The Electoral Commission

3 Bunhill Row
London EC1Y 8YZ

Tel: 020 7271 0500
info@electoralcommission.org.uk
electoralcommission.org.uk

Sent via email: [redacted]

27 July 2021

Dear [redacted],

Internal review of FOI request FOI 097-21

Thank you for your email to FOI@electoralcommssion.org.uk of 7 July 2021 seeking an internal review of your request for information, reference number **FOI 097-21**

In seeking an internal review you made the following comments:

As you can see by the Electoral Commission's website, the SNP's full statements of accounts from 2002 to 2008 are not publicly available due to the lack of a link to a pdf file. Instead, all that is available is the overall income and expenditure figure and assets and liabilities summarised by the commission. Example: http://search.electoralcommission.org.uk/English/Accounts/ST0001406

The reason for my FOI was to get hold of the full statement of accounts for these years due to their failure to be made publicly available by the Electoral Commission.

I ask you to review your response and provide me with the pdfs of the statements of accounts for the years requested which you hold as soon as possible.

Outcome of your internal review:

I have reviewed your request and am able to provide the records that you have requested.

Electoral Commission policy in regards to statements of accounts is that offline records are kept for six years, this aligns with the requirement for political parties to maintain their accounts for that timeframe, as outlined in the Political Parties Elections and Referendums Act 2000. Our online records remain available beyond this timeframe.

However there are a significant number of records that have been removed from the website, due to having been incorrectly redacted as a result of a software issue. Although these records are available internally and on request, the individual who answered your request was not aware of this. When responding to your request we were unaware that the specific pdf records you requested were part of this group of records, rather than on the online system.

We do endeavour to ensure that we provide all the information we have upon request and I apologise that this did not occur on this occasion. I have gained assurances that the relevant team members are now aware that much of this information is available electronically internally, and that they will be able to respond to any future requests of this type.

I have completed this review because I am a member of the Electoral Commission's management team and I was not previously involved in the original response to your request.

To access the documents we are releasing, you will need to use our secure document-sharing site, Objective Connect.

You will receive an 'Invitation to Objective Connect Email Notification' (sent to the inbox of [redacted]). This notification will contain a link to enable you to start accessing your information. Please find below details on how to access the specific area we have set up for your documents.

1. Click on the link in the email.
2. You will be prompted to set up your username and password. Your username will be your email address, and your password can be whatever you like.
3. With your username and password, enter both details at the login screen and click 'login'.
4. You will now see your personal page, which will show the Share 'Internal Review – FOI-097-21'.
5. By clicking on the name of the share, you will find your documents.
6. You may view any of these documents
7. In addition you may download a copy to your personal computer by selecting the 'download' option and then 'save'.

This service will be closed one month from our response date, this is the **27 August 2021.**

If you remain dissatisfied with our response, you can appeal to the Information Commissioner at: The ICO, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF. For further details about the appeal procedure please visit www.ico.org.uk.

Yours sincerely

Melanie Davidson
Head of Support and Improvement
The Electoral Commission

SCOTTISH NATIONAL PARTY

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED

31ST DECEMBER 2002

SCOTTISH NATIONAL PARTY
STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2002

Party Officers

Leader:	Mr John Swinney
Nominating Officer:	Mr Peter Tierney Murrell
Treasurer:	Mr Jim Mather

Party Headquarters

107 McDonald Road, Edinburgh, EH7 4NW.

Auditors

George & Co – Chartered Accountants
and Registered Auditors



[redacted]

INTRODUCTION

In the last six months of the year, we began to see the fruits of the many developments that have taken place in the Party over the last two years.

Our HQ is highly professional and delivering new campaigning skills. We have a strong policy base, centred on clear themes and ambitious in its aims. We have an effective team of key spokespeople able to put the Party's message across. We have candidates, agents, councillors and activists ready to play their part in a major campaign to oust the Labour-led Executive and set Scotland on a new course.

However there are challenges ahead for the Party. We do not have a strong enough organisation at local level and the disparity between strong and weak organisations has grown wider. We do not have enough members and we do not involve members and their talents enough in the Party. An urgent priority for the year ahead 2003 must be a process of internal reform that recruits more members and involves them more effectively, builds stronger local organisations and gives us a real chance of victory based on effective campaign organisation.

The Party spends too much of its time and energy focused on internal issues rather than external campaigning within communities and we have to change that balance.

I encourage Party members to contribute to this process and to work for a successful Independence campaign.



JOHN SWINNEY MSP
National Convener

ADMINISTRATIVE INFORMATION

Party Officers

National Office Bearers are elected by the delegates to the party's Annual National Conference. All National Office Bearers are part of the SNP's National Executive Committee which is chaired by John Swinney.

The party's National Executive Committee is shown at Appendix A.

Elected representatives

The party's elected parliamentarians are shown at Appendix B.

The party also has 219 councillors representing the SNP in 23 of Scotland's 32 local councils.

Headquarters

107 McDonald Road is the national centre for the Party's campaigns, communications, fundraising, and secretariat services – and home to the SNP Policy Unit, The Allan Macartney Library, and SNP Media Centre. The National Call Centre – located in Glasgow - targets key supporters and potential voters, and helps increase fundraising from members.

The permanent members of staff are shown at Appendix C.

Membership

Membership issues are devolved with branches signing up members locally, and renewing memberships annually. Every member pays an annual membership fee, £5 of which is secured by HQ as the cost of the membership card. The most common membership fee set by branches is a one-off payment of £10 standard or £5 reduced (e.g. unwaged).

The introduction of new membership software late in 2002 has allowed a calculation to be made of members as at 31 December. However the figure underestimates the total with a number of branches failing to submit membership lists on time, there also being no comparative figures for previous years, and no breakdown of rates paid by members yet available. Planned changes to membership administration will make this possible in future years.

As at 31 December, however, there were 16,122 members organised into 255 branches, constituency branches, sub-branches and groups.

Accounting Units

The party has 324 accounting units registered with the Electoral Commission. This included 56 Constituency Associations, 15 Constituency Branches, 221 Branches, 26 Sub-Branches and 4 Affiliated Organisations.

REVIEW OF POLITICAL ACTIVITIES

Branches and Constituency Associations send delegates to the various national bodies which help determine the policy and direction of the party, National Assembly, National Council and Annual Conference. The National Executive Committee is responsible for the day-to-day organisation and administration of the party, and devising the SNP's national political strategy.

National Executive Committee

The National Executive Committee (NEC) met monthly in 2002 and is the body which is collectively responsible for the interpretation of policy between meetings of National Conference and National Council. It is charged with devising the SNP's national political strategy, as well as overseeing the organisation and administration of the party. NEC members report to National Council and Annual Conference and are open to question by delegates. Members of NEC are elected by annual national conference.

National Assembly

National Assembly is the forum for the development of policy within the party at which policy is debated and discussed, before being presented to the party for approval at National Council or Annual National Conference. National Assembly met seven times in 2002 and debated a range of policies for the 2003 elections covering health, crime, economic, environment and education issues.

National Council

National Council is the governing body of the Party between conferences, and meets quarterly. It met three times in 2002 to hear reports from National Office Bearers, and make policy.

National Conference

The Annual National Conference is the supreme ruling body of the SNP and, as well as making policy, elects the party's national office bearers and national executive committee. Conference is attended by more than 2,000 delegates, observers, diplomats, and media, who attend together with the SNP Members of the Scottish Parliament, European Parliament, Westminster Parliament, and Local Councillors. The 2002 Conference was held between 25 and 28 September in Inverness.

Campaigns

2002 was a year of preparation, planning and hard work for the campaigns team. Staff changes following the retiral of Allison Hunter as Director of Organisation, saw Grant Thoms, Campaign Executive and Colin Pyle, Communication & Campaign Assistant, joining Lorraine Reid, Campaign Executive in the new team. The SNP launched its first professional National Call Centre in Glasgow. This facility, managed by James Dornan with a team of 25 part-time staff, completed voter identification for eight target seats by the end of the calendar year. The year focused on building a national campaign message which directed local radical-based action to reach out to our supporters, old and new.

Communications

The communications team developed the party's output in preparation for the 2003 elections, acting as a point of contact on press issues and as a contact point for the media on party-based stories. The party's website was redesigned, and the daily news email SNP TODAY was expanded and developed. As at 31 December, it had 2352 subscribers. Two editions of the members' magazine Snapshot were produced in 2002, and a weekly e-mail briefing for candidates about generating press coverage was introduced. Staff also provided a media monitoring service to the party leadership, hosted press conferences at HQ and co-ordinated the communications plan for SNP conference which included a workshop on generating local press coverage.

Policy Development

The Policy Unit was established in May 2002 with the aim of assisting and facilitating the development of SNP policy and the dissemination of policy information throughout the party in an accessible and useful format. To that end the Unit launched two core publications – "Briefing" which provides a series of briefings for elected members, candidates, election agents, staff and others involved in promoting SNP policy and "Decision" which provides a comprehensive record of political resolutions passed at National Council and Conference. Both handbooks are dynamic and updated on a regular basis. The Unit also produced a series of policy postcards, giving a brief guide to the SNP position on key issues. In addition the Policy Unit was involved in drawing up the national parliamentary and local government manifestos for the 2003 elections and providing research support for the campaigns.

Fundraising

The money raised the for Party from fundraising in 2002 continued to be almost exclusively from donations from members and supporters, mainly through our mainstay schemes "Challenge for Independence", "The National Convener's Club", "The St Andrew's Appeal" and "2003 Campaign Funding". Together these schemes brought in a total of £307,000.69.

In addition, a small amount were raised over the year from bequests (£11,692.95), the Conference Car Raffle (£11,108.05 net), the Spring and St Andrew's Draws (£4,595.54 net), SNP Credit Card (£3,848.35), the Independence Covenant (£2,500 net) and the new SNP Great Weather Lottery (£1,667.98).

The installation of the fund raising software, Raiser's Edge, took place in the final quarter of the year and this will greatly assist in improving our revenue stream in the years ahead. The software will also help ensure full compliance with the reporting requirements on political donations required by the Electoral Commission. Headquarters submitted all four Quarterly Donation Reports in 2002 on time.

FINANCIAL REVIEW

As can be seen from the Statement of Accounts, we are reporting, subject to audit, a deficit of £66,115, an outcome that is a credit to Peter Murrell and his team at HQ, who have made further enormous strides this year in improving the professionalism and effectiveness of SNP HQ.

This is turn has been fueled by the continuing support of rank and file members, through subscriptions, donations and bequests.

The net effect is that we have made material progress, while maintaining tight financial control with a balanced approach to overdraft management that has placed an equal emphasis on building the muscle required to fight the 2003 elections.

Highlights include the following: -

- The overdraft remained approximately at the 2001 level but without 2003 campaign expenditure it would have been £143,000 less.
- The core operational costs of running HQ came in under budget, which was set at 91% of the previous' year's actual expenditure.
- The Party being in receipt of Electoral Commission funds for policy development .
- The set-up of our New Call Centre.
- The installation of our new fundraising software Raiser's Edge.

Crucially we have come through 2002 with the campaign for the elections financially underway, matching and supporting the great work that has been done by the parliamentary teams. This is a direct result of forward planning and strict adherence to the budgets for both normal HQ operations and election expenditure.

In the meantime, I remain confident that we can meet the challenges ahead given the close co-operation that exists between the Leadership, Office Bearers and HQ Management and Staff. In particular, I believe that this co-operation and the progress we are making in the Holyrood, Westminster and Brussels as well as in the media will encourage the generosity of existing and new supporters to reach new heights.



JIM MATHER
National Treasurer

APPENDIX A – NATIONAL EXECUTIVE COMMITTEE 2002

Posts	Name
National Convener (Leader)	John Swinney MSP
Senior Vice Convener (Deputy Leader)	Roseanna Cunningham MSP
President	Dr Winifred Ewing MSP
Vice Presidents	Prof Neil MacCormick MEP
	Alasdair Morgan MSP
	Andrew Welsh MSP
Vice Convener Fundraising	John Brady
Vice Convener Local Government	Cllr Peter Johnston
Vice Convener Organisation	Anne McNair
Vice Convener Policy	Fiona Hylsop MSP
Vice Convener Publicity	Kevin Pringle
Vice Convener Youth Affairs	Euan Ferguson
National Secretary	Stewart Hosie
National Treasurer	Jim Mather
10 Ordinary Members	Alex Salmond MP
	Andrew Wilson MSP
	Bashir Ahmad
	Michael Russell MSP
	Nicola Sturgeon MSP
	Kenny MacAskill MSP
	Alex Neil MSP
	Fergus Ewing MSP
	Christine Grahame MSP
	Allison Hunter
Representatives On The NEC	
Association of Nationalist Councillors	George Barnes
European Parliamentary Group Representative	Ian Hudghton MEP
Federation Of Student Nationalists	Eilidh MacKechnie
Scottish Parliamentary Group Representatives	Tricia Marwick MSP
	Bruce Crawford MSP
Trade Union Group	Bill Ramsay
Westminster Parliamentary Group Representative	Peter Wishart MP
Young Scots For Independence	Euan Ferguson

APPENDIX B – LIST OF SNP PARLIAMENTARIANS 2002

Scottish Parliament

Brian Adam
Colin Campbell
Bruce Crawford
Roseanna Cunningham
Dorothy Grace Elder*
Fergus Ewing
Margaret Ewing
Winnie Ewing
Linda Fabiani
Kenneth Gibson
Christine Grahame
Duncan Hamilton
Fiona Hyslop
Adam Ingram
Richard Lochhead
Kenny MacAskill
Margo MacDonald
Tricia Marwick
Michael Matheson
Irene McGugan
Fiona McLeod
Alasdair Morgan
Alex Neil
Gil Paterson
Lloyd Quinan
George Reid
Shona Robison
Michael Russell
Stewart Stevenson
Nicola Sturgeon
John Swinney
Kay Ullrich
Andrew Welsh
Sandra White
Andrew Wilson

* Resigned from the SNP group on 2 May 2002.

House of Commons

Annabelle Ewing
Angus Robertson
Alex Salmond
Mike Weir
Pete Wishart

European Parliament

Ian Hudghton
Neil MacCormick

APPENDIX C - HEADQUARTERS STAFFING

Chief Executive Peter Murrell is responsible for HQ operations and implements the political decisions and campaign objectives of the Party leadership. [redacted]

Clerk Ian McCann provides support to the national committees of the Party, and the National Convener, National Secretary and Chief Executive. [redacted]

Finance Executive Joan Knott deals with all financial matters, and the preparation of reports and information. [redacted]

SECRETARIAT

Office Manager Trudi Logan ensures everything in HQ runs smoothly and is responsible for Conference and Council arrangements [redacted]

Administration Officer (part-time) Beverley Murray assists with arrangements for National Assembly, and maintains and updates membership records. [redacted]

Receptionist & Administration Officer Claire Bennett is the first point of contact for most people visiting HQ, and deals with membership enquiries and merchandise sales. [redacted]

CAMPAIGNS

Campaign Executive (Support) Grant Thoms provides advice and assistance on campaigning to local organisations and members. [redacted]

Campaign Executive (Training) Lorraine Reid is the electoral database liaison, and assists with training for all sectors of the Party [redacted]

Campaigns & Communications Assistant Colin Pyle supports the work of the HQ campaigns and communications teams, and the tours of key communicators. [redacted]

National Call Centre Manager James Dornan manages the day-to-day activities of the call centre, including the motivation, recruitment and training of the part time staff. [redacted]

FUNDRAISING

Fundraiser (part-time) Jim Henderson manages the Party's national fundraising activity and advises local organisations on fundraising matters. [redacted]

Fundraising Executive (Development) Anne McLaughlin works on strategies to increase and develop new fundraising ventures. [redacted]

COMMUNICATIONS

Communications Executive Jeanette Campbell is responsible for publicising the Party internally and externally, and helps prepare and produce information and publications. [redacted]

Communications Officer Malcolm Fleming monitors the political media and helps publicise the party internally and externally. [redacted]

POLICY UNIT

Head of Policy Unit Craig Milroy provides research support to policy makers and is involved in devising strategies for encouraging feedback in the policy making process. [redacted]

Policy & Information Officer Mhairi Hunter provides research support and advice on constitutional and procedural matters and also deals with all inquiries from the membership and public. [redacted]

Policy & Research Officer Julie Shackleton provides information and briefings on policy and research support to policy makers and gathers feedback on SNP policy. [redacted]

SCOTTISH NATIONAL PARTY
STATEMENT OF TREASURER'S RESPONSIBILITIES

The Treasurer of the party is required by the Political parties, Elections and Referendums Act 2000 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

SCOTTISH NATIONAL PARTY
REPORT OF THE INDEPENDENT AUDITORS

To the Treasurer of the Scottish National Party

We have audited the financial statements of the Scottish National Party for the year ended 31st December 2002 on pages 5 to 29 which have been prepared under the accounting policies set out on pages 22 to 23.

This report is made solely to The Treasurer of the Scottish National Party in accordance with 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 office-bearers and auditors
The responsibilities of the 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 Statements of Treasurer's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true view and are properly prepared in accordance with the accounting policies set out on pages 22 to 23. We also report to you if, in our opinion, the Report of the Party Officers is not consistent with the financial statements, if the party has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

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 the annual report.

Basis of opinion
We conducted our audit in accordance with United Kingdom Auditing Standards 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 office-bearers 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 of the state of the party's affairs as at 31st December 2002 and of its deficit for the year then ended and have been properly prepared in accordance with the accounting policies set out on pages 22 to 23 and the requirements of the Political Parties, Elections and Referendums Act 2000.

SCOTTISH NATIONAL PARTY
REPORT OF THE INDEPENDENT AUDITORS

Opinion
In our opinion the financial statements give a true and fair view of the state of the party's affairs as at 31st December 2002 and of its deficit for the year then ended and have been properly prepared in accordance with the accounting policies set out on pages 22 to 23 and the requirements of the Political Parties, Elections and Referendums Act 2000.



George & Co
Chartered Accountants
And Registered Auditors

30th June 2003

SCOTTISH NATIONAL PARTY
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES,
NOTE OF HISTORICAL COST PROFITS AND FOR THE YEAR ENDED 31ST DECEMBER 2002

	2002 £
LOSS FOR THE FINANCIAL YEAR	(66,115)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	**£(66,115)**

SCOTTISH NATIONAL PARTY
BALANCE SHEET AT 31ST DECEMBER 2002

	Notes*	2002	
		£	£
FIXED ASSETS:			
Tangible Assets	11	83,486	
Investments			
		83,486	
CURRENT ASSETS:			
Stocks	12	15,721	
Debtors	13	15,471	
Investments		173	
Cash at bank and in hand		724	
		32,089	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR:	14	486,304	
Net current assets (Liabilities)			(454,215)
Total Liabilities less current assets			(£370,729)
Creditors: amounts falling due after more than one year	15		49,785
Provision for liabilities and charges			
			(420,514)
RESERVES:			
General fund	16		130,022
Property fund	16		101,938
Willie McRae memorial fund			500
Revenue fund			(652,974)
Member's Deficit			(£420,514)

The financial statements were approved by the Party Officers on 30th June, 2003

[redacted]

Jim Mather, National Treasurer.
The notes on pages 22 to 29 form part of these financial statements

SCOTTISH NATIONAL PARTY
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2002

Net cash inflow from operating surplus before returns on investments and service of finance		
UK tax received		
Capital expenditure :		
Payment to acquire tangible fixed assets	(58,593)	
Receipts from sale of tangible fixed assets	3,244	
		(55,349)
Financing:		
Repayment of bank loans	(9,668)	
Increase in finance leases	49,667	
Increase in other loans	19,946	
		59,945
Decrease in cash		(605)

The notes on pages 22 to 29 form part of these financial statements

Accounting Policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and investment properties, and are in accordance with applicable accounting standards and the Statement of Accounts Guidance Notes issued by the Electoral Commission.

The following principal accounting policies have been applied:

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

- 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 actual basis.

Depreciation

Depreciation is provided at the following annual rates, in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term whichever is the shorter.

Investments to Property	- 20% on cost
Fixtures, fittings and Equipment	- 50% on reducing balance and 33% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value.

SCOTTISH NATIONAL PARTY
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2002

		2002	
		£	£
Income:	**Notes***		
Donations		163,744	
Membership and subscriptions		136,447	
Fundraising		169,523	
Trading Activities	2	11,940	
Legacies		11,693	
Grants	5	280,190	
Conferences		111,839	
Investment Income	6	20,940	
Notional Income	7	9,779	
Other Income	8	56,881	
			972,976
Expenditure:			
Cost of fundraising		11,170	
Cost of trading activities		8,533	
Depreciation		25,986	
Campaign expenditure		337,460	
Running costs (including staff costs)		463,533	
Interest payable	9	14,852	
Notional expenditure	7	9,779	
Conferences		62,791	
Other		104,987	
			,039,091
DEFICIT FOR THE YEAR			**£(66,115)**

The Notes on pages 22 to 29 form part of these financial statements

1 Accounting policies (continued)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they have been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation of the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

Contributions to the party's defined contribution pension scheme are charge to the profit and loss account in the year in which they become payable.

Impairment of fixed assets

The need for any fixed asset impairment write down is assessed by comparison of the carrying value to the asset against the higher of its realisable value and value in use.

Liquid resources

For the purposes of the cash flow statement, liquid resources are defined as current asset investments and short term deposits.

2. Income from Trading Activities

The trading activities of the party are located, and their income generated, worldwide.

3. Employees

	2002 £
Staff Costs consist of:	
Wages and Salaries	279,790
Social security costs	26,076
Other pension Costs	13,568
	319,434

4. Deficit before tax

This has been arrived at after charging:

Auditors' remuneration – audit services	6,800
- non audit services	1,200
Operating lease charge - property	39,363
- equipment	-
Diminution in value of fixed and current assets investments	-
Loss on disposal of fixed asset investment	-
Depreciation	25,986

5. Grants received

	2002
Policy development grant	280,190

6. Investment Income

Interest receivable	
Dividend income	-
Rental income (Management Accommodation)	20,940
	20,940

7. Notional income and expenditure

Services - call centre

8. Other income

Field Support Income	23,271
Loans to the Party Adjustment	33,499
Miscellaneous	111
	56,881

9. Interest payable and similar charges

	2002
Bank loans	10,139
Other loan	2,412
Finance leases	2,301
	14,852

10. Taxation

No liability to UK corporation tax arose on ordinary activities for the year ended 31st December 2002.

Tangible assets

	Improvements to Property	Equipment	Motor Car	Total
COST				
As at 1st January 2002	26,123	134,517	18,222.	226,171
Additions	-	58,593	-	58,593
Disposals	-	-	(18,222)	(18,222)
At 31st December 2002	26,123	219,233		219,233
DEPRECIATION				
At 1St January 2002	5,225	104,536	14,978	124,739
Charge for the Year	5,225	20,761	-	25,986
Eliminated on disposals	-	-	(14,978)	-
	10,450	125,297		135,747
NET BOOK VALUE				
As at 31st December 2002	15,673	---	67,813	83,486
As at 31st December 2001	20,898	3,244	29,981	54,123

The net book value of tangible fixed assets includes an amount of £49,707 in respect of assets held under finance leases. The related depreciation charge for the period was £8,886.

12. Stocks

Promotional Materials	

There is no material difference between the replacement cost of stocks and the amount stated above.

13. Debtors

	2002
Trade debtors	6,077
Other debtors	9,394
Prepayments	-
	£15,471

14. Creditors: amounts falling due within one year

	2002
Bank loan and overdraft	192,252
Loans from accounting units	59,443
Other Loans	163,641
Trade Creditors	31,253
Taxation and social security	7,799
Obligations under finance leases	22,516
Accruals	9,400
	£486,304

15. Creditors: amounts falling due after more than one year

	2002
Bank loan	22,634
Obligations under finance leases	27,151
	49,785

	2002 Bank Loan	2002 Finance Leases	2002 Total
In more than one year but not More than two years	12,080	22,516	34,596
In more than two years but not More than five years	10,554	4,635	
In more than five years			
	22,634	27,151	49,785

16. Reserves

During the year under review, there was no movement in either the property fund or the general fund.

17. Reconciliation of movements in party funds

Deficit for the year	(66,115)
Opening reserves	(354,399)
Closing reserves	(420,514)

18. Capital commitments

	2002
Contracted but not provided for	nil

19. Commitments under operating leases

As at 31 December 2002, the party had annual commitments under non-cancellable operating leases as set out below:

	2002 Land and Buildings
Operating leases which expire:	
Within one year	-
In two to five years	39,363
Over five years	

20. Net cash inflow from operating surplus before tax, returns on investment and servicing of finance

	2002
Operating surplus before taxation	(66,115)
Depreciation	25,986
Increase in Stocks	(12,149)
Decrease in Debtors	18,249
Increase in Creditors	26,215
Net cash inflow from operating surplus before tax	(7,814)

21. Reconciliation of net cash inflow to movement in net debt

Increase (decrease) in cash in the year		
Cash inflow from increase in debt and lease financing	(59,991)	
Change in net debt resulting from cash flows		(60,596)
New finance leases		(58,593)
Other loans waived and written off		58,639
Movement in net debt in the year		(60,550)
Opening net debt		(426,190)
Closing net debt		(486,740)

22. Analysis of net debt

	At 1 January 2002 £'000	Cash flow £'000	Other non-cash changes £'000	At 31 December 2002 £'000
Cash	176			176
Short term deposits	548			548
	724	-		724
Bank overdraft	(179,567)	(605)	-	(180,172)
Bank loans	(44,382)	9,668	-	(34,714)
Loans from accounting units	(13,542)	(45,901)	-	(59,443)
Other loans	(189,596)	(32,684)	58,639	(163,641)
Finance leases	-	8,926	(58,593)	(49,667)
Current asset investments	173	-	-	173
	(426,914)	(60,596)	46	(487,464)
Total	(426,190)	(60,596)	46	(486,740)

23. Related party transactions

The party has entered into the following transactions with its affiliated (non-consolidated) accounting units:

Loans payable at 31 December 2002	59,443

SCOTTISH NATIONAL PARTY

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED

31ST DECEMBER 2003

SCOTTISH NATIONAL PARTY
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2003

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Party Officers

Leader:	Mr John Swinney
Nominating Officer:	Mr Peter Tierney Murrell
Treasurer:	Mr Jim Mather
Campaigns Officer:	Mr Grant Robert Thoms
Deputy Campaigns Officer:	Mr Ian McCann
Deputy Campaigns Officer:	Mr Andrew Sinclair Rosie

Party Headquarters

107 McDonald Road, Edinburgh, EH7 4NW

Auditors

George & Co - Chartered Accountants & Registered Auditors

[redacted]

SCOTTISH NATIONAL PARTY
REPORT OF THE PARTY OFFICERS FOR THE YEAR ENDED 31ST DECEMBER 2003

NATIONAL CONVENER'S STATEMENT – JOHN SWINNEY MSP

This statement will touch on many areas but will primarily focus on the political fortunes of the SNP in 2003. The Chief Executive's statement will focus on the developments at SNP Headquarters and the National Treasurer's statement, on the financial fortunes.

The result of the elections for the Scottish Parliament on 1 May 2003 presented both challenges and opportunities for the SNP. The clear challenge is to build the SNP into a genuine Party of government and through government to hold and win a referendum on Independence. The result demonstrated that we have still some way to go in order to complete that journey.

However, the opportunities are equally clear. The Labour Party recorded its worst result for seventy years in Scotland, and despite the fall in support for the SNP, the number of MSPs elected who back Independence has increased. The elections also saw a critical electoral development – the ability of the SNP to take seats direct from the Labour Party in urban areas, such as Aberdeen and Dundee.

In order to replicate such success across Scotland we must learn lessons from both our victories and disappointments. One of those lessons is the need to change our Party if we are to succeed in our goal of changing Scotland.

That means finding ways of attracting new members and of giving members a much greater say in the running of the Party. It is for those reasons that I announced in May 2003 that I would ask the Party to approve a new constitution, including, crucially, one member one vote for the selection of Parliamentary candidates, and for the posts of leader and deputy leader. Hand in hand with these necessary internal changes, the SNP has been debating the way forward for our Party and our country.

After the May 2003 elections, I set out my intention to stress the clear distinction between the values of the SNP and those of the Labour Party. In particular, I outlined the SNP's historic and continuing commitment to decentralisation and to our belief both in wealth creatiou and in social justice. Those values will anchor our policy development in the months and years ahead.

And in the international sphere I re-affirmed the SNP's belief in the founding principles of the UN charter – a belief that has defined our stance on the war in Iraq and its aftermath. The issue of Iraq illustrated the lack of a Scottish voice on the international stage. In our increasingly globalised political and economic environment, the need for a distinctive Scottish voice to both promote our values and to defend our interests has become more necessary than ever.

And that voice will only be heard through the power and status of Independence.

SCOTTISH NATIONAL PARTY
REPORT OF THE PARTY OFFICERS FOR THE YEAR ENDED 31ST DECEMBER 2003

CHIEF EXECUTIVE'S STATEMENT – PETER MURRELL

2003 has been particnlarly bnsy for SNP HQ. The unstinting electoral cycle continued with two elections to be fought aud a third to be prepared for against a backdrop of the most radical internal reform that the Party has seen for 30 years.

The specific major challenges facing the Headqnarters team included the following:

- Electoral Campaigns – Scottish Parliamentary Election and Local Authority Elections being held concurrently.
- Electoral Preparations – for European Election June 2004.
- Supporting Internal Reform – developing and implementing a centralised membership renewal system; supporting the drafting of a new constitution and new rule book.
- Supporting Internal Procedures
  - ① Selection of candidates
  - ② Leadership elections
  - ③ Special conference
  - ④ Internal commnnications reform
  - ⑤ Membership consultations

The challenge for myself as Chief Executive was to enable each individual member of staff to fulfil their particular function and continue to develop individual skills whilst at the same time, endeavouring to build and cultivate the team as a dynamic, cohesive force. I would like to pay tribute to the dedication and willingness of the staff at SNP Headquarters in doing just that.

Each of the teams has snmmarised their priorities in 2003 in pages I2 - I5 of this Annual Report but the big success story for SNP Headquarters and the most significant development in our campaigning was the National Call Centre in Glasgow which opened the year before. Its aim in its first year was to identify 150,000 supporters. Although the overall result of the 2003 election was disappointing for the SNP, the National Call Centre proved that where we have the information and the resources to follow it up, we can make gains. The National Call Centre undoubtedly contributed to the Party winning the Dundee East, Aberdeen North and Ochil constituencies from Labour.

Perhaps the biggest challenge for the team was to implement the membership renewal system. Previously this had been handled by individual branches but at Annual National Conference in September 2003 the Party agreed to centralise membership renewal. Every member of the staff team participated in the project from its design and development to the nitty gritty of administration. This included the design of an online database undertaken by the ICT Executive and turning SNP HQ into a virtual call centre as we undertook a phone round of members to explain the new system.

As always, fundraising was a huge challenge for the Scottish National Party and it is perhaps more difficult now because we have so many different elections to contest, all of which cost us money. However the membership with their usual generosity supported us through the various appeals and draws and in particular with regular donations to the Challenge for Independence.

The Policy Unit had a busy year too with two major elections to contend with and preparations for a third election to initiate. In addition to putting together the manifestos for both elections, the priority for the Unit was to encourage as many people as possible to become involved in policy development. That meant ensuring that the mass membership knew how they could participate and it meant hearing from people outwith the Party through the People's Assemblies the first of which was held in February 2003.

With so many changes taking place at HQ, it became a priority for Internal Communications to ensure that members were aware of the changes, how they would be affected and how they could make use of the services of the HQ team. The biggest awareness raising project undertaken came in the latter half of 2003 when we launched a series of HQ Roadshows. The team travelled the length and breadth of Scotland to make presentations to members and to answer any questions they might have.

In addition to the usual Annual National Conference and National Councils, the team at Headqnarters organised a very successful two day Campaign Conference in Loch Lomond and facilitated a uumber of consultations with the membership – including one on the Scottish Parliamentary election result and another on internal reform.

It has been a busy year at SNP Headquarters, at times a hectic one, and always very challenging. The team has supported 3 major elections, dealt efficiently with the huge workload generated by the biggest programme of internal reform the Party has ever seen and has still managed to respond positively and implement changes as a result of the outcome of internal consultations. Again I pay tribute to every member of the team for once again, facing each of the challenges efficiently, effectively and above all, professionally.

NATIONAL TREASURER'S STATEMENT – JIM MATHER MSP

There is no gettiug away from the fact that the Party's income was well below expeetation this year as people felt uncertain about their jobs and incomes. All those on fixed incomes saw their interest rates and dividends fall. This turn of events coming after the spate of recent elections ('97, '99, Euro '99, '01 and '03) makes it easy to see why we are at a low point in the Party's economic cycle.

However, wc had an election to fight and we fought it to win. In doing so, we ran a quality campaign that was recognised as being excellent by the Scottish press corps, but which was not flawless.

Nevertheless, in spite of not delivering the result that we wanted, the campaign did win us more first-past-the-post seats and the battle of ideas. It forced the Scottish Executive to dig its own elephant trap by making "Growing the Economy" their top priority. A statement that most objective observers agree will come back to haunt thc Executive, as growth can only be delivered in any meaningful way, such as reversing population decline, with Scotland staking its claim to the power of Independence and gaining the power to compete.

And the SNP, in coutrast, is dcfinitely winning that argument. Admittedly we have yet to make the breakthrough in an Election, but we have beeu working on a strategy that has set out first to win thc argument with the opinion formers and leaders, who would otherwise always stymie or diffuse any popular clamour for Independence. And crucially that process has been working. Look at the facts:

1. We have set the political agenda and forced the Government to address the twin issues of poor Economic Growth and Population decline.
2. In repeated polls 72% of Scots want Financial Independence to address these issues.
3. 46% of the business community are now in favour of more powers with 26% neutral - proving that the business community wants it.
4. A clear majority of Members of the Scottish Parliameut, who would vote for more powers in a free-vote.
5. The great and the good are queuing up to support the argument, Henry McLeish, Wendy Alexander, Robert Crawford, Lord Steel, John Randall, the former Registrar General, as well as very many leadiug business people, economists, academics & civic leaders.

In other words there is evidence aplenty that onr argnments and our strategies are working. So in summary: -

- In spite of some good donations and snbstantial loans revenue was disappointing.
- The Election Budget was adhered to exactly.
- Cost reduction steps were enacted.
- The overdraft was extended to cover the shortfall in the light of a major beqnest due in early 2004.
- The Revenue-Earning capability of the Party has improved:
  - New "Raiser's Edge" is installed and operational.
  - Conference Revenue started early with clear targets.
  - Membership growth and Direct Debit scheme completed.

The important point is that the revenue shortfall did not stall our activity and the bequests as they come in will retnrn ns to our pre-election overdraft position, ready to take advantage of new approaches to fundraising and regular giving.

However, it must be said that there are still too few Party members, who are genuinely generons towards the Party and this is becoming increasingly obvious as the new software is installed and we see with greater clarity who gives generously and who does not.

Having said that there are many within the Party, who are giving at several different levels and in several different ways but without funding the Party cannot be as effective as it needs to be, and with the proposed move by the UK Labour Govemment to move to State Funding of Political Parties we need to widen and deepen our donor base.

I thcrefore make a plea for members to review their commitment to the party and give what they can afford on a regular basis throngh the vehicle of a Direct Debit and to enconrage friends, family and SNP supporters to do the same.

Next Year

2004 is yet another election year with the European election looming up and in the current climate that election will havc to be a frugal affair. Howevcr, it is also an opportunity to press home our strongest arguments, exposing the UK Labour Governnment's dual standards on Europe and Scotland and its persistent tendency to sell Scotland short in Enrope.

It is also an opportnnity to re-establish the legitimacy of Scotland's case in the light of the fact that 6 of the 10 new countries applying for membership are smaller than Scotland.

I wonld therefore hope that we would see a healthy up swing in donations and large number of activists helping us defray costs and maximize the effectiveness of this crucial campaign.

SCOTTISH NATIONAL PARTY
REPORT OF THE PARTY OFFICERS FOR THE YEAR ENDED 31ST DECEMBER 2003

Party Officers

National Office Bearers are elected by the delegates to the Party's Annual National Conference. All National Office Bearers are part of the SNP's National Executive Committee which is chaired by the National Convener John Swinney MSP.

Membership

The Annual Conference in September 2003 approved a new centralised membership system for renewals from 1 January 2004. The objective is to relieve branches of the onerous and expensive task of collecting subscriptions and paying branch dues to HQ.

In 2003, however, membership issues remained devolved to branches with each siguing up members locally, and submitting an annual list of members to HQ at 30 November 2003.

Every member paid an annual membership fee, £5 of which was secured by HQ as the cost of purchasing each membership card.

The most common membership fee set by branches in 2003 was £10 standard and £5 reduced (e.g. unwaged).

The sales of membership cards to branches in 2003 totalled 9,450.

As at 31 December 2003, the total number of members reported by branches was 13,382 (31 December 2002 16,122).

Accounting Units

The Party has 299 (2002 - 310) Accounting Units registered with the Electoral Commission, comprised the following constituent organisations: -

	2003	**2002**
Constituency Associations	53	56
Constituency Branches	18	17
Branches	207	216
Sub-Branches	17	17
Affiliated Organisations	4	4

SCOTTISH NATIONAL PARTY
REPORT OF THE PARTY OFFICERS FOR THE YEAR ENDED 31ST DECEMBER 2003

National Executive Committee

The National Executive Committee (NEC) is in charge of the Party's operations between National Conference and National Council, and may be delegated further powers by National Council. From within its membership, the Election Committee and Election Committee Appeals Body, which deal with approval of Parliamentary candidates, are appointed. NEC also appoints from within its ranks, five members of the Standing Orders and Agenda Committee, which is chaired by the National Secretary.

The NEC meets monthly to discuss current matters of relevance within the Party, and to hear reports from office bearers. Presently, the NEC deals with matters of a disciplinary nature, and deals with any matters of policy that are current and cannot be held over until the next meeting of National Council or Annual National Conference. The NEC also sets the annual budget for the Party and determines political strategy.

Members of the National Executive Committee

President	Dr Winnie Ewing
Vice Presidents	Prof Neil MacCormick MEP
	Alasdair Morgan MSP
	Andrew Welsh MSP
National Convener	John Swinney MSP
Senior National Convener	Roseanna Cunningham MSP
Vice Convener Fundraising	Gil Paterson
Vice Convener Local Government	Cllr Peter Johnston
Vice Convener Organisation	Stewart Hosie
Vice Convener Policy	Fiona Hyslop MSP
Vice Convener Publicity	Stewart Maxwell MSP
Vice Convener Youth Affairs	Euan Fergusson
National Secretary	Dr Alasdair Allan
National Treasurer	Jim Mather MSP
Ordinary members of NEC	Alex Salmond MP
	Nicola Sturgeon MSP
	Allison Hunter
	Cllr Bashir Ahmad
	Gerry Fisher
	Alex Neil MSP
	Christine Grahame MSP
	Janet Law
	Jahangir Hanif
	Cllr David Berry

Appointees to NEC

Scottish Parliament Gronp	Bruce Crawford MSP
	Tricia Marwick MSP
UK Parliament Group	Pete Wishart MP
European Parliament Group	Ian Hudghton MEP
Association of Nationalist Councillors	Cllr Willie Sawers
Federation of Student Nationalists	Laura Love
Young Scots for Independence	Gordon Reid
Trade Union Group	Bill Kidd
Assistant National Secretary	Grant McLennan (non-voting)
Assistant National Treasurer	Andrew Rosie (non-voting)

AFFILIATED ORGANISATIONS

Federation of Student Nationalists (FSN)

The FSN is the autonomous body representing student supporters of the SNP. FSN members need not be full members of the SNP unless they wish to represent the FSN at any of the SNP's national bodies. FSN branches are established in 9 universities around Scotland and there are members at a further 5 Further and Higher Education Institutions across Scotland. The primary focus at the start of 2003 centred on the campaign to stop the illegal war in Iraq and FSN members from across the country played a very vocal and visible part, both on campus and at national demonstrations. In the latter part of 2003, the main campaigning focus has been on ending student debt and re-introducing maintenance grants.

Convener: Laura Love

Young Scots for Independence (YSI)

The YSI is open to Nationalists aged 26 or under. As with the FSN, membership of the SNP is not obligatory for YSI members, unless they wish to attend meetings of the SNP's national bodies. The YSI campaigns on youth issues within the SNP, and focuses on youth campaigns with younger voters. During 2003 it focussed largely on internal matters such as the organisation of local branches, whilst the rest of their efforts were focussed on the Scottish Parliament and local government elections.

Convener: Jamie Hepburn Secretary: Patrick Grady

Trade Union Group (TUG)

The TUG is the body representing SNP members who are also members of Trades Unions. The TUG pursues SNP interests with individual Trades Unions and with the STUC. Through its representation on NEC and through resolutions to National Council and Annual National Conference, the TUG continues to pursue the interests of Trades Union members within the Party.

Convener: Chris Stephens Secretary: Allison Cosgrove

Employed Staff

In addition to the elected bodies, the Scottish National Party has 16 full time paid staff based at SNP Headquarters in Edinburgh. Their role is to provide the services needed to run the Party and to support the Party's political priorities as determined by Conference and NEC. They cover a range of duties detailed in the next section.

SCOTTISH NATIONAL PARTY
REPORT OF THE PARTY OFFICERS FOR THE YEAR ENDED 31ST DECEMBER 2003

THE ROLE OF SNP HEADQUARTERS

The 16 full time paid officers of the Scottish National Party are in effect the civil service of the SNP. Lead by Chief Executive Peter Murrell, their role is primarily to carry out the administrative functions of the Party and to develop the political direction as instructed by Annual National Conference, National Council and the National Executive Committee. The specific functions include Campaigns, Policy, Communications, Fundraising and Member Services. In 2003 the entire team was involved in the changes to the membership system as detailed in the Chief Executive's statement. Fifteen of the staff are based at the SNP Headquarters which can be found at:

[redacted]

The remaining staff member, the National Call Centre Supervisor, is based at the Call Centre in Glasgow. The National Call Centre targets key supporters and potential voters, and helps increase fundraising from members.

SNP Headquarters also houses the Allan Macartney Library and the SNP Media Centre.

The telephone number for SNP HQ is [redacted] All staff have direct dial telephone numbers detailed below.

The fax number is [redacted]

The website address is www.snp.org.

STAFF EMPLOYED BY THE SCOTTISH NATIONAL PARTY IN 2003

Central services

Clerk – Ian McCann provides practical, constitutional and policy support to local organisations and the national committees and meetings of the Party.
[redacted]

Finance Executive – Joan Knott
[redacted]

ICT Executive – Russell Horn is responsible for the implementation and maintenance of HQ's information and communication technology infrastructure
[redacted]

Member Services

Striving to provide the highest quality of service with better facilities and benefits for members.

Head of Member Services - Trudi Logan
[redacted]

Member Advisor - Beverley Murray
[redacted]

Campaign Unit

Supporting local and national action for Independence through voter contact and community profile.

