

Situations and procedures

# Accruals accounting for accounting units

---

This document is for accounting unit treasurers who use accruals accounting for their financial records.

## Contents:

---

[Accruals accounting – the basics](#)

---

[Accounting categories](#)

---

[An example set of accounts](#)



# Accruals accounting

## Who this document is for:

Accounting unit treasurers who want to know more about accruals accounting.

## The document covers:

- What is accruals accounting?
- Compiling and recording accounts
- Income and Expenditure categories
- Balance Sheet Statement
- Example statement of accounts

## Related documents:

- [Introduction to being a party treasurer](#)
- [Overview of accounts for accounting unit treasurers](#)
- [Overview of donations to political parties](#)
- [Overview of loans to political parties](#)

## Forms and tools for financial recording and reporting:

- [Statement of Accounts spreadsheet tool](#)
- [Statement of Accounts template](#)

# 2

## Summary

If you are treasurer for a party accounting unit, you are responsible for keeping accurate records of your accounting unit's finances.

This document explains the principles of recording and reporting these finances.

It also includes an example statement of accounts so that you can see how the principles work in practice.

## Introduction

Under the Political Parties, Elections and Referendums Act 2000 (PPERA), accounting unit treasurers must keep clear and accurate records of their unit's finances, showing its true position at any time with reasonable accuracy. They must also prepare an annual statement of accounts.

This guidance sets out how we recommend that you do this. The law does not currently say that you have to follow this guidance. However, if you do, you will be doing enough to comply with the law and with good practice.

Before you read this document, you should read our [Overview of accounts for accounting unit treasurers](#). This outlines your responsibilities in general, and explains when you must send your annual statement of accounts to us.

In this guidance, **Section A** of this guidance explains:

- What is accruals accounting?
- What is a statement of accounts?
- Our tools and templates

**Section B** is a guide to the categories you should use when recording transactions.

**Section C** is an example set of completed accounts, so that you can see the principles in practice.

# 4

## Section A - The basics

This section gives an introduction to accruals accounting, what a statement of accounts should include, and the tools we have produced to help you.

## What is accruals accounting?

Accruals accounting is sometimes referred to as the ‘Matching Principle’. It records income in the accounting period when it is generated (or received if uncertain) and expenditure in the accounting period when it is incurred or the benefit derived – matching the payment to the benefit.

This means that some transactions will be included in the accounts even though payment has not yet been made.

For example, you may have leaflets printed near the end of the current financial year, but not actually pay the invoice until the next financial year. You count the cost as expenditure for the current financial year, as this is when you received the leaflets.

These transactions are collectively called accrued liabilities, or accruals.

Most accruals relate to expenditure. This is because transactions can only be included if they are certain. Most income only becomes certain when you receive it.

# 6

## What transactions do you need to record?

You must record the following transactions:

- Spending
- Payments
- Income and costs from the sale or purchase of any assets

You should include transactions made for all your unit's activities, including any fighting funds or campaign expenses paid by your unit, even if these are reported on a candidate's election expenses return. However, you do not need to include election expenses that have been met by the candidate, if any.

### Prepayments

Sometimes, you might pay for something in the financial year before you benefit from it. For example, hire of a venue for a New Year party.

You should still record this type of transaction. It counts as a 'prepayment' on your balance sheet.

You can find out more about the categories you should use, and when to use them, in Section B.

### Items received free or at a discount

Items or services that are given free of charge, or at a non-commercial discount, should also be recorded at the time you receive them.

You should record the commercial value of the item or services, and enter this into the relevant category in your accounts.

For example, you may receive some free leaflets from a printer who supports your party. You should ask the printer how much the leaflets would have cost to other customers, and enter that amount as an expense.

You will also need to record the same amount as a donation, so that overall such "non cash" items do not affect the surplus or deficit for the year.



Commercial discounts are those available to other similar customers, such as discounts for bulk orders or seasonal reductions.

Non-commercial discounts are special discounts that you, specifically, are given by suppliers.

# What is a statement of accounts?

A statement of accounts has three parts:

- An overview of your unit's activities over the year
- Income and expenditure accounts
- Balance Sheet

This section outlines the type of information you should put in each part. You may find it helpful to read this alongside the example statement of accounts in Section C.

## Notes to accounts

You will need to add notes at the end of the accounts.

