

THE SCOTTISH LABOUR PARTY

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2009

Final

HARDIE CALDWELL LLP
Chartered Accountants



THE SCOTTISH LABOUR PARTY

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2009

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

THE SCOTTISH LABOUR PARTY

PARTY OFFICERS AND ADVISORS

Party Officers:

Claudia Beamish
Philomena Muggins
Colin Smyth

Chairperson
Vice Chairperson
Registered Treasurer

Tenure
Oct 2010
Oct 2010

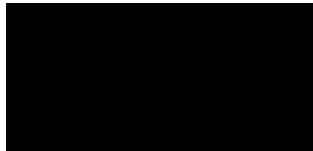
Party Headquarters:

John Smith House

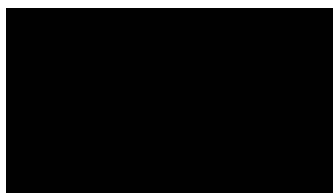
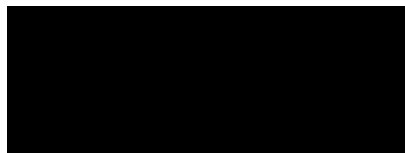
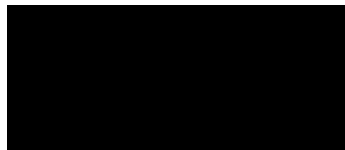


Auditors:

Hardie Caldwell LLP
Chartered Accountants



Bankers:



THE SCOTTISH LABOUR PARTY

REPORT OF PARTY OFFICERS

YEAR ENDED 31ST DECEMBER 2009

ADMINISTRATIVE INFORMATION

The Scottish Labour Party is a body established under the National rules of the Labour Party.

Committees

The following committees operate within the party to oversee and manage the organisation business. The Terms of Reference for each committee are contained within the party's constitution and the Chair of the respective committees are also listed here:-

Executive	-	Claudia Beamish
Scottish Policy Forum	-	Margaret McCulloch
Constitution Working Group	-	Stuart Clark
Campaign Working Group	-	Ian Miller
Local Government	-	Jim McCabe

Staffing

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

Conferences

The party held a number of conferences and events during the year.

Policy Development

Building on the first stage Scottish Policy Forum consultation documents launched at Scottish Conference 2009, a number of events were organised to discuss aspects of devolved policy and encourage further engagement from Party units and outside organisations. Members of the Shadow Cabinet hosted meetings to consult on the ideas and questions outlined in the first stage documents prior to the redrafting of more expansive second stage documents which will be consulted on during 2010.

Elections

During the year we co-ordinated a number of election campaigns at a parliamentary and council level.

Financial Review

During the year the Scottish Party had a

Total income for the year was £387,722

Total expenditure was £307,925

THE SCOTTISH LABOUR PARTY

STATEMENT OF REGISTERED TREASURER'S RESPONSIBILITIES

The Registered Treasurer of the party is responsible for preparing 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. Under that law the Registered Treasurer has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the party and of the surplus or deficit of the party for that period. In preparing these financial statements, the Registered Treasurer is required to:

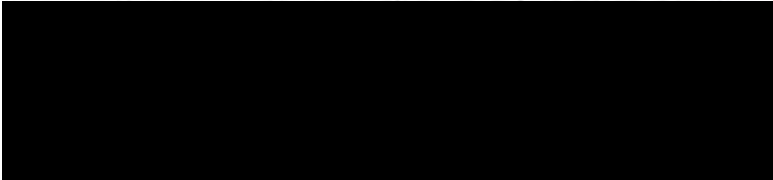
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the party will continue in business.

Section 41 of the Act requires that the Registered Treasurer is responsible for keeping proper accounting records that 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 is also responsible for safeguarding the assets of the party and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Party Officers are aware, there is no relevant audit information of which the party's auditors are unaware, and each officer has taken all the steps that he/she ought to have taken as an officer in order to make himself/herself aware of any relevant audit information and to establish that the party's auditors are aware of that information.