Head of Campaign Unit – Grant Thoms provides advice and assistance on campaigning to Party organisations and members, campaign planning, voter ID techniques and electoral law. [redacted]

Campaign Execntive (Training) - Lorraine Reid provides guidance on training and the development of campaigning activities and coordinates use of the natioual call centre. [redacted]

Campaign Execntive (Systems) - Clare Adamson provides training and support for electoral database systems and the use of IT in campaigning. [redacted]

National Call Centre Supervisor – Scot MacQueen [redacted]

Administrator – Claire Bennett [redacted]

Policy Unit

Supporting the development of robust and coherent arguments for Independence.

Head of Policy Unit – Craig Milroy [redacted]

Policy & Information Officer - Mhairi Hunter [redacted]

Policy & Research Officer – Julie Shackleton [redacted]

Communication

Informing, engaging and motivating members and the public on issues that matter to them.

Internal Communications Executive – Anne McLaughlin [redacted]

Fundraising

Working to ensure the Party has the money to support its local and national action.

Fundraiser - Jim Henderson [redacted]

CAMPAIGN UNIT FOCUS IN 2003

2003 was marked by not one but two major elections in Scotland: the Scottish Parliament and every Scottish Council. The Campaign Unit supported our 73 constituency, 84 regional list and 990 council candidates which resulted in the election of 27 MSPs and 181 councillors.

Following the launch of the National Call Centre, the Campaign Unit focused its activities on increasing the Party's level of identified snpporters and motivating them to vote on 1 May. Campaign materials included the launch of the Release our Potential brochure, delivered to 100,000 switch-voters. A high-profile communication strategy resulted in considerable media reporting of our key messages. A Party election broadcast focused on 'hospital waiting lists' and was regarded as the political highlight of the Scottish election campaign by most commentators. The success of this effort resulted in the return of nine constituency MSPs - including the winning of Aberdeen North, Dundee East and Ochil.

Annual National Conference saw the launch of SNPprint.com, a new online print management facility. This new service has assisted in the quality of our print production in support of local campaigning. By the end of 2003, over 400,000 items had been ordered through this facility – ensuring a consistency of message and high-quality design at affordable prices for local organisations.

In November, the Unit supported the Vice Convener for Organisation, Stewart Hosie, in launching the first ever Organisers' Conference in Stirling. The event was welcomed by participants as an ideal opportunity to hear about best practice and share campaigning experience. Further conferences on this scale and more specialised training on organisational matters are in the pipeline.

The Unit, led by Grant Thoms, was joined by Clare Adamson who provided maternity leave cover for Lorraine Reid in the early part of the year before coming on board as a permanent member of staff. Colin Pyle organised one of the most successful ever tours by senior spokespeople and this effort was well rewarded in improving the Party's coverage in local and regional media. Colin moved on to work for a public relations agency in June 2002. After 1 May, James Dornan, the National Call Centre Manager moved on to work for Stewart Maxwell MSP and Scot MacQueen was appointed later in the year as the National Call Centre Supervisor.

POLICY UNIT FOCUS IN 2003

2003 was a busy year for the Policy Unit made up of Craig Milroy, Mhairi Hunter and Julie Shackleton, including the preparation of two election manifestos, and policy development work on a number of key areas.

The Scottish Parliamentary elections dominated the first half of the year, and after considerable work with the Parliamentary Group, the Scottish Parliamentary Manifesto was drafted, and appropriate briefing provided to candidates.

Policy development work included a well-attended People's Assembly, held in February, which considered our policy for Renewable Energy. This event enabled the Party to engage with a broad cross section of individuals from the commercial and third sectors, whose viewpoints and arguments were explored in plenary and workshop sessions. The format provided a successful blueprint for future events, and yielded a Saltire Paper which provides the Party with a sound foundation for policy in this area.

During the second half of the year, our focus changed to Europe, beginning in summer with a National Assembly which considered the proposed European Union Constitution, with a view to developing the policy that would serve us to the elections.

We also undertook a detailed examination of Scotland's social and economic status in comparison to our European neighbours; both within the existing EU, and the ten new nations. Extensive briefing material was provided to the Party at a number of different levels, including briefing notes, postcards and workshops at conference to allow practical arguments central to Independence in Europe to be developed and advanced.

Conference was scheduled to address the complex issue of the draft European constitution and the Byzantine raft of treaties which it is proposed to succeed. In order to ensure that delegates were equipped to make an informed decision, and to encourage broader participation in debate, the Policy Unit held a pilot background briefing session, including extensive notes on the subject, which was well received by delegates.

It is hoped that in the future, major debates at conference can be supported in this way, to enable the broadest participation and informed discussion.

Following Annual National Conference discussions, consultation and preparation, the European Election manifesto was drafted with the intention of being short; a campaigning document focusing on Independence in Europe.

Our plans for 2004 re-focus work on policy development, specifically on Childcare, Local Government Finance, Pensions, and Taxation and Benefits to ensure that we have a robust and radical policy platform with which to approach the Westminster election.

Throughout the year we have toured with a series of Headquarters roadshows with the aim not only of introducing ourselves to the Party, but of detailing the Party's policy making process, and encouraging greater membership participation in that process.

It is hoped that improvements to the process and to National Assembly in particular can result in more people being comfortable taking part in the proposal, sharing and discussion of ideas that is policy making in the SNP.

COMMUNICATIONS FOCUS IN 2003

The Communications team in the first half of 2003 was made up of Jeanette Campbell and Malcolm Fleming who performed a press and public relations role in the run up to the Scottish Parliament elections. The services provided by the team included giving regular briefings to candidates, providing a media monitoring service to the leadership, publishing Snapshot, the members' magazine, hosting press conferences, sending out SNP Today, the daily email news service with almost 3000 subscribers and issuing regular press releases.

After the elections in May 2003 Jeanette Campbell left to travel and Malcolm Fleming took up a new post with an international charity. Anne McLaughlin moved from the Fundraising Team to take up a newly created communications role – that of Internal Communications Executive.

The focus from July 2003 onwards was on reviewing the way in which SNP Headquarters communicates with grassroots members. Communications included branch mailings, SNP Today, membership renewal materials, fundraising appeals and the daily newsletter published at SNP Annual Conference.

In October 2003 the first of a series of 12 Headquarters roadshows kicked off. A representative from the Policy Unit, the Campaign Unit and the Chief Executive joined the Internal Communications Executive in presenting to the Party membership. The idea was to ensure that members knew exactly how Headquarters operates and how they could benefit from the services provided. Each roadshow incorporated a Q&A session so that the members could offer their thoughts and ideas. From October to December 2003, the roadshow visited branches as far apart as Moffat and Inverness.

SCOTTISH NATIONAL PARTY
REPORT OF THE PARTY OFFICERS FOR THE YEAR ENDED 31ST DECEMBER 2003

FUNDRAISING FOCUS IN 2003

During 2003 the Party did not launch any new fundraising schemes but relied on the further development of the tried and tested schemes built np over the past 10 years.

The fundraising income for 2003 was again almost exclusively from members and supporters. Through regular monthly direct debit and standing order contributions to the "Challenge for Independence" and the "National Convener's Club" the Party received a total of £128,843.96 and from the response to direct mailing appeals ("Special Projects Appeal, "St Andrew's Appeal" and "2003 Campaign Appeal") received a total of £215,929.16.

Through the year the Party benefited from 6 bequests that totalled £99,503.99.

In addition, small amounts were raised from the Spring, Conference and St Andrew's Draws (£12,576.44 net), SNP Credit Card (£4,951.63), The Great Weather Lottery (£6,001.11) and the Independence Covenant (£3,012.60 net).

At the start of 2003 the team was made up of Jim Henderson and Anne McLaughlin. In July however, Anne McLaughlin moved to a new role in communications.

MEMBER SERVICES FOCUS IN 2003

At Annual National Conference in September 2003 the membership voted to adopt a new centralised system of membership administration. In November 2003 the Member Services Unit was created to focus on servicing the membership of the Party and providing administrative support as the new system was implemented. The Unit is headed up by Trudi Logan and Beverley Murray is the Member Services Advisor. Claire Bennett was on maternity leave from October 2003.

The end of 2003 was even busier than usual with renewal forms going out to every member and the resultant follow up.

FOCUS OF THE PARTY CLERK IN 2003

2003 proved to be a busy year for the internal democratic and constitutional workings of the Party. The year started with preparations for the Scottish Parliament and Local Government elections, which inclnded finalising candidate lists and vetting and selection issues. Preparations also included a Campaign Conference at Loch Lomond Shores, which necessitated the usual work of the Standing Orders and Agenda Committee (SOAC) in drawing up the agenda for the event.

Following the elections in May, efforts quickly moved onto the process of candidate vetting and selection for the 2004 European Parliament election. This involved regional selection of candidates and was a great effort on behalf of HQ staff and NEC members to make sure that the process ran smoothly. Sclected candidates then went forward to our Annual National Conference for ranking for our European list.

Annual National Conference also brought about contests in elections to several key office bearer positions. This necessitated the establishment of new rules on internal elections, and the monitoring of adherence to these rules impacted to a great degree on the work of staff over the summer period. Thanks to the efforts of staff and our hardworking volunteer counters, the elections ran very smoothly.

Post-Conference, the focus turned to two main issnes. Firstly, the drafting of a new Constitution for the Party and secondly, the process of vetting and selection of candidates for the Westminster election which will probably be held in 2005. The application process was put in motion and the programme for assessment of potential candidates drawn up with an aim of assessing the majority of candidates prior to the European Election in June 2004.

In addition, the usual round of meetings of National Council, as well as Annual National Conference, required the ongoing hard work of SOAC, whose efforts all too often go un-noticed. Thanks should also go to the branches, constituencies, affiliated organisations and elected members, whose contributions always mean a full and interesting agenda for national meetings of the Party.

SCOTTISH NATIONAL PARTY
REPORT OF THE PARTY OFFICERS FOR THE YEAR ENDED 31ST DECEMBER 2003

POLICY DEVELOPMENT

As a result of the Policy Development grant awarded by the Electoral Commission in 2002, the Party is able to carry out detailed research in order to inform our policy development. Involving more members in the creation and development of Party policy was one priority in 2003. In conjunction with other colleagues at SNP HQ the Policy Unit staff made great efforts to ensure that all members know how to become involved and are enabled to become involved.

A full update on the work of the Policy Unit in 2003 is contained on pages 12 and 13.

VICE CONVENER POLICY

The post of Vice Convener Policy is elected at Annual National Conference each September. The role of the VC Policy is to oversee the development of policy and manifestos. The post was held throughout 2003 by Fiona Hyslop MSP.

ANNUAL NATIONAL CONFERENCE

Annual National Conference is the supreme governing body of the Party. Conference meets in autumn, lasting four days, and in recent years the Party has also held an annual Spring Conference, lasting two days. Conference is a delegate body, mainly comprising representatives from local organisations, as well as affiliated organisations, elected members and politicians. Delegates to Conference decide the SNP's policy and direction, hold the leadership to account and elect the leadership for the coming year. Any member of the Party may attend Conference but only delegates can speak and vote.

NATIONAL COUNCIL

National Council is the governing body of the Party in between Conferences. It meets three times a year and is a one-day event. Like Annual National Conference, National Conncil is a delegate body and, in addition to hearing reports from national office bearers, has the ability to decide policy on behalf of the Party. Any member of the Party may attend National Council but only delegates can speak and vote.

NATIONAL ASSEMBLY

National Assembly is a forum for the development and debate of policy at its formative stage. It is open to all Party members and is convened by Vice Convener Policy. National Assembly operates on a less formal basis than Conference or Counell, using techniques such as breakout groups and workshops to encourage an inclusive and imaginative approach to policy development.

SCOTTISH NATIONAL PARTY
REPORT OF THE PARTY OFFICERS FOR THE YEAR ENDED 31ST DECEMBER 2003

PEOPLE'S ASSEMBLY

Just as National Assembly enables Party members to contribute to policy development at its formative stage, People's Assemblies enable external organisations to contribute to the SNP's policy development process in specific areas and to ensure that our policies have been "reality-tested" by the people and organisations we would ask to implement them.

NATIONAL MEETINGS OF THE SCOTTISH NATIONAL PARTY IN 2003

National Conference	25-28 September 2003	Eden Court Theatre, Inverness
National Council (Campaign Conference)	7-8 March 2003	Loch Lomond Shores, Balloch
	7 June 2003	Station Hotel, Perth
	6 December 2003	St Andrews in the Square, Glasgow
National Assembly	5 July 2003	New Town Hall, Cumbernauld

SCOTTISH NATIONAL PARTY
REPORT OF THE PARTY OFFICERS FOR THE YEAR ENDED 31ST DECEMBER 2003

SNP ELECTED REPRESENTATIVES IN 2003

ELECTED BODIES

There are four elected bodies for which the Scottish National Party fields candidates. They are local authorities, Scottish Parliament, Westminster Parliament and European Parliament. In 2003 the Party had representation at each as follows:

- 181 local authority councillors by the end of 2003.
- 34 Members of the Scottish Parliament at the start of 2003 and 27 after the May elections. The SNP formed the official Government Opposition.
- 5 Members of the Westminster Parliament
- 2 Members of the European Parliament

PARLIAMENTARY GROUPS

The Scottish Parliament Group consists of the 27 SNP MSPs elected at the 2003 Scottish Parliament election, other than George Reid MSP, who, as Presiding Officer, is politically neutral. The Group debates and decides upon Parliamentary strategy and has its own disciplinary procedures. Similarly, the Westminster Parliamentary Group consists of five SNP MSPs and decides upon strategy for legislation being dealt with at Westminster. The Group does not vote on legislation that has no bearing on Scotland or Scottish interests. The European Parliament Group consists of two MEPs, who, as part of the Greens-EFA Group in the European Parliament, decide upon strategy on European legislation.

The SNP Shadow Cabinet may consist of MSPs, MPs, and MEPs, and discusses strategy and future policy requirements.

All MSPs/MPs/MEPs may submit policy resolutions to National Council and National Conference, but the Parliamentary Groups, or Shadow Cabinet, cannot decide upon Party policy or direction. Only National Council or Annual National Conference, or the NEC, may undertake those tasks.

SCOTTISH NATIONAL PARTY
REPORT OF THE PARTY OFFICERS FOR THE YEAR ENDED 31ST DECEMBER 2003

LIST OF PARLIAMENTARIANS

Due to the Scottish Parliamentary election taking place in May 2003, the make up of the SNP Group of MSPs changed in the course of the year with some MSPs leaving and some being newly elected.

NAME OF MSP	REGION OR CONSTITUENCY	CHANGES IN 2003
Brian Adam	Aberdeen North Constituency	Regional MSP pre May 2003 Constituency MSP from May 2003
Colin Campbell	West of Scotland Region	Did not stand for re-election
Bruce Crawford	Mid Scotland & Fife Region	
Roseanna Cunningham	Perth Constituency	
Fergus Ewing	Inverness East, Nairn & Lochaber Constituency	
Margaret Ewing	Moray Constituency	
Winnie Ewing	Highlands & Islands Region	Did not stand for re-election
Linda Fabiani	Central Scotland Region	
Kenneth Gibson	Glasgow Region	Not re-elected
Rob Gibson	Highlands & Islauds Region	Newly elected May 2003
Christine Grahame	South of Scotland Region	
Duncan Hamilton	Highlands & Islauds Region	Did not stand for re-election
Fiona Hyslop	Lothians Region	
Adam Ingram	South of Scotland Region	
Richard Loehhead	North East Region	
Kenny MacAskill	Lothians Region	
Irene McGugan	North East Scotland Region	Not re-elected
Fiona McLeod	West of Scotland Region	Not re-elected
Margo MacDonald	Lothians Region	Resigned February 2003
Campbell Martin	West of Scotland Region	Newly elected May 2003
Tricia Marwick	Mid Scotland & Fife Region	
Jim Mather	Highlands & Islands Region	Newly elected May 2003
Michael Matheson	Central Scotland Region	
Stewart Maxwell	West of Scotland Region	Newly elected May 2003
Bruce McFee	West of Scotland Region	Newly elected May 2003
Alasdair Morgan	South of Scotland Region	Constituency MSP pre May 2003, Regional MSP from May 2003
Alex Neil	Central Scotland Region	
Gil Paterson	Central Scotland Region	
Lloyd Quinan	West of Scotland Region	Not re-elected
*George Reid	Ochil Constituency	Regional MSP pre May 2003 Constituency MSP from May 2003
Shona Robison	Dundee East Constituency	Regional MSP pre May 2003 Constituency MSP from May 2003
Michael Russell	South of Scotland Region	Not re-elected
Stewart Stevenson	Banff & Buchan Constituency	
Nicola Sturgeon	Glasgow Region	
John Swinney	North Tayside Constituency	
Kay Ullrich	West of Scotland Region	Did not stand for re-election
Andrew Welsh	Angus Constituency	
Andrew Wilson	Central Scotland Region	Not re-elected
Sandra White	Glasgow Region	

* George Reid was elected as Presiding Officer of the Scottish Parliament on 7 May 2003.

SCOTTISH NATIONAL PARTY
REPORT OF THE PARTY OFFICERS FOR THE YEAR ENDED 31ST DECEMBER 2003

COUNCIL GROUP LEADERS

Due to the Local Authority elections taking place in May 2003, there were some changes to the SNP Council Group Leaders. Changes are noted under each individual council.

Local Authority	Leader of SNP Group Jan to May 2003	Leader of SNP Group May to Dec 2003 (if different)
City of Aberdeen	Cllr Kevin Stewart	
Aberdeenshire	Cllr Stuart Pratt	Cllr Alan Cameron
Angus	Cllr Rob Murray	
Argyll & Bute	Cllr Campbell Cameron	Cllr Donald McIntosh
Clackmannanshire	Cllr Keith Brown	
Dumfries & Galloway	Cllr Robert Higgins	
City of Dundee	Cllr John Corrigan	Cllr Willie Sawers
East Ayrshire	Cllr Douglas Reid	
City of Edinburgh	Cllr Rob Munn	N/A
East Lothian	Cllr Dave Berry	
Falkirk	Cllr David Alexander	
Fife	Cllr David Alexander	
City of Glasgow	Cllr John Mason	
Highland	Cllr Sandy MacKenzie	Cllr Robert Wynd
Moray	Cllr Tom Howe	Cllr Pearl Paul
North Ayrshire	Cllr Robert Rae	
North Lanarkshire	Cllr Richard Lyle	
Perthshire & Kinross	Cllr Ian Miller	
Renfrewshire	Cllr Bruce McFee	Cllr Iain Nicolson
Scottish Borders	Cllr John Mitchell	
South Lanarkshire	Cllr Anne Winning	Cllr Archie Buchanan
Stirling	Cllr Susan Love	N/A
West Dunbartonshire	Cllr Ronnie McColl	Cllr Craig McLaughlin
Western Isles	Cllr Philip McLean	Cllr Donald Mansford
West Lothian	Cllr Peter Johnston	

MEMBERS OF WESTMINSTER PARLIAMENT

Annabelle Ewing	Perth
Angus Robertson	Moray
Alex Salmond	Banff & Buchan
Mike Weir	Angus
Pete Wishart	North Tayside

MEMBERS OF THE EUROPEAN PARLIAMENT

Ian Hudghton
Neil MacCormick

SCOTTISH NATIONAL PARTY
REPORT OF THE PARTY OFFICERS FOR THE YEAR ENDED 31ST DECEMBER 2003

SNP ELECTIONS IN 2003

ELECTIONS CONTESTED BY THE SNP

Since the inception of the Scottish Parliament in 1999, Scotland as a country, has faced an increased number of elections and it seems that barely a year goes by without an election to fight. This of course means an increase in the number of opportunities for each Party but it also places a greater strain on finances and the Party's most important asset, its activists. In 2003 the Scottish Parliamentary election was held on 1st May, the same day as the Local Authority elections.

RESULTS OF SCOTTISH PARLIAMENTARY ELECTION

There are two votes to be considered in the Scottish Parliamentary election – the constituency vote and the regional vote.

	Total votes	**Total percentage**	**Total MSPs**
Constituency	449,476	23.77%	9
Regional	399,659	20.86%	18

The total number of MSPs elected in 2003, therefore, was 27. The complete list can be found on page 19. The geographical make up was as follows:

Parliamentary Region	**Regional MSPs**	**Constituency MSPs**	**Total SNP MSPs**
Central Scotland	3	0	3
Glasgow	2	0	2
Highlands & Islands	2	2	4
Lothians	2	0	2
Mid Scotland & Fife	2	3	5
North East Scotland	1	4	5
South of Scotland	3	0	3
West of Scotland	3	0	3

SCOTTISH NATIONAL PARTY
REPORT OF THE PARTY OFFICERS FOR THE YEAR ENDED 31ST DECEMBER 2003

SNP FINANCES IN 2003

CORPORATE GOVERNANCE

NATIONAL EXECUTIVE COMMITTEE

The National Executive Committee (NEC) meets monthly and is the body which has responsibility for the strategic management and political direction of the Party; ensuring the decisions of Annual National Conference and National Council are implemented; oversight and interpretation of policy between meetings of Annual National Conference and National Council; coordinating and monitoring the work of all Office Bearers elected by Annual National Conference; organising and directing national campaigns; employment and direction of staff; ownership of the Party's assets and management of the Party's financial affairs; any other matters expressly delegated to it by National Council or Annual National Conference.

The NEC has full coutrol over all monies, funds, property, investments and securities of whatever kind and description belonging to the Party.

The NEC has the power to borrow money on behalf of the Party, and to continue existing borrowing, where it is necessary to do so in order to finance the Party's activities.

The Party's Financial Scheme sets out how the Party will regulate its financial affairs for the purpose of compliance with current legislation. The financial affairs of all bodies mentioned in this Constitution must comply with the Financial Scheme.

No body within the Party shall enter into commercial borrowing unless prior agreement has been reached with the National Treasurer. If a body within the Party goes out of existence or is dissolved, all assets, at the option of the National Treasurer, shall become property of the Party.

Members of NEC are elected by Annual National Conference.

POLITICAL PARTIES, ELECTIONS AND REFERENDUMS ACT 2000

The Scottish National Party has a compliance team of three staff who review the adequacy of the internal control system in meeting the Party's requirements under PPERA. The compliance team report to the National Treasurer.

CONTROL ENVIRONMENT AND CONTROL ACTIVITIES

The Party is committed to ensuring that a proper control environment is maintained. Above all, there is a commitment to competence and integrity, together with the communication of clear objectives to all accounting units. These are underpinned by a human resources policy that develops quality with integrity.

The organisational structure of the Party has been developed to delegate authority with accountability to ensure that control and consistency are maintained, having regard to an acceptable level of risk. The National Treasurer and Party officers report on the control environment on a regular basis to the NEC.

From 1 July 2004, the performance of each accounting unit will be reviewed regularly aud must comply with Organisation Performance and Development Rules.

SCOTTISH NATIONAL PARTY
STATEMENTS OF NATIONAL TREASURER'S RESPONSIBILITIES

The Political Parties, Elections and Referendums Act 2000 requires the national treasurer of the party to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the party and of the surplus or deficit for that period. In preparing those financial statements, the national 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 party will continue in business.

Section 41 of the Act requires that the national 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 Act. Section 43 of the Act requires that the national treasurer is responsible for delivery of the statement of accounts to The Electoral Commission by the required deadline.

To the National Treasurer of Scottish National Party

We have audited the financial statements of Scottish National Party for the year ended 31 December 2003 which comprise the income and expenditure account, the balance sheet, the cash flow statement aud related notes. These financial statements have been prepared under the historical cost convention and the accounting polieies set out on pages 29 to 30.

This report is made solely to the national treasurer of the Scottish National Party 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 national treasurer and auditors

The responsibilities of the national treasurer for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Staudards are set out in the Statement of National Treasurer's Responsibilities.

Our responsibility is to audit the financial statements in accordauce with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared iu 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 Overview is not consistent with the financial statements, if the party has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Party Officers. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 national 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 andit 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 cansed 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 of the state of the party's affairs as at 31 December 2003 and of its deficit for the year then ended and have been properly prepared in accordance with the accounting policies set out on pages 29 to 30 and the requirements of the Political Parties, Elections and Referendums Act 2000.



George & Company
Chartered Accountants
and Registered Auditors



29th June 2004

SCOTTISH NATIONAL PARTY
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2003

	Notes	2003 £	2003 £	2002 £	2002 £
Income:					
Donation income	2	228,333		163,744	
Membership and subscription fees		126,147		136,447	
Income from fundraising activities	3	159,437		169,523	
Income from commercial activities	4	17,340		11,940	
Income from legacies		99,504		11,693	
Grant income	5	123,634		280,190	
Income from conferences		91,296		111,839	
Investment income	6	20,631		20,940	
Notional income	7	10,145		9,779	
Other income	8	31,733		56,881	
Total income			908,200		972,976
Expenditure:					
Cost of fundraising activities		8,254		11,170	
Cost of commercial activities		7,260		8,533	
Notional expenditure		10,145		9,779	
Staff costs	10	402,669		319,434	
Management and administration costs		133,639		144,099	
Depreciation		34,438		25,986	
Campaign expenditure		520,965		337,460	
Interest payable	12	44,915		14,852	
Conference expenditure		120,995		62,791	
Other expenditure		110,810		104,987	
			1,394,090		1,039,091
DEFICIT FOR THE YEAR			**£(485,890)**		**£(66,115)**

Note: No "Donated Fixed Assets" were received in the year under review.

SCOTTISH NATIONAL PARTY
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES,
FOR THE YEAR ENDED 31ST DECEMBER 2003

	2003 £	2002 £
LOSS FOR THE FINANCIAL YEAR	(485,890)	(66,115)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	**£(485,890)**	**£(66,115)**

SCOTTISH NATIONAL PARTY
NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31ST DECEMBER 2003

	Note	2003 £	2002 £
Reported deficit before taxation		(485,890)	(66,115)
Realisation of property revaluation (losses)/gains of previous years		NIL	NIL
Historical cost deficit before taxation		**(485,890)**	**(66,115)**
Retained historical costs deficit for the year		**(485,890)**	**(66,115)**

SCOTTISH NATIONAL PARTY
BALANCE SHEET AT 31ST DECEMBER 2003

	Notes	2003		2002	
		£	£	£	£
FIXED ASSETS:					
Tangible Assets	14	62,580		83,486	
Investments		-		-	
			62,580		83,486
CURRENT ASSETS:					
Stocks	15	8,314		15,721	
Debtors	16	15,101		15,471	
Investments		173		173	
Cash at bank and on hand		654		724	
		24,242		32,089	
CREDITORS: AMOUNTS FALLLING DUE WITHIN ONE YEAR:	17	972,362		486,304	
Net current assets (Liabilities)			(948,120)		(454,215)
Total Liabilities less current assets			£ (885,540)		£(370,729)
Creditors: amounts falling due after more than one year	18		(20,864)		(49,785)
Provision for liabilities and charges			-		-
			£(906,404)		£(420,514)
RESERVES:					
General fund	20		130,022		130,022
Property fund	20		101,938		101,938
Willie McRae memorial fund			500		500
Revenue fund			(1,138,864)		(652,974)
Members Deficit			£(906,404)		(£420,514)

The financial statements were approved by the Party Officers on 29th June 2004

[redacted]

Jim Mather
National Treasurer

SCOTTISH NATIONAL PARTY
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2003

	Notes	2003		2002	
		£	£	£	£
Net cash outflow from operating activities	24		(381,461)		(7,814)
UK tax received			NIL		2,613
Capital expenditure:					
Payment to acquire tangible fixed assets		(13,532)		(58,593)	
Receipts from sale of tangible fixed asset		600		3,244	
			(12,932)		(55,349)
Financing					
Repayment of bank loans		(10,363)		(9,668)	
Decrease in finance leases		(12,744)		49,667	
Increase in other loans		128,513		19,946	
			105,406		59,945
Decrease in cash	25		(288,987)		(605)

1. Accounting Policies

The financial statements have been prepared under the historical cost convention, and are 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 valne 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.
- 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 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 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.

Depreciation

Depreciation is provided on tangible fixed assets at the following annual rates.

Improvements to Leasehold Property	-	20% straight line
Computer Equipment, Fixtures, Fittings and Equipment	-	Older items depreciated at 50% reducing balance, more recent items (3 years or less) are depreciated at 33 1/3 % reducing balance.

Stocks

Stocks are valued at the lower of cost and net realisable value.

1. Accounting Policies (continued)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they have been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasiug commitments are shown as amounts payable to the lessor. Depreciation of the relevant assets is charged to the profit and loss account.

Lease payments are treated as consisting between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease

Peusion costs

Contributions to the party's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

Impairment of fixed assets

The need for any fixed asset impairment write down is assessed by comparison of the carrying value to the asset against the higher of its realisable value and value in use.

Liquid resonrces

For the purposes of the cash flow statement, liquid resources are defined as current asset investments and short term deposits.

2. Donatious

During the year the Party accepted donations greater than £200 from permissible donors (as defined by Section 54 of the Act) totalling £157,794 (2002 – £117,233) of which £128,110 were reported to the Electoral Commission.

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

3. Fundraising income

	2003 £	2002 £
Challenge for independence	104,579	113,709
National convener's club	32,283	33,215
Car raffle	9,071	11,108
Affinity card	7,753	4,848
Independence covenant draw	3,700	2,138
St Andrews day & spring draws	2,051	4,505
	159,437	169,523

4. Commercial Activities

The trading activities of the party are located, and their income generated, worldwide.

5. Grants received

	2003 £	2002 £
Policy development grant	123,634	280,190*

* 2 years

6. Investment Income

	2003 £	2002 £
Interest receivable	16	-
Dividend income	-	-
Rental income (Management Accommodation)	20,615	20,940
	20,631	20,940

7. Notional income and expenditure

	2003 £	2002 £
Services received (call centre)	10,145	9,779

8. Other income

	2003 £	2002 £
Field Support Income	16,342	23,271
Loans to the Party Adjustment	5,112	33,499
Events	8,090	-
Miscellaneous	2,189	111
	31,733	56,881

9. Deficit before tax

	2003 £	2002 £
Deficit is stated after charging:		
Auditors' remuneration – audit services	9,987	7,990
- non audit services	705	1,410
Operating lease charge - property	39,363	39,363
- equipment	-	-
Diminution in value of fixed and current assets investments	-	-
Profit on disposal of fixed asset	600	-
Depreciation	34,438	25,986

10. Staff Costs

Staff costs for the above period comprise

	2003 No	2002 No
Officers	10	12
Finance staff	1	1
Admin staff	3	3
Operations	8	8
	22	24

Staff costs for the above persons comprise:

	£	£
Wages and Salaries	341,656	279,790
Social security costs	31,785	26,076
Other pension costs	29,228	13,568
	402,669	319,434

11. Staff Remuneration

The number of staff whose total emoluments paid or receivable was over £50,000 was nil.

No staff members received any additional benefit either paid or in kind during the period 2003.

The Nominating and Campaigns Officers posts are not currently salaried.

12. Interest payable and similar charges

	2003 £	2002 £
Bank overdraft	36,216	10,139
Bank loan	1,717	2,412
Finance leases	6,982	2,301
	44,915	14,852

13. Taxation

No liability to UK corporation tax arose on ordinary activities for the year ended 31st December 2003.

14. Tangible assets

	Leasehold Improvements	Computer & Equipment	Total
	£	£	£
COST			
As at 1st January 2003	26,123	193,110	219,233
Additions	13,532	-	13,532
Adjustment of nil value items	-	(62,000)	(62,000)
At 31st December 2003	39,655	131,110	170,765
DEPRECIATION			
At 1stt January 2003	10,450	125,297	135,747
Charge for the Year	7,931	26,507	34,438
Adjustment of nil value items	-	(62,000)	(62,000)
At 31st December 2003	18,381	89,804	108,185
NET BOOK VALUE			
As at 31st December 2003	21,274	41,306	62,580
As at 31st Deeember 2002	15,673	67,813	83,486

The net book value of tangible fixed assets includes an amount of £41,002 in respect of assets held under finance leases. The related depreciation charge for the period was £22,237.

15. Stocks

	2003	2002
	£	£
Promotional Materials	8,314	15,721

There is no material difference between the replacement cost of stocks and the amount stated above.

16. Debtors

	2003	2002
	£	£
Trade debtors	3,591	6,077
Other debtors	11,510	9,394
	£15,101	£15,471

17. Creditors: amonnts falling due within one year

	2003 £	2002 £
Bank loan and overdraft	481,169	192,252
Loans from accounting units	69,137	59,443
Other Loans	282,460	163,641
Trade Creditors	92,238	31,253
Taxation and social security	8,336	7,799
Obligations under finance leases	28,330	22,516
Accruals	10,692	9,400
	£972,362	£486,304

18. Creditors: amounts falling due after more than one year

	2003 £	2002 £
Bank loan	12,271	22,634
Obligations under finance leases	8,593	27,151
	20,864	49,785

19. Secured debts

a) [redacted] hold a guarantee of £50,000 dated 30th June 2003 from Mr A J Tulloch, one of the members.

b) [redacted] hold a guarantee dated 16th October 2003 for £190,000 from Mr Jim Mather, National Treasurer.

c) [redacted] hold a security over
8,000 shares in [redacted]
22,921 shares in [redacted]

(Both of these holdings are in the name of the trustees of Edinburgh branch)

20. Reserves

During the year under review, there was only a movement in the Revenue fund.

21. Reconciliation of movements in party funds

	2003 £	2002 £
Deficit for the year	(485,890)	(66,115)
Opening reserves	(420,514)	(354,399)
Closing reserves	(906,404)	(420,514)

22. Capital commitments

	2003	2002
	£	£
Contracted but not provided for	NIL	NIL

23. Commitments under operating leases

As at 31 December 2003, the party had annual commitments under non-cancellable operating leases as set out below:

	2003 Land and Buildings	2002 Land and Buildings
	£	£
Operating leases which expire:		
Within one year	-	-
In two to five years	39,363	39,363
Over five years	-	-

24. Net cash outflow from operating deficit before tax, returns on investment and servicing of finance

	2003	2002
	£	£
Operating deficit before taxation	(485,890)	(66,115)
Depreciation	34,438	25,986
Decrease in Stocks	7,407	(12,149)
Deerease in Debtors	370	18,249
Increase in Creditors	62,814	26,215
Profit on disposal of asset	(600)	-
Net cash outflow from deficit	(381,461)	(7,814)

25. Reconciliation of net cash outflow to movement in net debt

	2003		2002	
	£	£	£	£
Increase (decrease) in cash in the year	(288,987)		(605)	
Cash inflow from increase in debt and lease financing	(91,874)		(59,991)	
Change in net debt resulting from cash flows		(380,861)		(60,596)
New finance leases		(13,532)		(58,593)
Other loans waived and written off		NIL		58,639
Movement in net debt in the year		(394,393)		(60,550)
Opening net debt		(486,740)		(426,190)
Closing net debt		(881,133)		(486,740)

26. Analysis of net debt

	At 1 January 2003 £	Cash flow £	Other non-cash changes £	At 31 December 2003 £
Cash	176	(86)	-	90
Short term deposits	548	16	-	564
	724	(70)	-	654
Bank overdraft	(180,172)	(288,917)	-	(469,089)
Bank loans	(34,714)	10,363	-	(24,351)
Loans from accounting units	(59,443)	(9,694)	-	(69,137)
Other loans	(163,641)	(118,819)	-	(282,460)
Finance leases	(49,667)	26,276	(13,532)	(36,923)
Current asset investments	173	-	-	173
	(487,464)	(380,791)	(13,532)	(881,787)
Total	(486,740)	(380,861)	(13,532)	(881,133)

27. Related party transactions

	£
a) Loans from affiliated accounting units	
Loans payable at 1st January 2003	59,443
Movement (net) in year	9,694
Loans payable at 31st December 2003	69,137
b) Loans from Members	
Loans payable at 1st January 2003	163,641
Movement (net) in year	118,819
Loans payable at 31st December 2003	282,460

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SCOTTISH NATIONAL PARTY
MID-YEAR REPORTS 2005 AND FINANCIAL STATEMENTS 2004

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Party Officers

Registered Officers under the PPERA: -

Leader:	Mr Alex Salmond MP
Nominating Officer:	Mr Peter Tierney Murrell
Treasurer:	Mr Colin Beattie
Campaigns Officer:	Mr Richard Thomson
Deputy Campaigns Officer:	Mr Ian McCann
Deputy Campaigns Officer:	Mr Andrew Sinclair Rosie

Party Headquarters

107 McDonald Road, Edinburgh EH7 4NW

Auditors

George & Co - Chartered Accountants & Registered Auditors - [redacted]

1. Administrative Information

Membership

Annual National Conference in September 2003 approved a new centralised membership system for renewals from 1 January 2004. The objective was to relieve branches of the onerous and expensive task of collecting subscriptions and paying branch dues to Headquarters. Membership income improved dramatically during 2004 as a result of the change. The new system moved away from fixed subscription fees to regular giving based on an individual member's ability to pay. Membership income for 2004 increased year on year by 329% and the number of members increased by 15% to 10,854. Activity over 2005 will focus on consolidating progress in membership administration.

Accounting Units

The Scottish National Party has 338 accounting units separate from its central organisation in order to provide for each constituent organisation to be responsible for its own financial affairs.

	2004	2003
Constituency Associations	54	53
Constituency Branches	17	18
Westminster Liaison Committees	34	-
Branches	229	207
Sub Branches	-	17
Affiliated Organisations	4	4

The Scottish National Party constitution also provides for the establishment of Members' Associations. The following such bodies have been established to date: -

i. SNP members of the Scottish Parliament
ii. SNP members of the United Kingdom Parliament
iii. SNP members of the European Parliament
iv. SNP Women's Forum

(i) Branches

The Scottish National Party is made up of nearly 250 local branches. A branch generally covers a number of council wards and has responsibility for selecting candidates for these wards for local authority elections. Each branch has its own constitution and office bearers who are elected at the annual general meeting. Branches receive 25% of subscriptions paid by each of their members. Branches are entitled to delegates to constituency associations (where applicable), other local associations in existence, national council and national conference. The number of delegates is dependent on the number of members each branch has.

(ii) Constituencies

The Party is organised around the Scottish Parliament constituency boundaries and so, for each Scottish Parliament constituency, there exists an SNP constituency association or branch. A constituency association is made up of more than one branch within the boundary. Where this is the case the branch may pay "dues" to the association and will be entitled to delegates to this body. Where there is one branch within the boundary, it is known as a constituency branch. Constituency branches and associations have the same office bearers as branches. Constituency branches have delegate entitlement to local associations, national council and national conference. The number of delegates is dependent on the number of members each constituency has.

(iii) Liaison Committees

A number of liaison committees are responsible for the strategic direction and operational co-ordination of branches in respect of election campaigning for either or both of local government and parliamentary elections, other than for election to Scottish Parliament constituencies.

These are: -

(a) Westminster Liaison Committees

In 2003 the Boundary Commission for Scotland changed the constituency boundaries for the 2005 Westminster election. The SNP decided to retain Scottish Parliament constituency boundaries and to set up temporary liaison committees to tackle the Westminster election. The liaison committees are made up of delegates from each constituency branch or association within the boundary. The number of delegates from each is dependent on how much of the constituency comes within the boundary. The committees elect the same office bearers as branches but are not entitled to delegate entitlement to other bodies. They exist only in the run up to and duration of a Westminster election.

(b) Regional Liaison Committees

Regional liaison committees cover a Scottish Parliament electoral region of which there are eight. The role of the liaison committee is to co-ordinate the regional campaign for the list vote. MSPs are accountable to the regional liaison committees which are made up of delegates from each branch and constituency within the region. Each regional liaison committee has its own constitution and can decide to levy member branches and constituency associations.

(c) Council Liaison Committees

Council liaison committees act as a forum for local government matters within a Scottish local authority area of which there are 32. The liaison committee is responsible for: establishing a candidate assessment committee; ensuring that respective rules on candidate selection procedures are adhered to at all times; co-ordinating the Party's electoral activities for the elections in their area; and producing a manifesto for the 2007 elections.

(v) Affiliated organisations

These are autonomous groups representing particular interests. Each group has representation at National Executive Committee (NEC) level and has delegate status at national conference and national council.

The affiliated organisations are: -

(a) Association of Nationalist Councillors (ANC)

Every SNP member who is a member of the SNP group of a Scottish local authority is a member of the Association of Nationalist Councillors. The aim of the ANC is to act as a forum for SNP councillors to exchange best practice across council groups; put forward a collective view on council issues to SNP national bodies; and coordinate the work of SNP councillors in achieving the Party's aims. The ANC has a representative on the NEC.

(b) The Trade Union Group (TUG)

The Trade Union Group has a dual role - to promote the role of trade unions within the SNP and to promote the aims and objectives of the SNP within the wider trade union movement. They have, for example, campaigned against the political levy (to the Labour Party) on trade union members. The TUG has one NEC representative.

(c) Young Scots for Independence (YSI)

The YSI is the official youth wing of the Scottish National Party. It started in the 1980s and membership is open to all aged under 26 and focuses its activity on issues affecting young people. The YSI shares representation to the NEC with the Federation of Student Nationalists which enables it to play a constructive role in the formulation of SNP policy.

(d) The Federation of Student Nationalists (FSN)

The FSN is the student wing of the SNP, which is active in most colleges and universities throughout Scotland. The FSN has become a major political force in Scotland's further and higher education institutions, at the forefront of resistance to attacks on Scottish education from successive British governments. Like the YSI, it tends to attract younger people and acts as a vehicle for bringing young people into politics. The FSN shares representation to the NEC with the YSI. Membership of the FSN is open to anyone in full or part time education.

National Assembly

National assembly is the forum for the development of policy within the Party. Policy is debated and discussed before being presented to the party for approval at national council or national conference. National assembly also provides the opportunity to invite speakers from outwith the Party to address members on important issues of special interest. Any member of the Party is entitled to attend national assembly which is held as and when required.

Dates	Venue	Event
2004		
28 Feb	Town Hall Cumbernauld	National Assembly
27 Mar	Windlestrae Hotel Kinross	National Assembly
23 May	Salutation Hotel Perth	National Assembly
2005		
4 Dec	Tbc	National Assembly

National Council

National Council is the governing body of the Party between conferences and meets at least twice a year. In addition to hearing reports from national office bearers, Council also has the power to make policy. Council is made up of delegates from branches, constituency associations, the NEC, representatives of parliamentary groups and affiliated organisations, and fifteen members elected by national conference. The fifteen elected members of national council for 2004/2005 are Mr George Adam; Cllr Bashir Ahmad; Mr Bruce Crawford MSP; Ms Roseanna Cunningham MSP; Mr Fergus Ewing MSP; Mr Gerry Fisher; Ms Christine Grahame MSP; Mrs Allison Hunter; Prof Neil MacCormick; Ms Shona Robison MSP; Mr Michael Russell; Mr Stewart Stevenson MSP; Cllr Jean Urquhart; Mrs Sandra White MSP; and Mr Billy Wolfe.