Accounting notes are brief descriptions of entries, giving explanations on how each 'total' was reached. These are usually extracts from your records in the form of a financial table. They can also show how a calculation was made, or give a narrative explanation of the entry.

You can see the type of information required in the example statement of accounts in Section C

If you do them first, you can use them to work out the final total, and then transfer that total into your accounts.

Notes make your financial records both transparent and easier to understand.

## Overview of your unit's activities

This should include:

- A short summary of your unit's political activities, such as any elections contested
- A short overview of your unit's income and expenditure over the year
- A short overview of your assets and liabilities

# 8

## Income and expenditure accounts

Income and expenditure accounts are a summary of your income and spending over a period of time, recorded under certain categories.

You can find an explanation of these categories in Section B.

## Balance Sheet

The Balance Sheet statement acts as a snapshot of your unit's overall financial situation.

The 'top half' of the balance sheet sets out the assets that you own, such as money in the bank or computers, and the amounts you owe, such as loans and money owed to suppliers.

Liabilities are things that you owe, such as outstanding loans.

The 'bottom half' of the balance sheet will show the accumulated funds and reserves of the accounting unit and must balance with the total of the 'top half'.

You can find more information on the categories you should use in Section B.

## Our tools and templates

You can use our [Statement of Accounts spreadsheet tool](#) in Excel to help you keep your records. You can enter details of transactions throughout the year, as and when you choose, using the categories set out in Section B.

When you need to do your annual statement of accounts, the spreadsheet tool can put the figures you've entered directly into the [right template](#).

It can complete:

- the income and expenditure accounts,
- the assets and loans statement
- the balance sheet statement

You will need to complete the overview section and the notes.

If your income OR expenditure is more than £25,000 for the year, you must send your accounts to us. You can find more information about this in our [Overview of accounts for accounting unit treasurers](#).



# 10

## Section B - Categories for accruals accounts

The following pages outline the categories of income and spending that you should use when keeping records and preparing your annual statement of accounts.

Depending on the size and type of your accounting unit, not all the categories will be relevant to you.

## Income and expenditure account categories

The categories below relate to transactions recorded on your income and expenditure account.

You should show figures for the previous and current year, as shown in the example statement of accounts in Section C.

### Income

Income is split into the following categories:

- Membership
- Affiliations
- Donations
- Branch income
- Fundraising income
- Investment income
- Transfers in
- Property and rental income / office services
- Miscellaneous

You can find out more about what goes into each category below.

#### What is membership?

This covers income raised from membership fees received by your unit. This may include any of the following:

- Membership fees received and kept within the unit
- Membership fees received within the unit but transferred over to the central party
- Membership fees collected by the central party and transferred into your unit –

If the money has been transferred in, the way it is recorded will depend on if it is *directly* relating to membership fees.

#### Important

Only fees received in the current financial year should be included.

Any fees received after the end of the financial year (such as late fees) should be carried over to next year's financial records.

# 12

If it can be identified as directly relating to membership fees;

- Record it under 'membership'; and
- Identify it as membership on the accounting note

If it cannot be identified as directly relating to membership fees;

- Record it under 'transfers in'; and
- Give the purpose as 'membership income' on the accounting note

You can see how this works in practice in our example statement of accounts in Section C.

## What are 'affiliations'?

Affiliation fees are sums of money received from other organisations that have a formal affiliation to your unit. For example, a trade union might be affiliated to your unit.

The total money received from affiliates should be recorded in your accounts.

The accounting note should include a breakdown of the amounts received by each affiliate during the accounting year.

## What are 'donations'?

A donation is money, goods or services given to a party or accounting unit without charge, or on non-commercial terms. You should include all cash donations in this category, whatever their value.

All donations directly received by your party or AU must be recorded. You must make sure that your records comply with your legal obligations on handling donations.

The accounting note should show how much of the total was received in cash, and how much in other ways, such as goods and services.

You should also note the total donations reported to us, the Electoral Commission, that year.

You can see how this works in practice in our example statement of accounts in Section C.

Donations of more than £500 must be checked for permissibility. For more information on what a donation is and how you must handle them see:

- [Overview of donations to political parties](#)

### What is branch income?

Your unit may have branches which are under its control. For example, a branch might be responsible for campaigning in a particular ward. If any branches produce sub-accounts, you should record their income in this category.

You can put the totals for all branches into your income account. In your accounting note, you should record how much income is attributable to each branch.

You can see how this works in practice in our example statement of accounts in Section C.

