

# **SNPX**

Review 2015/16

---

Administrative Information

Review of political activities

Corporate Governance

Financial Review

Statement of accounts 2015

---

## Contents

1	Administrative Information	3
2	Review of Political Activities	9
3	Governance	11
4	Financial Review	13
5	Statements of accounts 2015	16

## Party Officers

Registered officers under the Political Parties, Elections and Referendums Act 2000: -

Leader	Nicola Sturgeon
Nominating Officer	Peter Murrell
Treasurer	Colin Beattie
Campaigns Officer	Peter Murrell

### Party Headquarters

Gordon Lamb House, 3 Jackson's Entry, Edinburgh EH8 8PJ.

### Auditors

Johnston Carmichael LLP, [REDACTED]

### Bankers

[REDACTED]

### Legal Advisers

Kennedys Scotland, [REDACTED]

### Financial Advisers

JLT Employee Benefits, [REDACTED]

## 1. Administrative Information

### About the SNP

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 80 years.

In May 2016, the SNP won an historic third term in the Scottish Parliament with 63 MSPs, over a million votes, and the highest share of the constituency vote ever achieved. The Party now forms a minority Scottish Government.

The SNP holds 56 of 59 Scottish seats in the UK Parliament – making it the third largest party in the Commons – and two of six Scottish seats in the European Parliament.

The SNP is the largest party in Scottish local government. The council elections in May 2012 were a triple success for the SNP – with more votes, more councillors, and more gains than any other party.

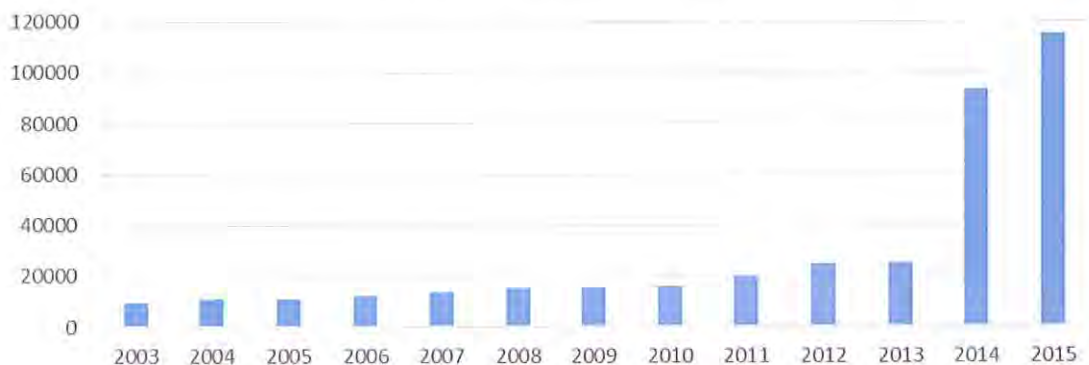
The Party is funded from voluntary contributions, with the active support of a network of over 115,000 members, and supported by many others. The Party is hugely dependent on the activities of the members in over 200 local branches.

With the help of our supporters, members, donors, volunteers and staff, we are in a strong position to continue shaping our nation's future success and progressing towards an independent Scotland.

### Membership

Membership of the SNP surged dramatically in the wake of the 2014 referendum vote. By 31 December 2014, the Party had 93,045 members compared with 25,642 on referendum day, 18 September. One year on, membership had risen to 115,102 by 31 December 2015.

Table 1 – SNP membership 2003-2015.



The membership surge has brought with it a dramatic improvement in the gender balance of members, and the proportion of young people also increased markedly. By the end of 2015, women made up 44 per cent of members and 21 per cent of members were under 30 years of age.

### **Accounting Units**

The Scottish National Party has 272 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

### **(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 per cent 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 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 co-ordinating the Party's electoral activities for the council elections in their area and producing an election manifesto.

**(iv) 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. Affiliate organisations receive a 2.5 per cent dividend of subscriptions paid by each of their members.

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.

### **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 around 5,000 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 are listed on the SNP website.

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.

### **SNP staff**

The Scottish National Party is served by 20 staff (18.8 full-time equivalent) based at its Headquarters in Edinburgh. Staff are split into four interdependent teams.

**Table 2 – Headquarters team structure.**

<b>Operations</b>	<b>Mobilisation</b>	<b>Engagement</b>	<b>Corporate</b>
Member care	Campaigns	Research	Governance
Fundraising	Digital	Policy development	Finance
Events	Communications	Consultation	IT and facilities
		Contact interaction	HR
			Audit
			Legal

### **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 1 June 2016, the SNP representation at each is as follows: -

- 
- 63 Members of the Scottish Parliament

- 56 Members of Parliament
- 2 Members of the European Parliament
- 412 councillors in 30 of the 32 Scottish councils

The full list of elected representatives is available on the SNP website.