Dates	Venue	Event
2004		
26 Jun	Golden Lion Hotel Stirling	National Council
4 Dec	Salutation Hotel Perth	National Council
2005		
4 Jun	Dewar's Centre Perth	National Council
3 Dec	Tbc	National Council

National Conference

National conference is the supreme ruling body of the SNP and, as well as making policy, elects the Party's national office bearers and national executive committee. Conference is attended by more than 1,000 delegates, observers, diplomats, and media along with the SNP Members of the Scottish Parliament, European Parliament, Westminster Parliament and local councillors. Conference is a delegate body, mainly comprising representatives from local organisations, as well as affiliated organisations, elected members and politicians. Delegates to conference decide the SNP's policy and direction, hold the leadership to account and elect the leadership and membership of a number of committees, including the national executive committee, appeals committee and disciplinary committee, Any member of the Party may attend conference but only delegates can speak and vote.

Dates	Venue	Event
2004		
23-24 Apr	Aberdeen Exhibition & Conference Centre	Campaign Conference
22-25 Sep	Eden Court Theatre Inverness	National Conference
2005		
12-13 Mar	Apex City Quay Hotel Dundee	Campaign Conference
21-24 Sep	Aviemore Highland Resort	National Conference

National Executive Committee (NEC)

The SNP's leadership is invested in its national executive committee which is made up of the Party's elected office bearers, elected members and representatives of affiliated organisations. The NEC meets monthly and is charged with devising the SNP's national political strategy to help to deliver the Party's aims, as well as overseeing the organisation and administration of the Party. NEC members report to national council and annual national conference and are open to question by delegates. Members of NEC are elected by annual national conference.

The members of the national executive committee 2004/2005 are: -

Leader	Mr Alex Salmond MP
Depute Leader	Ms Nicola Sturgeon MSP
Business Convener	Mr Bruce Crawford MSP
President	Dr Winifred Ewing
National Secretary	Dr Alasdair Allan
Organisation Convener	Cllr Willie Sawers
National Treasurer	Mr Colin Beattie
Ordinary members of NEC	Cllr Bashir Ahmad
	Cllr David Berry
	Mr Gerry Fisher
	Ms Christine Grahame MSP
	Mrs Allison Hunter
	Mr Kenny MacAskill MSP
	Mr Gil Paterson
	Cllr Jean Urquhart
Scottish Parliament Group representative	Appointed as Business Convener
Westminster Parliament Group representative	Mr Pete Wishart MP
European Parliament Group representative	Mr Ian Hudghton MEP
Association of Nationalist Councillors representative	Cllr Nigel Don
FSN/YSI representative	Mr Euan Fergusson
Trade Union Group representative	Ms Allison Cosgrove

The business convener is appointed from within the membership of the NEC. In addition, the election committee and election committee appeals body, which deal with approval of Parliamentary candidates, are also appointed. The NEC also appoints from within its ranks, four members of the standing orders and agenda committee, which is chaired by the national secretary and is responsible for the agenda for national conference and national council.

Elected representatives

There are four elected bodies for which the Scottish National Party fields candidates. They are local authorities, Scottish Parliament, Westminster Parliament and European Parliament.

As at 30 June 2005, the SNP representation at each is as follows: -

- 25 Members of the Scottish Parliament
- 6 Members of Parliament
- 2 Members of the European Parliament
- 179 councillors in 23 of the 32 Scottish councils

(i) Scottish Parliament

The Scottish Parliament group consists of twenty-five SNP MSPs elected at the 2003 Scottish Parliament election: -

Mr Brian Adam MSP
Mr Bruce Crawford MSP
Ms Roseanna Cunningham MSP
Mr Fergus Ewing MSP
Mrs Margaret Ewing MSP
Ms Linda Fabiani MSP
Mr Rob Gibson MSP
Ms Christine Grahame MSP
Ms Fiona Hyslop MSP
Mr Adam Ingram MSP
Mr Richard Lochhead MSP
Mr Kenny MacAskill MSP
Mrs Tricia Marwick MSP
Mr Jim Mather MSP
Mr Michael Matheson MSP
Mr Stewart Maxwell MSP
Mr Bruce McFee MSP
Mr Alasdair Morgan MSP
Mr Alex Neil MSP
Ms Shona Robison MSP
Mr Stewart Stevenson MSP
Ms Nicola Sturgeon MSP
Mr John Swinney MSP
Mr Andrew Welsh MSP
Mrs Sandra White MSP

(ii) House of Commons

The Westminster Parliament group consists of six SNP MPs elected at the 2005 general election: -

Mr Stewart Hosie MP
Mr Angus MacNeil MP
Mr Angus Robertson MP
Mr Alex Salmond MP
Mr Mike Weir MP
Mr Pete Wishart MP

(iii) European Parliament

The European Parliament group consists of two MEPs, part of the Greens-European Free Alliance Group in the European Parliament, elected at the 2004 European election: -

Mr Ian Hudghton MEP
Mr Alyn Smith MEP

(iv) Scottish local authorities

The Scottish National Party has 179 councillors in 23 councils across Scotland.

SNP councillors hold the administration of Angus Council, lead the administration of Falkirk Council, share the administration of Perth & Kinross Council and form part of the administration in Dumfries & Galloway Council.

As at 30 June 2005, the list of SNP councillors by council are as follows: -

Aberdeen City Council	Cllr Alan Gowers
	Cllr Muriel Jaffrey
	Cllr James Kiddie
	Cllr Andrew May
	Cllr Karen Shirron
	Cllr Kevin Stewart
Aberdeenshire Council	Cllr Kenneth Benzie
	Cllr Mitchell Burnett
	Cllr Alan Cameron
	Cllr James Davidson
	Cllr Anne Fowler
	Cllr Jeanette McKee
	Cllr Stuart Pratt
	Cllr Andrew Ritchie
	Cllr Agnes Strachan
	Cllr Joanna Strathdee
	Cllr Ian Tait
	Cllr Stanley Tennant
	Cllr Norma Thomson
	Cllr Brian Topping
	Cllr James Towers
Angus Council	Cllr Ian Angus
	Cllr Frank Ellis
	Cllr Iain Gaul
	Cllr John Gibb
	Cllr John Henderson
	Cllr Alexander King
	Cllr Stewart McGlynn
	Cllr Glennis Middleton
	Cllr William Middleton
	Cllr Joy Mowatt

	Cllr Robert Murray
	Cllr Helen Oswald
	Cllr Kathleen Ritchie
	Cllr William Roberton
	Cllr Ron Scrimgeour
	Cllr David Selfridge
	Cllr Sheena Welsh
Argyll & Bute Council	Cllr Donald McIntosh
	Cllr Robert MacIntyre
	Cllr Isobel Strong
Clackmannanshire Council	Cllr Donald Balsillie
	Cllr Keith Brown
	Cllr William Douglas
	Cllr Craig Holden
	Cllr Walter McAdam
	Cllr Helen McGregor
	Cllr Janis Paterson
Comhairle nan Eilean Siar	Cllr Annie Macdonald
	Cllr Donald Manford
	Cllr Angus Nicolson
Dumfries & Galloway Council	Cllr Kathleen Davidson
	Cllr Alistair Geddes
	Cllr Robert Higgins
	Cllr William Little
	Cllr Fred Murray
Dundee City Council	Cllr James Barrie
	Cllr Rikki Beattie
	Cllr John Corrigan
	Cllr William Dawson
	Cllr Andrew Dawson (Snr)
	Cllr Nigel Don
	Cllr Robert Duncan
	Cllr Joe Fitzpatrick
	Cllr Elizabeth Fordyce
	Cllr Christina Roberts
	Cllr Willie Sawers
East Ayrshire Council	Cllr John Campbell
	Cllr William Coffey
	Cllr Daniel Coffey
	Cllr Iain Linton
	Cllr Robert McDill
	Cllr Douglas Reid
	Cllr John Weir
	Cllr Harry Wilson

East Lothian Council	Cllr David Berry
Falkirk Council	Cllr David Alexander Cllr David Bryson Cllr Thomas Coleman Cllr John Constable Cllr Henry Constable Cllr Elizabeth Eaglesham Cllr Andrew Graham Cllr Lynda Kenna Cllr Angus MacDonald Cllr Diane Williamson
Fife Council	Cllr David Alexander Cllr David Cunningham Cllr Peter Grant Cllr Fiona Grant Cllr George Leslie Cllr Alice McGarry Cllr Alf Patey Cllr Albert Ritchie Cllr Bryan Thacker Cllr David Torrance Cllr Michael Woods
City of Glasgow Council	Cllr Bashir Ahmad Cllr Iris Gibson Cllr John Mason
Highland Council	Cllr Andrew Anderson Cllr Elizabeth MacDonald Cllr Gillian McCreath Cllr Margaret Paterson Cllr Jean Urquhart Cllr Robert Wynd
Moray Council	Cllr Pearl Paul Cllr Joyce Stewart Cllr Robert Burns
North Ayrshire Council	Cllr Alan Hill Cllr Robert Rae Cllr Nan Wallace
North Lanarkshire Council	Cllr Campbell Cameron Cllr William Carmichael Cllr Sophia Coyle Cllr Elizabeth Gemmell Cllr William Goldie Cllr William Homer Cllr Elizabeth Irvine

	Cllr Tom Johnstone
	Cllr Richard Lyle
	Cllr Neil McCallum
	Cllr David Stocks
	Cllr Alan Valentine
Perth & Kinross Council	Cllr Alistair Barr
	Cllr John Coburn
	Cllr John Culliven
	Cllr Robert Ellis
	Cllr Alan Grant
	Cllr Elizabeth Grant
	Cllr Eleanor Howie
	Cllr John Hulbert
	Cllr Gordon Hunter
	Cllr Robert Lumsden
	Cllr Kenneth Lyall
	Cllr Ian Miller
	Cllr Peter Mulheron
	Cllr David Scott
	Cllr Alan Telfer
Renfrewshire Council	Cllr Lorraine Cameron
	Cllr Brian Lawson
	Cllr Celia Lawson
	Cllr Derek Mackay
	Cllr Bill Martin
	Cllr William McGuinness
	Cllr Jim Mitchell
	Cllr David Mylet
	Cllr Iain Nicolson
	Cllr Fiona Nicolson
	Cllr Alastair Nimmo
	Cllr Allan Noon
	Cllr Carol Puthucheary
	Cllr Ian Taylor
	Cllr Richard Vassie
Scottish Borders Council	Cllr William Herd
	Cllr John Mitchell
South Lanarkshire Council	Cllr Archie Buchanan
	Cllr Bev Gauld
	Cllr Ian Gray
	Cllr Graeme Horne
	Cllr Anne Maggs
	Cllr Archibald Manson
	Cllr Thomas McAlpine
	Cllr David Shearer
	Cllr James Wardhaugh
	Cllr David Watson

West Dunbartonshire Council	Cllr Margaret McGregor Cllr Craig McLaughlin
West Lothian Council	Cllr Frank Anderson Cllr Angela Constance Cllr Martyn Day Cllr James Dickson Cllr Audrey Gordon Cllr Peter Johnston Cllr Edward Malcolm Cllr Andrew Miller Cllr James Sibbald Cllr Thomas Smith Cllr James Walker

Shadow Cabinet

The SNP shadow cabinet meets monthly to discuss strategy and future policy requirements. The portfolios within the shadow cabinet are chosen by the Party leader.

Leader & Westminster Group Leader	Mr Alex Salmond MP
Depute Leader & Scottish Parliament Group Leader	Ms Nicola Sturgeon MSP
Environment, Rural Affairs, Energy & Fisheries	Mr Richard Lochhead MSP
Justice	Mr Kenny MacAskill MSP
Enterprise & the Economy	Mr Jim Mather MSP
Education & Lifelong Learning	Ms Fiona Hyslop
Tourism, Transport & Telecomms	Mr Fergus Ewing MSP
Health & Community Care	Ms Shona Robison MSP
Finance	Mr Alasdair Morgan MSP
Social Justice	Ms Christine Grahame MSP
Culture & Sport	Mr Michael Matheson MSP
Scottish Parliament Business Manager & Chief Whip	Mrs Tricia Marwick MSP
Defence & International Relations	Mr Angus Robertson MP
Work & Pensions	Mr Mike Weir MP
Europe	Mr Ian Hudghton MEP
Local Government	Cllr David Alexander

SNP staff

The Scottish National Party is served by 15 staff based at its headquarters. There are eight further staff based at the national call centre in Glasgow. Staff are split into five interdependent teams reporting to the chief executive. The Party chief executive, Peter Murrell, is accountable to the NEC and is responsible for the day to day running of SNP activities and projects.

The mission of headquarters is to assist SNP progress towards government in Scotland, grow Party membership and support the consistent improvement in the total of elected representation. This mission is backed by four strategic objectives –

i. Winning Party - help local candidates and organisations win more seats.
ii. Membership growth – encourage more people to join.
iii. Membership development - help members gain the knowledge and skills they need to promote our aims.
iv. The best team - support and develop local organisations to focus on bridging good practice with local practice.

As at 30 June 2005, Party staffing is as follows: -

	Chief Executive	Mr Peter Murrell
	Clerk	Mr Ian McCann
	Finance Executive	Mrs Joan Knott
	ICT Executive	Mr Russell Horn
Member Services Unit	Head of Member Services	Ms Trudi Logan
	Member Advisor	Mrs Beverley Murray
Campaign Unit	Head of Campaign Unit	Mr Richard Thomson
	Campaign Executive (Training)	Mrs Lorraine Reid
	Campaign Executive (Systems)	Mrs Clare Adamson
	Administrator	Ms Claire Bennett
	Call Centre Supervisor	Mr Scot MacQueen
	Call Centre Operator	Mr Andrew Fotheringham
	Call Centre Operator	Mr Thomas McCluskey
	Call Centre Operator	Ms Natalie Nimmo
	Call Centre Operator	Ms Amanda Hyndman
	Call Centre Operator	Ms Kerstin Baillie
	Call Centre Operator	Mr James Tudor
	Call Centre Operator	Mr David Nimmo
Policy Unit	Head of Policy Unit	Mr Craig Milroy
	Policy & Information Officer	Ms Mhairi Hunter
	Policy & Research Officer	Ms Julie Shackleton
Communication	Internal Communications Executive	Ms Anne McLaughlin
Fundraising	Fundraiser	Mr Jim Henderson

2. Review of political activities

2004 was another election year for the SNP, with elections to the European Parliament in June (as well as an internal leadership election over the summer). This was followed almost immediately by a Westminster election in Spring of 2005.

With local and Scottish Parliament elections having taken place in 2003, the Party has contested four sets of national elections in three years, as well as having undertaken a major constitutional reforms. All concerned have worked hard to deliver success against punishing schedules.

The Party gathered in Aberdeen in April 2004, for Spring Conference. The main item on the agenda was a proposal to modernise the Party's constitution and rules. Delegates voted to streamline the National Executive Committee (NEC) and to appoint a business convener to oversee operational matters.

Delegates approved the introduction of one-member-one-vote (OMOV) for electing the SNP's leader and depute leader, as well as in the selection and the ranking of parliamentary candidates. They also supported a process to ensure that the SNP puts forward a more balanced list of candidates in future, particularly in regard to gender.

The Constitution, Rules and Standing Orders of the Scottish National Party can be downloaded from the members' section of the SNP website, www.snp.org

Elections to the European Parliament were held on June 10. The number of Scottish MEPs to be elected was reduced from 8 to 7, because of European Union (EU) enlargement. As an independent country, Scotland would have elected 14 MEPs - double the number that we have as a mere region of the UK.

The SNP's campaign revolved around the advantages of being independent in the modern EU. Post-enlargement the EU is overwhelmingly a Europe of small nations. 70 per cent of all member states have populations of less than 10 million and 7 out of 10 of the new member states have populations similar to or smaller than Scotland's.

The Party succeeded in retaining two MEPs, in Ian Hudghton and Alyn Smith. Both have been vigorously campaigning to stand up for Scottish interests in Europe on issues ranging from fishing to shipbuilding.

On 22 June John Swinney announced that he was standing down as leader of the SNP. The leadership election that followed was the first to be conducted under OMOV.

Alex Salmond recorded a first-ballot landslide, taking 75.76% of the 6,536 votes cast, with Perth MSP Roseanna Cunningham polling 953 votes (14.58%) and former MSP Mike Russell taking 631 votes (9.65%). In the depute leadership election Mr Salmond's running mate Nicola Sturgeon won on the first ballot, taking 53.87% of the 6,536 votes cast ahead of MSP Fergus Ewing with 1,605 votes (24.56%) and MSP Christine Grahame with 1,410 (21.57%).

In September delegates gathered for the SNP's 70th Annual Conference to debate issues ranging from a citizen's pension to reducing the burden of student debt, both of which would be campaigning issues in the coming Westminster election campaign.

Other campaign issues were identified by the three sub-committees set up by the new leadership team to review SNP policy. The policy review groups reported back to national council in December 2004, where delegates took the opportunity to participate in shaping the SNP's Westminster policy platform.

That platform was finalised when the SNP gathered in Dundee in March 2005 for campaign conference, less than two months before the expected date of the Westminster election.

At campaign conference delegates put the finishing touch to the policies that shaped the election in Scotland, debating proposals to introduce a citizen's pension, invest in community policing instead of useless ID cards, establish a North Sea oil windfall fund and save the historic Scottish regiments.

The Westminster general election was announced as May 5th, and the SNP's campaigning focused highlighted a number of issues, including pensions, the council tax, Scotland's need for better economic growth, the Scottish regiments, and nuclear power and weapons. The manifesto (together with 15 subject specific mini-manifestos which were mailed directly to relevant organisations across Scotland) is available online at www.snp.org.

In the event, our representation increased from four MPs to six at a time when the overall number of Scottish seats had been cut from 72 to only 59, providing a good platform for the Scottish elections of 2007.

2007 will also see the first elections to Scottish local government under STV, and considerable research and political education has already been undertaken as part of the process to modernise party structures to cope with this long overdue change. It is hoped that this electoral change will go some considerable way to increasing participation in local government, and re-engaging the electorate with local politicians.

In the eighteen month period up to 30 June 2005, the SNP contested 22 of the 24 local government by-elections in Scotland. The SNP has seen the greatest increase in its number of seats, up by 4 with by-election wins in Falkirk, North Lanarkshire, Scottish Borders and two in Clackmannanshire.

In conclusion, the last few years have been particularly busy with circumstances and events both within and outwith the SNP, and thanks are due to those who have enabled progress to be made. There are considerable opportunities to move Scottish politics forward as the Party prepares for the 2007 elections, and we look forward to the challenge.

3. Corporate Governance

National Executive Committee

The National Executive Committee (NEC) meets monthly and is the body which has responsibility for the strategic management and political direction of the Party; ensuring the decisions of national conference and national council are implemented; oversight and interpretation of policy between meetings of national conference and national council; coordinating and monitoring the work of all national office bearers elected by national conference; organising and directing national campaigns; employment and direction of staff; ownership of the Party's assets and management of the Party's financial affairs; any other matters expressly delegated to it by national council or national conference.

The NEC has full control over all monies, funds, property, investments and securities of whatever kind and description belonging to the Party.

The NEC has the power to borrow money on behalf of the Party, and to continue existing borrowing, where it is necessary to do so in order to finance the Party's activities.

The Party's financial scheme sets out how the Party will regulate its financial affairs for the purpose of compliance with current legislation. The financial affairs of all bodies mentioned in the Party's constitution must comply with the financial scheme.

No body within the Party shall enter into commercial borrowing unless prior agreement has been reached with the national treasurer. If a body within the Party goes out of existence or is dissolved, all assets, at the option of the national treasurer, shall become property of the Party.

Members of NEC are elected by annual national conference.

Political Parties, Elections and Referendums Act 2000

The Scottish National Party has a compliance team of three staff who review the adequacy of the internal control system in meeting the Party's requirements under PPERA. The compliance team report to the national treasurer.

Control environment and control activities

The Party is committed to ensuring that a proper control environment is maintained. Above all, there is a commitment to competence and integrity, together with the communication of clear objectives to all accounting units. These are underpinned by a human resources policy that develops quality with integrity.

The organisational structure of the Party has been developed to delegate authority with accountability to ensure that control and consistency are maintained, having regard to an acceptable level of risk. The national treasurer and Party officers report on the control environment on a regular basis to the NEC.

From 1 July 2004, the performance of each accounting unit will be reviewed regularly and must comply with organisation performance and development rules.

4. Financial Review

The net surplus in 2004 of £257,311 helped reduce the Party's overall deficit. The challenge remains to raise even more funds to enable the Party to build upon its electoral progress and compete on a more equal financial footing with the London political parties. In 2005, the SNP will increasingly focus on building the Party's core income activities of fundraising, membership and events.

Fundraising

Fundraising income in 2004 continued to be almost exclusively from donations from members and supporters. The SNP operates five core fundraising schemes: -

i. Challenge for Independence is the SNP's regular giving scheme whereby members may donate monthly by direct debit, standing order or cash. All money raised is ring-fenced for campaigning. This fundraising scheme had 591 members in 2004, generating over 8% of the Party's total income from 5% of its members.

ii. The St Andrew's Appeal is sent to all members in the run up to Scotland's national day on 30 November.

iii. The President's Club (formerly the National Convener's Club) seeks donations in of at least £20 per month and directs funds towards providing staffing resources and headquarters facilities. This fundraising scheme had 66 members in 2004.

iv. Independence Covenant works like a national 50/50 club in that half the profit from it goes to the Party and half goes to the prize fund. This fundraising scheme had 350 members in 2004.

v. The Great Weather Lottery is a daily lottery based on temperatures in 6 cities including Edinburgh and is operated by Lottery Service Providers Ltd.

	2004	2003
Challenge for Independence	£107,085	£104,579
St Andrew's Appeal	£23,592	£29,515
President's Club	£16,411	£32,283
Independence Covenant	£1,768	£3,700
Great Weather Lottery	£4,190	£3,789

An appeal for the European election campaign raised £87,519 (by contrast, the 2004 Scottish Parliament election appeal raised £179,863).

In addition, the Party conducted three prize raffles in 2004, the annual Spring Draw and St Andrew's Draw plus the national conference raffle to win a new car. Branches could retain 25% of their sales of national conference car raffle tickets and 50% of the Spring and St Andrew's raffles.

	National Income	Local Income	Costs
Spring Draw	£5,992	£5,992	£3,700
Conference Car Raffle	£28,671	£685	£10,081
St Andrew's Draw	£5,603	£5,603	£3,994

Membership

Membership income for 2004 increased year on year by 227% and the number of members increased by 15%.

	2004	2003
Members	10,854	9,450
Membership Income	£177,262	£54,147

Conference

The promotional opportunities at national conference now represent some 9% of the Party's income, with a year on year rise in 2004 of 24%.

	2004	2003
Conference Income	£113,344	£91,296

Legacies

A Will for Independence is the SNP's legacy campaign. Headquarters holds a file of bequest commitments intimating legacies totalling £569,950 from 49 individuals, with a further 50 individuals confirming legacies without a value. In 2004, the Party benefited from four legacies totalling £412,153: -

Mr Alastair Black	£80,234
Mr Malcolm Craig	£30,030
Mrs Meg Fraser	£5,064
Miss Jane Manclark	£296,835

Parliamentary Levy

Annual national conference in September 2003 approved the introduction of a parliamentary levy of £3,000 per annum, which in 2004 generated £37,655.

Save with the SNP

Individual Party members and local organisations continue to deposit money in the form of interest free loans to help offset commercial borrowing and to assist with the Party's cash flow. Although lenders have access to funds at any time, increasingly they are converting balances to make donations to Party appeals or to pay invoices outstanding to Headquarters.

In 2004, members and local organisations converted £29,505 of balances outstanding to donations: -

	2004	2003
Balance (as at 31 Dec)	£457,629	£386,571

SCOTTISH NATIONAL PARTY
STATEMENTS OF NATIONAL TREASURER'S RESPONSIBILITIES

The Political Parties, Elections and Referendums Act 2000 requires the national treasurer of the party to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the party and of the surplus or deficit for that period. In preparing those financial statements, the national 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 party will continue in business.

Section 41 of the Act requires that the national 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 Act. Section 43 of the Act requires that the national treasurer is responsible for delivery of the statement of accounts to The Electoral Commission by the required deadline.

To the National Treasurer of Scottish National Party

We have audited the financial statements of Scottish National Party for the year ended 31 December 2004 which comprise 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 pages 32 to 33.

This report is made solely to the national treasurer of the Scottish National Party 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 national treasurer and auditors

The responsibilities of the national 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 National Treasurer's Responsibilities.

Our responsibility is to audit the financial statements in accordanee with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Overview is not consistent with the financial statements, if the party has not kept proper accounting records or if we have not reeeived all the information and explanations we require for our audit.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Party Officers. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

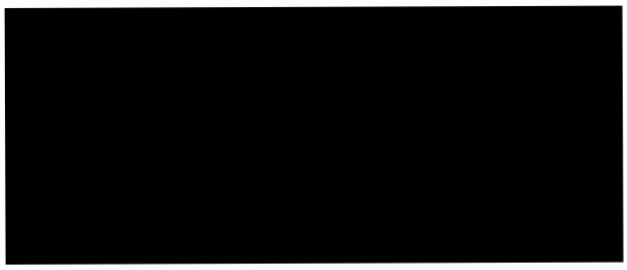
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates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

REPORT OF THE INDEPENDENT AUDITORS (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of the party's affairs as at 31 December 2004 and of its surplus for the year then ended and have been properly prepared in accordance with the accounting policies set out on pages 32 to 33 and the requirements of the Political Parties, Elections and Referendums Act 2000.



George & Company
Chartered Accountants
and Registered Auditors



28th June 2005

SCOTTISH NATIONAL PARTY
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2004

	Notes	2004 £	2004 £
Income:			
Membership		177,262	
Fundraising	3	311,687	
Parliamentary levy		37,655	
Legacies	3	414,163	
Conference		109,536	
National events		19,181	
Campaigns	7	48,757	
Commercial activities		30,057	
Grant income	5	157,477	
Total income			1,305,775
Expenditure:			
Membership		7,538	
Fundraising		50,338	
Conference		73,757	
National events		46,323	
Campaigns		166,134	
Headquarters running costs		145,188	
Legal & professional fees		3,212	
Insurance		6,856	
Term loan interest		1,228	
Audit fees		15,422	
Bank interest		23,826	
Bank charges		12,689	
Leasing		22,648	
Staff	9	397,892	
Depreciation		27,290	
Gain on sale of fixed asset		(1,200)	
			999,141
SURPLUS BEFORE TAX FOR THE YEAR			**£306,634**
Taxation	12		49,323
SURPLUS AFTER TAX FOR THE YEAR			**£257,311**

Note: No "Donated Fixed Assets" were received in the year under review. Comparative figures are shown in Note 1.

SCOTTISH NATIONAL PARTY
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES,
FOR THE YEAR ENDED 31ST DECEMBER 2004

	2004 £	2003 £
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	257,311	(485,890)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	**£257,311**	**£(485,890)**

SCOTTISH NATIONAL PARTY
NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31ST DECEMBER 2004

	Note	2004 £	2003 £
Reported surplus/(deficit) before taxation		306,634	(485,890)
Realisation of property revaluation (losses)/gains of previous years		NIL	NIL
Historical cost surplus/(deficit) before taxation		**306,634**	**(485,890)**
Retained historical costs surplus/(deficit) for the year		**306,634**	**(485,890)**

SCOTTISH NATIONAL PARTY
BALANCE SHEET AT 31ST DECEMBER 2004

	Notes	2004		2003	
		£	£	£	£
FIXED ASSETS:					
Tangible Assets	13		46,421		62,580
CURRENT ASSETS:					
Stocks	14	15,051		8,314	
Debtors	15	38,227		15,101	
Investments		-		173	
Cash at building society and on hand		642		654	
		53,920		24,242	
CREDITORS: AMOUNTS FALLLING DUE WITHIN ONE YEAR:	16	747,263		972,362	
Net current assets (Liabilities)			(693,343)		(948,120)
Total Liabilities less current assets			£(646,922)		£ (885,540)
Creditors: amounts falling due after more than one year	17		(2,171)		(20,864)
			£(649,093)		£(906,404)
RESERVES:	20				
General fund			130,022		130,022
Property fund			101,938		101,938
Willie McRae memorial fund			500		500
Revenue fund			(881,553)		(1,138,864)
Members Deficit			£(649,093)		£(906,404)

The financial statements were approved by the Party Officers on 28th June 2005

[redacted]

Colin Beattie
National Treasurer

SCOTTISH NATIONAL PARTY
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2004

	Notes	2004		2003	
		£	£	£	£
Net cash inflow/(outflow) from operating activities	24		254,795		(381,461)
UK tax received			NIL		NIL
Capital expenditure:					
Payment to acquire tangible fixed assets		(11,131)		(13,532)	
Receipts from sale of tangible fixed asset		1,200		600	
			(9,931)		(12,932)
Financing					
Repayment of bank loans		(10,851)		(10,363)	
Decrease in finance leases		(27,027)		(12,744)	
Increase in other loans		94,891		128,513	
			57,013		105,406
Increase/(Decrease) in cash	25		301,877		(288,987)

1. Comparative income and expenditure account for the year ended 31st December 2004

	2004		2003	
	£	£	£	£
Income:				
Donation income	129,058		228,333	
Membership and subscription fees	169,130		126,147	
Income from fundraising activities	145,655		159,437	
Income from commercial activities	7,740		17,340	
Income from legacies	414,163		99,504	
Grant income	157,477		123,634	
Income from conferences	106,994		91,296	
Investment income	15,717		20,631	
Notional income	4,326		10,145	
Other income	123,739		31,733	
Total income		1,273,999		908,200
Expenditure:				
Cost of fundraising activities	1,710		8,254	
Cost of commercial activities	8,671		7,260	
Notional expenditure	4,326		10,145	
Staff costs	385,216		402,669	
Management and administration costs	168,899		133,639	
Depreciation	27,290		34,438	
Campaign expenditure	121,322		520,965	
Interest payable	31,511		44,915	
Conference expenditure	117,538		120,995	
Other expenditure	100,882		110,810	
		967,365		1,394,090
SURPLUS/(DEFICIT) BEFORE TAX FOR THE YEAR		**£306,634**		**£(485,890)**
Taxation		49,323		-
SURPLUS/(DEFICIT) AFTER TAX FOR THE YEAR		**£257,311**		**£(485,890)**

Note: The income and expense categories for the year ended 31st December 2004 have been reclassified, therefore for completeness and in order to give a true and fair view, comparative figures have been provided here on the same basis as last year.

2. Accounting Policies

The financial statements have been prepared under the historical cost convention, and are 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.
- 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 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 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.

Depreciation

Depreciation is provided on tangible fixed assets at the following annual rates.

Improvements to Leasehold Property	-	20% straight line
Computer Equipment, Fixtures, Fittings and Equipment	-	33 ⅓ % reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value.

2. Accounting Policies (continued)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they have been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation of the relevant assets is charged to the profit and loss account.

Lease payments are treated as consisting between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease

Pension costs

Contributions to the party's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

Impairment of fixed assets

The need for any fixed asset impairment write down is assessed by comparison of the carrying value to the asset against the higher of its realisable value and value in use.

Liquid resources

For the purposes of the cash flow statement, liquid resources are defined as current asset investments and short term deposits.

3. Donations

During the year the Party accepted donations greater than £200 from permissible donors (as defined by Section 54 of the Act) totalling £505,426 (2003 – £157,794) of which £409,633 were reported to the Electoral Commission.

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

4. Commercial Activities

The trading activities of the Party are located, and their income generated worldwide.

5. Grants received

	2004 £	2003 £
Policy development grant	157,477	123,634

6. Investment Income

	2004 £	2003 £
Interest receivable	-	16
Rental income (Management Accommodation)	15,717	20,615
	15,717	20,631

7. Notional income and expenditure

	2004 £	2003 £
Services received (call centre)	4,326	10,145

8. Profit before tax

	2004 £	2003 £
Profit is stated after charging:		
Auditors' remuneration – audit services - main party	13,512	9,987
- audit services – policy dev. grant	852	940
- non audit services	1,058	705
Operating lease charge - property	39,363	39,363
- equipment	-	-
Diminution in value of fixed and current assets investments	173	-
Profit on disposal of fixed asset	1,200	600
Depreciation	27,290	34,438

9. Staff Costs

Staff costs for the above period comprise

	2004 No	2003 No
Officers	8	10
Finance staff	1	1
Admin staff	3	3
Operations	7	8
	19	22

Staff costs for the above persons comprise:

	£	£
Wages and Salaries	329,518	341,656
Social security costs	27,749	31,785
Other pension costs	27,949	29,228
	385,216	402,669

10. Staff Remuneration

The number of staff whose total emoluments paid or receivable was over £50,000 was nil.

No staff members received any additional benefit either paid or in kind during the period 2004.

The Nominating and Campaigns Officers posts are not currently salaried.

11. Interest payable and similar charges

	2004 £	2003 £
Bank overdraft	23,181	36,216
Bank loan	1,228	1,717
Finance leases	7,102	6,982
	31,511	44,915

12. Taxation

No liability to UK corporation tax arose on ordinary activities for the year ended 31st December 2004. However, a reserve of £49,323 has been made to reflect the estimated maximum tax payable on 1st October 2005 due to a substantial gain made on share sales.

13. Tangible assets

	Leasehold Improvements	Computer & Equipment	Total
	£	£	£
COST			
As at 1st January 2004	39,655	131,110	170,765
Additions	-	11,131	11,131
At 31st December 2004	39,655	142,241	181,896
DEPRECIATION			
At 1st January 2004	18,381	89,804	108,185
Charge for the Year	7,931	19,359	27,290
At 31st December 2004	26,312	109,163	135,475
NET BOOK VALUE			
As at 31st December 2004	13,343	33,078	46,421
As at 31st December 2003	21,274	41,306	62,580

The net book value of tangible fixed assets includes an amount of £20,118 in respect of assets held under finance leases. The related depreciation charge for the period was £10,058.

14. Stocks

	2004	2003
	£	£
Promotional Materials	15,051	8,314

There is no material difference between the replacement cost of stocks and the amount stated above.

15. Debtors

	2004	2003
	£	£
Trade debtors	20,979	3,591
Other debtors	17,248	11,510
	£38,227	£15,101

16. Creditors: amonnts falling due within one year

	2004 £	2003 £
Bank loan and overdraft	179,107	481,169
Loans from accounting units	75,703	69,137
Other Loans	370,785	282,460
Trade Creditors	37,827	92,238
Taxation and social security	10,803	8,336
Corporation tax	49,323	-
Obligations under finance leases	9,145	28,330
Accruals	14,570	10,692
	£747,263	£972,362

17. Creditors: amounts falling due after more than one year

	2004 £	2003 £
Bank loan	1,420	12,271
Obligations under finance leases	751	8,593
	2,171	20,864

18. Contingent Liabilities

Due to the restructuring of its membership policy the Party intends to refund 25% of all membership monies raised by branches. However recent evidence suggests that many branches are as likely to use their balances to purchase services or to grant a loan to the party, as to accept the refund therefore the liability has not been recognised in the balance sheet. If the full liability were to materialise the figure at the balance sheet date would be £22,766.

19. Seeured debts

The Royal Bank of Scotland hold a guarantee dated 16th October 2003 for £190,000 from Mr James Mather.

20. Reserves

During the year under review, there was only a movement in the Revenue fund.

21. Reconeiliation of movements in party funds

	2004 £	2003 £
Surplus/(Deficit) for the year	257,311	(485,890)
Opening reserves	(906,404)	(420,514)
Closing reserves	(649,093)	(906,404)

22. Capital commitments

	2004	2003
	£	£
Contracted but not provided for	NIL	NIL

23. Commitments under operating leases

As at 31 December 2004, the party had annual commitments under non-cancellable operating leases as set out below:

	2004		2003	
	Land and Buildings	Other	Land and Buildings	Other
	£	£	£	£
Operating leases which expire:				
Within one year	32,802	-	-	-
In two to five years	-	7,990	39,363	-
Over five years	-	-	-	-

24. Net cash outflow from operating surplus/deficit before tax, returns on investment and servicing of finance

	2004	2003
	£	£
Operating surplus/deficit before taxation	306,634	(485,890)
Depreciation	27,290	34,438
Decrease in Stocks	(6,737)	7,407
Decrease in Debtors	(23,126)	370
Increase in Creditors	(48,066)	62,814
Profit on disposal of asset	(1,200)	(600)
Net cash inflow/(outflow) from surplus/(deficit)	254,795	(381,461)

25. Reconciliation of net cash outflow to movement in net debt

	2004		2003	
	£	£	£	£
Increase (decrease) in cash in the year	301,877		(288,987)	
Cash outflow/(inflow) from (decrease)/increase in debt and lease financing	(57,013)		(91,874)	
Change in net debt resulting from cash flows		244,864		(380,861)
New finance leases		NIL		(13,532)
Other loans waived and written off		NIL		NIL
Movement in net debt in the year		244,864		(394,393)
Opening net debt		(881,133)		(486,740)
Closing net debt		(636,269)		(881,133)

26. Analysis of net debt

	At 1 January 2004 £	Cash flow £	Other non-cash changes £	At 31 December 2004 £
Cash	90	-	-	90
Short term deposits	564	(12)	-	552
	654	(12)	-	642
Bank overdraft	(469,089)	302,062	-	(167,027)
Bank loans	(24,351)	10,851	-	(13,500)
Loans from accounting units	(69,137)	(6,566)	-	(75,703)
Other loans	(282,460)	(88,325)	-	(370,785)
Finance leases	(36,923)	27,027	-	(9,896)
Current asset investments	173	-	(173)	-
	(881,787)	245,049	(173)	(636,911)
Total	(881,133)	245,037	(173)	(636,269)

27. Related party transactions

	£
a) Loans from affiliated accounting units	
Loans payable at 1st January 2004	69,137
Movement (net) in year	6,566
Loans payable at 31st December 2004	75,703
b) Loans from Members	
Loans payable at 1st January 2004	282,460
Movement (net) in year	88,325
Loans payable at 31st December 2004	370,785

SNP
www.snp.org

Scottish National Party Annual Report 05/06

Financial Statements 2005

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Party Officers

Registered Officers under the PPERA: -

Leader:	Mr Alex Salmond MP
Nominating Officer:	Mr Peter Murrell
Treasurer:	Mr Colin Beattie

Party Headquarters

107 McDonald Road, Edinburgh EH7 4NW

Auditors

George & Co. - Chartered Accountants & Registered Auditors - [redacted]

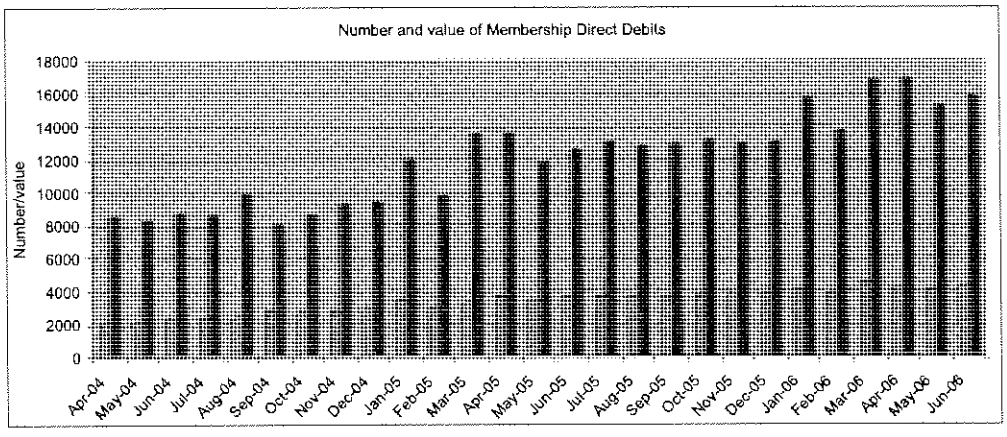
1. Administrative Information

Membership

Since January 2004, SNP branches have been relieved of the onerous and expensive task of collecting subscriptions and paying branch dues to Headquarters. The new system, administered from SNP headquarters, has moved away from fixed subscription fees to regular giving based on an individual member's ability to pay.

Membership income for 2005 increased year on year by 15.6% and the number of members increased by 1.3% to 10,995.

Table 1 - The total number and value per month of direct debits for SNP membership subscriptions.

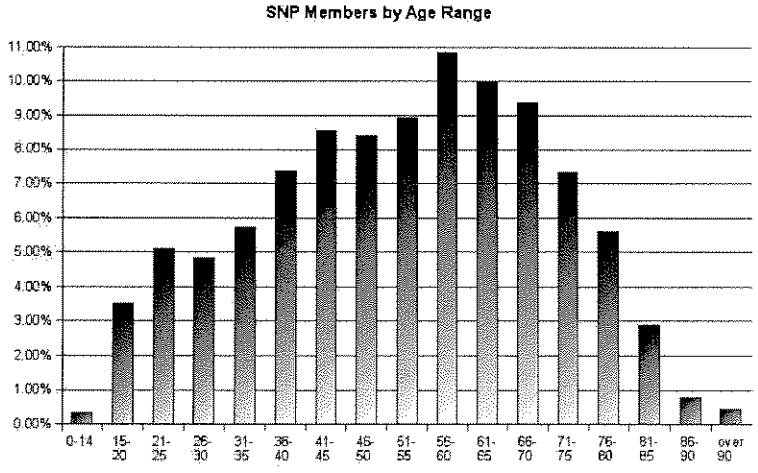


Further analysis of SNP members reveals the following key statistics: -

- 51.5% of members pay subscriptions by direct debit (43.7% in 2004).
- The average annual membership payment by direct debit payer is £44.79 (£38.71 in 2004). Table 1 details the number and value per month of direct debits for membership subscriptions.
- The average age of a member is 52.5 years (55.3 in 2004). Table 2 details the percentage of members by their age range.
- 28.9% of members pay an unwaged subscription.
- In August 2005, Life Member options were introduced to recruitment materials. At 31 December 2005, the Party had 42 Life Members.
- 3.5% of members continue to make payment to their local branch.

Activity over 2006 will focus on consolidating progress in membership administration.

Table 2 - The percentage of SNP members by age range.



Accounting Units

The Scottish National Party has 317 accounting units separate from its central organisation in order to provide for each constituent organisation to be responsible for its own financial affairs.

Table 3 – Constituent organisations of the Scottish National Party.

	2005	2004	2003
Constituency Associations	51	54	53
Constituency Branches	19	17	18
Westminster Liaison Committees	34	34	-
Branches	209	229	207
Sub Branches	-	-	17
Affiliated Organisations	4	4	4

The Scottish National Party constitution also provides for the establishment of Members' Associations. The following such bodies have been established to date: -

i. SNP members of the Scottish Parliament
ii. SNP members of the United Kingdom Parliament
iii. SNP members of the European Parliament
iv. SNP Women's Forum

(i) Branches

The Scottish National Party is made up of 228 local branches. A branch generally covers a number of council wards and has responsibility for selecting candidates for these wards for local authority elections. Each branch has its own constitution and office bearers who are elected at the annual general meeting. Branches receive 25% of subscriptions paid by each of their members. Branches are entitled to delegates to constituency associations (where

applicable), other local associations in existence, national council and national conference. The number of delegates is dependent on the number of members each branch has.

