

Ulster Unionist Party
Report and financial statements
for the year ended 31 December 2016

Ulster Unionist Party

Report and financial statements for the year ended 31 December 2016

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Ulster Unionist Party

Party Officers and advisers

Leader

Robin Swann MLA

Chairman

Lord Empey of Shandon Kt OBE

Vice-Chairman

Roy McCune

Honorary Treasurer

Alderman Mark Cosgrove

Parliamentary Officer

Lord Rogan of Lower Iveagh

Nominating Officer

Robin Swann MLA

Assembly Chief WHIP

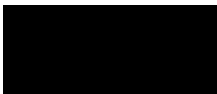
Steve Aiken MLA

Additional Officers

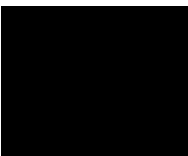
Tom Elliot M.P
Sandra Overend
Jenny Palmer
Cllr Alexander Redpath
George White OBE JP

Solicitors

Peden & Reid



Bankers



Councillor's Officer

Cllr Trevor Wilson

European Parliament Officer

Jim Nicholson MEP

Party Headquarters

Strandtown Hall
2-4 Belmont Road
Belfast
BT4 2AN

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory
Auditors



Ulster Unionist Party

Report of the Party Officers for the year ended 31 December 2016

The officers present their report and the audited financial statements of the party for the year ended 31 December 2016.

Chairman's Report

After our strong financial performance in 2015, we knew that 2016 was going to be a different story. The long awaited Assembly election was held in May and the costs of that well exceed the costs of our 2015 Westminster campaign, thus contributing to the losses shown in these accounts.

Of course some of the losses this year are non-cash items, especially the further write down of our 70% stake in Cunningham House LLP. However, the Board of Cunningham House LLP has a duty to ensure that the book value of its asset are priced according to their judgement of market value. We all know that the property market has been in difficulty for some years, and we hope that Cunningham House will continue to be a significant investment for the future of the Party.

While not immediately relevant to this year's accounts, we know that we have had two elections in 2017 and nobody could rule out a third! So the Party must be prudent with the limited resources and revenues at our disposal.

The Assembly election saw us return sixteen MLAs which included the recovery of three seats we had lost due to defections in the previous mandate. While a welcome development, there was no disguising our disappointment that we did not make further gains.

Our game was greatly raised by the performance of our new Parliamentary Party. Our thanks go to Tom Elliott MP and Danny Kinahan MP for putting in such a strong performance.

With Brexit dominating the agenda, Jim Nicholson MEP has been up front and centre in warning of the dangers ahead following the momentous decision of the UK to leave the EU. His experience will be more valuable than ever.

Our Councillors, many of who now hold office in the eleven Local Councils, have put in a strong performance, and I know they will be well prepared to face the electorate in 2019.

The Party Officers are determined to continue to drive down debt, and we have a good record of doing so over many years and despite the losses caused by the election we have a very strong balance sheet. The Party has no intention of putting itself in a regular position where expenditure exceeds income.

We are all indebted to our Hon Treasurer Cllr Mark Cosgrove, whose professionalism and enthusiasm has seen a dramatic improvement in our financial fortunes over recent years.

I also wish to express my thanks to our representatives on the Board of Cunningham House LLP.



Lord Empey of Shandon Kt OBE
 Party Chairman
 Date: 30 June 2017

Ulster Unionist Party

Report of the Party Officers for the year ended 31 December 2016 (continued)

Administrative information

Committees

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

Elected representatives

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

Membership

Each constituency has a different number of branches with varying numbers of members and the members change regularly.

