

**Sutton Coldfield Constituency
Conservative Association**

Unaudited Financial Statements

**for the Year Ended
31st December 2022**

Sutton Coldfield Constituency Conservative Association

**Contents of the Financial Statements
for the Year Ended 31st December 2022**

	Page
Report of Sutton Coldfield Constituency Conservative Association	1
Accountants Report	2
Income and Expenditure	3 - 4
Balance Sheet	5
Notes to the Financial Statements	6 - 8

Report of Sutton Coldfield Constituency Conservative Association for the Year Ended 31st December 2022

INTRODUCTION

This statement of accounts provides a report on the political and financial activities of the Sutton Coldfield Constituency Conservative Association.

Principal address



For the purpose of the political Parties Elections Referendums Act 2000 the responsible officers are:

David Allan	Chairman
Harry Parmar	Registered Treasurer.

Review of Political Activities

In Sutton Coldfield there are now 20 Conservative Town Councillors, 8 Conservative City Councillors and a Conservative MP. The total number of members including national members is now high at 450 in 2022.

The Association has 4 branches as follows:

Four Oaks & Mere Green
Roughley and Trinity
Vesey and Wylde Green
Walmley, Minworth and Reddicap

The Executive Council of the Association meets up to 5 times in the year to manage the responsibilities of the business of the Sutton Coldfield Constituency Conservative Association.

Review of Financial Activities

We have continued to take a very cautious approach to banking and all funds remain with Lloyds Bank.

Income has increased to £366,790 from £86,052 in 2021 due to the sale of the building. Expenditure decreased from £81,878 in 2021 to £46,313 which was in line with expectation.

The year end combined cash balance at 31 December 2022 was £404,737 compared with £35,054 in December 2021.

In relation to the sale of the building, as there is hold over relief available no capital gains tax liability will be due as long as the proceeds from the sale are reinvested in another property within 3 years of the date of sale. The amount of tax liability that is intended to be deferred is £55,314. This amount is shown on page .

Approved on March 2023 and signed on its behalf by:

Mr David Allan - Chairman

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUTTON COLDFIELD CONSTITUENCY CONSERVATIVE ASSOCIATION

Qualified Opinion

We have audited the financial statements of Sutton Coldfield Constituency Association for the year ended 31 December 2022 which comprise the statement of income and retained earnings, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion except for the possible effects of the matter described in the basis for qualified opinion section of the report, the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 December 2022 and of its profit for the year 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

Basis for qualified opinion

The property was sold in the year giving rise to a capital gain. We have been unable to verify the cost price of the property. Consequently we were unable to determine the capital gains tax position with certainty.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. The members are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified section of our report, we were unable to verify the cost price of the property in calculating the capital gain. We have concluded that the capital gains tax liability stated within the financial statements may be materially misstated.

Responsibilities of Members

The members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and determined that the principal risks were related to management override of controls. Audit procedures performed by the engagement team included:

- reviewing minutes of meeting of those charged with governance;
- enquiry of management and those charged with governance around actual and potential litigation and claims;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations, and
- auditing the risk of management override of controls.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with

regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

Our audit work has been undertaken so that we might state to the members of the association those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

██████████ (Senior Statutory Auditor)

For an on behalf of Ad Valorem Audit Services Limited
Chartered Certified Accountants & Statutory Auditors
2 Manor Farm Court
Old Wolverton Road
Old Wolverton
Milton Keynes
Buckinghamshire
MK12 5NN

