

The Labour Party

Financial statements for the year ended 31 December 2025

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Registered Party officers

Leader Rt Hon Keir Starmer MP

Treasurer Hollie Ridley

Nominating Officer Andrew Whyte

Deputy Treasurer Andrew Whyte

Deputy Treasurer Joe Lock

Deputy Treasurer Catherine Watson

Registered address 20 Rushworth Street, London, SE1 0SS

Treasurers' report

We are pleased to present the financial statements for the year ended 31 December 2025.

The year under review represents the first full year since the 2024 general election, recognising both the opportunities and constraints associated with this phase of the electoral cycle. As expected, the Party has operated within a tighter financial environment following the general election, with income returning to more typical levels and the composition of funding evolving accordingly. These changes underline the importance of maintaining strong financial discipline and forward planning.

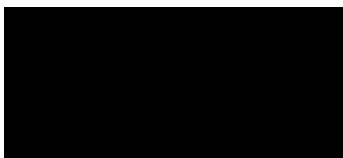
Despite this environment, the Party has demonstrated resilience across its core income streams, supported by the continued commitment of members, affiliates and supporters. Party Conference performed strongly and exceeded expectations, reflecting both effective delivery and sustained engagement. Our focus remains on ensuring that activities generate sustainable returns and contribute to the Party's longer-term financial position.

Expenditure has been actively managed to reflect the transition away from a general election footing. This has included continued efforts to rebalance the cost base, align resources appropriately and ensure that spending is prioritised in support of core objectives. This disciplined approach supports the delivery of the organisation's key priorities to develop and build the organisation for future campaigns while maintaining appropriate financial control.

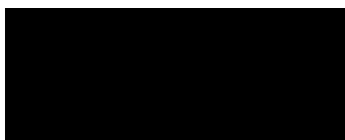
The Party recognises that further progress is needed to achieve its ambition of long-term financial sustainability. However, the current financial position shows signs of recovery. Improved financial controls and greater organisational discipline have strengthened our ability to manage future financial pressures.

Looking ahead, we expect the financial environment to remain challenging, with increasing pressure being placed on operations and delivery. In response, we will focus on growing and diversifying income streams while improving efficiency across the organisation. This will include making better use of technology, streamlining processes, and investing in the people and capabilities needed to support long-term delivery, income growth and electoral success.

As always, we extend our thanks to all those who support the Party's work, including members, affiliates, donors, volunteers, commercial partners and staff. Their continued commitment underpins the Party's ability to deliver its objectives and sustain its organisational strength.



Hollie Ridley
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 2025.

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, Risk and Compliance Committee	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:

labour.org.uk/people/

scottishlabour.org.uk/people/

welshlabour.wales/people/

Membership

As at 31 December 2025 the total individual membership of the Party was 264,754 (2024: 333,235).

Accounting units

As at 31 December 2025 the Party had 844 (2024: 857) 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 2025 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 2025 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 commercial income and completeness of donation, membership, affiliation 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 and assessing cut-off of donation, affiliation and commercial income and reconciling income streams, including membership income, to source data, 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
3 July 2026

Consolidated income and expenditure account for the year ended 31 December 2025

	Notes	2025 £'000	2024 £'000
Income			
Donations		6,485	39,427
Membership		15,268	18,321
Affiliations		4,727	4,921
Fundraising	4	1,740	2,194
Commercial income		11,691	13,489
Legacies		159	861
Interest receivable		134	306
Government grants	5	350	4,063
Notional income	6	640	3,025
Other income		3,403	4,137
Profit on sale of fixed assets		411	-
Investment Income	7	4	4
Total income		45,012	90,748
Expenditure			
Costs of fundraising		(287)	(175)
Costs of commercial activity		(5,936)	(6,434)
Notional expenditure	6	(640)	(3,025)
Running costs	8	(36,971)	(51,497)
Campaign expenditure	9	-	(27,152)
Interest payable	10	(461)	(500)
Grants and payments to CLPs		(1,259)	(2,131)
Other	12	(2,015)	(3,595)
Total expenditure		(47,569)	(94,509)
Deficit before taxation	13	(2,557)	(3,761)
Taxation	14	-	-
Deficit for the year		(2,557)	(3,761)

Statements of comprehensive income and changes in equity for the year ended 31 December 2025