Accounting units

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

Ulster Unionist Party

Report of the Party Officers for the year ended 31 December 2016 (continued)

Annex A

List of elected representatives

| |
|----------------------------------|
| European Parliament |
| Mr Jim Nicholson MEP |
| Northern Ireland Assembly |
| Steve Aiken MLA |
| Andy Allen MLA |
| Rosemary Barton MLA |
| Doug Beattie MLA |
| Roy Beggs MLA |
| Robbie Butler MLA |
| Alan Chambers MLA |
| Mike Nesbitt MLA |
| John Stewart MLA |
| Robin Swann MLA |

| Northern Ireland Council Members | | |
|---|--------------------|-------------------|
| Frazer Agnew | Richard Holmes | Alex Redpath |
| Diana Armstrong | Sandra Hunter | Kenneth Reid |
| David Arthurs | Derek Hussey | Drew Ritchie |
| Joan Baird | Elizabeth Ingram | Jim Rodgers |
| Alex Baird | Robert Irvine | John Scott |
| James Baird | Peter Johnston | George Shiels |
| Glenn Barr | Gordon Kennedy | Richard Smart |
| Jim Bingham | William King | Marion Smith |
| Brian Bloomfield | Hazel Legge | Chris Smyth |
| Mark Brooks | Jill Macauley | Jim Speers |
| David Browne | Michael Maguire | Roderick Swann |
| Robert Burgess | William McCandless | David Taylor |
| Ian Burns | Carl McClean | Howard Thornton |
| Angus Carson | Colin McCusker | Nicholas Trimble |
| David Chambers | Chris McGimpsey | Ken Twyble |
| Robin Cherry | Tom McKeown | Victor Warrington |
| Sonia Copeland | Derek McKinney | Darryl Wilson |
| Mark Cosgrove | Mark McKinty | Bert Wilson |
| Walter Cuddy | William McNeilly | Andrew Wilson |
| Jim Dillion | Vera McWilliam | Andrew Wilson |
| Jeff Dudgeon | Paul Michael | Trevor Wilson |
| Katherine Ferguson | Lindsay Millar | Marc Woods |
| Julie Flaherty | Jim Montgomery | |
| Jim Fletcher | Maureen Morrow | |
| Mark Glasgow | Robert Mulligan | |
| Mary Hamilton | Stephen Nicholl | |
| Arnold Hatch | Sam Nicholson | |
| Michael Henderson | John Palmer | |
| Ian Henry | Allan Rainey | |
| Norman Hillis | Mervyn Rea | |

Ulster Unionist Party

Report of the Party Officers for the year ended 31 December 2016 (continued)

Review of political activities

Conferences

The Party held its Annual Conference on the 22/23 October in the [REDACTED]

Regional reports

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

Financial review

At the conclusion of the 2015 accounts I stated "although our net surplus of £102,192 was one of the best in our history the strength of these results and of our balance sheet will be needed in 2016 when we fight the Assembly Elections which will inevitably cost significantly more than the Westminster Elections reflected in this accounting period". The significant difference in our loss this year is in three main items. The total cost of the Assembly Elections was £141,070 nearly double that of the Westminster Election last year. In 2015 for the first time in many years there was no write down of Cunningham House via the LLP and again in 2015/16 this was written down by a further £50,000 of which the UUP as 70% shareholders took £35,000 in these accounts. This is not a cash item but of course has to be reflected as a write down (loss) in our audited accounts. This remains a prudent policy and in view of the modest recovery in property costs is a policy that is likely to continue. On the income front the main increase was the availability of the Policy Development Grant from the Electoral Commission but as these funds are not for general party use and are strictly controlled there is a corresponding increase in staffing costs. Donations to our 2016 Assembly campaign were again significantly down from those that were received for Westminster 2015.

With the continued support of our Membership, Associations and Elected representatives our main income remained stable. We had the first full year of SHORT money for our Westminster specific activities but that again is completely offset by additional staffing costs that were employed to fully comply with the SHORT rules.

Despite the 103k loss net debt only increased by 65k closing at 100k. This was again due to the fact that some of stated "losses" were not actual money spent (e.g. the £50,000 write down of Cunningham House).

Given that we have had 2 x significant elections in 2015 and 2016 to have operated at an aggregated balanced budget over the 2 years of 2015 and 2016 was a very good overall financial performance.

