

FOLKESTONE AND HYTHE CONSERVATIVES

This Statement of Accounts provides a report on the political and financial activities of the Folkestone and Hythe Accounting Unit.

Statement of Accounts

Statement Date: 31 December 2017

1. Statement of Accounts: cash accounting basis

Administrative information	
Registered address	
CCHQ: 4 Matthew Parker Street, London, SW1H 9HQ Folkestone and Hythe Conservatives: [REDACTED]	
Elected Representatives (MP and councillors)	
Name	Position
Damian Collins	MP
Susan Carey	County Councillor for Elham Valley
Tony Hills	County Councillor for Romney Marsh
Rory Love	County Councillor for Cheriton, Sandgate and Hythe East
David Monk	County Councillor for Folkestone West
Dick Pascoe	County Councillor for Folkestone East
David Monk (Leader), Jenny Hollingsbee (Deputy Leader), Peter Gane, Roger Wilkins, Rodica Wheeler, Susan Wallace, Rory Love, Malcolm Dearden, Alan Ewart-James, Michael Lyons, David Owen, Paul Peacock, Clive Goddard, John Collier, David Godfrey, Philip Martin, Stuart Peall, Ann Berry, Dick Pascoe, Janet Holben, Susan Carey, Claire Jeffrey and Russell Tillson (won by-election in July 2017) - all Shepway District Councillors.	

Responsible Officers

For the purposes of the Political Parties Elections Referendums Act 2000 the responsible officers are:

Name	Position
JOHN DUGGLEBY	Chairman and Registered Treasurer
RUSSELL TILLSON	Hon. Treasurer and Deputy Registered Treasurer

Political activities**Overview of political activities**

This has been a busy year for the Association politically, with Kent County Council elections and then the unexpected General Election. As is invariably the case, a good number of members, headed by the Association Chairman, were actively involved in the General Election campaign, and in all parts of the constituency. A very satisfying result was achieved, with Damian Collins returned to Westminster with 32,197 votes (up 5,874 on 2015) and a majority of 15,411 (up 1,614) on a 68 percent turnout. His share of the vote, at 54.7 percent, was up 6.9 percent on 2015. Gordon Williams, our former Agent, acted as Agent from his home in Cornwall, with the Hon. Treasurer, Russell Tillson, acting as Deputy Agent in the Association Office. A Fighting Fund was again established for the General Election campaign.

Earlier, Conservative party candidates won five of the six (new) Kent County Council wards, a net gain of four seats since 2013. Gordon Williams assisted with the formatting of election literature while again the Hon. Treasurer acted as Agent. Russell Tillson was then successful in a District Council by-election in New Romney in July.

The Association held an extended selection process for the 2017 Kent County Council elections, involving both an approvals panel and voting by branch members, with all the chosen candidates then ratified by the Executive Council. A similar procedure is currently in operation for the selection of candidates to contest the thirty District Council seats in May 2019.

Branches

The Unit has thirteen branches, though there is no formal committee in Folkestone Harbour and East Folkestone. Folkestone Broadmead was amalgamated with Folkestone Cheriton, and Hythe and Hythe Rural operate as a single branch. The branches are as

follows (number of District councillors each ward elects in brackets):

Waland and Denge Marsh (2), New Romney (2), Romney Marsh (2), Hythe (3), Hythe Rural (2), North Downs West (2), North Downs East (3), Folkestone Broadmead (1), Folkestone Harbour (2), Sandgate and West Folkestone (2), Folkestone Cheriton (3), East Folkestone (3) and Folkestone Central (3).

The Association is proposing to move to a more streamlined 'super-branch' arrangement from the spring of 2018, and this has already been approved by the executive council. While the existing branches remain intact as political campaigning units, the aim of the exercise is to enable the new 'super branches' to take the lead in organising much needed fundraising events. The new 'super branches', each with its own Area Campaign Coordinator, will be titled Folkestone East, Folkestone West, Hythe, North Downs and Romney Marsh. The Saxon Shore branch is part of the Folkestone and Hythe parliamentary constituency, though it elects candidates to Ashford Borough Council rather than Shepway District Council.

In addition there is a Conservative Women's Organisation (which holds either one or two fundraising events each year), a popular Patrons' Club (which holds a London dinner and a pre-Christmas drinks reception each year) and a branch of Conservative Future (which has held no meetings for several years). An energetic young man has, however, revived the Conservative Political Forum, which is now meeting regularly after a long period where it was practically moribund.

