

British National Party
Regional Accounting Unit

Statement of Accounts
Year Ended 31 December 2007

Silver & Co
Registered Auditors
Chartered Accountants

British National Party
Regional Accounting Unit
Year Ended 31st December 2007

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British National Party
Regional Accounting Unit
Year Ended 31st December 2007

Introduction and Administrative Information

The Regional Accounting Unit is a separately registered unit with the Electoral Commission. It is the only separate unit of the British National Party. It is operated and paid for by the Party. It therefore incurs no costs, other than the annual audit fee, and generates no income in its own right. It exists to consolidate the affairs of the different Units within one accounting unit.

1 Introduction

This statement of accounts provides a report on the political and financial activities of the British National Party - Regional Accounting Unit. The Regional Accounting Unit has the same registered address as the Party, which is:

P.O. Box 14
Welshpool
Powys
SY21 0WE

Contact details:

Telephone - 0870 751 5296 - National Treasurer -
Telephone - 0870 572 2180 - Assistant National Treasurer - David Hannam (and
Treasurer for Regional Accounting Unit.)

E-mail treasurer@bnp.org.uk National Treasurer
 deputy-treasurer@bnp.org.uk Assistant National Treasurer

2 Political Overview

2007 was a year of organisational growth for the BNP. We improved the various training seminar weekends which enabled units to campaign more effectively. We also made inroads into new areas during the 2007 local elections, and we used the local elections as a learning curve to ascertain what areas would be the 2008 key election target wards.

The party's annual voting members conference was a resounding success and illustrated the party's commitment to democracy, both internally and externally.

The annual Red, White & Blue festival was extremely successful, and experienced the highest number of attendees yet. It also proved to be a very useful source fundraising income for the units.

The BNP has also made great strides forward electorally speaking. Some excellent breakthroughs were made, and the party is now set to consolidate these gains and make new ones during the coming year.

3 Party Units

3.1 Active Fund-Raising Dining Clubs

Mercia Dining Club	-	West Midlands Region
Peacock Club	-	East Midlands Region
Red Rose Dining Club	-	North West Region

British National Party
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Introduction to the Statement of accounts (Continued)

3.2 Party Groups & Branches (Continued)

Active in 2006 and active through 2007 (Continued)

Blackburn & Darwen	East Herts
Blackpool	East Lindsey
Bolton	East London
Boston, Holbeach & Spalding	Eastern Region
Bracknell & Wokingham	Elmbridge
Bradford	Enfield & Haringey
Brentwood	Epping Forest
Bridgend	Exeter
Bridlington	Falkirk
Brighton	Farnborough
Bristol & North Somerset	Fenland & Peterborough
Bromley & Lewisham	Glasgow
Broxbourne	Greenwich
Broxtowe	Grimsby
Burnley	Halifax
Burton On Trent	Harrogate & District
Bury	Hastings, Bexhill & Rother
Cannock Chase	Havering
Carlisle	Herefordshire
Castle Point	High Wycombe
Charnwood	Hull
Chesterfield	Keighley
Chippenham	Kirklees North
Copeland	Kirklees South
Cornwall	Lancaster & Preston
Coventry & Warwickshire	Leeds
Crawley & Horsham	Leicester
Croydon & Sutton	Leigh on Sea
Darlington	Lichfield
Denbighshire & Flintshire	Lincoln
Derby	Liverpool
Devizes	Long Eaton & Stapleford
Doncaster	Luton
Dorset	Maldon & Braintree
Durham	Manchester North
East & West Lindsey	Medway

British National Party
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Introduction to the Statement of accounts (Continued)

3.2 Party Groups & Branches (Continued)

Active in 2006 and active through 2007 (Continued)