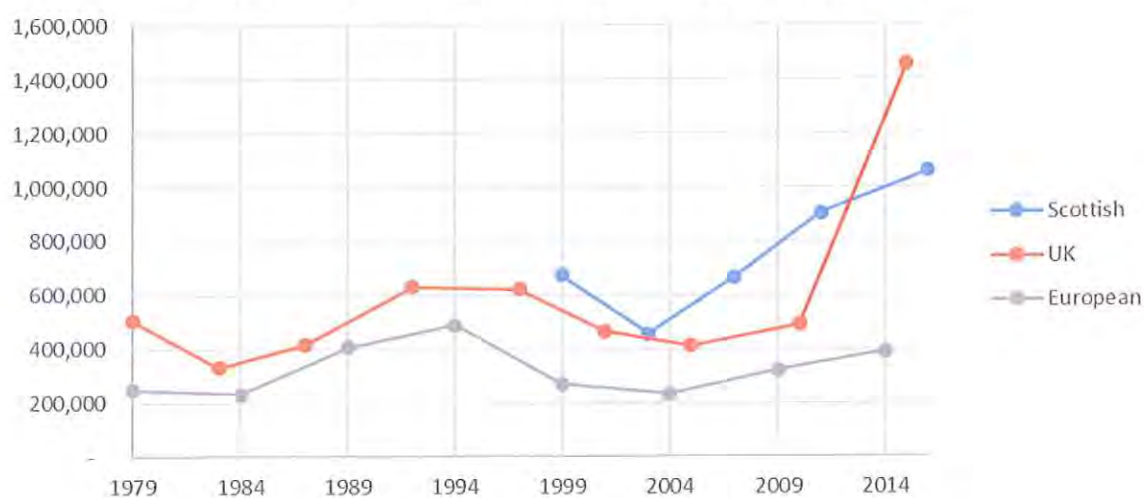
## 2. Review of Political Activities

The SNP won an historic third term in the Scottish Parliament with 63 MSPs, over a million votes in Scotland's constituencies – a first – and the highest share of the constituency vote ever achieved.

Here's the 2016 Holyrood election and the new Scottish Government team in numbers:

1. The SNP polled a record number of constituency votes – 1,059,897 in total. The previous highest number was 908,392, polled by Labour in 1999.
2. The SNP polled more votes than Labour and the Tories put together (collectively they polled 1,016,105 votes).
3. The SNP won 59 constituency seats, surpassing the previous record of 53 seats, achieved by Labour in 1999, as well as the SNP in 2011.
4. The SNP has polled 46.5 per cent in the constituency vote, up from 45.4 per cent in 2011. This is higher than the previous record.
5. The SNP won a clean sweep of six out of Scotland's seven cities: Glasgow, Dundee, Aberdeen, Inverness, Stirling and Perth.

Table 3 – Total SNP vote in parliamentary elections in Scotland 1979-2016.



6. The new SNP government reflects the priority Nicola Sturgeon has placed on education and tackling the attainment gap, with the appointment of Deputy First Minister John Swinney as Cabinet Secretary for Education and Skills.
7. To implement our ambitious plans, childcare has been given a specific Ministerial remit, with Mark McDonald appointed as Minister for Childcare and Early Years.

8. The new Cabinet reflects Nicola Sturgeon's focus on the economy - with the creation of a new Finance role and a new Economy role. Derek Mackay has been appointed as Cabinet Secretary for Finance and the Constitution, with responsibility for new tax powers, and Keith Brown will take up a new post of Cabinet Secretary for Economy, Jobs and Fair Work.
9. Our public services remain in excellent hands. Shona Robison, as Cabinet Secretary for Health and Sport, will oversee record investment in our NHS, and Michael Matheson, as Cabinet Secretary for Justice, will oversee our commitment to protect the police budget.
10. Maureen Watt will take up the role of Scotland's first-ever dedicated Minister for Mental Health.
11. The importance of the rural economy is reflected by the appointment of Fergus Ewing as Cabinet Secretary for the Rural Economy and Connectivity.
12. Angela Constance - as new Cabinet Secretary for Communities, Social Security and Equalities - will take forward new welfare powers being devolved to Scotland. In recognition of our commitment to a social security system based on dignity and respect, Jeane Freeman will become the first dedicated Minister for Social Security.
13. For the first time, the Environment and Climate Change will have a dedicated Cabinet Secretary, with Roseanna Cunningham appointed to the position.
14. Nicola Sturgeon appointed Scotland's first cabinet with an equal number of women and men. With the Cabinet announced today, this gender balance is maintained.
15. The new Scottish Government represents every part of Scotland - with Ministers being appointed from every electoral region in Scotland.