Statement of comprehensive income

	Notes	2025 £'000	2024 £'000
Deficit for the year		(2,557)	(3,761)
Net investment gain	17	125	119
Asset losses / (gains) arising during the year	23	18	(11,000)
Liability gains arising during the year	23	4,086	13,041
Property revaluation (loss) / gain	16	(545)	-
Total comprehensive gain / (loss) for the year		1,127	(1,601)

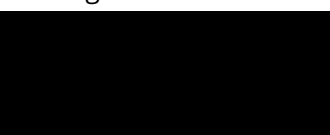
Statement of changes in equity

	General £'000	Revaluation reserve £'000	Total £'000
At 1 January 2024	4,995	1,283	6,278
Deficit for the year	(3,761)	-	(3,761)
Other comprehensive income:			
Actuarial gain on the pension scheme	2,041	-	2,041
Net investment gain	119	-	119
At 31 December 2024 and 1 January 2025	3,394	1,283	4,677
Deficit for the year	(2,557)	-	(2,557)
Other comprehensive income:			
Actuarial gain on the pension scheme	4,104	-	4,104
Properties revaluation		(545)	(545)
Properties revaluation transfer	(446)	446	-
Net investment gain	125	-	125
At 31 December 2025	4,620	1,184	5,804

Consolidated balance sheet at 31 December 2025

	Notes	2025 £'000	2024 £'000
Fixed assets			
Intangible fixed assets	15	419	413
Tangible fixed assets	16	3,965	6,309
Investments	17	2,599	2,474
		6,983	9,196
Current assets			
Due after more than one year			
Pension asset	23	6,921	2,273
Due within one year			
Debtors and prepayments	18	4,599	7,171
Cash at bank and in hand		14,006	12,579
		25,526	22,023
Creditors: amounts falling due within one year			
Creditors, accruals and deferred income	19	(11,548)	(14,840)
Development fund loans	26	(14,157)	(11,640)
		(25,705)	(26,480)
Net current liabilities		(179)	(4,457)
Total assets less current liabilities		6,804	4,739
Provisions for liabilities and charges	20	(1,000)	(62)
Net assets		5,804	4,677
Reserves			
General reserve	21	4,620	3,394
Revaluation reserve	21	1,184	1,283
		5,804	4,677

The financial statements on pages 9 to 20 were approved by the National Executive Committee on 3 July 2026 and signed on its behalf by:



Hollie Ridley
General Secretary and Registered Treasurer



Mike Payne
Party Treasurer

Consolidated cash flow statement for the year ended 31 December 2025

	Notes	2025 £'000	2024 £'000
Cash flows from operating activities			
Deficit for the year		(2,557)	(3,761)
Adjustments for:			
Depreciation, amortisation and impairment charges		537	1,580
Gain on sale of fixed assets		(411)	-
Difference between pension charge and cash contributions		(544)	(2,404)
		<u>(2,975)</u>	<u>(4,585)</u>
Movements in working capital			
Decrease/(increase) in trade and other receivables		2,572	(2,210)
Decrease in trade and other payables		(3,292)	(7,072)
Increase/(decrease) in provisions for liabilities and charges		938	(723)
Cash provided/(used) from operations		<u>218</u>	<u>(10,005)</u>
		<u>(2,757)</u>	<u>(14,590)</u>
Cash flows from investing activities			
Proceeds from sale of fixed assets		2,065	-
Payments for fixed assets		(398)	(122)
Net cash provided/(used) in investing activities		<u>1,667</u>	<u>(122)</u>
Net decrease in cash and cash equivalents		(1,090)	(14,712)
Cash and cash equivalents at the beginning of the year		939	15,651
Cash and cash equivalents at the end of the year		<u>(151)</u>	<u>939</u>
Cash and bank balances		14,006	12,579
Development fund loans		(14,157)	(11,640)
		<u>(151)</u>	<u>939</u>

The Notes on pages 13 to 20 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 £3,000 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 Pension Scheme, 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, and 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 23.
- Valuation of investment properties– The Party's investment properties are stated at their estimated fair value based on professional valuations as disclosed in Note 16.

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 £18,530,422 (2024: £18,935,398) and Financial liabilities at amortised cost of £25,704,962 (2024: £26,479,767). The Party held financial assets at fair value through the income and expenditure accounts of £2,599,358 (2024: £2,473,213).

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.

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 deficit of £118,482 (2024: deficit of £309,344) to the result for the year. The consolidated results of the regional offices are

Notes to the financial statements

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.

