

The Independent Group (TIG) Ltd

(A company limited by guarantee)

Annual Report and Financial Statements

for the Period from 16 January 2019 to 31 January 2020

Cox Costello & Horne
Statutory Auditors
Fifth Floor
14-15 Lower Grosvenor Place
London
SW1W 0EX

The Independent Group (TIG) Ltd

Contents

Party Information	<u>1</u>
Registered Treasurer's Report	<u>2</u> to <u>3</u>
Directors' Report	<u>4</u>
Statement of Directors' Responsibilities	<u>5</u>
Independent Auditor's Report	<u>6</u> to <u>9</u>
Profit and Loss Account and Statement of Retained Earnings	<u>10</u>
Balance Sheet	<u>11</u>
Statement of Cash Flows	<u>12</u>
Notes to the Financial Statements	<u>13</u> to <u>17</u>

The Independent Group (TIG) Ltd

Party Information

Directors R. C. N. Davidson
M. J. Gapes

Registered treasurer R. C. N. Davidson

Registered office Vox Studios
1-45 Durham Street
Vauxhall
London
SE11 5JH

Auditors Cox Costello & Horne
Statutory Auditors
Fifth Floor
14-15 Lower Grosvenor Place
London
SW1W 0EX

The Independent Group (TIG) Ltd

Registered Treasurer's Report for the Period from 16 January 2019 to 31 January 2020

The treasurer presents his Board Report for the period from 16 January 2019 to 31 January 2020.

Principal activity

The principal activity of the company is political party.

Fair review of the activities

Strategic objectives

- (i) To change British politics in line with the core values and instincts of the British people that still hold true; values of fairness, responsibility, truthfulness, opportunity, parliamentary democracy and long-termism.
- (ii) To assert the freestanding and contemporary relevance of these key values. The centre of British politics has to regain confidence and provide positive ideas that are compelling, appropriate and deliverable.

Review of political activities

(i) Review of European Election

This election was ultimately unsuccessful because our vote was squeezed by the Liberal Democrats who, having been an established and registered party at the proceeding local elections, created a successful media narrative that they were the preferred vehicle for anti-Brexit votes.

Nevertheless, to have achieved over 600,000 votes cast and fielded candidates across the UK was a strong effort and, had it not been for the lack of confidence voiced in some parts of the party during the course of the campaign, perhaps a stronger result would have been possible.

(ii) Review of General Election

The election result was decisive and expected. The Management Council agreed it was the commendable decision for candidates to stand. The decision was then made to formally close down the organisation; deregistering as a political party and terminating the company.

Review of financial performance

The Party is reporting a surplus of £91,459 for the period ended 31 January 2020 (see page 10), resulting in a capital balance of £91,459 (see page 11).

The Independent Group (TIG) Ltd

Registered Treasurer's Report for the Period from 16 January 2019 to 31 January 2020

Corporate governance

The Management Council is the governing body of the Party and is responsible for all operational matters including fund-raising, membership, and rules for candidate selection and compliance with the legislative requirements of the Party. The Management Council is as follows:

C. M. Leslie (Chair)

A. M. Soubry (Leader)

R. C. N. Davidson (Registered Treasurer)

J. Ryan

M. J. Gapes

A. Coffey

Approved by the Board on 15 May 2020 and signed on its behalf by:

.....
R. C. N. Davidson

Registered Treasurer

The Independent Group (TIG) Ltd

Directors' Report for the Period from 16 January 2019 to 31 January 2020

The directors present their report and the financial statements for the period from 16 January 2019 to 31 January 2020.

Incorporation

The company was incorporated on 16 January 2019 and commenced trading on 1 February 2019.

Directors of the company

The directors who held office during the period were as follows:

R. C. N. Davidson (appointed 21 May 2019)

M. J. Gapes (appointed 4 June 2019)

N. A. Murphy (appointed 21 May 2019 and ceased 30 October 2019)

G. Shuker (appointed 16 January 2019 and ceased 21 May 2019)

Corporate governance

The corporate governance statement has been included within the Registered Treasurer's Report due to its strategic importance.

Going concern

The political party was dissolved on 19 December 2019; consequently, the principal activity of the company no longer applies and the company will be dissolved within the next few months.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 15 May 2020 and signed on its behalf by:

.....
R. C. N. Davidson

Director and Registered Treasurer

The Independent Group (TIG) Ltd

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements 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 financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements 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 the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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.