This report was approved by the Party Officers on 22 MARCH 2010



Colin Smyth
Registered Treasurer

THE SCOTTISH LABOUR PARTY

Independent Auditors Report to the Registered Treasurer of the Scottish Labour Party

We have audited the financial statements of the Scottish Labour Party for the year ended 31 December 2009 on pages 6 to 14. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the Registered Treasurer of the Scottish Labour Party 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 auditors' report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Registered Treasurer, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Registered Treasurer and auditors

As described in the Statement of Registered Treasurer's Responsibilities the Registered Treasurer is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Political Parties, Elections and Referendums Act 2000. We also report to you whether in our opinion the information given in the Report of the Party Officers is consistent with the financial statements. In addition, we report to you if, in our opinion, the party has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

We read the Report of the Party Officers and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Registered Treasurer in the preparation of the financial statements, and of whether the accounting policies are appropriate to the party's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.


THE SCOTTISH LABOUR PARTY

Independent Auditors Report to the Registered Treasurer of the Scottish Labour Party (continued)

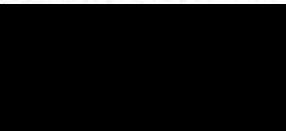
Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the party's affairs as at 31 December 2009 and its surplus for the year then ended;
- the financial statements have been properly prepared in accordance with the requirements of the Political Parties, Elections and Referendums Act 2000; and
- the information provided in the Report of the Party Officers is consistent with the financial statements



Hardie Caldwell LLP
Registered Auditors
Chartered Accountants



Dated : 23 March 2010

THE SCOTTISH LABOUR PARTY
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31ST DECEMBER 2009

	Notes	2009 £	2008 £
Income			
Donation income		13,968	60,523
Membership and subscription fees	3	140,704	137,806
Fundraising	6	92,034	9,099
Conferences		118,671	121,537
Investment income	7	639	5,177
Notional income	8	6,830	30,810
Campaign income		14,876	31,243
		<hr/>	<hr/>
Total income		387,722	396,195
		<hr/>	<hr/>
Expenditure			
Cost of fundraising		28,585	1,851
Campaign expenditure		56,456	181,647
Staff costs	4	31,583	60,721
Management and administration costs		103,099	106,906
Notional expenditure		6,830	30,810
Conferences		81,372	73,764
		<hr/>	<hr/>
Total expenditure		307,925	455,699
		<hr/>	<hr/>
Surplus/(Deficit) before taxation	5	79,797	(59,504)
Taxation		-	-
		<hr/>	<hr/>
Surplus/(Deficit) for the year		<u>79,797</u>	<u>(59,504)</u>

The party has no recognised gains or losses other than the results for the year as set out above.

All activities are classed as continuing.

THE SCOTTISH LABOUR PARTY

BALANCE SHEET

AS AT 31ST DECEMBER 2009

	Notes	2009 £	2008 £
Current assets			
Debtors	9	16,488	52,686
Cash at bank and in hand		340,512	256,575
		<u>357,000</u>	<u>309,261</u>
Less:-			
Current liabilities			
Creditors: Amount falling due within one year	10	7,807	39,865
		<u>349,193</u>	<u>269,396</u>
Total assets less current liabilities			
		<u><u>349,193</u></u>	<u><u>269,396</u></u>
Reserves			
General fund	11	349,193	269,396
		<u><u>349,193</u></u>	<u><u>269,396</u></u>

These financial statements were approved by the Party Officers on 20 MARCH 2010



Registered Treasurer

Colin Smyth

THE SCOTTISH LABOUR PARTY

CASH FLOW STATEMENT

YEAR ENDED 31ST DECEMBER 2009

	Notes	2009 £	2008 £
Net cash inflow /(outflow) from Party activities before returns on investments and servicing of finance	13	83,298	(52,520)
Returns on investment and servicing of finance			
Interest received		639	5,177
Increase / (Decrease) in cash	14	<u>83,937</u>	<u>(47,343)</u>

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

THE SCOTTISH LABOUR PARTY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2009

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards in the United Kingdom and reflect those principles contained in the Statement of Accounts Guidance Notes issued by the Electoral Commission and in existence as at 31 December 2009.

The following principal accounting policies have been applied:

Income recognition

Income is recognised when all of the following conditions have been met:-

- The party is entitled to the asset;
- There is reasonable certainty that the asset will be received; and
- The value of the asset can be measured with reasonable certainty.

