



Conservatives

The Folkestone & Hythe Conservatives
Statement of Accounts

For the year ended 31 December 2013

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 2013

1. Statement of Accounts: cash accounting

Statement of Accounts for Folkestone and Hythe Conservative Association for the year ended 31 December 2013..	
Administrative information	
Registered address	
30 Millbank, London, SW1P 4DP	
Elected Officials	
Name	Position
Damian Collins	Member of Parliament
Susan Carey	Kent County Councillor
David Monk (Leader), Russell Tillson (Deputy Leader), Peter Gane, Richard Grundy, Roger West, Roger Wilkins, Pam Carr, Anthony Dunning, Alan North, Emily Arnold, Susan Wallace, Hugh Barker, David Johnson, George Bunting, Rory Love, Malcolm Dearden, Alan Ewart-James, Keren Belcourt, Michael Lyons, David Owen, Stan Hayward, Paul Peacock, Vicki Dawson, Clive Goddard, Tony Hills, Shirley Newlands, Peter Monk, John Collier, Shane Lawrence, Peter Simmons, Bryan Stephenson, David Wimble, David Godfrey, Phillip Martin, Stuart Peall, Jenny Hollingsbee, Ann Berry, Dick Pascoe, Alan Clifton-Holt, Robert Bliss, Janet Holben, Susan Carey - all Shepway District Councillors.	
Responsible Officers	
For the purposes of the Political Parties Elections Referendums Act 2000 the responsible officers are:	
Name	Position
David Monk	Chairman and Registered Treasurer
Jonathan Holborow	Deputy Chairman (Fundraising and Membership) and Deputy Registered Treasurer
Political activities	
Overview of political activities	
There were County Council elections in 2013 in all six divisions of the constituency. Candidates were selected by members from the list of approved candidates early in 2013. The results were disappointing, with the party losing four of the	

five seats it had previously held. While candidates themselves campaigned strongly, help on the ground was remarkably thin. The Association has more recently begun its preparation for the General Election and District Council Elections, which will be held in 2015. The constituency MP, Damian Collins, was re-adopted unanimously at the Annual General Meeting. A selection panel, made up of experienced members with no plans to stand as candidates in the District Council elections, was brought into being by the Deputy Chairman (Political and Campaigning) and interviewed members who wishes to stand as candidates in the District Council elections. As a result of the review by the LGBCE, the number of councillors will be reduced from 46 to 30 in 2015. This in turn has required the redrawing of ward boundaries and will, in 2014, necessitate the reconstitution of branches. The Association has had little involvement to date in the forthcoming European Parliamentary elections, though one of its members, Rory Love, has been placed ninth on the South East Conservative candidates' lists.

At the end of the year, the membership of the unit was 490, compared with 508 in the previous year, and with 688 in 2011

Branches

The Unit has seventeen branches under its direct control, and all income received and expenditure incurred by those branches that have held fundraising events have been included in the Unit's accounts. Active branches are: Folkestone Harvey West, Folkestone Park, Folkestone Sandgate, Elham and Stelling Minnis, Hythe East, Hythe Central (incorporating Hythe North and Hythe South), Lydd, Dymchurch and St. Mary's Bay, New Romney, North Downs East, North Downs West and Saxon Shore. Inactive branches are Folkestone Cheriton, Folkestone East, Folkestone Harbour, Folkestone Harvey Central, and Folkestone Morehall. The branch in Lympne and Stanford has ceased to exist. There is no branch in Romney Marsh.

In addition there is a Conservative Women's Organisation, a Patrons' Club and an inactive Conservative Future branch.

Financial Activities

Income overview

After some years during which the financial position of the Association continued to deteriorate (expenditure has exceeded income for nine years) the efforts made to stabilise the Association's finances and thus to ensure its longer term viability have met with some success. While membership continues its trend decline, an increase in the average sum paid per member resulted in a small increase in subscription income in 2013. Income received from branches was, however easily the lowest on record - and has declined by some 75% over two years. The Association receives very little by way of donations, and certainly nothing remotely close to the £500 reportable ceiling. Income from sales of national raffle draw tickets has also dropped dramatically in recent years. The Unit has remained viable through transfers from the LINC organisation and additional short-term unsecured loans.

