

Scottish Labour Party

Head Office

290 Bath Street, Glasgow G2 4RE

0141 572 6900 | scotland@labour.org.uk

scottishlabour.org.uk

31st March 2015

John Franks
The Electoral Commission
3 Bunhill Row
London
EC1Y 8YZ

Dear John

Please find enclosed the Report and Financial statements for the year ended 31st December 2014 for the Scottish Labour Party.

This was prepared by Hardie Caldwell Chartered Accountants.

I trust that this is satisfactory.

Yours sincerely



Annmarie Whyte

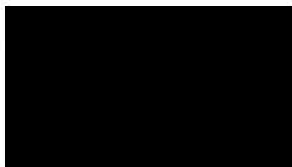
Head of Events & Corporate Affairs

THE SCOTTISH LABOUR PARTY

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

HARDIE CALDWELL LLP
Chartered Accountants



THE SCOTTISH LABOUR PARTY

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

CONTENTS	PAGE
Party Officers and Advisors	1
Report of the Party Officers	2
Statement of Registered Treasurer's Responsibilities	3
Report of the Independent Auditors	4-5
Income and Expenditure Account	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Financial Statements	9-14

THE SCOTTISH LABOUR PARTY**PARTY OFFICERS AND ADVISORS****Party Officers:**

Jamie Glackin
Jackie Martin

Chairperson
Vice Chairperson

Tenure
Present
Present

Brian Roy

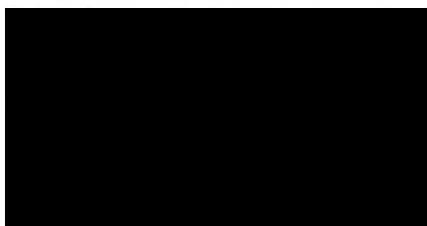
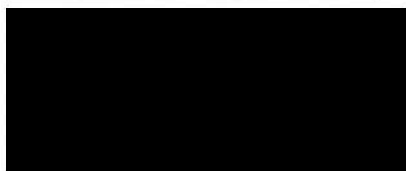
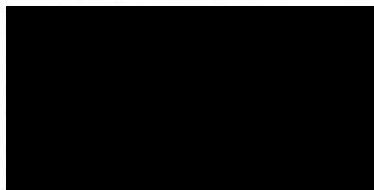
Scottish General Secretary
Registered Treasurer

Party Headquarters:

290 Bath Street
Glasgow
G2 4RE

Auditors:

Hardie Caldwell LLP
Chartered Accountants
Citypoint 2
25 Tyndrum Street
Glasgow
G4 0JY

Bankers:

THE SCOTTISH LABOUR PARTY

REPORT OF PARTY OFFICERS

YEAR ENDED 31 DECEMBER 2014

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	-	Jamie Glackin
Local Government Committee	-	Jamie Glackin
Scottish Policy Forum	-	Agnes Tolmie
Constitution Working Group	-	Jackie Martin

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 the Annual Conference in March and two one day Local Government Conferences in March and September.

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 2016 Scottish Parliament elections.

Elections

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

Financial Review

Total income for the year was £905,142

Total expenditure was £1,038,737

THE SCOTTISH LABOUR PARTY

STATEMENT OF REGISTERED TREASURER'S RESPONSIBILITIES

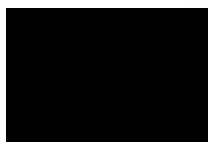
The Registered Treasurer is responsible for preparing the Party Officers' Annual Report and the financial statements in accordance with applicable law and regulations.

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 31 March 2015.



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 2014 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, 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.

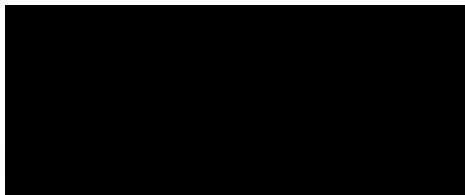
We read all the financial and non-financial information in the Report of the Party Officers to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired 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

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 2014 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:

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 2014**

	Notes	2014 £	2013 £
Income			
Donation income		544,239	125,687
Membership and subscription fees	3	116,567	115,636
Fundraising	6	43,605	50,228
Conferences		156,978	103,069
Investment income	7	87	98
Notional income	8	20,494	4,928
Campaign income		23,172	6,580
		<hr/>	<hr/>
Total income		905,142	406,226
		<hr/>	<hr/>
Expenditure			
Cost of fundraising		13,043	14,031
Campaign expenditure		642,984	137,832
Staff costs	4	135,963	91,200
Management and administration costs		137,349	100,616
Notional expenditure		20,494	4,928
Conferences		88,904	78,181
		<hr/>	<hr/>
Total expenditure		1,038,737	426,788
		<hr/>	<hr/>
Deficit before taxation		(133,595)	(20,562)
		<hr/>	<hr/>
Taxation	2	-	-
		<hr/>	<hr/>
Deficit for the year	11	(133,595)	(20,562)
		<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 2014**

