



Ulster Unionist Party
Report and financial statements
for the year ended 31 December 2009

Ulster Unionist Party

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Ulster Unionist Party

1

Party Officers and advisers

Leader

Sir Reg Empey OBE MLA

Chairman

David Campbell CBE

Vice Chairman

Terry Wright

Honorary Treasurer

Clr Mark Cosgrove

Parliamentary Officer

Lord Maginnis of Drumglass

Nominating Officer

Sir Reg Empey OBE MLA

Assembly Chief WHIP

Clr Fred Cobain MBE MLA

Solicitors

Peden & Reid
22 Callender Street
Belfast
BT1 5BU

Johnsons Solicitors
Johnson House
50/56 Wellington Place
Belfast

Bankers

First Trust Bank
Market Square
Lisburn
BT28 1AF

Councillor's Officer

Clr Trevor Wilson

European Parliament Officer

Jim Nicholson MEP

Party Headquarters

First Floor
174 Albertbridge Road
Belfast
BT5 4GS

Registered auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Waterfront Plaza
8 Laganbank Road
Belfast
BT1 3LR

Report of the Party Officers for the year ended 31 December 2009

Chairman's Report

I am pleased to report that 2009 was a year of continued success for our Party. Following our agreement to form a new electoral alliance with the Conservative Party in 2008, the Party Executive approved a further Memorandum of Understanding in February which provided the framework for fighting the Elections to the European Parliament in June. The Memorandum also specified several important new joint policy initiatives which a future Conservative Government would be committed to. These include:

- Working with the Northern Ireland parties to make the NI Assembly more efficient with the eventual aim of moving from a mandatory coalition to a voluntary coalition system
- Establishing Northern Ireland as an Enterprise Zone with significant fiscal incentives to stimulate economic recovery
- Providing for a national definition of a 'victim' and committing to never equalise the victims of terrorism with the perpetrators of terrorism
- To permanently prevent any payment to the perpetrators of terrorism; and
- To end wasteful enquiries into the past

The European elections was the first test of the new electoral alliance, and Jim Nicholson became the first Joint candidate to be tested. I am pleased to record that Jim secured the Party's best ever result in a European election being elected significantly ahead of the DUP and almost outpolling them on first preferences. The election result was a tribute to Jim's record of service for Northern Ireland in Europe over the past twenty years, and the entire Party, and our Conservative colleagues deserve credit for the hard work that was put into the campaign. The result has significantly lifted morale throughout the Party and has proven that the Unionist electorate has not forgotten or forgiven the deceit of the DUP at the last Assembly and Parliamentary elections.

Administratively, the Party has settled into its new Headquarters, albeit in much more restrictive accommodation. Significant progress has been made in progressing plans for the redevelopment of the Cunningham House site and the rental income from Cunningham House has allowed a major planning application to be submitted without recourse to the Party for funding, and the reassessment of all areas of Party expenditure by the Treasurer has enabled quotas to be retained at historically low levels. It is gratifying to see the Party's finances returning to stability however even a modest effort at additional fundraising at all levels within the Party would enable us to provide much more effective PR and media coverage.

The autumn saw the Party focusing on the selection of candidates for the Westminster elections. These were the first selections to occur under the new Party rules and the Party Officers have been monitoring results to identify what improvements need to be made.

The Party's representatives at all levels – Europe, Parliament, Assembly, and Local Government have continued to represent the Party and community interest in the finest tradition of Ulster Unionism. I wish to record my thanks for the huge workload undertaken by all. Equally, the Party has been well served by the Officer team, the Party Executive, and the Constituency Officers who keep our structures active and relevant in all parts of Northern Ireland. I also wish to thank the loyal team of Party employees at Headquarters, at the Assembly, in London, Brussels, and throughout our Constituencies who consistently work well beyond the hours they are paid for. Their work is sincerely appreciated and noticed.



David Campbell, CBE BAgr
Party Chairman
11 June 2010

Report of the Party Officers for the year ended 31 December 2009 (continued)

Administrative information

Committees

The governance and management of the Party is carried on through the Executive Committee. The Terms of Reference for this Committee are contained within the Party's Rules and Standing Orders. The Chairman is David Campbell.

Elected representatives

The Party's elected representatives are shown at Annex A (page 4).