The Independent Group (TIG) Ltd

Independent Auditor's Report to the Directors of The Independent Group (TIG) Ltd

Qualified opinion

We have audited the financial statements of The Independent Group (TIG) Ltd (the 'company') for the period from 16 January 2019 to 31 January 2020, which comprise of the Profit and Loss Account and Statement of Retained Earnings, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2020 and of its surplus for the period 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 and the Political Parties, Elections and Referendums Act 2000.

Basis for qualified 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 company 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 not sufficient and appropriate to provide the basis for an unqualified audit opinion. The information available to us was limited as certain documents had been inappropriately destroyed by former members of staff during the winding down of operations. These included:

- original bank statement (although Excel downloads from the bank are in existence);
- personnel files; and
- files which recorded details of donations received.

None of the destroyed documents could be satisfactorily reconstructed.

Nothing has come to our attention indicating that there are any material errors in the financial statement, however, as a result of the matter describe above, we were unable to determine whether any adjustments might have been found to be necessary had the scope of our work not been limited.

The Independent Group (TIG) Ltd

Independent Auditor's Report to the Directors of The Independent Group (TIG) Ltd

Conclusions relating to going concern

As explained in the directors' report and the basis of preparation note the company due to the dissolution of the political party no longer has a purpose and directors are in the process of undertaking a solvent wind up. As required by UK accounting standards, the directors have prepared the financial statements on the basis that the company is no longer a going concern, the 'break up basis'. The only material adjustment that arose as a result of ceasing to apply the going concern basis was the recognition of a provision for £23,356 relating to post balance sheet losses. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

The Independent Group (TIG) Ltd

Independent Auditor's Report to the Directors of The Independent Group (TIG) Ltd

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- returns adequate for our audit have not been received from branches not visited by us; or the financial statements 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 financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

However, as noted in the Basis for qualified opinion adequate accounting records have not been kept.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 5], the directors are 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 directors 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

The Independent Group (TIG) Ltd

Independent Auditor's Report to the Directors of The Independent Group (TIG) Ltd

Use of our report

This report is made solely to the company's members, as a body, in accordance with Part 3 of Part 16 of the Companies Act 2006 and section 43 of the Political Parties, Elections and Referendums Act 2000. 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.

.....

(Senior Statutory Auditor)

For and on behalf of Cox Costello & Horne, Statutory Auditor

Fifth Floor

14-15 Lower Grosvenor Place

London

SW1W 0EX

15 May 2020

The Independent Group (TIG) Ltd

Profit and Loss Account and Statement of Retained Earnings for the Period from 16 January 2019 to 31 January 2020

	16 January 2019 to 31 January 2020	
	£	Note
Turnover		
Donations	1,597,863	
Membership	13,168	
	<u>1,611,031</u>	
Turnover	<u>1,611,031</u>	<u>3</u>
Administrative expenses		
Wages and salaries	(181,317)	
Staff employer's national insurance	(15,270)	
Directors' remuneration	(25,622)	
Directors' employer's national insurance	(2,587)	
Staff defined contribution pension	(1,969)	
Redundancy	(33,111)	
Office rental	(64,261)	
Office expenses	(12,327)	
Miscellaneous	(9,884)	
Campaign expenses	(77,262)	
Campaign advertising	(780,449)	
Campaign operations and events	(197,538)	
Auditor's remuneration	(6,000)	
Consultants	(4,103)	
Legal and professional	(84,400)	
Bank charges	(116)	
	<u>(1,496,216)</u>	
Administrative expenses	<u>(1,496,216)</u>	
Operating surplus	114,815	
Exceptional costs	(23,356)	<u>4</u>
	<u>91,459</u>	
Surplus for the financial period	91,459	
Retained earnings brought forward	-	
Retained earnings carried forward	<u>91,459</u>	

The notes on pages 13 to 17 form an integral part of these financial statements.

The Independent Group (TIG) Ltd

(Registration number: 11770529)
Balance Sheet as at 31 January 2020

		31 January 2020
	Note	£
Current assets		
Debtors	<u>7</u>	13,852
Cash at bank and in hand	<u>8</u>	<u>145,776</u>
		159,628
Creditors: Amounts falling due within one year	<u>9</u>	<u>(68,169)</u>
Net assets		<u><u>91,459</u></u>
Capital and reserves		
Profit and loss account		<u>91,459</u>
Total equity		<u><u>91,459</u></u>

For the financial period the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. Alternatively the directors have sought an audit under the Political Parties, Elections and Referendums Act 2000 (PPERA).

The directors acknowledges their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved and authorised by the Board on 15 May 2020 and signed on its behalf by:

.....

M. J. Gapes
Director

The notes on pages 13 to 17 form an integral part of these financial statements.