The ongoing political uncertainty surrounding both the Northern Ireland Assembly and Westminster legislatures have also created the distinct possibility of further financial challenges for all political parties in 2017 and beyond.

Statement of Treasurer's Responsibilities

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

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

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

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

Section 41 of the Act requires that the Treasurer is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Party at that time and to enable him to ensure that the financial statements comply with the Act. He is also responsible for safeguarding the assets of the Party and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Ulster Unionist Party

Report of the Party Officers for the year ended 31 December 2016 (continued)

Statement of disclosure of information to auditors

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

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

On behalf of the Party



Mark Cosgrove
Honorary Treasurer
Date: 30 June 2017

Ulster Unionist Party

Independent auditors' report to the officers of Ulster Unionist Party

Report on the financial statements

Our opinion

In our opinion, Ulster Unionist Party's financial statements (the "financial statements"):

- give a true and fair view of the state of the Party's affairs as at 31 December 2016 and of its loss and cash flows for the year then ended; and
- have been properly prepared in accordance with accounting guidance issued by the Electoral Commission and the Political Parties, Elections and Referendums Act 2000.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Balance sheet as at 31 December 2016;
- the Income and expenditure account and Statement of total recognised gains and losses for the year then ended;
- the Cash flow statement for the year then ended;
- the Reconciliation of movements in funds for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is the accounting guidance issued by the Electoral Commission and the Political Parties, Elections and Referendums Act 2000.

In applying the financial reporting framework, the officers have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the officers

As explained more fully in the Statement of Treasurer's Responsibilities set out on page 5, the officers are 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the Electoral Commission in accordance with section 43 of the Political Parties, Elections and Referendums Act 2000 (the "Act"), and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the Party, save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 officers; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the officers' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

Ulster Unionist Party

Independent auditors' report to the officers of Ulster Unionist Party (continued)

In addition, we read all the financial and non-financial information in the Annual Report 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.



PricewaterhouseCoopers LLP
Chartered Accountants
Belfast
30 June 2017

Income and expenditure account for the year ended 31 December 2016

| | Note | 2016 £ | 2015 £ |
|---|------|------------------|----------------|
| Income | | | |
| Membership and subscription fees | | 241,764 | 226,184 |
| Investment income | | 16,096 | 14,000 |
| Other income | 4 | 219,582 | 172,621 |
| | | 477,442 | 412,805 |
| Expenditure | | | |
| Impairment of investment in LLP | | 39,388 | - |
| Running costs | 5 | 463,028 | 245,871 |
| Depreciation | | 1,346 | 1,794 |
| Interest payable | 6 | 21,664 | 7,156 |
| Conferences, AGM and other Special Meetings | | 55,499 | 55,792 |
| | | 580,925 | 310,613 |
| Surplus/(deficit) before taxation | 3 | (103,483) | 102,192 |
| Taxation | 7 | - | - |
| (Deficit)/surplus for the financial year | 15 | (103,483) | 102,192 |

All amounts above relate to continuing operations of the Party.

There is no material difference between the surplus/(deficit) before taxation and the surplus/(deficit) for the financial year stated above, and their historical cost equivalents.

Statement of total recognised gains and losses for the year ended 31 December 2016

| | 2016 | 2015 |
|--|-----------------|----------------|
| | £ | £ |
| Surplus/(Deficit) for the financial year | (103,483) | 102,192 |
| Recognised revaluation gain on fixed asset investments | 4,177 | 5,426 |
| Total recognised gains and losses for the year | (99,306) | 107,618 |

Reconciliation of movements in funds for the year ended 31 December 2016

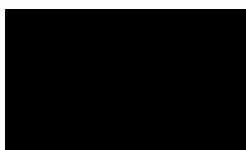
| | 2016 | 2015 |
|--|----------------|----------------|
| | £ | £ |
| Surplus / (deficit) for the financial year | (103,483) | 102,192 |
| Other recognised gains and losses relating to the year | 4,177 | 5,426 |
| Net movement to funds | (99,306) | 107,618 |
| Opening funds | 835,371 | 727,753 |
| Closing funds | 736,065 | 835,371 |