Campaign expenditure in the consolidated statement of income and expenditure (£nil 2025, £27,152,447 in 2024) represents the Party's expenditure in national elections, as defined by the Political Parties, Elections and Referendums Act 2000 and reported to the Electoral Commission.

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.

In assessing the appropriateness of this basis, the Registered Treasurer has considered the financial forecasts and cashflow projections for a period of at least 12 months from the date of approval of these accounts.

The forecasts have been stress tested to assess the financial impact of different scenarios, with particular emphasis on membership income, which remains a key driver of the Party's financial performance, and the assumptions underpinning planned expenditure and cost management.

Based on the cashflow, liquidity and reserves forecasts, alongside the results of stress testing, the Registered Treasurer has concluded that there are no material uncertainties regarding the Party's ability to continue as a going concern.

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

	2025	2024
	£'000	£'000
Dinners	360	140
Other events	1,380	2,054
	1,740	2,194

5. Government grants

	2025	2024
	£'000	£'000
Short money	14	3,630
Policy Development Grant	336	433
	350	4,063

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

	2025	2024
	£'000	£'000
This comprises:		
Goods	88	945
Services	385	766
Seconded staff	167	1,314
	640	3,025

7. Investment Income

	2025	2024
	£'000	£'000
Dividends received	4	4

8. Running costs

	2025	2024
	£'000	£'000
Staff related expenditure (see Note 11)	20,937	27,795
Building and premises	3,186	4,296
Depreciation and amortisation	537	1,580
Political activities and publishing	3,628	9,216
Administration	1,992	2,250
Finance, IT and telecommunication costs	6,691	6,360
	36,971	51,497

9. Campaign expenditure

	2025	2024
	£'000	£'000
UK General Election	-	27,152

10. Interest payable

	2025	2024
	£'000	£'000
Development fund loans	461	500

Notes to the financial statements

11. Employees

	2025 £'000	2024 £'000
Staff related expenditure comprises:		
Wages and salaries	17,396	23,604
Social security costs	2,247	2,838
Other pension costs	1,624	3,541
Other costs	214	216
	21,481	30,199
Difference between pension charge and cash contributions	(544)	(2,404)
	20,937	27,795

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

	Full time	Part time	Total
At 31 December 2025	331	40	371
At 31 December 2024	315	28	343
At 31 December 2023	494	39	533
Average for 2025	319	32	351
Average for 2024	497	40	537

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 £1,076,117 (2024: £1,389,447).

The termination payment for 2025 is £440,791 (2024: £1,758,991).

12. Irrecoverable VAT

	2025 £'000	2024 £'000
Irrecoverable VAT expensed in the year	1,840	3,238

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

13. Deficit from Party activities before taxation

	2025 £'000	2024 £'000
This has been arrived at after crediting / (charging):		
Property rentals receivable	67	59

Auditors' remuneration

- audit services	(96)	(140)
- prior year under accrual	(15)	(118)
	(111)	(258)
- non audit services	(18)	(47)

Westminster Foundation for Democracy:

Project funding recognised during the year

(188) (368)

Project expenditure supported by funding

188 368

Operating lease charge

- property	(777)	(1,068)
- equipment	(247)	(224)

14. Taxation

	2025 £'000	2024 £'000
Current taxation		
UK Corporation Tax payable	-	-
Tax on deficit on Party activities	-	-

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

	2025 £'000	2024 £'000
Deficit from Party activities before taxation	(2,557)	(3,761)
Tax on loss at 25%	(639)	(940)
Effects of:		
Difference between non-taxable income and non-deductible expenditure	639	940
Movement in deferred tax not provided	-	-
Tax on deficit on Party Activities	-	-

If all of the property assets were sold at their balance sheet values it is estimated that a tax liability of £nil (2024: £118,500) would arise. However, no sales that may give rise to a significant liability are envisaged at this time.