### **3. 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, borrowing and securities of whatever kind and description belonging to the Party.

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.

#### **Finance & Audit Committee**

Supports the NEC in the effective identification and management of systems of financial management and control to assure financial probity and transparency, and effective financial stewardship and management within the SNP.

Members of the Finance & Audit Committee are appointed by 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 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.

---

## **Legislation**

There are over twenty primary Acts and Regulations governing the political and campaigning activities of the Scottish National Party. Headquarters staff continuously review the adequacy of the internal control system in meeting the Party's requirements under current legislation.

## **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.

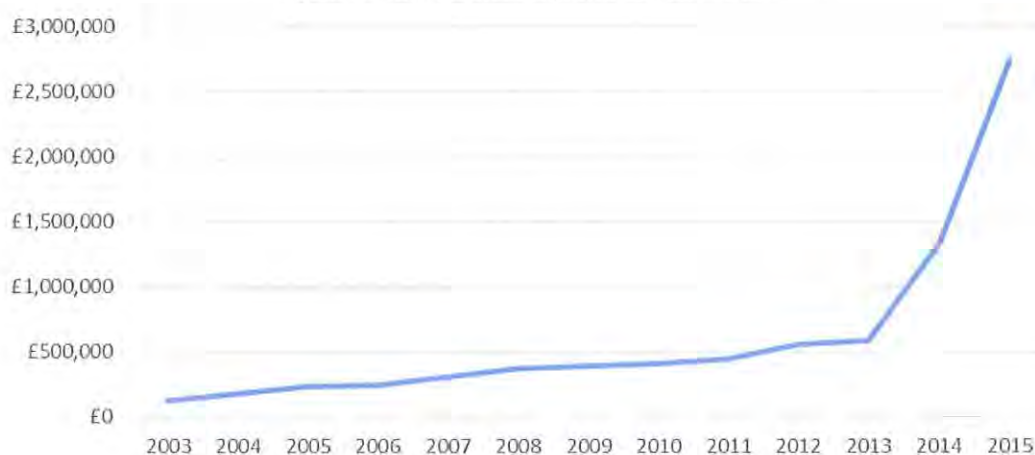
No motor vehicles are operated by the SNP. Employees are encouraged to use public transport. No parking spaces are provided for staff. Cycle parking loops are provided at Headquarters.

## 4. Financial Review

### INCOME

The total SNP income for the year ended 31 December 2015 was £6,010,002. As a result of the dramatic surge of members in the wake of the 2014 referendum, membership income doubled in 2015 to £2,743,413.

Table 4 – SNP membership income 2003-2015.



### Fundraising

The SNP would like to thank the many thousands of individual members and supporters who made every achievement in this review possible. Whether you sold raffle tickets to friends and family or donated to the appeals which made possible our elections victories, we thank you.

There were three prize raffles conducted during 2015, the Spring Draw and St Andrew's Draw plus a 'Win a Car' prize draw. 50 per cent of the Spring and St Andrew's raffle proceeds is retained by local branches.

Beyond one-off appeals, regular giving opportunities include: -

- i. The Challenge for Independence, a fund for ring-fenced campaign donations.
- ii. The St Andrew's Appeal, a fund providing the opportunity to mark Scotland's national day on 30 November.
- iii. The Great Weather Lottery, a daily lottery based on temperatures in six cities and operated by Lottery Service Providers Ltd.

### Legacies

The SNP is very grateful for every legacy we receive. All gifts in Wills, regardless of their size, are recognised in our Book of Remembrance.

## EXPENDITURE

Total expenditure for the year ended 31 December 2015 was £5,454,507. With 84 per cent of total income coming from members and supporters last year, we remain dedicated to ongoing efficiency and financial control. For every £1 of income in 2015, the SNP spent: -

**35p** of every £1 spent is used to help local candidates and organisations win more seats and provide campaign support services like [activate.snp.org](http://activate.snp.org)

**17p** goes on the permanent paid staff at SNP Headquarters

**13p** is returned to local branches and affiliate organisations as a dividend of membership subscriptions

**12p** goes on hiring venues and running conferences

**11p** is paid in tax, finance charges, legal and audit fees

**8p** is used by the SNP to cover operating costs

**4p** goes on increasing income from membership subscriptions, fundraising and merchandise



The efficiency of campaign expenditure is analysed on an ongoing basis through the Party's spending per vote won in national elections (see Table 3) between 2007 and 2015. In six of seven national elections in this period, the SNP secured more votes than any other party.

