

---

**THE SCOTTISH LABOUR PARTY**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

**ANDERSON ANDERSON & BROWN AUDIT LLP**

Chartered Accountants  
133 Finnieston Street  
Glasgow  
G3 8HB

# **THE SCOTTISH LABOUR PARTY**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2023**

<b>CONTENTS</b>	<b>PAGE</b>
Party Officers and Advisors	1
Report of the Party Officers	2
Statement of Registered Treasurer's Responsibilities	3
Report of the Independent Auditors	4-6
Income and Expenditure Account	7
Balance Sheet	8
Statement of Cash Flows	9
Notes to the Financial Statements	10-16

# THE SCOTTISH LABOUR PARTY

## PARTY OFFICERS AND ADVISORS

### Party Officers:

	<b>Tenure</b>
Scott Arthur	Chairperson (appointed April 2023)
Karen Whitefield	Chairperson (resigned April 2023)

---

Simone Macfarlane	Vice Chairperson (appointed April 2023)
Scott Arthur	Vice Chairperson (resigned April 2023)

Cara Hilton	Treasurer (appointed May 2022)
-------------	--------------------------------

John Paul McHugh	Scottish General Secretary Registered Treasurer (appointed April 2023)
James Kelly	Scottish General Secretary Registered Treasurer (resigned April 2023)

### Party Headquarters:



### Auditors:

Anderson Anderson & Brown Audit LLP  
Chartered Accountants  
133 Finnieston Street  
Glasgow  
G3 8HB

### Bankers:

Bank of Scotland



The Co-Operative Bank plc



Unity Trust Bank plc



## **THE SCOTTISH LABOUR PARTY**

### **REPORT OF PARTY OFFICERS**

**YEAR ENDED 31 DECEMBER 2023**

#### **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's business. The Terms of Reference for each committee are contained within the party's constitution.

Scottish Executive Committee  
Local Government Committee  
Scottish Policy Forum  
Women's Committee  
Organisation Sub Committee  
Equality and Diversity Committee

#### **Staffing**

The key permanent member of staff is John Paul McHugh who is the Scottish General Secretary and the Registered Treasurer.

#### **Conferences**

The party's 2023 annual conference took place from 17-19 February 2023 at the Assembly Rooms, Edinburgh.

#### **Policy Development**

The party's Scottish Policy Forum continues its policy development and engagement programme, which will be key to the party's manifesto in the 2026 Scottish Parliament elections.

#### **Elections**

Rutherglen & Hamilton West Westminster by-election, held on 5 October 2023.

#### **Financial Review**

Total income for the year was £1,021,122  
Total expenditure was £565,478

## THE SCOTTISH LABOUR PARTY

### STATEMENT OF REGISTERED TREASURER'S RESPONSIBILITIES

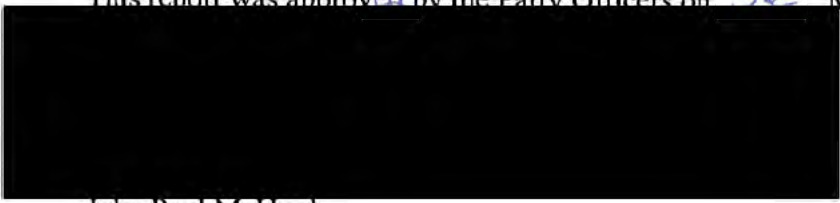
The Registered Treasurer is responsible for preparing the Party Officers' Annual Report and the financial statements in accordance with applicable law and regulations.

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 (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 judgements 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 3rd May 2024.



John Paul McHugh  
Registered Treasurer

## **THE SCOTTISH LABOUR PARTY**

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

#### **Opinion**

We have audited the financial statements of The Scottish Labour Party for the year ended 31 December 2023 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the 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 party's affairs as at 31 December 2023 and of its surplus 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.

#### **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 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Registered Treasurer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Registered Treasurer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the party's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## THE SCOTTISH LABOUR PARTY

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

#### Other information

The Registered Treasurer is responsible for the other information. The other information comprises the information included in the annual 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 we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Registered Treasurer's responsibilities statement, 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, and for such internal control as the Registered Treasurer determines 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 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 party or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

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 are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations – this responsibility lies with management with the oversight of the Registered Treasurer.