Balance sheet as at 31 December 2016

| | Note | 2016 £ | 2015 £ |
|--|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 8 | 4,036 | 5,382 |
| Investments | 9 | 839,097 | 872,035 |
| | | 843,133 | 877,417 |
| Current assets | | | |
| Cash at bank | | 195,581 | 250,427 |
| Debtors | 11 | 13,327 | 22,413 |
| | | 208,908 | 272,840 |
| Creditors: amounts falling due within one year | 12 | (40,199) | (64,273) |
| Net current assets | | 168,709 | 208,567 |
| Total assets less current liabilities | | 1,011,842 | 1,085,984 |
| Creditors: amounts falling due after more than one year | 13 | (275,777) | (250,613) |
| Net assets | | 736,065 | 835,371 |
| Reserves | | | |
| Revaluation reserve | 15 | 33,796 | 29,619 |
| Donated fixed asset fund | 15 | 32,000 | 32,000 |
| General fund | 15 | 670,269 | 773,752 |
| Total funds | | 736,065 | 835,371 |

The financial statements have been prepared under the Statement of Accounts Guidance Notes issued by the Electoral Commission.

The financial statements on pages 9 to 20 were approved by the Party Officers and were signed on its behalf by:



Mark Cosgrove
Honorary Treasurer
Date: 30 June 2017

Cash flow statement for the year ended 31 December 2016

| | Note | 2016 £ | 2015 £ |
|--|---------|-----------|-----------|
| Net cash inflow from operating activities | 16 | (24,653) | 90,411 |
| Returns on investments and servicing of finance | | | |
| Investment income | | 16,096 | 14,000 |
| Interest paid | | (24,004) | (7,156) |
| | | (7,908) | 6,844 |
| Capital expenditure and financial investment | | | |
| Purchase of tangible fixed assets | | - | - |
| Purchase of investments | | (2,261) | - |
| | | (2,261) | - |
| Cash inflow before financing | | (34,822) | 97,255 |
| Financing | | | |
| Repayment of bank and other loans | | (20,024) | (34,931) |
| | | (20,024) | (34,931) |
| Increase/ (decrease) in cash in the year | 17 - 18 | (54,846) | 62,324 |

Notes to the financial statements for the year ended 31 December 2016

1 Accounting policies

The financial statements are prepared under the Statement of Accounts Guidance Notes issued by the Electoral Commission. The principal accounting policies which have been applied consistently throughout the year are set out below:

Income recognition

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

- The Party is entitled to the asset;
- There is reasonable certainty that the asset will be received; and
- The value of the asset can be measured with reasonable certainty.

Applying these criteria to specific types of income results in the following treatment:-

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

Tangible assets

Tangible assets are stated at cost less accumulated depreciation.

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

| | | % |
|----------------------------------|---|----|
| Computers | - | 25 |
| Furniture, fixtures and fittings | - | 25 |

Impairment reviews of fixed assets are carried out on a regular basis.

Investments

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

Notes to the financial statements for the year ended 31 December 2016 (continued)

1 Accounting policies (continued)

Leased assets

Rentals under operating leases are charged to the profit and loss account as incurred.

Pension costs

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

2 Staff support costs

The officers did not receive any emoluments in respect of their services to the party (2015: £nil).