Melton Mowbray	St Albans
Mendip	St Helens
Moray & Gordon	Stockport
New Forest	Stockton On Tees
Norfolk	Stoke On Trent
North & South Ridings BNP	Suffolk
North Bedfordshire	Sunderland
North Downs	Swansea
North Kesteven	Swindon
North West BNP	Tameside
North West Leicestershire	Teeside
North Wiltshire	Telford
Northants	Thanet & East Kent
Nottingham	Thurrock
Nuneaton & Bedworth	Tyneside
Oldham	Vale Of Glamorgan
Peacock Club	Vale Royal
Pendle	Wakefield
Plymouth	Walsall
Portsmouth & Fareham	Wandsworth & Merton
Redbridge & Waltham Forest	Welwyn & Hatfield
Richmond & Kingston	West Herts
Rochdale	West Kent
Rotherham	West Lindsey
Salford	Wigan
Scarborough	Wirral
Scunthorpe	Wolverhampton
Sedgefield & Wear Valley	Worcestershire
Sedgemoor & South Somerset	Wrexham
Selby	York
Sheffield	
Shrewsbury	
Solihull	
South Cambridgeshire	
South Devon	
South Tyneside	
South Wales	
Southampton	
Southend	

Introduction to the Statement of accounts (Continued)

3.2 Party Groups & Branches (Continued)

A unit is accorded branch status at the discretion of the Group Development Department once it has reached and maintained an appropriate level of activity, organisational stability and contests seats in local elections. Such a unit is run on a political level by an Organiser. Its finances are administered by a Fund Holder. These two posts are the only official positions recognised by the Party. Some organisers also appoint a secretary or a local press spokesperson (the latter requiring written permission from the regional Organiser).

3.3 Contact Units

In existence in 2007

Abington	Isle of Man
Alsager	Kilmarnok & Loudoun
Ayrshire	Lancaster & Morecambe
Banes	Leicester Blaby
Billericay	Leicester Harborough & Oadby
Blyth Valley	Leicester Hinckley & Bosworth
Bolsover	Leicestershire & Rutland
Boston, Holbeach & Spalding	Livingston
Brentwood	Maidstone
Bridport	Newark & Sherwood
Caerphilly	North and West Devon
Carmarthenshire	North Warwickshire
Colchester	Northants - Corby
Coleraine	Northants - Wellingborough
Craven	Oxfordshire
Derbyshire Dales & High Peaks	Potters Bar & South Herts
Dover	Reading
Dundee	Rugby
Ealing & Hounslow	Sleaford
Easington	Slough
Elmbridge	South Derbyshire
Folkestone	South Hams
Grantham	South Shropshire
Hamilton	Spelthorne
Hart	Staffordshire Moorlands
Hartlepool	Stamford & Rutland
Havant	Stratford-on-Avon
Hereford	Tonbridge Wells
Horncastle & Woodhall Spa	
Hyndburn	
Hythe	

Introduction to the Statement of accounts (Continued)

3.3 Contact Units (Continued)

In existence in 2007 (Continued)

Trafford	Warminster
Tyneside - Gateshead	Warwick
Tyneside - Newcastle	Waverley
Tyneside - South East Tyneside	West Berkshire
Tyneside - Womens Circle	Wokingham

Contacts are one-person Units, not eligible to engage in financial activity as they don't have a registered fund-hold. They are given permission to be the Party's contact in that area with the intention of taking details of local members and applicants and so building a Group thereafter. They are tasked with and encouraged to do just that.

3.4 Party Circles

Land & People
Y.B.N.P.

These are party units which are organised with involvement by members and supporters on the basis of a shared interest or status rather than geographical location. They are run by Co-ordinators who are responsible for their own administration. They are under the overall control of the Group Development department. A circle may be authorised to run its own bank account if it is felt capable


David Hannam

23rd June 2007

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British National Party
Regional Accounting Unit
Year Ended 31st December 2007

Statement of Registered Treasurer's Responsibilities

The Political Parties, Elections and referendums Act 2000 requires the registered treasurer of the unit to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the unit and of the surplus or deficit for that period. In preparing those financial statements, the registered treasurer is required to:

select suitable accounting policies and then apply them consistently;

make reasonable and prudent judgements and estimates;

state whether applicable accounting standards have been followed, providing details and explanations of any departures in the financial statements; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the unit will continue in business.