### What is fundraising income?

Fundraising income is money raised from events to support your unit. These can include events such as raffles or galas, or income from dinner clubs.

You should keep a separate record of each event in order to track income and expenditure.

You should include any contributions that have been made towards the cost of the event, including any sponsorship.

Where a donation of goods and services is used as, for example, a raffle prize, then you should include it in your expenditure account. Do not include it as fundraising income as you will be counting it twice.



Cash donations received at a fundraising event should be included in the “Donations” category, not in the fundraising event category.



In the note please state give examples of events held, though an exhaustive list is not necessary.

You can see how this works in practice in our example statement of accounts in Section C.

# 14

## What is investment income?

Investment income is the total income from assets owned by your unit. For example, interest from bank accounts, ownership of property or dividends from shares.

It does not include income from offices. This is covered in a separate category below.

It will also include any ‘unrealised’ gains/losses on these investments. For example, if the value of stocks and shares your unit holds change in value during the year, you should include the increase or decrease in value in this section – even though you have not sold them.

The accountancy note should list the type of investment, and the income raised from it.

## What are transfers in?

If cash is transferred to you from other parts of the party (for example, if a central party transfers money to your unit) you should record it in this category.

The total income from these transfers must be recorded in ‘transfers in’.

The accounting note should provide the following:

- The total for the year of the transfers by where they came from (for example, ‘central party’).
- The purpose of the transfer (for example, share of membership levy).
- The amount transferred in to your account.

You can see how this works in practice in our example statement of accounts in Section C.

### What is property and rental income / office services?

This covers income raised from your unit's office, if you have one.

Examples of this include:

- Providing office space to a local business or elected officials.
- Providing office services such as photocopying and catering.

If you receive any additional contributions above the commercial rate, you must record this under the 'donation' category.

The accounting note should provide a breakdown of the income source and the amount raised.

### What is miscellaneous income?

If an activity or payment does not fit into any of the other categories, you should record it in this category.

The total income from these transactions should be recorded in your accounts.

In the accounting note, you should list the type of miscellaneous activity or payment, and the income raised from it.

# 16

## Expenditure

The following categories are recorded under expenditure:

- Premises costs
- Office costs
- Branch Expenditure
- Staff costs
- Transfers Out
- Campaigning costs
- Fundraising costs
- Financing charges and taxation
- Depreciation
- Profit/Loss on Disposal of Assets
- Miscellaneous

You can find out more about what goes into each category below.

### What are premises costs?

Premises costs are the costs associated with any office buildings used by your unit. These costs could include rent, maintenance and repair costs.

It also includes any fixed charge costs associated with the property, such as council tax.

The total of these costs should be recorded in your accounts.

### What are office costs?

Office costs are the costs of running your office. This includes utility bills (gas, electricity, phone, internet) and the day-to-day operation costs, such as cleaning, stationery, postage and meeting costs. It does not include staff costs, except for non-campaign related travel and subsistence.

You should include the cost of mailings to your members in this category.

The total of these costs should be recorded in your accounts.

### What is branch expenditure?

Your unit may have branches which are under its control. For example, a branch might be responsible for campaigning in a particular ward. If any branches produce sub-accounts, you should record their expenditure in this category.

You can put the totals for all branches into your expenditure account. In your accounting note, you should record how much expenditure is attributable to each branch.

You can see how this works in practice in our example statement of accounts in Section C.

### What are staff costs?

Staff costs include wages, bonuses, benefits, National Insurance (NI) contributions, pension contributions and training.

You should record the total of these costs in your accounts.

The accounting note should provide:

- The total costs for salaries,
- The total costs for bonuses,
- The total costs for benefits,
- The total costs for NI contributions
- The total costs for training

And:

- The average cost of each staff member  
(by dividing the total costs by number of staff),
- Any additional pension payments.

You can see how this works in practice in our example statement of accounts in Section C.

# 18

## What are transfers out?

If cash is transferred out to other parts of the party (for example, if your unit transfers money to the central party) it is classed as expenditure.

The total expenditure from these transactions must be recorded in 'transfers out'. You should also include any membership fees that have been transferred out as part of a levy.

The accounting note should record the following:

- The total for the year of the transfers by where they went to (for example, the central party)
- The purpose of the transfer (for example, membership levy)
- The amount transferred out

## What are campaigning and election expenses?

Campaign and election expenses include spending such as campaign costs to promote the party and its policies generally, and spending on promoting candidates at elections.

