neither the company nor UKIP are liable to make payment. A UKIP member has agreed to bear any amounts payable and as mentioned above, it is expected that the court will award these costs to UKIP and thus that they will be borne by the Electoral Commission.

The company also expects a significant amount to be reimbursed in respect of legal costs already paid and incurred but the amount is yet to be decided by the courts.