Membership

Due to the constitution of The Ulster Unionist Party we are unable to obtain membership numbers as they are not held centrally. Each constituency has a different number of branches with varying numbers of members and the members change regularly.

Accounting units

During the year under review the Party had 41 accounting units registered with the Electoral Commission. No accounting units were added during the year.

Report of the Party Officers for the year ended 31 December 2009 (continued)

Annex A

List of elected representatives

European Parliament	Northern Ireland Assembly
Mr Jim Nicholson MEP	Mr William Armstrong MLA
	Cllr Roy Beggs MLA
	Mr Danny Kinahan MLA
	Cllr Fred Cobain MBE MLA
	Rev Robert Coulter MLA
	Ald Leslie Cree MBE MLA
	Cllr Thomas Elliott MLA
	Sir Reg Empey OBE MLA
	Ald Samuel Gardiner MBE JP MLA
	Cllr Danny Kennedy MLA
	Mr John McCallister MLA
	Cllr David McClarty MLA
	Cllr Basil McCrea MLA
	Cllr Michael McGimpsey MLA
	Mr David McNarry MLA
	Cllr Ken Robinson MLA
	Cllr George Savage MLA

Report of the Party Officers for the year ended 31 December 2009 (continued)

Review of political activities

Conferences

The Party held its Annual Conference at the Europa Hotel in Belfast during October 2009.

Regional reports

The Party organisation covers the whole of Northern Ireland as one region.

Financial review

2009 was another solid financial year for the Ulster Unionist Party. Despite the ongoing recession and the fact that the UUP receives no policy development or money from Westminster, income was up and running costs were again operated within a tight budgetary framework. Most pleasingly was the continued growth in membership numbers and the income derived thereof.

It has been my privilege to steer this great party financially to its best set of results for many years and I pay tribute to all organs of the party from members, to Party Officers to the 130 elected representatives without whose collective work and support this party could not function.

Money spent on political output has been again at a high level as we seek to serve the people who elect us.

I also would also pay tribute to our hard working staff at HQ and in the Assembly who have worked together as a team and ensured that we deliver a great service within limited resources.

Statement of Treasurer's Responsibilities

The Treasurer is responsible for preparing the Report and the financial statements in accordance with applicable law and regulations.

The Treasurer of the Party is required by the Political Parties, Elections and Referendums Act 2000 ("the Act") to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Party and of its surplus or deficit for that period.

In preparing those financial statements, the treasurer is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Party will continue in business.

Section 41 of the Act requires that the 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. He is also responsible for safeguarding the assets of the Party and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Party Officers for the year ended 31 December 2009(continued)

Statement of disclosure of information to auditors

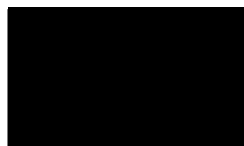
So far as each of the Party Officers in office at the date of approval of these financial statements is aware:

- there is no relevant audit information of which the Party's auditors are unaware; and
- they have taken all the steps that they ought to have taken as Party Officers in order to make themselves aware of any relevant audit information and to establish that the Party's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, a resolution to reappoint the auditors, PricewaterhouseCoopers LLP, will be proposed at the Annual General Meeting.

On behalf of the Party



Mark Cosgrove
Honorary Treasurer
11 June 2010

Independent auditors' report to the Treasurer of Ulster Unionist Party

We have audited the financial statements of the Ulster Unionist Party for the year ended 31 December 2009, which comprises the income and expenditure account, the statement of recognised gains and losses, the note of historical costs profits and losses, reconciliation of movements in funds, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the Treasurer and auditors

The Treasurer's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Treasurer's Responsibilities.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Party officers as a body in accordance with Section 43 of the Political Parties, Elections and Referendums Act 2000 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 accounting policies set out on pages 12 to 13. We also report to you if, in our opinion, the Report of the Party Officers is consistent with the financial statements. In addition we report to you if, in our opinion, the Party has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Party Officers remuneration and transactions with the Party is not disclosed.

We read the Report of the Party Officers 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.