This includes costs that can be attributed to selecting candidates, and funds paid out of any fighting fund.

You should not include the costs of mailings to party members – these should be recorded under 'office costs' above.

You should record the total expenditure met by your unit in your accounts.

For more information on recording campaign and election spending see:

- [Overview of campaign spending](#)

## What are fundraising costs?

Fundraising costs is any spending on events used to support your unit, such as catering or venue hire. These can include events such as raffles or galas, or dinner clubs

You should record the costs for each event separately.

You must include the full value of any items given free of charge or at a non-commercial discount. See Section A for more information.

You should record the total fundraising costs in your accounts.

## What is depreciation?

Depreciation is used to spread the cost of a purchased asset across its lifetime and to reflect its falling value through wear and tear.

It does not apply to 'Property' because property tends to increase in value and is therefore subject to revaluation through the 'Revaluation reserve' (see below).

Different types of asset can be depreciated over different lifetimes.  
e.g. Computer equipment depreciates over a shorter period than office furniture

To depreciate an asset, reduce its value in the 'Balance Sheet' by the amount to be depreciated and record the amount reduced under 'Depreciation' in the 'Income and expenditure account' as an 'Expenditure'. An asset can never be worth less than zero.

In deciding how to depreciate an asset, you need to estimate the lifetime of the asset (how many years it will last).

There are 2 methods of depreciation:

### *Straight-line method*

This is the simplest and most common method and depreciates the asset in equal amounts over the estimated lifetime of the asset to a value of zero.

$$\text{Depreciation Charge} = \frac{\text{Cost of Asset}}{\text{Lifetime of asset}}$$

### *Reducing Balance method*

Less common, this seeks to depreciate the asset more at the beginning of its lifetime. The asset will not reach a zero value.

$$\begin{aligned}\text{Depreciation Charge} &= \\ \text{Current value of the asset} \times \text{set percentage} &\end{aligned}$$

# 20

## What are financing charges and taxation?

Financing costs include loan interest, overdraft costs and tax charges on income.

When recording loan interest, you should make sure that you are not including any amounts which are used to pay off the loan capital. You should record capital payments in your statement of assets and loans, as 'Repayment of existing loan capital'.

As loan repayments are usually a combination of interest and capital you may have to arrange with your lender to supply this information for the year.

You should record the total financing and taxation in your accounts.

The accounting note should show financial expenditure items, and the cost for each one.

## What is profit/loss on disposal of assets?

If an asset is sold, the difference between the 'book value' of the asset (the purchase price minus cumulative depreciation) and the sale price should be recorded as profit (if the sale price is higher than book value) or loss (if the sale price is lower than book value) in the 'Income and expenditure account'.

If a profit is made on disposal of an asset then this is treated as additional income. This means that you must subtract it from total expenditure – not add it

## What is miscellaneous expenditure?

If an activity or payment does not fit into any of the other categories, you should record it in this category.

The total expenditure from these transactions should be recorded in your accounts.

In the accounting notes, you should list the type of miscellaneous activity, and cost of it.

## Balance Sheet categories

The following categories should be included in your Balance Sheet statement:

### Assets and Liabilities - Top half of the Balance Sheet

- Fixed assets
- Current assets
- Liabilities

### Reserves - Bottom half of the Balance Sheet

- Accumulated Fund
- Revaluation Reserve
- Other Reserves

## What are fixed assets?

Fixed assets are assets bought for long-term use by the party or AU. For example, property, office equipment, furniture, plus investments such as stocks, shares and investment property.

The categories recorded under fixed assets are:

- Property
- Fixtures and fittings
- Office equipment
- Investment property
- Other investments

# 22

## Property

Property is any premises owned by and used for your unit's business.

You should record the total value of the property.

The value of the property should be recorded as the original price.

Property may be subject to a professional revaluation, for a number of reasons, in which case you may decide to record the assets at its new value. If this is the case then include a sentence in the note explaining this.

The accounting note is split into 3 sections as this helps track assets:

Asset Cost:

- Asset Values at the start of the year at their original cost
- Plus - Additions brought throughout the year (at Cost)
- Less - Disposals throughout the year (at original cost)
- Plus - Revaluation amount (property only)
- Asset value at the end of the year at their original cost

Depreciation:

- Accumulated depreciation at the start of the year
- Less - Accumulated depreciation on assets disposed of
- Plus – Depreciation charge for the year.

