

The Labour Party

Financial statements for the year ended 31 December 2023

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Registered Party officers

Leader	Rt Hon Keir Starmer MP
Treasurer	David Evans
Nominating Officer	Andrew Whyte
Deputy Treasurer	Carol Linforth
Deputy Treasurer	Simon Mills (resigned 12 May 2023)
Deputy Treasurer	Andrew Whyte

Registered address



Treasurers' report

We are pleased to present the financial statements for the year ended 31st December 2023.

The 2023 budget incorporated a planned deficit of £2.5m to be funded by the surplus from financial year 2022. The increase in expenditure from the 2022 level was planned and in anticipation of a General Election in 2024 increasing resources in the form of staff and office capacity.

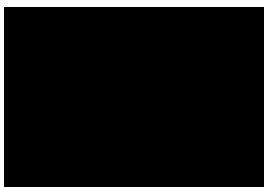
The financial year ended with a deficit of £851k an improvement of £1.6m on the original budget set of a £2.5m deficit. This improvement is a consequence of an increase in high value donations when compared to the previous year and delivery of a successful Labour Party conference, which had a significant increase in delegate attendance and delivered income above planned.

2023 was a year when the Party needed to be moving to a state of readiness for a General Election. In doing so there was significant investment in staff capacity, the move to a more appropriate Party Head Office, investment in technology and support for regional teams and their offices.

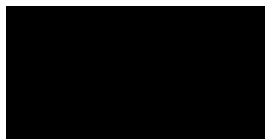
The increase in expenditure, from the 2022 level, was also matched by an increase in income. Primarily through increased donations and commercial revenue which have made a significant impact on the overall accounts.

The Party was successful in a series of by-election victories in 2023 and more have followed in 2024. However, along with the rest of the country, the Party is not immune to the issues that high inflation presents; cost pressures continue to grow each year and the Party must remain fiscally responsible in its decision making. Our financial strategy is to ensure that the Party remains sustainable. The General Election victory changes the Party's financial dynamics significantly. The impact of potential changes in income and a need to manage expenditure will become even more critical. The Party's financial accountability and resource control will need to be robust and embedded across the organisation.

As always we would like to thank all those who contribute to the Party. Whether you are a campaigner, an activist, a member, or donate as an individual, business, trade union or socialist society, the support you provide is fundamental in helping the Party to achieve its goals in winning campaigns and improving the country.



David Evans
Registered Treasurer



Mike Payne
Party Treasurer

Administrative information

Review of Political Activities

A detailed review of the Party’s political activities during the period covered by the financial statements will be included in the National Executive Committee (NEC)’s Annual Report. The NEC’s Annual Report will be available from September 2024.

Committees

The NEC is the governing body of the Labour Party that oversees the overall direction of the Party and the policy-making process. It carries out this role by setting strategic objectives on an annual basis and meeting regularly to review the work of the Party in these areas.

All members of the NEC are members of the National Policy Forum. This body oversees the development of Party policy. It meets throughout the year in full session and through policy commissions presents a report to Annual Conference.

The NEC also has a number of specialist committees and is responsible for upholding the rules of the Party and propriety of Labour selection processes. Details of the principal specialist committees of the NEC are as follows:

Committee	Responsibilities
Business Board	Oversight of the business functions of the organisation including the management of finances.
Joint Policy Committee (JPC)	The JPC is responsible for strategic oversight of the Party’s policy development. It oversees the rolling programme, and acts as a steering group for the National Policy Forum (NPF). Jointly convened by the Leader and NEC Co-convenor, it is a joint committee made up of members of the NEC, Government or Shadow Cabinet and NPF.
Equalities Committee	The Committee advises the NEC on steps to increase the Party’s membership and representation on elected bodies so as to better reflect the community, to drive the Party’s equality agenda, and to assist and promote the Party’s work in combating discrimination in all forms.
Organisation Committee	Responsible for Party rules and its constitution; ensures all levels of the Party are operating effectively throughout the country to the highest standards; and has overall responsibility for membership, investigations, elections (including selections), local government, conferences, electoral law, boundaries strategy and internal elections.
Complaints and Disciplinary Sub-Committee	Oversight and scrutiny of complaints and disputes processes; hears membership appeals and re-admission applications; considers Party disputes and conciliation; undertakes minor investigations and local government appeals (where referred to the NEC); and conducts hearings and interviews around the country where necessary.
Audit and Risk Management	Responsibility for the Party’s risk register and audit and compliance oversight, and policies to mitigate risks

Administrative information (cont.)