(ii) Constituencies

The Party is organised around the Scottish Parliament constituency boundaries and so, for each Scottish Parliament constituency, there exists an SNP constituency association or branch. A constituency association is made up of more than one branch within the boundary. Where this is the case the branch may pay "dues" to the association and will be entitled to delegates to this body. Where there is one branch within the boundary, it is known as a constituency branch. Constituency branches and associations have the same office bearers as branches. Constituency branches have delegate entitlement to local associations, national council and national conference. The number of delegates is dependent on the number of members each constituency has.

(iii) Liaison Committees

A number of liaison committees are responsible for the strategic direction and operational co-ordination of branches in respect of election campaigning for either or both of local government and parliamentary elections, other than for election to Scottish Parliament constituencies.

These are: -

(a) Westminster Liaison Committees

In 2003 the Boundary Commission for Scotland changed the constituency boundaries for the 2005 Westminster election. The SNP decided to retain Scottish Parliament constituency boundaries and to set up temporary liaison committees to tackle the Westminster election. The liaison committees are made up of delegates from each constituency branch or association within the boundary. The number of delegates from each is dependent on how much of the constituency comes within the boundary. The committees elect the same office bearers as branches but are not entitled to delegate entitlement to other bodies. They exist only in the run up to and duration of a Westminster election.

(b) Regional Liaison Committees

Regional liaison committees cover a Scottish Parliament electoral region of which there are eight. The role of the liaison committee is to co-ordinate the regional campaign for the list vote. MSPs are accountable to the regional liaison committees which are made up of delegates from each branch and constituency within the region. Each regional liaison committee has its own constitution and can decide to levy member branches and constituency associations.

(c) Council Liaison Committees

Council liaison committees act as a forum for local government matters within a Scottish local authority area of which there are 32. The liaison committee is responsible for: establishing a candidate assessment committee; ensuring that respective rules on candidate selection procedures are adhered to at all times; co-

ordinating the Party's electoral activities for the elections in their area; and producing a manifesto for the 2007 elections.

(v) Affiliated organisations

These are autonomous groups representing particular interests. Each group has representation at National Executive Committee (NEC) level and has delegate status at national conference and national council.

The affiliated organisations are: -

(a) Association of Nationalist Councillors (ANC)

Every SNP member who is a member of the SNP group of a Scottish local authority is a member of the Association of Nationalist Councillors. The aim of the ANC is to act as a forum for SNP councillors to exchange best practice across council groups; put forward a collective view on council issues to SNP national bodies; and coordinate the work of SNP councillors in achieving the Party's aims. The ANC has a representative on the NEC.

(b) The Trade Union Group (TUG)

The Trade Union Group has a dual role - to promote the role of trade unions within the SNP and to promote the aims and objectives of the SNP within the wider trade union movement. They have, for example, campaigned against the political levy (to the Labour Party) on trade union members. The TUG has one NEC representative.

(c) Young Scots for Independence (YSI)

The YSI is the official youth wing of the Scottish National Party. It started in the 1980s and membership is open to all between the ages of 14 years and 29 years, and focuses its activity on issues affecting young people. The YSI shares representation to the NEC with the Federation of Student Nationalists which enables it to play a constructive role in the formulation of SNP policy.

(d) The Federation of Student Nationalists (FSN)

The FSN is the student wing of the SNP, which is active in most colleges and universities throughout Scotland. The FSN has become a major political force in Scotland's further and higher education institutions, at the forefront of resistance to attacks on Scottish education from successive British governments. Like the YSI, it tends to attract younger people and acts as a vehicle for bringing young people into politics. The FSN shares representation to the NEC with the YSI. Membership of the FSN is open to anyone in full or part time education.

National Assembly

National assembly is the forum for the development of policy within the Party. Policy is debated and discussed before being presented to the party for approval at national council or national conference. National assembly also provides the opportunity to invite speakers from outwith the Party to address members on important issues of special interest. Any

member of the Party is entitled to attend national assembly which is held as and when required.

Table 4 - Meetings of SNP National Assembly.

Dates	Venue	Event
2006		
4 Jun	Salutation Hotel, Perth	National Assembly
3 Dec	Dewar's Centre, Perth	National Assembly
2007		
3 Jun	Dewar's Centre, Perth	National Assembly
2 Dec	Dewar's Centre, Perth	National Assembly

National Council

National Council is the governing body of the Party between conferences and meets at least twice a year. In addition to hearing reports from national office bearers, Council also has the power to make policy. Council is made up of delegates from branches, constituency associations, the NEC, representatives of parliamentary groups and affiliated organisations, and fifteen members elected by national conference. The fifteen elected members of national council for 2005/2006 are: Cllr David Berry, Ms Aileen Campbell, Mr Tom Chalmers, Ms Roseanna Cunningham MSP, Ms Lynne Devine, Mr Andy Doig, Mr Gerry Fisher, Mr Jahangir Hanif, Ms Susan Love, Prof Neil MacCormick, Mr Lachie McNeill, Mr Stewart Stevenson MSP, Cllr Jean Urquhart, Mrs Maire Whitehead, and Mr Billy Wolfe.

Table 5 - Meetings of SNP National Council.

Dates	Venue	Event
2005		
26 Jun	Golden Lion Hotel Stirling	National Council
4 Dec	Salutation Hotel Perth	National Council
2006		
3 Mar	Station Hotel, Perth	National Council
3 Jun	Station Hotel, Perth	National Council
2 Dec	Dewar's Centre, Perth	National Council
2007		
2 Jun	Dewar's Centre, Perth	National Council
1 Dec	Dewar's Centre, Perth	National Council

National Conference

National conference is the supreme ruling body of the SNP and, as well as making policy, elects the Party's national office bearers and national executive committee. Conference is attended by more than 1,000 delegates, observers, diplomats, and media along with the SNP Members of the Scottish Parliament, European Parliament, Westminster Parliament and local councillors. Conference is a delegate body, mainly comprising representatives from local organisations, as well as affiliated organisations, elected members and politicians. Delegates to conference decide the SNP's policy and direction, hold the leadership to account and elect the leadership and membership of a number of committees, including the national executive committee, appeals committee and

disciplinary committee, Any member of the Party may attend conference but only delegates can speak and vote.

Table 6 – Meetings of SNP Conference.

Dates	Venue	Event
2005		
12-13 Mar	Apex City Quay Hotel Dundee	Campaign Conference
21-24 Sep	Aviemore Highland Resort	National Conference
2006		
8-9 Apr	Apex City Quay Hotel Dundee	Spring Conference
11-14 Oct	Perth Concert Hall	National Conference

National Executive Committee (NEC)

The SNP's leadership is invested in its national executive committee which is made up of the Party's elected office bearers, elected members and representatives of affiliated organisations. The NEC meets monthly and is charged with devising the SNP's national political strategy to help to deliver the Party's aims, as well as overseeing the organisation and administration of the Party. NEC members report to national council and annual national conference and are open to question by delegates. Members of NEC are elected by annual national conference.

The members of the national executive committee 2005/2006 are: -

Leader	Mr Alex Salmond MP
Depute Leader	Ms Nicola Sturgeon MSP
Business Convener	Mr Bruce Crawford MSP
President	Ian Hudghton MEP
National Secretary	Dr Alasdair Allan[1]
Organisation Convener	Cllr Willie Sawers
National Treasurer	Mr Colin Beattie
Ordinary members of NEC	Cllr Bashir Ahmad
	Ms Annabelle Ewing
	Mr Gareth Finn
	Ms Christine Grahame MSP
	Mr Douglas Henderson
	Ms Fiona Hyslop MSP
	Mrs Allison Hunter
	Cllr Kevin Stewart
Scottish Parliament Group representative	Appointed as Business Convener
Westminster Parliament Group representative	Mr Pete Wishart MP
European Parliament Group representative	Mr Ian Hudghton MEP
Association of Nationalist Councillors representative	Cllr Nigel Don
FSN/YSI representative	Mr Willie Henderson
Trade Union Group representative	Mr Malcolm Balfour

The business convener is appointed from within the membership of the NEC. In addition, the election committee and election committee appeals body, which deal with approval of

[1] Replaced by Dr Duncan Ross on 3 June 2006.

Parliamentary candidates, are also appointed. The NEC also appoints from within its ranks, four members of the standing orders and agenda committee, which is chaired by the national secretary and is responsible for the agenda for national conference and national council.

Elected representatives

There are four elected bodies for which the Scottish National Party fields candidates. They are local authorities, Scottish Parliament, Westminster Parliament and European Parliament.

As at 30 June 2006, the SNP representation at each is as follows: -

- 25 Members of the Scottish Parliament
- 6 Members of Parliament
- 2 Members of the European Parliament
- 181 councillors in 26 of the 32 Scottish councils

(i) Scottish Parliament

The Scottish Parliament group consists of twenty-five SNP MSPs: -

Mr Brian Adam MSP
Mr Bruce Crawford MSP
Ms Roseanna Cunningham MSP
Mr Fergus Ewing MSP
Ms Linda Fabiani MSP
Mr Rob Gibson MSP
Ms Christine Grahame MSP
Ms Fiona Hyslop MSP
Mr Adam Ingram MSP
Mr Richard Lochhead MSP
Mr Kenny MacAskill MSP
Mrs Tricia Marwick MSP
Mr Jim Mather MSP
Mr Michael Matheson MSP
Mr Stewart Maxwell MSP
Mr Bruce McFee MSP
Mr Alasdair Morgan MSP
Mr Alex Neil MSP
Ms Shona Robison MSP
Mr Stewart Stevenson MSP
Ms Nicola Sturgeon MSP
Mr John Swinney MSP
Ms Maureen Watt MSP
Mr Andrew Welsh MSP
Mrs Sandra White MSP

(ii) House of Commons

The Westminster Parliament group consists of six SNP MPs elected at the 2005 general election: -

Mr Stewart Hosie MP
Mr Angus MacNeil MP
Mr Angus Robertson MP
Mr Alex Salmond MP
Mr Mike Weir MP
Mr Pete Wishart MP

(iii) European Parliament

The European Parliament group consists of two MEPs, part of the Greens-European Free Alliance Group in the European Parliament, elected at the 2004 European election: -

Mr Ian Hudghton MEP
Mr Alyn Smith MEP

(iv) Scottish local authorities

The Scottish National Party has 181 councillors in 26 councils across Scotland. SNP councillors hold the administration of Angus Council, lead the administration of Falkirk Council, and share the administration of Perth & Kinross Council.

As at 30 June 2006, the list of SNP councillors by council are as follows: -

Aberdeen City Council	Cllr Alan Gowers
	Cllr Muriel Jaffrey
	Cllr James Kiddie
	Cllr Andrew May
	Cllr Karen Shirron
	Cllr Kevin Stewart
Aberdeenshire Council	Cllr Kenneth Benzie
	Cllr Mitchell Burnett
	Cllr Alan Cameron
	Cllr James Davidson
	Cllr Anne Fowler
	Cllr Jeanette McKee
	Cllr Stuart Pratt
	Cllr Andrew Ritchie
	Cllr Agnes Strachan
	Cllr Joanna Strathdee
	Cllr Ian Tait
	Cllr Stanley Tennant
	Cllr Norma Thomson
	Cllr Brian Topping
	Cllr James Towers
Angus Council	Cllr Ian Angus
	Cllr Frank Ellis
	Cllr Iain Gaul
	Cllr John Gibb

	Cllr John Henderson
	Cllr Alexander King
	Cllr Stewart McGlynn
	Cllr Glennis Middleton
	Cllr William Middleton
	Cllr Joy Mowatt
	Cllr Robert Murray
	Cllr Helen Oswald
	Cllr Kathleen Ritchie
	Cllr William Roberton
	Cllr Ron Scrimgeour
	Cllr David Selfridge
	Cllr Sheena Welsh
Argyll & Bute Council	Cllr Donald McIntosh
	Cllr Robert MacIntyre
	Cllr Isobel Strong
Clackmannanshire Council	Cllr Donald Balsillie
	Cllr Keith Brown
	Cllr William Douglas
	Cllr Walter McAdam
	Cllr Helen McGregor
	Cllr Janis Paterson
Comhairle nan Eilean Siar	Cllr Annie Macdonald
	Cllr Donald Manford
	Cllr Angus Nicolson
Dumfries & Galloway Council	Cllr Kathleen Davidson
	Cllr Alistair Geddes
	Cllr Robert Higgins
	Cllr William Little
	Cllr Fred Murray
Dundee City Council	Cllr James Barrie
	Cllr Rikki Beattie
	Cllr John Corrigan
	Cllr William Dawson
	Cllr Andrew Dawson (Snr)
	Cllr Nigel Don
	Cllr Robert Duncan
	Cllr Joe Fitzpatrick
	Cllr Elizabeth Fordyce
	Cllr Christina Roberts
	Cllr Willie Sawers
East Ayrshire Council	Cllr John Campbell
	Cllr Helen Coffey
	Cllr William Coffey
	Cllr Iain Linton

	Cllr Robert McDill
	Cllr Douglas Reid
	Cllr John Weir
	Cllr Harry Wilson
East Lothian Council	Cllr David Berry
City of Edinburgh Council	Cllr Stephen Cardownie
Falkirk Council	Cllr David Alexander
	Cllr David Bryson
	Cllr Thomas Coleman
	Cllr John Constable
	Cllr Henry Constable
	Cllr Elizabeth Eaglesham
	Cllr Andrew Graham
	Cllr Lynda Kenna
	Cllr Angus MacDonald
	Cllr John McNally
	Cllr Diane Williamson
Fife Council	Cllr David Alexander
	Cllr David Cunningham
	Cllr Peter Grant
	Cllr Fiona Grant
	Cllr George Kay
	Cllr George Leslie
	Cllr Alice McGarry
	Cllr Alf Patey
	Cllr Albert Ritchie
	Cllr Bryan Thacker
	Cllr David Torrance
	Cllr Michael Woods
City of Glasgow Council	Cllr Bashir Ahmad
	Cllr Iris Gibson
	Cllr William McAllister
	Cllr John Mason
Highland Council	Cllr Andrew Anderson
	Cllr Elizabeth MacDonald
	Cllr Gillian McCreath
	Cllr Margaret Paterson
	Cllr Jean Urquhart
	Cllr Robert Wynd
Midlothian Council	Cllr Owen Thompson
Moray Council	Cllr Pearl Paul
	Cllr Joyce Stewart
	Cllr Robert Burns

North Ayrshire Council	Cllr Alan Hill Cllr Robert Rae Cllr Nan Wallace
North Lanarkshire Council	Cllr Campbell Cameron Cllr William Carmichael Cllr Sophia Coyle Cllr Elizabeth Gemmell Cllr William Goldie Cllr William Homer Cllr Elizabeth Irvine Cllr Tom Johnston Cllr Richard Lyle Cllr Neil McCallum Cllr David Stocks Cllr Alan Valentine
Perth & Kinross Council	Cllr Alistair Barr Cllr John Coburn Cllr John Culliven Cllr Robert Ellis Cllr Alan Grant Cllr Elizabeth Grant Cllr Eleanor Howie Cllr John Hulbert Cllr Gordon Hunter Cllr Robert Lumsden Cllr Kenneth Lyall Cllr Ian Miller Cllr Peter Mulheron Cllr David Scott Cllr Alan Telfer
Renfrewshire Council	Cllr Lorraine Cameron Cllr Brian Lawson Cllr Celia Lawson Cllr Derek Mackay Cllr Bill Martin Cllr William McGuinness Cllr Jim Mitchell Cllr David Mylet Cllr Iain Nicolson Cllr Fiona Nicolson Cllr Alastair Nimmo Cllr Allan Noon Cllr Carol Puthucheary Cllr Ian Taylor
Scottish Borders Council	Cllr William Herd Cllr John Mitchell

South Lanarkshire Council	Cllr Archie Buchanan Cllr Bev Gauld Cllr Ian Gray Cllr Graeme Horne Cllr Anne Maggs Cllr Archibald Manson Cllr David Shearer Cllr James Wardhaugh Cllr David Watson
Stirling Council	Cllr Scott Farmer
West Dunbartonshire Council	Cllr Margaret McGregor Cllr Craig McLaughlin Cllr Iain Robertson
West Lothian Council	Cllr Frank Anderson Cllr Angela Constance Cllr Martyn Day Cllr James Dickson Cllr Audrey Gordon Cllr Peter Johnston Cllr Edward Malcolm Cllr Andrew Miller Cllr James Sibbald Cllr Thomas Smith Cllr James Walker

Shadow Cabinet

The SNP shadow cabinet meets monthly to discuss strategy and future policy requirements. The portfolios within the shadow cabinet are chosen by the Party leader.

The members of the Shadow Cabinet 2005/2006 are: -

Leader & Westminster Group Leader	Mr Alex Salmond MP
Depute Leader & Scottish Parliament Group Leader	Ms Nicola Sturgeon MSP
Party Business Convener	Mr Bruce Crawford MSP
Scottish Parliament Business Manager & Chief Whip	Mr Alasdair Morgan MSP
Party President	Mr Ian Hudghton MEP
Environment, Rural Affairs, Energy & Fisheries	Mr Richard Lochhead MSP
Justice	Mr Kenny MacAskill MSP
Enterprise	Mr Jim Mather MSP
Economy	Mr Stewart Hosie
Education & Lifelong Learning	Ms Fiona Hyslop
Tourism, Transport & Telecomms	Mr Fergus Ewing MSP
Health & Community Care	Ms Shona Robison MSP
Finance & Public Services	Mr John Swinney MSP
Social Justice	Ms Christine Grahame MSP
Culture & Sport	Mr Michael Matheson MSP

Housing	Mrs Tricia Marwick MSP
Defence & International Relations	Mr Angus Robertson MP
Work & Pensions	Mr Mike Weir MP
Europe	Mr Alyn Smith MEP
Local Government	Cllr David Alexander

SNP staff

The Scottish National Party is served by 11 staff based at its headquarters. There are 9 further staff based at the national call centre in Glasgow. Staff are split into five interdependent teams reporting to the chief executive. The Party chief executive, Peter Murrell, is accountable to the NEC and is responsible for the day to day running of SNP activities and projects.

The mission of headquarters is to assist SNP progress towards government in Scotland, grow Party membership and support the consistent improvement in the total of elected representation. This mission is backed by four strategic objectives –

i. Winning Party - help local candidates and organisations win more seats.
ii. Membership growth – encourage more people to join.
iii. Membership development - help members gain the knowledge and skills they need to promote our aims.
iv. The best team - support and develop local organisations to focus on bridging good practice with local practice.

As at 30 June 2006, Party staffing is as follows: -

	Chief Executive	Mr Peter Murrell
	PA to Chief Executive	Ms Claire Bennett
	Clerk	Mr Ian McCann
Campaigns	Campaign Services Manager	Mrs Lorraine Reid
	Activate Project Manager	Mrs Clare Adamson
	Activate Data Analyst	Mrs Aileen McLaughlin
	Activate Lead Developer	Mr David Donachie
	National Call Centre Supervisor	Mr Scot MacQueen
	Call Centre Operator	Ms Lauren Campbell
	Call Centre Operator	Mr Mathew Cowan
	Call Centre Operator	Ms Amanda Hyndman
	Call Centre Operator	Mr Thomas McCluskey
	Call Centre Operator	Mr David Nimmo
	Call Centre Operator	Ms Natalie Nimmo
	Call Centre Operator	Ms Mandy Todd
	Call Centre Operator	Mr James Tudor
Operations	Fundraiser	Mr Jim Henderson
	Head of Member Services	Ms Trudi Logan
	Member Advisor	Mrs Beverley Murray
Policy	Policy & Information Officer	Ms Mhairi Hunter

2. Review of political activities

The year has been dominated by parliamentary and local government by-elections, and preparations for the 2007 Scottish Parliament and council elections.

Two separate parliamentary by-elections were held in Livingston and Cathcart on 29th September 2005. The Livingston contest was caused by the death of Labour MP Robin Cook. Local councillor Angela Constance was the SNP candidate and increased the SNP share of the vote by over 11%. The Cathcart by-election was caused by the imprisonment of disgraced Labour MSP Mike Watson. The SNP candidate was local retired headmistress Maire Whitehead, who achieved a swing of almost 4% to the SNP. The SNP was the only party to see its vote rise in both by-elections.

September also saw the publication of a secret Whitehall dossier from 1974 – the McCrone report. Written by Professor Gavin McCrone, the report was classified as secret until SNP researchers unearthed it using the Freedom of Information Act. It provides clear evidence that Westminster knew the discovery of North Sea oil made the economic case for Scottish independence very strong but concealed that information from the Scottish people and instead engaged in a campaign to discredit the SNP.

In the same month delegates gathered for the SNP's 71st Annual Conference in Aviemore, to debate a range of policy proposals, from education and the economy to the House of Lords. Delegates also elected Ian Hudghton MEP as party president, following the retirement of Dr Winnie Ewing.

St Andrews Day saw the launch of the cross-party Independence Convention in Edinburgh. The launch event was addressed by SNP leader Alex Salmond and the leaders of the Scottish Socialist Party and Scottish Greens, along with representatives from civic Scotland including actress Elaine C Smith. To coincide with the occasion, the SNP issued a consultation paper on Scottish Independence – 'Raising the Standard – which is the most detailed blueprint for the transition from devolution to Independence ever published.

2006 commenced with the sad news that Rachel Squires, Labour MP for Dunfermline & West Fife, had passed away. This heralded another parliamentary by-election, which was held on the 9th February. The SNP candidate was local activist Douglas Chapman, who increased the party's share of the vote, while Labour lost the seat and saw their share of the vote plummet by almost 17%.

Labour's reputation took another battering shortly afterwards, when SNP MP Angus MacNeil asked the police to investigate a possible breach of the 1925 Honours (Prevention of Abuses) Act. The Act carries a penalty of up to 2 years in prison for anybody found guilty of trading peerages. Angus' complaint sparked a large scale investigation and, at the time of writing, the police had seized over a thousand Whitehall files in the course of their enquiries and were preparing to make a preliminary submission to the Crown Prosecution Service.

In March, the Scottish political community was shocked and saddened by the untimely death of SNP MSP Margaret Ewing after a long battle against ill health, aged just 60. Margaret had first entered Parliament in 1974, when she was elected MP for East Dunbartonshire. She went on to represent the Moray area at both Westminster and Holyrood for almost two decades and was a renowned local campaigner, as well as an

outstanding parliamentarian. Her loss was mourned across the political spectrum as politicians from all parties and constituents paid tribute to her dedication to the people of Moray and to Scotland.

The ensuing by-election took place on 27th April 2006. The SNP candidate was Richard Lochhead, who resigned as a list MSP for the North East of Scotland in order to contest it. The result was a resounding success for the SNP, with Richard increasing the SNP majority to 6,385.

The by-election coincided with the SNP's 2006 Spring Conference, in Dundee, and with the publication of new YouGov Scottish opinion poll showing a clear majority in favour of Independence. The poll also showed that Alex Salmond is the preferred candidate for First Minister and that a huge majority – 82% - support a referendum as the right way to decide whether Scotland becomes independent.

The party also published a draft referendum bill in April and launched two major consultation documents outlining key policies for the 2007 elections. 'Let Scotland Flourish' sets out the SNP's plans to increase economic growth and is the only detailed economic policy for Scotland published by a major political party. The second document is called 'What could the future bring?' and is the SNP's premanifesto for the 2007 Scottish Parliament elections. This document has been sent to every party member and around 5000 civic and community organisations throughout Scotland. A third major consultation exercise had taken place earlier in the year with the launch of a Scottish Energy Review, chaired by Professor Stephen Salter, to consider Scotland's future energy options. All consultation documents can be downloaded from the SNP website: http://www.snp.org/policies/consultations/

In May SNP councillors and council candidates gathered for a seminar to consider key SNP policies for local government, as well as campaigning under STV and the prospects of entering into administrations. Local government candidates have good cause to feel optimistic about their chances. At the time of writing the SNP has won 9 out of the past 19 council by-elections, including many in areas which were previously considered to be Labour strongholds.

In June the SNP published the names of SNP candidates for the regional lists in the 2007 Scottish Parliament elections, to be ranked in order by a ballot of SNP members in each area. SNP parliamentary candidates also have good cause to be optimistic about their chances. The cumulative total vote of all by-elections held in Scotland since the 2005 elections shows a swing of over 9 per cent to the SNP, which puts the party on course to win 20 additional constituency MSPs and replace the Labour/Lib Dem administration in Holyrood at the next election. The focus for the coming year will be to ensure that this is what happens on 3rd May 2007.

3. Corporate Governance

National Executive Committee

The National Executive Committee (NEC) meets monthly and is the body which has responsibility for the strategic management and political direction of the Party; ensuring the decisions of national conference and national council are implemented; oversight and interpretation of policy between meetings of national conference and national council; coordinating and monitoring the work of all national office bearers elected by national conference; organising and directing national campaigns; employment and direction of staff; ownership of the Party's assets and management of the Party's financial affairs; any other matters expressly delegated to it by national council or national conference.

The NEC has full control over all monies, funds, property, investments and securities of whatever kind and description belonging to the Party.

The NEC has the power to borrow money on behalf of the Party, and to continue existing borrowing, where it is necessary to do so in order to finance the Party's activities.

The Party's financial scheme sets out how the Party will regulate its financial affairs for the purpose of compliance with current legislation. The financial affairs of all bodies mentioned in the Party's constitution must comply with the financial scheme.

No body within the Party shall enter into commercial borrowing unless prior agreement has been reached with the national treasurer. If a body within the Party goes out of existence or is dissolved, all assets, at the option of the national treasurer, shall become property of the Party.

Members of NEC are elected by annual national conference.

Political Parties, Elections and Referendums Act 2000

The Scottish National Party has a compliance team of three staff who review the adequacy of the internal control system in meeting the Party's requirements under PPERA. The compliance team report to the national treasurer.

Control environment and control activities

The Party is committed to ensuring that a proper control environment is maintained. Above all, there is a commitment to competence and integrity, together with the communication of clear objectives to all accounting units. These are underpinned by a human resources policy that develops quality with integrity.

The organisational structure of the Party has been developed to delegate authority with accountability to ensure that control and consistency are maintained, having regard to an acceptable level of risk. The national treasurer and Party officers report on the control environment on a regular basis to the NEC.

From 1 July 2004, the performance of each accounting unit will be reviewed regularly and must comply with organisation performance and development rules.

4. Financial Review

The 2005 general election brought the SNP new seats and renewed strength. It was also the first election campaign in over a decade funded without increasing the Party's commercial borrowing. Over the second half of the year, the Party also honoured commitments to repay short term debt incurred. The net deficit over 2005 of £101,421 should be viewed against these achievements.

Table 7 – SNP financial summary.

	2005	2004
Donations	44%	49%
Membership	18%	13%
Events	10%	10%
Legacies	2%	9%

One further noteworthy achievement is the reduction in the Party's overdraft. In June 2003, it stood at £650,000. By June 2006, it had been reduced to £50,000.

The challenge of achieving a positive cash flow situation has been met. The challenge now is to raise even more funds to enable the Party to build upon its electoral progress and compete on a more equal financial footing with the London political parties.

In 2006, the SNP will increasingly focus on building the Party's core income activities of fundraising, membership and events.

Fundraising

Fundraising income in 2005 continued to be almost exclusively from donations from members and supporters. The SNP operates five core fundraising schemes: -

i. Challenge for Independence is the SNP's regular giving scheme whereby members may donate monthly by direct debit, standing order or cash. All money raised is ring-fenced for campaigning. This fundraising scheme had 558 members in 2005 (591 in 2004), generating nearly 10% of the Party's total income from 5% of its members.

ii. The St Andrew's Appeal is sent to all members in the run up to Scotland's national day on 30 November.

iii. The President's Club (formerly the National Convener's Club) seeks donations in of at least £20 per month and directs funds towards providing staffing resources and headquarters facilities. This fundraising scheme had 72 members in 2005 (66 in 2004).

iv. Independence Covenant works like a national 50/50 club in that half the profit from it goes to the Party and half goes to the prize fund. This fundraising scheme had 341 members in 2005 (591 in 2004).

v. The Great Weather Lottery is a daily lottery based on temperatures in 6 cities including Edinburgh and is operated by Lottery Service Providers Ltd.

	2005	2004	2003
Challenge for Independence	£103,094	£107,085	£104,579
St Andrew's Appeal	£17,821	£23,592	£29,515
President's Club	£19,282	£16,411	£32,283
Independence Covenant	£3,361	£1,768	£3,700
Great Weather Lottery	£4,042	£4,190	£3,789

An appeal for the Westminster election campaign raised £103,250 (by contrast, the European election appeal raised £87,519 and the 2003 Scottish Parliament election appeal raised £179,863).

An appeal for the Livingston and Glasgow Cathcart by-elections raised £37,838. An additional £19,646 was paid by branches in levies set by the National Executive Committee for the by-election campaigns.

The Party conducted three prize raffles in 2005, the annual Spring Draw and St Andrew's Draw plus the national conference raffle to win a new car. Branches could retain 25% of their sales of national conference car raffle tickets and 50% of the Spring and St Andrew's raffles.

	2005 Income		**2004 Income**	
	National	Local	National	Local
Spring Draw	£5,514	£5,514	£5,992	£5,992
Conference Car Raffle	£27,548	£1,250	£28,671	£685
St Andrew's Draw	£5,115	£5,115	£5,603	£5,603

Membership

Membership income for 2005 increased year on year by 15.6% and the number of members increased by 1.3%.

	2005	2004	2003
Members	10,995	10,854	9,450
Membership Income	£195,449	£169,130	£54,147

Conference

The promotional opportunities at SNP conferences now represent nearly 10% of the Party's income.

	2005	2004	2003
Conference Income	£102,951	£109,536	£91,296

Legacies

A Will for Independence is the SNP's legacy campaign. Headquarters holds a file of bequest commitments intimating legacies totalling £569,950 from 49 individuals, with a further 50 individuals confirming legacies without a value. In 2005, the Party benefited from 5 legacies totalling £18,282 (£117,328 in 2004): -

Mr William Adam	£16,522
Mr Joseph Beaton	£300
Mr Stewart Brown	£1,000
Mr Arthur Dillon	£250
Mr Colin Wilson	£500

Parliamentary Levy

Annual national conference in September 2003 approved the introduction of a parliamentary levy of £3,000 per annum, which in 2005 generated £76,590 (£37,655 in 2004).

Save with the SNP

Individual Party members and local organisations continue to deposit money in the form of interest free loans to help offset commercial borrowing and to assist with the Party's cash flow. Although lenders have access to funds at any time, increasingly they are converting balances to make donations to Party appeals or to pay invoices outstanding to Headquarters.

In 2005, members and local organisations converted £10,350 of balances outstanding to donations: -

	2005	2004	2003
Balance (as at 31 Dec)	£486,009	£457,629	£386,571

SCOTTISH NATIONAL PARTY
STATEMENTS OF NATIONAL TREASURER'S RESPONSIBILITIES

The Political Parties, Elections and Referendums Act 2000 requires the national treasurer of the party to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the party and of the surplus or deficit for that period. In preparing those financial statements, the national 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 party will continue in business.

Section 41 of the Act requires that the national 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 Act. Section 43 of the Act requires that the national treasurer is responsible for delivery of the statement of accounts to The Electoral Commission by the required deadline.

SCOTTISH NATIONAL PARTY
REPORT OF THE INDEPENDENT AUDITORS

To the National Treasurer of Scottish National Party

We have audited the financial statements of Scottish National Party for the year ended 31 December 2005 which comprise 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 pages 32 to 33.

This report is made solely to the national treasurer of the Scottish National Party 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 national treasurer and auditors

The responsibilities of the national treasurer for preparing the annual report and 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 National Treasurer's 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 Overview is not consistent with the financial statements, if the party has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Party Officers. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 national 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.

REPORT OF THE INDEPENDENT AUDITORS (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of the party's affairs as at 31 December 2005 and of its deficit for the year then ended and have been properly prepared in accordance with the accounting policies set out on pages 32 to 33 and the requirements of the Political Parties, Elections and Referendums Act 2000.

George & Company
Chartered Accountants
and Registered Auditors

[redacted]

28th June 2006

SCOTTISH NATIONAL PARTY
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED
31ST DECEMBER 2005

	2005		2004	
	£	£	£	£
Income:				
Membership	195,449		169,130	
Fundraising	434,803		303,118	
Legacies	18,282		414,163	
Raffles	45,221		46,224	
National Events	8,206		19,181	
Conference	102,951		109,536	
Webmail	380		1,256	
Saltire	1,250		8,132	
Policy	157,037		157,477	
Campaigns	42,932		-	
Electoral Database	6,010		4,150	
National Call Centre	30,944		13,619	
SNP print.com	10,482		30,988	
Rent	23,135		15,717	
Office Costs	264		4,984	
Staff	8,100		8,100	
Total income		1,085,446		1,305,775
Expenditure:				
Membership	16,892		21,628	
Fundraising	11,996		29,806	
Raffles	19,796		20,532	
National Events	12,092		46,323	
Conference	95,729		73,757	
Webmail	10,961		-	
Saltire	6,456		7,538	
Policy	633		2,026	
Campaigns	262,972		52,671	
Electoral Database	12,185		16,139	
National Call Centre	54,352		42,723	
SNP Print.com	6,816		31,523	
Rent & Rates	55,342		57,309	
Office Costs	62,161		84,795	
Legal & Professional Fees	435		3,212	
Insurance	7,539		6,856	
Term Loan Interest	565		1,228	
Audit & Accountancy Fees	28,531		16,480	
Bank Interest	10,573		23,826	
Notional Interest	23,309		-	
Bank Charges	12,289		12,689	
Leasing	27,893		22,648	
Staff Costs	419,806		397,892	
Depreciation	16,605		27,290	
(Profit)/Loss on disposal of fixed assets	5,285		(1,200)	
Bad Debt Write Off	5,654		1,450	
		1,186,867		999,141
SURPLUS/(DEFICIT) BEFORE TAX FOR THE YEAR		**£(101,421)**		**£306,634**

Taxation	-	49,323
SURPLUS/(DEFICIT) AFTER TAX FOR THE YEAR	**£(101,421)**	**£257,311**

SCOTTISH NATIONAL PARTY
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES,
FOR THE YEAR ENDED 31ST DECEMBER 2005

	2005 £	2004 £
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	(101,421)	257,311
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	**(101,421)**	**257,311**

SCOTTISH NATIONAL PARTY
NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31ST DECEMBER 2005

	Note	2005 £	2004 £
Reported surplus/(deficit) before taxation		(101,421)	306,634
Realisation of property revaluation (losses)/gains of previous years		NIL	NIL
Historical cost surplus/(deficit) before taxation		**(101,421)**	**306,634**
Retained historical costs surplus/(deficit) for the year		**(101,421)**	**306,634**

SCOTTISH NATIONAL PARTY
BALANCE SHEET AT 31ST DECEMBER 2005

	Notes	2005		2004	
		£	£	£	£
FIXED ASSETS:					
Tangible Assets	12		51,655		46,421
CURRENT ASSETS:					
Stocks	13	17,921		15,051	
Debtors	14	65,136		38,227	
Cash at building society and on hand		552		642	
		83,609		53,920	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR:	15	877,302		747,263	
Net current assets (Liabilities)			(793,693)		(693,343)
Total Liabilities less current assets			£(742,038)		£ (646,922)
Creditors: amounts falling due after more than one year	16		(8,476)		(2,171)
			£(750,514)		£(649,093)
RESERVES:	19				
General fund			-		130,022
Property fund			-		101,938
Willie McRae memorial fund			500		500
Revenue fund			(751,014)		(881,553)
Members Deficit			£(750,514)		£(649,093)

The financial statements were approved by the Party Officers on 28th June 2006

Colin Beattie
National Treasurer

SCOTTISH NATIONAL PARTY
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2005

	Notes	2005		2004	
		£	£	£	£
Net cash inflow/(outflow) from operating activities	23		(11,371)		254,795
Capital expenditure:					
Payment to acquire tangible fixed assets		(27,124)		(11,131)	
Receipts from sale of tangible fixed asset		-		1,200	
			(27,124)		(9,931)
Financing					
Repayment of bank loans		(11,515)		(10,851)	
Increase/Decrease in finance leases		3,955		(27,027)	
Increase in other loans		32,561		94,891	
Decrease in provisions		(15,000)		-	
			10,001		57,013
Increase/(Decrease) in cash	24		(28,494)		301,877

1. Accounting Policies

The financial statements have been prepared under the historical cost convention, and are 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 valne 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.
- 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 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 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.

Depreciation

Depreciation is provided on tangible fixed assets at the following annual rates.

Improvements to Leasehold Property	-	20% straight line
Computer Equipment, Fixtures, Fittings and Equipment	-	33.33 % reducing balance*

*An impairment review of Fixed Assets resulted in a lower rate for depreciation in the year under review. The policy remains as above for future years.

Stocks

Stocks are valued at the lower of cost and net realisable value.

1. Accounting Policies (continued)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they have been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation of the relevant assets is charged to the profit and loss account.

Lease payments are treated as consisting between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease

Pension costs

Contributions to the party's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

Impairment of fixed assets

The need for any fixed asset impairment write down is assessed by comparison of the carrying value to the asset against the higher of its realisable value and value in use.

Liquid resources

For the purposes of the cash flow statement, liquid resources are defined as current asset investments and short term deposits.

2. Donations

During the year the Party accepted donations greater than £200 from permissible donors (as defined by Section 54 of the Act) totalling £194,886 (2004 – £505,426) of which £41,522 were reported to the Electoral Commission.

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

3. Commercial Activities

The trading activities of the party are located, and their income generated worldwide.

4. Grants received

	2005 £	2004 £
Policy development grant	157,037	157,477

5. Investment Income

	2005 £	2004 £
Rental income (Management Accommodation)	23,135	15,717

6. Notional income and expenditure

	2005 £	2004 £
Services received (call centre)	9,528	4,326
Notional loan interest	23,309	-
	32,837	4,326

7. Profit before tax

	2005 £	2004 £
Profit is stated after charging:		
Auditors' remuneration – audit services - main party	19,388	13,512
- audit services – policy dev. grant	793	852
- audit services – campaign return	2,056	-
- non audit services	6,293	1,058
Operating lease charge - property	32,949	39,363
- equipment	27,893	22,648
Diminution in value of fixed and current assets investments	-	173
(Profit)/Loss on disposal of fixed asset	5,285	(1,200)
Depreciation	16,605	27,290

8. Staff Costs

Staff costs for the above period comprise:

	2005 No	2004 No
Officers	6	8
Finance staff	0	1
Admin staff	2	3
Operations	8	7
	16	19

Staff costs for the above persons comprise:

	£	£
Wages and Salaries	348,279	324,868
Social security costs	32,280	32,399
Other costs, including pensions	39,247	40,625
	419,806	397,892

9. Staff Remuneration

The number of staff whose total emoluments paid or receivable was over £50,000 was nil.

No staff members received any additional benefit either paid or in kind during the period 2005.

The Nominating and Campaigns Officers posts are not salaried.

10. Interest payable and similar charges

	2005 £	2004 £
Bank overdraft	10,573	23,826
Bank loan	565	1,228
Finance leases	2,777	7,102
	13,915	32,156

11. Taxation

No liability to UK corporation tax arose on ordinary activities for the year ended 31st December 2005.

12. Tangible assets

	Leasehold Improvements	Computers & Equipment	Total
	£	£	£
COST			
As at 1st January 2005	39,655	142,241	181,896
Additions	-	27,124	27,124
Disposals	-	(21,141)	(21,141)
At 31st December 2005	39,655	148,224	187,879
DEPRECIATION			
At 1stn January 2005	26,312	109,163	135,475
Charge for the Year	7,929	8,676	16,605
On Disposals	-	(15,856)	(15,856)
At 31st December 2005	34,241	101,983	136,224
NET BOOK VALUE			
As at 31st December 2005	5,414	46,241	51,655
As at 31st December 2004	13,343	33,078	46,421

The net book value of tangible fixed assets includes an amount of £20,314 in respect of assets held under finance leases. The related depreciation charge for the period was £4,103.

13. Stocks

	2005	2004
	£	£
Promotional Materials	17,921	15,051

There is no material difference between the replacement cost of stocks and the amount stated above.

14. Debtors

	2005	2004
	£	£
Trade debtors	36,266	20,979
Other debtors	28,870	17,248
	£65,136	£38,227

15. Creditors: amounts falling due within one year

	2005 £	2004 £
Bank loan and overdraft	197,416	179,107
Loans from accounting units	72,864	75,703
Other Loans	406,185	370,785
Trade Creditors	122,004	37,827
Taxation and social security	10,757	10,803
Corporation tax	34,323	49,323
Obligations under finance leases	5,375	9,145
Accruals	28,378	14,570
	£877,302	£747,263

16. Creditors: amounts falling due after more than one year

	2005 £	2004 £
Bank loan	-	1,420
Obligations under finance leases	8,476	751
	8,476	2,171

17. Contingent Liabilities

The Party intends to refund 25% of all membership monies raised by branches. If the full liability were to materialise the figure at the balance sheet date would be £45,961.

18. Secured debts

The Royal Bank of Scotland hold a guarantee dated 16th October 2003 for £190,000 from Mr James Mather.

19. Reserves

During the year it was decided to transfer the balances on the General and Property funds to the Revenue fund. The movements are shown below.