Table 5 – SNP campaign expenditure per vote in Scotland 2007-2015.

<b>2007</b>	
Spend	£1,383,462
Votes	633,401
Spend per Vote	<b>£2.18</b>
<b>2009</b>	
Spend	£126,710
Votes	321,007
Spend per Vote	<b>£0.39</b>
<b>2010</b>	
Spend	£315,776
Votes	491,386
Spend per Vote	<b>£0.64</b>
<b>2011</b>	
Spend	£1,141,662
Votes	902,915
Spend per Vote	<b>£1.26</b>
<b>2014</b>	
Spend	£267,372
Votes	389,503
Spend per Vote	<b>£0.69</b>
<b>2015</b>	
Spend	£1,475,478
Votes	1,454,436
Spend per Vote	<b>£1.01</b>

## **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 2015 which comprise the income and expenditure account, the balance sheet, the statement of cash flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditors' 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**

As explained more fully in the statement of National Treasurer's responsibilities set out on page 16, the National Treasurer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Party's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the National Treasurer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Review to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the Scottish National Party as at 31 December 2015 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Political Parties, Elections and Referendums Act 2000.

**SCOTTISH NATIONAL PARTY  
REPORT OF THE INDEPENDENT AUDITORS (continued)**

---

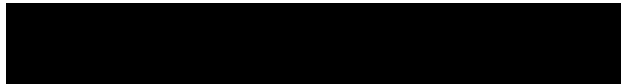
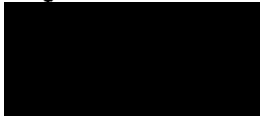
**Opinion on other matters**

In our opinion the information given in the Annual Review for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters which we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of information specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

  
Johnston Carmichael LLP  
Chartered Accountants  
Registered Auditors  


*30 June 2016*  
.....

**SCOTTISH NATIONAL PARTY  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015 £	2014 £
<b>Income</b>			
Membership	2	2,743,413	1,330,465
Donations	3	1,533,291	4,468,708
Fundraising income	4	302,449	297,215
Investment income	5	6,990	7,872
Property and rental income	6	-	9,200
Conference income		758,037	357,738
Commercial income		13,223	52,475
Grant income	7	175,066	155,794
Miscellaneous	8	477,533	368,583
<b>Total income</b>		<b>6,010,002</b>	<b>7,048,050</b>
<b>Expenditure</b>			
Premises costs	9	(76,150)	(80,472)
Office costs	10	(315,420)	(359,699)
Staff costs	11	(937,690)	(773,109)
Transfers out	12	(719,915)	(367,310)
Campaigning costs		(1,857,100)	(4,592,389)
Fundraising costs	13	(206,086)	(163,805)
Conference expenditure	14	(664,722)	(224,030)
Commercial expenditure		-	(9,802)
Financing/interest charges	15	(76,389)	(50,095)
Depreciation	19	(44,052)	(31,701)
Membership expenses	16	(20,218)	(63,210)
Irrecoverable VAT	16	(452,631)	(505,130)
Miscellaneous	16	(84,134)	(76,793)
<b>Total expenditure</b>		<b>(5,454,507)</b>	<b>(7,297,545)</b>
<b>Surplus/(deficit) before tax</b>		<b>555,495</b>	<b>(249,495)</b>
Taxation	17	-	-
<b>Surplus/(deficit) for the year</b>		<b>555,495</b>	<b>(249,495)</b>

**SCOTTISH NATIONAL PARTY  
BALANCE SHEET AT 31 DECEMBER 2015**

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Intangible assets	18	498,789	-
Tangible assets			
- Furniture, fixtures and fittings	19	11,475	15,677
- Office/computer equipment	19	99,658	67,861
Investments	20	479	479
Total fixed assets		610,401	84,017
<b>Current assets</b>			
Stock	21	-	11,984
Debtors and prepayments	22	421,582	255,224
Cash in hand and at bank		402,564	30,466
Total current assets		824,146	297,674
<b>Liabilities</b>			
Creditors and accruals		(1,337,174)	(811,295)
Loans outstanding	24	(26,630)	(55,148)
Total liabilities	23	(1,363,804)	(866,443)
<b>Total net assets/(liabilities)</b>		<b>70,743</b>	<b>(484,752)</b>
<b>Reserves</b>	25		
Accumulated fund at start of year		(484,752)	(235,257)
Surplus/(deficit)		555,495	(249,495)
Accumulated fund at end of year		<b>70,743</b>	<b>(484,752)</b>