The average monthly number of persons employed (2 Fte) by the party during the year was:

| | 2016 Number | 2015 Number |
|----------------|----------------|----------------|
| Administration | 7 | 4 |

3 Surplus/(deficit) before taxation

| | 2016 £ | 2015 £ |
|---|-----------|-----------|
| This is stated after charging: | | |
| Staff support costs | 150,570 | 37,309 |
| Auditors' remuneration - audit services | 9,200 | 9,000 |
| Depreciation | | |
| - owned assets | 1,346 | 1,794 |
| Operating lease charges | | |
| - other | 13,200 | 12,800 |

Notes to the financial statements for the year ended 31 December 2016 (continued)
4 Other income

| | 2016 | 2015 |
|----------------------------------|----------------|----------------|
| | £ | £ |
| Office services and publications | 13,588 | 10,656 |
| Other income and donations | 139,350 | 114,010 |
| Short money | 66,644 | 47,955 |
| | 219,582 | 172,621 |

5 Running costs

| | 2016 | 2015 |
|---------------------|----------------|----------------|
| | £ | £ |
| Other Costs | 171,387 | 137,747 |
| Staff support costs | 150,570 | 37,309 |
| Election expenses | 141,071 | 72,815 |
| | 463,028 | 245,871 |

6 Interest payable

| | 2016 | 2015 |
|---------------------------|---------------|--------------|
| | £ | £ |
| Bank interest and charges | 21,664 | 7,156 |
| | 21,664 | 7,156 |

Notes to the financial statements for the year ended 31 December 2016 (continued)
7 Taxation

| | 2016 £ | 2015 £ |
|---------------------------------------|-----------|-----------|
| Current tax: | | |
| UK corporation tax at 20% (2015: 20%) | - | - |
| Tax on surplus/(deficit) | - | - |

The tax assessed for the year is equal to the standard rate of corporation tax in the UK (20%) 2015: (20%).

| | 2016 £ | 2015 £ |
|---|------------------|----------------|
| Surplus / (Deficit) before taxation | (103,483) | 102,192 |
| (Surplus / (Deficit) multiplied by standard rate in the UK 20% (2015: 20%)) | (20,697) | 20,438 |
| Effects of: | | |
| Income not deductible | 20,697 | (20,428) |
| Current tax credit for the year | - | - |

8 Tangible assets

| | Computers £ | Furniture, fixtures & fittings £ | Total £ |
|--|----------------|---|----------------|
| Cost | | | |
| At 1 January 2016 and 31 December 2016 | 79,740 | 139,348 | 219,088 |
| Accumulated depreciation | | | |
| At 1 January 2016 | 74,358 | 139,348 | 213,706 |
| Charge for the year | 1,346 | - | 1,346 |
| At 31 December 2016 | 75,704 | 139,348 | 215,052 |
| Net book amount | | | |
| At 31 December 2016 | 4,036 | - | 4,036 |
| At 31 December 2015 | 5,382 | - | 5,382 |

Notes to the financial statements for the year ended 31 December 2016 (continued)

9 Investments

| | Property Investments £ | Other investments £ | Total £ |
|--|------------------------------|---------------------------|----------------|
| Cost or valuation at 31 December 2015 | | | |
| Market value of investments | | | |
| At 1 January 2016 | 816,308 | 55,727 | 872,035 |
| Additions | - | 2,261 | 2,261 |
| Impairment of investments | - | - | - |
| Change in market value of investments | (39,388) | 4,189 | (35,199) |
| At 31 December 2016 | 776,920 | 62,177 | 839,097 |
| Net book amount | | | |
| At 31 December 2016 | 776,920 | 62,177 | 839,097 |
| At 31 December 2015 | 816,308 | 55,727 | 872,035 |

Detail of investments:

| Name | Principal activities | Country of incorporation or regulation | Proportion held directly by Party | Loss for the financial year £ | Capital and reserves at 31 December 2016 £ |
|----------------------|-------------------------|--|--------------------------------------|--|--|
| Cunningham House LLP | Rental of property | Northern Ireland | 70% | 39,388 | 839,097 |

The officers believe that the carrying value of the investment is supported by its underlying net assets.

10 Accounting units and similar affiliated organisations

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

At 31 December 2016 there were 41 registered accounting units. Details of these units are available from Party headquarters.