Totals

- Asset value in the accounts (Net Book Value – NBV) at start of year
- Asset value in the accounts (Net Book Value – NBV) at end of the year

There is an example of this in our example set of accounts.

You must include any increase in the property value in the 'Revaluation Reserve' in the bottom half of the balance sheet.

## Fixtures and fittings

Fixtures and fittings are non-structural items within a property. For example, furniture, carpets, white goods and light fittings.

The value should be initially recorded at their original purchase price and is then subject to depreciation.

You should use the same accounting note as for property, using the 'fixtures and fittings' column, and record the total end of year value after depreciation.

You do not need to list individual items. For example, chairs and desks can be grouped together under 'furniture'.

## Office equipment

Office equipment includes electronic and IT supplies such as computers, printers and telephones.

The value should be initially recorded at their original purchase price and is then subject to depreciation.

You should use the same accounting note as for property, using the 'office equipment' column, and record the total end of year value after depreciation.

You do not need to list individual items. For example, all computers should be grouped together as IT equipment, not listed as individual machines.

## Investment property

Investment property is any property owned by your unit, but not used for party activities.

You should record the total value of investment property.

The value of the property should be recorded at its original price, or the price given by a professional valuation. If the property is revalued during the year, you should include a sentence in the note explaining this.

# 24

If the investment property is held by a trust or a holding company, you should only record the value that is attributed to your unit.

For example, if your unit owns 50% of an investment property, only 50% of the value should be recorded.

The accounting note should show:

- Address of each property.
- Latest valuation of each property.
- Year of valuation of each property.

## Other investments

Other investments include stocks and shares, or other assets that are likely to appreciate in value.

The total value of all other investments owned by your unit should be included on the balance sheet.

The value of the investment should be recorded at its original cost, or the price given by a professional valuation.

Stocks and shares should be recorded at their market value on the 31 December, any increase or decrease should be included in 'Investment Income' in the Income and Expenditure Statement.

## What are current assets?

Current assets are assets used to fund day-to-day operations and pay ongoing expenses of your unit.

Current assets include 'cash in hand' and 'In the bank', as well as other assets not tied up in long-term investments. In other words, current assets are anything of value that can easily be converted into cash.

The categories recorded under current assets are:

- Cash in hand and at bank
- Stock
- Debtors and Prepayments

### Cash in hand and at bank

Cash in hand and at bank includes all petty cash and current and deposit accounts.

The total value of petty cash and current and deposit accounts held by the unit should be included.

The accounting note should show petty cash, the types of current and deposit accounts, and the amounts held in each.

Deposit accounts are longer-term investment accounts, where money is less accessible.

The deposit is held for a fixed term, or where withdrawals can only be made by giving notice or by losing interest on the account.

### Stock

Stock are items of significant value that have been purchased but not yet used by the party/unit.

This can include literature, paper, campaign items such as 'T' shirts and items for raffles/prizes.

They are valued at the cost of item, or fraction if partially used. They may be subject to a different value (usually zero) if the stock is of no further use.

# 26

## Debtors and prepayments

Debtors relate to specific definite amounts owed to your unit by known organisations or individuals and must be supported by a commitment or obligation to pay.

This could include guarantees of future sponsorship payment for events that have already occurred, or payment after the event for 'Office services' provided by the party/unit.

'Prepayments' are more common. They occur where the party/unit has paid for something in advance and not yet received the benefit.

This could include payment in advance to rent a venue for an event that has not yet occurred.

The note should include a breakdown of how the totals of these amounts are made up and what they relate to.

## What are liabilities?

Liabilities are any obligations you have to pay for something. In other words, things that you owe. Examples of liabilities include loans, credit cards and money owed to suppliers.

The categories recorded under current assets are:

- Creditors and Accruals
- Loans outstanding

### Creditors and accruals

Creditors' are specific, definite amounts owed to known suppliers for which you have been invoiced, but which you have not yet paid.

'Accruals' are grouped with 'Creditors' on the Balance Sheet under 'Liabilities'. They are not loans but relate to services or purchases by the party/unit for which payment has not yet been made.

### Loans outstanding

The category 'Loans outstanding' covers any money owed at the end of the financial period.

You should include the total value of any outstanding loans owed by the unit.