20. Reconciliation of movements in party funds

	General	Willie McRae	Property	Revenue	Total	2004
At 1st January 2005	130,022	500	101,938	(881,553)	(649,093)	(906,404)
Transfer to revenue	(130,022)	-	(101,938)	231,960	-	-
Surplus/(Deficit) for year				(101,421)	(101,421)	257,311
At 31st December 2005	**-**	**500**	**-**	**(751,014)**	**(750,514)**	**(649,093)**

21. Capital commitments

	2005	2004
	£	£
Contracted but not provided for	NIL	NIL

22. Commitments under operating leases

As at 31 December 2005, the party had annual commitments under non-cancellable operating leases as set out below:

	2005		2004	
	Land and Buildings	Other	Land and Buildings	Other
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	32,802	-
In two to five years	41,125	15,707	-	7,990
Over five years	-	-	-	-

23. Net cash outflow from operating surplus/deficit before tax, returns on investment and servicing of finance

	2005	2004
	£	£
Operating surplus/deficit before taxation	(101,421)	306,634
Depreciation	16,605	27,290
Decrease in Stocks	(2,870)	(6,737)
Decrease in Debtors	(26,909)	(23,126)
Increase in Creditors	97,939	(48,066)
Profit/Loss on disposal of asset	5,285	(1,200)
Net cash inflow/(outflow) from surplus/(deficit)	(11,371)	254,795

24. Reconciliation of net cash outflow to movement in net debt

	2005		2004	
	£	£	£	£
Increase (decrease) in cash in the year	(28,494)		301,877	
Cash outflow/(inflow) from (decrease)/increase in debt and lease financing	6,296		(57,013)	
Change in net debt resulting from cash flows		(22,198)		244,864
New provisions				(49,323)
New finance leases		(16,297)		-
Movement in net debt in the year		(38,495)		195,541
Opening net debt		(685,592)		(881,133)
Closing net debt		(724,087)		(685,592)

25. Analysis of net debt

	At 1 January 2005 £	Cash flow £	Other non-cash changes £	At 31 December 2005 £
Cash	90	(90)	-	-
Short term deposits	552	-	-	552
	642	(90)	-	552
Bank overdraft	(167,027)	(28,404)	-	(195,431)
Bank loans	(13,500)	11,515	-	(1,985)
Loans from accounting units	(75,703)	2,839	-	(72,864)
Other loans	(370,785)	(35,400)	-	(406,185)
Finance leases	(9,896)	12,342	(16,297)	(13,851)
Corporation Tax	(49,323)	15,000	-	(34,323)
	(686,234)	(22,108)	(16,297)	(724,639)
Total	(685,592)	(22,198)	(16,297)	(724,087)

26. Related party transactions

	£
a) Loans from affiliated accounting units	
Loans payable at 1st January 2005	75,703
Movement (net) in year	(2,839)
Loans payable at 31st December 2005	72,864
b) Loans from Members	
Loans payable at 1st January 2005	370,785
Movement (net) in year	35,400
Loans payable at 31st December 2005	406,185

Annual Report 2006/07

Administrative Information

Review of political activities

Corporate Governance

Financial Review

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SNP

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Party Officers

Registered Officers under the PPERA: -

Leader:	Mr Alex Salmond MP
Nominating Officer:	Mr Peter Murrell
Treasurer:	Mr Colin Beattie
Campaigns Officer:	Mr Peter Murrell
Deputy Campaigns Officer:	Mr Ian McCann
Deputy Campaigns Officer:	Mr Andrew Rosie

Party Headquarters

107 McDonald Road, Edinburgh EH7 4NW.

Auditors

Johnston Carmichael, [redacted]

1. Administrative Information

Membership

Activity over 2007 is focussed on dramatically growing Party membership, building stronger members relationships and loyalty, and earning more member revenue. In 2006, membership income increased year on year by 7% and the number of members increased by 14%.

Table 1 – The membership of the Scottish National Party.

	2006	2005	2004	2003
Members	12,571	10,995	10,854	9,450
Membership Income	£244,004	£228,151	£178,002	£54,147
Branch 25% dividend	£62,311	£55,897	£44,500	-
Average age of a member	51.9	52.5	55.3	-
Members under 26 years of age	8.8%	8.6%	8.1%	-
Members over 65 years of age	24.6%	26.4%	27.3%	-
New members in the year	2,876	-	-	-
New members joining online	46.3%	-	-	-
Life Members	59	42	-	-
Members paying by Direct Debit	40.3%	35.5%	33.5%	6.5%
Average annual Direct Debit subscription	£36	£32	£30	£17
Members paying £12 minimum rate	34.4%	-	-	-
Members paying £5 unwaged rate	24.5%	28.9%	31.2%	-
Members paying via local branch	3.3%	3.5%	8.1%	82.7%

Accounting Units

The Scottish National Party has 314 accounting units separate from its central organisation in order to provide for each constituent organisation to be responsible for its own financial affairs.

The Scottish National Party constitution also provides for the establishment of Members' Associations. The following such bodies have been established to date: -

i. SNP members of the Scottish Parliament
ii. SNP members of the United Kingdom Parliament
iii. SNP members of the European Parliament
iv. SNP Women's Forum

Table 2 – Constituent organisations of the Scottish National Party.

	2006	2005	2004	2003
Constituency Associations	50	51	54	53
Constituency Branches	21	19	17	18
Westminster Liaison Committees	34	34	34	-
Branches	205	209	229	207
Sub Branches	-	-	-	17
Affiliated Organisations	4	4	4	4

(i) Branches

The Scottish National Party is made up of 226 local branches. Each branch has its own constitution and office bearers who are elected at the annual general meeting. Branches receive 25% of subscriptions paid by each of their members. Branches are entitled to delegates to constituency associations (where applicable), other local associations in existence, national council and national conference. The number of delegates is dependent on the number of members each branch has.

(ii) Constituencies

The Party is organised around the Scottish Parliament constituency boundaries and so, for each Scottish Parliament constituency, there exists an SNP constituency association or branch. A constituency association is made up of more than one branch within the boundary. Where this is the case the branch may pay "dues" to the association and will be entitled to delegates to this body. Where there is one branch within the boundary, it is known as a constituency branch. Constituency branches and associations have the same office bearers as branches. Constituency organisations have delegate entitlement to local associations, national council and national conference.

(iii) Liaison Committees

A number of liaison committees are responsible for the strategic direction and operational co-ordination of branches in respect of election campaigning for either or both of local government and parliamentary elections, other than for election to Scottish Parliament constituencies.

These are: -

(a) Westminster Liaison Committees

In 2003 the Boundary Commission for Scotland changed the constituency boundaries for the 2005 Westminster election. The SNP decided to retain Scottish Parliament constituency boundaries and to set up temporary liaison committees to tackle the Westminster election. The liaison committees are made up of delegates from each branch within the boundary. The number of delegates from each is dependent on how much of the constituency comes within the boundary. The committees elect the same office bearers as branches but are not entitled to delegate entitlement to other bodies. They exist only in the run up to and duration of a Westminster election.

(b) Regional Liaison Committees

Regional liaison committees cover a Scottish Parliament electoral region of which there are eight. The role of the liaison committee is to co-ordinate the regional campaign for the regional

list vote. MSPs are accountable to the regional liaison committees which are made up of delegates from each branch and constituency within the region. Each regional liaison committee has its own constitution and can decide to levy member branches and constituency associations.

(c) Council Liaison Committees

Council liaison committees act as a forum for local government matters within a Scottish local authority area of which there are 32. The liaison committee is responsible for: establishing a candidate assessment committee; ensuring that respective rules on candidate selection procedures are adhered to at all times; co-ordinating the Party's electoral activities for the council elections in their area; and producing an election manifesto.

(v) Affiliated organisations

These are autonomous groups representing particular interests. Each group has representation at National Executive Committee (NEC) level and has delegate status at national conference and national council.

The affiliated organisations are: -

(a) Association of Nationalist Councillors (ANC)

Every SNP member who is a member of the SNP group of a Scottish local authority is a member of the Association of Nationalist Councillors. The aim of the ANC is to act as a forum for SNP councillors to exchange best practice across council groups; put forward a collective view on council issues to SNP national bodies; and coordinate the work of SNP councillors in achieving the Party's aims. The ANC has a representative on the NEC.

(b) The Trade Union Group (TUG)

The Trade Union Group has a dual role - to promote the role of trade unions within the SNP and to promote the aims and objectives of the SNP within the wider trade union movement. They have, for example, campaigned against the political levy (to the Labour Party) on trade union members. The TUG has one NEC representative.

(c) Young Scots for Independence (YSI)

The YSI is the official youth wing of the Scottish National Party. It started in the 1980s and membership is open to all between the ages of 14 years and 29 years, and focuses its activity on issues affecting young people. The YSI shares representation to the NEC with the Federation of Student Nationalists which enables it to play a constructive role in the formulation of SNP policy.

(d) The Federation of Student Nationalists (FSN)

The FSN is the student wing of the SNP, which is active in most colleges and universities throughout Scotland. The FSN has become a major political force in Scotland's further and higher education institutions, at the forefront of resistance to attacks on Scottish education from successive British governments. Like the YSI, it tends to attract younger people and acts

as a vehicle for bringing young people into politics. The FSN shares representation to the NEC with the YSI. Membership of the FSN is open to anyone in full- or part-time education.

National Assembly

National assembly is the forum for the development of policy within the Party. Policy is debated and discussed before being presented to the Party for approval at national council or national conference. National assembly also provides the opportunity to invite speakers from out with the Party to address members on important issues of special interest. Any member of the Party is entitled to attend national assembly which is held as and when required.

Table 3 – Meetings of SNP National Assembly.

Dates	Venue	Event
2007		
2 Dec	Dewar's Centre, Perth	National Assembly
2008		
3 Jun	Dewar's Centre, Perth	National Assembly
7 Dec	Dewar's Centre, Perth	National Assembly

National Council

National council is the governing body of the Party between conferences and meets at least twice a year. In addition to hearing reports from national office bearers, council also has the power to make policy. National council is made up of delegates from branches, constituency associations, the national executive committee, representatives of parliamentary groups and affiliated organisations, and fifteen members elected by national conference. The fifteen elected members of national council for 2006/2007 are:- Ms Aileen Campbell, Mr Steven Carleschi, Mr Tom Chalmers, Ms Roseanna Cunningham MSP, Mr Andrew Doig, Mr James Dornan, Ms Christine Grahame MSP, Prof Neil MacCormick, Ms Anne McLaughlin, Mr Lachie McNeill, Mr Alex Orr, Mr Stewart Stevenson MSP, Mrs Sandra White MSP, Mrs Maire Whitehead, and Mr William Wolfe.

Table 4 – Meetings of SNP National Council.

Dates	Venue	Event
2007		
23 Jun	Our Dynamic Earth, Edinburgh	National Council
1 Dec	Dewar's Centre, Perth	National Council
2008		
7 Jun	Dewar's Centre, Perth	National Council
6 Dec	Dewar's Centre, Perth	National Council

National Conference

National conference is the supreme ruling body of the SNP and, as well as making policy, elects the Party's national office bearers and national executive committee. Conference is attended by more than 1,000 delegates, observers, diplomats, and media along with the SNP Members of the Scottish Parliament, European Parliament, Westminster Parliament and local councillors. Conference is a delegate body, mainly comprising representatives from local organisations, as well as affiliated organisations, elected members and politicians. Delegates to conference decide the SNP's policy and direction, hold the leadership to account and elect the leadership and membership of a number of

committees, including the national executive committee, appeals committee and disciplinary committee, Any member of the Party may attend conference but only delegates can speak and vote.

Table 5 – Meetings of SNP Conference.

Dates	Venue	Event
2007		
17-18 Mar	Glasgow Science Centre, Glasgow	Campaign Conference
26-28 Oct	Aviemore Highland Resort	National Conference
2008		
tbc	tbc	Spring Conference
15-18 Oct	Perth Concert Hall	National Conference

National Executive Committee (NEC)

The SNP's leadership is invested in its national executive committee which is made up of the Party's elected office bearers, elected members and representatives of affiliated organisations. The NEC meets monthly and is charged with devising the SNP's national political strategy to help to deliver the Party's aims, as well as overseeing the organisation and administration of the Party. NEC members report to national council and annual national conference and are open to question by delegates. Members of NEC are elected by annual national conference.

The members of the national executive committee 2006/2007 are: -

Leader	Mr Alex Salmond MP
Depute Leader	Ms Nicola Sturgeon MSP
Business Convener	Mr Bruce Crawford MSP
President	Ian Hudghton MEP
National Secretary	Dr Duncan Ross
Organisation Convener	Cllr Willie Sawers
National Treasurer	Mr Colin Beattie
Ordinary members of NEC	Cllr Bashir Ahmad
	Cllr David Berry
	Mr Gareth Finn
	Mrs Allison Hunter
	Mr Richard Lochhead MSP
	Mr Angus Robertson MP
	Cllr Kevin Stewart
	Mr Grant Thoms
Scottish Parliament Group representative	Appointed as Business Convener
Westminster Parliament Group representative	Mr Pete Wishart MP
European Parliament Group representative	Mr Ian Hudghton MEP
Association of Nationalist Councillors representative	Cllr Nigel Don
FSN/YSI representative	Ms Aileen Campbell
Trade Union Group representative	Mr John Wilson

The business convener is appointed from within the membership of the NEC. In addition, the election committee and election committee appeals body, which deal with approval of Parliamentary candidates, are also appointed. The NEC also appoints from within its ranks, four members of the standing orders and agenda committee, which is chaired by the national secretary and is responsible for the agenda for national conference and national council.

Elected representatives

There are four elected bodies for which the Scottish National Party fields candidates. They are local authorities, Scottish Parliament, Westminster Parliament and European Parliament.

As at 30 June 2007, the SNP representation at each is as follows: -

- 47 Members of the Scottish Parliament
- 6 Members of Parliament
- 2 Members of the European Parliament
- 363 councillors in 30 of the 32 Scottish councils

(i) Scottish Parliament

The Scottish Parliament group consists of forty-seven SNP MSPs elected on 3 May 2007: -

Brian Adam MSP
Bashir Ahmad MSP
Alasdair Allan MSP
Keith Brown MSP
Aileen Campbell MSP
Willie Coffey MSP
Angela Constance MSP
Bruce Crawford MSP
Roseanna Cunningham MSP
Bob Doris MSP
Nigel Don MSP
Fergus Ewing MSP
Linda Fabiani MSP
Joe Fitzpatrick MSP
Kenneth Gibson MSP
Rob Gibson MSP
Christine Grahame MSP
Chris Harvie MSP
Jamie Hepburn MSP
Fiona Hyslop MSP
Adam Ingram MSP
Bill Kidd MSP
Richard Lochhead MSP
Kenny MacAskill MSP
Tricia Marwick MSP
Jim Mather MSP
Michael Matheson MSP
Stewart Maxwell MSP
Ian McKee MSP
Christina McKelvie MSP
Stuart McMillan MSP
Alasdair Morgan MSP
Alex Neil MSP
Gil Paterson MSP
Shona Robison MSP

Michael Russell MSP
Alex Salmond MSP
Stewart Stevenson MSP
Nicola Sturgeon MSP
John Swinney MSP
David Thompson MSP
Stefan Tymkewycz MSP
Sandra White MSP
Maureen Watt MSP
Andrew Welsh MSP
Bill Wilson MSP
John Wilson MSP

(ii) House of Commons

The Westminster Parliament group consists of six SNP MPs elected at the 2005 general election: -

Stewart Hosie MP
Angus MacNeil MP
Angus Robertson MP
Alex Salmond MP
Mike Weir MP
Pete Wishart MP

(iii) European Parliament

The European Parliament group consists of two MEPs, part of the Greens-European Free Alliance Group in the European Parliament, elected at the 2004 European election: -

Ian Hudghton MEP
Alyn Smith MEP

(iv) Scottish local authorities

The Scottish National Party has 363 councillors in 30 councils across Scotland.

SNP councillors form a minority administration in East Ayrshire Council and in West Dunbartonshire Council; lead the administration of Fife Council, Perth & Kinross Council, Renfrewshire Council, East Lothian Council, and West Lothian Council; and share coalition administrations in Aberdeen City Council, Argyll & Bute Council, City of Edinburgh Council, East Renfrewshire Council, and Highland Council.

The list of SNP councillors elected on 3 May 2007 by council and ward are as follows: -

Aberdeen City Council

Mark McDonald	Dyce/Bucksburn/Danestone
Muriel Jaffray	Bridge of Don
Wendy Stuart	Kingswells/Sheddocksley
Jackie Dunbar	Northfield
Kevin Stewart	Northfield
Kirsty West	Hilton/Stockethill

Jim Noble	Tillydrone/Seaton/Old Aberdeen
Bill Cormie	Midstocket/Rosemount
Andrew May	George Street/Harbour
John West	Hazlehead/Ashley/Queen's Cross
Jim Kiddie	Torry/Ferryhill
Callum McCaig	Kincorth/Loirston

Aberdeenshire Council

Ian Gray	Banff & District
Mitchell Burnett	Troup
Andy Ritchie	Fraserburgh & District
Ian Tait	Fraserburgh & District
Brian Topping	Fraserburgh & District
Sandy Stronach	Central Buchan
Anne Allan	Peterhead North & Rattray
Fiona McRae	Peterhead North & Rattray
Stuart Pratt	Peterhead South & Cruden
Stephen Smith	Peterhead South & Cruden
Sandy Duncan	Turriff & District
Allan Hendry	Mid Formartine
Rob Merson	Ellon & District
Alison Grant	West Garioch
Bryan Stuart	Inverurie & District
Fergie Hood	East Garioch
Amanda Allan	Westhill & District
Joanna Strathdee	Huntly, Strathbogie & Howe of Alford
Linda Clark	Banchory & Mid Deeside
Alastair Bews	North Kincardine
Graeme Clark	Stonehaven & Lower Deeside
Jean Dick	Mearns

Angus Council

Donald Morrison	Arbroath East & Lunan
Sheena Welsh	Arbroath East & Lunan
Alex King	Arbroath West & Letham
Mairi Evans	Brechin & Edzell
Helen Oswald	Carnoustie & District
Ralph Palmer	Carnoustie & District
Glennis Middleton	Forfar & District
William Middleton	Forfar & District
Iain Gaul	Kirriemuir & Dean
Frank Ellis	Monifieth & Sidlaw
Rob Murray	Monifieth & Sidlaw
Paul Valentine	Montrose & District
Sandy West	Montrose & District

Argyll & Bute Council

John Semple	South Kintyre

Anne Horn	Kintyre and the Islands
Roderick McCuish	Oban South and the Isles
Donald Mcintosh	Oban South and the Isles
Donald MacDonald	Oban North and Lorn
Ron Simon	Cowal
Alister McAlister	Dunoon
Robert McIntyre	Isle of Bute
Isobel Strong	Isle of Bute
James Robb	Helensburgh Central

City of Edinburgh Council

Norman Work	Almond
Ronald Cairns	Pentland Hills
Colin G Keir	Drum Brae/ Gyle
Steve Cardownie	Forth
Stuart McIvor	Inverleith
Nick Elliott-Cannon	Sighthill/ Gorgie
David Beckett	City Centre
Deidre Brock	Leith Walk
Rob Munn	Leith
Tom Buchanan	Liberton/ Gilmerton
Michael Bridgeman	Portobello/ Craigmillar
Stefan Tymkewycz	Craigentinny/ Duddingston

Clackmannanshire Council

Gary Womersley	Clackmannanshire Central
Irene Hamilton	Clackmannanshire East
Donald Balsillie	Clackmannanshire North
Walter McAdam	Clackmannanshire North
Mark English	Clackmannanshire South
Tina Murphy	Clackmannanshire West
Janis Paterson	Clackmannanshire West

Comhairle nan Eilean Siar

Gerry MacLeod	Barraigh, Bhatarsaigh, Eirisgeigh agus Uibhist a Deas
Donald Manford	Barraigh, Bhatarsaigh, Eirisgeigh agus Uibhist a Deas
Philip McLean	Na Hearadh agus Ceann a Deas nan Loch
Annie Macdonald	Sgir' Uige agus Ceann a Tuath nan Loch

Dumfies & Galloway Council

Iain Dick	Stranraer & North Rhins
Robert Higgins	Wigtown West
Alistair Geddes	Mid Galloway
Thomas Jacques	Dee
Brian Collins	Castle Douglas & Glenkens
Rob Davidson	Abbey
Doug Snell	North West Dumfries

Andrew Wood	Mid & Upper Nithsdale
Lorna McGowan	Lochar
Alastair Witts	Nith

Dundee City Council

Dave Bowes	Coldside
James Black	Coldside
Christina Roberts	East End
William Dawson	East End
Bob Duncan	Lochee
Nigel Don	Lochee
Elizabeth Fordyce	Maryfield
Ken Lynn	Maryfield
Andrew Dawson	North East
Willie Sawers	North East
Stewart Hunter	Strathmartine
Kenneth Guild	The Ferry
James Barrie	West End

East Ayrshire Council

John MacKay	Annick
Helen Coffey	Kilmarnock North
Willie Coffey	Kilmarnock North
Iain Linton	Kilmarnock West & Crosshouse
Douglas Reid	Kilmarnock West & Crosshouse
Jim Buchanan	Kilmarnock East & Hurlford
John Campbell	Kilmarnock East & Hurlford
Hugh Munro Ross	Kilmarnock South
Jim Todd	Kilmarnock South
Alan Robert Brown	Irvine Valley
Bobby McDill	Irvine Valley
Jim Roberts	Ballochmyle
Kathy Morrice	Cumnock & New Cumnock
Drew Filson	Doon Valley

East Dunbartonshire Council

Jim Gibbons	Milngavie
Ian Mackay	Bearsden North
Graeme Douglas	Bearsden South
David Ritchie	Campsie & Kirkintilloch North
Anne McNair	Bishopbriggs North & Torrance
Gordan Low	Bishopbriggs South
Gillian Renwick	Lenzie, Kirkintilloch South
John Jamieson	Kirkintilloch East & Twechar

East Lothian Council

John Williamson	Musselburgh West

Roger Knox	Musselburgh East & Carberry
Peter MacKenzie	Preston/Seton/Gosford
Kenny McLeod	Fa'side
David Berry	North Berwick Coastal
Tom Trotter	Haddington & Lammermuir
Paul McLennan	Dunbar & East Linton

East Renfrewshire Council

Tony Buchanan	Neilston, Uplawmoor & Newton Mearns North
Douglas Yates	Barrhead
Alastair Carmichael	Busby, Clarkston & Eaglesham

Falkirk Council

Harry Constable	Bo'ness & Blackness
John Constable	Bo'ness & Blackness
Angus MacDonald	Grangemouth
John McNally	Denny and Banknock
Martin Oliver	Denny and Banknock
Steven Carleschi	Carse, Kinnaird & Tryst
Lynda Kenna	Carse, Kinnaird & Tryst
Tom Coleman	Bonnybridge & Larbert
David Alexander	Falkirk North
Cecil Meiklejohn	Falkirk North
Georgie Thomson	Falkirk South
Steven Jackson	Lower Braes
Gordon Hughes	Upper Braes

Fife Council

Bill Walker	West Fife & Coastal Villages
David Mogg	Dunfermline North
Lizz Mogg	Dunfermline Central
Brian Goodall	Dunfermline South
Douglas Chapman	Rosyth
Alice McGarry	Inverkeithing & Dalgety Bay
Ann Bain	The Lochs
Alie Bain	Cowdenbeath
Ian Chisholm	Lochgelly & Cardenden
George Kay	Burntisland, Kinghorn & Western Kirkcaldy
Carol Lindsay	Kirkcaldy North
David Torrance	Kirkcaldy Central
George Leslie	Kirkcaldy East
Peter Grant	Glenrothes West & Kinglassie
Alf Patey	Glenrothes West & Kinglassie
John Beare	Glenrothes North, Leslie & Markinch
Fiona Grant	Glenrothes North, Leslie & Markinch
David Cunningham	Glenrothes Central & Thornton
Ross Vettriano	Glenrothes Central & Thornton
David McDiarmid	Howe of Fife & Tay Coast

David Alexander	Leven, Kennoway & Largo
Alistair Hunter	Leven, Kennoway & Largo
Arthur Robertson	Buckhaven, Methil & Wemyss Villages

Glasgow City Council

David Ritchie	Linn
Colin Deans	Newlands/Auldburn
Patricia Duffy	Greater Pollok
Iris Gibson	Craigton
Allison Hunter	Govan
Khalil Malik	Pollokshields
James Dornan	Langside
Jahingir Hanif	Southside Central
Alison Thewliss	Calton
Craig Mackay	Anderston/City
George Roberts	Hillhead
Kenny McLean	Partick West
Graeme Hendry	Garscadden/Scotstounhill
Bill Kidd	Drumchapel/Anniesland
Alex Dingwall	Maryhill/Kelvin
Billy McAllister	Canal
Phil Greene	Springburn
Jennifer Dunn	East Centre
John McLaughlin	Shettleston
John Mason	Baillieston
David McDonald	Baillieston
Grant Thoms	North East

Highland Council

George Farlow	North West & Central Sutherland
David Bremner	Landward Caithness
Jean Urquhart	Wester Ross, Strathpeffer & Lochalsh
Maxine Smith	Cromarty Firth
Peter Cairns	Dingwall & Seaforth
Craig Fraser	Black Isle
Ian Renwick	Eilean a' Chèo
Andrew Hendry	Aird and Loch Ness
Pauline Munro	Inverness West
Donald Kerr	Inverness Central
John Finnie	Inverness Ness-side
Ian Brown	Inverness Millburn
Robert Wynd	Culloden & Ardersier
Elizabeth MacDonald	Nairn
Roy Pedersen	Inverness South
David Fallows	Badenoch & Strathspey
Brendan Gormley	Fort William & Ardnamurchan

Inverclyde Council

Jim MacLeod	Inverclyde East
Jim Grieve	Inverclyde East Central
Chris Osborne	Inverclyde North
Keith Brooks	Inverclyde South
Ken Ferguson	Inverclyde South West

Midlothian Council

Margaret Wilson	Penicuik
Bob Constable	Bonnyrigg
Craig Statham	Dalkeith
Owen Thompson	Midlothian West
Lisa Beattie	Midlothian East
Colin Beattie	Midlothian South

Moray Council

Michael McConachie	Speyside Glenlivet
Pearl Paul	Speyside Glenlivet
Gary Coull	Keith & Cullen
Gordon McDonald	Buckie
Anita McDonald	Fochabers Lhanbryde
David Stewart	Heldon & Laich
Michael Shand	Elgin City North
Graham Leadbitter	Elgin City South
Irene Ogilvie	Forres

North Ayrshire Council

Matt Brown	Irvine West
Joan Sturgeon	Irvine East
John Ferguson	Kilwinning
William Gibson	Saltcoats & Stevenston
Tony Gurney	Ardrossan & Arran
Craig Taylor	Kilbirnie & Beith
Alan Hill	North Coast & Cumbraes
Bobby Rae	North Coast & Cumbraes

North Lanarkshire Council

David Key	Kilsyth
Alan O'Brien	Cumbernauld North
William Goldie	Cumbernauld South
William Homer	Cumbernauld South
Elizabeth Irvine	Abronhill, Kildrum and the Village
Tom Johnston	Abronhill, Kildrum and the Village
Frances McGlinchey	Strathkelvin
John Wilson	Coatbridge North and Glenboig
Campbell Cameron	Airdrie North

Sophia Coyle	Airdrie North
David Stocks	Airdrie Central
Paul Welsh	Coatbridge West
Ian Ferrie	Coatbridge South
Michael Coyle	Airdrie South
Malcolm McMillan	Fortissat
Duncan McShannon	Thorniewood
Richard Lyle	Bellshill
Paul Delaney	Mossend and Holytown
Annette Valentine	Motherwell West
Gordon Stewart	Motherwell North
Alan Valentine	Motherwell South East and Ravenscraig
John Taggart	Murdostoun
Clare Adamson	Wishaw

Perth & Kinross Council

John Hulbert	Carse of Gowrie
Peter Mulheron	Carse of Gowrie
Alan Grant	Strathmore
Ian Miller	Strathmore
Bob Ellis	Blairgowrie & Glens
Liz Grant	Blairgowrie & Glens
Eleanor Howie	Highland
Ken Lyall	Highland
John Kellas	Strathtay
Alasdair Wylie	Strathtay
Anne Younger	Strathearn
John Law	Strathallan
Sandy Miller	Kinross-shire
Wilma Lumsden	Almond & Earn
Robert Band	Perth City South
Elspeth MacLachlan	Perth City North
Dave Scott	Perth City North
Jack Coburn	Perth City Centre

Renfrewshire Council

Derek MacKay	Renfrew North
Bill Perrie	Renfrew North
Cathy McEwan	Renfrew South & Gallowhill
Brian Lawson	Paisley East & Ralston
Ceila Lawson	Paisley East & Ralston
Kenny MacLaren	Paisley North West
George Adam	Paisley South
Jim Mitchell	Paisley South
Lorraine Cameron	Paisley South West
Tracie McGee	Johnstone South, Elderslie & Howwood
David Arthur	Johnstone North, Kilbarchan & Lochwinnoch
Bruce McFee	Johnstone North, Kilbarchan & Lochwinnoch
Audrey Doig	Houston, Crosslee & Linwood

Allan Noon	Houston, Crosslee & Linwood
Carol Puthucheary	Bishopton, Bridge of Weir & Langbank
James McQuade	Erskine & Inchinnan
Iain Nicolson	Erskine & Inchinnan

Scottish Borders Council

Willie Archibald	Tweeddale West
Bill Herd	Tweeddale East
John Mitchell	Galashiels & District
Kenneth Gunn	Selkirkshire
Donald Moffat	Mid Berwickshire
Jim Brown	Jedburgh & District

South Ayrshire Council

Nan McFarlane	Troon
Stan Fisher	Prestwick
Tom Slider	Ayr North
Ian Douglas	Ayr East
Mike Peddie	Ayr West
John Allan	Ayr Kyle
Mairi Low	Maybole, North Carrick & Coylton
Alec Oattes	Girvan & South Carrick

South Lanarkshire Council

John Anderson	East Kilbride Central
Archie Buchanan	East Kilbride South
Douglas Edwards	East Kilbride South
Gordon Clark	Rutherglen Central & North
Peter Craig	Larkhall
Lesley MacDonald	Larkhall
Barry Douglas	Hamilton North & East
Bev Gauld	Clydesdale East
Ian Gray	Clydesdale West
David Shearer	Clydesdale West
George Sutherland	Clydesdale North
Anne Higgins	Rutherglen South
John Higgins	Cambuslang East
Clare McColl	Cambuslang West
William Holman	Avondale & Stonehouse
Graeme Horne	Hamilton West & Earnock
Bobby Lawson	Hamilton South
Anne Maggs	East Kilbride Central North
Sheena Wardhaugh	East Kilbride Central North
Jim Wardhaugh	East Kilbride East
David Watson	East Kilbride West
John McNamee	Blantyre
James McGuigan	Bothwell & Uddingston
Archie Manson	Clydesdale South

Stirling Council

Fergus Wood	Trossachs & Teith
Graham Lambie	Forth & Endrick
Graeme Houston	Dunblane & Bridge of Allan
Jim Thomson	Castle
Scott Farmer	Stirling West
Steven Paterson	Stirling East
Alasdair MacPherson	Bannockburn

West Dunbartonshire Council

Ronald McColl	Lomond
Craig McLaughlin	Lomond
Jonathan McColl	Leven
May Smillie	Leven
Iain Robertson	Dumbarton
Jim Finn	Kilpatrick
Jim Brown	Clydebank Central
William Hendrie	Clydebank Waterfront
Jim McElhill	Clydebank Waterfront

West Lothian Council

Martyn Day	Linlithgow
Janet Campbell	Broxburn, Uphall & Winchburgh
Robert De Bold	Livingston North
Peter Johnston	Livingston South
Frank Anderson	East Livingston & East Calder
Greg McCarra	Fauldhouse & Breich Valley
James Dickson	Whitburn & Blackburn
William Boyle	Bathgate
Carl John	East Livingston & East Calder
Andrew Miller	Livingston North
John Muir	Livingston South
Jim Walker	Bathgate
Isabel Hutton	Armadale & Blackridge

SNP staff

The Scottish National Party is served by 11 staff (9.2 full-time equivalent) based at its headquarters. There are 14 further staff (4.5 full-time equivalent) based at the national call centre in Glasgow. Staff are split into three interdependent teams reporting to the chief executive. The Party chief executive, Peter Murrell, is accountable to the national executive committee and is responsible for the day to day running of SNP activities and projects.

The mission of headquarters is to assist SNP progress towards government in Scotland, grow Party membership and support the consistent improvement in the total of elected representation, and put the Party in a position to deliver Independence. This mission is backed by four strategic objectives: –

i. Winning Party - help local candidates and organisations win more seats.
ii. Membership growth – encourage more people to join.
iii. Membership development - help members gain the knowledge and skills they need to promote our aims.
iv. The best team - support and develop local organisations to focus on bridging good practice with local practice.

As at 30 June 2007, Party staffing is as follows: -

	Chief Executive	Peter Murrell
Corporate	Clerk	Ian McCann
	Administrator	Claire Bennett
	IT Support Manager	Russell Horn
Operations	Fundraiser	Jim Henderson
	Member Services & Events Manager	Trudi Logan
	Member Services & Events Officer	Beverley Murray
Campaigns	Campaign Services Manager	Lorraine Reid
	Activate Data Analyst	Aileen McLaughlin
	Activate Lead Developer	David Donachie
	Activate Volunteer Coordinator & Youth Development Officer	David Beckett
	National Call Centre Supervisor	James Tudor
	Call Centre Operator	Anthony Anderson
	Call Centre Operator	Mark Anderson
	Call Centre Operator	Melanie Boyd
	Call Centre Operator	Nicole Carr
	Call Centre Operator	Lauren Campbell
	Call Centre Operator	Mathew Cowan
	Call Centre Operator	Lauren McInally
	Call Centre Operator	David Nimmo
	Call Centre Operator	Natalie Nimmo
	Call Centre Operator	Darren Nicholl
	Call Centre Operator	Asma Rashid
	Call Centre Operator	Humaira Rashid
	Call Centre Operator	Abera Zahid

2. Review of Political Activities

This has been a momentous year for the Scottish National Party, with the election of an SNP government in the Scottish Parliament and the election of 363 SNP councillors, making the SNP the largest party in local government in Scotland.

As preparations for the election campaign gathered pace over the summer of 2006 the SNP released a series of policy proposals and announcements. This included the publication of the report of the Scottish Energy Review, commissioned by SNP environment spokesperson Richard Lochhead and chaired by Professor Stephen Salter, which was discussed with European Energy Commissioner Andris Piebalgs.

In September came the sad news of the death of former SNP MP and deputy leader Douglas Henderson, who passed away at the age of 71. Douglas had remained a committed and active nationalist until the end of his life and is greatly missed by many.

In October delegates gathered at SNP conference at Perth Royal Concert Hall to debate and decide the policy programme for the 2007 elections. Conference was given a boost by the news that Sir Tom Farmer had made a donation to the Party of £100,000. Together with a donation of £50,000 from Ian Watson this helped the Party to pass the half million pound mark on its way to raising the campaign war-chest target figure of £1million. Opinion polls showed the SNP maintaining a clear lead over Labour, with Alex Salmond the peoples' choice for first minister.

November saw the start of a lengthy series of meetings between senior SNP politicians and the Scottish civil service to discuss in detail the SNP's proposals for government. The party released the first in a series of monthly video podcasts featuring Alex Salmond. With an estimated one in four 25-40 year olds having iPods, the SNP was very successful in using this media to target graduates and young professionals throughout the campaign. November also saw SNP MP Angus MacNeil voted 'Inquisitor of the Year' by the Spectator in recognition of his role in the cash-for-peerages investigation.

The year closed with opinion polls – including leaked private polling data from the Labour Party – continuing to show the SNP ahead of Labour. This success was reflected in end of year membership figures which had risen by 14 per cent.

January marked the 300th anniversary of the old Scots Parliament voting for the Union in 1707. The SNP kicked off the New Year with a new campaign -'Positive About Scotland' – setting out the SNP's ambition to take the Party's positive campaign message to every community in Scotland by speaking directly to more than 600,000 Scots before polling day.

This ambition was facilitated by the Party's groundbreaking online hub for organising and running campaigns – activate, a web-based system that enabled every member to participate in the campaign, as well as allowing Party headquarters to monitor progress in every ward and constituency in Scotland throughout the campaign.

January also saw the SNP's 2007 election war-chest break the £¾ million barrier as the Party maintained its leading position in the polls.

In the beginning of February the SNP published the names of leading businesspeople and economists supporting Independence, including Sir Tom Farmer and former Scottish Enterprise chief Crawford Beveridge. As the campaign progressed more and more prominent public figures came out in support of the SNP including former RBS chairman Sir George Mathewson, musician Sandi Thom, artist Peter Howson, entrepreneur Brian Souter, writer Irvine Welsh and actor Robert Carlyle.

March saw the release of a new campaign poster 'First Vote for First Minister' putting the SNP's leader Alex Salmond front and centre of the Party's positive campaigning effort. As delegates gathered to put the final touches to the SNP programme of government at the Glasgow Science Centre, news emerged that Brian Souter had donated £500,000 to the election war-chest. This meant that the Party had exceeded its financial target of £1 million. March also saw the launch of an upated version of 'Let Scotland Flourish' setting out the SNP's key economic policies and targets.

With April, election campaigning got underway in earnest. Opinion polls showed the SNP maintaining its lead over Labour in both regional and constituency voting intentions, with Alex Salmond the runaway favourite for first minister.

The publication of the SNP's manifesto in mid-April added to the momentum. For the first time in Scottish political history, the SNP was publishing an election manifesto with a clear opportunity to form the next government.

The manifesto set out in detail a range of popular and costed pledges including abolishing the council tax, keeping vital health services local, cutting business rates for small businesses, reducing class sizes, lifting the burden of graduate debt and putting more police on the beat.

The Party's campaigning effort was augmented by the launch of SNPtv, an online TV station which started broadcasting ten days before polling day, featuring screen legend Sir Sean Connery and exclusive interviews with Scottish stars such as Sandi Thom and Martin Compston.

As April drew to a close opinion polls showed the SNP maintaining its lead in both regional and constituency voting intentions – a lead which was maintained up until polling day itself.

Turnout on May 3rd was 51.7 per cent in the constituency vote and 52.4 per cent in the regional vote. Voting for both the parliamentary and local authority elections was, however, characterised by chaos and confusion as some voters struggled to get to grips with a new layout of the ballot paper for the parliamentary elections combined with a the new STV voting system for council elections.

When the votes were eventually counted, the SNP emerged the largest parliamentary party in terms of both the popular vote and number of MSPs. The SNP had 32.9 per cent of the vote – the highest in the Party's history - compared to Labour's 32.2 per cent and 47 MSPs compared to Labour's 46. The SNP had won the election.

In the local authority elections the SNP also emerged as the largest party, with 363 councillors compared to Labour's 348. The SNP now leads seven council administrations and has a share of power in five others.

Following the parliamentary election result, SNP leader Alex Salmond pledged to lead Scotland with humility and passion and always in the national interest.

Alex Salmond was elected first minister on Wednesday 16 May 2007 and appointed his Cabinet shortly thereafter.

3. Corporate Governance

National Executive Committee

The National Executive Committee (NEC) meets monthly and is the body which has responsibility for the strategic management and political direction of the Party; ensuring the decisions of national conference and national council are implemented; oversight and interpretation of policy between meetings of national conference and national council; coordinating and monitoring the work of all national office bearers elected by national conference; organising and directing national campaigns; employment and direction of staff; ownership of the Party's assets and management of the Party's financial affairs; any other matters expressly delegated to it by national council or national conference.

The NEC has full control over all monies, funds, property, investments and securities of whatever kind and description belonging to the Party.

The NEC has the power to borrow money on behalf of the Party, and to continue existing borrowing, where it is necessary to do so in order to finance the Party's activities.

The Party's financial scheme sets out how the Party will regulate its financial affairs for the purpose of compliance with current legislation. The financial affairs of all bodies mentioned in the Party's constitution must comply with the financial scheme.

No body within the Party shall enter into commercial borrowing unless prior agreement has been reached with the national treasurer. If a body within the Party goes out of existence or is dissolved, all assets, at the option of the national treasurer, shall become property of the Party.

Members of NEC are elected by annual national conference.

Political Parties, Elections and Referendums Act 2000

The Scottish National Party has a compliance team of three staff who review the adequacy of the internal control system in meeting the Party's requirements under PPERA and the Electoral Administration Act 2006. The compliance team report to the national treasurer.

Control environment and control activities

The Party is committed to ensuring that a proper control environment is maintained. Above all, there is a commitment to competence and integrity, together with the communication of clear objectives to all accounting units. These are underpinned by a human resources policy that develops quality with integrity.

The organisational structure of the Party has been developed to delegate authority with accountability to ensure that control and consistency are maintained, having regard to an acceptable level of risk. The national treasurer and Party officers report on the control environment on a regular basis to the NEC.

From 1 July 2004, the performance of each accounting unit has been reviewed regularly to comply with organisation performance and development rules.

4. Financial Review

EXPENDITURE

In 2006 our total expenditure was £1,384,154. The SNP's strong financial performance has continued in the last year. Moving forward, a key challenge for the Party will be to build upon its electoral progress by continuing to compete on an equal financial footing with the London political parties.

Table 6 – SNP financial expenditure summary.

	2006	2005	2004
Campaign	32%	27%	17%
Staff	26%	34%	40%
Office	11%	10%	14%
Events	11%	9%	12%

The introduction of a parliamentary levy in 2003, with proceeds ring-fenced for national campaigning has allowed further investment in campaigning and three core campaign services: -

- an online hub for organising and running campaigns, activate.snp.org
- print.snp.org for designing campaign materials
- telephone surveying and target voter contact from the SNP national call centre

Table 7 – Staff at 30 June 2007.

	Full-time equivalent staff
Corporate	3.6
Operations	2.7
Campaigns	7.4

The SNP employs 25 full- and part-time staff, which equates to 13.7 full-time equivalent staff. 3.6 are responsible for financial and legislative compliance, committee and leadership support, the conduct of internal elections, personnel management, information systems and general administration. 2.7 support the Party's core income activities of fundraising, membership and events. 7.4 provide campaign services to local organisations and campaigns.

Ongoing efforts to reduce Headquarters running costs yielded a 7% cut in 2006.

INCOME

In 2006 our total income was £1,836,405, of which 57% came directly from voluntary donations. During the year, the SNP focussed on building the Party's core income activities of fundraising, membership and events.

Election fundraising activities would by 30 June 2007 attract 41,643 individual donations and raise £1,672,014 for the election appeal.

Table 8 – SNP financial income summary.

	2006	2005	2004
Donations	44%	35%	49%
Membership	13%	20%	13%
Events	9%	10%	10%
Legacies	12%	2%	9%

Fundraising

Fundraising income in 2006 continued to be almost exclusively from donations from members and supporters. The SNP operates five core fundraising schemes: -

i. Challenge for Independence is the SNP's regular giving scheme whereby members may donate monthly by direct debit, standing order or cash. All money raised is ring-fenced for campaigning.

ii. The St Andrew's Appeal is sent to all members in the run up to Scotland's national day on 30 November.

Table 9 – SNP giving scheme membership.

	2006	2005	2004
Challenge for Independence	523	558	591
President's Club	65	72	66
Independence Covenant	353	341	591

iii. The President's Club seeks donations in of at least £20 per month and directs funds towards providing staffing resources and headquarters facilities. This fundraising scheme had 65 members in 2006.

iv. Independence Covenant works like a national 50/50 club in that half the profit from it goes to the Party and half goes to the prize fund.

v. The Great Weather Lottery is a daily lottery based on temperatures in 6 cities and is operated by Lottery Service Providers Ltd.

An appeal for the Dunfermline & West Fife and Moray by-elections raised £51,858.

The Party conducted three prize raffles in 2006, the annual Spring Draw and St Andrew's Draw plus the national conference raffle to win a new car. Branches could retain 25% of their sales of national conference car raffle tickets and 50% of the Spring and St Andrew's raffles.

Conference

The promotional opportunities at SNP conferences now represent nearly 10% of the Party's income.

Table 10 – Conference income.

	2006	2005	2004	2003
Conference Income	£139,799	£102,951	£109,536	£91,296

Legacies

A Will for Independence is the SNP's legacy campaign. Headquarters holds a file of bequest commitments intimating legacies totalling £570,450 from 51 individuals, with a further 51 individuals confirming legacies without a value.

In 2006, the Party benefited from 5 legacies: -

Mr Bruce Allan	£10,482
Mr David Brown	£3,000
Mrs Anna Ross	£29,942
Mr Gordon Sayer	£183,143
Mrs Sheina Thomson	£2,000

Table 11 – Legacy income.