31/05/2023

Sutton Coldfield Constituency Conservative Association

**Income and Expenditure
for the Year Ended 31st December 2022**

		31.12.22		31.12.21	
		General Fund	Building Fund	General Fund	Building Fund
	Notes	£	£	£	£
INCOME					
Subscriptions	2	8,557	-	9,357	-
Donations	3	21,250	-	26,277	
Bank Interest		30	-	26	-
Branch Contributions	4	2,654	-	7,826	-
Profit on association events	5	372	-	4,308	-
Contributions to office services		5,093	-	13,758	-
Management charges and sundry income		-	-	12,000	-
Fighting fund		-	-	500	-
General election		-	-	-	-
Gain on disposal of property		-	330,126	-	-
Rents receivable		<u>-</u>	<u>(1,292)</u>	<u>-</u>	<u>12,000</u>
TOTAL INCOME		<u>37,956</u>	<u>328,834</u>	<u>74,052</u>	<u>12,000</u>
EXPENDITURE					
Salaries and NIC	6	12,420	-	26,337	-
Rates and water		-	3,199	-	14,627
Light and Heat		-	(353)	2,288	-
Printing, stationery and advertising		1,209	-	5,100	-
Postage		2,037	-	4,599	-
Telephone		1,412	-	1,708	
Repairs and building work		-	-	-	1,286
Depreciation of equipment and property		489	-	664	1,950
Loss on disposal of equipment		1,434	-	-	-
Computer expenses		1,331	-	1,484	-
Management charges		-	-	-	12,000
Room hire		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Carried forward to next page		<u>20,332</u>	<u>2,846</u>	<u>42,180</u>	<u>29,863</u>

Sutton Coldfield Constituency Conservative Association

**Income and Expenditure
for the Year Ended 31st December 2022
continued**

	31.12.22		31.12.21	
Brought forward from previous page	20,332	2,846	42,180	29,863
Accountancy and bookkeeping	1,668	-	884	-
Audit Fees	3,600	-	-	-
Legal and professional fees	1,635	-	296	-
Campaign and election expenses	13,344	-	8,176	-
Travel	-	-	375	-
Bank Charges	-	-	-	-
Sundry Expenditure	<u>1,887</u>	<u>-</u>	<u>104</u>	<u>-</u>
TOTAL EXPENDITURE	<u>43,466</u>	<u>2,846</u>	<u>52,015</u>	<u>29,863</u>
 (DEFICIT)/EXCESS INCOME OVER EXPENDITURE BEFORE TAX	 (5,512)	 325,988	 22,037	 (17,863)
Taxation on investment/rental income	-	-	-	-
Taxation due on capital gains	-	55,314	-	-
(DEFICIT)/EXCESS INCOME OVER EXPENDITURE AFTER TAX	(5,512)	270,674	22,037	(17,863)

Sutton Coldfield Constituency Conservative Association

Balance Sheet at 31st December 2022

				2022	2021
		General Fund	Building Fund	Total Funds	Total Funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	7	1,923	-	1,923	62,269
CURRENT ASSETS					
Debtors & prepayments	8	3,683	-	3,683	13,523
Cash at bank and in hand		403,518	1,219	404,737	35,054
Quoted Investments	9	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
		<u>407,202</u>	<u>1,219</u>	<u>408,421</u>	<u>48,578</u>
CREDITORS : Amounts falling due within one year					
Ballot bonds				495	495
Taxation				55,314	898
Accruals				4,200	120
Creditors				<u>6,049</u>	<u>5,211</u>
				<u>66,058</u>	<u>6,724</u>
NET CURRENT ASSETS				342,363	41,854
TOTAL ASSETS LESS CURRENT LIABILITIES				344,286	104,123
CREDITORS : Amounts falling due in more than one year					
Provision for dilapidations				<u>-</u>	<u>25,000</u>
NET ASSETS				<u>344,286</u>	<u>79,123</u>
FINANCED BY					
General fund				104,080	109,592
Building fund				<u>240,206</u>	<u>(30,469)</u>
TOTAL FUNDS				<u>344,286</u>	<u>79,123</u>

I confirm that the above Statement of Accounts has been prepared in accordance with guidance issued by the Electoral Commission and is correct to the best of my knowledge. In addition I confirm that these accounts have been approved by the Executive Council:

David Allan - Chairman

Sutton Coldfield Constituency Conservative Association

Notes to the Financial Statements for the year ended 31st December 2022

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, and in accordance with the applicable accounting standards and guidance provided by the Electoral Commission.

