

**CITIES OF LONDON AND WESTMINSTER  
CONSERVATIVE ASSOCIATION**

**AUDITED**

**OFFICERS' REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 DECEMBER 2014**



Chartered Accountants and  
Chartered Tax Advisers  
Statutory Auditors

**CITIES OF LONDON AND WESTMINSTER CONSERVATIVE ASSOCIATION**

**ASSOCIATION INFORMATION**

**OFFICERS**

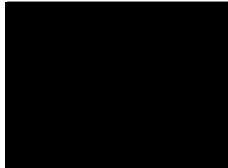
Mr P R Evershed	President
The Hon Clare Hambro	Chairman
Hon Alderman Frances Blois	Vice Chairman
Mr E Baxter	Vice Chairman
Mr M Case	Chairman (CF)
Dr J Wilkinson	Chairman (CWO)
Miss S Stratton	Hon Treasurer
Colonel M Turner	Secretary and Agent

**REGISTERED OFFICE**



**AUDITORS**

Wellden Turnbull Ltd  
Chartered Accountants and Statutory Auditors



# CITIES OF LONDON AND WESTMINSTER CONSERVATIVE ASSOCIATION

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# CITIES OF LONDON AND WESTMINSTER CONSERVATIVE ASSOCIATION

## REPORT OF THE ASSOCIATION CHAIRMAN FOR THE YEAR ENDED 31 DECEMBER 2014

The chairman presents her statement for the year.

I have the privilege of presenting my fourth and final report to you on the activities of your Association for the 12 months ended 31st December 2014.

The most significant event of the year was the Westminster City Council Local elections and the European elections which took place in May 2014. To say that we are dismayed to lose the 3 Council seats in Churchill ward would be a considerable understatement. We knew we had a fight on our hands when the general list ballots for the London Mayoral elections in 2012 showed that the Conservatives won the Ward by only 3 votes. Changes to the ward committee were quickly implemented with the election of the very able and experienced Wendy Binder as Ward Chairman in February 2013, followed swiftly by the selection of Dr Jacqui Wilkinson and Alex Pierre Traves as the Councillor candidates to replace the sitting Councillors, Nick Yarker and Sarah Richardson, who had said that they would not be standing for re-election.

No-one could have worked harder on the election campaign, or with more dedication over a more sustained period than Wendy, Jacqui, Alex and the remaining sitting Councillor Andrew Havery. They went out canvassing and or delivering In Touches almost every single day during 2014; many of you supported them with the deliveries, the canvassing and manning the street stalls and, therefore, have first-hand experience of the enormous resources and energy that went into keeping the ward, and I thank you all very much for doing so.

There are lessons to be learned from this, but I am convinced that we would have lost the seats by a much greater margin than the 44 votes (Andrew), 77 votes (Jacqui) and 141 votes (Alex), were it not for their heroic dedication to the Ward. A report on the Westminster May 2014 Local Elections by Cllr Peter Cuthbertson (to whom we are much indebted for this) calculated that our three candidates outperformed the expectations of the ward demographics and financial criteria by 44% - it just wasn't enough. As it is, we have managed to retain a solid platform in the ward from which to win it back, with a strong ward committee which, following Wendy Binder's move to Dorset, has been led by Jacqui Wilkinson, and her three Vice Chairman Shaista Miah, Toby Francis Bromley and Dr Daven Paul.

Disappointed as we are to lose the 3 Churchill seats, we must not lose sight of the fact that we returned 27 Conservative Councillors to Westminster City Hall which remains firmly under Conservative political leadership, with 44 Conservative Councillors out of a total of 60. By any standards this is a formidable achievement particularly when set against the prevailing trend towards Labour throughout the capital. Much of the credit for this must go to the legendary campaigner Kate McCarthy who, together with her phenomenal energy and enthusiasm, and her husband Andrew, led the campaign for the entire Westminster borough. But I also have pleasure in reiterating my heartfelt thanks and congratulations to all the Ward Chairmen, their committees and activists who did such a brilliant job on this campaign.

The European election campaign, which is decided on proportional representation, was largely run from Conservative Central Office. The popular Dr Syed Kamall and Dr Charles Tannock were re-elected as our MEPs for London, but unfortunately we lost Marina Yannakoudakis, who had been a good friend and supporter of CLWCA throughout her time in Brussels. We look forward to recapturing her seat at the earliest opportunity. Shortly after the European elections and to much acclaim, Syed Kamall was elected Leader of the Conservative Group in the European Parliament.