Other than during election campaigns, many branches are very inactive and raise little or nothing through branch fundraising events, although the total raised in 2017 at branch level was rather higher than in 2016, which had seen the lowest total in recorded history. One encouraging sign was the recruitment of a small number of new and potentially active members in the winter of 2017/18.

Financial Activities

Income and expenditure overview

The last thirteen years have seen almost constant annual deficits, often running to five figures, although 2015 was an exception, largely on account of a significant rates rebate. The Association returned to deficit in 2016, but has produced a small surplus on the income and expenditure account (which is separate from the General Election Fighting Fund) in 2017. This reflects careful stewardship, control of costs and a somewhat better overall fundraising effort on the part of the branches. A rather cheaper printing machine hire and use contract was negotiated in the autumn of 2017, and the benefits of this will be felt in 2018 and beyond. On the other hand, the building landlord is raising the rent on an annual basis, while the Association has also found itself responsible for the cost of lease renewal, of buildings insurance and of various repairs following a break in earlier in the year. The cost of the new security system installed over a period of three days was, however, financed in its entirety by IPSA.

Despite reminders, many members have not renewed their subscriptions, while others, predominantly students paying only £5, were reclassified as 'Friends' when all the membership data was transferred to Vote Source in 2016, and again revamped in 2017. At the end of the year, the Association had a total of 261 fully paid up members. In contrast, the Patrons' Club continues to flourish, with a stable membership, with total income received (at £200 per year) exceeding the sum raised from ordinary membership subscriptions for the second year running.

Over the past three years, the office has had a facelift in the shape of interior and exterior decoration, new alarm and security systems, a new boiler, a new main computer and, most recently, a new folding machine.

Nevertheless, the Association's costs continue to be firmly under control. A small sum is paid for secretarial and administrative assistance (Much reduced since 2016), but there has been no Agent since 2013, and the office is manned by the Hon. Treasurer (who acts as Organising Secretary), the Chairman and other unpaid volunteers. There are hopes of bringing in a part-time clerk, possibly shared with the Ashford constituency, though any plans are at present on the backburner; an alternative being considered is to share such a clerical assistant with work for the MP in his Westminster office.

Balance sheet overview

With the consent of the Association trustees, most of the funds received from the sale of the Association office in 2014 have been made available in payments and loans to CCHQ. The small balance of the funds remain in the Association's account as no feasible interest-earning option has ever becomes available.

If the Association can galvanise the new 'super branches' to raise more funds, it should be able to maintain a small surplus in the years ahead. In the meantime it has sufficient cash reserves to accommodate any deficits. It will certainly need to produce more membership and fundraising income if it is to go ahead with financing any shared clerical assistance arrangement with the MP. In the longer term the possibility of sharing back office functions (or even a single office) with other East Kent Associations will continue to be explored.

Accounting notes**Accounting convention**

These accounts have been prepared using the cash accounting method, the same as last year.

Income and expenditure account			
	Note	2017	2016
Income			
Membership subscriptions	1	14578	13860
Affiliations		0	0
Fighting Fund and other Donations	2	17915	1131
Net Branch Income	3	5126	2438
Association Fundraising income	4	(1121)	(460)
Investment income		0	0
Payment from MP for non-political services		10500	10500
Transfers in	5	4000	0
Income from office services	6	2298	0
Miscellaneous (Bank Rebate)		0	327
Total income		53296	27796
Expenditure			
Premises (Rates, Rent, Insurances, Security)	7	8481	7499
Office costs: Water, Gas, Electricity, Telephone, Internet, Waste Disposal		2016	2236
Office secretarial and administrative assistance	8	2550	5215
Equipment Purchases and Hire, Repairs, Renewals and Decoration	9	6602	5798
Communication costs	10	3817	5702
Campaigning costs	11	11916	0
Printing and stationery	12	7501	5752
Room Hire for Executive Meetings and AGM		289	50
Office Consumables		0	25
Miscellaneous		87	35
Total expenditure		43259	32312
(Deficit)/surplus		10037	(4516)

Balance sheet			
	Note	2017	2016
Fixed assets			
Property	13	0	0
Fixtures and fittings		0	0
Office equipment		8000	6000
Investments		0	0
Transfers out and Loans	14	65000	60000
Total fixed assets		73000	66000
Current Assets			
Cash in hand and at bank	15	27036	32963
Debtors and prepayments	16	1500	1500
Total current assets		28536	34463
TOTAL ASSETS		101536	100463
Liabilities			
Loans outstanding		0	0
Creditors and accruals		0	0
TOTAL LIABILITIES		0	0
TOTAL NET ASSETS		101536	100463
Financed by:			
Accumulated Fund		91499	104979
Income Surplus/(Deficit)		10037	(4516)
Revaluation Reserve, Other Funds and Adjustments		0	0
Total Funds		101536	100463

