

Situations and procedures

Cash accounting for accounting units

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

Contents:

Cash accounting – the basics

Accounting categories

An example set of accounts

Cash accounting

Who this document is for:

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

The document covers:

- Cash accounting – the basics
- Categories in cash accounting
- Example statement of accounts

Related documents:

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

Forms and tools for financial recording and reporting:

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

Summary

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

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

To help understand the context, we recommend reading this document alongside our example statement of accounts.

Introduction

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

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

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

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

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

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

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

Section A - The basics

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

What is cash accounting?

Cash accounting is a simple standard method for keeping accurate financial records.

You record transactions when cash actually changes hands. In other words, payments that have been made and received by your accounting unit.

Transactions can be in the form of cash, cheque, credit card, electronic transfer, or other means used to pay for an item.



What transactions do you need to record?

You must record the following transactions:

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

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

How do you treat items received free or at a discount?

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

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

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

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

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

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

What is a statement of accounts?

A statement of accounts has four parts:

- An overview of your unit's activities over the year
- Income and expenditure accounts
- Assets and loans statement
- Statement of assets and liabilities/balance sheet

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

Notes to accounts

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

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

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

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

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

Overview of your unit's activities

This should include:

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

Income and expenditure accounts

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

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

Assets and loans statement

Assets and loans statements show your income and costs over the year from the sale and purchase of any assets you have, and any new loans or new loan payments made.

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

Assets are things you own, such as money in the bank, computers and property.

Why aren't these payments included in the income and expenditure account?

These payments do not count as income or expenditure because you are turning one type of asset into another.

For example, if you turned cash (a current asset) into a computer (a fixed asset) the value is the same. So your 'total' assets have not changed.

Statement of assets and liabilities/Balance sheet

The statement of assets and liabilities acts as a snapshot of your unit's overall financial situation.

It sets out the assets that you own, such as money in the bank or computers, and the amounts you owe, such as loans and money owed to suppliers.

If you wish to, you can choose to add additional categories to this statement to create a 'balance sheet'.

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

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

Our tools and templates

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

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

It can complete:

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

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

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



Important

Section B - Categories for cash accounts

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

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

Income and expenditure account categories

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

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

Important

You must only record items on your income account if you have actually received payment.

Income

Income is split into the following categories:

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

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

What is membership?

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

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

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

Important

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

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

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

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

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

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

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

What are 'affiliations'?

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

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

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

What are 'donations'?

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

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

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

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

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

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

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

What is branch income?

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

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

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

What is fundraising income?

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

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

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

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

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

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

Important

If you receive a donation related to your fundraising event, it should be recorded in 'Donations'.

What is investment income?

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

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

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

What are transfers in?

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

You should record the total amount transferred in.

The accounting note should give a breakdown of where the transfers came from, and the purpose for which they were made. You can see how this works in practice in our example statement of accounts in Section C.

What is property and rental income / office services?

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

Examples of this include:

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

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

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

Miscellaneous

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

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

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

Expenditure

The following categories are recorded under expenditure:

- Premises costs
- Office costs
- Branch expenditure
- Staff costs
- Transfers out
- Campaigning costs
- Fundraising costs
- Financing charges and taxation
- Profit/Loss on Sale of Assets
- Miscellaneous

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

What are premises costs?

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

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

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

What are office costs?

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

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

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

Important

You must only record items on your expenditure account if you have actually made a payment.

What is branch expenditure?

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

You can put the totals for all branches into your expenditure account.

In your accounting note, you should record how much expenditure is attributable to each branch.

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

What are staff costs?

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

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

The accounting note should provide:

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

And:

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

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

What are transfers out?

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

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

The accounting note should record the following:

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

What are campaigning costs?

Campaigning costs include spending on items such as promoting candidates, or the party generally at elections.

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

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

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

What are fundraising costs?

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

You should record the costs for each event separately.

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

You should record the total fundraising costs in your accounts.

For more information on recording campaign and election spending see:

[Overview of campaign spending](#)

What are financing charges and taxation?