Tangible Fixed Assets

Depreciation is provided at the following rates in order to write off each asset over its estimated useful life.

Office Equipment	- 15% per annum on reducing balance
Freehold property	- 2% per annum straight line

2. MEMBERSHIP

	31.12.22	31.12.21
	£	£
Membership fees received directly	275	511
Membership fees received via/paid to the central party	<u>8,282</u>	<u>8,846</u>
	<u>8,557</u>	<u>9,357</u>

3. DONATIONS

During the year the unit had donations totalling £20,000 that were **reportable to the Electoral Commission**, i.e. that were over £1,500 from the same donor in the year.

The total donation figure shown under income above is greater than this because of donations received that were below the PPERA reporting threshold.

4. BRANCH CONTRIBUTIONS

	31.12.22	31.12.21
	£	£
Four Oaks	517	510
Walmley & Minworth	345	345
Vesey	725	5,725
Trinity	1,067	1,246
100 Club	—	—
	<u>2,654</u>	<u>7,826</u>

Sutton Coldfield Constituency Conservative Association

Notes to the Financial Statements for the year ended 31st December 2022

5. PROFITS ON ASSOCIATION EVENTS

	31.12.22	31.12.21
	£	£
Annual Dinner	297	4,308
Westminster Supper Club	-	-
Other Events	<u>75</u>	<u>-</u>
	<u>372</u>	<u>4,308</u>

6. SALARIES AND NIC

The average number of staff employed during the year was 2 (2020 - 2). The breakdown of costs was as follows:

	31.12.22	31.12.21
	£	£
Salaries and social security costs	<u>12,420</u>	<u>26,337</u>

7. TANGIBLE FIXED ASSETS

	Office Equipment	Freehold Property	Total
	£	£	£
COST			
At 1st January 2022	35,557	97,508	133,065
Additions	85	10,080	10,165
Disposals	<u>(17,290)</u>	<u>(107,588)</u>	<u>(124,878)</u>
Balance carried forward	<u>18,352</u>	<u>-</u>	<u>18,352</u>
DEPRECIATION			
At 1st January 2022	31,796	39,000	70,796
Charge for year	488	-	488
Depreciation on disposals	<u>(15,855)</u>	<u>(39,000)</u>	<u>(54,855)</u>
Balance carried forward	<u>16,429</u>	<u>-</u>	<u>16,429</u>
NET BOOK VALUE			
At 31st December 2022	<u>1,923</u>	<u>-</u>	<u>1,923</u>
At 31st December 2021	<u>3,761</u>	<u>58,508</u>	<u>62,269</u>

Sutton Coldfield Constituency Conservative Association

Notes to the Financial Statements for the year ended 31st December 2022

8. DEBTORS AND PREPAYMENTS

Amounts falling due within one year

	31.12.22	31.12.21
	£	£
Trade Debtors	3,400	10,290
Other Debtors	283	283
Prepayments	<u>-</u>	<u>2,950</u>
	<u>3,683</u>	<u>13,523</u>

9. QUOTED INVESTMENTS

	31.12.22	31.12.21
	£	£
400 Lloyds banking group 6.45% Non cumulative preference shares	<u>1</u>	<u>1</u>
Market Value	<u>409</u>	<u>439</u>

10.MOVEMENT IN FUNDS

	31.12.22		31.12.21	
	General Fund	Building Fund	General Fund	Building Fund
	£	£	£	£
Brought Forward Balance	109,592	(30,469)	87,555	(12,606)
(Deficit)/Surplus for the year	<u>(5,512)</u>	<u>270,674</u>	<u>22,037</u>	<u>(17,863)</u>
	<u>104,080</u>	<u>240,205</u>	<u>109,592</u>	<u>(30,469)</u>