Based on our understanding of the party, discussions with management and registered treasurer we identified financial reporting standards and Political Party, Elections and Referendums Act 2000 as having a direct effect on the amounts and disclosures in the financial statements.

## THE SCOTTISH LABOUR PARTY

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

As part of the engagement team discussion about how and where the party's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- completing a risk-assessment process during our planning for this audit that specifically considered the risk of fraud;
- enquiry of management about the party's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review, where applicable, of the Board minutes;
- enquiry of management, about litigations and claims and inspection of relevant correspondence
- analytical procedures to identify any unusual or unexpected relationships;
- specific audit testing on and review of areas that could be subject to management override of controls and potential bias, most notably around the key judgements and estimates, including the carrying value recoverability of trade debtors and revenue recognition;
- considering management override of controls outside of the normal operating cycles including testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements including evaluating the business rationale of significant transactions, outside the normal course of business;

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the party's 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 party and the Registered Treasurer for our audit work, for this report, or for the opinions we have formed.

  
Anderson Anderson & Brown Audit LLP

Statutory Auditor

Glasgow

Dated: 20 May 2024

Anderson Anderson & Brown Audit 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 2023**

	Notes	2023 £	2022 £
<b>Income</b>			
Non campaign donation income		68,282	44,462
Campaign donation income		486,943	464,325
Other campaign income		10,758	30,822
Membership and subscription fees	3	72,600	99,381
Fundraising	6	32,980	63,050
Conferences		117,951	69,804
Investment income	7	3	1
Notional income	8	-	2,154
National Party Contribution		231,605	-
<b>Total income</b>		<b>1,021,122</b>	<b>773,999</b>
<b>Expenditure</b>			
Cost of fundraising		28,969	19,227
Campaign expenditure		304,087	687,571
Staff costs	4	51,427	29,502
Management and administration costs		50,287	69,696
Notional expenditure		-	2,154
Conferences		130,708	89,636
<b>Total expenditure</b>		<b>565,478</b>	<b>897,786</b>
<b>Surplus/(Deficit) before taxation</b>		<b>455,644</b>	<b>(123,787)</b>
Taxation	2	-	-
<b>Surplus/(Deficit) for the year</b>	<b>11</b>	<b>455,644</b>	<b>(123,787)</b>

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 10 to 16 form part of these financial statements


# THE SCOTTISH LABOUR PARTY

## BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	2022 £
<b>Current assets</b>			
Debtors	9	103,305	37,104
Cash at bank and in hand		590,598	138,573
		<u>693,903</u>	<u>175,677</u>
<b>Less:-</b>			
<b>Current liabilities</b>			
Creditors: Amount falling due within one year	10	(344,986)	(282,404)
		<u>348,917</u>	<u>(106,727)</u>
<b>Total assets less current liabilities</b>			
		<u><u>348,917</u></u>	<u><u>(106,727)</u></u>
<b>Reserves</b>			
General fund	11	<u><u>348,917</u></u>	<u><u>(106,727)</u></u>

The financial statements were approved by the Party Officers on 3 May 2024.

 Registered Treasurer

The notes on pages 10 to 16 form part of these financial statements

**THE SCOTTISH LABOUR PARTY**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	£	£
<b>Cash flows from operating activities</b>		
Surplus/(Deficit) before tax	455,644	(123,787)
Adjustment for;		
Bank interest	-	-
	<u>455,644</u>	<u>(123,787)</u>
Movements in working capital		
(Increase) in trade and other receivables	(66,201)	(9,457)
Increase/(Decrease) in trade and other payables	62,582	(17,499)
Net cash generated by operating activities	<u>452,025</u>	<u>(150,743)</u>
<b>Cash flows from financing activities</b>		
Bank interest	-	-
Net cash generated by financing activities	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	452,025	(150,743)
Cash and cash equivalents at the beginning of the year	<u>138,573</u>	<u>289,316</u>
Cash and cash equivalents at the end of the year	<u>590,598</u>	<u>138,573</u>
Cash and bank balances	<u>590,598</u>	<u>138,573</u>

## **THE SCOTTISH LABOUR PARTY**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **YEAR ENDED 31 DECEMBER 2023**

##### **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 2023.

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 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.
- 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 2023

#### 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**

In consideration of the available reserves as at 31 December 2023 and the budgeted results for the subsequent accounting period The Labour Party has confirmed that it will provide financial assistance to The Scottish Labour Party as required to allow The Scottish Labour Party to meet its liabilities as they fall due, for a period of at least twelve months from the date of signing of the financial statements.

