

THE SCOTTISH LABOUR PARTY
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

HARDIE CALDWELL LLP
Chartered Accountants



THE SCOTTISH LABOUR PARTY

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

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THE SCOTTISH LABOUR PARTY

PARTY OFFICERS AND ADVISORS

Party Officers:	Jackson Cullinane	Chairperson	Tenure
	Jamie Glackin	Vice Chairperson	Present
	Ian Price	Scottish General Secretary Registered Treasurer	Present

Party Headquarters:

Auditors:

Hardie Caldwell LLP
Chartered Accountants

Bankers:

THE SCOTTISH LABOUR PARTY

REPORT OF PARTY OFFICERS

YEAR ENDED 31 DECEMBER 2013

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 and the Chair of the respective committees are also listed here:-

Scottish Executive Committee	-	Jackson Cullinane
Local Government Committee	-	Vacant
Scottish Policy Forum	-	Agnes Tolmie (from January 2014)
Constitution Working Group	-	Helen Stephen

Staffing

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

Conferences

The party held a number of conferences and events during the year, including the Annual Conference in April and two one day Local Government Conferences in March and September.

Policy Development

The party's Scottish Policy Forum will begin its latest two year rolling policy and engagement programme in January 2014, which will be key to the party's manifesto in the 2016 Scottish Parliament elections. In addition, the party set up the Devolution Commission, reviewing Scottish devolution and examining how to strengthen the devolved settlement.

Elections

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

Financial Review

Total income for the year was £406,226
Total expenditure was £426,788

THE SCOTTISH LABOUR PARTY

STATEMENT OF REGISTERED TREASURER'S RESPONSIBILITIES

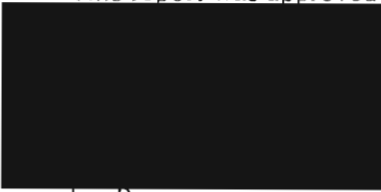
The Registered Treasurer is responsible for preparing the Party Officers' Annual Report and the financial statements in accordance with applicable law and regulations.

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 (United Kingdom Accounting Standards). 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 adequate 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 6 February 2014.



Ian Price
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 2013 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).

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, 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 the 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

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 2013 and of its incoming resources and application of resources, 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.



Hardie Caldwell LLP
Statutory Auditor
Glasgow

Dated:

6 February 2014

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 2013

	Notes	2013 £	2012 £
Income			
Donation income		125,687	283,164
Membership and subscription fees	3	115,636	112,568
Fundraising	6	50,228	40,122
Conferences		103,069	66,541
Investment income	7	98	121
Notional income	8	4,928	13,051
Campaign income		6,580	14,820
		<hr/>	<hr/>
Total income		406,226	530,387
		<hr/>	<hr/>
Expenditure			
Cost of fundraising		14,031	17,575
Campaign expenditure		137,832	263,477
Staff costs	4	91,200	102,377
Management and administration costs		100,616	162,225
Notional expenditure		4,928	13,051
Conferences		78,181	62,165
		<hr/>	<hr/>
Total expenditure		426,788	620,870
		<hr/>	<hr/>
Deficit before taxation		(20,562)	(90,483)
		<hr/>	<hr/>
Taxation	2	-	-
		<hr/>	<hr/>
Deficit for the year	11	(20,562)	(90,483)
		<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 notes on pages 9 to 14 form part of these financial statements

THE SCOTTISH LABOUR PARTY

BALANCE SHEET

AS AT 31 DECEMBER 2013

	Notes	2013 £	2012 £
Current assets			
Debtors	9	48,114	45,121
Cash at bank and in hand		282,289	277,966
		<hr/>	<hr/>
		330,403	323,087
Less:-			
Current liabilities			
Creditors: Amount falling due within one year	10	31,263	3,385
		<hr/>	<hr/>
Total assets less current liabilities		299,140	319,702
		<hr/>	<hr/>
Reserves			
General fund	11	299,140	319,702
		<hr/>	<hr/>