Section 41 of the Act requires that the registered treasurer is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the party at that time and to enable him to ensure that the financial statements comply with the Act. Section 43 of the Act requires that the registered treasurer is responsible for delivery of the statement of accounts to The Electoral Commission by the required deadline.

David Hannam



23rd June 2007

British National Party
Regional Accounting Unit
Year Ended 31st December 2007

Treasurers' Report

The Regional Accounting Unit is a separately registered unit with the "Electoral Commission". It is the only separate unit of the "British National Party". It is operated and paid for by the party. It therefore incurs no costs, and generates no income in its own right. It exists to consolidate the affairs of the different units within one accounting unit.

Financial Overview

Financially speaking, 2007 was a very good year for the Regional Accounting Unit. We have developed much tighter control systems, focusing on increasing accuracy for the individual unit bank statements. During the year, we switched the bookkeeping maintenance system from an absolute yearly reconciliation to a day-to-day reconciliation. This allows us to keep tighter controls on funds within the regional accounting bank account, and also provide more accessible bank statements to units. This also makes use of regional funds with the regional bank account more transparent and accountable, with units having much more visible sight of how their funds are administered. Towards the end of the year, we began to work on a new online bank statement system which will allow units daily visible sight of their respective funds. These changes are all geared towards increasing accountability. As a voluntary organisation, we sometimes rely on the assurances of the fundholders. Some units did not submit petty cash book records when requested. These groups are now eligible for a new internal fine scheme, in the more extreme cases, units who did not submit their records have been disbanded.

During 2007 central office borrowed from the regional accounting unit. It is the aim of central office to repay this internal loan with monthly standing orders. Now that the party has focused on improving the accuracy of the individual unit bank statement records, it is now the aim of the party to focus on petty cash records and how they are maintained. Increased financial control and transparency was the aim of the treasury department during 2007. This aim has been achieved.



David Hannam

23rd June 2007

Independent Auditors' Report to the Registered Treasurer of the

British National Party
Regional Accounting Unit

We have audited the financial statements of the British National Party, Regional Accounting Unit, for the year ended 31st December 2007 which comprises the income and expenditure account, the balance sheet, the cash flow statement, and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 17.

This report is made solely to the registered treasurer of the British National Party, Regional Accounting Unit in accordance with the Party's rules 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 Treasurer those matters we are required to state to him 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 Treasurer, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of registered treasurer and auditors.

The responsibilities of the registered treasurer for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Registered Treasurers Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Political Parties, Elections and Referendums Act 2000 and the Statement of Accounts Guidance and other direction issued by The Electoral Commission there under. We also report to you if, in our opinion, the Treasurer's Report is not consistent with the financial statements, if the unit has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We have read the Treasurer's Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information contained in the annual report.

Independent Auditors' Report to the Registered Treasurer of the

British National Party
Regional Accounting Unit

(Continued)

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the registered treasurer in the preparation of the financial statements, and of whether the accounting policies are appropriate to the party's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Under the laws of this country every party has a right and indeed a duty to comply with the requirements to have an audit if appropriate. This audit has been conducted in lines with the provisions that define audits, and it has not been designed to form an opinion on the views expressed by the party. We are aware the views expressed by the party are such that they have made the party high profile and that at times those views may be controversial, but we do not have to form a view on those views. This may have an impact on the financial statements but it is not possible to evaluate this.

The Regional Accounting Unit is starting to impliment, and take advice, on the setting up of Internal Controls. Because these were not in existence in 2007, we have had to place reliance on the officers representations.

As part of the Region's activities to improve the Internal Control the Assistant Treasurer has concentrated on the money held on behalf of the groups in the Region's bank account. This means that the information within the "Quickbooks" system can be kept up to date on at least a monthly cycle, and groups can access their information via the internet.

