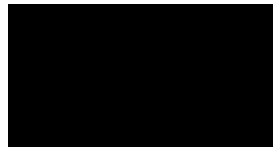


**THE SCOTTISH LABOUR PARTY**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**HARDIE CALDWELL LLP**  
Chartered Accountants



# **THE SCOTTISH LABOUR PARTY**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2016**

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# THE SCOTTISH LABOUR PARTY

## PARTY OFFICERS AND ADVISORS

### Party Officers:

Jackie Martin  
Linda Stewart

Chairperson  
Vice Chairperson

**Tenure**  
Present  
Present

Brian Roy

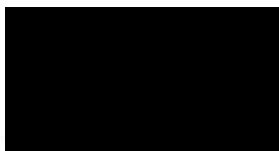
Scottish General Secretary  
Registered Treasurer

### Party Headquarters:

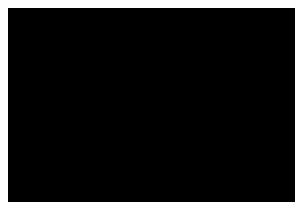
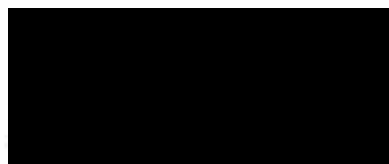
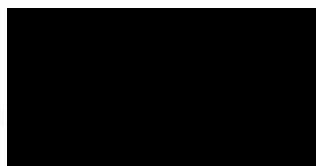
290 Bath Street  
Glasgow  
G2 4RE

### Auditors:

Hardie Caldwell LLP  
Chartered Accountants



### Bankers:



# **THE SCOTTISH LABOUR PARTY**

## **REPORT OF PARTY OFFICERS**

**YEAR ENDED 31 DECEMBER 2016**

### **ADMINISTRATIVE INFORMATION**

The Scottish Labour Party is a body established under the National rules of the Labour Party.

#### **Committees**

The following committees operate within the party to oversee and manage the organisation business. The Terms of Reference for each committee are contained within the party's constitution.

Scottish Executive Committee  
Local Government Committee  
Scottish Policy Forum  
Constitution Working Group

#### **Staffing**

The key permanent member of staff is Brian Roy who is the Scottish General Secretary and the Registered Treasurer.

#### **Conferences**

The party held a number of conferences and events during the year, including a one day conference in March and a one day Local Government Conference in November.

#### **Policy Development**

The party's Scottish Policy Forum continues its policy and engagement programme, which will be key to the party's manifesto in the 2021 Scottish Parliament elections.

#### **Elections**

During the year we co-ordinated a number of campaigns in Scotland, including the Scottish Parliament election and Council by-elections.

#### **Financial Review**

Total income for the year was £400,436  
Total expenditure was £504,402

## **THE SCOTTISH LABOUR PARTY**

### **REPORT OF PARTY OFFICERS (CONTD.)**

**YEAR ENDED 31 DECEMBER 2016**

#### **STATEMENT OF REGISTERED TREASURER'S RESPONSIBILITIES**

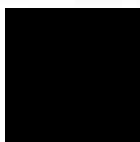
The Registered Treasurer is responsible for preparing the Party Officers' Annual Report and the financial statements in accordance with applicable law and regulations.

The Political Parties, Elections and Referendums Act 2000 requires the Registered Treasurer to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the party as at the end of the year and of its financial activities during the year in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102). In preparing these financial statements, the Registered Treasurer is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- follow applicable UK Accounting Standards, disclosing and explaining any departures in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the party will continue to operate.

The Registered Treasurer is responsible for ensuring that proper accounting records are maintained that are sufficient to show and explain the party's transactions and disclose with reasonable accuracy at any time the financial position of the party and enable him to ensure that the financial statements comply with the Political Parties, Elections and Referendums Act 2000. He also has delegated responsibility from the National Executive Committee for safeguarding the assets of the party and ensuring their proper application in accordance with legislation, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Party Officers on 1 February 2017.



Brian Roy  
Registered Treasurer

## **THE SCOTTISH LABOUR PARTY**

### **Independent Auditor's Report to the Registered Treasurer of the Scottish Labour Party**

We have audited the financial statements of the Scottish Labour Party for the year ended 31 December 2016 set out in pages 6 - 14.

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 FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the Registered Treasurer in accordance with section 43 of the Political Parties, Elections and Referendums Act 2000. Our audit work has been undertaken so that we might state to the Registered Treasurer those matters we are required to state to him 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 Registered Treasurer for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the Registered Treasurer and auditor**

As explained more fully in the Statement of Registered Treasurer's Responsibilities, set out on page 3, the Registered 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 section 43 of the Political Parties, Elections and Referendums Act 2000 and report in accordance with 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 party's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Registered Treasurer; and the overall presentation of the financial statements.