We began our campaigning for the 2015 General Election immediately after Party Conference in October 2014. At the time of writing, we have 30 days to go before the 7th May Polling Day and our over-arching priority is to secure the re-election of our much respected MP Mark Field, who, I am delighted to say, was appointed to the Privy Council in March 2015, a significant honour well deserved. He has served as a member of the prestigious and increasingly demanding, sensitive and high profile Intelligence and Security Committee for 5 years. As I will not need to remind members, Mark is a most diligent and conscientious MP who, in addition to being a regular attendee of media political debates, also attends around 90% of our fundraising events, and together with his office team, is extraordinarily active and supportive in all election campaigns, not least those held last May.

# CITIES OF LONDON AND WESTMINSTER CONSERVATIVE ASSOCIATION

## REPORT OF THE ASSOCIATION CHAIRMAN FOR THE YEAR ENDED 31 DECEMBER 2014

Once again, under the able Leadership of Cllr Philippa Roe, Westminster City Council reinforced its pre-eminence as an efficient and well run council by freezing Council tax for the eighth year in succession. This is a real testament to the virtues of a Conservative led Council, given the current climate of tight public finances; Westminster residents yet again have the lowest council tax rates in the country. However, there are many other reasons to be proud of Westminster City Council; all its schools, primary and secondary, have been judged good or outstanding, and it has been awarded a unique 5 stars for clean streets which is an extraordinary achievement given the enormous footfall through Westminster annually with the high number of (very welcome) tourists to the many landmarks in the borough. I am delighted to report that a recent survey recorded residents' satisfaction levels with the council at 87%.

As ever the principal fundraising event of the year was the Two Cities Lunch; it was an outstanding success raising over £110,000 for the Association. Following a three year refit, the Lunch returned to the Savoy, which, combined with the ever popular and entertaining Mayor of London, Boris Johnson as our guest speaker, proved an irresistible draw, and we attracted a record number of 394 guests. This is a particular tribute to our President Patrick Evershed and his wife Sheena who have been the organisers of the Lunch for over 30 years. You will all be conscious that we owe a huge debt of gratitude to them for their extraordinary and dedicated hard work on this event each year. As many of you know Patrick has been beset with serious health issues over the last 2 years, which he has tackled with characteristic defiance and determination; so we are doubly grateful to them both for their continuing support for, and hard work on behalf of, the Association during what has been a very challenging time for them. Naturally we look forward to Patrick making a full recovery, as soon as possible, and emphasise to them our continuing best wishes and support to that end.

Primarily as a consequence of the outstanding success of the Two Cities Lunch, the Association was able to remit to Conservative Central Office £30,000 to add to the General Election war chest. Not many associations have been able to be this generous and all contributors should be proud for this remarkable achievement. After accounting for this, the Association recorded a profit for the year of £1,046.

### MEMBERSHIP NUMBERS

The Membership Numbers for the Association for the year were as follows:

	2013	2014
Full members	1187	1062
Out of Constituency	172	189
St George's Club	87	100
<b>TOTAL</b>	<b>1446</b>	<b>1351</b>

The above table shows the total number of members during the course of 2014, and includes current full and lapsing members up to 3 months. Overall the Association lost 95 members during 2014 compared with 2013, a fall of 6.5%. As I pointed out in my last report, the Association's membership has fallen by 25% over the past 5 years, which has had a knock-on effect on membership subscription income. Whilst this may reflect a national trend common to all political parties, a significant effort will need to be made to reverse this. Nevertheless, our membership remains one of the largest in the country, and we retain our status as a Premier League Association.

Mark Turner MBE our Organising Secretary and Agent has been a pillar of strength and efficiency, working closely with Louise Parry for the first half of the year on the Local Council and European elections, and her replacement Shane Collier for the second half which was focussed on fundraising. This included the Two Cities Lunch as well as the Association's hugely successful Autumn Dinner which commemorated the sacrifices made in conflicts since the start of WW1. Mark was the driving force behind the Autumn Dinner, and much of the credit for its success lies with him. In today's political landscape the responsibilities of a political agent have changed; in addition to skills of campaigning, fundraising and office management, an agent has to have a thorough understanding of complex legal and compliance matters as well as adapting to technology's effect on political campaigning. Inevitably this means a willingness to work long hours, having a meticulous eye for detail and diligence. All of these Mark has demonstrated in abundance and I have pleasure in saying that both he and his ready sense of humour have been a rare pleasure to work with.