Based upon the undertaking of financial support outlined above the Treasurer has a reasonable expectation that the party has adequate resources to continue its activities for the foreseeable future. Accordingly, the Treasurer has adopted the going concern basis in preparing the financial statements.

## **THE SCOTTISH LABOUR PARTY**

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

**YEAR ENDED 31 DECEMBER 2023**

#### **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 2023 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 2023

#### 4. PARTICULARS OF EMPLOYEES

	2023	2022
	£	£
Gross Salaries	35,231	23,483
National Insurance Costs	3,886	1,771
Pension Costs	11,332	4,072
Staff Expenses	<u>978</u>	<u>176</u>
	<u>51,427</u>	<u>29,502</u>

In 2023 the Scottish Labour Party made a contribution to two employees' salary costs (2022: 9 employees), all other staff costs were paid by the National Labour Party.

£Nil of the total costs detailed above have been included within the Campaign expenditure as shown in the Income & Expenditure Account on page 7, (2022: Nil).

Pension Costs included in the above contributions to salary costs are in respect of contributions to The Labour Party Superannuation Society, a funded society of the defined type. As all contracts of employment are between employees and the National Labour Party, no account is made in these financial statements of any pension asset or liability in respect of this scheme.

#### 5. (DEFICIT)/SURPLUS BEFORE TAX

	2023	2022
	£	£
This has been arrived after charging :-		
Auditors' remuneration – audit services	-	-
Operating lease charges – equipment	<u>1,368</u>	<u>1,368</u>

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

**THE SCOTTISH LABOUR PARTY**

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

**YEAR ENDED 31 DECEMBER 2023**

**6. FUNDRAISING ACTIVITIES**

2023	2022
£	£

Fundraising and Business Events	32,980	63,050
---------------------------------	--------	--------

<u>32,980</u>	<u>63,050</u>
---------------	---------------

**7. INVESTMENT INCOME**

2023	2022
£	£

Interest receivable	3	1
---------------------	---	---

<u>3</u>	<u>1</u>
----------	----------

**8. NOTIONAL INCOME**

2023	2022
£	£

Relating to Elections :-

Local Elections	-	2,154
-----------------	---	-------

National Elections	-	-
--------------------	---	---

Unrelated to Elections	<u>          </u>	<u>          </u>
------------------------	-------------------	-------------------

<u>-</u>	<u>2,154</u>
----------	--------------

**9. DEBTORS**

2023	2022
£	£

Trade Debtors	38,055	13,921
---------------	--------	--------

Other Debtors	65,250	23,183
---------------	--------	--------

<u>103,305</u>	<u>37,104</u>
----------------	---------------

<u>103,305</u>	<u>37,104</u>
----------------	---------------

**THE SCOTTISH LABOUR PARTY**

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

**YEAR ENDED 31 DECEMBER 2023**

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade Creditors	4,775	1,626
Other Creditors	330,033	261,212
Accruals	10,178	19,566
	<u>344,986</u>	<u>282,404</u>
	<u><u>344,986</u></u>	<u><u>282,404</u></u>

**11. RESERVES**

	<b>General Fund £</b>
As at 1st January	(106,727)
Transfer Income and Expenditure Account	455,644
	<u>348,917</u>
	<u><u>348,917</u></u>

**12. COMMITMENTS UNDER OPERATING LEASES**

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Within one year	342	1,368
After one year but within five years	-	342
	<u>342</u>	<u>1,710</u>
	<u><u>342</u></u>	<u><u>1,710</u></u>

**THE SCOTTISH LABOUR PARTY**

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

**YEAR ENDED 31 DECEMBER 2023**

**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.

**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.