We read all the financial and non-financial information in the Report of the Party Officers 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.

# THE SCOTTISH LABOUR PARTY

## Independent Auditor's Report to the Registered Treasurer of the Scottish Labour Party (contd.)

### Opinion on financial statements

In our opinion 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, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Political Parties, Elections and Referendums Act 2000.



Hardie Caldwell LLP

Statutory Auditor

Glasgow

Dated: 1 February 2017

Hardie Caldwell LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**THE SCOTTISH LABOUR PARTY**  
**INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £	2015 £
<b>Income</b>			
Donation income		105,752	592,641
Membership and subscription fees	3	108,024	120,479
Fundraising	6	26,839	53,765
Conferences		40,837	169,538
Investment income	7	24	32
Notional income	8	14,633	14,075
Campaign income		104,327	122,578
		<hr/>	<hr/>
<b>Total income</b>		<b>400,436</b>	<b>1,073,108</b>
		<hr/>	<hr/>
<b>Expenditure</b>			
Cost of fundraising		26,055	12,334
Campaign expenditure		198,229	539,074
Staff costs	4	115,197	121,007
Management and administration costs		109,429	155,106
Notional expenditure		14,633	14,075
Conferences		40,859	133,335
		<hr/>	<hr/>
<b>Total expenditure</b>		<b>504,402</b>	<b>974,931</b>
		<hr/>	<hr/>
<b>(Deficit)/surplus before taxation</b>		<b>(103,966)</b>	<b>98,177</b>
Taxation	2	-	-
		<hr/>	<hr/>
<b>(Deficit)/surplus for the year</b>	11	<b>(103,966)</b>	<b>98,177</b>
		<hr/> <hr/>	<hr/> <hr/>

The party has no recognised gains or losses other than the results for the year as set out above.

All activities are classed as continuing.



**THE SCOTTISH LABOUR PARTY****BALANCE SHEET****AS AT 31 DECEMBER 2016**

	Notes	2016 £	2015 £
<b>Current assets</b>			
Debtors	9	36,906	37,391
Cash at bank and in hand		192,250	282,166
		<u>          </u>	<u>          </u>
		229,156	319,557
<b>Less:-</b>			
<b>Current liabilities</b>			
Creditors: Amount falling due within one year	10	(69,400)	(55,835)
		<u>          </u>	<u>          </u>
<b>Total assets less current liabilities</b>		<u><u>159,756</u></u>	<u><u>263,722</u></u>
<b>Reserves</b>			
General fund	11	<u><u>159,756</u></u>	<u><u>263,722</u></u>

The financial statements were approved by the Party Officers on 1 February 2017.

.....  ..... Registered Treasurer  
**Brian Roy**

# THE SCOTTISH LABOUR PARTY

## STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2016

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
(Deficit)/surplus before tax	(103,966)	98,177
Adjustment for; Bank interest	(24)	(32)
	<u>(103,990)</u>	<u>98,145</u>
<b>Movements in working capital</b>		
Decrease/(increase) in trade and other receivables	485	(2,172)
Increase/(decrease) in trade and other payables	13,565	36,749
<b>Net cash generated by operating activities</b>	<u>(89,940)</u>	<u>132,722</u>
<b>Cash flows from financing activities</b>		
Bank interest	24	32
<b>Net cash generated by financing activities</b>	<u>24</u>	<u>32</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(89,916)</u>	<u>132,754</u>
<b>Cash and cash equivalents at the beginning of the year</b>	<u>282,166</u>	<u>149,412</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>192,250</u>	<u>282,166</u>
<b>Cash and bank balances</b>	<u>192,250</u>	<u>282,166</u>

# THE SCOTTISH LABOUR PARTY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

### 1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention in accordance with the accounting policies set out below and reflect the principles contained in the Statement of Accounts Guidance Notes issued by the Electoral Commission and in existence as at 31 December 2016.

These financial statements have been prepared in accordance with FRS102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The following principal accounting policies have been applied:

#### **Income recognition**

Turnover is measured at the fair value of the consideration received or receivable.

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, including legacies, 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 an expense of the same amount being recognised contemporaneously.
- Membership and subscription fees for an accounting period are recognised in the income and expenditure account of that period, as received up to the date of approval of the financial statements.
- All other income including affiliation fees is recognised on an accruals basis.

#### **Leased assets**

All the party's leases are treated as operating leases. Their annual rentals are charged to the income and expenditure account on a straight-line basis over the term of the lease.