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

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

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

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

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

What is profit/loss on disposal of assets?

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

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

Miscellaneous

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

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

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

For more information on loans see:

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

Assets and loans statement

The following categories are recorded on the assets and loans statement:

- Purchase of assets
- Sale of assets
- Repayment of existing loan capital
- Additional loan undertakings

Purchase of assets

You should record the total cost of any assets bought in your accounts.

You should include both fixed assets (such as property, or computers) and current assets (such as cash in the bank, or deposits).

The accounting note should list the assets purchased, and the cost of each of them.

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

Sale of assets

The total price of any assets sold (fixed or current) should be recorded in your accounts.

The accounting note should list the assets sold, and the price of each of them.

Assets are things you own, such as money in the bank, computers and property.

Repayment of existing loan capital

This covers repayments of the capital sum of any existing loans. This means you do not include any interest payments – you should record these in your expenditure account under 'Financing charges and taxation'.

As loan repayments are usually a combination of interest and capital you need to ask your lender to supply this information for the year.

You should record the total costs of existing capital loan repayments in your statement.

The accounting note should show each type of existing capital loan repayment, and its cost.

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

Additional loan undertakings

This is cash received through taking out a new loan. This is the capital sum only and is usually called the 'sum' or 'principal' in the documents provided by the lender.

You should record the total costs of any additional loans you have undertaken.

The accounting note should show each new loan undertaking, and its cost.

Assets and liabilities statement/ balance sheet categories

The following categories should be included in a statement of assets and liabilities:

- Fixed assets
- Current assets
- Liabilities

If you choose to create a balance sheet, you should also include 'Reserves'.

Fixed assets

Fixed assets are items bought for long-term use by your unit. For example, property, office equipment, furniture, plus investments such as stocks, shares and investment property.

The categories recorded under fixed assets are:

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

Property

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

You should record the total value of the property.

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

If the property is professionally revalued, you may decide to record the new value. If this is the case then include a sentence in the note explaining this.

The accounting note should show:

- Value at the start of the year
- Additions – such as capital sums spent on the property, or new property bought
- Disposals - you should record these at the asset's value
- Any additions arising from revaluations
- Value at the end of the year

You can see an example of how to do this in Section C.

Fixtures and fittings

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

The value should be recorded at the original purchase price. You should not carry out revaluations.

The accounting note should show:

- Value at the start of the year
- Additions – such as capital sums spent on the property, or new property bought
- Disposals - you should record these at the asset's value
- Value at the end of the year

Office equipment

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

The value should be recorded at its original purchase price. You should not carry out revaluations.

The accounting note should show:

- Value at the start of the year
- Additions – such as capital sums spent on the property, or new property bought
- Disposals - you should record these at the asset's value
- Value at the end of the year

Investment property

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

You should record the total value of investment property.

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

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

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

The accounting note should show:

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

Other investments

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

You should include the total value of all other investments owned by your unit.

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

Stocks and shares should be recorded at their market value on 31 December.

For each item, the accounting note should show:

- Address
- Latest valuation
- Year of valuation

You do not need to include the actual details of the stocks and shares your unit owns.

Current assets

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

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

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

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

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

Deposit accounts are longer-term investment accounts, where money is less accessible. The deposit is held for a fixed term, or where withdrawals can only be made by giving notice or by losing interest on the account.

Liabilities

Liabilities are things that you owe. Examples include loans, credit cards and money owed to suppliers.

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

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

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

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

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

Reserves (Optional)

Under standard cash accounting, there is no reserves section. However, if you do wish to use a 'Reserves' section, it should include the following:

- Accumulated Fund
- Asset Revaluations
- Other Funds

Accumulated Fund

The Accumulated Fund (or General Fund) is the total of all the previous years' deficits and surpluses generated from the income and expenditure account

You should state the opening balance for the year (which is the closing balance of the previous year).

You should then add the surplus or deficit generated from the year's activities from the total of the income and expenditure accounts.