	Notes	2014 £	2013 £
Current assets			
Debtors	9	35,219	48,114
Cash at bank and in hand		149,412	282,289
		<hr/>	<hr/>
		184,631	330,403
Less:-			
Current liabilities			
Creditors: Amount falling due within one year	10	(19,086)	(31,263)
		<hr/>	<hr/>
Total assets less current liabilities		165,545	299,140
		<hr/> <hr/>	<hr/> <hr/>
Reserves			
General fund	11	165,545	299,140
		<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved by the Party Officers on 31 March 2015



Brian Roy

..... Registered Treasurer

THE SCOTTISH LABOUR PARTY**CASH FLOW STATEMENT****YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 £	2013 £
Net cash (outflow)/inflow from Party activities before returns on investments and servicing of finance	13	(132,964)	4,225
Returns on investment and servicing of finance			
Interest received		87	98
(Decrease)/Increase in cash	14	<u>(132,877)</u>	<u>4,323</u>

THE SCOTTISH LABOUR PARTY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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 2014.

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 2014

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 2014 is a contribution from the affiliated and party organisations in Scotland.

4. PARTICULARS OF EMPLOYEES

	2014 £	2013 £
Gross Salaries	109,608	77,410
National Insurance Costs	10,000	6,349
Pension Costs	11,180	6,242
Staff Expenses	<u>5,175</u>	<u>1,199</u>
	<u>135,963</u>	<u>91,200</u>

In 2014 the Scottish Labour Party made a contribution to eight employees' salary costs (2013: six 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 2014

5. DEFICIT BEFORE TAX

	2014 £	2013 £
This has been arrived after charging :-		
Auditors' remuneration – audit services	-	-
Operating lease charges – equipment	6,221	5,517
	<u>=====</u>	<u>=====</u>

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

6. FUNDRAISING ACTIVITIES

	2014 £	2013 £
Fundraising and Business Events	43,605	50,228
	<u>=====</u>	<u>=====</u>

7. INVESTMENT INCOME

	2014 £	2013 £
Interest receivable	87	98
	<u>=====</u>	<u>=====</u>

8. NOTIONAL INCOME

	2014 £	2013 £
Relating to Elections :-		
Local Elections		868
Unrelated to Elections	20,494	4,060
	<u>=====</u>	<u>=====</u>
	20,494	4,928
	<u>=====</u>	<u>=====</u>

THE SCOTTISH LABOUR PARTY

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31 DECEMBER 2014

9. DEBTORS

	2014 £	2013 £
Trade Debtors	32,744	41,012
Prepayments	2,475	7,102
	<hr/>	<hr/>
	35,219	48,114
	<hr/>	<hr/>

10. CREDITORS: Amounts falling due within one year

	2014 £	2013 £
Trade Creditors	5,446	8,382
Other Creditors	2,641	22,674
Accruals	10,999	207
	<hr/>	<hr/>
	19,086	31,263
	<hr/>	<hr/>

THE SCOTTISH LABOUR PARTY

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31 DECEMBER 2014

11. RESERVES

	General Fund £
As at 1st January	299,140
Transfer Income and Expenditure Account	(133,595)
	<hr/>
As at 31 December	165,545
	<hr/> <hr/>

12. COMMITMENTS UNDER OPERATING LEASES

As at 31 December 2014, the party had annual commitments under non-cancellable operating leases as set out below:-

	2014 £	2013 £
Operating leases which expire:-		
Within one year	0	1,273
In two to five years	5,558	4,117
	<hr/>	<hr/>
	5,558	5,391
	<hr/> <hr/>	<hr/> <hr/>

13. NET CASH (OUTFLOW)/INFLOW FROM OPERATING DEFICIT BEFORE TAX

	2014 £	2013 £
Operating deficit before taxation	(133,595)	(20,562)
Interest received	(87)	(98)
Decrease / (increase) in debtors	12,895	(2,993)
(Decrease) / increase in Creditors	(12,177)	27,878
	<hr/>	<hr/>
Net cash (outflow) / inflow from operating deficit before tax	(132,964)	4,225
	<hr/> <hr/>	<hr/> <hr/>

THE SCOTTISH LABOUR PARTY

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31 DECEMBER 2014

14. ANALYSIS OF NET FUNDS

	At 1 Jan 2014 £	Cashflow £	At 31 Dec 2014 £
Bank	282,279	(132,877)	149,402
Petty cash	10	0	10
	<u>282,289</u>	<u>(132,877)</u>	<u>149,412</u>
Short-term deposits	-	-	-
	<u><u>282,289</u></u>	<u><u>(132,877)</u></u>	<u><u>149,412</u></u>