Elected representatives

The Party's elected representatives at the Westminster and Scottish Parliaments and the Senedd can be found on the Party's websites at: -

<http://www.labour.org.uk/people>

<http://www.scottishlabour.org.uk/people>

http://www.welshlabour.wales/people_pobl

Membership

As at 31 December 2023 the total individual membership of the Party was 370,450 (2022: 407,455).

Accounting units

As at 31 December 2023 the Party had 849 (2022: 670) accounting units registered with the Electoral Commission.

Statement of Registered Treasurer's responsibilities

The Registered Treasurer of the Party is required by the Political Parties, Elections and Referendums Act 2000 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 Registered Treasurer is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Party will continue in business.

The Registered Treasurer is responsible for keeping proper accounting records which 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 also has delegated responsibility from the National Executive Committee for ensuring that appropriate controls are established for safeguarding the assets of the Party and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's report to the members of the Labour Party

Opinion

We have audited the financial statements of the Labour Party for the year ended 31 December 2023 which comprise the consolidated income and expenditure account, the statements of comprehensive income and changes in equity, the consolidated balance sheet, the consolidated cash flow statement 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Labour Party's affairs as at 31 December 2023 and of the deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Political Parties, Elections and Referendums Act 2000.

Basis for opinion

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 Labour Party in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Registered Treasurer's 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 Labour Party'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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Registered Treasurer is responsible for the other information. The other information comprises the information included in the Treasurer's Report, other than the financial statements and our auditor's report thereon. 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.

Independent Auditor's report to the members of the Labour Party

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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. We have nothing to report in this regard.

Responsibilities of Registered Treasurer

As explained more fully in the statement of Registered Treasurer's responsibilities set out on page 5, the Registered Treasurer is 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 directors 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 Registered Treasurer is responsible for assessing the Labour Party'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 Registered Treasurer either intends to liquidate the Labour Party or to cease operations, or has no realistic alternative but to do so.

Auditor's 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Labour Party operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Political Parties, Elections and Referendums Act 2000, together with the Financial Reporting Standard applicable in the UK (FRS102).

Independent Auditor's report to the members of the Labour Party

We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Labour Party's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Labour Party for fraud.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of donation, membership, affiliation and government grant income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Labour Party's members, as a body, 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 Labour Party's members 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 Labour Party and the Labour Party's members as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP
Senior Statutory Auditor
For and on behalf of

Crowe U.K. LLP
Statutory Auditor

London

Date 15 July 2024

Consolidated income and expenditure account for the year ended 31 December 2023

		2023	2022
	Notes	£'000	£'000
Income			
Donations		16,509	10,498
Membership		16,935	15,962
Affiliations		5,148	5,340
Fundraising	4	1,271	640
Commercial income		7,538	4,149
Legacies		64	547
Interest receivable		55	3
Government grants	5	7,929	7,301
Notional income	6	927	398
Other income		2,243	2,312
Investment Income	7	9	21
Total income		58,628	47,171
Expenditure			
Costs of fundraising		(660)	(221)
Costs of commercial activity		(3,807)	(2,848)
Notional expenditure	6	(927)	(398)
Running costs	8	(45,279)	(34,794)
Campaign expenditure	9	-	-
Interest payable	10	(451)	(225)
Grants and payments to CLPs		(4,989)	(3,640)
Other	12	(3,167)	(2,324)
Total expenditure		(59,280)	(44,450)
(Deficit) / surplus before taxation	13	(652)	2,722
Taxation	14	(199)	-
(Deficit) / surplus for the year		(851)	2,722

Statements of comprehensive income and changes in equity for the year ended 31 December 2023