That shift from a yearly reconciliation to a more unit accurate day-to-day reconciliation has meant that the monthly bank reconciliations have not been carried out, during the year. The situation was also made somewhat more difficult due to the fact that central office have at periods borrowed from the regions. An annual reconciliation has not been carried out.

Whilst the cash being paid into the "Region's Bank Account" is entered correctly, the Petty Cash Books which should record how this has arisen do not always reflect the transactions relating to those deposits (Such as income from Commercial Activities). At the same time Funds amounting to £22,223 came in via certain Scottish Group activity for which no records have been received and we did not receive Petty Cash Books for Groups for which the total banking was £28,629. The Region is reliant on Volunteers to keep these Petty Cash Books.

Independent Auditors' Report to the Registered Treasurer of the

British National Party
Regional Accounting Unit

(Continued)

Opinion

Subject to the above and having regard to the disclosures made by the officers of the Unit.

In our opinion the financial statements give a true and fair view of the state of the party's affairs as at 31st December 2007; allowing for the fact that at the year end the Party owed the Region £42,000 and the reason why this is the case is that it had insufficient funds, which places doubts on the ability of the Party to repay this money.

In our opinion the financial statements give a true and fair view of it's surplus for the year then ended; allowing for the fact that the Petty Cash Difference of £147,119 cannot be broken down into it's constituent parts, but that it reflects the amount of income deposited.

In our opinion the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

In our opinion the accounts do comply with the requirements of the Political Parties, Elections and Referendums Act 2000.

The information given in the Treasurers' Report is consistent with the financial statements.



Registered Auditors
Chartered Accountants

Silver & Co
25 Park Road
Cannock
Staffs
WS11 1BN

7th July 2008.

British National Party
Regional Accounting Unit
Year Ended 31st December 2007

Income & Expenditure Account

	<u>Schedule</u>	<u>2007</u>		<u>2006</u>	
		£	£	£	£
<u>Income</u>					
Donations	1		93,022		135,915
Fundraising			2,567		15,033
Membership	2		4,398		5,921
Commercial Activities	3		40,793		51,400
Red White & Blue Tickets			3,071		5,765
Petty Cash Difference			147,119		-
Sundry Income			-		2,097
Interest Received			144		115
			<u>291,114</u>		<u>216,246</u>
<u>Expenditure</u>					
Costs of Commercial Activities	4	106,920		67,659	
Notional Expenditure		-		8,989	
Campaign Expenditure	5	90,782		36,673	
Red White & Blue Tickets		4,711		9,645	
Management and Administration	6	63,434		60,656	
Other Expenditure	7	9,208	275,055	15,225	198,847
			<u>275,055</u>	<u>15,225</u>	
			16,059		17,399
			<u>16,059</u>	<u>17,399</u>	

The Schedules on pages 12 and 13 form an integral part of these financial statements.

The notes on pages 16 to 17 form an integral part of these financial statements

British National Party
Regional Accounting Unit
Year Ended 31st December 2007

Schedules to the Income and Expenditure Account

1 <u>Donations</u>	<u>2007</u>	<u>2006</u>
	£	£
Meeting Collection	42,625	69,390
Donations	50,397	57,537
Notional	-	8,989
	93,022	135,916
2 <u>Membership</u>		
Membership BNP	476	258
Membership Raffle	3,922	5,663
	4,398	5,921
3 <u>Income from Commercial Activities</u>		
Merchandise Sales	12,882	14,039
Identity Sales	8,170	11,360
Voice of Freedom Sales	19,741	26,001
	40,793	51,400
4 <u>Costs of Commercial Activities</u>		
Carriage	6,277	4,849
Fsid	6,845	-
Identity Costs	22,385	16,860
Merchandise	19,157	11,250
Voice of Freedom Cost	52,256	34,699
	106,920	67,658
5 <u>Campaign Expenditure</u>		
Leaflet Costs	89,542	36,533
Electoral Registers	1,240	-
Leaflet sales	-	(962)
Campaign expenses	-	1,102
	90,782	36,673