## CITIES OF LONDON AND WESTMINSTER CONSERVATIVE ASSOCIATION

### REPORT OF THE ASSOCIATION CHAIRMAN FOR THE YEAR ENDED 31 DECEMBER 2014

The wonderful Louise Parry, who had been with us for nearly two years, left us after the European and Local Council elections with our blessings and our gratitude, and she is currently the Agent for the Yeovil constituency which is part of the Somerset Conservatives hub in the deep LibDem country of the South West. Her formidable campaigning skills will be beautifully showcased in this role, and she remains in close touch with many of us. Her replacement Shane Collier, who comes to us from the hospitality industry, has proved an enthusiastic and dedicated member of the Ebury Street team, and a complete magician in conjuring up auction and raffle prizes to support our fundraising events. Paula Almeida remains a beacon of good humour and diligence in her role as membership secretary, providing a much enhanced service to members, as well as being an invaluable icon of continuity.

They all have our heartfelt gratitude for all that they have done for the Association during 2014 and beyond.

The Association's Executive Council, which is responsible for all matters relating to the business of the Association, met four times during 2014, and its sub-committee, the Finance & General Purposes Committee met five times.

The Association's Trustees for the year were the Lord Flight of Worcester and Edward Davies Gilbert, and we are most grateful to them.

I have been much blessed with a cohesive and collegiate team of Association Officers. Our discussions have been open, thorough, and well-articulated. Besides our President Patrick Evershed, they have included Hon Alderman Frances Blois, Vice Chairman Political, who has continued, as she has throughout the past 4 years, to be consistent and constructive in everything, as well as a wonderful support to me personally. She has been given permission by the Executive Council to put her name forward for a fifth year as Vice Chairman Political in the interests of maintaining continuity within the Association Officer team. Edward Baxter's previous experience as a ward Chairman, and as a Councillor, made him ideally qualified for his new role as Vice Chairman, Membership and Fundraising and his thoughtful, dispassionate analysis and advice have been much appreciated. The Hon Treasurer, Sophie Stratton continued to work with Mark Turner and Creighton Mackay on the Association's increasingly complex compliance requirements, modernising our accounting procedures and reporting practices, and I am especially grateful for this. The contributions of Michael Case, who holds the dual responsibilities of Chairman of Conservative Future & West End ward have been as intellectually impressive as they have been appreciated - all fully grounded in good common sense, and I am equally indebted to the multi-hatted Dr Jacqui Wilkinson, whose responsibilities have included Chairman of the CLWCA Women's Group, candidate for Churchill ward, and subsequently its ward Chairman, all hugely time consuming, which she has discharged with admirable calmness, efficiency and imagination. I cannot thank them enough for being so generous and supportive.

I congratulate Mr Tony Ip, Chairman and Mr Guang Lin his Vice Chairman, of our Chinese Group on the outstandingly successful Chinese New Year dinner, which was attended by over 120 guests. Congratulations also to Mr Neville Green OBE, who as Chairman of Middle East & North Africa Group, together with Mr Faisal Rudda, & Mr Ashraf Mahmood organised some fascinating talks on topical issues in the Arab world, including a particularly compelling one given by His Grace Bishop Angaelos, General Bishop of the Coptic Orthodox Church of Alexandria. We are most grateful to Alexandra Morgan Thomas who has edited our Blueprint magazine, which remains such an important point of contact with our wider membership, and a special thank you to Juliette Ash who very ably chaired the lively discussion meetings of our Conservative Policy Forum.

It is with deep regret that I record the death of Pamela Batty, a long standing member of the Association and Councillor for Hyde Park ward. We offer her family our deepest condolences and thanks for all that she gave to the Association over many years.