Statement of comprehensive income

	Notes	2023	2022
		£'000	£'000
(Deficit) / surplus for the year		(851)	2,722
Net investment gain / (loss)		78	(287)
Asset (losses) arising during the year		(3,211)	(67,850)
Liability gains arising during the year	23	(2,286)	63,059
Property revaluation gain		146	-
Total comprehensive (loss) / gain for the year		(6,124)	(2,356)

Statement of changes in equity

	General	Revaluation reserve	Total
	£'000	£'000	£'000
At 1 January 2022	13,621	1,137	14,758
Surplus for the year	2,722	-	2,722
Other comprehensive income:			
Actuarial loss on the pension scheme	(4,791)	-	(4,791)
Disposal of properties	-	-	-
Net investment loss	(287)	-	(287)
At 31 December 2022 and 1 January 2023	11,265	1,137	12,402
Loss for the year	(851)	-	(851)
Other comprehensive income:			
Actuarial loss on the pension scheme	(5,497)	-	(5,497)
Properties revaluation	-	146	146
Net investment gain	78	-	78
At 31 December 2023	4,995	1,283	6,278

The Notes on pages 13 to 21 form part of these financial statements

Consolidated balance sheet at 31 December 2023

	Notes	2023 £'000	2022 £'000
Fixed assets			
Intangible fixed assets	15	1,784	2,070
Tangible fixed assets	16	6,396	5,816
Investments	17	2,355	2,239
		10,535	10,125
Current assets			
Debtors and prepayments	18	4,961	4,194
Cash at bank and in hand		26,695	23,429
		31,656	27,623
Creditors: amounts falling due within one year			
Creditors, accruals and deferred income	19	(21,910)	(14,835)
Development fund loans	26	(11,044)	(10,891)
		(32,954)	(25,726)
Net current (liabilities) / assets		(1,298)	1,897
Total assets less current liabilities		9,237	12,022
Provisions for liabilities and charges	20	(785)	(414)
Net assets		8,452	11,608
Pension liability / (asset)	23	2,174	(795)
Reserves			
General reserve	21	4,995	11,266
Revaluation reserve	21	1,283	1,137
		8,452	11,608

The financial statements on pages 9 to 21 were approved by the National Executive Committee on the 15th July 2024 and signed on its behalf by:

David Evans
General Secretary and Registered Treasurer

Mike Payne
Party Treasurer

The Notes on pages 14 to 21 form part of these financial statements.

Consolidated cash flow statement for the year ended 31 December 2023

	Notes	2023 £'000	2022 £'000
Cash flows from operating activities			
(Deficit) / surplus for the year		(851)	2,722
Adjustments for:			
Depreciation and impairment charges		598	296
Gain on revaluation		146	-
Actuarial (losses) in pension scheme		(2,530)	(162)
		(2,637)	2,856
Movements in working capital			
(Increase) / decrease in trade and other receivables		(767)	(226)
Increase in trade and other payables		7,042	1,600
Increase in provisions for liabilities and charges		371	212
Cash used from operations		6,646	1,586
		4,009	4,442
Cash flows from investing activities			
Payments for fixed assets		(896)	(1,593)
Net cash used in investing activities		(896)	(1,593)
Net increase in cash and cash equivalents		3,113	2,850
Cash and cash equivalents at the beginning of the year		12,538	9,689
Cash and cash equivalents at the end of the year		15,651	12,538
Cash and bank balances		26,695	23,429
Development fund loans		(11,044)	(10,891)
		15,651	12,538

The Notes on pages 13 to 21 form part of these financial statements.

Notes to the financial statements

General information

The Labour Party is a political party registered with the Electoral Commission. The address of its registered office is disclosed on page 1.

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

1. Accounting policies

The financial statements have been prepared on the basis of historical cost as modified by the revaluation of land and buildings, and are in accordance with applicable accounting standards in the United Kingdom. The financial statements reflect the principles contained in the Statement of Accounts Guidance Notes issued by the Electoral Commission and in existence as at 5 May 2008.

The Party's accounting policies are set out below. These have been applied consistently.

The following principal accounting policies have been applied:

a. Income recognition

Income, which excludes value added tax, 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 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 at the same time. Income from legacies is recognised on receipt, except where notification is received before the year end and funds received after the year end.
- Membership fees are recognised in the income and expenditure account when received
- Government grants are recognised in the year in which the related expenditure is incurred (see note 5).