Expenditure overview

Continuing expenditure

The Association has been without an Agent since the end of June 2013, following the planned retirement of Mr. Gordon Williams. The cost of employing an Agent is prohibitive, and at present the Association has no office secretarial help either. The Office is manned periodically by the Honorary Treasurer, and by willing volunteers. While this is not an ideal arrangement, it does now mean that provision for a balanced budget is now at last possible for 2014. The Association's financial difficulties were exacerbated by its failure to meet all its HMRC and other obligations in earlier years; these issues have now been addressed, and their impact is evident in the income/expenditure account. The Association is also locked in to an expensive printing machine hire and copies contract, which will not expire until the end of 2015..

Clearly an Agent or Organising Secretary will need to be recruited on some basis in the run up to the elections in 2015, but the present plan is to finance any such expenditure out of a separate Fighting Fund.

Additional investment

The Unit has no investments, a position it has been in for several years. It does not use the second and third floors of [REDACTED] but receives no rental income from this part of the property.

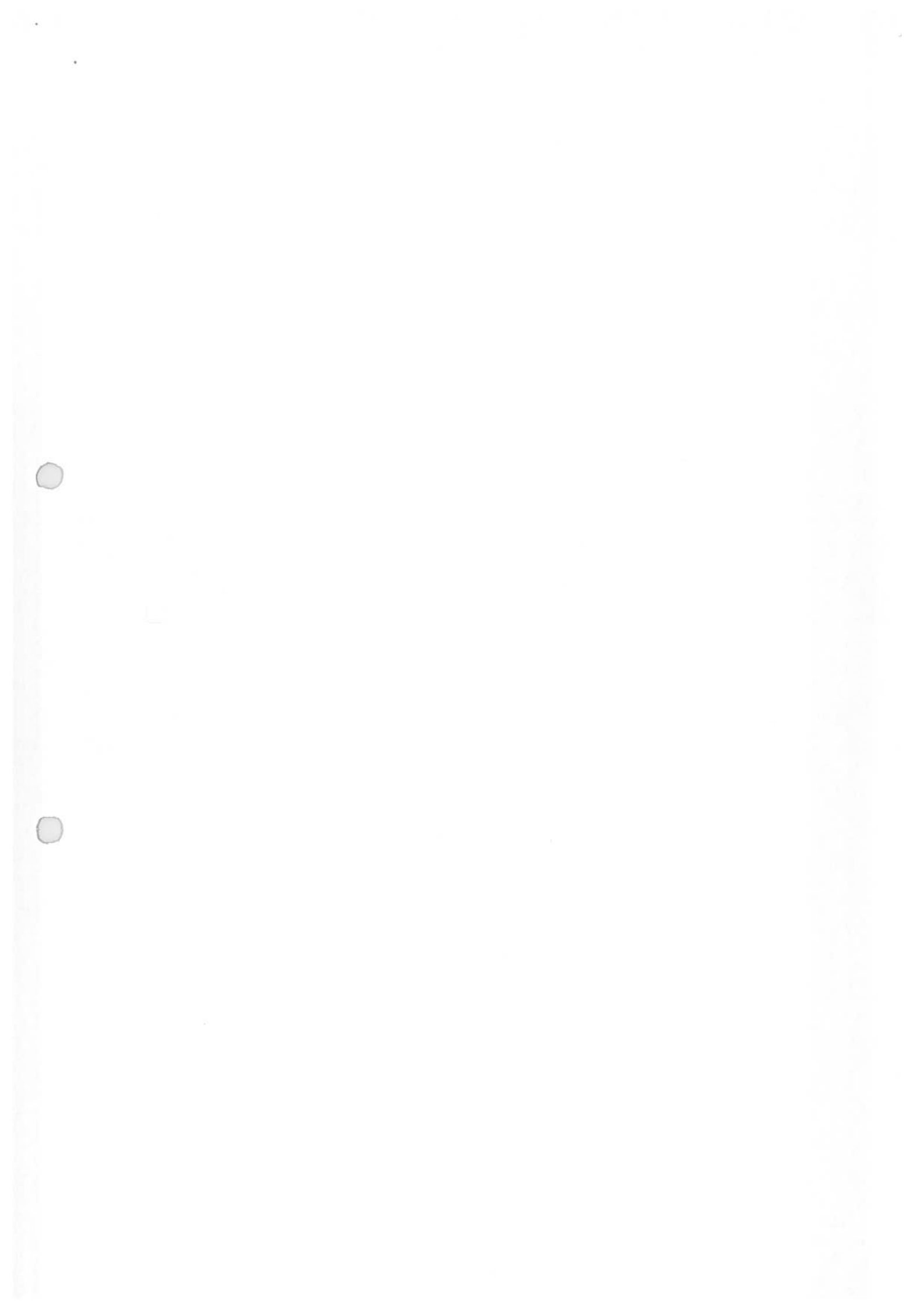
Balance sheet overview

Net Assets of the Association continue to fall, a pattern that has been evident for some years. The first priority is the sale of [REDACTED] to a potential purchaser, and this is currently at last going through the appropriate legal process. The sale represents the only feasible way of generating essential liquid assets to meet current liabilities. Authorisation to sell the building was given by the executive council as far back as January 2012, but it has taken a very great deal of time to find a willing buyer in the current climate. It has been agreed to sell the building at the offer price of £135,000, which is £40,000 lower than the previous valuation; this has been accounted for in the balance sheet. Once the sale is completed later in 2014, it has been agreed that the Association will rent back the first floor from the new owner. Only when the sale has been completed will the Association be able to repay its short term unsecured loans to creditors and meet its obligations to make four years of pension contributions to the former Agent.