**CITIES OF LONDON AND WESTMINSTER CONSERVATIVE ASSOCIATION**

**REPORT OF THE ASSOCIATION CHAIRMAN  
FOR THE YEAR ENDED 31 DECEMBER 2014**

Among the unsung heroes of the Association are the Ward Chairmen, so I make a particular point of recording the appreciation and gratitude of the Association to every one of them. Having elections of some sort each year places particular strain and responsibility on Ward Chairmen, and ours have risen to those challenges with commitment, energy and enthusiasm. Each year inevitably brings changes and we were sorry to say goodbye to Wendy Binder as Chairman of Churchill ward following her move down to Dorset; as already mentioned she was succeeded by the very able Jacqui Wilkinson. Adnan Mohammed passed on the chairmanship of Bryanston & Dorset Square ward to Kester Rogers following his election as councillor for the ward, and Richard Holloway, likewise, passed on his chairmanship of Vincent Square ward to Michael Asher following his election as councillor for Bayswater ward. Mark Davison succeeded Jamie Myatt as Chairman of Hyde Park following the latter's move to Hertfordshire, and Elizabeth Adair took over as Chairman of Warwick ward from Juliette Ash. They have all been as committed and supportive as any Association could wish for.

Throughout my chairmanship I have been constantly aware that the members of this Association are all volunteers. In whatever capacity they have contributed to it, whether campaigning for elections, organising and attending our many, diverse fundraising events, or in joining as a statement of their commitment to the Conservative philosophy, it is the individual members who collectively are responsible for this Association being one of the most successful, by any measure, in the country. I thank you for your kindness and personal friendship, and your support for me as your Chairman over the past 4 years; regardless of the demands of the position it has been more than worthwhile if only for that, and that gratitude comes from the bottom of my heart.

With very best wishes



The Hon Clare Hambro  
Chairman

Date: .....

*27th May 2015*

**CITIES OF LONDON AND WESTMINSTER CONSERVATIVE ASSOCIATION**

**STATEMENT OF TREASURER'S RESPONSIBILITIES  
FOR THE YEAR ENDED 31 DECEMBER 2014**

The Treasurer of the Association 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 Association and of its surplus or deficit for that period, the Officers' report and the financial statements

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

Section 41 of the Act requires that the Treasurer is responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association and enable her to ensure that the financial statements comply with the Political Parties, Elections and Referendums Act 2000. Section 43 of the Act requires that the registered Treasurer is responsible for delivery of the statement of accounts to the Electoral Commission by the required deadline. The Treasurer is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Association



Miss S Stratton  
Hon Treasurer

Date: 27-5-2015

## **CITIES OF LONDON AND WESTMINSTER CONSERVATIVE ASSOCIATION**

### **INDEPENDENT AUDITORS' REPORT TO THE TREASURER OF CITIES OF LONDON AND WESTMINSTER CONSERVATIVE ASSOCIATION**

We have audited the financial statements of Cities of London and Westminster Conservative Association for the year ended 31 December 2014, set out on pages 8 to 19. 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).

This report is made solely to the Association and its Treasurer in accordance with Part III of the Political Parties, Elections and Referendums Act 2000. Our audit work has been undertaken so that we might state to the Association and its Treasurer those matters we are required to state to her 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 Association and its Treasurer for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF THE TREASURER AND AUDITORS**

As explained more fully in the Statement of Treasurer's Responsibilities, the Treasurer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under Part III of the Political Parties, Election and Referendums Act 2000 and report in accordance with regulations made under that Act. 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 Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Treasurer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Officers' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view, in accordance with accounting guidelines issued by the Electoral Commission, of the state of the Association's affairs as at 31 December 2014 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.

#### **OPINION ON OTHER MATTERS PRESCRIBED BY THE POLITICAL PARTIES, ELECTIONS AND REFERENDUMS ACT 2000**

In our opinion the information given in the Officers' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**CITIES OF LONDON AND WESTMINSTER CONSERVATIVE ASSOCIATION**

**INDEPENDENT AUDITORS' REPORT TO THE TREASURER OF CITIES OF LONDON AND WESTMINSTER  
CONSERVATIVE ASSOCIATION**

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Political Parties, Elections and Referendums Act 2000 requires us to report to you if, in our opinion:

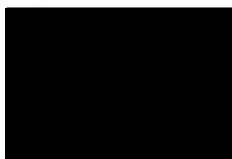
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made;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