The financial statements were approved by the Party Officers on 30/6/16

Colin Beattie  
National Treasurer



**SCOTTISH NATIONAL PARTY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
<b>Cash flow from operating activities</b>	<b>29</b>	<b>472,871</b>	<b>70,671</b>
Income taxes paid		-	-
<b>Net cash flow from operating activities</b>		<b>472,871</b>	<b>70,671</b>
<b>Cash flow from investing activities</b>			
Purchase of tangible assets		(74,624)	(54,706)
Interest received		703	2,577
Investment income		6,287	3,723
<b>Net cash from investing activities</b>		<b>(67,634)</b>	<b>(48,406)</b>
<b>Cash flow from financing activities</b>			
Interest paid		(4,171)	(1,986)
Repayment of hire purchase and finance leases		(22,810)	(4,034)
Receipts from new loans		1,003,250	-
Repayment of loans		(1,009,408)	(32,238)
<b>Net cash flow from financing activities</b>		<b>(33,139)</b>	<b>(38,258)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>372,098</b>	<b>(15,993)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>30,466</b>	<b>46,459</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>402,564</b>	<b>30,466</b>

# **SCOTTISH NATIONAL PARTY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

---

## **1. Accounting Policies**

### **General information and basis of preparation**

The Scottish National Party is not incorporated in law and thus not bound by the Companies Act 2006. The Party is a Political Party and is required to prepare financial statements in accordance with the Political Parties, Elections and Referendum Act 2000 ('PPERA'). The address of the registered office is given in the Party is Gordon Lamb House, 3 Jackson's Entry, Edinburgh, EH8 8PJ.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102). The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements are in accordance with the guidance issued by the Electoral Commission.

The financial statements are presented in sterling which is the functional currency of the Party and rounded to the nearest £.

As stated in the Annual Report, the Party has 272 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 significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated. The Party has adopted FRS 102 in the current year and on transition to FRS 102 there were no accounting adjustments to the prior year figures.

### **Going concern**

The National Treasurer has reviewed the expenditure budgets and cash flow projections for the Party for the period to 30 June 2017 and is satisfied that the Party will have sufficient funds for it to meet its financial obligations. On this basis, the National Treasurer is satisfied that it is appropriate to prepare the accounts on the going concern basis.

### **Income Recognition**

Income is measured at the fair value of the consideration received or receivable net of VAT and trade discounts.

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.

# SCOTTISH NATIONAL PARTY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2015

---

#### 1. Accounting Policies (continued)

- Legacies from benefactors who died prior to the year-end are only recognised if, prior to finalising the accounts, the personal representatives of the deceased have notified the Party of the legacy, there are no significant matters outstanding and the amount due has been confirmed.
- Interest receivable is recognised in the income and expenditure account on an accruals basis.
- Dividend income is recognised as the Party's right to receive payment is established.

#### **Tangible fixed assets**

Tangible fixed assets are included at cost. Depreciation is provided on tangible fixed assets at the following annual rates.

Computer Equipment, Fixtures, Fittings and Equipment	-	33.33 % reducing balance
--	---	--------------------------

#### **Intangible assets**

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

#### *Software Development*

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use;
- The intention to complete the software and use it;
- How the software will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use the software;
- The ability to measure reliably the expenditure attributable to the software during its development.

#### *Software licence fee*

Software licence fees are recognised as intangible assets when it is probable the software will be used to generate future economic benefits.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful lives:

Software development costs	-	10 years
Software licence fee	-	5 years

For the year ended 31 December 2015, no amortisation has been charged on intangible assets as they are currently not in use and therefore no economic benefit is yet realised on these assets. Provision is made for any impairment.

---

**SCOTTISH NATIONAL PARTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

---

**1. Accounting Policies (continued)**

**Fixed asset investments**

Fixed asset investments are stated at fair value as assessed by the Party's officers at the year end. 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 or intangible 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 income and expenditure 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.

**Value added tax (including irrecoverable VAT)**

The Party agreed a partial exemption formula with HM Revenue & Customs and recovers VAT on this basis.