Basis of audit opinion

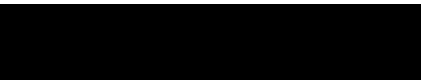
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the 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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with the requirements of the Political Parties, Elections and Referendums Act 2000, of the state of the Party's affairs as at 31 December 2009 and of its surplus and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the requirements of the Political Parties, Elections and Referendums Act 2000; and
- the information given in the Report of the Party Officers is consistent with the financial statements.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Belfast

18 June 2010

Income and expenditure account for the year ended 31 December 2009

	Notes	2009 £	2008 £
Income			
Membership and subscription fees		307,797	263,185
Conferences		26,980	27,147
Investment income		-	1,419
Other income	4	58,091	91,753
		392,868	383,504
Expenditure			
Running costs	5	283,167	302,954
Depreciation		14,646	15,807
Interest payable	6	38,216	55,513
Conferences and AGM		21,401	23,460
		357,430	397,734
Surplus/(deficit) before taxation	3	35,438	(14,230)
Taxation	7	(8,054)	-
Surplus/(deficit) for the year	15	27,384	(14,230)

All amounts above relate to continuing operations of the Party.

Statement of total recognised gains and losses for the year ended 31 December 2009

	2009	2008
	£	£
Surplus/(deficit) for the financial year	27,384	(14,230)
Recognised revaluation gain/(loss) on fixed asset investments	6,199	(9,032)
Total recognised gains and losses for the year	33,583	(23,262)

Note of historical cost surplus and deficits for the year ended 31 December 2009

	2009	2008
	£	£
Reported surplus/(deficit) for the financial year	35,438	(14,230)
Realisation of property revaluation gains of previous years	-	792,002
Historical cost surplus on ordinary activities before taxation	35,438	777,772
Historical cost surplus for the year after taxation	27,384	777,772

Reconciliation of movements in funds for the year ended 31 December 2009

	2009	2008
	£	£
Surplus/(deficit) for the financial year	27,384	(14,230)
Other recognised gains and losses relating to the year (net)	6,199	(9,032)
Net movement to funds	33,583	(23,262)
Opening funds	675,822	699,084
Closing funds	709,405	675,822

Balance sheet as at 31 December 2009

	Notes	2009 £	2008 £
Fixed assets			
Tangible assets	8	22,096	36,742
Investments	9	1,352,748	1,346,549
		1,374,844	1,383,291
Current assets			
Debtors	11	27,112	60,665
		27,112	60,665
Creditors: amounts falling due within one year	12	(232,551)	(308,134)
Net current liabilities		(205,439)	(247,469)
Total assets less current liabilities		1,169,405	1,135,822
Creditors: amounts falling due after more than one year	13	(460,000)	(460,000)
Net assets		709,405	675,822
Reserves			
Revaluation reserve	15	15,338	9,139
Donated fixed asset fund	15	32,000	32,000
General fund	15	662,067	634,683
Total funds		709,405	675,822

The financial statements on pages 8 to 18 were approved by the Party Officers on 11 June 2010 and were signed on its behalf by:



Mark Cosgrove
Honorary Treasurer

Cash flow statement for the year ended 31 December 2009

	Notes	2009 £	2008 £
Net cash inflow/(outflow) from operating activities	16	65,160	(23,073)
Returns on investments and servicing of finance			
Investment income		-	1,419
Interest paid		(38,216)	(55,513)
		(38,216)	(54,094)
Capital expenditure and financial investment			
Proceeds on sale of tangible fixed assets		-	330,000
Deposit received on potential sale of share of investment		125,000	-
		125,000	330,000
Cash inflow before financing		151,944	252,833
Financing			
Repayments of hire purchase obligations		(3,361)	(11,946)
Repayment of bank loans		(57,720)	(56,590)
Repayment of other loans		-	(34,000)
		(61,081)	(102,536)
Increase in cash in the year	17 - 18	90,863	150,297

Notes to the financial statements for the year ended 31 December 2009

1 Accounting policies

The financial statements are prepared under the historical cost convention as modified by the revaluation of fixed assets and investments and are in accordance with applicable accounting standards and the Statement of Accounts Guidance Notes issued by the Electoral Commission. The principal accounting policies which have been applied consistently throughout the year are set out below:

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 in the income and expenditure account on receipt. Donations of other investments and tangible assets are credited to the donated fixed asset reserve and a transfer is made from this reserve to the general fund as the assets received are utilised or sold. Donations of notional income are recognised on receipt at the relevant market value of the donation received with an expense of the same amount being recognised contemporaneously.
- Membership and subscription fees that are not in arrears are recognised in the income and expenditure account in the period to which they relate. Arrears of membership and subscription fees are only recognised in the income and expenditure account if received before the financial statements are approved.
- Legacies are recognised when the personal representatives of the deceased have notified the Party of the legacy, they have obtained grant of representation and there are no significant matters outstanding concerning the precise division of the estate.
- Interest receivable and rental income are recognised in the income and expenditure account on an accruals basis. Dividend income is recognised when declared.