Outstanding loans do not include overdrafts or financing charges such as interest. You should record these in the expenditure account.

The accounting note should show a breakdown of loans according to:

- Loans that **have** been reported to us, the Electoral Commission.
- Loans that **have not** been reported to us
- Financial institution loans.
- Other loans.

For more information on loans see:

- [Overview of loans to political parties](#)

# 28

## What are reserves?

Reserves are the summary of the previous year's operation of the accounting unit.

The categories recorded under Reserves are:

- Accumulated Fund
- Revaluation Reserve
- Other Funds

### Accumulated Fund

This is the total value of all previous years' 'Surplus/Deficits'.

The opening balance is the closing balance of the previous years' balance sheets. (Accumulated Fund Cfwd).

Add the Surplus/Deficit from the Income and Expenditure Account to calculate the closing balance.

### Revaluation reserve

If you revalue a property during the year then the difference in the cost and the new valuation should be added to the 'Revaluation Reserve'.

This figure will stay in the balance sheet until the asset is sold with the amount removed and any Profit/Loss on the property disposal being calculated against the original cost of the building.

### Other reserves

Some accounting units may decide to create additional funds dedicated to specific purposes that are not used for general purposes. These could include campaign funds, renovation funds or building project funds.

These funds are made up of surpluses generated from the Income and Expenditure Account but allocated to these specific funds rather than the general 'Accumulated Fund' or by reallocating funds from the Accumulated Fund

# Section C - Example statement of accounts

Remember that not all categories in the example will be relevant to you.

# 30

AU Name:

Statement of Accounts

Statement Date: 31 December 2011

## 1. Example Statement of Accounts: accruals accounting

The Example Party Local Area Accounting Unit Statement of Accounts for year ending 31 <sup>st</sup> December 2011	
Administrative information	
Registered address	
Address of Central Party as registered address	
Elected Officials	
Name	Position
Daniel McKenzie	MP for Local Area
43 Local Area Councillors	
Responsible Officers	
For the purposes of the Political Parties Elections Referendums Act 2000 the responsible officers are:	
Name	Position
Ms Adams	Registered Treasurer
Mr Bath	Deputy Registered Treasurer
Political activities	
Overview of political activities	
After the huge efforts of last year in fighting a general election, party members were again called upon to campaign for local elections in various wards	
Branches	
The Example Party Local Area Accounting Unit is responsible for three branches. Income received and expenditure incurred by those branches have been included in the unit's accounts.	
<ul style="list-style-type: none"><li>• Local Area</li><li>• Near Common</li><li>• Close Hill</li></ul>	

Financial Activities
Income overview
Performance of existing revenue streams
Membership income increased due to new members joining and increased membership fees. Fund raising and donations were also up thanks to the sterling efforts of the fund-raising committee.
Loss/gain of old/new revenue streams
Income from our Trust Property increased slightly with less building repair work required. Our share portfolio performed well and showed a capital gain on the year outperforming the stock market.
Expenditure overview
Continuing expenditure
The Committee has worked hard to reduce general office overheads with greater use of email for inter party correspondence. We are confident that the costs for the administration of the party are well controlled.
Cost cutting/additional investment
We have continued to upgrade our IT facilities with the purchase of new equipment
Balance sheet overview
At the start of the year we had our main building re-valued and this shows a significant revaluation from the previous year.
Accounting notes
Accruals or Cash accounting – Changed?
This Statement of Accounts uses accruals accounting as previous year.

# 32

Income and Expenditure Account			
	Note	2011	2010
<b>Income</b>			
Membership	1	35,166	33,787
Affiliations	2	26,739	24,200
Donations	3	41,750	35,100
Branch Income	4	9,500	8,889
Fundraising income	5	28,810	24,470
Investment income	6	16,257	15,531
Transfers in	7	17,423	8,923
Property and rental income/Office services	8	19,763	19,575
Miscellaneous	9	-	-
<b>Total income</b>		<b>195,408</b>	<b>170,475</b>
<b>Expenditure</b>			
Premises	-	7,223	9,650
Office costs	-	31,576	30,759
Branch Expenditure	4	7,685	7,687
Staff costs	10	20,096	18,997
Transfers out	7	6,206	7,406
Campaigning costs	-	74,400	55,000
Fundraising Costs	5	8,550	9,420
Financing charges and taxation	11	1,375	1,370
Depreciation	12	12,533	18,033
Miscellaneous	9	-	2,500
Profit/Loss on Disposal of Assets	16	2,000	5,000
<b>Total expenditure</b>		<b>171,644</b>	<b>165,822</b>
<b>Deficit/surplus</b>		<b>23,764</b>	<b>4,753</b>