The Independent Group (TIG) Ltd

Statement of Cash Flows for the Period from 16 January 2019 to 31 January 2020

		16 January 2019 to 31 January 2020
	Note	£
Cash flows from operating activities		
Surplus for the period		91,459
Working capital adjustments		
Increase in trade debtors	<u>7</u>	(13,852)
Increase in trade creditors	<u>9</u>	<u>68,169</u>
Net increase in cash and cash equivalents		145,776
Cash and cash equivalents at 16 January 2019		<u>-</u>
Cash and cash equivalents at 31 January 2020		<u><u>145,776</u></u>

The notes on pages 13 to 17 form an integral part of these financial statements.

The Independent Group (TIG) Ltd

Notes to the Financial Statements for the Period from 16 January 2019 to 31 January 2020

1 General information

The company is a company limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

The address of its registered office is:

Vox Studios
1-45 Durham Street
Vauxhall
London
SE11 5JH

These financial statements were authorised for issue by the Board on 15 May 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006 and the statement of guidance notes issued by the Electoral Commission.

The Independent Group (TIG) Ltd is a political party within the United Kingdom, constituted under the Political Parties, Elections and Referendums Act 2000 (PPERA).

Basis of preparation

As noted in the directors' report the political party was dissolved on 19 December 2019, the company is undertaking a solvent wind up as it does not have a raison d'être, thus the financial statements have been prepared on a break-up basis. This has resulted in post balance sheet losses of £23,356 being recognised in these financial statements. These have been disclosed as an exceptional item in the profit and loss account and as a provision in the balance sheet.

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are prepared in pound sterling which is the functional currency of the Party, and have been rounded to the nearest pound.

The Independent Group (TIG) Ltd

Notes to the Financial Statements for the Period from 16 January 2019 to 31 January 2020

Income recognition

Turnover comprises the fair value of the consideration received or receivable.

The company recognises income:

donations and membership fees are recognised in the profit and loss account when receivable; donations of notional income are recognised when received at the relevant market value of the donation received with an expense of the same amount being recognised at the same time; all other income including fundraising income is recognised in the profit and loss account when receivable.

Expenditure recognition

All expenditure is accounted for on an accruals basis inclusive of irrecoverable VAT.

Tax

The Party is an incorporated volunteer association and is therefore liable to corporation tax on its investment income. No deferred tax is recognised in the Party accounts as any investment income is taxed on the same basis as it is recognised in the profit and loss account.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Income

Reportable donations

Under section 62 of the Political Parties, Elections and Referendums Act 2000 (PPERA), single or aggregated donations from an individual greater than £7,500 in any calendar year are reportable to The Electoral Commission. During the year the Party received cash donations of £1,450,369, of which £125,000 was reportable to The Electoral Commission. In addition the party received donations in kind of £147,494, of which £147,494 was reportable. The Party's administrative staff checks the permissibility of all donors (as defined by section 54 PERA) who make individual donations of more than £500.

The Independent Group (TIG) Ltd

Notes to the Financial Statements for the Period from 16 January 2019 to 31 January 2020

Notional income and expenditure

Notional expenditure incurred for the European election campaign included £125,620 for campaign advertising and £21,874 for office space. £147,494 has been recognised as notional income within donations received.

4 Exceptional costs

	16 January 2019 to 31 January 2020 £
Dissolution costs incurred between 1 February 2020 and 15 May 2020	<u>23,356</u>

5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	16 January 2019 to 31 January 2020 £
Wages and salaries	206,939
Social security costs	17,857
Pension costs, defined contribution scheme	1,969
Redundancy costs	<u>33,111</u>
	<u>259,876</u>

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	16 January 2019 to 31 January 2020 No.
Administration and support	<u>5</u>

The Independent Group (TIG) Ltd

Notes to the Financial Statements for the Period from 16 January 2019 to 31 January 2020

6 Auditor's remuneration

	16 January 2019 to 31 January 2020 £
Audit of the financial statements	<u>6,000</u>

7 Debtors

	31 January 2020 £
Other debtors	<u>13,852</u>

8 Cash and cash equivalents

	31 January 2020 £
Cash at bank	<u>145,776</u>

9 Creditors

	31 January 2020 £
Due within one year	
Social security and other taxes	2,764
Other creditors	427
Accrued expenses	<u>64,978</u>
	<u>68,169</u>

The Independent Group (TIG) Ltd

Notes to the Financial Statements for the Period from 16 January 2019 to 31 January 2020

10 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £1,969.

11 Related party transactions

Income and receivables from related parties

	Key management
2020	£
Donations	600

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.