British National Party
Regional Accounting Unit
Year Ended 31st December 2007

Balance Sheet

	<u>Notes</u>	<u>2007</u>		<u>2006</u>	
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Fixed Assets	3		2,168		1,748
Due from Central Office			41,831		21,854
Cash at Bank					
East Midlands BNP Account		33,068		25,775	
Land & People Account		931		901	
Peacock Club		10,076		14,279	
Scotland BNP A/C		4,766		4,766	
Scottish Heritage A/C		176	49,017	8,823	54,544
Petty Cash			17,531		10,693
Total Assets			110,547		88,839
Less Accruals			9,350		3,701
Net Assets			101,197		85,138
Branches & Groups Balances					
Brought Forward			85,138		62,752
Adjustment to bring Balances in line			-		4,987
Surplus/(Deficit) for the year			16,059		17,399
			101,197		85,138

The financial statements were approved on 7th July 2008.

David Hannam

The notes on pages 17 to 18 form part of these financial statements

British National Party
Regional Accounting Unit
Year ended 31 December 2007

Cash Flow Statement

	<u>2007</u>		<u>2006</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Net cash flow from operating activities				
Surplus for the year	16,059		17,399	
Depreciation	<u>1,521</u>	17,580	<u>846</u>	18,245
Increase in Creditors		5,649		3,701
Advance to Party		(19,977)		(21,854)
Purchase of Fixed assets		(1,941)		(2,594)
Adjustment to bring Balances in line		-		4,987
Increase in cash in the year		1,311		2,485
Cash at Bank				
C/forward	49,017		54,544	
B/forward	<u>54,544</u>	(5,527)	<u>49,061</u>	5,483
Petty Cash				
C/forward	<u>17,531</u>		<u>10,693</u>	
B/forward	<u>10,693</u>	6,838	<u>13,691</u>	(2,998)
Increase in cash in the year		1,311		2,485

British National Party
Regional Accounting Unit
Year ended 31st December 2007

Notes to the Financial Statements

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Accounts Guidance Notes issued by The Electoral Commission.

Income recognition

Income is recognised when all of the following conditions have been met:

The party is entitled to the asset;

There is reasonable certainty that the asset will be received; and

The value of the asset can be measured with reasonable certainty.

Applying these criteria to specific types of income results in the following treatment:

Donations of monetary assets and liquid investments are recognised at market value in the income and expenditure account on receipt.

Grants are recognised in the income and expenditure account when the conditions for receipt have been met.

Interest is accounted for on receipt, which given the nature of the relationships with the banks, is the only appropriate way of dealing with this type of income.

2 Donations

During the year the party accepted donations greater than £200 from permissible donors (as defined by section 54 of the Act) all donations over £5,000 were reported to The Electoral Commission, on a quarterly basis as required by the act.

Under PPERA single or aggregate donations for an individual greater than £5,000 in any calendar year are reportable to The Electoral Commission.

British National Party
Regional Accounting Unit
Year ended 31st December 2007

Notes to the Financial Statements (Continued)

3 Fixed Assets

		<u>2007</u>		<u>2006</u>	
Office Equipment		£	£	£	£
Additions in the year	Cost Brought forward	2,594		-	
	Additions	1,941	4,535	2,594	2,594
Depreciation Charge	B/forward	846		-	
	Charge for the year	1,521	2,367	846	846
Net Book Value			2,168		1,748

Because of the nature of the asset depreciation is provided to write the cost off over three years.

4 Taxation

The Regional Accounting Unit is treated as an unincorporated association for tax purposes and is therefore liable to corporation tax on its investment income.

	<u>2007</u>	<u>2006</u>
	<u>£</u>	<u>£</u>
Current years provision	27	20

This liability will be borne by the Party for the sheer impracticality of allocating it to the Branches.