Tangible assets

Tangible assets are stated at cost less accumulated depreciation.

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost, or valuation, of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used are as follows:

	%
Computers	25
Furniture, fixtures & fittings	25

Investments

Fixed assets investments, which consist entirely of marketable securities and subsidiary undertakings, are stated at market value. Changes in the market value of fixed asset investments are taken to the revaluation reserve, except that permanent diminutions in value are taken to the income and expenditure account. Investment income is included in the income and expenditure account on an accruals basis.

Notes to the financial statements for the year ended 31 December 2009

1 Accounting policies (continued)

Finance costs

Finance costs are charged to profit over the term of the debt so that the amount charged is at a constant rate on the carrying amount.

Pension costs

The Party operates a defined contribution scheme for employees. The cost of funding the defined contribution scheme is charged to the profit and loss account as incurred.

2 Employee information

	2009	2008
	£	£
Staff costs:		
Wages and salaries	66,284	125,417
Social security costs	5,825	12,091
Other pension costs	993	2,166
	73,102	139,674

3 Surplus/(deficit) before taxation

	2009	2008
	£	£
This is stated after charging:		
Staff costs (note 2)	73,102	139,674
Auditors' remuneration - audit services	8,250	8,000
Depreciation		
- owned assets	14,646	3,270
- under hire purchase contracts	-	12,537

4 Other income

	2009	2008
	£	£
Office services and publications	9,414	5,192
Contribution from European Member to cover salary costs	-	21,449
Travel income	26,901	9,215
Other donations	21,776	55,897
	58,091	91,753

Notes to the financial statements for the year ended 31 December 2009

5 Running costs

	2009	2008
	£	£
Stationery & office equipment	9,114	11,423
Telephone & postage	20,971	18,792
Heating & power	2,464	3,944
Rates & insurance	1,824	30,978
Rent	12,000	4,000
Repairs & maintenance property	917	3,868
Maintenance/leasing of equipment	4,039	18,357
Professional & consultancy fees	38,560	23,808
Audit fee	8,250	7,500
Sundry	16,868	8,067
PR & marketing	15,975	12,068
Salaries, wages & NIC	73,102	139,674
Travel & motor expenses	19,285	12,544
Research costs	2,160	7,931
Election expenses	57,638	-
	283,167	302,954

6 Interest payable

	2009	2008
	£	£
Bank interest and charges	32,312	39,691
Bank loan interest	5,904	15,822
	38,216	55,513

7 Taxation

	2009	2008
	£	£
Current tax:		
UK corporation tax at 21% (2008:21%)	8,054	-
Adjustments in respect of prior year	-	-
Tax on surplus/(deficit)	8,054	-
	2009	2008
	£	£
Surplus/(deficit) before taxation	35,438	(14,230)
Surplus/(deficit) multiplied by standard rate in the UK 21% (2008: 21%)	7,442	(2,988)
Effects of:		
Expenses not deductible	612	2,988
Current tax charge for the year	8,054	-

Notes to the financial statements for the year ended 31 December 2009

8 Tangible assets

	Computers £	Furniture, fixtures & fittings £	Total £
Cost			
At 1 January 2009	62,702	138,517	201,219
Disposal	-	-	-
At 31 December 2009	62,702	138,517	201,219
Accumulated depreciation			
At 1 January 2009	51,326	113,151	164,477
Charge for the year	11,376	3,270	14,646
At 31 December 2009	62,702	116,421	179,123
Net book amount			
At 31 December 2009	-	22,096	22,096
At 31 December 2008	11,376	25,366	36,742

9 Investments

	Investments in subsidiary undertaking £	Other investments £	Total £
Cost or Valuation			
At 1 January 2009	1,320,000	35,581	1,355,581
Additions	-	-	-
At 31 December 2009	1,320,000	35,581	1,355,581
Market value of investments			
At 1 January 2009	1,320,000	26,549	1,346,549
Change in market value of investments	-	6,199	6,199
At 31 December 2009	1,320,000	32,748	1,352,748
Net book amount			
At 31 December 2009	1,320,000	32,748	1,352,748
At 31 December 2008	1,320,000	26,549	1,346,549