Asset Revaluations

Asset value adjustments

You may need to make adjustments for the following:

- Unrealised gains or losses on other investments, such as shares that have changed value.

You should include any increase/decrease in value even though they have not been sold.

Revaluation Reserve

If your main property is professionally revalued, the amount of the increase should be recorded in the Revaluation Reserve and the new market value of the property shown recorded.

The balance on the Revaluation Reserve is kept until the property is disposed of, and any profit or loss on the sale is calculated.

Other Funds

Some accounting units may decide to create additional funds dedicated to specific purposes. These could include campaign funds, renovation funds or building project funds.

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

Do not include investment property in the revaluation reserve.

These should be included as 'Unrealised Gain/Loss' in the Asset Value Adjustments

Section C - Example statement of accounts

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

AU Name:

Statement of Accounts

Statement Date: 31 December 2011

1. Example Statement of Accounts: cash accounting

The Example Party Local Area Accounting Unit Statement of Accounts for year ending 31 st December 2011	
Administrative information	
Registered address	
Address of Central Party as registered address	
Elected Officials	
Name	Position
Daniel McKenzie	MP for Local Area
43 Local Area Councillors	
Responsible Officers	
For the purposes of the Political Parties Elections Referendums Act 2000 the responsible officers are:	
Name	Position
Ms Adams	Registered Treasurer
Mr Bath	Deputy Registered treasurer
Political activities	
Overview of political activities	
<p>After the huge efforts of last year in fighting a general election, our members were again called upon to campaign for local elections in various wards</p> <p>This year we were successful in holding all our four existing seats.</p>	

Branches
<p>The Example Party Local Area Accounting Unit is responsible for three branches. Income received and expenditure incurred by those branches have been included in the unit's accounts.</p> <ul style="list-style-type: none"> • Local Area • Near Common • Close Hill
Financial Activities
Income overview
<p>Membership income increased due to new members joining and increased membership fees. Fund raising and donations were also up thanks to the sterling efforts of the fund-raising committee.</p> <p>Income from our Trust Property increased slightly with less building repair work required. Our share portfolio performed well and showed a capital gain on the year outperforming the stock market.</p>
Expenditure overview
Continuing expenditure
<p>The Committee has worked hard to reduce general office overheads with greater use of email for inter party correspondence. We are confident that the costs for the administration of the party are well controlled.</p> <p>We have continued to upgrade our IT facilities with the purchase of new equipment</p>
Balance sheet overview
<p>At the start of the year we had our main building re-valued and this shows a significant revaluation from the previous year.</p>

Accounting notes
Accounting convention
<p>This Statement of Accounts uses cash accounting. Last year's accounts were prepared on the accruals basis. The figures shown for last year have not been recalculated</p>

Income and expenditure account			
	Note	2011	2010
Income			
Membership	1	20,166	18,787
Affiliations	2	16,739	14,200
Donations	3	41,750	35,100
Branch Income	4	9,500	8,889
Fundraising income	5	28,810	24,470
Investment income	6	14,487	15,532
Transfers in	7	17,423	8,923
Property and rental income/Office services	8	19,763	19,575
Miscellaneous	9	-	-
Total income		168,638	145,476
Expenditure			
Premises		7,223	9,650
Office costs		31,576	30,759
Branch Expenditure	4	7,685	7,687
Staff costs	10	20,096	18,997
Transfers out	7	6,206	7,406
Campaigning costs		73,400	55,000
Fundraising costs	5	8,550	9,420
Financing charges and taxation	11	1,375	1,370
Profit/(Loss) on sale of assets	15	2000	-
Miscellaneous	9	-	2,500
Total expenditure		158,111	142,789
Deficit/surplus		10,527	2,687

Assets and loans statement			
	Note	2011	2010
Purchase of Assets	12	1,500	10,000
Sale of Assets	12	(1,000)	
Repayment of existing capital loans	13	5,000	5,000
Additional loan undertakings	13	-	-
Net (Income)/Expenditure on Assets/Liabilities		5,500	15,000