Robin John FCA CTA (Senior statutory auditor)

for and on behalf of  
**Wellden Turnbull Ltd**

Chartered Accountants  
Statutory Auditors



Date: 29/5/15

**CITIES OF LONDON AND WESTMINSTER CONSERVATIVE ASSOCIATION**

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 £	2013 £
Donations		4,574	15,105
Membership and subscription fees		50,371	50,920
Fundraising	4	228,002	213,894
Investment income	5	4,228	32,592
Notional income	6	9,356	5,248
Other income	7	19,878	657
<b>TOTAL INCOME</b>		<u>316,409</u>	<u>318,416</u>
Quota to Central Conservative Office		30,020	10,000
Cost of fundraising		74,209	75,907
Notional expenditure	6	9,356	5,248
Wages and salaries	2, 3	100,635	80,419
Depreciation and amortisation	12	5,582	5,808
Campaign expenditure	10	7,246	915
Running costs	8	39,182	39,900
Building costs - exceptional item	11	-	44,263
Other expenditure	9	49,133	52,772
<b>TOTAL EXPENDITURE</b>		<u>315,363</u>	<u>315,232</u>
<b>SURPLUS/(DEFICIT) ON ASSOCIATION ACTIVITIES BEFORE TAXATION</b>		<u>1,046</u>	<u>3,184</u>
Taxation	12	-	(22)
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<u>1,046</u>	<u>3,162</u>

There are no recognised gains or losses other than those passing through the income and expenditure account

The notes on page 12 to 19 form part of these financial statements.

**CITIES OF LONDON AND WESTMINSTER CONSERVATIVE ASSOCIATION**

**BALANCE SHEET  
AS AT 31 DECEMBER 2014**

	Note	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	13	72,724	76,834
Investments	14	230,842	226,614
		<u>303,566</u>	<u>303,448</u>
<b>CURRENT ASSETS</b>			
Debtors	15	34,194	48,291
Cash at bank		107,206	95,965
		<u>141,400</u>	<u>144,256</u>
<b>CREDITORS:</b> amounts falling due within one year	16	(8,449)	(12,233)
<b>NET CURRENT ASSETS</b>		<u>132,951</u>	<u>132,023</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>436,517</u>	<u>435,471</u>
<b>RESERVES</b>			
Property reserve	17	14,237	14,237
Campaign reserve	17	50,000	50,000
Income and expenditure account	17	372,280	371,234
<b>FUNDS</b>		<u>436,517</u>	<u>435,471</u>

**CITIES OF LONDON AND WESTMINSTER CONSERVATIVE ASSOCIATION**

**BALANCE SHEET (continued)  
AS AT 31 DECEMBER 2014**

The financial statements were approved and authorised by the Association and were signed on its behalf on

27th May 2015



**The Hon Clare Hambro**  
Chairman



**Miss S Stratton**  
Hon Treasurer

The notes on pages 12 to 19 form part of these financial statements.

**CITIES OF LONDON AND WESTMINSTER CONSERVATIVE ASSOCIATION**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	19	12,735	(49,183)
Returns on investments and servicing of finance	20	1,410	5,479
Taxation		(22)	-
Capital expenditure and financial investment	20	(2,882)	(7,913)
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>		<u>11,241</u>	<u>(51,617)</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014 £	2013 £
Increase/(decrease) in cash in the year	<u>11,241</u>	<u>(51,617)</u>
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	11,241	(51,617)
Net funds at 1 January 2014	95,965	147,582
<b>NET FUNDS AT 31 DECEMBER 2014</b>	<u>107,206</u>	<u>95,965</u>

The notes on pages 12 to 19 form part of these financial statements.

# CITIES OF LONDON AND WESTMINSTER CONSERVATIVE ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 1. ACCOUNTING POLICIES

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention. The income and expenditure account has been prepared on the basis that all operations are continuing.

#### 1.2 Compliance with accounting standards

The financial statements have been prepared in accordance with applicable accounting standards and the Guidance notes issued by the Electoral Commission.

#### 1.3 Accounting units and similiar affiliated organisations

The Cities of London and Westminster Conservative Association is constituted under section 26 of the Political Parties, Elections and Referendums Act 2000 as an Association. During the year ended 31 December 2014 certain affiliated organisations are controlled by the Association and their financial transactions are included in those of the central Association.

The affiliated organisations are the Conservatives Future and the Cities of London and Westminster Conservative Association Conservative Women's Organisation.

#### 1.4 Notional income and expenditure

Notional income and expenditure represents goods donated to the Association such as raffle prizes and donations in kind. This has been included in the financial statements as income and as expenditure.

Volunteers who provide their own time free of charge are not treated as donations in kind.

#### 1.5 Income recognition

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

The Association is entitled to the asset; there is reasonable certainty that the asset will be received; and the value of the assets 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 the expense of the same amount being recognised contemporaneously.