All other income including affiliation fees is recognised on an accruals basis.

b. Tangible fixed assets

Property assets comprise both freehold and leasehold land and buildings held as functional property or long-term investments by Labour Party Properties Limited.

Functional property is carried at fair value. This is based on the most recent professional valuation (which is carried out

at least every five years) or, if recently acquired, at cost, subject to an annual impairment review (carried out by the directors of Labour Party Properties Limited with the assistance of an expert third Party who is retained throughout the year). In addition, if the annual impairment reviews identify instances where the carrying value is materially different from the fair value then a full valuation will be conducted. Given the maintenance of the properties and the length of their estimated useful lives, or lease term no depreciation is charged as it is considered to be immaterial. The National Executive Committee (NEC) considers that this accounting policy results in the financial statements giving a true and fair view.

Investment properties are measured at fair value annually by the directors of Labour Party Properties Limited with the assistance of an expert third party with any change recognised in the consolidated income and expenditure account.

Long leasehold improvement assets are depreciated on a straight line basis over the period of the lease.

Office equipment is depreciated on a straight line basis over a period of 4 years.

No depreciation is charged on assets under construction until they are available for use.

Expenditure on other tangible assets is only considered for capitalisation if it amounts to £10,000 or more and its useful economic life can be reasonably estimated at the year end.

c. Intangible fixed assets

Intangible fixed assets are stated at cost, net of amortisation and any provision for impairment.

Amortisation is calculated to write off the cost of intangible fixed assets by equal annual instalments over their expected useful economic lives on the following basis:

- Software and other intangible assets: Over five year straight line

Amortisation is not charged on assets in the course of construction until they are complete.

d. Value added tax

The Party is registered for value added tax (VAT) purposes, but it is only liable on chargeable transactions. All items of income and expenditure are shown in the financial statements net of VAT. A partial exemption formula has been agreed with HM Revenue and Customs and VAT has been recovered. The value of VAT that is irrecoverable is included in "Other expenditure" (see note 12).

Notes to the financial statements

e. Pension costs

The Labour Party is responsible for the solvency of the Labour Party Superannuation Society, which is a defined benefit pension scheme (see note 23). Pension scheme assets are measured using market values. The present value of the defined benefit obligation was measured using the Projected Unit Credit Method.

Any pension scheme surplus (to the extent it is considered recoverable) or deficit is recognised in full and presented on the face of the balance sheet. The movement in the scheme surplus/deficit is split between operating charges, financing items and, in the statement of changes in equity, actuarial gains and losses.

f. Accounting estimates

The preparation of financial statements requires the use of estimates and assumptions about future conditions. This is especially important in the setting of bad and doubtful debt provisions. The NEC believes that it has examined all reasonably available information in assessing the recoverability of debtors and set the provision prudently.

g. Operating leases

Rentals payable and receivable under operating leases are charged or credited to the income and expenditure account on a straight-line basis over the terms of the leases.

h. Investments

Investments in non-quoted shares are normally valued at cost less provision for impairment.

Where investments are donated to the party the potential fair value is considered and if a reliable fair value can be determined the investment is recognised at its deemed cost, i.e. the fair value at the date of donation. If a sufficiently reliable fair value is not available for donated assets no cost is recognised.

Quoted investments are measured at market value and are revalued each year, with gains/losses being recognised in the statement of comprehensive income and changes in equity.

i. Key judgements and estimates

In the application of the Party's accounting policies, which are described in note 1, the NEC are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

- Pension liabilities – The Party recognises its asset or liability in respect of its defined benefit pension scheme which involves a number of estimations as disclosed in Note 22.
- Valuation of investment properties– The Party's investment properties are stated at their estimated fair value based on professional valuations as disclosed in Note 15.
- Dilapidation provision – The Party has provided for its possible liability in relation to its leasehold property which has been estimated as disclosed in Note 19.

j. Financial instruments

The Labour Party has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors.