Balance Sheet			
	Note	2011	2010
<b>Fixed assets</b>			
Property	12	325,000	250,000
Fixtures and fittings	12	20,600	28,800
Office equipment	12	1,834	7,667
Investment property	6	325,000	325,000
Other investments	6	25,757	23,986
<b>Total fixed assets</b>		<b>698,191</b>	<b>635,453</b>
<b>Current assets</b>			
Cash in hand and at bank	6	67,837	23,106
Stock	13	2,500	6,500
Debtors and Prepayments	14	7,020	6,207
<b>Total current assets</b>		<b>77,357</b>	<b>35,813</b>
<b>Liabilities</b>			
Creditors and Accruals		12,798	2,280
Loans outstanding	15	15,000	20,000
<b>Total liabilities</b>		<b>27,798</b>	<b>22,280</b>
<b>Total Net Assets/(Liabilities)</b>		<b>747,750</b>	<b>648,986</b>
<b>Reserves</b>			
Accumulated fund at start of year		573,986	569,833
Deficit/surplus		23,764	4,753
Accumulated fund at end of year		597,750	573,986
Asset Revaluation Reserve		75,000	
Other funds		75,000	75,000
<b>Total Reserves</b>		<b>747,750</b>	<b>648,986</b>

# 34

## Notes to the Accounts:

### Note 1 Membership

Description	2011	2010
Membership fees received directly by the accounting unit.	22,900	22,567
Membership fees received via/paid to the central party	12,266	11,220
<b>Total Membership</b>	<b>35,166</b>	<b>33,787</b>

### Note 2: Affiliations

Affiliate	2011	2010
ABC Union	14,485	12,658
XYZ Association	12,254	11,542
<b>Total</b>	<b>26,739</b>	<b>24,200</b>

### Note 3: Donations

Donations	2011	2010
Cash Donations	29,750	28,100
Notional/ 'Donations in Kind'	12,000	7,000
<b>Total</b>	<b>41,750</b>	<b>35,100</b>

During the year the unit had donations totalling £41,000 that were **reportable** to the Electoral Commission.

The total donation figure above (£41,750) above is greater than this because of donations received that were below the PPERA reporting threshold of £1,500

#### Note 4: Branch Income and Expenditure

	2011		2010	
	Income	Expenditure	Income	Expenditure
Local Area Branch	3,000	1,250	2,700	1,300
Near Common Branch	3,600	4,569	3,250	4,152
Close Hill Branch	2,900	1,866	2,939	2,235
<b>Total</b>	<b>9,500</b>	<b>7,685</b>	<b>8,889</b>	<b>7,687</b>

#### Note 5: Fundraising Income and Expenditure

A number of fund raising events were held throughout the year including the Summer Fete, Treasure Hunt and Christmas Dinner. Costs were well controlled and we managed to generate and increase in income of £4,340 with a decrease in cost of £870.

#### Note 6: Investment Income

	2011		2010	
<b>Investment Income from Fixed Assets and Other Investments</b>				
	Value as at 31/12/11	Dividend Received	Value as at 31/12/10	Dividend Received
Share Holdings	25,757	604	23,986	713
Capital Gain/(Loss)		1,771		-

Trust Property	2011			2010		
	Net Asset Value of Trust as 31/12/11	Value of 50% Holding	Income Rec'd	Net Asset Value of Trust as 31/12/10	Value of 50% Holding	Income Rec'd
Name of Trust	650,000	325,000	13,626	650,000	325,000	14,599

# 36

## Investment income from current assets:

Bank Accounts	Balance as at 31/12/11	Interest Received	Balance as at 31/12/10	Interest Received
Deposit Account	43,076	234	10,426	167
Current Account	24,761	22	12,680	52
Total	£67,837	£256	23,106	219

## Note 7: Transfers

Transfer From/To	Purpose of Transfer	Amount	
		Incoming	Outgoing
Central Party	Membership fees received centrally plus distributed centrally collected amounts. Additional Funds received for local campaign.	17,423	
Central Party	Membership Levy		6,206
		17,423	6,206