The financial statements were approved by the Party Officers on 6 February 2014

.....
 Registered Treasurer
Ian Price

The notes on pages 9 to 14 form part of these financial statements

THE SCOTTISH LABOUR PARTY**CASH FLOW STATEMENT****YEAR ENDED 31 DECEMBER 2013**

	Notes	2013 £	2012 £
Net cash outflow from Party activities before returns on investments and servicing of finance	13	4,225	(100,451)
Returns on investment and servicing of finance			
Interest received		98	121
		<hr/>	<hr/>
Increase/(decrease) in cash	14	4,323 =====	(100,330) =====

The notes on pages 9 to 14 form part of these financial statements

THE SCOTTISH LABOUR PARTY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards in the United Kingdom and reflect those principles contained in the Statement of Accounts Guidance Notes issued by the Electoral Commission and in existence as at 31 December 2013.

The following principal accounting policies have been applied:

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, 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.

Liquid resources

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

THE SCOTTISH LABOUR PARTY

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES (CONTD.)

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 2013 is a contribution from the affiliated and party organisations in Scotland.

4. PARTICULARS OF EMPLOYEES

	2013	2012
	£	£
Gross Salaries	77,410	84,517
National Insurance Costs	6,349	8,178
Pension Costs	6,242	7,478
Staff Expenses	<u>1,199</u>	<u>2,204</u>
	91,200	102,377
	=====	=====

In 2013 the Scottish Labour Party made a contribution to six employees' salary costs (2012: nine employees), all other staff costs were paid by the National Labour Party.

THE SCOTTISH LABOUR PARTY

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31 DECEMBER 2013

5. DEFICIT BEFORE TAX

	2013 £	2012 £
This has been arrived after charging :-		
Auditors' remuneration – audit services	-	-
Operating lease charges – equipment	5,517	6,490
	=====	=====

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

6. FUNDRAISING ACTIVITIES

	2013 £	2012 £
Fundraising and Business Events	50,228	40,122
	=====	=====

7. INVESTMENT INCOME

	2013 £	2012 £
Interest receivable	98	121
	=====	=====

8. NOTIONAL INCOME

	2013 £	2012 £
Relating to Elections :-		
Local Elections	868	7,550
Unrelated to Elections	4,060	5,501
	4,928	13,051
	=====	=====

THE SCOTTISH LABOUR PARTY

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31 DECEMBER 2013

9. DEBTORS

	2013 £	2012 £
Trade Debtors	41,012	32,722
Other Debtors	-	7,274
Prepayments	7,102	5,125
	<u>48,114</u>	<u>45,121</u>

10. CREDITORS: Amounts falling due within one year

	2013 £	2012 £
Trade Creditors	8,382	2,002
Other Creditors	22,674	155
Accruals	207	1,228
	<u>31,263</u>	<u>3,385</u>

THE SCOTTISH LABOUR PARTY

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31 DECEMBER 2013

11. RESERVES

	General Fund £
As at 1st January	319,702
Transfer Income and Expenditure Account	(20,562)
	<hr/>
As at 31 December	299,140
	<hr/> <hr/>

12. COMMITMENTS UNDER OPERATING LEASES

As at 31 December 2013, the party had annual commitments under non-cancellable operating leases as set out below:-

	2013 £	2012 £
Operating leases which expire:-		
Within one year	1,273	1,198
In two to five years	4,118	1,698
	<hr/>	<hr/>
	5,391	2,896
	<hr/> <hr/>	<hr/> <hr/>

13. NET CASH OUTFLOW FROM OPERATING DEFICIT BEFORE TAX

	2013 £	2012 £
Operating deficit before taxation	(20,562)	(90,483)
Interest received	(98)	(121)
(Increase) / decrease in debtors	(2,993)	9,421
Increase / (Decrease) in Creditors	27,878	(19,268)
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating Deficit before tax	4,225	(100,451)
	<hr/> <hr/>	<hr/> <hr/>

THE SCOTTISH LABOUR PARTY

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31 DECEMBER 2013

14. ANALYSIS OF NET FUNDS

	At 1 Jan 2013 £	Cashflow £	At 31 Dec 2013 £
Bank	277,923	4,356	282,278
Petty cash	43	(33)	10
	<u>277,966</u>	<u>4,323</u>	<u>282,288</u>
Short-term deposits	-	-	-
	<u>277,966</u> =====	<u>4,323</u> =====	<u>282,288</u> =====