Membership and subscription fees that are not in arrears are recognised in the income and expenditure account in the period to which they relate. Arrears of membership and subscription fees are only recognised in the income and expenditure account if received before the financial statements are approved.

Legacies are recognised when the personal representatives of the deceased have notified the Association 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 is recognised in the income and expenditure account on an accruals basis.

**CITIES OF LONDON AND WESTMINSTER CONSERVATIVE ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**1. ACCOUNTING POLICIES (continued)**

**1.6 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	over the period of the lease of 54.5 years
Office equipment	-	20% reducing balance
Computer equipment	-	20% straight line

**1.7 Investments**

Investments held as fixed assets, which comprise mainly listed investments, are shown at market value. Any increase or decrease in market value is included in investment income in the income and expenditure account.

**1.8 Operating leases**

Rentals under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

**2. STAFF COSTS**

	2014 £	2013 £
Staff salaries	92,491	73,607
Staff national insurance	8,144	6,599
Recruitment expenses	-	213
	<u>100,635</u>	<u>80,419</u>

No member of staff received total emoluments of between £50,000 - £60,000 (2013 - none).

**3. EMPLOYEES**

The average number of employees during the year was:

	2014 Number	2013 Number
Operations	<u>3</u>	<u>3</u>

**4. FUNDRAISING**

	2014 £	2013 £
Dinners/lunches	157,450	141,674
Special functions	31,608	14,858
Wards	37,059	54,472
Women's Constituency Organisation	1,885	2,890
	<u>228,002</u>	<u>213,894</u>

**CITIES OF LONDON AND WESTMINSTER CONSERVATIVE ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**5. INVESTMENT INCOME**

	2014 £	2013 £
Interest receivable	84	112
Dividend income	1,326	5,367
Increase / (decrease) in market value of listed investments	2,818	28,626
Profit / (loss) on sale of listed investments	-	(1,513)
	<u>4,228</u>	<u>32,592</u>

**6. NOTIONAL INCOME AND EXPENDITURE**

	2014 £	2013 £
Donations in kind	9,356	5,248
	<u>9,356</u>	<u>5,248</u>

**7. OTHER INCOME**

	2014 £	2013 £
Fighting fund	19,160	-
Conservative office loan credit earned	718	657
	<u>19,878</u>	<u>657</u>

**8. RUNNING COSTS**

	2014 £	2013 £
Auditors' remuneration	3,900	4,380
Rates	22,909	22,964
Website costs	25	1,062
Light, heat and telephone costs	4,598	3,744
Rent - operating leases	7,750	7,750
	<u>39,182</u>	<u>39,900</u>

**CITIES OF LONDON AND WESTMINSTER CONSERVATIVE ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**9. OTHER EXPENDITURE**

	2014 £	2013 £
Insurances	1,557	1,794
Cleaning	1,270	1,150
Repairs and maintenance	17,018	27,009
Postage, printing and stationery	24,287	16,949
Accountancy and bookkeeping	2,960	3,202
Hotels, travel and subsistence	131	295
Conference expenses	269	495
Bank charges	1,522	1,125
General office expenses	119	753
	<u>49,133</u>	<u>52,772</u>

**10. CAMPAIGN EXPENDITURE**

Campaign expenditure of £7,246 (2013 - £915) was incurred in the year. This relates to the election expenses for the local elections for Westminster City Council. (2013 - By-election).

**11. BUILDING COSTS - EXCEPTIONAL ITEM**

	2014 £	2013 £
Building works on 90 Ebury Street	-	44,263
	<u>-</u>	<u>44,263</u>

During the previous year, the Association carried out essential refurbishment works to its offices. The Association had in past years set aside designated funds to undertake the work and has released an amount equivalent to the costs borne by the Association less contributions made towards the work by donors.

**12. TAXATION**

	2014 £	2013 £
UK corporation tax charge on surplus for the year	-	22
	<u>-</u>	<u>22</u>

**Factors affecting tax charge for the year**

The Association is subject to corporation tax at the standard rate of corporation tax in the UK of 20% (2013 - 20%) on its investment income.