Notes on the Accounts:

Note 1 'Membership' Accounting Note:

Description	2017	2016
Membership fees received directly by the accounting unit.	238	296
Membership fees received by the central party on behalf of accounting units	23	40
Total Membership	261	336

Membership income includes all income received from new members, renewals and Patrons' Club members; the latter pay £200 a year. The sum is net of the annual Per Member Fee paid to CCHQ, though no Per Member Fee was payable in 2017 on account of the loans made by the association to CCHQ. The transition from the old Blue Chip/Merlin databases to the new Vote Source membership database in 2016 removed from membership a significant number of supporters who were paying less than the minimum £25 a year required to qualify as a member, and who then did not respond to the invitation to increase their subscription to the minimum £25. They are now reclassified as 'Friends'; while the income received is included in the total sum in the accounts, they are no longer included in the recorded *membership* total (given above, and verified by CCHQ). Students paying £5 are also classified as 'Friends' rather than members.

Note 2 'Donations' Accounting Note

Donations	2017		2016	
	Cash	Non Cash	Cash	Non Cash
Landcap Ltd.	2500	0	0	0
Mark Quinn	3000	0	0	0
Datum Groundworks	5000	0	0	0
Lee O'Leary	1600	0	0	0
Alison de Haan	3000	0	0	0
Other donations below the reporting threshold	2815	0	1131	0
Total	17915	0	1131	0

In 2017, donations to the General Election Fighting Fund totalled £17,600, of which £15,100 were for sums of £1500 or more and reported to the Electoral Commission. The remaining (non-reportable) donations to the Fighting Fund amounted to

£2,500, while a further sum of £315 was donated to the Association by members during the year.

Note 3 Net Branch Income Accounting Note

	2017		2016	
		Paid to Association as quota		Paid to Association as quota
North Downs West		1700		0
Sandgate and West Folkestone		1460		1123
Hythe and Hythe Rural		699		0
CWO		500		200
Folkestone Cheriton and Broadmead		376		0
New Romney		200		300
North Downs East		150		0
Folkestone Central		41		143
Romney Marsh		0		0
Saxon Shore		0		572
Walland and Denge Marsh		0		0
Folkestone Harbour		0		0
East Folkestone		0		0
Total		5126		2438

Note 4 - Fundraising Income (inclusive of lotteries)

Income streams	Net Income in 2017	Net Income in 2016
<i>Profit on Annual Association Dinner</i>	1260	1893
<i>Annual Patrons' Club Dinner and Christmas Reception</i>	(3226)	(3384)
<i>National Conservative Summer and Winter Draws and Great Weather Lottery</i>	845	1031
Total	(1121)	(460)

The Association as a whole held a single fundraising event in 2017 in the shape of the Annual Dinner, where the guest of honour was Rt. Hon. Chris Grayling MP, Secretary of State for Transport. The profit made was over £600 down on 2016, not because of fewer attendees or lower raffle sales (the latter actually rose), but because members were appreciably less generous than previously in providing items for auction.

In the case of the Patrons' Club, in order to provide an annual comparison, the accounting approach used by a succession of Treasurers has again been adopted. Members of the Patrons' Club enjoy an annual dinner in London and an annual Christmas drinks reception. Their annual subscriptions are included in the accounts under Membership Subscriptions, and hence the negative balances in the above table simply reflect the net cost of running the two events, for which no direct charge to Patrons' Club members is made. In 2017, owing to an invitation from the owner of the chosen venue, no charge to the Patrons' Club was made for the Christmas drinks party. In reality, the contribution made by the Club to the Association is considerable, as membership income from Patrons (£7688 in 2017) has been separately recorded in the Subscriptions category.

The net receipts of £845 from the Conservative party's National Summer and Winter Draws, and from the Great Weather Lottery, are also included. The Association retains 75% of the proceeds of ticket sales in the national party draws. The accounting does not take into account the cost of posting draw tickets to members, which go out with other items, and which is included in Communication Costs. Ticket sales are declining quite markedly, and the Association will not participate in the Draws in 2018.

Note 5 - 'Transfers In' Accounting Note

Transfer From/To	Purpose of Transfer	Amount	
		2017	2016

LINC	Supplement to Association funds	4000	0
Total		4000	0

Note 6 Income from Office services

Source	2017	2016
Printing for Kent County Council candidates and one District by-election candidate	2298	0
Total	2298	0

In 2017 Conservative candidates for election to Kent County Council (and one by-election for Shepway District Council) were asked to pay the cost of the printing of their leaflets in the Association office. The whole of the sum received - £2298 - relates to this service. There were no such elections in 2016, and hence no printing income was received in that year.