Investment properties are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

At the balance sheet date the Party held financial assets at amortised cost of £30,151,000 (2022: £26,130,000) and Financial liabilities at amortised cost of £32,954,000 (2022: £25,726,000). The Party held financial assets at fair value through the income and expenditure accounts of £2,354,000 (2022: £2,239,000).

2. Basis of preparation

The Labour Party is constituted under section 26 of the Political Parties, Elections and Referendums Act 2000 as a central organisation with accounting units. The consolidated financial statements incorporate the results of the Labour Party central organisation, its subsidiary undertaking Labour Party Properties Limited, the Scottish Labour Party and the Wales Labour Party. The Scottish Labour Party is a separate accounting unit registered with the Electoral Commission and as such is required to file its own financial statements with the Electoral Commission, but as its management is integrated with that of the Labour Party's central organisation it is considered appropriate to reflect its results in the consolidated financial statements.

The consolidated financial statements do not include the results of other accounting units registered with the Electoral Commission except where Head Office undertakes accounting on behalf of certain accounting units or bears costs relating to accounting units, which are not then subsequently recharged to the accounting unit.

Notes to the financial statements

The income and expenditure account includes the consolidated results of the regional offices of the Labour Party, the Scottish Labour Party and the Wales Labour Party which contributed a surplus of £269,000 (2022: surplus of £433,000) to the result for the year. The consolidated results of the regional offices are produced from accounts that are prepared mainly on a cash accounting basis rather than an accruals basis. It is not considered that restatement of the results on to an accruals basis for the current and prior years would have a material impact on the result for the year.

The final accounting for the General Election on 4 July 2024 has not yet been completed however current information indicates that the actual and committed funding will cover the election expenditure.

The nature of the Party's operation is such that there can be considerable unpredictable variations in the timing of cash flows, and an as yet unknown impact of the General Election on key income streams such as membership. The financial projections of the Party indicate that the funding to be generated across all income streams will provide sufficient means for the Party to achieve its organisational and political objectives as well as service its debt for the foreseeable future. This work has indicated that adequate resources remain in place for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

Campaign expenditure in the consolidated statement of income and expenditure (2023: £nil, 2022: nil) represents the provisional estimate of the Party's expenditure in national elections as defined by the Political Parties, Elections and Referendums Act 2000 and reported to the Electoral Commission.

3. 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.

The taxation of each of the subsidiary companies under the control of the NEC is dealt with separately and a corporation tax liability arises on any adjusted income and expenditures as returned to HM Revenue and Customs.

4. Fundraising activities

	2023	2022
	£'000	£'000
Dinners	432	323
Other events	839	317
	1,271	640

5. Government grants

	2023	2022
	£'000	£'000
Short money	7,497	6,864
Policy Development Grant	432	437
	7,929	7,301

The Electoral Commission provides a Policy Development Grant for expenditure incurred in developing policies for inclusion in the Party's manifestos for elections to the Westminster, Scottish, European Parliament, and the Welsh Assembly and for local government elections in England, Scotland and Wales. Similar grants were payable to all the major political parties.

6. Notional income and expenditure

	2023	2022
	£'000	£'000
This comprises:		
Goods	42	69
Services	121	66
Seconded staff	764	263
	927	398

7. Investment Income

	2023	2022
	£'000	£'000
Sale of investments	-	-
Dividends Received	9	21
	9	21

8. Running costs

	2023	2022
	£'000	£'000
Staff related expenditure (see Note 11)	24,273	19,955
Building and premises	5,647	3,880
Depreciation and amortisation	598	296
Political activities and publishing	6,554	4,364
Administration	3,214	2,880
Finance, IT and telecommunication costs	4,993	3,419
	45,279	34,794

9. Campaign expenditure

	2023	2022
	£'000	£'000
Scottish Parliament election	-	-
Senedd election	-	-
	-	-

10. Interest payable

	2023	2022
	£'000	£'000
Development fund loans	451	225
	451	225

Notes to the financial statements

11. Employees

	2023	2022
	£'000	£'000
Staff related expenditure comprises:		
Wages and salaries	20,217	15,030
Social security costs	2,306	1,821
Other pension costs	3,706	3,180
Other costs	523	86
	26,752	20,117

The number of staff employed by the Party during the year comprises:

	Full time	Part time	Total
At 31 December 2023	494	39	533
At 31 December 2022	347	47	394
At 31 December 2021	286	45	331
Average for 2023	428	48	476
Average for 2022	317	46	363

The above figures include both head office and regional staff. The figures also include various persons employed on short-term contracts.