Accounting notes

These accounts have been prepared using the cash accounting method, the same as in previous years.

Income and Expenditure Account			
	Note	2013	2012
Income			
Membership Subscriptions	1	20677	16263
Affiliations		0	0
Donations	2	865	743
Net Branch Income	3	4687	11187
Fundraising income (inclusive of Lotteries)	4	1490	182
Investment income		0	0
Payment from MP for non-political services		10500	10500
Transfers in	5	10000	11695
Property and rental income/Office services	6	1750	1395
Miscellaneous		100	10
Repayment of CCHQ Loan	7	0	16885
Total income		50069	68860
Expenditure			
Premises (Rates and Insurance)		7538	6949
Water, Gas, Electricity, Telephone		3653	4012
Equipment Hire, Repairs and Renewals	8	6054	8098
Salaries and associated costs	9	30510	41459
HMRC Payments for previous years	10	2106	12841
Communication Costs	11	4786	5507
Campaigning costs		338	1837
Printing and Stationery	12	7944	2502
Financing charges and taxation		0	0
Depreciation	13	0	0
Miscellaneous		588	1085
Household consumables		89	0
Room Hire for Executive Meetings and AGM		325	395
Total expenditure		63981	84685
Deficit/surplus		(13912)	(15825)



Balance Sheet			
	Note	2013	2012
Fixed assets			
Property		135000	175000
Fixtures and fittings, and IT		1	1
Investments		0	0
Total fixed assets	14	135001	175001
Current assets			
Cash in hand and at bank		1008	4867
Debtors and Prepayments	15	1000	6120
Total current assets		2008	10987
Liabilities			
Creditors and Accruals	16	(22466)	(24936)
Loans outstanding	17	(27102)	(15850)
Total liabilities		(49568)	(40786)
Net current assets/(liabilities)		(47560)	(29799)
Total Net Assets/(Liabilities)		87411	145202
Reserves			
Accumulated fund at start of year		145202	161027
Deficit/surplus		(13912)	(15825)
Accumulated fund at end of year		127411	145202
Asset Revaluation	18	(40000)	
Other funds		0	0
Total Reserves		87411	145202

Notes on the Accounts:

Expenditure exceeded income in 2013 for the ninth consecutive year. The deficit on the income/expenditure account was £13912, compared with £15825 in 2012 and £20442 in 2011. The deficit in 2013 would have been smaller had all tax liabilities, contractual payments and expenses payments been settled in the previous years in which they were incurred. Transfers of £10000 from the LINC account, together with new short-term loans of £10000 enabled the Association to remain afloat.