	2006	2005	2004	2003
Legacies	£228,567	£18,282	£117,328	£99,504

Parliamentary Levy

Annual national conference in September 2003 approved the introduction of a parliamentary levy of £3,000 per annum.

Table 12 – Parliamentary Levy income.

	2006	2005	2004	2003
Parliamentarians	33	33	30	-
Levy Income	£82,014	£73,654	£37,655	-

Save with the SNP

Individual Party members and local organisations continue to deposit money in the form of interest free loans to help offset commercial borrowing and to assist with the Party's cash flow. Although lenders have access to funds at any time, increasingly they are converting balances to make donations to Party appeals or to pay invoices outstanding to headquarters. Table 11 shows the outstanding balance as at 31 December 2006.

Table 13 – Member and local organisation loan balances.

	2006	2005	2004	2003
Balance	£169,695	£479,049	£457,629	£386,571

SCOTTISH NATIONAL PARTY
STATEMENTS OF NATIONAL TREASURER'S RESPONSIBILITIES

The Political Parties, Elections and Referendums Act 2000 requires the National Treasurer of the Party to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the party and of the surplus or deficit for that period. In preparing those financial statements, the National 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 Party will continue in business.

Section 41 of the Act requires that the National 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 National Treasurer is responsible for delivery of the statement of accounts to The Electoral Commission by the required deadline.

SCOTTISH NATIONAL PARTY
REPORT OF THE INDEPENDENT AUDITORS

To the National Treasurer of Scottish National Party

We have audited the financial statements of Scottish National Party for the year ended 31 December 2006 which comprise 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 pages 34 to 35.

This report is made solely to the National Treasurer of the Scottish National Party 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 National 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 National Treasurer, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of National Treasurer and auditors

The responsibilities of the National Treasurer for preparing the annual report and 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 National Treasurer's 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 Annual Report is not consistent with the financial statements, if the Party has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Party officers. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 National 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 United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Scottish National Party as at 31 December 2006 and of its surplus for the year then ended; and
- have been properly prepared in accordance with the Political Parties, Elections and Referendums Act 2000.

[redacted]

Johnston Carmichael
Chartered Accountants
Registered Auditor

[redacted]

6 July 2007

SCOTTISH NATIONAL PARTY
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2006

		2006		2005 as restated	
Income:	**Notes**	£	£	£	£
Membership		**244,004**		228,151	
Fundraising	3	**801,612**		390,646	
Legacies		**228,567**		18,282	
Parliamentary Levy		**82,014**		73,654	
National Events		**1,893**		8,206	
Conference		**139,799**		102,951	
Commercial Activities		**14,788**		16,104	
Saltire		**3,000**		1,250	
Policy	5	**163,801**		157,037	
Campaigns		**98,867**		42,932	
Electoral Database		**2,079**		6,010	
National Call Centre		**26,465**		30,944	
SNP print.com		**639**		10,482	
Rent	6	**25,457**		23,135	
Office Costs		**3,416**		264	
Staff Costs		**-**		8,100	
Interest Received	6	**4**		-	
Total income			**1,836,405**		1,118,148
Expenditure					
Membership Income due to branches		**62,311**		55,897	
Membership		**14,350**		16,892	
Fundraising		**28,823**		11,996	
Raffles		**20,295**		19,796	
National Events		**24,612**		12,092	
Conference		**125,914**		95,729	
Webmail		**22,162**		10,961	
Saltire		**5,462**		6,456	
Policy		**5,948**		633	
Campaigns	9	**444,978**		336,325	
Rent & Rates		**63,033**		55,342	
Office Costs		**85,480**		62,161	
Legal & Professional Fees		**25**		435	
Insurance		**6,907**		7,539	
Term Loan Interest	12	**7,897**		565	
Audit & Accountancy Fees		**29,845**		28,531	
Bank Interest	12	**5,108**		10,573	
Notional Interest	7	**6,243**		23,309	
Other Interest	12	**1,323**		2,777	
Bank Charges		**13,782**		12,289	
Leasing		**17,939**		25,116	
Staff Costs		**356,066**		419,806	
Depreciation		**22,118**		16,605	
Loss on Disposal of Fixed Assets		**-**		5,285	
Bad Debt Write Off		**13,533**		5,654	
Total Expenditure			**1,384,154**		1,242,764
SURPLUS/(DEFICIT) BEFORE TAX FOR THE YEAR CARRIED FORWARD			**452,251**		(124,616)

SCOTTISH NATIONAL PARTY
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2006

	2006	2005 as restated
	£	£
SURPLUS/(DEFICIT) BEFORE TAX FOR THE YEAR - BROUGHT FORWARD	**452,251**	**(124,616)**
Taxation	-	-
SURPLUS/(DEFICIT) FOR THE YEAR	**452,251**	**(124,616)**

All amounts relate to continuing activities.

SCOTTISH NATIONAL PARTY
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31st DECEMBER 2006

	Notes	2006 £	2005 as restated £
SURPLUS/(DEFICIT) FOR THE YEAR		**452,251**	**(124,616)**
Prior year adjustment for change in accounting policy	1	**(45,961)**	
TOTAL GAIN RECOGNISED SINCE LAST FINANCIAL STATEMENTS		**406,290**	

SCOTTISH NATIONAL PARTY
BALANCE SHEET AT 31st DECEMBER 2006

	Notes	2006 £	2006 £	2005 as restated £	2005 as restated £
FIXED ASSETS:					
Tangible Assets	14		**41,529**		51,655
CURRENT ASSETS:					
Stocks	15	**11,782**		17,921	
Debtors	16	**76,808**		65,136	
Cash at building society and on hand		**102,876**		552	
		191,466		83,609	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR:	17	**452,666**		923,263	
Net current liabilities			**(261,200)**		(839,654)
Total assets less current liabilities			**(219,671)**		(787,999)
Creditors: amounts failing due after more than one year	18		**(124,553)**		(8,476)
			(344,224)		(796,475)
RESERVES:	20				
Willie McRae memorial fund			**500**		500
Revenue fund			**(344,724)**		(796,975)
Members Deficit			**(344,224)**		(796,475)

The financial statements were approved by the Party Officers on 5 July 2007.

[redacted]

Colin Beattie

National Treasu

SCOTTISH NATIONAL PARTY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st DECEMBER 2006

	Notes	£	2006 £	£	2005 £
Net cash inflow/(outflow) from operating activities	23		**443,598**		(11,371)
Taxation			**(34,323)**		(15,000)
Capital expenditure and financial investment					
Payment to acquire tangible fixed assets		**(11,992)**		(27,124)	
			(11,992)		(27,124)
Financing					
Increase in bank loans		**170,000**		-	
Repayment of bank loans		**(18,767)**		(11,515)	
(Decrease)/increase of finance leases		**(2,809)**		3,955	
(Decrease)/increase in other loans		**(247,952)**		32,561	
			(99,528)		25,001
Increase/(decrease) in cash	24		**297,755**		(28,494)

SCOTTISH NATIONAL PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2006

1. Accounting Policies

Basis of preparation

The Scottish National Party is not incorporated in law and thus not bound by the Companies Act 1985. The Party is required to prepare financial statements in accordance with the Political Parties, Elections and Referendum Act 2000 ('PPERA')

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

As stated in the Annual Report, the Party has 314 registered accounting units. Details of these units are available from Party headquarters. These accounts are unconsolidated and present the accounts of the central party only.

The Scottish National Party relies on membership and fundraising income to meet a large proportion of its expenditure, including most of its non-recurring expenditure. Loans and donations from supporters of the Party are used to cover short-term cash requirements. Membership and fundraising income is inherently unpredictable, but the National Treasurer is confident that sufficient membership and fundraising income will be received and existing facilities will continue to be available to meet the needs of the Party. In addition, the National Treasurer is satisfied that the Party will not be called upon to repay the loans it has received from Party supporters unless it has sufficient funds available for this purpose, with lenders agreeing to the deferral of loan repayments and/or the arrangement of replacement loans as necessary. This is consistent with the National Treasurer's experience in prior years.

Against this background, the National Treasurer has reviewed the expenditure budgets and cash flow projections for the Party for the year to 31 December 2007 and is satisfied that sufficient membership and fundraising income and other funding will be generated for it to meet its financial obligations and remain within its available overdraft facility. On this basis, the National Treasurer considers that it is appropriate to prepare the accounts on the going concern basis.

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.
- Membership and subscription fees are recognised in the income and expenditure account when received.
- Legacies are recognised when the personal representatives of the deceased have notified the Party of the legacy 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.

1. Accounting Policies (continued)

Depreciation

Depreciation is provided on tangible fixed assets at the following annual rates.

Improvements to Leasehold Property	-	20% straight line
Computer Equipment, Fixtures, Fittings and Equipment	-	33.33 % reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value.

Leased assets

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account on a straight line basis.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Pension costs

Contributions to the Party's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

Impairment of fixed assets

The need for any fixed asset impairment write down is assessed by comparison of the carrying value of the asset against the higher of its realisable value and value in use.

Liquid resources

For the purposes of the cash flow statement, liquid resources are defined as current asset investments and short term deposits.

Prior year adjustment

The Party has a constitutional liability to pass 25% of all membership monies to its branches.

Prior to the year under review, the liability relating to this obligation had not been recognised in the balance sheet, but disclosed as a contingent liability.

This policy has now been reviewed and full recognition has been deemed appropriate.

The comparative figures for 2005 have been restated on this basis and the reserves at 1 January 2005 have been adjusted accordingly.

The impact of this change in accounting policy is that the members deficit at 31 December 2005 and the amounts due to branches have both increased by £45,961. The deficit for the year ended 31 December 2005 has increased by £23,195 as a result of the change in accounting policy.

2. Donations

During the year the Party accepted donations greater than £200 from permissible donors (as defined by Section 54 of the PPERA) totalling £616,767 (2005 – £194,886) of which £597,337 were reported to the Electoral Commission.

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

3. Fundraising Income

	2006	2005
	£	£
Challenge	**78,809**	102,839
President's Club	**19,385**	19,805
Election appeal	**501,965**	143,071
St. Andrews Appeal	**57,785**	17,822
Donations	**92,394**	61,888
Raffle Car	**32,707**	27,548
Raffle Spring	**5,694**	5,514
Raffle St. Andrews	**5,162**	5,115
Lottery	**3,935**	2,482
Covenant	**3,776**	4,562
	801,612	390,646

4. Commercial Activities

The trading activities of the party are located, and their income generated worldwide.

5. Grants received

	2006	2005
	£	£
Policy development grant	**163,801**	157,037

6. Investment Income

	2006	2005
	£	£
Rental income (Management Accommodation)	**25,457**	23,135
Interest received	**4**	-

7. Notional expenditure

	2006	2005
	£	£
Service received (call centre)	**4,326**	9,528
Notional loan interest	**6,243**	23,309
	10,569	32,837

8. Surplus/(deficit) before tax

	2006 £	2005 £
Surplus/(deficit) is stated after charging:		
Auditors' remuneration - audit services – main party	**18,650**	19,388
- audit services – policy development grant	**1,175**	793
- audit services – campaign return	**2,500**	2,056
- non audit services	**-**	6,293
Operating lease charge - property	**29,557**	32,949
- equipment	**17,939**	27,893
Loss on disposal of fixed asset	**-**	5,285
Depreciation	**22,118**	16,605

9. Campaign Expenditure

	2006 £	2005 £
Activate.snp.org	**19,720**	16,685
print.snp.org	**4,619**	6,816
National call centre	**65,777**	54,352
Broadcasts	**57,665**	51,824
Advertising	**73,790**	42,104
Unsolicited materials	**35,819**	53,914
Manifesto	**8,394**	16,635
Market Research	**33,703**	26,951
Media	**45,363**	29,379
Transport and tours	**2,476**	3,814
Leadership expenses	**9,357**	10,860
Events	**3,303**	(250)
By-elections	**84,992**	23,241
	444,978	336,325

10. Staff

	2006 No	2005 No
Staff members:		
Officers	**7**	6
Administrative staff	**2**	2
Operations	**12**	14
	21	22
Staff costs for the above comprise:		
	£	**£**
Wages and salaries	**335,547**	380,624
Social security costs	**28,318**	32,280
Other costs, including pensions	**41,103**	39,247
	404,968	452,151

Included within staff costs above are costs related to national call centre staff.

11. Staff Remuneration

The number of staff whose total emoluments paid or receivable was over £50,000 was nil.

No staff members received any additional benefit either paid or in kind during the year.

The Nominating and Campaigns Officers posts are not salaried.

12. Interest payable and similar charges

	2006 £	2005 £
Bank overdraft	**5,108**	10,573
Bank loan	**7,897**	565
Finance leases	**1,323**	2,777
	14,328	13,915

13. Taxation

No liability to UK corporation tax arose on ordinary activities for the year ended 31st December 2006.

14. Tangible assets

	Leasehold Improvements £	Computers & Equipment £	Total £
COST			
As at 1st January 2006	39,655	148,224	187,879
Additions	-	11,992	11,992
Disposals	-	(3,136)	(3,136)
At 31st December 2006	39,655	157,080	196,735
DEPRECIATION			
At 1st January 2006	34,241	101,983	136,224
Charge for the year	2,707	19,411	22,118
On Disposals	-	(3,136)	(3,136)
At 31st December 2006	36,948	118,258	155,206
NET BOOK VALUE			
As at 31st December 2006	2,707	38,822	41,529
As at 31st December 2005	5,414	46,241	51,655

The net book value of tangible fixed assets includes an amount of £12,519 in respect of assets held under finance leases. The related depreciation charge for the period was £11,671.

15. Stocks

	2006	2005
	£	£
Promotional materials	**11,782**	17,921

There is no material difference between the replacement cost of stocks and the amount stated above.

16. Debtors

	2006	2005
	£	£
Trade debtors	**74,515**	36,266
Other debtors	**2,293**	28,870
	76,808	65,136

17. Creditors: amounts failing due within one year

	2006	2005 as restated
	£	£
Amounts due to branches	**50,006**	45,961
Bank loan and overdraft	**33,984**	197,416
Loans from accounting units	**72,080**	72,864
Other loans	**97,615**	406,185
Trade creditors	**128,537**	122,004
Taxation and social security	**13,292**	10,757
Corporation tax	**-**	34,323
Obligations under finance leases	**5,723**	5,375
Accruals	**51,429**	28,378
	452,666	923,263

18. Creditors: amounts falling due after more than one year

	2006	2005
	£	£
Bank loan	**119,234**	-
Obligations under finance leases	**5,319**	8,476
	124,553	8,476

19. Secured debts

The Royal Bank of Scotland holds a guarantee dated 27th April 2006 for £275,000 from Mr James Mather.

20. Reconciliation of movements in party funds

	General	Willie McRae	Property	Revenue	Total
	£	£	£	£	£
At 1st January 2005 as previously reported	130,022	500	101,938	(881,553)	(649,093)
Prior year adjustment (see note 1)	-	-	-	(22,766)	(22,766)
At 1st January 2005 as restated	130,022	500	101,938	(904,319)	(671,859)
Transfer to revenue	(130,022)	-	(101,938)	231,960	-
Surplus/(Deficit) for year	-	-	-	(124,616)	(124,616)
At 1st January 2006 as restated	-	500	-	(796,975)	(796,475)
Surplus/(Deficit) for year	-	-	-	452,251	452,251
At 31 December 2006	-	500	-	(344,724)	(344,224)

21. Capital commitments

	2006	2005
	£	£
Contracted but not provided for	NIL	NIL

22. Commitments under operating leases

As at 31 December 2006, the party had annual commitments under non-cancellable operating leases as set out below:

	2006		2005	
	Land and Buildings	Other	Land and Buildings	Other
	£	£	£	£
Operating leases which expire:				
Within one year	34,271	-	-	-
In two to five years	-	7,990	41,125	15,707
	34,271	7,990	41,125	15,707

23. Net cash inflow/(outflow) from operating activities

	2006	2005 Restated
	£	£
Operating surplus/deficit before taxation	452,251	(124,616)
Depreciation	22,118	16,605
Decrease/(Increase) in stocks	6,139	(2,870)
Increase in debtors	(11,672)	(26,909)
Increase in creditors	36,164	121,134
Loss on disposal of asset	-	5,285
Other non-cash changes	(61,402)	-
Net cash inflow/(outflow) from operating activities	443,598	(11,371)

24. Reconciliation of net cash inflow/(outflow) to movement in net debt

	2006	2005
	£	£
Increase/(decrease) in cash in the year	297,755	(28,494)
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	99,528	(8,704)
Change in net debt resulting from cash flows	397,283	(37,198)
Loans transferred to donations	61,402	-
New finance leases	-	(16,297)
Movement in net debt in the year	458,685	(53,495)
Opening net debt	(689,764)	(636,269)
Closing net debt	(231,079)	(689,764)

25. Analysis of net debt

	At 1 January 2006	Cash flow	Other non-cash changes	At 31 December 2006
	£	£	£	£
Cash	-	554	-	554
Short term deposits	552	101,770	-	102,322
Bank overdraft	(195,431)	195,431	-	-
	(194,879)	297,755	-	102,876
Bank loans	(1,985)	(151,233)	-	(153,218)
Loans from accounting units	(72,864)	784	-	(72,080)
Other loans	(406,185)	247,168	61,402	(97,615)
Finance leases	(13,851)	2,809	-	(11,042)
	(494,885)	99,528	61,402	(333,955)
Total	(689,764)	397,283	61,402	(231,079)

26. Related party transactions

The party has entered into the following transactions with its affiliated (non consolidated) accounting units and members:

		£
a)	**Loans from affiliated accounting units**	
	Loans payable at 1st January 2006	72,864
	Movement (net) in year	(784)
	Loans payable at 31st December 2006	72,080
b)	**Loans from members**	
	Loans payable at 1st January 2006	406,185
	Movement (net) in year	(308,570)
	Loans payable at 31st December 2006	97,615
c)	**Amounts due to branches**	
	Due at 1st January 2006	45,961
	Movement (net) in year	4,045
	Due at 31st December 2006	50,006

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Party Officers

Registered officers under the Political Parties, Elections and Referendums Act 2000: -

Leader:	Alex Salmond MSP MP
Nominating Officer:	Peter Murrell
Treasurer:	Colin Beattie
Campaigns Officer:	Peter Murrell
Deputy Campaigns Officer:	Ian McCann
Deputy Campaigns Officer:	Andrew Rosie

Party Headquarters
107 McDonald Road, Edinburgh EH7 4NW.

Auditors
Johnston Carmichael, [redacted]

Accountants
George & Company, [redacted]

Bankers
[redacted]

Legal Advisers
BCKM, [redacted]

Financial Advisers
Cavanagh Group, [redacted]

1. Administrative Information

Membership

By contrast with the other political parties, SNP membership continues to increase. Membership has soared by nearly 50% in just four years, with an 11% year-on-year rise in 2007.

Table 1 – The membership of the Scottish National Party.

	2007	2006	2005	2004	2003
Members	13,944	12,571	10,995	10,854	9,450
Membership Income	£310,805	£244,004	£228,151	£178,002	£54,147
Branch 25% dividend	£78,689	£62,311	£55,897	£44,500	-
Average age of a member	52.5	51.9	52.5	55.3	-
Members under 26 years of age	6.7%	8.8%	8.6%	8.1%	-
Members over 65 years of age	25.4%	24.6%	26.4%	27.3%	-
New members in the year	2,206	2,876	-	-	-
New members joining online	46.7%	46.3%	-	-	-
Life Members	94	59	42	-	-
Members paying subscriptions by Direct Debit	57.3%	40.3%	35.5%	33.5%	6.5%
Average subscription of Direct Debit payer	£47	£36	£32	£30	£17
Average subscription of non Direct Debit payer	£10	-	-	-	-
Members paying £12 minimum rate	15.3%	34.4%	-	-	-
Members paying £5 unwaged rate	19.0%	24.5%	28.9%	31.2%	-
Members paying via local branch	2.5%	3.3%	3.5%	8.1%	82.7%

Accounting Units

The Scottish National Party has 316 accounting units separate from its central organisation in order to provide for each constituent organisation to be responsible for its own financial affairs.

The Scottish National Party constitution also provides for the establishment of Members' Associations. The following such bodies have been established to date: -

i. SNP members of the Scottish Parliament
ii. SNP members of the United Kingdom Parliament
iii. SNP members of the European Parliament
iv. SNP Women's Forum
v. Business for Independence
vi. Scots Asians for Independence

Table 2 – Constituent organisations of the Scottish National Party.

	2007	2006	2005	2004	2003
Constituency Associations	48	50	51	54	53
Constituency Branches	23	21	19	17	18
Westminster Liaison Committees	34	34	34	34	-
Regional Liaison Committees	8	8	8	8	8
Council Liaison Committees	30	30	30	30	30
Branches	207	205	209	229	207
Sub Branches	-	-	-	-	17
Affiliated Organisations	4	4	4	4	4

(i) Branches

Local branches form the organisational building block of the Scottish National Party. Each branch has its own constitution and office bearers who are elected at the annual general meeting. Branches receive a 25% dividend of subscriptions paid by each of their members. Branches are entitled to delegates to constituency associations, liaison committees, National Council and National Conference. The number of delegates is dependent on the number of members each branch has.

(ii) Constituencies

The Party is organised around the Scottish Parliament constituency boundaries and so, for each Scottish Parliament constituency, there exists an SNP constituency association or branch. A constituency association is made up of more than one branch within the boundary. Where this is the case the branch may pay "dues" to the association and will be entitled to delegates to this body. Where there is one branch within the boundary, it is known as a constituency branch. Constituency branches and associations have the same office bearers as branches. Constituency associations have delegate entitlement to National Council and National Conference. Constituency branches are additionally entitled to delegates to liaison committees.

(iii) Liaison Committees

A number of liaison committees are responsible for the strategic direction and operational co-ordination of branches in respect of election campaigning for either or both of local government and parliamentary elections, other than for election to Scottish Parliament constituencies. These are: -

(a) Westminster Liaison Committees

Westminster liaison committees exist only in the run up to and duration of a Westminster election. The number of delegates from each is dependent on how much of a branch area comes within the boundary. The committees elect the same office bearers as branches but are not entitled to delegate entitlement to other bodies.

(b) Regional Liaison Committees

Regional liaison committees cover a Scottish Parliament electoral region of which there are eight. The role of the liaison committee is to co-ordinate the regional campaign for the regional list vote. MSPs are accountable to the regional liaison committees which are made up of

delegates from each branch within the region. Each regional liaison committee has its own constitution and can decide to levy member branches and constituency associations.

(c) Council Liaison Committees

Council liaison committees act as a forum for local government matters within a Scottish local authority area, of which there are 32. The liaison committee is responsible for establishing a candidate assessment committee; ensuring that respective rules on candidate selection procedures are adhered to at all times; co-ordinating the Party's electoral activities for the council elections in their area; and producing an election manifesto.

(v) Affiliated organisations

These are autonomous groups representing particular interests. Each group has representation at National Executive Committee (NEC) level and has delegate status at National Conference and National Council.

The affiliated organisations are: -

(a) Association of Nationalist Councillors (ANC)

Every SNP member who is a member of the SNP group of a Scottish local authority is a member of the Association of Nationalist Councillors. The aim of the ANC is to act as a forum for SNP councillors to exchange best practice across council groups; put forward a collective view on council issues to SNP national bodies; and coordinate the work of SNP councillors in achieving the Party's aims. The ANC has one representative on the NEC.

(b) The Trade Union Group (TUG)

The Trade Union Group has a dual role - to promote the role of trade unions within the SNP and to promote the aims and objectives of the SNP within the wider trade union movement. They have, for example, campaigned against the political levy (to the Labour Party) on trade union members. The TUG has one representative on the NEC.

(c) Young Scots for Independence (YSI)

The YSI is the official youth wing of the Scottish National Party. It started in the 1980s and membership is open to all between the ages of 14 years and 29 years, and focuses its activity on issues affecting young people. The YSI has one representative on the NEC.

(d) The Federation of Student Nationalists (FSN)

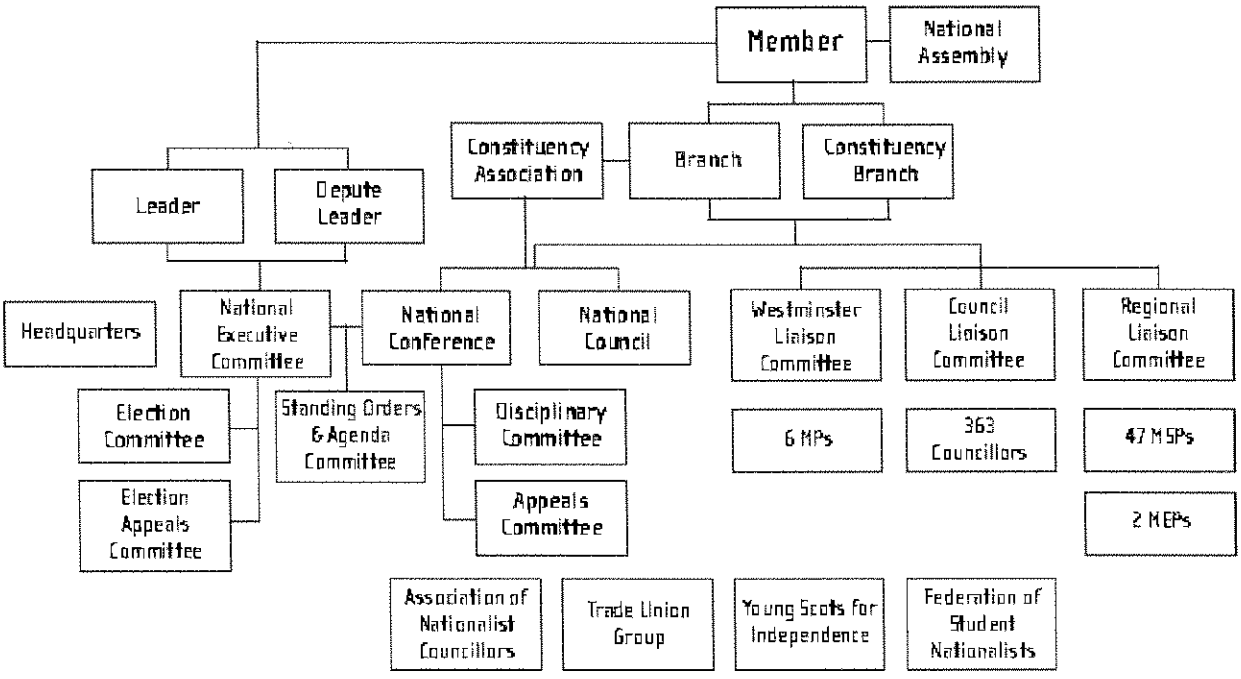
The FSN is the student wing of the SNP, which is active in most colleges and universities throughout Scotland. The FSN is open to anyone in full-time or part-time education. The FSN has one representative on the NEC.

National Assembly

National Assembly is the forum for the development of policy within the Party. Policy is debated and discussed before being presented to the Party for approval at National Council or National Conference. National Assembly also provides the opportunity to invite speakers from out with the Party to address

members on important issues of special interest. Any member of the Party is entitled to attend National Assembly which is held as and when required.

Table 3 – SNP organisational structure chart.



National Council

National Council is the governing body of the Party between conferences and meets at least twice a year. In addition to hearing reports from national office bearers, council also has the power to make policy. National Council is made up of delegates from branches, constituency associations, national executive committee, representatives of parliamentary groups and affiliated organisations, and fifteen members elected by National Conference. The fifteen elected members of National Council for 2007/2008 are:- Clare Adamson, Roseanna Cunningham MSP, Andy Doig, John Finnie, Jahangir Hanif, Anne McLaughlin, Lachie McNeill, Alex Orr, Michael Russell MSP, Osama Saeed, Stewart Stevenson MSP, Kevin Stewart, Alison Thewliss, Sandra White MSP, and Billy Wolfe.

National Conference

National Conference is the supreme ruling body of the SNP and, as well as making policy, elects the Party's national office bearers and national executive committee. Conference is attended by more than 1,200 delegates, observers, diplomats, and media along with the SNP Members of the Scottish Parliament, European Parliament, Westminster Parliament and councillors. Conference is a delegate body, comprising representatives from local organisations, as well as affiliated organisations, elected members and elected representatives. Delegates to conference decide the SNP's policy and direction, hold the leadership to account and elect the leadership and membership of a number of committees, including the NEC, appeals committee and disciplinary committee. Any member of the Party may attend conference but only delegates can speak and vote.

National Executive Committee (NEC)

The SNP's leadership is invested in its national executive committee which is made up of the Party's elected office bearers, elected members and representatives of affiliated organisations. The NEC meets monthly and is charged with devising the SNP's national political strategy to help to deliver the Party's aims, as well as overseeing the organisation and administration of the Party. NEC members report to National Council and Annual National Conference, and are open to question by delegates. Members of NEC are elected by Annual National Conference.

The members of the national executive committee 2007/2008 are: -

Leader	Alex Salmond MSP MP
Depute Leader	Nicola Sturgeon MSP
Business Convener	Angus Robertson MP
President	Ian Hudghton MEP
National Secretary	Duncan Ross
Organisation Convener	Willie Sawers
National Treasurer	Colin Beattie
Ordinary members of NEC	Graeme Dey
	David Berry
	Gareth Finn
	Allison Hunter
	Gerry Fisher
	Joe Fitzpatrick MSP
	Aileen Campbell MSP
	Grant Thoms
Westminster Parliament Group representative	Appointed as Business Convener
European Parliament Group representative	Alyn Smith MEP
Association of Nationalist Councillors representative	Douglas Chapman
FSN representative	Gail Lythgoe
YSI representative	Marco Biagi
Trade Union Group representative	Chris Stephens

The business convener is appointed from within the membership of the NEC.

The election committee and election committee appeals body, which deal with approval of Parliamentary candidates, are appointed by the NEC.

The NEC also appoints from within its ranks, four members of the standing orders and agenda committee, which is chaired by the national secretary and is responsible for the agenda for National Conference and National Council.

Elected representatives

The Scottish National Party fields candidates in elections to Scottish local authorities, the Scottish Parliament, the House of Commons, and the European Parliament.

As at 30 June 2008, the SNP representation at each is as follows: -

- 47 Members of the Scottish Parliament
- 6 Members of Parliament
- 2 Members of the European Parliament
- 363 councillors in 30 of the 32 Scottish councils

The full list of elected representatives is available on the SNP website.

SNP councillors lead the administration of Fife Council, Perth & Kinross Council, Renfrewshire Council, East Lothian Council, and West Lothian Council; form a minority administration in Stirling Council, East Ayrshire Council and in West Dunbartonshire Council; and share coalition administrations in Aberdeen City Council, Argyll & Bute Council, City of Edinburgh Council, East Renfrewshire Council, and Highland Council.

SNP staff

The Scottish National Party is served by 13 staff (11.2 full-time equivalent) based at its Headquarters in Edinburgh. There are 15 further staff (5.5 full-time equivalent) based at the national call centre in Glasgow.

The Party chief executive, Peter Murrell, is accountable to the national executive committee and is responsible for the day to day running of SNP activities and projects.

Staff are split into three interdependent teams reporting to the chief executive: -

- 4.6 full-time equivalent being responsible for financial and legislative compliance, committee and leadership support, the conduct of internal elections, personnel management, information systems and general administration in the Corporate Team;
- 2.7 full-time equivalent supporting the Party's core income activities of fundraising, membership and events in the Operations Team;
- 9.4 full-time equivalent providing campaign services to local organisations and campaigns in the Campaigns Team.

The mission of Headquarters is to put the SNP in a position to deliver Independence, grow Party membership and support the consistent improvement in the total of elected representation, and assist government progress in Scotland. This mission is backed by four strategic objectives: –

i. Winning Party - help local candidates and organisations win more seats.
ii. Membership growth – encourage more people to join.
iii. Membership development - help members gain the knowledge and skills they need to promote our aims.
iv. The best team - support and develop local organisations to focus on bridging good practice with local practice.

As at 30 June 2008, Party staffing is as follows: -

	Chief Executive	Peter Murrell
Corporate	Corporate Governance & Compliance Manager	Ian McCann
	Corporate Development Manager	Susan Ruddick
	Administrator	Claire Bennett
	IT Support Manager	Russell Horn
	Policy & Information Officer	Victoria Pyle
Operations	Fundraiser	Jim Henderson
	Member Services & Events Manager	Trudi Logan
	Member Services & Events Officer	Beverley Murray
Campaigns	Campaign Services Manager	Lorraine Reid
	Data Analyst	Aileen McLaughlin
	Lead Developer	David Donachie

Developer	Jakub Zygmunt
National Call Centre Supervisor	James Tudor
Call Centre Operator	Anthony Anderson
Call Centre Operator	Abera Zahid
Call Centre Operator	Daniel Carr
Call Centre Operator	Nicole Carr
Call Centre Operator	Iqra Khalid
Call Centre Operator	Janette McKinley
Call Centre Operator	Lauren McInally
Call Centre Operator	David Nimmo
Call Centre Operator	Keren McGill
Call Centre Operator	Parvez Hossain
Call Centre Operator	Asma Rashid
Call Centre Operator	Paul McInally
Call Centre Operator	Shahriyar Rahman
Call Centre Operator	Stephen Arthur

2. Review of Political Activities

These are some of the key events of the SNP's year: -

May 4	SNP becomes the biggest party at Holyrood, winning 47 seats to Labour's 46. That day also sees the SNP becomes the biggest party in local government, electing 363 councillors.
May 7	Alex Salmond says his "working assumption" is that the SNP will form a minority administration.
May 11	SNP strike a deal with the two Green MSPs, who will help install Alex Salmond as First Minister in return for "sympathetic consideration" of their goals.
May 16	Alex Salmond elected First Minister by 49 votes to 46.
May 19	Prince Andrew tells the General Assembly of the Church of Scotland: "An election in Scotland has rattled the timbers of the concept of the Union."
May 23	Alex Salmond sets out legislative priorities with economic growth the "overarching" priority.
May 24	The Queen flies in to Edinburgh by helicopter for a historic audience with the first SNP First Minister.
May 31	At his first First Minister's Questions, he makes light of the deafening silence from 10 Downing Street. "He never phones, he never writes," he says of Tony Blair, who has recently announced he plans to step down. That day, the minority administration sees its first Holyrood policy victory when MSPs vote to scrap Forth and Tay bridge tolls.
June 1	First Minister receives his first phone call from Chancellor Gordon Brown, who will succeed Mr Blair.
June 6	Nicola Sturgeon tells MSPs that plans to close A&E at Ayr and Monklands hospitals are to be reversed.
June 7	Alex Salmond tells MSPs he has protested over a deal signed during a Tony Blair trip to Libya which could lead to the Lockerbie bomber being transferred to that country.
June 30	The Glasgow Airport bombing poses the first major test for Alex Salmond. It happens on the day the Queen attends the opening of the Scottish Parliamentary session.
August 14	Alex Salmond launches white paper on Independence, saying it marks the start of a "national conversation". The proposed wording of the referendum asks voters if they agree or disagree "that the Scottish Government should negotiate a settlement with the Government of the United Kingdom so that Scotland becomes an independent state."

August 16	SNP sweep to victory in the first council by-election since May, held in the Midstocket/Rosemount ward on Aberdeen Council.
August 23	Justice minister Kenny MacAskill scraps plan to turn to private sector for new prison at Bishopbriggs.
August 24	SNP marks its 100th day in power with a document claiming "significant progress" on pledges. These include action to cut class sizes, scrap tuition fees, create the council of economic advisers, and deal with the terrorist attack at Glasgow airport and foot-and-mouth disease outbreak in Surrey.
September 3	Signs are changed at six main Scottish Executive buildings, officially making it the "Scottish Government".
September 18	The SNP is put 'on snap election alert' as speculation grows that Gordon Brown is set to announce a general election. Candidates are to be selected immediately to ensure the Party is ready for an October election.
September 27	MSPs vote to scrap £600 million Edinburgh Airport RailLink.
October 6	Gordon Brown is forced into a humiliating climbdown over his plan to call a snap general election.
October 9	Westminster spending review prompts Alex Salmond to complain that Scotland has been short-changed with the "worst settlement since devolution".
October 28	Speaking at the SNP's national conference in Aviemore, Alex Salmond sets out his plans for a referendum on Independence in 2010
November 2	The SNP honour Winnie Ewing at a celebration dinner to mark the 40th anniversary of her Hamilton by-election victory.
November 14	Local authorities agree to council tax freeze on the day John Swinney sets out details of his first budget.
December 2	Wendy Alexander embroiled in row over her leadership campaign spending.
December 31	The SNP reveal that membership of the SNP has soared by nearly 50% in just four years. By the end of 2007, SNP membership stood at 13,944.
February 6	Parliament approves the SNP budget, by 64 votes to one with 60 abstentions.
February 7	Electoral Commission says it would not be "appropriate" to report Wendy Alexander for possible prosecution.
February 14	The SNP win a by-election in the Elgin City South ward on Moray council.
February 21	The SNP win the Highland ward on Perth & Kinross council. A by-election was held to replace Eleanor Howie who died in December.

February 28 MSPs vote to scrap the £2,289 graduate endowment.

March 12 Westminster budget brings Scotland an extra £26 million through Barnett formula but whisky duty goes up by 55p a bottle.

March 18 The Scottish Government rejects new nuclear power stations as "dangerous and unnecessary".

April 1 Prescription charges cut by £1.85, and will be scrapped entirely in 2011. Tuition fees scrapped. Council tax frozen. Free personal care payments rise. Business rates for 150,000 small businesses reduced.

April 2 A £10 million Saltire Prize for innovation in renewable marine energy is announced by Alex Salmond in Washington as part of Scotland Week.

April 6 Alex Salmond hails Scotland Week a "fantastic success". The First Minister was speaking at the end of a week-long visit to the US in which he was promoting the business, social and cultural links between Scotland and America.

April 13 Alex Salmond accuses Westminster of "bullying" over SNP plans for local income tax.

April 16 Independence takes a dramatic lead in a new opinion poll on Scotland's constitutional future. TNS System Three found 41% of Scots want the SNP government to negotiate an independence settlement, compared to 40% who are opposed.

April 18 The SNP launch a new campaigning publication, VISION. The first edition is timed to coincide with the first anniversary in office, and looks back at a year of achievement for the Scottish Government.

April 19 Spring conference delegates select the SNP's seven candidates for the European elections on 4 June 2009. A postal ballot of all Party members in October will place these individuals in rank order.

April 20 Alex Salmond sets his sights on the SNP winning 20 seats at the next Westminster election. Speaking at the Party's spring conference, he said such an SNP presence in the Commons could result in the Party holding the balance of power and "make Westminster dance to a Scottish jig".

April 23 SNP popularity soars to record high in latest poll, giving the Party a seven point lead over Labour.

April 27 A year after leading the SNP to a historic election victory, Scots give Alex Salmond the thumbs-up in an exclusive poll for Scotland on Sunday.

May 1 The SNP secure 63% first preference votes in the Troup ward on Aberdeenshire council. A by-election was held to choose a successor to Mitchell Burnett, who died in February following a lengthy battle with cancer.

May 2	Confirmation the SNP is winning the battle for the hearts and minds of Scotland's business community, a Scotsman survey suggests. 39% of business leaders were now more in favour of independence than 12 months ago and 57.5% believed the SNP was doing a good or excellent job in power.
May 3	The SNP mark the first anniversary of its historic election win with a national day of action.
May 4	A referendum on Independence in 2010 looks inevitable as the leader of Labour MSPs Wendy Alexander expresses her support for a ballot.
June 7	The SNP launches a campaign to secure 10% of the £4.4 billion tax windfall generated by rising oil prices to be used for Scotland's benefit.
June 9	The Scottish Government announces it is to commission a study of the benefits of an oil fund for Scotland, Alex Salmond says.
June 21	SNP members gather for a march and rally to commemorate the Battle of Bannockburn. Nicola Sturgeon said the rally marks a seminal point in Scottish history and should be expanded into a festival of Scotland's contribution to European thought.
June 23	Alex Salmond honours Ian Hamilton, the ringleader of a Robin Hood-style band of nationalists who repatriated the Stone of Destiny from Westminster Abbey on Christmas Day, 1950.

3. Corporate Governance

National Executive Committee

The National Executive Committee (NEC) meets monthly and is the body which has responsibility for the strategic management and political direction of the Party; ensuring the decisions of National Conference and National Council are implemented; oversight and interpretation of policy between meetings of National Conference and National Council; coordinating and monitoring the work of all national office bearers elected by National Conference; organising and directing national campaigns; employment and direction of staff; ownership of the Party's assets and management of the Party's financial affairs; any other matters expressly delegated to it by National Council or National Conference.

The NEC has full control over all monies, funds, property, investments and securities of whatever kind and description belonging to the Party.

The NEC has the power to borrow money on behalf of the Party, and to continue existing borrowing, where it is necessary to do so in order to finance the Party's activities.

The Party's financial scheme sets out how the Party will regulate its financial affairs for the purpose of compliance with current legislation. The financial affairs of all bodies mentioned in the Party's constitution must comply with the financial scheme.

No body within the Party shall enter into commercial borrowing unless prior agreement has been reached with the national treasurer. If a body within the Party goes out of existence or is dissolved, all assets, at the option of the national treasurer, shall become property of the Party.

Members of NEC are elected by Annual National Conference.

Control environment and control activities

The Party is committed to ensuring that a proper control environment is maintained. Above all, there is a commitment to competence and integrity, together with the communication of clear objectives to all accounting units. These are underpinned by a human resources policy that develops equality with integrity.

The organisational structure of the Party has been developed to delegate authority with accountability to ensure that control and consistency are maintained, having regard to an acceptable level of risk. The national treasurer and Party officers report on the control environment on a regular basis to the NEC.

From 2004, the performance of each accounting unit has been reviewed regularly to comply with organisation performance and development rules.

Legislation

The primary Acts and Regulations governing the political and campaigning activities of the Scottish National Party are: -

1. Electoral Administration Act 2006
2. Local Electoral Administration and Registration Services (Scotland) Act 2006
3. Political Parties, Elections and Referendums Act 2000

4. Privacy and Electronic Communications (EC Directive) Regulations 2003 (PECR)
5. Data Protection Act 1998
6. Representation of the People Act 1983 (as variously amended)
7. Representation of the People Act 1985
8. Representation of the People Act 2000
9. Representation of the People (Scotland) Regulations 2001 (as amended by the Representation of the People (Scotland) (Amendment) Regulations 2002 and 2006)
10. Representation of the People (Scotland) (Amendment) Regulations 2007
11. Representation of the People (Postal Voting at Local Regulations Government Elections) (Scotland) Regulations 2007
12. The Scottish Parliament (Elections etc.) Order 2007
13. Local Government (Scotland) Act 1973
14. Local Governance (Scotland) Act 2004
15. Scottish Local Government Elections Order 2007 Rules
16. Representation of the People (Absent Voting at Local Regulations Government Elections) (Scotland) Regulations 2007
17. Representation of the People (Post-Local Government Regulations Election Supply and Inspection of Documents) (Scotland) Regulations 2007
18. Representation of the People (Postal Voting at Local Regulations Government Elections) (Scotland) Regulations 2007
19. Representation of the People (Scotland) Regulations 2001 (as amended by the Representation of the People (Scotland) (Amendment) Regulations 2002, 2006 and 2007)

The Scottish National Party has a compliance team of five staff who review the adequacy of the internal control system in meeting the Party's requirements under current legislation. The compliance team report to the chief executive.