Applying these criteria to specific types of income results in the following treatment:-

- Donations, including legacies, are recognised in the income and expenditure account on receipt. Donations of notional income are recognised on receipt at the relevant market value of the donation received with an expense of the same amount being recognised contemporaneously.
- Membership and subscription fees for an accounting period are recognised in the income and expenditure account of that period, as received up to the date of approval of the financial statements.
- Conference income, interest receivable and rental income are recognised in the income and expenditure account 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 31ST DECEMBER 2009

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.

Management and administration costs

Certain costs within this expense category are met from National Labour Party's budget.

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 2009 is a contribution from the affiliated and party organisations in Scotland.

4. PARTICULARS OF EMPLOYEES

	2009	2008
	£	£
Gross Salaries	26,687	48,516
National Insurance Costs	2,564	4,902
Pension Costs	873	1,061
Staff Expenses	<u>1,459</u>	<u>6,242</u>
	<u>31,583</u>	<u>60,721</u>

In 2009 the Scottish Labour Party made a contribution to 5 employees' salary costs (2008: 3 employees), all other staff costs were paid by the National Labour Party.

THE SCOTTISH LABOUR PARTY

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31ST DECEMBER 2009

5. SURPLUS / (DEFICIT) BEFORE TAX

	2009	2008
	£	£
This has been arrived after charging :-		
Auditors' remuneration – audit services	-	-
Operating lease charges – equipment	7,324	6,922

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

6. FUNDRAISING ACTIVITIES

	2009	2008
	£	£
Fundraising and Business Events	92,034	9,099
	<u>=====</u>	<u>=====</u>

7. INVESTMENT INCOME

	2009	2008
	£	£
Interest receivable	639	5,177
	<u>=====</u>	<u>=====</u>

8. NOTIONAL INCOME

	2009	2008
	£	£
Relating to Elections :-		
By-Election	3,980	9,615
National Elections	-	-
Unrelated to Elections Income	2,850	21,195
	<u>=====</u>	<u>=====</u>
	6,830	30,810
	<u>=====</u>	<u>=====</u>

THE SCOTTISH LABOUR PARTY

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31ST DECEMBER 2009

9. DEBTORS

	2009	2008
	£	£
Trade Debtors	16,488	31,977
Other Debtors	-	20,709
	<hr/>	<hr/>
	16,488	52,686
	<hr/> <hr/>	<hr/> <hr/>

10. CREDITORS: Amounts falling due within one year

	2009	2008
	£	£
Trade Creditors	2,038	25,230
Other Creditors	5,769	14,635
	<hr/>	<hr/>
	7,807	39,865
	<hr/> <hr/>	<hr/> <hr/>

THE SCOTTISH LABOUR PARTY

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31ST DECEMBER 2009

11. RESERVES

	General Fund £
As at 1st January	269,396
Transfer Income and Expenditure Account	79,797
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As at 31st December	349,193
	<hr/> <hr/>

12. COMMITMENTS UNDER OPERATING LEASES

As at 31st December 2009, the party had annual commitments under non-cancellable operating leases as set out below:-

	2009 Other £	2008 Other £
Operating leases which expire:-		
Within one year		1,410
In two to five years	7,324	5,512
Over five years	-	-
	<hr/>	<hr/>
	7,324	6,922
	<hr/> <hr/>	<hr/> <hr/>

13. NET CASH INFLOW FROM OPERATING SURPLUS BEFORE TAX

	2009 £	2008 £
Operating surplus/(deficit) before taxation	79,797	(59,504)
Interest received	(639)	(5,177)
Decrease/(increase) in Debtors	36,198	(15,767)
(Decrease)/increase in Creditors	(32,058)	27,928
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating Surplus/(Deficit) before tax	83,298	(52,520)
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THE SCOTTISH LABOUR PARTY

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

YEAR ENDED 31ST DECEMBER 2009

14. ANALYSIS OF NET FUNDS

	At 1st Jan 2009 £	Cashflow £	At 31st Dec 2009 £
Bank	243,689	82,622	326,311
Petty cash	78	(17)	61
	<u>243,767</u>	<u>82,605</u>	<u>326,372</u>
Short-term deposits	12,808	1,332	14,140
	<u>256,575</u>	<u>83,937</u>	<u>340,512</u>