Balance sheet			
	Note	2011	2010
Fixed assets			
Property	14	325,000	250,000
Fixtures and fittings	14	37,000	37,000
Office equipment	14	16,000	17,500
Investment property	6	325,000	325,000
Other investments	6	25,757	23,986
Total fixed assets	-	728,757	653,486
Current assets			
Cash in hand and at bank	6	30,133	23,106
Total current assets	-	30,133	23,106
Liabilities			
Loans outstanding	13	(15,000)	(20,000)
Total liabilities	-	(15,000)	(20,000)
Total Net Assets/(Liabilities)	-	743,890	656,592
Accumulated Fund Bfwd		656,592	658,905
Surplus/(Deficit)		10,527	2,687
Asset Value Adjustments	16	1,771	(5,000)
Accumulated Fund Cfw		668,890	656,592
Revaluation Reserve	14	75,000	-
Total Reserves		743,890	656,592

Notes to the Accounts:

Note 1 'Membership' Accounting Note:

Description	2011	2010
Membership fees received directly by the accounting unit.	13,100	11,522
Membership fees received via/paid to the central party	7,066	7,265
Total Membership	20,166	18,787

Note 2 'Affiliations' Accounting Note

Affiliate	2011	2010
ABC Union	9,485	7,658
XYZ Association	7,254	6,542
Total	16,739	14,200

Note 3 'Donations' Accounting Note

Donations	2011	2010
Cash Donations	41,000	34,650
Notional/ 'Donations in Kind'	750	450
Total	41,750	35,100

During the year the unit had donations totalling £22,000 that were **reportable** to the Electoral Commission.

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

Note 4 Branch Income and Expenditure Accounting Note

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

Note 5

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

Note 6: Investment Income

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

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

Investment income from current assets:				
Bank Accounts	Balance as at 31/12/11	Interest Received	Balance as at 31/12/10	Interest Received
Deposit Account	15,426	234	10,426	167
Current Account	14,707	23	12,680	53
Total	£30,133	£257	23,106	220

Note 7 – ‘Transfers’ Accounting Note

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

Note 8 Property and rental income/Office services

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

Note 9: Miscellaneous Income and Expenditure

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

Note 10 Salary Costs

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

Note 11: Financing charges, loan repayment and taxation

	2011	2010
Interest payable on mortgage	1,250	1,250
Overdraft Interest	125	120
Total	1,375	1,370

Note 12 Cash Movements in relation to Sale/Purchase of Assets

Item	Income	Expenditure
Purchase of IT Equipment		1,500
Sale of IT Equipment	1,000	
Total	1,000	1,500

Note 13 Cash spent on loan repayment or generated by new loans

	2011	2010
Outstanding amount at start of year	20,000	25,000
Capital Repayment	5,000	5,000
New loans/mortgages	0	0
Outstanding amount at end of year	15,000	20,000

Note 14 Fixed Assets

	Property	Fixtures & Fittings	Information Technology	Total
Value at start of year	250,000	37,000	17,500	304,500
Additions	-	-	1,500	1,500
Disposals	-	-	(3,000)	(3,000)
Revaluation Reserve	75,000			75,000
Value at end of year	325,000	37,000	16,000	378,000

During the year it was decided to revalue the main building to ensure there was adequate building insurance cover. This resulted in an increase in value from £250,000 to £325,000 which is now stated as the value of the property in the accounts.

Note 15: Profit/(Loss) on Disposal of Assets

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

Note 16 Asset Value Adjustments

Item	Note	Total
Unrealised Gain/(Loss) on Investments	6	1,771
Total		(1,771)

Declaration		
I confirm that the above Statement of Accounts has been prepared in accordance with guidance issued by the Electoral Commission and is correct to the best of my knowledge. In addition I confirm that these accounts have been approved by the Accounting Unit Management Committee:		
Signature	Position	Date
	Registered Treasurer	

How we can help

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

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

Call us on:

- England: 020 7271 0616
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