Key management personnel of the Party are members of the senior management and the total employment benefits of that group was £1,291,219 (2022: £1,181,000).

The termination payment for 2023 is £606,965 (2022: £401,589).

12. Irrecoverable VAT

	2023	2022
	£'000	£'000
Irrecoverable VAT expensed in the year	2,469	2,135

Irrecoverable VAT is included within Other Expenditure in the Income & Expenditure Account.

13. Deficit from Party activities before taxation

	2023	2022
	£'000	£'000
This has been arrived at after crediting / (charging):		
Property rentals receivable	66	114
Auditors' remuneration	(66)	(83)
- audit services		
- non audit services	(15)	(18)

Westminster Foundation for Democracy:

Project funding recognised during the year	(216)	(270)
Project expenditure supported by funding	216	270
Operating lease charge	(405)	(1,277)
- property		
- equipment	(157)	(189)

14. Taxation

	2023	2022
	£'000	£'000
<i>Current taxation</i>		
UK Corporation Tax	-	-
Adjustment for prior year tax payable	-	-
Tax on surplus on Party activities	-	-

The difference between the actual and expected current tax charge is explained below:

	2023	2022
	£'000	£'000
(Deficit) / surplus from Party activities before taxation	(652)	2,466
Tax on (loss)/profit at 23.5 % (2022: 19 %)	(153)	517
<i>Effects of:</i>		
Difference between non-taxable income and non-deductible expenses	352	(516)
Adjustment for prior year tax payable	-	-
Movement in deferred tax not provided	-	(1)
	199	-

If all of the property assets were sold at their balance sheet values it is estimated that a tax liability of £118,500 (2022: £82,000) would arise. However, no sales that may give rise to a significant tax liability are envisaged in the foreseeable future.

A deferred tax liability of £36,000 (2022: £36,000 liability) has not been recognised. This arises primarily from timing differences between the net book value of assets qualifying for capital allowances and their tax written down value.

Notes to the financial statements

15. Intangible fixed assets

Cost at 1 January 2023	Additions / (disposals)	Transfers	Cost at 31 December 2023	Amortisation At 1 January 2023	Charge for year	Amortisation at 31 December 2023	Net book value at 31 December 2023
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2,311	235	-	2,546	(241)	(521)	(762)	1,784

16. Tangible fixed assets

	Freehold investment properties	Other freehold & leasehold properties	Office equipment	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 January 2023	2,868	2,916	477	6,261
Additions	-	-	512	512
Transfers	-	-	-	-
Revaluation Gain/ Loss	74	72	-	146
At 31 December 2023	2,942	2,988	989	6,919
Depreciation				
At 1 January 2023	-	-	(445)	(445)
Charge for year	-	-	(78)	(78)
At 31 December 2023	-	-	(523)	(523)
Net book value at 31 December 2023	2,942	2,988	466	6,396
Net book value at 31 December 2022	2,868	2,916	32	5,816

The historic cost for all properties is £5,521,000 (2022: £5,521,000). The most recent professional open market valuations were carried out as at 31 March 2024 by Jones Shackel Oldham Chartered Surveyors. Properties are subject to an annual impairment review in accordance with note 1b.

Notes to the financial statements

17. Investments

Listed & fund investments	2023	2022
	£'000	£'000
At 1 January 2023	2,239	2,507
Net additions / (withdrawals)	38	19
Fair value adjustment	78	(287)
At 31 December 2023	2,355	2,239

18. Debtors and prepayments

	2023	2022
	£'000	£'000
Stocks	100	-
Trade debtors	1,973	1,086
Prepayments	1,506	1,493
Accrued income	489	415
Other debtors	893	1,200
	4,961	4,194

19. Creditors, accruals and deferred income

	2023	2022
	£'000	£'000
Trade creditors	1,266	1,822
Taxation and social security	2,374	1,144
Other creditors	12,734	9,421
Accruals	5,536	2,448
	21,910	14,835

20. Provisions for liabilities and charges

	2023	2022
	£'000	£'000
Dilapidations	-	26
Onerous Lease provision	586	-
Discretionary pension uplift	-	388
Corporation Tax Provision	199	-
	785	414

21. Reserves

The revaluation reserve comprises both the revaluation gains recognised on functional properties and the fair value gains on investment properties.