11 Debtors

| | 2016 £ | 2015 £ |
|--------------------------------|---------------|---------------|
| Quota fees due | 12,982 | 20,264 |
| Prepayments and accrued income | 345 | 2,149 |
| | 13,327 | 22,413 |

Notes to the financial statements for the year ended 31 December 2016 (continued)
12 Creditors: amounts falling due within one year

| | 2016 £ | 2015 £ |
|------------------------------|---------------|---------------|
| Bank loan (note 14) | 21,132 | 34,931 |
| Trade creditors | 2,749 | 265 |
| Accruals and deferred income | 16,318 | 29,077 |
| | 40,199 | 64,273 |

13 Creditors: amounts falling due after more than one year

| | 2016 £ | 2015 £ |
|-----------------------|----------------|----------------|
| Bank loans (note 14) | 242,276 | 215,612 |
| Other loans (note 14) | 33,501 | 35,001 |
| | 275,777 | 250,613 |

14 Bank and other loans

| | 2016 £ | 2015 £ |
|----------------------------------|----------------|----------------|
| Maturity of debt | | |
| Less than one year, or on demand | 21,132 | 34,931 |
| Between one and two years | 22,297 | 34,931 |
| Between two and five years | 253,480 | 215,862 |
| | 296,909 | 285,544 |

The bank loans and overdraft are secured by a letter of guarantee signed by Cunningham House LLP for £575,000 plus interest supported by a legal charge over Cunningham House, [REDACTED]

15 Reserves

| | Revaluation reserve £ | Donated fixed asset fund £ | General Fund £ |
|--|-----------------------------|-------------------------------------|----------------------|
| At 1 January 2016 | 29,619 | 32,000 | 773,752 |
| Surplus/(deficit) for the financial year | - | - | (103,483) |
| Gain in value of investments | 4,177 | - | - |
| At 31 December 2016 | 33,796 | 32,000 | 670,269 |

Notes to the financial statements for the year ended 31 December 2016 (continued)
16 Net cash inflow from operating activities

| | 2016 £ | 2015 £ |
|---|-----------------|---------------|
| Operating surplus/(deficit) before investment income, interest payable and taxation | (64,198) | 95,348 |
| Depreciation and impairment on tangible fixed assets | 1,346 | 1,794 |
| Impairment of investment in LLP | 39,388 | - |
| Movement in debtors | 9,086 | (6,020) |
| Movement in trade creditors | 2,484 | (83) |
| Movement in accruals and deferred income | (12,759) | (628) |
| Net cash inflow from operating activities | (24,653) | 90,411 |

17 Analysis of net debt

| | At 1 January 2016 £ | Cash Flow £ | Non Cash Changes £ | At 31 December 2016 £ |
|--------------------------|------------------------------|-------------------|-----------------------------|--------------------------------|
| Cash at Bank | 250,427 | (54,846) | - | 195,581 |
| Debt due within one year | (34,931) | 13,799 | - | (21,132) |
| Debt due after one year | (250,613) | (25,164) | - | (275,777) |
| | (285,544) | (11,365) | - | (296,909) |
| Net debt | (35,117) | (66,211) | - | (101,328) |

18 Reconciliation of net cash inflow to movement in net debt

| | 2016 £ | 2015 £ |
|--|------------------|-----------------|
| Increase/ (decrease) in cash in the financial year | (54,846) | 62,324 |
| Cash inflows from decrease in debt | (11,365) | 34,931 |
| Change in net debt resulting from cash flows | (66,211) | 97,255 |
| Movement in net debt in the year | (66,211) | 97,255 |
| Net debt at 1 January | (35,117) | (132,372) |
| Net debt at 31 December | (101,328) | (35,117) |

19 Ultimate controlling party

The ultimate controlling party is the executive committee.

20 Related party transactions

On the 31 December 2008 the Party created an LLP called Cunningham House LLP. The Party's premises at Cunningham House became an asset of LLP and the Party retains an 70% share in LLP.

Notes to the financial statements for the year ended 31 December 2016 (continued)**21 Financial commitments**

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

| | Property 2017 £ | Property 2016 £ |
|------------------|--------------------------------|--------------------------------|
| After five years | 13,200 | 12,800 |