A deferred tax liability of £36,000 (2024: £36,000 liability) has not been recognised. This asset 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

	£'000
Cost	
At 1 January 2025	2,601
Additions	398
Disposals	(2,446)
At 31 December 2025	553
Amortisation and impairment	
At 1 January 2025	(2,188)
Amortisation charge for year	(392)
Amortisation on disposals	2,446
At 31 December 2025	(134)
Net book value	
At 31 December 2025	419
At 31 December 2024	413

16. Tangible fixed assets

	Freehold investment properties	Other freehold & leasehold properties	Office equipment	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 January 2025	2,942	2,988	1,056	6,986
Additions	-	-	-	-
Disposals	(1,014)	(640)	-	(1,654)
Revaluation	-	(545)	-	(545)
At 31 December 2025	1,928	1,803	1,056	4,787
Depreciation				
At 1 January 2025	-	-	(677)	(677)
Charge for year	-	-	(145)	(145)
At 31 December 2025	-	-	(822)	(822)
Net book value				
At 31 December 2025	1,928	1,803	234	3,965
At 31 December 2024	2,942	2,988	379	6,309

The historic cost for all properties is £3,772,000 (2024: £5,521,000). The most recent professional open market valuations were carried out as at 31 March 2025 by White Druce & Brown Property Consultants. Properties are subject to an annual impairment review in accordance with note 1b.

Notes to the financial statements

17. Investments

Listed & fund investments	2025	2024
	£'000	£'000
At 1 January	2,474	2,355
Net additions / (withdrawals)	-	-
Fair value adjustment	125	119
At 31 December	2,599	2,474

18. Debtors and prepayments

	2025	2024
	£'000	£'000
Stocks	74	57
Trade debtors	2,351	3,664
Prepayments	813	815
Accrued income	974	1,859
Other debtors	387	776
	4,599	7,171

19. Creditors, accruals and deferred income

	2025	2024
	£'000	£'000
Trade creditors	2,100	2,986
Taxation and social security	528	1,365
Other creditors	5,090	5,752
Accruals and deferred income	3,830	4,737
	11,548	14,840

20. Provisions for liabilities and charges

	2025	2024
	£'000	£'000
Legal provision	1,000	-
Onerous Lease provision	-	62
Corporation Tax Provision	-	-
	1,000	62

21. Reserves

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

22. Subsidiary companies

The following are the subsidiary companies controlled by the NEC of the Party during 2025:

Name	Nature of business	Country of incorporation	Proportion of voting rights held
Labour Party Properties Limited	Property management and investment	England and Wales	100%

Labour Party Nominees Limited	Property trustee (non trading)	England and Wales	100%
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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

The Party sponsors a funded defined benefit pension plan for qualifying UK employees, the Labour Party Pension Scheme. The Scheme is a multi-employer scheme and the Party is responsible for the majority of the Scheme liabilities. The disclosures below are in respect of the whole Scheme.

The level of benefits provided by the Scheme depends on a member's length of service and their salary.

Funding requirements

UK legislation requires that pension schemes are funded prudently. The last funding valuation of the Scheme was carried out by a qualified actuary as at 31 December 2023 and showed a surplus of £0.7M on a Technical Provisions basis.

In respect of ongoing accrual and expenses, contributions into the Scheme are as follows from 1 April 2025:

% of pensionable salary	Party	Members	Total
1 April 2025 to 31 March 2028	9.0%	6.0%	15.0%
From 1 April 2028	3.0%	12.0%	15.0%

The next funding valuation is due no later than 31 December 2026, at which point the funding position will be reassessed and the required contributions will be reviewed.

The results of the latest funding valuation at 31 December 2023 has taken account of experience over the period since 31 December 2023, changes in market conditions, and differences in the financial and demographic assumptions. The present value of the Defined Benefit Obligation, and the related current service cost, were measured using the projected unit credit method.

Notes to the financial statements

23. Pension fund (continued)

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

Main financial assumptions

	2025	2024
Discount rate for scheme liabilities	5.65%	5.50%
RPI inflation	3.15%	3.30%
CPI inflation	2.85%	3.00%
Pension increases pre April 1997	0.00%	0.00%
Pension increases April 1997 to April 2005	2.75%	2.90%
Pension increases post April 2005	1.95%	2.00%

Main demographic assumptions

The mortality base tables adopted are 94% of S4PMA (2024: 94% of S3PMA) "middle" tables for males and 101% of S4PMA (2024: 101% of S3PFA) tables for females, with CMI 2024 (Sk=1.0, A=0.25) projections.

The mortality future improvements adopted are a long-term improvement rate of 1.25% (2024: 1.25%).

Under the assumptions, members aged 60 now are expected to live for a further 26.3 years (2024: 25.9 years) if they are male and a further 28.4 years (2024: 28.3 years) if they are female. Members currently aged 45 are expected to live for a further 27.4 years (2024: 27.1 years) from age 60 if they are male and for a further 29.6 years (2024: 29.5 years) from age 60 if they are female.