**Provisions**

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

**Tax**

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

---

**Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income and expenditure account.

**SCOTTISH NATIONAL PARTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

---

**1. Accounting Policies (continued)**

**Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

**Judgements and key sources of estimation uncertainty**

The National Treasurer has considered if there are any key sources of estimation uncertainty or significant judgements that have been made in the process of applying the above accounting policies to prepare these financial statements. The National Treasurer considers that there are not any key judgements or sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial statements.

**2. Membership subscriptions**

	2015 £	2014 £
Membership fees received directly by the Party	<u>2,743,413</u>	<u>1,330,465</u>

Membership subscriptions from our members are received by the central party and a proportion of these subscriptions are allocated to our local branches (see note 12).

**3a. Donations**

	2015 £	2014 £
Cash donations received reportable to the Electoral Commission	1,065,000	3,684,054
Cash donations received below the reporting threshold to the Electoral Commission	456,832	783,750
Notional donations below the reporting threshold to the Electoral Commission	<u>11,459</u>	<u>904</u>
<b>Total</b>	<u><b>1,533,291</b></u>	<u><b>4,468,708</b></u>

Total value of donations reported to the Electoral Commission during 2015 was £1,299,808 (2014-£3,949,001)

Donations reported to the Electoral Commission are recorded under different categories in the accounts due to the nature and circumstances by which they were received.

**SCOTTISH NATIONAL PARTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**3b. Donation reconciliation note**

	2015 £	2014 £
Donations reported to the Electoral Commission:	<u>1,299,808</u>	<u>3,949,001</u>
<b>Recorded in the accounts as:</b>		
Donation income	1,065,000	3,684,054
Legacy Income	75,000	88,420
Grant Income	<u>159,808</u>	<u>176,527</u>
	<u>1,299,808</u>	<u>3,949,001</u>

**4. Fundraising**

	2015 £	2014 £
Independence Magazine	143,615	88,525
Raffles	157,114	203,437
Great Weather Lottery	869	1,600
Independence Covenant	<u>851</u>	<u>3,653</u>
<b>Total</b>	<u>302,449</u>	<u>297,215</u>

**5. Investment income**

	2015 £	2014 £
Interest receivable	703	2,577
Investment income	<u>6,287</u>	<u>5,295</u>
<b>Total</b>	<u>6,990</u>	<u>7,872</u>

**6. Property and rental income**

	2015 £	2014 £
Rental of office space to Alyn Smith – ending June 2014	-	9,200
<b>Total</b>	<u>-</u>	<u>9,200</u>

**7. Grant income**

	2015 £	2014 £
Policy development grant	<u>175,066</u>	<u>155,794</u>
<b>Total</b>	<u>175,066</u>	<u>155,794</u>



**SCOTTISH NATIONAL PARTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**8. Miscellaneous**

	2015	2014
	£	£
Levy on accounting units	-	32,400
Legacies	138,112	87,415
Parliamentary levy	294,500	214,250
Campaign services	44,921	34,518
<b>Total</b>	<b>477,533</b>	<b>368,583</b>

Levy on accounting units represents levies on accounting units to fund by-election campaigns.

Legacies include amounts bequeathed to the Party during the year.

The Parliamentary levy is a levy imposed on all SNP MPs, MSPs and MEPs.

Campaign services income is generated from the commission of call centre activity.

**9. Premises Costs**

	2015	2014
	£	£
Rent and Rates	76,150	80,472
<b>Total</b>	<b>76,150</b>	<b>80,472</b>

**10. Office Costs**

	2015	2014
	£	£
ICT	149,460	166,692
Office costs	23,676	27,252
Insurance	8,933	8,474
Telephone	17,629	2,574
Postage	114,291	151,078
Leasing	1,431	3,629
<b>Total</b>	<b>315,420</b>	<b>359,699</b>

ICT costs are those incurred in operating the Party's computer systems; servers; IT support; programming and development; and website.

**SCOTTISH NATIONAL PARTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**11. Staff costs**

	2015	2014
	£	£
Salaries	737,311	623,900
Social security	80,880	72,528
Other costs, including pensions	119,499	76,681
	<u>937,690</u>	<u>773,109</u>

Average number of staff employed during the year:

	2015	2014
	No.	No.
Officers	15	12
Administrative staff	3	3
	<u>18</u>	<u>15</u>

**12. Transfers out**

	2015	2014
	£	£
Membership income due to branches	685,853	332,616
Affiliate dividend	34,062	34,694
	<u>719,915</u>	<u>367,310</u>

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.