Detail of subsidiary undertaking:

Name	Principal activities	Country of incorporation or regulation	Proportion held directly by Party	Profit for the year £	Capital and reserves at 31 December 2009 £
Cunningham House LLP	Rental of property	Northern Ireland	80%	NIL	1,650,000

Notes to the financial statements for the year ended 31 December 2009

10 Accounting units and similar affiliated organisations

The Ulster Unionist Party is constituted under section 26 of the Political Parties, Elections and Referendums Act 2000 as a central organisation with accounting units. None of these accounting units are controlled by the Party and their financial statements are not consolidated into those of the central organisation.

At 31 December 2009 there were 41 registered accounting units. Details of these units are available from Party headquarters.

11 Debtors

	2009	2008
	£	£
Prepayments and accrued income	796	4,419
Quota fees due	23,316	24,526
Other debtors	3,000	31,720
	27,112	60,665

12 Creditors: amounts falling due within one year

	2009	2008
	£	£
Bank overdraft	33,019	123,882
Bank loans (note 14)	53,272	110,992
Obligations under hire purchase agreements	-	3,361
Trade creditors	1,975	31,341
Corporation tax	8,054	-
Accruals and deferred income	136,231	38,558
	232,551	308,134

13 Creditors: amounts falling due after more than one year

	2009	2008
	£	£
Bank loans (note 14)	375,000	375,000
Other loans	85,000	85,000
	460,000	460,000

Other loans are interest free and have no repayment terms.

Notes to the financial statements for the year ended 31 December 2009

14 Bank loans

	2009 £	2008 £
Maturity of debt		
Less than one year, or on demand	53,272	110,992
Between one and two years	-	-
Between two and five years	375,000	375,000
	428,272	485,992

The bank loans and overdraft are secured by a letter of guarantee signed by Cunningham House LLP supported by a legal charge over Cunningham House, Holywood Road, Belfast.

15 Reserves

	Revaluation reserve £	Donated fixed asset fund £	General fund £	Total £
At 1 January 2009	9,139	32,000	634,683	675,822
Surplus for the year	-	-	27,384	27,384
Gain in value of investments	6,199	-	-	6,199
At 31 December 2009	15,338	32,000	662,067	709,405

16 Net cash inflow/(outflow) from operating activities

	2009 £	2008 £
Operating surplus/(deficit) before investment income, interest payable and taxation	73,654	39,864
Depreciation	14,646	15,807
Donation of other loans	-	(50,900)
Movement in debtors	33,553	(25,511)
Movement in creditors	(29,366)	(1,460)
Movement in accruals and deferred income	(27,327)	(873)
Net cash inflow/ (outflow) from operating activities	65,160	(23,073)

Notes to the financial statements for the year ended 31 December 2009

17 Analysis of net debt

	At 1 January 2009	Cash flow	Non-cash Changes	At 31 December 2009
	£	£	£	£
Bank overdraft	(123,882)	90,863	-	(33,019)
Debt due within one year	(110,992)	57,720	-	(53,272)
Debt due after one year	(460,000)	-	-	(460,000)
Hire purchase agreements	(3,361)	3,361	-	-
	(574,353)	61,081	-	(513,272)
Net debt	(698,235)	151,944	-	(546,291)

18 Reconciliation of net cash outflow to movement in net debt

	2009	2008
	£	£
Increase in cash in the financial year	90,863	150,297
Cash inflows from decrease in debt	61,081	102,536
Change in net debt resulting from cash flows	151,944	252,833
Non-cash changes:		
Donation of other loans	-	50,900
Movement in net debt in the year	151,944	303,733
Net debt at 1 January 2008	(698,235)	(1,001,968)
Net debt at 31 December 2009	(546,291)	(698,235)

19 Ultimate controlling party

The ultimate controlling party is the executive committee.

20 Related party transactions

At the 31 December 2008 the Party created an LLP called Cunningham House LLP. The Party's premises at Cunningham House became an asset of LLP and the Party retains an 80% share in LLP.

21 Financial commitments

	Property 2009	Property 2008
	£	£
Amounts due within one year	12,000	12,000
Within two to five years	48,000	48,000
Over five years	48,000	60,000
	108,000	120,000