# THE SCOTTISH LABOUR PARTY

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31 DECEMBER 2016

### 1. ACCOUNTING POLICIES (CONTD.)

#### **Liquid resources**

For the purposes of the cash flow statement, liquid resources are defined as current asset investments and short-term deposits.

#### **Trade and Other Debtors**

Trade Debtors are stated at cost less impairment for bad and doubtful debts.

#### **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and in hand.

#### **Management and administration costs**

Certain costs within this expense category are met from National Labour Party's budget.

#### **Going Concern**

Having reviewed the financial position the Treasurer has a reasonable expectation that the party has adequate resources to continue its activities for the foreseeable future. Accordingly, the Treasurer continues to adopt a going concern basis in preparing the financial statements.

### 2. BASIS OF TAXATION

The party is treated as an unincorporated association for tax purposes and is therefore liable to corporation tax on its investment income. It also bears tax on any investment transactions that give rise to capital gains. No deferred tax is recognised in the party's individual accounts as any investment income is taxed on the same basis as it is recognised in the income and expenditure account.

All income and expenditure is consolidated into the annual financial statements of the Labour Party. A corporation tax computation and return is filed based on the consolidated financial statements and any liability is paid by the Labour Party.

### 3. MEMBERSHIP AND AFFILIATION FEES

Included within the fees for 2016 is a contribution from the affiliated and party organisations in Scotland.

# THE SCOTTISH LABOUR PARTY

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31 DECEMBER 2016

### 4. PARTICULARS OF EMPLOYEES

	2016 £	2015 £
Gross Salaries	127,134	164,605
National Insurance Costs	12,818	15,327
Pension Costs	12,469	8,637
Staff Expenses	<u>4,436</u>	<u>4,836</u>
	<u>156,857</u>	<u>193,405</u>

In 2016 the Scottish Labour Party made a contribution to 14 employees' salary costs (2015: 20 employees), all other staff costs were paid by the National Labour Party.

£41,660 of the total costs detailed above have been included within the Campaign expenditure as shown in the Income & Expenditure Account on page 6, (2015: 72,398).

### 5. SURPLUS BEFORE TAX

	2016 £	2015 £
This has been arrived after charging :-		
Auditors' remuneration – audit services	-	-
Operating lease charges – equipment	<u>5,558</u>	<u>5,558</u>

Note: *Annual auditors' remuneration is paid from National Labour Party's budget.*

### 6. FUNDRAISING ACTIVITIES

	2016 £	2015 £
Fundraising and Business Events	<u>26,839</u>	<u>53,765</u>

# THE SCOTTISH LABOUR PARTY

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31 DECEMBER 2016

### 7. INVESTMENT INCOME

	2016 £	2015 £
Interest receivable	24	32
	<u>24</u>	<u>32</u>

### 8. NOTIONAL INCOME

	2016 £	2015 £
Relating to Elections :-		
Local Elections	-	-
National Elections	4,761	12,575
Unrelated to Elections	<u>9,872</u>	<u>1,500</u>
	<u>14,633</u>	<u>14,075</u>

### 9. DEBTORS

	2016 £	2015 £
Trade Debtors	36,906	33,198
Other Debtors	-	4,193
	<u>36,906</u>	<u>37,391</u>

### 10. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade Creditors	4,660	25,490
Other Creditors	34,716	30,345
Accruals	30,024	-
	<u>69,400</u>	<u>55,835</u>

**THE SCOTTISH LABOUR PARTY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**

**YEAR ENDED 31 DECEMBER 2016**

**11. RESERVES**

	<b>General Fund £</b>
As at 1st January	263,722
Transfer Income and Expenditure Account	(103,966)
	<hr/>
As at 31 December	159,756
	<hr/> <hr/>

**12. COMMITMENTS UNDER OPERATING LEASES**

The total future minimum lease payments under non-cancellable operating leases are payable as follows:-

	<b>2016 £</b>	<b>2015 £</b>
Within one year	5,558	5,558
After one year but within five years	6,019	11,577
	<hr/>	<hr/>
	11,577	17,135
	<hr/> <hr/>	<hr/> <hr/>

**13. CAPITAL MANAGEMENT**

Capital comprises reserves as stated on the Balance Sheet. The party manages capital by regularly monitoring its current and expected liquidity requirements. No changes were made in the objectives during the year.

**THE SCOTTISH LABOUR PARTY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**

**YEAR ENDED 31 DECEMBER 2016**

**14. GENERAL INFORMATION**

The Scottish Labour Party is a political party established under the National rules of the Labour party.

The Party Headquarters is shown on Page 1 of the financial statements.

The financial statements are presented in Sterling which is also the functional currency of the Party.