The Party paid out a dividend to affiliated organisations during the year based on 2.5% of 2014 membership income.

**13. Cost of fundraising events**

	2015	2014
	£	£
Donations	-	3,504
Fundraising	107,938	73,757
Independence Magazine	98,148	86,544
	<u>206,086</u>	<u>163,805</u>

**SCOTTISH NATIONAL PARTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**14. Conference costs**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Venue hire and catering	<b>280,020</b>	113,577
Audio visual	<b>230,105</b>	45,886
Security	<b>29,293</b>	16,058
Printed materials	<b>39,737</b>	20,994
Information technology	<b>42,755</b>	17,382
Other conference costs	<b>30,392</b>	5,374
Other national events	<b>12,420</b>	4,759
<b>Total</b>	<b>664,722</b>	224,030

Other national events represent the costs paid for National Council and other non-conference events.

**15. Interest costs**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Bank charges	<b>60,759</b>	47,205
Notional interest	<b>11,459</b>	904
Hire purchase/finance lease interest	<b>4,171</b>	1,986
<b>Total</b>	<b>76,389</b>	50,095

Loans from individual members in note 23 represent 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 as notional interest above.

**SCOTTISH NATIONAL PARTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**16. Miscellaneous**

	<b>2015</b>	2014
	<b>£</b>	£
Membership expenses	<b>20,218</b>	63,210

Membership expenses are those incurred to produce recruitment materials and provide information materials to Party members.

	<b>2015</b>	2014
	<b>£</b>	£
Irrecoverable VAT	<b>452,631</b>	505,130

An explanation of irrecoverable VAT is included within the value added tax section of note 1.

	<b>2015</b>	2014
	<b>£</b>	£
Professional fees	<b>3,175</b>	385
Legal fees	<b>9,844</b>	33,497
Bad debt provision	<b>29,392</b>	2,044
Audit fee	<b>23,845</b>	20,000
Loss on disposal of fixed assets	<b>2,977</b>	15,572
Sundries	<b>14,901</b>	5,294
<b>Total</b>	<b>84,134</b>	76,793

**17. Taxation**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2015 due to the availability of tax losses.

**SCOTTISH NATIONAL PARTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**18. Intangible assets**

	<b>Software licence £</b>	<b>Software development £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2015	-	-	-
Additions	346,293	152,496	498,789
At 31 December 2015	<b>346,293</b>	<b>152,496</b>	<b>498,789</b>
<b>Amortisation</b>			
At 1 January 2015 & 31 December 2015	-	-	-
Net Book Value at 31 December 2015	<b>346,293</b>	<b>152,496</b>	<b>498,789</b>
Net Book Value at 31 December 2014	-	-	-

Included within intangible assets are £498,719 of assets that are not yet being amortised. See intangible assets section of note 1 for further details. All intangible assets above are held under hire purchase.

The intangible assets represent the costs of the new membership management system, which is expected to go live in July 2016.

**19. Tangible fixed assets**

	<b>Furniture, fixtures and fittings £</b>	<b>Office/computer equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2015	62,658	119,912	182,570
Additions	3,854	70,770	74,624
Disposals	(8,062)	(13,639)	(21,701)
At 31 December 2015	<b>58,450</b>	<b>177,043</b>	<b>235,493</b>
<b>Depreciation</b>			
At 1 January 2015	46,981	52,051	99,032
Charged in year	7,737	36,315	44,052
On disposals	(7,743)	(10,981)	(18,724)
At 31 December 2015	<b>46,975</b>	<b>77,385</b>	<b>124,360</b>
Net Book Value at 31 December 2015	<b>11,475</b>	<b>99,658</b>	<b>111,133</b>
Net Book Value at 31 December 2014	15,677	67,861	83,538

**SCOTTISH NATIONAL PARTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**19. Tangible fixed assets (continued)**

Included above are assets held under finance leases or hire purchase contracts as follows:

	<b>Office/computer equipment £</b>
<b>Net book values</b>	
At 31 December 2015	<u>9,951</u>
At 31 December 2014	<u>12,440</u>
<b>Depreciation charged for period</b>	
Year ended 31 December 2015	<u>2,488</u>
Year ended 31 December 2014	<u>4,034</u>

**20. Fixed asset investments**

	<b>Unlisted investments £</b>
<b>At 31 December 2014 and 31 December 2015</b>	<u><u>479</u></u>

**21. Stock**

	<b>2015 £</b>	<b>2014 £</b>
Promotional materials	<u>-</u>	<u>11,984</u>
<b>Total</b>	<u><u>-</u></u>	<u><u>11,984</u></u>