Note 1: Membership Subscriptions

Description		2013	2012
Membership fees received directly by the accounting unit.		472	492
Membership fees received via/paid to the central party		18	16
Total Membership		490	508

Membership Subscriptions includes all income received from new members, renewals and Patrons' Club members. The sum is net of the Per Member Fee of £2190, which has been paid to CCHQ. While the annual membership fee is set at £25, some members pay more and others rather less (sometimes only £5).

Note 2: Donations

Donations	2013	2012
Cash Donations	865	743
Notional/ 'Donations in Kind'	0	0
Total	865	743

During the year all donations received were below the PPERA reporting threshold of £500.

Note 3: Branch Income and Expenditure

Income received from Branches (including CWO) in 2013 totalled £4787, compared with £11187 in 2012 and £20959 in 2011. The breakdown by branch was as follows:

Elham and Stelling Minnis	£1150	
Folkestone Harvey West/Central	£874	
Hythe South	£145	
North Downs West	£1019	
Sandgate	£1250	
C.W.O.	£250	
Hythe West	£99	(balance
transferred to the Association after branch closure)		

No other branches held fundraising functions in 2013.

Note 4: Fundraising Income (inclusive of lotteries)

In order to enable a comparison to be made with 2012, the same method of accounting that was used in previous years has been adopted. The annual Association Dinner made a profit of £2200. The bill for the Patrons' Club Dinner was £4010, which is partially offset by payments from non-member guests of £1232 and £1000 raised in the auction. After taking into account incomes received from non-member guests, the Patrons' Club Christmas Cocktail Party cost £188. A positive balance of £234 is arrived at by aggregating these sums.

The net receipts of £1256 from the National Summer and Winter Draws, and from the Great Weather Lottery, are also included. The Association retains 75% of the money raised from the sale of raffle tickets in the two national party draws. The accounting does not take into account the cost of posting the tickets to members, which is incorporated in Communication Costs.

Note 5: Transfers

Transfer From/To	Purpose of Transfer	Amount	
		Incoming	Outgoing
LINC	Supplement to funds	10000	
Total		10000	

The balance of £695 in the old Business Reserve account was transferred to the FHCA account in 2012. The account is now closed, and this item will drop out of the accounts in 2014.

Note 6: Property and rental income/Office services

Source	2013	2012
Rental income	0	0
Printing for Ashford Constituency Association	1750	1395
Total	1750	1395

This item refers exclusively to leaflet printing services provided for the Ashford Association during the time where Gordon Williams was Agent for both the Folkestone and Hythe constituency and for the neighbouring Ashford constituency.

Note 7: Repayment of CCHQ Loan

The whole of the loan made by the Association to CCHQ was recalled in 2012 in order to supplement cash flow. This item will drop out of the accounts in 2014.

Note 8: Equipment Hire, Repairs and Renewals

This item is dominated by the four quarterly payments of £1400 in respect of the hire agreement for the printing machine entered into with RISO, the supplier.

Note 9: Salaries and Associated Costs

The Association employed Gordon Williams as Agent on a full time basis until 30th June 2013, and Olwyn Williams as secretary on a part-time basis until 31st May 2013. In 2013 their salaries amounted to £15264. Income tax and NICs on

these salaries amounted to £7619. A leased car was retained by the Agent until the contract expired in October 2013, at a cost to the Association of £3331, together with £363 in insurance. Expenses of £421 for services incurred in the course of his duties 2013 were also paid to the Agent. The item in the accounts Salaries and Associated Costs includes all these payments, and also takes into account the offsetting payment of £3000 received by the Association for Agent's services to ACCA for the first five months of the year.