Following the disposal of properties in 2019, the revaluation reserve was reviewed and adjusted to correctly reflect the treatment of the revaluations undertaken in recent years on the properties sold along with the other properties still

held. This resulted in an update to the revaluation reserve with comparative figures and opening position updated accordingly.

22. Subsidiary companies

The following are the subsidiary companies controlled by the NEC of the Party during 2022:

<i>Name</i>	<i>Nature of business</i>	<i>Country of incorporation</i>	<i>Proportion of voting rights held</i>
Labour Party Properties Limited	Property management and investment	England and Wales	100%
Labour Party Nominees Limited	Property trustee (non trading)	England and Wales	100%

All trading activities of all the Party's subsidiaries are located, and their income generated, entirely in the United Kingdom.

The statutory financial statements of each of the above companies are produced separately to these financial statements.

23. Pension fund

Introduction

The Party sponsors a funded defined benefit pension plan for qualifying UK employees, the Labour Party Superannuation Society. The Society is a multi-employer scheme and the Party is responsible for the majority of the Society liabilities. The disclosures below are in respect of the whole Society. The level of benefits provided by the Society depends on a member's length of service and their salary at their date of leaving the Society.

Funding requirements

UK legislation requires that pension schemes are funded prudently. The last funding valuation of the Society was carried out by a qualified actuary as at 31 December 2020 and showed a deficit of £5.2M on a Technical Provisions basis. The Party is paying a deficit contributions of £100,000 by 30 June 2023 and £200,000 p.a. from 1 July 2023 until 31 October 2027 with a final payment of £3,330 in November 2027 which, along with assumed investment returns, are expected to make good this shortfall by November 2027. The next funding valuation is due no later than 31 December 2023, at which progress towards full-funding will be reviewed.

From 1 February 2023 the Party also pays contributions of 32.5% of pensionable salaries in respect of current accrual, with active members paying a further 9% of pensionable salaries until 30 November 2023. This includes an allowance for expenses.

Notes to the financial statements

23. Pension fund

From 1 December 2023, the Party will pay contributions of 29.5% of pensionable salaries in respect of current accrual, with active members paying a further 12% of pensionable salaries until 31 October 2029. This includes an allowance for expenses.

The principal assumptions used to calculate the liabilities under FRS 102 are set out below:

Main Financial Assumptions

	2023	2022
Discount rate for society liabilities	4.50%	4.70%
Rate of general long term increase in salaries	n/a	n/a
Future CARE revaluations	2.50%	2.50%
RPI inflation	3.20%	3.40%
CPI inflation	2.90%	3.00%
Pension increases pre April 1997	0.00%	0.00%
Pension increases April 1997 to April 2005	2.80%	2.90%
Pension increases post April 2005	2.00%	2.00%

The mortality base tables adopted are 99% (2022 99%) of S3PMA "middle" tables for males and 101% (2022 101%) of S2PFA tables for females, with CMI2022 [Sk=7.0] projections. and a long term rate of improvement of 0.25% each year.

Under these assumptions, members aged 60 now are expected to live for a further 25.9 years (2022 26.4 years) if they are male and a further 28.5 years (2022 29.0 years) if they are female. Members currently aged 45 are expected to live for a further 27.2 years (2022 27.8 years) from age 60 if they are male and for a further 30 years (2022 30.4 years) from age 60 if they are female.

Members are assumed to take 25% of their pension as a tax-free lump sum, using commutation factors currently in force.

Asset breakdown as at 31 December 2023

Main asset categories	£'000
Equities	17,134
Cash	1,396
Growth fund	1,971
Liquid alternatives	7,983
Corporate bonds	10,088
Hedging assets	32,645
Total	71,217

Asset breakdown as at 31 December 2022

Main asset categories	£'000
Equities	13,944
Cash	3,257
Growth fund	1,990

Liquid alternatives	10,492
Corporate bonds	10,694
Hedging assets	29,095
Total	69,472

None of the Society assets are in property occupied by, or other assets used by, the Party.