Environmental and social responsibility

The Scottish National Party is committed to preserving and enhancing the environment of Scotland as sustainable, biologically diverse and non-polluting.

The SNP Government is striving to ensure that Scotland will become a world leader in securing a sustainable environment and quality of life for all, recognising that local action can have global impact and that environmental problems do not respect national boundaries.

To that end the SNP ensures that its Headquarters takes such local action. Our employees are encouraged to take steps to reduce waste, reduce energy consumed, increase the amount of waste recycled, and purchase goods and services less environmentally damaging. Various measures have been taken, including the phasing out of plastic bags from the SNP merchandise range.

The Headquarters operation uses recycled products where viable and encourages the procurement of environmentally friendly materials through a procurement policy. Headquarters uses suppliers who have a positive approach to reducing their environmental impact. The impact of transportation distances of goods are also taken into account in determining sources of supply with priority being given, where practicable, to locally based suppliers.

The SNP aims to minimise waste arising from its operations and to implement sound waste management practises. It also aims to reduce the consumption of all materials and wherever practicable to actively encourage and enforce recycling and re-use. Simple steps like double-sided photocopying and double-sided printing are encouraged to reduce paper consumption. All shredded paper is recycled and recycled

paper is purchased. Aluminium cans, plastic, glass, tin and printer cartridges are recycled. Old computers are donated to charities.

The Headquarters operation has a policy of reducing its carbon and wider greenhouse gas emissions to the greatest extent possible, and to the extent that reductions cannot be achieved, offsetting the emissions. Energy consumption is monitored and targets set to reduce usage.

Reducing water usage and improving waste management are also important to minimising the impact of Headquarters on the environment. Various measures have been introduced to reduce water use.

No motor vehicles are operated by the SNP. Employees are encouraged to use public transport. Cycle parking loops are provided at Headquarters.

The Scottish National Party has a 'green team' of three staff who review the environmental impact of Headquarters activities. In 2008, the team is working to estimate the carbon footprint of our conferences and propose a way of offsetting the carbon emissions of participants. The 'green team' report to the chief executive.

4. Financial Review

INCOME

In 2007 our total income was £2,562,970, of which 74% came directly from voluntary donations. Considerable progress was made within the year in building the Party's core income activities of fundraising, membership and events.

Where the money comes from

53p in every £1 is donated by individual members and supporters who care about Scotland

12p comes from membership subscriptions

10p is sales of exhibition space, sponsorship and registration fees at SNP conference

8p comes from our members and supporters who remember us in their wills

6p is grants to assist the Party with its policy development

5p is sales of support services from the national call centre

4p comes from MSPs, MPs and MEPs to be invested in national campaigning

2p is sales of merchandising and other trading

Where the money goes

60p of every £1 spent is used to help local candidates and organisations win more seats and provide campaign support services like activate.snp.org

18p goes on the permanent paid staff at SNP Headquarters

6p is used by the SNP to cover operating costs

5p goes on hiring venues and running conferences

5p is paid in bank charges, legal and audit fees

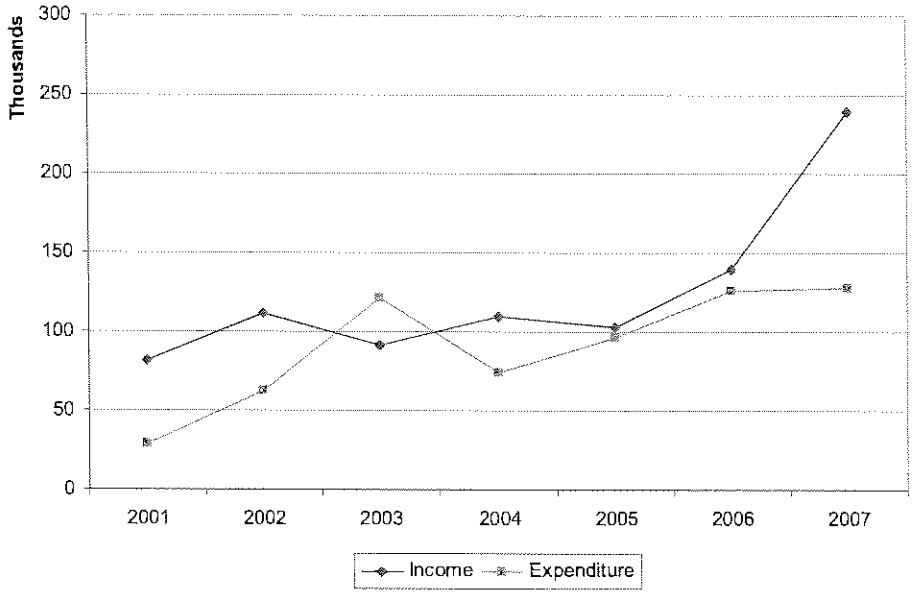
3p is returned to local branches as a dividend of membership subscriptions

3p goes on increasing income from membership subscriptions and fundraising

Conference

The promotional opportunities at SNP conferences resulted in a record year with a £99,680 (71%) increase over 2006.

Table 4 – Conference income 2001-2007.



Fundraising

An effort to broaden the donor base and to encourage both high value and repeat gifts in 2007 brought significant benefit and was a key factor in delivering the Party's historic election win.

Table 5 – Number of donors by giving range.

	2007	2006	2005	2004
£200 or less	10,407	3,750	3,250	2,713
£201 - £500	83	62	78	93
£510 - £1,000	39	36	30	28
£1,001 - £5,000	40	47	24	49
Over £5,000	26	19	2	4

The SNP continues to operate five core fundraising schemes: -

i. Challenge for Independence is the SNP's regular giving scheme whereby members may donate monthly by direct debit, standing order or cash. All money raised is ring-fenced for campaigning.
ii. The St Andrew's Appeal is sent to all members in the run up to Scotland's national day on 30 November.

Table 6 – SNP giving scheme membership.

	2007	2006	2005	2004
Challenge for Independence	504	523	558	591
President's Club	66	65	72	66
Independence Covenant	335	353	341	591

iii. The President's Club seeks donations of at least £20 per month and directs funds towards providing staffing resources and Headquarters facilities.
iv. The Independence Covenant works like a national 50/50 club in that half the profit from it goes to the Party and half goes to the prize fund.
v. The Great Weather Lottery is a daily lottery based on temperatures in six cities and is operated by Lottery Service Providers Ltd.

The Party conducted four prize raffles in 2007, the annual Spring Draw and St Andrew's Draw plus two 'win a new car' prize draws. Branches could retain 25% of their sales of car raffle tickets and 50% of the Spring and St Andrew's raffles.

Legacies

A Will for Independence is the SNP's legacy campaign. Headquarters holds a file of bequest commitments intimating legacies totalling £570,450 from 51 individuals, with a further 50 individuals confirming legacies without a value. We acknowledge bequests during 2007 from Ronald Clarke, Dorothy McGowan, Jane Strangeways, Irene-Grace Widdop, John Wilshaw and George Wyllie.

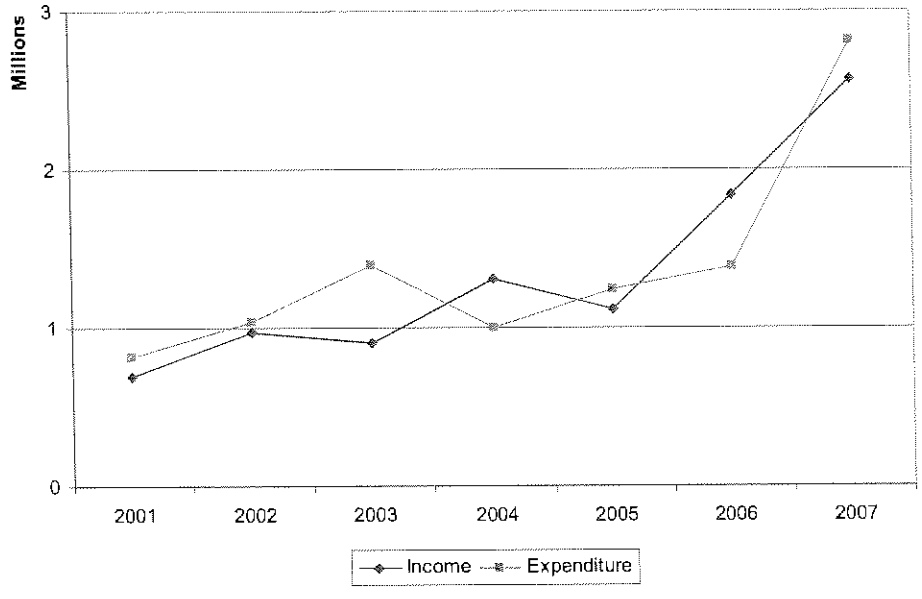
Save with the SNP

Local organisations continue to deposit money in the form of interest free loans to help offset commercial borrowing and to assist with the Party's cash flow. These deposits saved the Party around £4,200 in bank interest during 2007.

EXPENDITURE

In 2007 our total expenditure was £2,803,560. The vast majority of expenditure continues to be on supporting and developing local organisations and to win more seats.

Table 7 – SNP income and expenditure 2001-2007.



Income from the parliamentary levy - boosted by the Party's 75% increase in representation at the Scottish Parliament - continues to be invested in core national campaign services: -

- an online hub for organising and running campaigns, activate.snp.org
- print.snp.org for designing campaign materials
- telephone surveying and target voter contact from the SNP national call centre

The impact of legislation

The effect of legislation is having a growing impact on staff and expenditure within the Headquarters operation. No fewer than 10 of the 13 Headquarters staff are involved in meeting the requirements of the Political Parties, Elections and Referendums Act 2000 and the Electoral Administration Act 2006, or ensuring that the Party acts at all times in accordance with current legislation.

The rising costs in preparing and publishing audited financial accounts and campaign expenditure returns in a format specified by the Electoral Commission is further evidence of this impact. The SNP has seen its audit and accounting fees rise by over 1000% since the introduction of the legislation in 2001.

Table 8 – SNP audit and accountancy fees.

	2007	2006	2005	2004	2003	2002	2001
Audit and accountancy fees	£47,248	£29,845	£28,531	£16,480	£10,692	£9,400	£4,500

SCOTTISH NATIONAL PARTY
STATEMENTS OF NATIONAL TREASURER'S RESPONSIBILITIES

The Political Parties, Elections and Referendums Act 2000 requires the National Treasurer of the Party to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Party and of the surplus or deficit for that period. In preparing those financial statements, the National 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 Party will continue in business.

Section 41 of the Act requires that the National 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 National Treasurer is responsible for delivery of the statement of accounts to The Electoral Commission by the required deadline.

SCOTTISH NATIONAL PARTY
REPORT OF THE INDEPENDENT AUDITORS

To the National Treasurer of Scottish National Party

We have audited the financial statements of Scottish National Party for the year ended 31 December 2007 which comprise 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 pages 28 to 29.

This report is made solely to the National Treasurer of the Scottish National Party 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 National 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 National Treasurer, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of National Treasurer and auditors

The responsibilities of the National Treasurer for preparing the annual report and 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 National Treasurer's 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 other information in the Annual Report is not consistent with the financial statements, if the Party has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law is not disclosed.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises the Administration Information, Review of Political Activities, Corporate Governance and Financial Review. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 National 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 United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Scottish National Party as at 31 December 2007 and of its deficit for the year then ended; and
- have been properly prepared in accordance with the Political Parties, Elections and Referendums Act 2000.

[redacted]

Johnston Carmichael
Chartered Accountants
Registered Auditor

[redacted]

3 July 2008

SCOTTISH NATIONAL PARTY
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007

		2007		2006	
Income:	**Notes**	**£**	**£**	£	£
Membership		**310,805**		244,004	
Fundraising	3	**1,366,320**		801,612	
Legacies		**216,580**		228,567	
Parliamentary Levy		**116,087**		82,014	
National Events		**1,236**		1,893	
Conference		**239,479**		139,799	
Merchandise		**22,979**		14,788	
Saltire		**-**		3,000	
Policy	5	**162,440**		163,801	
Campaigns		**74,940**		98,867	
National Call Centre		**40,722**		28,544	
print.snp.org		**17**		639	
Rent	6	**7,775**		25,457	
Office Costs		**2,915**		3,416	
Staff Costs		**675**		-	
Interest Received	6	**-**		4	
Total income			**2,562,970**		1,836,405
Expenditure					
Membership Income due to branches		**78,689**		62,311	
Membership		**30,665**		14,350	
Fundraising		**25,722**		28,823	
Raffles		**28,825**		20,295	
National Events		**8,212**		24,612	
Conference		**127,756**		125,914	
ICT		**18,275**		22,162	
Saltire		**-**		5,462	
Policy		**999**		5,948	
Campaigns	9	**1,676,223**		444,978	
Rent & Rates		**66,640**		63,033	
Office Costs		**72,289**		85,480	
Legal Fees		**1,225**		25	
Insurance		**7,256**		6,907	
Term Loan Interest	12	**9,929**		7,897	
Audit Fees		**19,830**		18,650	
Professional Fees		**27,418**		11,195	
Bank Interest	12	**16,460**		5,108	
Notional Interest	7	**5,717**		6,243	
Other Interest	12	**3,149**		1,323	
Bank Charges		**13,208**		13,782	
Leasing		**15,706**		17,939	
Staff Costs		**507,519**		356,066	
Depreciation		**20,848**		22,118	
Bad Debt Write Off		**21,120**		13,533	
Total Expenditure			**2,803,560**		1,384,154
(DEFICIT)/SURPLUS BEFORE TAX FOR THE YEAR CARRIED FORWARD			**(240,590)**		452,251

SCOTTISH NATIONAL PARTY
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007

	2007	2006
	£	£
(DEFICIT)/SURPLUS BEFORE TAX FOR THE YEAR - BROUGHT FORWARD	**(240,590)**	452,251
Taxation	-	-
(DEFICIT)/SURPLUS FOR THE YEAR	**(240,590)**	452,251

All amounts relate to continuing activities.

SCOTTISH NATIONAL PARTY
BALANCE SHEET AT 31st DECEMBER 2007

	Notes	£	£	£	£
FIXED ASSETS:					
Tangible Assets	14		**45,045**		41,529
CURRENT ASSETS:					
Stocks	15	**15,999**		11,782	
Debtors	16	**94,734**		76,808	
Investments	17	**171,000**		-	
Cash at building society and on hand		**1,060**		102,876	
		282,793		191,466	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR:	18	**(809,546)**		(452,666)	
Net current liabilities			**(526,753)**		(261,200)
Total assets less current liabilities			**(481,708)**		(219,671)
Creditors: amounts falling due after more than one year	19		**(103,106)**		(124,553)
			(584,814)		(344,224)
RESERVES:	21				
Willie McRae memorial fund			**500**		500
Revenue fund			**(585,314)**		(344,724)
Members Deficit			**(584,814)**		(344,224)

[redacted] by the Party Officers on 30th June 2008.

Colin Beattie

National Treasurer

SCOTTISH NATIONAL PARTY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st DECEMBER 2007

	Notes	£	2007 £	£	2006 £
Net cash (outflow)/inflow from operating activities	24		**(442,215)**		432,465
Returns on investment and servicing of finance					
Interest received		**-**		4	
Interest paid		**(29,538)**		(14,328)	
Rental income		**7,775**		25,457	
			(21,763)		11,133
Taxation			**-**		(34,323)
Capital expenditure and financial investment					
Payment to acquire tangible fixed assets		**(3,032)**		(8,116)	
			(3,032)		(8,116)
Financing					
Increase in bank loans		**-**		170,000	
Repayment of bank loans		**(29,716)**		(18,767)	
Repayment of finance leases		**(11,770)**		(6,685)	
Decrease in other loans		**(12,266)**		(247,952)	
			(53,752)		(103,404)
(Decrease)/increase in cash	25		**(520,762)**		297,755

1. Accounting Policies

Basis of preparation

The Scottish National Party is not incorporated in law and thus not bound by the Companies Act 1985. The Party is required to prepare financial statements in accordance with the Political Parties, Elections and Referendum Act 2000 ('PPERA')

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

As stated in the Annual Report, the Party has 314 registered accounting units. Details of these units are available from Party headquarters. These accounts are unconsolidated and present the accounts of the central Party only.

The Scottish National Party relies on membership and fundraising income to meet a large proportion of its expenditure, including most of its non-recurring expenditure. Loans and donations from supporters of the Party are used to cover short-term cash requirements. Membership and fundraising income is inherently unpredictable, but the National Treasurer is confident that sufficient membership and fundraising income will be received and existing facilities will continue to be available to meet the needs of the Party. In addition, the National Treasurer is satisfied that the Party will not be called upon to repay the loans it has received from Party supporters unless it has sufficient funds available for this purpose, with lenders agreeing to the deferral of loan repayments and/or the arrangement of replacement loans as necessary. This is consistent with the National Treasurer's experience in prior years.

Against this background, the National Treasurer has reviewed the expenditure budgets and cash flow projections for the Party for the year to 31 December 2008 and is satisfied that sufficient membership and fundraising income and other funding will be generated for it to meet its financial obligations and remain within its available overdraft facility. On this basis, the National Treasurer considers that it is appropriate to prepare the accounts on the going concern basis.

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.
- Membership and subscription fees are recognised in the income and expenditure account when received.
- Legacies are recognised when the personal representatives of the deceased have notified the Party of the legacy 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.

1. Accounting Policies (continued)

Depreciation

Depreciation is provided on tangible fixed assets at the following annual rates.

Improvements to Leasehold Property	-	20% straight line
Computer Equipment, Fixtures, Fittings and Equipment	-	33.33 % reducing balance

Current asset investments

Current asset investments are valued at the lower of cost and net realisable value. Where assets have been donated or bequeathed to the Party, market value at the point of acquisition is taken as deemed cost at that time.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Leased assets

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account on a straight line basis.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Pension costs

Contributions to the Party's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

Impairment of fixed assets

The need for any fixed asset impairment write down is assessed by comparison of the carrying value of the asset against the higher of its realisable value and value in use.

Liquid resources

For the purposes of the cash flow statement, liquid resources are defined as current asset investments and short term deposits.

2. Donations

During the year the Party accepted donations greater than £200 from permissible donors (as defined by Section 54 of the PPERA) totalling £1,353,154 (2006 – £616,767) of which £1,030,516 were reported to the Electoral Commission.

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

3. Fundraising Income

	2007	2006
	£	£
Challenge	**77,659**	78,809
President's Club	**13,385**	19,385
Election appeal	**927,991**	501,965
St. Andrews Appeal	**33,486**	57,785
Donations	**193,611**	92,394
Raffle Car	**104,823**	32,707
Raffle Spring	**3,720**	5,694
Raffle St. Andrews	**3,456**	5,162
Lottery	**4,438**	3,935
Covenant	**3,751**	3,776
	1,366,320	801,612

4. Commercial Activities

The trading activities of the Party are located, and their income generated worldwide.

5. Grants received

	2007	2006
	£	£
Policy development grant	**162,440**	163,801

6. Investment Income

	2007	2006
	£	£
Rental income (Management Accommodation)	**7,775**	25,457
Interest received	**-**	4

7. Notional expenditure

	2007	2006
	£	£
Service received (call centre)	**3,605**	4,326
Notional loan interest	**5,717**	6,243
	9,322	10,569

8. (Deficit)/surplus before tax

	2007 £	2006 £
(Deficit)/surplus before tax is stated after charging:		
Auditors' remuneration - audit services – main Party	**19,830**	18,650
- audit services – policy development grant	**3,525**	1,175
- audit services – campaign return	**4,700**	2,500
- audit services for electoral commission	**7,595**	-
Operating lease charge - property	**35,000**	29,557
- equipment	**15,706**	17,939
Depreciation	**20,848**	22,118

9. Campaign Expenditure

	2007 £	2006 £
activate.snp.org	**37,457**	19,720
print.snp.org	**(1,910)**	4,619
National call centre	**95,439**	65,777
Broadcasts	**107,646**	57,665
Advertising	**490,381**	73,790
Unsolicited materials	**330,045**	35,819
Manifesto	**57,999**	8,394
Market Research	**136,551**	33,703
Media	**85,502**	45,363
Transport and tours	**39,729**	2,476
Leadership expenses	**26,519**	9,357
Events	**101,157**	3,303
Overheads	**169,708**	84,992
	1,676,223	444,978

10. Staff

	2007 No.	2006 No.
Staff members:		
Officers	**14**	7
Administrative staff	**2**	2
Operations	**18**	12
	34	21

	£	£
Staff costs for the above comprise:		
Wages and salaries	**470,413**	335,547
Social security costs	**39,207**	28,318
Other costs, including pensions	**63,037**	41,103
	572,657	404,968

Included within staff costs above are costs related to national call centre staff.

11. Staff Remuneration

The number of staff whose total emoluments paid or receivable was over £50,000 was one (2006 – none). The total remuneration paid to this employee for the year was £55,023.

No staff members received any additional benefit either paid or in kind during the current or prior years.

The Nominating and Campaigns Officers posts are not salaried.

12. Interest payable and similar charges

	2007 £	2006 £
Bank overdraft	**16,460**	5,108
Bank loan	**9,929**	7,897
Finance leases	**3,149**	1,323
	29,538	14,328

13. Taxation

No liability to UK corporation tax arose on ordinary activities for the year ended 31st December 2007.

14. Tangible assets

	Leasehold Improvements £	Computers & Equipment £	Total £
COST			
As at 1st January 2007	39,655	157,080	196,735
Additions	-	24,364	24,364
Disposals	-	-	-
At 31st December 2007	**39,655**	**181,444**	**211,099**
DEPRECIATION			
At 1st January 2007	36,948	118,258	155,206
Charge for the year	2,707	18,141	20,848
On Disposals	-	-	-
At 31st December 2007	**39,655**	**136,399**	**176,054**
NET BOOK VALUE			
As at 31st December 2007	-	**45,045**	**45,045**
As at 31st December 2006	2,707	38,822	41,529

The net book value of tangible fixed assets includes an amount of £25,318 (2006 – £12,519) in respect of assets held under finance leases. The related depreciation charge for the period was £8,531 (2006 - £11,671).

15. Stocks

	2007	2006
	£	£
Promotional materials	**15,999**	11,782

There is no material difference between the replacement cost of stocks and the amount stated above.

16. Debtors

	2007	2006
	£	£
Trade debtors	**54,799**	74,515
Other debtors	**39,935**	2,293
	94,734	76,808

17. Current asset investments

	Property held for resale
	£
COST	
As at 1 January 2007	-
Additions	**171,000**
As at 31 December 2007	**171,000**

18. Creditors: amounts failing due within one year

	2007	2006
	£	£
Amounts due to branches	**72,941**	50,006
Bank loan and overdraft	**448,662**	33,984
Loans from accounting units	**57,544**	72,080
Other loans	**99,885**	97,615
Trade creditors	**79,589**	128,537
Taxation and social security	**8,966**	13,292
Obligations under finance leases	**11,284**	5,723
Accruals	**30,675**	51,429
	809,546	452,666
Lottery	**4,438**	3,935

19. Creditors: amounts falling due after more than one year

	2007	2006
	£	£
Bank loan	**93,786**	119,234
Obligations under finance leases	**9,320**	5,319
	103,106	124,553

20. Secured debts

The Royal Bank of Scotland holds a guarantee dated 20 June 2003 for £190,000 from Mr James Mather.

21. Reconciliation of movements in Party funds

	Willie McRae	Revenue	Total
	£	£	£
At 1st January 2007	500	(344,724)	(344,224)
Deficit for year	-	(240,590)	(240,590)
At 31 December 2007	**500**	**(585,314)**	**(584,814)**

22. Capital commitments

	2007	2006
	£	£
Contracted but not provided for	**NIL**	NIL

23. Commitments under operating leases

As at 31 December 2007, the Party had annual commitments under non-cancellable operating leases as set out below:

	2007		2006	
	Land and Buildings	Other	Land and Buildings	Other
	£	£	£	£
Operating leases which expire:				
Within one year	**34,271**	**349**	34,271	-
In two to five years	**-**	**7,990**	-	7,990
	34,271	**8,339**	34,271	7,990

24. Net cash (outflow)/inflow from operating activities before tax, returns on investment and servicing of finance

	2007	2006
	£	£
Operating (deficit)/surplus before interest and taxation	**(218,827)**	441,118
Depreciation	**20,848**	22,118
(Increase)/decrease in stocks	**(4,217)**	6,139
Increase in debtors	**(17,926)**	(11,672)
(Decrease)/increase in creditors	**(51,093)**	36,164
Other non-cash changes	**(171,000)**	(61,402)
Net cash (outflow)/inflow from operating activities	**(442,215)**	432,465
Lottery	**4,438**	3,935

25. Reconciliation of net cash (outflow)/inflow to movement in net debt

	2007	2006
	£	£
(Decrease)/increase in cash in the year	**(520,762)**	297,755
Cash outflow from decrease in debt and lease financing	**53,752**	99,528
Change in net debt resulting from cash flows	**(467,010)**	397,283
Loans transferred to donations	**-**	61,402
New finance leases	**(21,332)**	-
Movement in net debt in the year	**(488,342)**	458,685
Opening net debt	**(231,079)**	(689,764)
Closing net debt	**(719,421)**	(231,079)

26. Analysis of net debt

	At 1 January 2007	Cash flow	Other non-cash changes	At 31 December 2007
	£	£	£	£
Cash	554	65	-	**619**
Short term deposits	102,322	(101,881)	-	**441**
Bank overdraft	-	(418,946)	-	**(418,946)**
	102,876	(520,762)	-	**(417,886)**
Bank loans	(153,218)	29,716	-	**(123,502)**
Loans from accounting units	(72,080)	14,536	-	**(57,544)**
Other loans	(97,615)	(2,270)	-	**(99,885)**
Finance leases	(11,042)	11,770	(21,332)	**(20,604)**
	(333,955)	53,752	(21,332)	**(301,535)**
Total	(231,079)	(467,010)	(21,332)	**(719,421)**

27. Related party transactions

The Party has entered into the following transactions with its affiliated (non consolidated) accounting units and members:

	£
a) Loans from affiliated accounting units	
Loans payable at 1st January 2007	72,080
Movement (net) in year	(14,536)
Loans payable at 31st December 2007	57,544
b) Loans from members	
Loans payable at 1st January 2007	97,615
Movement (net) in year	2,270
Loans payable at 31st December 2007	99,885
c) Amounts due to branches	
Due at 1st January 2007	50,006
Movement (net) in year	22,935
Due at 31st December 2007	72,941

Annual Review 2008/09

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SNP

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Party Officers

Registered officers under the Political Parties, Elections and Referendums Act 2000: -

Leader:	Alex Salmond MSP MP
Nominating Officer:	Peter Murrell
Treasurer:	Colin Beattie
Campaigns Officer:	Peter Murrell
Deputy Campaigns Officer:	Ian McCann
Deputy Campaigns Officer:	Andrew Rosie

Party Headquarters
Gordon Lamb House, 3 Jackson's Entry, Edinburgh EH8 8PJ.

Auditors
Johnston Carmichael, [redacted]

[redacted]

Legal Advisers
BCKM, [redacted]

Financial Advisers
Cavanagh Group, [redacted]

The Scottish National Party, committed to restoring Scottish independence, was founded in 1934. Gaining its first parliamentary seat in 1945, the SNP has been the driving force for constitutional change in Scotland for 75 years.

Currently the largest party in the Scottish Parliament, SNP leader Alex Salmond heads a popular minority administration Scottish Government.

The Party also holds two of six Scottish seats in the European Parliament, and seven of 59 Scottish seats in the UK Parliament.

The SNP is the largest party in local government and SNP councillors lead the administration of eight of the 32 Scottish councils and share coalition administrations in five more.

The Party is funded from voluntary contributions, with the active support of a core network of some 15,000 members, and supported by many others.

To all those people whose year's work for the Party can't be individually recognised here – whether you delivered leaflets in your local area or took part in the social activities of one of our 200 local branches, whether you sold raffle tickets to friends and family or donated to the appeal which made possible our victory in the European elections, whether you helped us take the SNP message to heart of local communities by making calls to our target voters or are one of the members who attend conference – every achievement in this review was made possible by your efforts.

Thank you

1. Administrative Information

Membership

The SNP's membership for the year ended 31 December 2008 increased to 15,097. Membership has increased dramatically with a 20% increase since the SNP's historic election win in 2007, and a 60% increase over the last five years.

Table 1 – The membership of the Scottish National Party.

	2008	2007	2006	2005	2004	2003
Members	15,097	13,944	12,571	10,995	10,854	9,450
Average age of a member	55.1	52.5	51.9	52.5	55.3	-
Members under 26 years of age	5.8%	6.7%	8.8%	8.6%	8.1%	-
Members over 65 years of age	26.2%	25.4%	24.6%	26.4%	27.3%	-
New members in the year	2,203	2,206	2,876	-	-	-
New members joining online	65.5%	46.7%	46.3%	-	-	-
Life Members	102	94	59	42	-	-
Members paying by Direct Debit	59.5%	57.3%	40.3%	35.5%	33.5%	6.5%
Average payment by Direct Debit	£56	£47	£36	£32	£30	£17
Average payment not by Direct Debit	£9	£10	-	-	-	-
Members paying £12 minimum rate	18.1%	15.3%	34.4%	-	-	-
Members paying £5 unwaged rate	21.7%	19.0%	24.5%	28.9%	31.2%	-
Members paying via local branch	1.2%	2.5%	3.3%	3.5%	8.1%	82.7%

Membership income increased in 2008, by 18% to £367,061. The branch dividend – 25% of income returned to local branches as a dividend of membership subscriptions – rose to £92,114 for the year.

Accounting Units

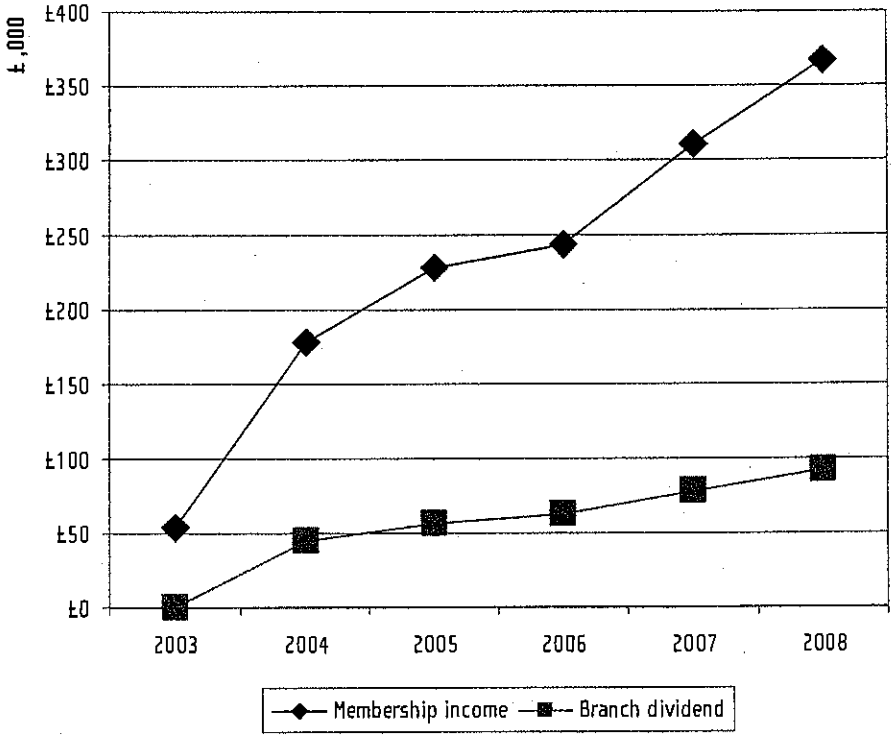
The Scottish National Party has 310 accounting units separate from its central organisation in order to provide for each constituent organisation to be responsible for its own financial affairs.

The Scottish National Party constitution also provides for the establishment of Members' Associations. The following such bodies have been established to date: -

i. SNP members of the Scottish Parliament
ii. SNP members of the United Kingdom Parliament
iii. SNP members of the European Parliament
iv. SNP Women's Forum
v. Business for Independence

vi. Scots Asians for Independence

Table 2 – Membership income and transfers of branch dividend 2003-2008.



(i) Branches

Local branches form the organisational building block of the Scottish National Party. Each branch has its own constitution and office bearers who are elected at the annual general meeting. Branches receive a 25% dividend of subscriptions paid by each of their members. Branches are entitled to delegates to constituency associations, liaison committees, National Council and National Conference. The number of delegates is dependent on the number of members each branch has.

Table 23– Constituent organisations of the Scottish National Party.

	2008	2007	2006	2005	2004	2003
Constituency Associations	46	48	50	51	54	53
Constituency Branches	25	23	21	19	17	18
Westminster Liaison Committees	34	34	34	34	34	-
Regional Liaison Committees	8	8	8	8	8	8
Council Liaison Committees	30	30	30	30	30	30
Branches	197	207	205	209	229	207
Sub Branches	-	-	-	-	-	17
Affiliated Organisations	4	4	4	4	4	4

(ii) Constituencies

The Party is organised around the Scottish Parliament constituency boundaries with an SNP constituency association or branch in each parliamentary seat. Constituency associations tend to exist

in larger geographical areas where there is more than one branch within the boundary. The Constituency Association may levy the branches within it in order to cover the costs of its operations. Where there is only one branch within the boundary, it is known as a constituency branch. Constituency associations have delegate entitlement to National Council and National Conference. Constituency branches are additionally entitled to delegates to local or regional liaison committees.

(iii) Liaison Committees

A number of liaison committees are responsible for the strategic direction and operational co-ordination of branches in respect of election campaigning for either or both of local government and parliamentary elections, other than for election to Scottish Parliament constituencies. These are: -

(a) Westminster Liaison Committees

Westminster liaison committees exist only in the run up to and duration of a Westminster election. The number of delegates from each is dependent on how much of a branch area comes within the boundary. The committees elect the same office bearers as branches but are not entitled to delegate entitlement to other bodies.

(b) Regional Liaison Committees

Regional liaison committees cover a Scottish Parliament electoral region of which there are eight. The role of the liaison committee is to co-ordinate the regional campaign for the regional list vote. MSPs are accountable to the regional liaison committees which are made up of delegates from each branch within the region. Each regional liaison committee has its own constitution and can decide to levy member branches and constituency associations.

(c) Council Liaison Committees

Council liaison committees act as a forum for local government matters within a Scottish local authority area, of which there are 32. The liaison committee is responsible for establishing a candidate assessment committee; ensuring that respective rules on candidate selection procedures are adhered to at all times; co-ordinating the Party's electoral activities for the council elections in their area; and producing an election manifesto.

(v) Affiliated organisations

These are autonomous groups representing particular interests. Each group has representation at National Executive Committee (NEC) level and has delegate status at National Conference and National Council.

The affiliated organisations are: -

(a) Association of Nationalist Councillors (ANC)

Every SNP member who is a member of the SNP group of a Scottish local authority is a member of the Association of Nationalist Councillors. The aim of the ANC is to act as a forum for SNP councillors to exchange best practice across council groups; put forward a collective view on council issues to SNP national bodies; and coordinate the work of SNP councillors in achieving the Party's aims. The ANC has one representative on the NEC.

(b) The Trade Union Group (TUG)

The Trade Union Group has a dual role - to promote the role of trade unions within the SNP and to promote the aims and objectives of the SNP within the wider trade union movement. They have, for example, campaigned against the political levy (to the Labour Party) on trade union members. The TUG has one representative on the NEC.

(c) Young Scots for Independence (YSI)

The YSI is the official youth wing of the Scottish National Party. It started in the 1980s and membership is open to all between the ages of 14 years and 29 years, and focuses its activity on issues affecting young people. The YSI has one representative on the NEC.

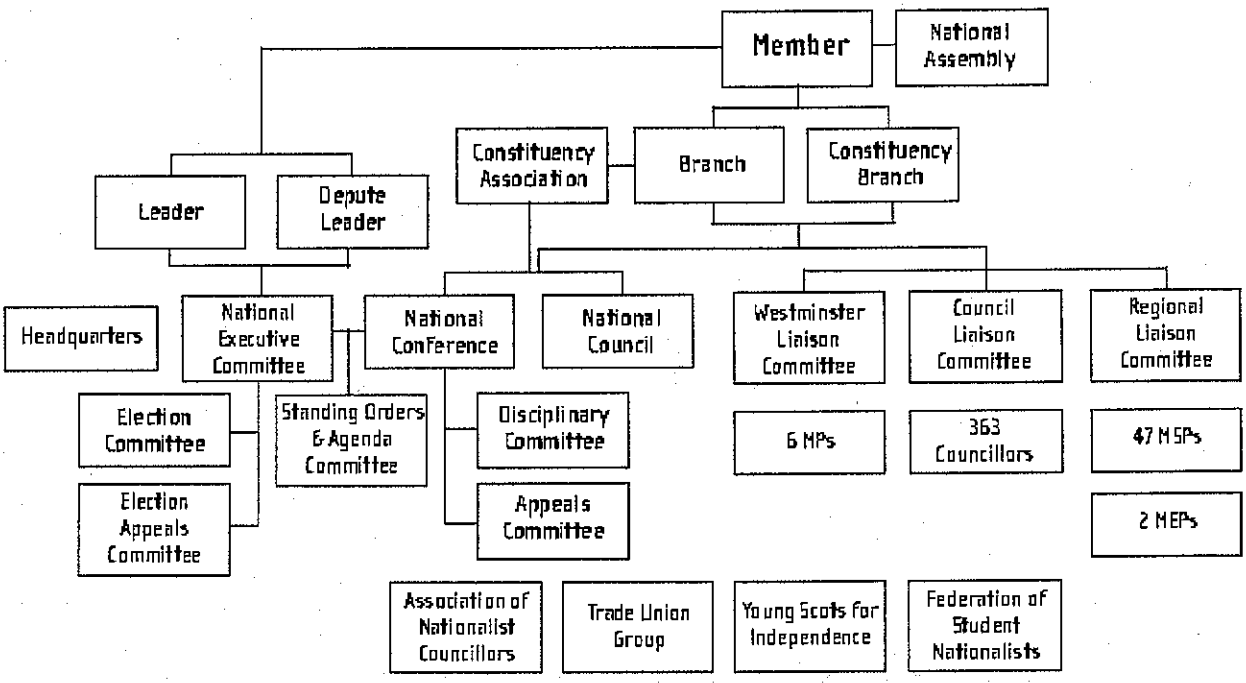
(d) The Federation of Student Nationalists (FSN)

The FSN is the student wing of the SNP, which is active in most colleges and universities throughout Scotland. The FSN is open to anyone in full-time or part-time education. The FSN has one representative on the NEC.

National Assembly

National Assembly is the forum for the development of policy within the Party. Policy is debated and discussed before being presented to the Party for approval at National Council or National Conference. National Assembly also provides the opportunity to invite speakers from out with the Party to address members on important issues of special interest. Any member of the Party is entitled to attend National Assembly which is held as and when required.

Table 4 – SNP organisational structure chart.



National Council

National Council is the governing body of the Party between conferences and meets at least twice a year. In addition to hearing reports from national office bearers, council also has the power to make policy. National Council is made up of delegates from branches, constituency associations, national executive committee, representatives of parliamentary groups and affiliated organisations, and fifteen members elected by National Conference.

National Conference

National Conference is the supreme ruling body of the SNP and, as well as making policy, elects the Party's national office bearers and national executive committee. Conference is attended by more than 1,200 delegates, observers, diplomats, and media along with the SNP Members of the Scottish Parliament, European Parliament, Westminster Parliament and councillors. Conference is a delegate body, comprising representatives from local organisations, as well as affiliated organisations, elected members and elected representatives. Delegates to conference decide the SNP's policy and direction, hold the leadership to account and elect the leadership and membership of a number of committees, including the NEC, appeals committee and disciplinary committee. Any member of the Party may attend conference but only delegates can speak and vote.

National Executive Committee (NEC)

The SNP's leadership is invested in its national executive committee which is made up of the Party's elected office bearers, elected members and representatives of affiliated organisations. The NEC meets monthly and is charged with devising the SNP's national political strategy to help to deliver the Party's aims, as well as overseeing the organisation and administration of the Party. NEC members report to National Council and Annual National Conference, and are open to question by delegates. Members of NEC are elected by Annual National Conference.

The members of the national executive committee 2008/2009 are: -

Leader	Alex Salmond MSP MP
Depute Leader	Nicola Sturgeon MSP
Business Convener	Angus Robertson MP
President	Ian Hudghton MEP
National Secretary	Duncan Ross
Organisation Convener	Willie Sawers
National Treasurer	Colin Beattie
Ordinary members of NEC	Graeme Dey
	David Berry
	Gareth Finn
	Alex Orr
	Gerry Fisher
	Joe Fitzpatrick MSP
	Aileen Campbell MSP
	Grant Thoms
Westminster Parliament Group representative	Appointed as Business Convener
European Parliament Group representative	Alyn Smith MEP
Association of Nationalist Councillors representative	Owen Thompson
FSN representative	Richard Laird
YSI representative	David McDonald
Trade Union Group representative	Chris Stephens

The business convener is appointed from within the membership of the NEC.

The election committee and election committee appeals body, which deal with approval of Parliamentary candidates, are appointed by the NEC.

The NEC also appoints from within its ranks, four members of the standing orders and agenda committee, which is chaired by the national secretary and is responsible for the agenda for National Conference and National Council.

Elected representatives

The Scottish National Party fields candidates in elections to Scottish local authorities, the Scottish Parliament, the House of Commons, and the European Parliament.

As at 30 June 2009, the SNP representation at each is as follows: -

- 47 Members of the Scottish Parliament
- 7 Members of Parliament
- 2 Members of the European Parliament
- 360 councillors in 30 of the 32 Scottish councils

The full list of elected representatives is available on the SNP website.

SNP councillors lead the administration of Fife Council, Perth & Kinross Council, Renfrewshire Council, East Lothian Council, and West Lothian Council; form a minority administration in Dundee City Council, Stirling Council, East Ayrshire Council and in West Dunbartonshire Council; and share coalition administrations in Aberdeen City Council, Argyll & Bute Council, City of Edinburgh Council, and East Renfrewshire Council.

SNP staff

The Scottish National Party is served by 13 staff (11.2 full-time equivalent) based at its Headquarters in Edinburgh. There are 11 further staff (3.2 full-time equivalent) based at the national call centre in Glasgow.

The Party chief executive, Peter Murrell, is accountable to the national executive committee and is responsible for the day to day running of SNP activities and projects.