Note 7 Premises

The total of £8481 is made up of:

Rates payments to Shepway District Council:	£38
Rent payments to owner of the building:	£4750
Insurances, lease renewal and security:	£3693

(Note: Since January 2017, the Association is no longer required to pay non-domestic rates)

Note 8 Office assistance

The office has not employed an Agent since the retirement of Gordon Williams in June 2013, as the cost would be prohibitive. Instead, the Hon. Treasurer acts as an unpaid Organising Secretary, and he is assisted by the Chairman and other volunteers, a young person who is paid to come in once a week to complete various administrative tasks (such as sending out renewal letters and entering payments on Vote Source) and (temporarily, in the month running up to the General election) a staffer seconded from the MP's Westminster

office to handle the candidate's constituency work during the campaign.

Note 9 Equipment Hire, Repairs, Renewals and Decoration

This item is dominated by the four quarterly payments in respect of the hire contract for the printing machine entered into with RISO, the supplier. These amounted to £5175 in 2017, and will be rather lower, at approximately £4000 in 2018, as a result of the new five year contract signed in September 2017. The purchase of a new folding machine in April 2017 (£1427) is also included in the total sum.

Note 10 Communication Costs

This item is made up of the cost of local newspaper entries advertising the MP's weekly constituency surgeries (£782); postage stamps used for communications with members (£1153); the costs of maintaining the website and internet facilities (£240); Area Office and Bluetree payments (£688); and the charge for access to, and use of the Vote Source database (£954).

Note 11 Campaigning Costs

In 2016, there were no campaigns beyond a limited contribution to the PCC election campaign (the Association's share of the cost of the Kent campaign had been paid previously, in 2015, and appeared in the accounts of that year). In sharp contrast, in 2017 there were campaigns for the General Election and six Kent County Council seats, as well as a District council by-election. All of the costs of campaigning for the General Election were paid out of the Fighting Fund, and amounted to £9424, made up of printing costs (£6012), payments to Sleeping Giant Media (£912) and payments to the former Agent (who acted as Agent, from his home in Cornwall) and an office assistant, seconded to the office from Westminster to deal with the candidate's constituency work during the campaign

(£2500). In addition the Association made payments to the former Agent over a period of six months (£2400) in respect of his professional contribution to the Kent County Council election campaign. The purchase of the Marked Register (£92) brings the Campaigning total to £11,916.

Note 12 Printing and Stationery

The total of £7501 is made up of two components:

First, the quarterly bills from RISO for printing, based upon a contractual number of copies, and amounting to £4433 in 2017. Second, the cost of stationery purchased in 2017 was £3068.

Note 13 Fixed Assets

The Association Trustees sold the office at [REDACTED] in September 2014. Since then the Association has paid rent to the new owner in order to continue to occupy the ground floor.

Note 14 Transfers out and Loans

The lion's share of the proceeds received from the sale of [REDACTED] was transferred and loaned to CCHQ in 2016 and 2017 for a minimum period of five years. While no interest is paid on the sum loaned, there is a nominal interest allowance which offsets the annual Per Member Fee from 2017 onwards.

Note 15 Cash in hand and at bank

The total of cash in the Association's bank accounts includes the sum of £9681.24 that remains in the non-interest-earning 2017 General Election Fighting Fund. Included also in the total is the sum of £3415.30,

which is the balance of the sum received from the sale of [REDACTED] in 2014 after the repayment of all creditors in 2014 and the transfer of funds to CCHQ in 2016 and 2017, and which, like all the FHCA cash balances, earns no interest. No suitable interest-earning investment opportunities open to political associations rather than private individuals have to date emerged.

Note 16 Debtors and pre-payments

At the end of 2017, the stock of paper, stationery, stamps and office consumables, all of which were pre-paid, was valued at £1500.

Declarations		
I confirm that the above Statement of Accounts has been prepared in accordance with guidance issued by the Electoral Commission and is correct to the best of my knowledge. In addition I confirm that these accounts have been approved by the Executive Council.		
Signature	Position	Date
John [REDACTED]	Registered Treasurer, FHCA	28/2/18
I have reviewed the Income and Expenditure Account and Balance Sheet for the year ending 31st December 2017 together with the underlying accounting records and confirm that the accounts are in accordance therewith.		
Signature	Position	Date
Mrs. Gillian Smith [REDACTED]	Parish Clerk, Dymchurch Parish Council	21/2/18