Actual return on Society assets

	2023	2022
	£'000	£'000
Interest income on Society assets	3,315	2,423
Gain on Society assets	(3,211)	(67,850)
Actual return on Society assets	104	(65,427)

Reconciliation of funded status to balance sheet

	2023	2022
	£'000	£'000
Fair value of Society assets	71,217	69,472
Present value of funded Defined Benefit Obligation	(73,389)	(68,677)
Funded status	(2,172)	795
Unrecognised asset	-	-
(Liability)/asset recognised on the balance sheet	(2,172)	795

Changes in Defined Benefit Obligation over the year

	2023	2022
	£'000	£'000
Opening Defined Benefit Obligation	68,677	128,462
Current service cost	622	4,575
Interest expense on DBO	3,208	2,342
Contributions by Society participants	955	547
Actuarial losses/(gains) on liabilities	2,286	(63,059)
Net benefits paid out	(2,359)	(2,215)
Past service cost	-	(1,975)
Closing Defined Benefit Obligation	73,389	68,677

Notes to the financial statements

23. Pension fund

Changes to fair value of the Society assets during the year

	2023 £'000	2022 £'000
Opening fair value of Society assets	69,472	133,885
Interest income on Society assets	3,315	2,423
Gains on Society assets	(3,211)	(67,850)
Contributions by the employer	3,544	3,125
Contributions by Society participants	955	547
Net benefits paid out	(2,359)	(2,215)
Administration costs incurred	(499)	(443)
Closing fair value of Society assets	71,217	69,472

Income & expenditure and comprehensive income

	2023 £'000	2022 £'000
Operating cost:		
Current service cost	622	4,575
Past service cost	-	(1,975)
Administration expenses	499	443
Past service cost(including curtailments)	-	-
Financing cost:		
Interest on net defined benefit (assets)	(107)	(81)
Expense recognised in income and expenditure	1,014	2,962
Remeasurements in OCI:		
Return on society assets above that recognised in net interest	3,211	67,850
Loss arising during the year	2,286	(63,059)
Change in effect of the asset ceiling	-	-
Total amount recognised in OCI	5,497	4,791
Total amount recognised in income & expenditure and OCI	6,511	7,753

24. Contingencies and commitments

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

	2023 £'000	2022 £'000
Operating leases payable:		
Within one year	1,083	213
In the second to fifth years inclusive	4,699	90
In more than five years	5,230	-
	11,012	303

The above operating leases relate to lease rental commitments for leasehold land and buildings, equipment and vehicles. Any rent-free periods granted by the lessors have been recognised over the total period of the lease.

The Party is subject to legal claims as a consequence of the unauthorised publication of a report in 2020 and is defending itself against such claims. While investigations are ongoing the outcome of any case is unknown. It is not possible to estimate the potential cost should the Party be unsuccessful in defending these claims or the timing of any payments.

25. Reconciliation of the operating deficit to inflow from operating activities

	2023 £'000	2022 £'000
(Deficit) / surplus for the year	(851)	2,722
Depreciation and impairment charges	598	296
Gain on property revaluation	146	-
Interest payable	-	-
(Decrease) in trade and other receivables	(767)	(226)
Increase in trade and other payables	7,042	1,600
Actuarial (loss) on pension scheme	(2,530)	(162)
Interest paid	-	-
Increase in provisions for liabilities and charges	371	212
Net cash flow from operating activities	4,009	4,442

Notes to the financial statements

26. Related Party transactions

The Party has entered into the following transactions with its affiliated (non-consolidated) accounting units:

Development fund loans	£'000
Loans payable at 1 January 2023	10,891
Additional loans made available	385
Loans repaid	(232)
Loans payable at 31 December 2023	11,044

All development fund loans are made available to the Party on commercial terms. Corresponding sums are held in cash deposits.

The Party also provides Constituency Labour Parties, all of which are accounting units, with a proportion of the membership revenues which are raised centrally.