## Note 8: Property and rental income/Office services

Source	2011	2010
Rental of office space to XYZ Ltd	12,275	12,250
Rental of office space and services to MP	7,488	7,325
<b>Total</b>	<b>19,763</b>	<b>19,575</b>

### Note 9: Miscellaneous Income Expenditure

	2011		2010	
	Income	Expenditure	Income	Expenditure
Legal Advice				2,500
Total				2,500

### Note 10: Salary Costs

	2011	2010
Salary Costs	19,154	18,138
National Insurance/Social Security Costs	942	859
Training costs	0	0
<b>Total</b>	<b>20,096</b>	<b>18,997</b>
	2011	2010
Number of staff	2	2
Average Cost	10,048	9,498

# 38

## Note 11: Financing charges and taxation

	2011	2010
Interest payable on mortgage	1,250	1,250
Overdraft Interest	125	120
<b>Total</b>	<b>1,375</b>	<b>1,370</b>

## Note 12 Fixed Assets

Asset Cost	Property	Fixtures and Fittings	IT Equipment	Total
Balance B/fwd (A)	250,000	82,000	27,000	359,000
Additions	-	-	1,500	1,500
Disposals	-	-	(9,000)	(9,000)
Revaluation (Property Only)	75,000	-	-	75,000
<b>Balance C/fwd (B)</b>	<b>325,000</b>	<b>82,000</b>	<b>19,500</b>	<b>426,500</b>

Depreciation	Property	Fixtures and Fittings	IT Equipment	Total
	N/A	Straight Line over 5 years	Straight Line over 3 years	
Balance B/fwd (C)	-	53,200	19,333	72,533
Disposals	-	-	(6,000)	(6,000)
Charge for the year	-	8,200	4,333	12,533
<b>Balance C/fwd (D)</b>	<b>-</b>	<b>61,400</b>	<b>17,666</b>	<b>79,066</b>

Net Book Value B/fwd(A-C)	250,000	28,800	7,667	286,467
Net Book Value C/fwd(B-D)	325,000	20,600	1,834	347,434

## Note 13 Stock

	2011	2010
Opening Balance	6,500	-
Movements	Increase	6,500
	Decrease	(4,000)
Closing Balance	2,500	6,500

## Note 14 Debtors and Pre-Payments

Description	2011	2010
<i>Pre-Payments</i>		
Christmas Dinner Venue - 2012	400	
<i>Debtors</i>		
Dividends Receivable	604	713
Rental Income	6,016	5,494
<b>Total</b>	<b>7,020</b>	<b>6,207</b>

## Note 15: Loans

	2011	2010
Outstanding amount at start of year	20,000	25,000
Capital Repayment	5,000	5,000
New loans or mortgages		
Outstanding amount at end of year	15,000	20,000

## Note 16: Profit/(Loss) on Disposal of Assets

Item	NBV at Date of Disposal	Sale Proceeds	Profit/(Loss) on Disposal
Sale of IT Equipment	3,000	1,000	(2,000)
<b>Total</b>			<b>(2,000)</b>

## 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 the Accounting Unit Management Committee:

Signature	Position	Date
	Registered Treasurer	

## How we can help

You can find more information in the guidance documents we have suggested in this document, or you can view our full range of guidance and up-to-date resources on our website.

If it's easier, you can also contact us on one of the phone numbers or email addresses below. We are here to help, so please get in touch.

Call us on:

- England: 020 7271 0616  
[pef@electoralcommission.org.uk](mailto:pef@electoralcommission.org.uk)
- Scotland: 0131 225 0200  
[infoscotland@electoralcommission.org.uk](mailto:infoscotland@electoralcommission.org.uk)
- Wales: 029 2034 6800  
[infowales@electoralcommission.org.uk](mailto:infowales@electoralcommission.org.uk)
- Northern Ireland: 028 9089 4020  
[infonorthernireland@electoralcommission.org.uk](mailto:infonorthernireland@electoralcommission.org.uk)

Visit us at [www.electoralcommission.org.uk](http://www.electoralcommission.org.uk)

We welcome feedback on our guidance – just email us at:  
[pef@electoralcommission.org.uk](mailto:pef@electoralcommission.org.uk)

#### **Translations and other formats**

For information on obtaining this publication in another language or in a large-print or Braille version please contact the Electoral Commission:

Tel: 020 7271 0500

Email: [publications@electoralcommission.org.uk](mailto:publications@electoralcommission.org.uk)