Staff are split into three interdependent teams reporting to the chief executive: -

- 4.6 full-time equivalent being responsible for financial and legislative compliance, committee and leadership support, the conduct of internal elections, personnel management, information systems and general administration in the Corporate Team;
- 2.7 full-time equivalent supporting the Party's core income activities of fundraising, membership and events in the Operations Team;
- 7.1 full-time equivalent providing campaign services to local organisations and campaigns in the Campaigns Team.

The mission of Headquarters is to put the SNP in a position to deliver Independence, grow Party membership and support the consistent improvement in the total of elected representation, and assist government progress in Scotland. This mission is backed by four strategic objectives: –

i. Winning Party - help local candidates and organisations win more seats.

ii. Membership growth – encourage more people to join.
iii. Membership development - help members gain the knowledge and skills they need to promote our aims.
iv. The best team - support and develop local organisations to focus on bridging good practice with local practice.

As at 30 June 2009, the Party staffing is as follows: -

	Chief Executive	Peter Murrell
Corporate	Corporate Governance & Compliance Manager	Ian McCann
	Corporate Development Manager	Susan Ruddick
	Administrator	Claire Bennett
	IT Support Manager	Russell Horn
	Policy & Information Officer	Victoria Pyle
Operations	Fundraiser	Jim Henderson
	Member Services & Events Manager	Trudi Logan
	Member Services & Events Officer	Beverley Murray
Campaigns	Campaign Services Manager	Lorraine Reid
	Data Analyst	Aileen McLaughlin
	Lead Developer	David Donachie
	Developer	Jakub Zygmunt
	National Call Centre Supervisor	James Tudor
	Call Centre Operator	Anthony Anderson
	Call Centre Operator	Abera Zahid
	Call Centre Operator	Iqra Khalid
	Call Centre Operator	Janette McKinley
	Call Centre Operator	Lauren McInally
	Call Centre Operator	David Nimmo
	Call Centre Operator	Paul McInally
	Call Centre Operator	Shahriyar Rahman
	Call Centre Operator	Stephen Arthur
	Call Centre Operator	Natalie Nimmo

2. Review of Political Activities

These are some of the key events of the SNP's year: -

July 25	John Mason elected as the new MP for Glasgow East. SNP secure historic by-election win from Labour with a swing of 22.54%.
October 15	SNP launch 75th Anniversary tartan at the Party's annual national conference in Perth.
October 18	The SNP welcomes its 15,000th member, 18-year-old Andrew Pyle.
October 19	Alex Salmond calls for a new political and economic "age of responsibility" in his conference speech.
November 6	Despite a 50% increase in vote and a 5% swing to the SNP, Labour hold on to win the Glenrothes by-election.
November 26	Finance secretary John Swinney says the SNP will fight UK government plans to cut £500 million from Scottish public spending.
January 24	Alex Salmond launches the Year of Homecoming, announcing over 300 unique and inspirational events throughout the year.
January 28	Labour vote down the Scottish Government budget, threatening 35,000 jobs and leaving public services in Scotland with a £1.8 billion funding shortfall.
February 4	Labour and LibDems back down to support the Scottish Budget.
February 6	The first Scots-Asian MSP Bashir Ahmad dies. Alex Salmond lead tributes, saying he was the kindest, most decent human being he had met.
February 10	Alex Salmond announces his first government reshuffle with Alex Neil, Roseanna Cunningham, and Keith Brown brought into his ministerial team.
February 23	Alex Salmond meets US secretary of state Hillary Clinton during a visit to Washington.
March 5	Opposition parties unite to vote against a referendum on independence. The Scottish Government confirm it will continue to bring forward draft legislation in 2010 to stage a referendum.
March 13	SNP gain a seat from Labour on Dundee City council in the Maryfield by-election.
March 30	Labour's 30-year dominance of Dundee civic politics ends as the SNP takes control of the city council.
April 1	Health Secretary Nicola Sturgeon announces a further cut in prescription charges from £5 to £4. South of the border, prescriptions rise to £7.20.

April 5	Veteran nationalist Professor Sir Neil MacCormick dies. Alex Salmond described the former MEP as "a hugely distinguished academic, an outstanding ambassador for Scotland, but above all a fine human being".
April 4	SNP depute leader Nicola Sturgeon visits the United States for events surrounding Tartan Week.
April 5	Alex Salmond and education secretary Fiona Hyslop visit China.
April 7	Winnie Ewing marks the 75th anniversary of the Scottish National Party.
April 17	SNP unveils its new campaign slogan at the SNP spring conference. "We've got what it takes" will be used in future European, Scottish and UK elections. Alex Salmond said it expressed the dual purpose of underlining Scotland's ability to prosper economically and also achieve political independence.
April 24	Latest poll gives the SNP a clear lead in both constituency and list voting intentions at Holyrood - and only 2% behind Labour in Westminster voting intentions.
April 26	YouGov poll shows the majority of Scottish voters trust the SNP Government to look after the economy in contrast to only a quarter who trust the UK Government.
May 1	Labour's vote plummets and the SNP achieve an 8% swing from Labour in the Bannockburn by-election.
May 3	SNP's marks second anniversary of historic election victory, focussing on jobs and economic recovery.
June 4	SNP wins the popular vote in the European elections. The Party vote surges by 10 points, with the SNP winning 22 of the 32 Scottish local authority areas. Party chiefs said the results delivered a massive vote of confidence in the SNP government, and a massive rejection of Labour.
June 9	Latest TNS poll shows independence referendum "there to be won". 36% in favour, 25% undecided, and only 39% (compared to 50% in August 2007) against.
June 10	Labour's cuts to public spending exposed by Institute of Fiscal Studies and Channel 4's Factcheck.
June 14	YouGov poll shows support for SNP soaring as support doubles from 18% to 31% since 2005. SNP lead in Westminster and Holyrood voting intentions.
June 19	SNP records 13% swing from Labour in the Inverclyde South West by-election.
June 24	Scottish Parliament backs world-leading climate change legislation brought forward by the SNP government.
June 26	SNP moves its Headquarters to the heart of Scottish political life at Holyrood. The move gives a higher profile for the Headquarters operation, proximity to MSPs and media, professional facilities and environment.

3. Corporate Governance

National Executive Committee

The National Executive Committee (NEC) meets monthly and is the body which has responsibility for the strategic management and political direction of the Party; ensuring the decisions of National Conference and National Council are implemented; oversight and interpretation of policy between meetings of National Conference and National Council; coordinating and monitoring the work of all national office bearers elected by National Conference; organising and directing national campaigns; employment and direction of staff; ownership of the Party's assets and management of the Party's financial affairs; any other matters expressly delegated to it by National Council or National Conference.

The NEC has full control over all monies, funds, property, investments and securities of whatever kind and description belonging to the Party.

The NEC has the power to borrow money on behalf of the Party, and to continue existing borrowing, where it is necessary to do so in order to finance the Party's activities.

The Party's financial scheme sets out how the Party will regulate its financial affairs for the purpose of compliance with current legislation. The financial affairs of all bodies mentioned in the Party's constitution must comply with the financial scheme.

No body within the Party shall enter into commercial borrowing unless prior agreement has been reached with the national treasurer. If a body within the Party goes out of existence or is dissolved, all assets, at the option of the national treasurer, shall become property of the Party.

Members of NEC are elected by Annual National Conference.

Control environment and control activities

The Party is committed to ensuring that a proper control environment is maintained. Above all, there is a commitment to competence and integrity, together with the communication of clear objectives to all accounting units. These are underpinned by a human resources policy that develops equality with integrity.

The organisational structure of the Party has been developed to delegate authority with accountability to ensure that control and consistency is maintained, having regard to an acceptable level of risk. The national treasurer and Party officers report on the control environment on a regular basis to the NEC.

From 2004, the performance of each accounting unit has been reviewed regularly to comply with organisational performance and development rules.

Legislation

The primary Acts and Regulations governing the political and campaigning activities of the Scottish National Party are: -

1. Electoral Administration Act 2006
2. Local Electoral Administration and Registration Services (Scotland) Act 2006
3. Political Parties, Elections and Referendums Act 2000
4. Privacy and Electronic Communications (EC Directive) Regulations 2003 (PECR)

5. Data Protection Act 1998
6. Representation of the People Act 1983 (as variously amended)
7. Representation of the People Act 1985
8. Representation of the People Act 2000
9. Representation of the People (Scotland) Regulations 2001 (as amended by the Representation of the People (Scotland) (Amendment) Regulations 2002 and 2006)
10. Representation of the People (Scotland) (Amendment) Regulations 2007
11. Representation of the People (Postal Voting at Local Regulations Government Elections) (Scotland) Regulations 2007
12. The Scottish Parliament (Elections etc.) Order 2007
13. Local Government (Scotland) Act 1973
14. Local Governance (Scotland) Act 2004
15. Scottish Local Government Elections Order 2007 Rules
16. Representation of the People (Absent Voting at Local Regulations Government Elections) (Scotland) Regulations 2007
17. Representation of the People (Post-Local Government Regulations Election Supply and Inspection of Documents) (Scotland) Regulations 2007
18. Representation of the People (Postal Voting at Local Regulations Government Elections) (Scotland) Regulations 2007
19. Representation of the People (Scotland) Regulations 2001 (as amended by the Representation of the People (Scotland) (Amendment) Regulations 2002, 2006 and 2007)

The Scottish National Party has a compliance team of five staff who review the adequacy of the internal control system in meeting the Party's requirements under current legislation. The compliance team report to the chief executive.

Environmental and social responsibility

The Scottish National Party is committed to preserving and enhancing the environment of Scotland as sustainable, biologically diverse and non-polluting.

The SNP Government is striving to ensure that Scotland will become a world leader in securing a sustainable environment and quality of life for all, recognising that local action can have global impact and that environmental problems do not respect national boundaries.

To that end the SNP ensures that its Headquarters takes such local action. Our employees are encouraged to take steps to reduce waste, reduce energy consumed, increase the amount of waste recycled, and purchase goods and services less environmentally damaging. Various measures have been taken, including the phasing out of plastic bags from the SNP merchandise range.

The Headquarters operation uses recycled products where viable and encourages the procurement of environmentally friendly materials through a procurement policy. Headquarters uses suppliers who have a positive approach to reducing their environmental impact. The impact of transportation distances of goods are also taken into account in determining sources of supply with priority being given, where practicable, to locally based suppliers.

The SNP aims to minimise waste arising from its operations and to implement sound waste management practises. It also aims to reduce the consumption of all materials and wherever practicable to actively encourage and enforce recycling and re-use. Simple steps like double-sided photocopying and double-sided printing are encouraged to reduce paper consumption. All shredded paper is recycled and recycled

paper is purchased. Aluminium cans, plastic, glass, tin and printer cartridges are recycled. Old computers are donated to charities.

The Headquarters operation has a policy of reducing its carbon and wider greenhouse gas emissions to the greatest extent possible, and to the extent that reductions cannot be achieved, offsetting the emissions. Energy consumption is monitored and targets set to reduce usage.

Reducing water usage and improving waste management are also important to minimising the impact of Headquarters on the environment. Various measures have been introduced to reduce water use.

No motor vehicles are operated by the SNP. Employees are encouraged to use public transport. From July 2009, no parking spaces will be provided for staff. Cycle parking loops are provided at Headquarters.

The Scottish National Party has a 'green team' of three staff who review the environmental impact of Headquarters activities. The 'green team' report to the chief executive.

4. Financial Review

INCOME

The SNP's total income for the year ended 31 December 2008 was £1,768,384, of which 70% came from members and supporters. So we make sure every penny we raise is used as effectively as it can be.

Where the money comes from

34p in every £1 is donated by individual members and supporters who care about Scotland

21p comes from membership subscriptions

19p is sales of exhibition space, sponsorship and registration fees at SNP conference

9p is grants to assist the Party with its policy development

8p comes from MSPs, MPs and MEPs to be invested in national campaigning

4p is a levy on Party accounting units to help fund the Glasgow East by-election campaign

2p comes from our members and supporters who remember us in their wills

2p is sales of merchandising and other trading

1p is sales of support services from the national call centre

Where the money goes

46p of every £1 spent is used to help local candidates and organisations win more seats and provide campaign support services like activate.snp.org

17p goes on the permanent paid staff at SNP Headquarters

11p goes on hiring venues and running conferences

11p is paid in tax, bank charges, legal and audit fees

7p is used by the SNP to cover operating costs

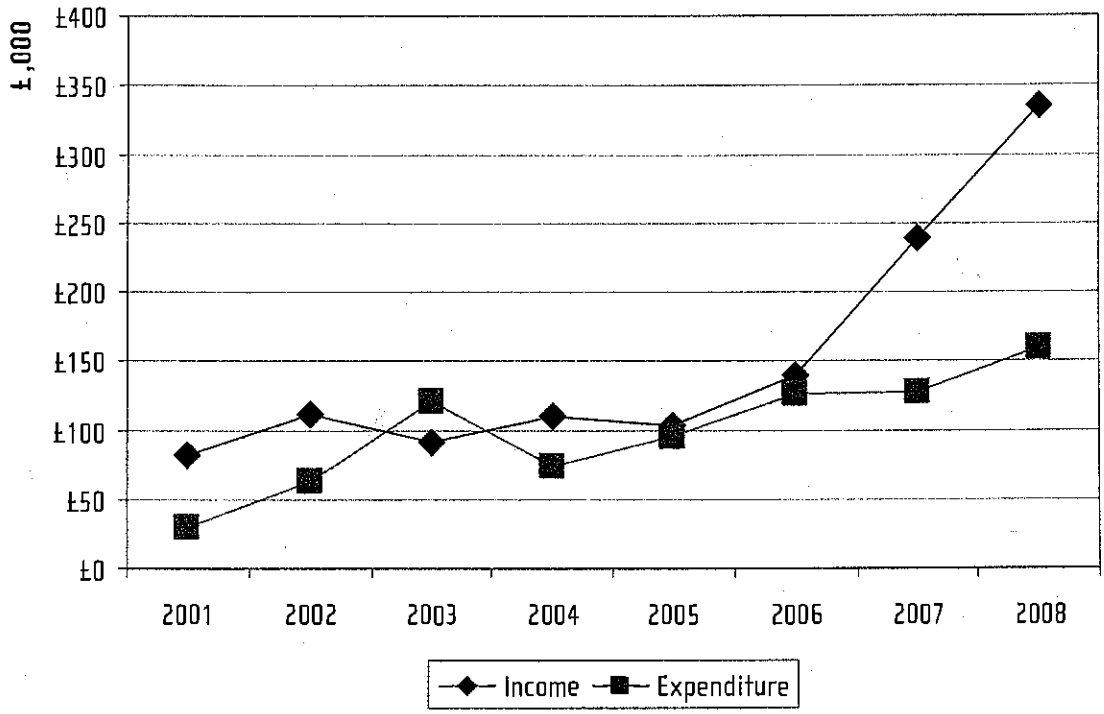
5p is returned to local branches as a dividend of membership subscriptions

3p goes on increasing income from membership subscriptions and fundraising

Conference

Funds generated from the commercial opportunities at SNP conferences in 2008 increased by 18% over 2007.

Table 5 – Conference income 2001-2008.



Fundraising

Beyond one-off appeals for specific events, the SNP operates five core fundraising schemes: -

i. Challenge for Independence is the SNP's regular giving scheme whereby members may donate monthly by direct debit, standing order or cash. All money raised is ring-fenced for campaigning. In 2008, the Challenge had 468 donors (504 in 2007).
ii. The St Andrew's Appeal is sent to all members in the run up to Scotland's national day on 30 November.
iii. The President's Club seeks donations of at least £20 per month and directs funds towards providing staffing resources and Headquarters facilities. In 2008, the Club had 68 members (66 in 2007).
iv. The Independence Covenant works like a national 50/50 club in that half the profit from it goes to the Party and half goes to the prize fund. The Covenant had 330 members in 2008 (335 in 2007).
v. The Great Weather Lottery is a daily lottery based on temperatures in six cities and is operated by Lottery Service Providers Ltd.

The Party conducted three prize raffles in 2008, the annual Spring Draw and St Andrew's Draw plus a 'win a new car' prize draw. Branches could retain 50% of the Spring and St Andrew's raffles.

Table 6 – Number of donors by giving range.

	2008	2007	2006	2005	2004
£200 or less	10,768	10,407	3,750	3,250	2.713
£201 - £500	160	83	62	78	93
£510 - £1,000	48	39	36	30	28
£1,001 - £5,000	22	40	47	24	49
Over £5,000	8	22	19	2	4

Legacies

We acknowledge bequests during 2008 from Christine Muir Reid and Hamish Ferguson.

Save with the SNP

Local organisations continue to deposit money in the form of interest free loans to help offset commercial borrowing and to assist with the Party's cash flow. These deposits saved the Party around £3,453 in bank interest over 2008.

EXPENDITURE

Total expenditure for the year ended 31 December 2008 was £1,700,401. Further progress in building the Party's core income activities of fundraising, membership and conference activities, resulted in a surplus of £67,983 for the Party for the year. This was achieved despite a deteriorating global economy.

During the year, the balance of expenditure continues to be on supporting and developing local organisations and to win more seats.

Income from the parliamentary levy continues to be invested in core national campaign services: -

- an online hub for organising and running campaigns, activate.snp.org
- print.snp.org for designing campaign materials
- telephone surveying and target voter contact from the SNP national call centre

The impact of legislation

The effect of legislation continues to have an impact on staff and expenditure within the Headquarters operation. No fewer than 10 of the 13 Headquarters staff are now involved in meeting the requirements of the Political Parties, Elections and Referendums Act 2000 and the Electoral Administration Act 2006, or ensuring that the Party acts at all times in accordance with current legislation.

The costs of professional financial advice continued to rise in 2008. Work to agree a partial exemption formula with HM Revenue and Customs (HMRC) has continued into 2009 as a result of the Party's income on commercial activities exceeding the current VAT registration threshold.

SCOTTISH NATIONAL PARTY
STATEMENT OF NATIONAL TREASURER'S RESPONSIBILITIES

The Political Parties, Elections and Referendums Act 2000 requires the National Treasurer of the Party to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Party and of the surplus or deficit for that period. In preparing those financial statements, the National 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 Party will continue in business.

Section 41 of the Act requires that the National 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 National Treasurer is responsible for delivery of the statement of accounts to The Electoral Commission by the required deadline.

SCOTTISH NATIONAL PARTY
REPORT OF THE INDEPENDENT AUDITORS

To the National Treasurer of the Scottish National Party

We have audited the financial statements of the Scottish National Party for the year ended 31 December 2008 which comprise 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 pages 25 to 27.

This report is made solely to the National Treasurer of the Scottish National Party 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 National 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 National Treasurer, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of National Treasurer and auditors

The responsibilities of the National Treasurer for preparing the annual report and 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 National Treasurer's 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, have been prepared in accordance with the Party's accounting policies 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 other information in the Annual Report is not consistent with the financial statements, if the Party has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law is not disclosed.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises the Administration Information, Review of Political Activities, Corporate Governance and Financial Review. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 National 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 United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Scottish National Party as at 31 December 2008 and of its surplus for the year then ended and have been properly prepared in accordance with the accounting polices set out on pages 25 to 27; and
- have been properly prepared in accordance with the requirements of the Political Parties, Elections and Referendums Act 2000 and the Statement of Accounts Guidance and other direction issued the Electoral Commission.

[redacted]
Johnston Carmichael
Chartered Accountants
Registered Auditor
[redacted]

29 June 2009

SCOTTISH NATIONAL PARTY
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	Unrestricted 2008 £	Restricted 2008 £	Total 2008 £	Total 2007 £
Income					
Membership fees and subscriptions	2	**367,061**	**-**	**367,061**	310,805
Donations	3	**65,152**	**476,456**	**541,608**	1,246,132
Fundraising	4	**63,420**	**-**	**63,420**	120,188
Investment income	5	**4,236**	**-**	**4,236**	7,775
Conference income		**335,916**	**-**	**335,916**	285,215
Grant income	6	**-**	**158,037**	**158,037**	162,440
Other	7	**82,878**	**215,228**	**298,106**	474,915
Total income		**918,663**	**849,721**	**1,768,384**	2,607,470
Expenditure					
Campaigning	8	**-**	**(469,983)**	**(469,983)**	(1,676,223)
Transfers of branch dividend	9	**(92,114)**	**-**	**(92,114)**	(78,689)
Costs of fundraising events	10	**(28,185)**	**-**	**(28,185)**	(31,958)
Administration costs	11	**(430,312)**	**(370,141)**	**(800,453)**	(773,059)
Interest payable	12	**(41,820)**	**-**	**(41,820)**	(35,255)
Conference costs	13	**(159,942)**	**(35,250)**	**(195,192)**	(180,468)
Other	14	**(72,654)**	**-**	**(72,654)**	(72,408)
Total expenditure		**(825,027)**	**(875,374)**	**(1,700,401)**	(2,848,060)
Transfer between funds	26	**(25,653)**	**25,653**	**-**	-
Surplus /(deficit) before tax		**67,983**	**-**	**67,983**	(240,590)
Taxation	15	**-**	**-**	**-**	-
Surplus/(deficit) for the year		**67,983**	**-**	**67,983**	(240,590)

SCOTTISH NATIONAL PARTY
BALANCE SHEET AT 31 DECEMBER 2008

	Note	2008 £	2007 £
Fixed assets			
Tangible fixed assets	19	**60,326**	45,045
Current assets			
Stock	20	**25,620**	15,999
Debtors and prepayments	21	**152,724**	94,734
Investments	22	**19,000**	171,000
Cash at bank and in hand		**2,336**	1,060
		199,680	282,793
Creditors: amounts falling due within one year	23, 24	**(715,226)**	(809,546)
Net current liabilities		**(515,544)**	(526,753)
Total assets less current liabilities		**(455,222)**	(481,708)
Creditors: amounts falling due after more than one year	23, 24	**(61,611)**	(103,106)
		(516,831)	(584,814)
Reserves	26		
Unrestricted reserves		**(517,331)**	(585,314)
Restricted reserves		**500**	500
		(516,831)	(584,814)

[redacted]

The financial statements were approved by the Party Officers on 29 June 2009.

[redacted]

Colin Beattie
National Treasurer

SCOTTISH NATIONAL PARTY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2008 £	2007 £	2007 £
Net cash inflow/(outflow) from operating activities	27		**133,852**		(442,215)
Returns on investment and servicing of finance					
Interest paid		**(36,127)**		(29,538)	
Rental income		**4,235**		7,775	
			(31,892)		(21,763)
Taxation			**-**		-
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets			**(34,750)**		(3,032)
Management of liquid resources					
Proceeds from sale of current asset investments			**125,000**		-
Financing					
Repayment of bank loans		**(32,491)**		(29,716)	
Repayment of finance leases		**(10,815)**		(11,770)	
Increase/(decrease) in other loans		**3,352**		(12,266)	
			(39,954)		(53,752)
Increase/(decrease) in cash	28		**152,256**		(520,762)

1. Accounting Policies

Basis of preparation

The Scottish National Party is not incorporated in law and thus not bound by the Companies Act 1985. The Party is required to prepare financial statements in accordance with the Political Parties, Elections and Referendum Act 2000 ('PPERA')

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards and the Statement of Accounts Guidance Notes issued by the Electoral Commission (November 2008).

During the year the Party adopted a new format for its financial statements as prescribed by the Electoral Commission. As a result of this, the comparative figures have been restated to ensure they are consistent with this new format.

As stated in the Annual Report, the Party has 310 registered accounting units. Details of these units are available from Party headquarters. These accounts are unconsolidated and present the accounts of the central Party only.

The Scottish National Party relies on membership and fundraising income to meet a large proportion of its expenditure, including most of its non-recurring expenditure. Loans and donations from supporters of the Party are used to cover short-term cash requirements. Membership and fundraising income is inherently unpredictable, but the National Treasurer is confident that sufficient membership and fundraising income will be received and existing facilities will continue to be available to meet the needs of the Party. In addition, the National Treasurer is satisfied that the Party will not be called upon to repay the loans it has received from Party supporters unless it has sufficient funds available for this purpose, with lenders agreeing to the deferral of loan repayments and/or the arrangement of replacement loans as necessary. This is consistent with the National Treasurer's experience in prior years.

Against this background, the National Treasurer has reviewed the expenditure budgets and cash flow projections for the Party for the year to 31 December 2009 and is satisfied that sufficient membership and fundraising income and other funding will be generated for it to meet its financial obligations and remain within its available overdraft facility. On this basis, the National Treasurer considers that it is appropriate to prepare the accounts on the going concern basis.

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.

1. Accounting Policies (continued)

Income Recognition (continued)

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.
- Membership and subscription fees are recognised in the income and expenditure account when received.
- Legacies are recognised when the personal representatives of the deceased have notified the Party of the legacy 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.

Tangible fixed assets

Tangible fixed assets are included at cost. Depreciation is provided on tangible fixed assets at the following annual rates.

Improvements to Leasehold Property	-	20% straight line
Computer Equipment, Fixtures, Fittings and Equipment	-	33.33 % reducing balance

Current asset investments

Current asset investments are valued at the lower of cost and net realisable value. Where assets have been donated or bequeathed to the Party, market value at the point of acquisition is taken as deemed cost at that time.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Leased assets

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account on a straight line basis.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Pension costs

Contributions to the Party's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

1. Accounting Policies (continued)

Impairment of fixed assets

The need for any fixed asset impairment write down is assessed by comparison of the carrying value of the asset against the higher of its realisable value and value in use.

Value added tax

During the year the Party became registered for value added tax (VAT) purposes. All items of income and expenditure since this VAT registration are shown in the financial statements net of VAT. The Party is currently negotiating a partial exemption formula with HM Revenue & Customs and recovers VAT on this basis. The value of VAT that is irrecoverable is included within administration costs.

Restricted funds

The Party has unrestricted and restricted funds, details of which are set out at note 26.

Unrestricted funds are those funds which are expendable at the discretion of the Party in furtherance of the Party's objectives.

Restricted funds represent income received by the Party to fund specific activities.

Restricted expenditure includes costs incurred directly on the activity for which the restricted income was received. It also includes an apportionment of administration costs on the basis of the proportion of staff employed specifically to further these restricted activities.

Liquid resources

For the purposes of the cash flow statement, liquid resources are defined as current asset investments and short term deposits.

2. Membership subscriptions

Membership subscriptions from our members are received by the central party and a proportion of these subscriptions are forwarded on to our affiliated local party units (see note 9).

3. Donations

	Unrestricted 2008 £	Restricted 2008 £	Total 2008 £	Total 2007 £
Donations in excess of £5,000				
Mr Brian Souter	-	-	-	577,000
Mr Ian Watson	-	**60,000**	**60,000**	50,000
Mr Angus Tulloch	-	**50,000**	**50,000**	-
Mr Thomas Sean Connery	-	-	-	30,000
Mr Donald MacDonald	-	-	-	30,000
Mr Mohamad Anwar-Ul-Haq	-	-	-	25,000
Mr Angus MacDonald	-	-	-	20,000
Mr William MacDonald	-	-	-	15,000
Mr William Samuel	-	-	-	15,000
Mr David Sibbald	-	-	-	10,000
Wecando Limited	-	-	-	10,000
Mr Crawford Beveridge	-	-	-	10,000
Mr John Patrick	-	**10,000**	**10,000**	-
Mr Alexander Adams	-	**10,000**	**10,000**	6,000
Mr Stewart Stevenson	-	**8,000**	**8,000**	5,000
Mr Harvey Aberdein	-	-	-	5,660
Ms Caroline Lawrie	-	**5,240**	**5,240**	5,240
Mr David McCarthy	-	-	-	5,045
Mr David Nummey	-	-	-	5,011
Sub total	-	**143,240**	**143,240**	823,956
Other donations	**65,152**	**333,216**	**398,368**	422,176
Total	**65,152**	**476,456**	**541,608**	1,246,132

High value gifts brought significant benefit in 2007 and were a key factor in delivering the Party's historic election win. As expected, the value of gifts reverted to a more normal pattern in 2008.

3. Donations (continued)

List of donations included in donation returns which are included under legacies (note 7) in the income and expenditure account

	Unrestricted 2008 £	Restricted 2008 £	Total 2008 £	Total 2007 £
Mr Ronald Clarke	-	-	-	95,625
Mr John Wilshaw	-	-	-	54,000
Ms Irene Widdop	-	-	-	40,955
Ms Christine Muir Reid	27,261	-	27,261	-
Mr John Hornick	-	-	-	19,000
Mr Hamish Ferguson	10,000	-	10,000	-
Mr George Wyllie	-	-	-	5,000
Sub total	**37,261**	**-**	**37,261**	214,580
Other legacies	**1,474**	**-**	**1,474**	2,000
Total	**38,735**	**-**	**38,735**	216,580

4. Fundraising

	Unrestricted 2008 £	Restricted 2008 £	Total 2008 £	Total 2007 £
Car Raffle	**49,847**	**-**	**49,847**	104,823
Spring Raffle	**4,268**	**-**	**4,268**	3,720
St Andrews Raffle	**3,408**	**-**	**3,408**	3,456
Great Weather Lottery	**1,922**	**-**	**1,922**	4,438
Independence Covenant	**3,975**	**-**	**3,975**	3,751
Total	**63,420**	**-**	**63,420**	120,188

5. Investment income

	Unrestricted 2008 £	Restricted 2008 £	Total 2008 £	Total 2007 £
Rental income	**4,236**	**-**	**4,236**	7,775
Total	**4,236**	**-**	**4,236**	7,775

6. Grant income

	Unrestricted	Restricted	Total	Total
	2008	2008	2008	2007
	£	£	£	£
Policy development grant	-	158,037	158,037	162,440
Total	-	158,037	158,037	162,440

7. Other income

	Unrestricted	Restricted	Total	Total
	2008	2008	2008	2007
	£	£	£	£
Levy on accounting units	-	64,124	64,124	74,940
Legacies	38,735	-	38,735	216,580
Parliamentary levy	-	151,104	151,104	116,087
Merchandise	31,685	-	31,685	22,979
Campaign services	5,965	-	5,965	40,722
Sundry income	6,493	-	6,493	3,607
Total	82,878	215,228	298,106	474,915

Levy on accounting units represents levies on accounting units of the Party to fund election campaigning.

Legacies include amounts bequeathed to the Party during the year.

The Parliamentary levy is a levy imposed on all SNP MPs, MSPs and MEPs.

Merchandise income is generated from the sale of SNP promotional products.

Campaign services income is generated from the commission of work by the National Call Centre.

8. Campaigning expenditure

	Unrestricted	Restricted	Total	Total
	2008	2008	2008	2007
	£	£	£	£
Elections	-	393,825	393,825	1,552,064
activate.snp.org	-	17,156	17,156	30,630
National Call Centre	-	56,957	56,957	95,439
print.snp.org	-	2,045	2,045	(1,910)
Total	-	469,983	469,983	1,676,223

9. Transfers

	Unrestricted 2008 £	Restricted 2008 £	Total 2008 £	Total 2007 £
Membership income due to branches	**92,114**	**-**	**92,114**	78,689
Total	**92,114**	**-**	**92,114**	78,689

The Party head office collects membership fees from all Party members. 25% of these membership fees are then payable to the branch of the Party in which each member resides.

10. Cost of fundraising events

	Unrestricted 2008 £	Restricted 2008 £	Total 2008 £	Total 2007 £
Donations	**8,156**	**-**	**8,156**	3,133
Fundraising	**20,029**	**-**	**20,029**	28,825
Total	**28,185**	**-**	**28,185**	31,958

11. Administration costs

	Unrestricted 2008 £	Restricted 2008 £	Total 2008 £	Total 2007 £
Staff cost	**237,157**	**206,763**	**443,920**	507,519
Rent and rates	**19,601**	**42,926**	**62,527**	66,640
Telephone and internet charges	**11,671**	**6,284**	**17,955**	17,408
Insurance	**5,256**	**2,830**	**8,086**	7,256
Leasing	**8,999**	**4,845**	**13,844**	15,706
Postage	**24,969**	**13,445**	**38,414**	30,047
Depreciation	**12,655**	**6,814**	**19,469**	20,848
Professional fees	**41,241**	**22,207**	**63,448**	27,418
Legal fees	**3,223**	**1,735**	**4,958**	1,225
Office Costs	**17,015**	**9,162**	**26,177**	24,834
Bad Debt Write off – accounting units	**11,219**	**6,041**	**17,260**	10,898
Bad Debt Write off – other	**903**	**486**	**1,389**	10,222
Bank charges	**9,136**	**4,921**	**14,057**	13,208
Audit fee	**10,875**	**5,855**	**16,730**	19,830
Loss on disposal of investment	**-**	**27,000**	**27,000**	-
Irrecoverable VAT	**16,392**	**8,827**	**25,219**	-
Total	**430,312**	**370,141**	**800,453**	773,059

12. Interest costs

	Unrestricted 2008 £	Restricted 2008 £	Total 2008 £	Total 2007 £
Bank overdraft interest	**24,832**	**-**	**24,832**	16,460
Bank term loan interest	**7,154**	**-**	**7,154**	9,929
Other interest	**4,141**	**-**	**4,141**	3,149
Notional interest	**5,693**	**-**	**5,693**	5,717
Total	**41,820**	**-**	**41,820**	35,255

13. Conference costs

	Unrestricted 2008 £	Restricted 2008 £	Total 2008 £	Total 2007 £
Venue hire and catering	**74,854**	**-**	**74,854**	76,416
Audio visual and staging	**45,779**	**-**	**45,779**	36,029
Security	**13,934**	**-**	**13,934**	2,554
Printed materials	**12,471**	**-**	**12,471**	11,117
Other conference costs	**5,042**	**-**	**5,042**	1,640
Other national events	**7,862**	**-**	**7,862**	8,212
SNP policy unit	**-**	**35,250**	**35,250**	44,500
Total	**159,942**	**35,250**	**195,192**	180,468

14. Other expenditure

	Unrestricted 2008 £	Restricted 2008 £	Total 2008 £	Total 2007 £
ICT	**13,860**	**-**	**13,860**	18,275
Merchandise	**23,159**	**-**	**23,159**	22,469
Membership expenses	**35,635**	**-**	**35,635**	31,664
Total	**72,654**	**-**	**72,654**	72,408

ICT costs are those incurred in operating the Party's computer equipment and website.

Merchandise costs represent the costs paid to acquire promotional material for resale.

Membership expenses are those incurred to produce recruitment materials and provide information materials to Party members.

15. Taxation

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2008 due to the availability of tax losses.

16. Staff costs

	2008	2007
	£	£
Salaries	**388,894**	470,413
Social security	**33,538**	39,207
Other costs, including pensions	**50,212**	63,037
	472,644	572,657

Included within staff costs above are costs related to national call centre staff.

Average number of staff employed during the year

	2008	2007
	No.	No.
Officers	**12**	14
Administrative staff	**2**	2
Operations	**11**	18
Total	**25**	34

17. Staff Remuneration

The number of staff whose total emoluments paid or receivable was over £50,000 was one (2007 – one). The total remuneration paid to this employee was £62,993 (2007 - £55,023).

No staff member received any additional benefit either paid or in kind during the current or prior years.

The Nominating and Campaign Officers posts are not salaried.

18. Notional income and expenditure

	2008	2007
	£	£
Loans from individual members interest	**5,693**	5,717
	5,693	5,717

'Loans from individual members' in note 23 represents loans made to the Party by its members. The SNP is required by law to calculate as a non-cash donation the difference between a commercial interest rate for loans and the zero rate at which the individual member is lending the Party this money. The value of these non-cash donations generated from these loans has been recorded within donations income in note 3 and the interest cost recorded in note 12.

19. Tangible Fixed Assets

	Leasehold improvements	Computers & equipment	Total
	£	£	£
Cost or valuation			
At 1 January 2008	39,655	181,444	221,099
Additions	-	34,750	34,750
Disposals	-	-	-
At 31 December 2008	**39,655**	**216,194**	**255,849**
Depreciation			
At 1 January 2008	39,655	136,399	176,054
Charged in year	-	19,469	19,469
Disposals	-	-	-
At 31 December 2008	**39,655**	**155,868**	**195,523**
Net Book Value at 31 December 2008	**-**	**60,326**	**60,326**
Net Book Value at 1 January 2008	**-**	**45,045**	**45,045**

The net book value of tangible fixed assets includes an amount of £16,880 (2007 - £25,318) in respect of assets held under finance leases. The related depreciation charge for the period was £8,439 (2007 - £8,531)

20. Stock

	2008 £	2007 £
Promotional materials	**25,620**	15,999
Total	**25,620**	15,999

21. Debtors

	2008 £	2007 £
Due within one year		
Trade debtors	**37,388**	54,799
Tax and social security	**32,485**	-
Other debtors	**82,851**	39,935
Total	**152,724**	94,734

22. Current asset investments

	Property investment £	Total £
Valuation		
At 1 January 2008	171,000	171,000
Additions	-	-
Disposals proceeds	(125,000)	(125,000)
Loss on disposal	(27,000)	(27,000)
At 31 December 2008	**19,000**	**19,000**

23. Creditors

	2008	2007
	£	£
Amounts falling due within one year		
Trade creditors	**98,371**	79,589
Accruals and deferred income	**40,555**	30,675
Tax and social security	**10,763**	8,966
Amounts owed to accounting units	**97,601**	72,941
Loans from accounting units	**72,016**	57,544
Bank loan and overdraft	**300,457**	448,662
Obligations under finance leases	**6,698**	11,284
Loans from individual members	**88,765**	99,885
Total	**715,226**	809,546
Amounts falling due after one year		
Bank loan	**58,520**	93,786
Obligations under finance leases	**3,091**	9,320
Total	**61,611**	103,106

24. Loans

The following are included within loans:

	2008	2007
	£	£
Bank term loan	**91,011**	123,502
Bank overdraft	**267,966**	418,946
Disclosable loans		
Loans from accounting units	**72,016**	57,544
Loans from individual members: Mr A Tulloch	**50,000**	50,000
Mr W Wilson	**-**	10,000
Other loans	**38,675**	39,885
Total	**519,668**	699,877

The bank term loan is repayable in instalments over 5 years and will be repaid by March 2011.

Loans from accounting units represent loans received from local Party branches throughout Scotland. There are no fixed repayment terms.

Loans from individual members represent loans received from individual members of the Party. There are no fixed terms of repayment.

25. Secured debts

[redacted] holds a guarantee dated 20 June 2003 for £190,000 from Mr James Mather.

26. Reserves

	Total at 1 January 2008 £	Transfer From Income £	Transfer From Expenditure £	Transfer Between Funds £	Total at 31 December 2008 £
Unrestricted reserves					
Revenue fund	(585,314)	918,663	(825,027)	(25,653)	**(517,331)**
Restricted reserves					
Willie McRae memorial fund	500	-	-	-	**500**
Policy Development Grant fund	-	158,037	(158,037)	-	-
Parliamentary Levy fund	-	151,104	(151,104)	-	-
Levy on Accounting Units fund	-	64,124	(64,124)	-	-
Challenge for Independence fund	-	76,633	(76,633)	-	-
Election Appeal fund	-	399,823	(425,476)	25,653	-
	500	849,721	(875,374)	25,653	**500**
Total	**(584,814)**	**1,768,384**	**(1,700,401)**	**-**	**(516,831)**

The Willie McRae memorial fund represents restricted funds bequeathed towards the erection of a flagpole outside the Party offices, and will be released against the future construction of any such flagpole.

The Policy Development Grant fund represents restricted funds received from the Electoral Commission towards the cost of the Party developing policies for inclusion in an election manifesto.

The Parliamentary Levy is a monthly levy placed on all SNP MPs, MSPs and MEPs by the Party towards the cost of national campaigns and the Party furthering its political activities. The funds received from this levy are classed as being restricted to this cause.

The Levy on accounting units represents occasional levies placed on Party accounting units towards specific political activities. The funds received from this levy are classed as being restricted to this cause.

The Party's members make donations to the Party throughout the year. Where these are received in response to a specific appeal, they are classified as restricted and recorded in the Election Appeal fund.

The Revenue fund retains all unrestricted funds not allocated to another specific fund. Where the expenditure on restricted funds exceeds the income from these funds, a transfer of funds is made from the Revenue fund to cover this difference.

27. Net cash inflow/(outflow) from operating activities before tax, returns on investment and servicing of finance

	2008 £	2007 £
Operating surplus/(deficit) before interest and taxation	**99,875**	(218,827)
Depreciation	**19,469**	20,848
Increase in stocks	**(9,621)**	(4,217)
Increase in debtors	**(57,990)**	(17,926)
Increase/(decrease) in creditors	**55,119**	(51,093)
Other non-cash changes	**27,000**	(171,000)
Net cash inflow/(outflow) from operating activities	**133,852**	(442,215)

28. Reconciliation of net cash (outflow)/inflow to movement in net debt

	2008 £	2007 £
Increase/(decrease) in cash in the year	**152,256**	(520,762)
Cash outflow from decrease in debt and lease financing	**39,954**	53,752
Change in net debt resulting from cash flows	**192,210**	(467,010)
New finance leases	**-**	(21,332)
Movement in net debt in the year	**192,210**	(488,342)
Opening net debt	**(719,421)**	(231,079)
Closing net debt	**(527,211)**	(719,421)

29. Analysis of net debt

	At 1 January 2008	Cash flow	Other non-cash changes	At 31 December 2008
	£	£	£	£
Cash	619	226	-	**845**
Short term deposits	441	1,050	-	**1,491**
Bank overdraft	(418,946)	150,980	-	**(267,966)**
	(417,886)	152,256	-	**(265,630)**
Bank loans	(123,502)	32,491	-	**(91,011)**
Loans from accounting units	(57,544)	(14,472)	-	**(72,016)**
Loans from individual members	(99,885)	11,120	-	**(88,765)**
Finance leases	(20,604)	10,815	-	**(9,789)**
	(301,535)	39,954	-	**(261,581)**
Total	**(719,421)**	**192,210**	**-**	**(527,211)**

30. Commitments under operating leases

As at 31 December 2008, the Party had annual commitments under non-cancellable operating leases as set out below:

	2008	2007
	£	£
Land and buildings:		
Expiry within 1 year	**13,417**	34,271
Expiry during years 2 to 5	**-**	-
Total	**13,417**	34,271
Other:		
Expiry within 1 year	**6,800**	349
Expiry during years 2 to 5	**-**	7,990
Total	**6,800**	8,339

31. Related party transactions

The Party has entered into the following transactions with its (non consolidated) accounting units and members:

	£
a) **Loans from accounting units**	
Loans payable at 1st January 2008	57,544
Movement (net) in year	14,472
Loans payable at 31st December 2008	**72,016**
b) **Loans from individual members**	
Loans payable at 1st January 2008	99,885
Movement (net) in year	(11,120)
Loans payable at 31st December 2008	**88,765**
c) **Branch dividend amounts due to branches**	
Due at 1st January 2008	72,941
Movement (net) in year	24,660
Due at 31st December 2008	**97,601**

32. Auditors' remuneration

The following remuneration was paid to the Party's auditors:

	2008	2007
	£	£
Auditors' remuneration – audit services – main Party	**16,730**	17,230
- audit services – policy development grant	**750**	700
- audit services – campaign return	**-**	3,000
- audit services for Electoral Commission	**1,500**	1,500
- non audit services	**1,520**	-