

EDINBURGH SOUTH LIBERAL DEMOCRATS

Statement of Accounts for the Financial Year from 1st January to 31st December 2005

Introduction

This Statement of Accounts reflects the political and financial activities in 2005 of the Edinburgh South Liberal Democrats whose address is:

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Edinburgh South Liberal Democrats are an accounting unit of the Liberal Democrats whose registered address is 4 Cowley Street, London SW1P 3NB.

For the purposes of the Political Parties Elections Referendum Act 2000, Stephen Peters was chair and Tim McKay was the registered treasurer throughout 2005.

These accounts were prepared by Tim McKay, in accordance with the applicable accounting standards and guidance issued by the Electoral Commission. He can be contacted at the above address or by email at t.mckay@napier.ac.uk

Review of Political Activities

2005 was dominated by the General Election campaign when Edinburgh South was a top target seat for the Liberal Democrats. This is reflected in both the level of donations received and in the level of our expenditure.

Up until the General Election was called we delivered 450,000 leaflets, which included a newspaper, target letters and local newsletters. A majority of this literature was in full colour.

Despite the Liberal Democrat candidate losing narrowly we continued the high level of activity from June through until December and delivered another 85,000 leaflets and 7000 surveys.

Membership

At the end of the year membership of Edinburgh South was 289

Branches

Edinburgh South has Ward organisations but no local branches as such. All income and expenditure is centrally co-ordinated.

Committees

The Edinburgh South Executive met regularly during the year. The Executive is responsible for managing the business of the Association. A written Treasurer's report was presented to each meeting of the Executive. A Campaign Committee was charged with day to day management of the campaigning activity of the Association.

Review of Financial Activities

The increased intensity of campaigning during the year provided a challenge to the financial resources of Edinburgh South, which was a target seat in this year's general election and is also a target seat for the next General Election. Despite this the association managed to increase the level of income and have come through the year with a slight cash surplus. The reported deficit is entirely down to the depreciation charge.

It is worth noting that the change in treatment of Fundraising Income and Expenditure (see note 2) will have inflated both of income and expenditure figures.

Income

Most income streams were much in line with last year, however rental income is much reduced during the year as Mike Pringle (the local MSP) was not renting office space for the full course of the year. This shortfall has been more than made up by the increase in donations, which was partly a result of the General Election but also down to Mike's enthusiastic fundraising.

The association received a much higher level of grants from the Federal Party Campaigns Department this year, due to the constituency's target status. These grants were all in respect of literature put out by the Association.

Expenditure

2005 was a General Election year and so expenditure on Campaigning and general Administration was much higher than in 2004. Other expenditure was much in line with last year.

The Association owns its own offices, which meant that it did not pay rent.

Balance Sheet

The £68,000 included as the Property asset cost is based on a professional surveyor's valuation of the constituency office carried out in 2003. However, in common with a number of other owners who share the tenement building, the Association faces the prospect of having to contribute towards the costs of major structural repairs to the building which is quite old. The Association's share of the costs, depending on the essential remedial work to be carried out, could be anything between £10,000 and £20,000. This expenditure will inevitably place considerable strain on the Association's resources.

**Edinburgh South Liberal Democrats
Balance Sheet as at 31st December 2005**

<u>Fixed Assets</u>	Notes	2004	2005
		£	£
Property	1	66,640	65,280
Fixtures and Fittings	1	4,800	3,600
Information Technology	1	2,509	2,005
Investments		Nil	Nil
Total Fixed Assets		73,949	70,885
<u>Current Assets</u>			
Debtors	2	1,093	687
Cash in Bank (and in hand)		(869)	1,342
Total Current Assets		224	2,029
less <u>Creditors falling due in less than one year</u>			
Creditors and Accruals	3	250	2,149
Net Current Assets/ Liabilities		(26)	(120)
Total Assets less Current Liabilities		73,923	70,765
Creditors due in more than one year		0	0
Provision for Liabilities and charges		0	0
Net Assets		<u>73,923</u>	<u>70,765</u>
Financed by:			
Accumulated Fund		76,770	73,923
Excess expenditure over income after taxation		(2,847)	(3,158)
Total funds		<u>73,923</u>	<u>70,765</u>

**Edinburgh South Liberal Democrats
Income and Expenditure Account
For the Year Ended 31 December 2005**

		2004	2005
<u>Income</u>	Note	£	£
Donations		2,250	12,629
Subscriptions		1,010	1,037
Rental Income		11,075	4,800
Fundraising	2	4,679	4,783
Advertising	3	4,985	3,571
Appeals		345	250
Grants receivable		4,863	8,961
Insurers payment		Nil	Nil
VAT Refund		Nil	533
Bank Interest Received		18	28
Sundry income		Nil	55
Total income		29,225	36,647
 <u>Expenditure</u>			
Fundraising expenditure	2	N/A	2,134
Salaries	4	4,933	3,369
Rates and Water		2,668	2,990
Insurance	5	1,859	Nil
Light and Heat		582	718
Repairs and Renewals		536	383
Campaigning		2,693	10,941
Postage and general Admin		702	2,391
Telephone		1,346	583
Printing and Stationery		12,995	12,664
Depreciation		3,815	3,562
Bank Interest Paid		26	69
Total expenditure		32,072	39,804
Excess income over expenditure before taxation		(2,847)	(3,157)
Tax on investment income		0	(1)
Excess expenditure over income after taxation		(2,847)	(3,158)

Notes to the Accounts

1. Fixed Assets

Changes to the tangible asset base of the Association during the year:

	Property	Fixtures & Fittings	Information Technology	Total
Asset Cost	£	£	£	£
Balance brought forward	68,000	6,000	3,764	77,764
Additions	0	0	498	498
Disposals	0	0	0	0
Balance carried forward	68,000	6,000	4,262	78,262
Depreciation				
Method	Straight line over 50 years	Straight line over 5 years	Reducing balance at 33% pa	
Balance brought forward	1,360	1,200	1,255	3,815
Disposals	-	-	-	-
Charge for year	1,360	1,200	1,002	3,562
Balance carried forward	2,720	2,400	2,257	7,377
Net Book Value brought forward	66,640	4,800	2,509	73,949
Net Book Value carried forward	£65,280	£3,600	£2,005	£70,885

Note that the depreciation method for IT has changed to reducing balance.

2. Fundraising

Fundraising income has, for the first time this year, been shown gross with the associated expenditure shown separately as an expense.

3. Advertising

Advertising income raised to defray the costs of printing the literature handed out during the year. This income was previously reported under Fundraising but last year's figure has been split out to allow comparison.

4. Salaries

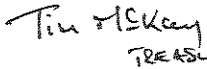
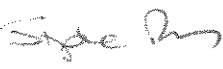
For 6 months during the year the Association employed one member of staff on a part time basis (0.2 FTE). The figure in the accounts includes £187 in respect of Pension costs.

5. Insurance

The figure of £1859 in the accounts for 2004 included an amount in respect of 2005, therefore there is no charge in this year's accounts.

6. Creditors

Creditors and accruals include an amount of £2,000 in respect of a loan from a member of the local party. £1,000 of this loan has now been repaid.


 TREASURER 7th April 2006

 CHAIR 7/04/06