**22. Debtors**

	<b>2015 £</b>	<b>2014 £</b>
<b>Due within one year</b>		
Trade debtors	<b>86,455</b>	114,723
Tax and social security	-	4,966
Other debtors	<b>90,828</b>	79,317
Prepayments and accrued income	<u><b>244,299</b></u>	<u>56,218</u>
<b>Total</b>	<u><u><b>421,582</b></u></u>	<u><u>255,224</u></u>



**SCOTTISH NATIONAL PARTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**23. Creditors**

	2015 £	2014 £
<b>Amounts falling due within one year</b>		
Trade creditors	103,451	340,814
Accrual and deferred income	183,958	78,439
Social security and other taxation	36,564	29,902
Amounts owed to accounting units	514,534	341,014
Loans from accounting units	26,630	32,788
Other creditors	7,980	9,023
Loans from individual members	-	22,360
Hire purchase/finance lease creditor	93,594	4,034
<b>Total falling due within one year</b>	<b>966,711</b>	<b>858,374</b>

	2015 £	2014 £
<b>Amounts falling due after more than one year</b>		
Hire purchase/finance lease creditor	397,093	8,069
<b>Total falling due after more than one year</b>	<b>397,093</b>	<b>8,069</b>
<b>Total liabilities</b>	<b>1,363,804</b>	<b>866,443</b>

**24. Loans**

	2015 £	2014 £
Amounts outstanding on loans taken out in prior years	23,380	55,148
Amounts outstanding on loans taken out in current year	3,250	-
<b>Total</b>	<b>26,630</b>	<b>55,148</b>

Loans outstanding are made up of loans from accounting units and loans from individual members.

**SCOTTISH NATIONAL PARTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

---

**25. Reserves**

	Total £
<b>At 1 January 2015</b>	<b>(484,752)</b>
Surplus for the year	<u>555,495</u>
<b>At 31 December 2015</b>	<u><b>70,743</b></u>

**26. Leasing Commitments**

The Party's future minimum operating lease payments are as follows:

	2015 £	2014 £
Within one year	<b>39,640</b>	39,640
Between one and five years	<u><b>95,797</b></u>	<u>135,437</u>

**27. Related party transactions**

The Party has entered into the following transactions with its (non consolidated) accounting units and members:

<b>a) Loans from accounting units</b>	£
Loans payable at 1 <sup>st</sup> January 2015	32,788
Movement (net) in year	<u>(6,158)</u>
Loans payable at 31 <sup>st</sup> December 2015	<u><b>26,630</b></u>
<b>b) Loans from individual members</b>	
Loans payable at 1 <sup>st</sup> January 2015	22,360
Movement (net) in year	<u>(22,360)</u>
Loans payable at 31 <sup>st</sup> December 2015	<u><b>-</b></u>
<b>c) Branch dividend amounts due to branches</b>	
Due at 1 <sup>st</sup> January 2015	341,014
Movement (net) in year	<u>173,520</u>
Due at 31 <sup>st</sup> December 2015	<u><b>514,534</b></u>

---

Key management remuneration for the year was £114,330 (2014 - £143,134)

**SCOTTISH NATIONAL PARTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

---

**28. Capital Commitments**

At 31 December 2015 the Party had capital commitments for computer software development costs of £177,417 (including VAT) (2014:nil)

**29. Reconciliation of surplus to cash flow from operating activities**

	2015 £	2014 £
Surplus/(deficit) for the year	555,495	(249,495)
Income from fixed asset investments	(6,287)	(5,295)
Interest receivable	(703)	(2,577)
Interest payable	4,171	1,986
Depreciation	44,052	31,701
Loss on disposal of fixed assets	2,977	15,572
Conversion of loans to donations	(22,360)	(6,167)
Decrease in stock	11,984	6,924
(Increase)/decrease in debtors	(163,753)	(95,503)
Increase/(decrease) in creditors	47,295	373,525
<b>Cash flow from operating activities</b>	<b>472,871</b>	<b>70,671</b>

**30. Financial Instruments**

The carrying amounts of the Party's financial instruments are as follows:

	2015 £	2014 £
<b>Financial assets</b>		
Debt instruments measured at amortised cost	644,042	236,056
Equity instruments measured at cost less impairment	479	479
	<b>644,521</b>	<b>236,535</b>
<b>Financial liabilities</b>		
Measured at amortised cost	<b>1,313,807</b>	<b>819,033</b>