Members are assumed to take 20% (2024: 20%) of their pension as a tax-free lump sum, using commutation factors currently in force.

The mortality assumptions are based on the recent actual mortality experience of members and allow for expected future improvements in mortality rates.

Assets

The scheme assets are invested in the following asset classes.

	2025	2024
	£'000	£'000
Equities	5,302	17,354
Cash	7,687	1,183
Growth fund	935	1,752
Liquid alternatives	1,030	6,172
Corporate bonds	18,859	10,972
Hedging assets	32,943	27,817
Total	66,756	65,250

None of the scheme assets are invested in the Party's financial instruments or in property occupied by, or other assets used by, the Party.

Reconciliation of funded status to balance sheet

	2025	2024
	£'000	£'000
Fair value of scheme assets	66,756	65,250
Present value of funded Defined Benefit Obligation	(59,835)	(62,977)
Funded status	6,921	2,273
Unrecognised asset	-	-
Asset recognised on the balance sheet	6,921	2,273

Income & expenditure and comprehensive income

	2025	2024
	£'000	£'000
Operating cost:		
Current service cost	86	86
Past service cost (including curtailments)	270	283
Administration expenses	465	400
Financing cost:		
Interest on net defined benefit (assets)/liability	(145)	35
Pension expense recognised in income and expenditure	676	804
Remeasurements in OCI:		
Losses on scheme assets above that recognised in net interest	(18)	11,000
Liability gains arising during the year	(4,086)	(13,041)
Total amount recognised in OCI	(4,104)	(2,041)
Total amount recognised in income & expenditure and OCI	(3,428)	(1,237)

Changes in Defined Benefit Obligation over the year

	2025	2024
	£'000	£'000
Opening Defined Benefit Obligation	62,977	73,389
Current service cost	86	86
Interest expense on DBO	3,388	3,280
Contributions by scheme participants	664	1,277
Actuarial gains on liabilities	(4,086)	(13,041)
Net benefits paid out	(3,464)	(2,297)
Past service cost	270	283
Closing Defined Benefit Obligation	59,835	62,977

Notes to the financial statements

23. Pension fund (continued)

Changes to fair value of the scheme assets during the year

	2025	2024
	£'000	£'000
Opening fair value of scheme assets	65,250	71,217
Interest income on scheme assets	3,533	3,245
Gains/(Losses) on scheme assets	18	(11,000)
Contributions by the employer	1,220	3,208
Contributions by scheme participants	664	1,277
Net benefits paid out	(3,464)	(2,297)
Administration costs incurred	(465)	(400)
Closing fair value of scheme assets	<u>66,756</u>	<u>65,250</u>

Actual return on scheme assets

	2025	2024
	£'000	£'000
Interest income on scheme assets	3,533	3,245
Gains/(losses) on scheme assets	18	(11,000)
Actual return on scheme assets	<u>3,551</u>	<u>(7,755)</u>

24. Contingencies and commitments

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

	2025	2024
	£'000	£'000
Operating leases payable:		
Within one year	1,675	1,024
In the second to fifth years inclusive	5,697	5,988
In more than five years	3,449	4,722
	<u>10,821</u>	<u>11,734</u>

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.

25. Reconciliation of the operating deficit to cash flow from operating activities

	2025	2024
	£'000	£'000
Deficit for the year	(2,557)	(3,761)
Depreciation, amortisation and impairment charges	537	1,580
Gain on sale of fixed assets	(411)	-
Decrease/(increase) in trade and other receivables	2,572	(2,210)
(Decrease)/increase in trade and other payables	(3,292)	(7,072)
Difference between pension charge and cash contributions	(544)	(2,404)
Increase/(decrease) in provisions for liabilities and charges	938	(723)
Net cash flow from operating activities	<u>(2,757)</u>	<u>(14,590)</u>

26. Related Party transactions

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

	£'000
Development fund loans	
Loans payable at 1 January 2025	11,640
Additional loans made available	3,104
Loans repaid	(587)
Loans payable at 31 December 2025	<u>14,157</u>

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.

During the year, the Labour Party incurred expenditure of £138,381 (2024: £nil) and received income of £14,500 (2024: £nil) with respect to NEC members. No balances were outstanding at the year end.