Since August 2013, a monthly retainer of £200 has been paid to Gordon Williams, and this too is included in the total.

Unpaid expenses claims dating back to 2011 were also paid in full to Gordon Williams during the course of 2013, and this item is also included in the total.

Note 10: HMRC Payments for previous years

This item is made up of the £1097 paid to HMRC in respect of December 2012 salaries and a further payment to HMRC in respect of under-payment of income tax of £1009 in respect of Olwyn Williams between 2010 and 2012.

Note 11: Communication Costs:

This item is made up of the cost of newspaper advertisements for the MP's fortnightly surgeries (£2442), postal charges (£841) and the cost of setting up and maintaining the website and internet facilities, inclusive of the provision by CCHqQ of the Merlin database (£1503).

Note 12: Printing and Stationery:

This item is dominated by the quarterly contractual payments to RISO arising out of the use (as opposed to the lease) of the printing machine. These payments are based on the assumed machine use at the time the contract was entered into, and are not determined by actual use, which has invariably been appreciably lower since the departure of the Agent in June 2013. Expenditure in 2013 also included settlement of unpaid invoices from 2012.

Note 13: Depreciation

The Association has not made provision for depreciation of fixtures and fittings, and IT equipment for several years, and 2013 was no exception.

Depreciation	Property	Fixtures and Fittings	IT Equipment	Total
	N/A	Straight Line over X years	Straight Line over Y years	
Balance B/fwd (C)	-	0	0	0
Disposals	-	0	0	0
Charge for the year	-	0	0	0
Balance C/fwd (D)	-	0	0	0

Note 14 Fixed Assets

The value of the property at [REDACTED] was previously given as £175,000 in the accounts, following a professional valuation. This sum has now been reduced to £135,000, to reflect the single offer made and accepted for the sale of the building.

Previous Treasurers gave the fixtures and fittings, and IT provision a nominal valuation of £1 in the accounts, and this convention has been maintained.

Following the repayment in full in 2012 of the loan made to CCHQ, the Association now has no investments of any kind.

Note 15 Debtors and Pre-Payments

Description	2013	2012
Pre-Payments		
Stock of paper, stationery and office consumables	1000	4000
Debtors		
None	0	2120
Total	1000	6120

The Association's stock of paper, stationery and office consumables has been valued at £1000, all of which has been pre-paid.

There are no known debtors – in other words, individuals or organisations who owe money to FHCA.

Note 16: Creditors and Accruals:

The following creditors' payments, amounting in total to £22466, fall due within one year; repayment is contingent upon the sale of [REDACTED]

Agent's holiday pay for 2013 (one month's salary)	£2173
HMRC payments on above	£1038
Agent's Pension Contributions (June 09 – June 13)	£17920
HMRC Back Payments for Olwyn Williams (in dispute)	£1335

Note 17: Loans

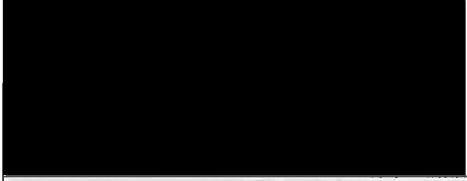

	2013	2012
Outstanding amount at start of year	16802	16802
Capital Repayment	0	0
New loans	10300	0
Outstanding amount at end of year	27102	16802

Note 18: Asset Revaluation

A reduction of £40000 in the value of the Association's property ([REDACTED]) appears in the accounts, since the sum offered by and accepted from the single bidder is £135,000 rather than the £175,000 at which the building was previously valued.

Declaration

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 Peter Simmons:

Signature:David Monk	Position	Date
	Registered Treasurer	29 th March 2014
Signature:Russell Tillson	Position	Date
	Honorary Treasurer	29 th March 2014