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**13. TANGIBLE FIXED ASSETS**

	Leasehold property £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 January 2014	167,329	25,276	5,291	197,896
Additions	-	530	942	1,472
Disposals	-	-	(290)	(290)
At 31 December 2014	<u>167,329</u>	<u>25,806</u>	<u>5,943</u>	<u>199,078</u>
<b>Depreciation</b>				
At 1 January 2014	101,172	14,872	5,018	121,062
Charge for the year	3,070	2,187	325	5,582
On disposals	-	-	(290)	(290)
At 31 December 2014	<u>104,242</u>	<u>17,059</u>	<u>5,053</u>	<u>126,354</u>
<b>Net book value</b>				
At 31 December 2014	<u>63,087</u>	<u>8,747</u>	<u>890</u>	<u>72,724</u>
At 31 December 2013	<u>66,157</u>	<u>10,404</u>	<u>273</u>	<u>76,834</u>

**14. FIXED ASSET INVESTMENTS**

	Listed investments £
<b>Cost or valuation</b>	
At 1 January 2014	226,614
Additions	19,410
Disposals	(18,000)
Revaluations	2,818
At 31 December 2014	<u>230,842</u>
<b>Net book value</b>	
At 31 December 2014	<u>230,842</u>
At 31 December 2013	<u>226,614</u>

Investments are stated at market value in accordance with Electoral Commission guidelines.

The investments are managed independently by Charles Stanley (previously Brewin Dolphin).

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**15. DEBTORS**

	2014 £	2013 £
Wards and branches	4,850	19,130
Fundraising	1,000	3,600
Fighting Fund	2,750	-
Loan to Conservative Central Office	22,145	22,145
Prepayments and accrued income	3,449	3,416
	<u>34,194</u>	<u>48,291</u>

**16. CREDITORS:  
Amounts falling due within one year**

	2014 £	2013 £
Wards and branches	-	925
Corporation tax	-	22
Other creditors	1,118	3,265
Accruals and deferred income	7,331	8,021
	<u>8,449</u>	<u>12,233</u>

**17. RESERVES**

	Property reserve £	Campaign reserve £	Income and expenditure account £
At 1 January 2014	14,237	50,000	371,234
Surplus for the year	-	-	1,046
At 31 December 2014	<u>14,237</u>	<u>50,000</u>	<u>372,280</u>

The campaign reserve represents funds designated to support future election campaigns.

The property reserve represents funds designated to future costs of major refurbishment or replacement of the Association's premises.

**18. OPERATING LEASE COMMITMENTS**

At 31 December 2014 the Association had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014 £	2013 £	2014 £	2013 £
<b>Expiry date:</b>				
Between 2 and 5 years	-	-	7,272	7,272
After more than 5 years	7,750	7,750	-	-
	<u>7,750</u>	<u>7,750</u>	<u>-</u>	<u>-</u>

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**19. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2014 £	2013 £
Operating (deficit)/surplus before investment income and taxation	(3,182)	(29,408)
Depreciation of tangible fixed assets	5,582	5,808
Decrease/(increase) in debtors	14,097	(19,043)
Decrease in creditors	(3,762)	(6,540)
<b>Net cash inflow/(outflow) from operating activities</b>	<u>12,735</u>	<u>(49,183)</u>

**20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2014 £	2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received and investment income	<u>1,410</u>	<u>5,479</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(1,472)	(2,546)
Purchase of listed investments	(19,410)	(29,462)
Sale of listed investments	18,000	24,095
<b>Net cash outflow from capital expenditure</b>	<u>(2,882)</u>	<u>(7,913)</u>

**21. ANALYSIS OF CHANGES IN NET FUNDS**

	1 January 2014 £	Cash flow £	31 December 2014 £
Cash at bank and in hand	<u>95,965</u>	<u>11,241</u>	<u>107,206</u>
<b>Net funds</b>	<u>95,965</u>	<u>11,241</u>	<u>107,206</u>

**22. RELATED PARTY TRANSACTIONS**

The Association has made a loan to Conservative Campaign Headquarters amounting to £22,145 (2013 - £22,145). The loan is repayable on demand and interest free.

During the year the Association made payments of £27,104 (2012 - £7,426), received membership contribution credits of £2,198 (2013 - £1,917) and earned loan credits of £718 (2013 - £657) from Conservative Central Office.

There are related party transactions with the Association officers on normal terms available to other members. The aggregate of these transactions is not material.

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**23. OFFICERS REGISTERED WITH THE ELECTORAL COMMISSION**

Officers registered with the Electoral Commission are The Hon Clare Hambro as Chairman and Registered Treasurer and Miss S Stratton as Deputy Registered Treasurer.