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This Annual report has been produced by the Co-operative Party Limited. Registered in England under the Co-operative & Community Benefit Societies Act 2014. Registration no. 30027R.

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Chair's report

2014 was another year of change, challenge and progress for the Party.

In June, a new National Executive Committee met for the first time, ready to take on these challenges. This NEC was





Further selection successes for members of the Parliamentary panel increased our new 2015 General Election candidates to 11, and selections commenced in Scotland and Wales ready for the elections in 2016. In local government, Labour & Co-operative candidates were elected in councils across England in May. With the completion of our own policy cycle and significant impact on Labour Party's policy at the National Policy Forum, our influence continued to grow.

And we continued to put our policies into practice. As this report outlines, our politicians in Westminster, alongside those in Government in Wales, in the Scottish Parliament, in councils and our Police and Crime Commissioners are strong and effective advocates for the co-operative movement in politics.

On behalf of the NEC, thank you, once again, to all of our member societies for your continued support and to our elected members, activists, party officers and members for everything you do.

Gareth Thomas MP

Chair, the Co-operative Party National Executive Committee



Organisation

National Executive Committee

The NEC is elected every 3 years. The elections in 2014 were conducted under new rules that introduced one member one vote for the English regional seats, Scotland & Northern Ireland and Wales, with 2 seats elected by and from independent societies.

National Executive Committee - to June 2014

Eastern	Robin Cherney	А
East Midlands	Julian Evans	A, P
London	Gareth Thomas MP (Chair)	S, P, D,
North East & Cumbrian	Ray Henderson	D
North West	Julia Tickridge	D
Scotland & Northern Ireland	Jim O'Neill	Sc
South	Bob Harber	A, C, CAC,
South West	Linda Gilroy	P, S
West Midlands	Paul Kalinauckas	Р
Wales	Rt.Hon. Alun Michael	Р
Yorks & Humber	Neil Rhodes	Р
Youth	Ian Adderley	
One Member One Vote (M)	Nick Crofts	A, P
One Member One Vote (F)	Alex Baker	D, S,
Co-operatives UK	Chris Herries	
The Co-operative Group	Jenny Barnes	S, P
	Vacant	
Westminster Parliamentary Group	Chris Leslie MP	
	Cathy Jamieson MP	

National Executive Committee - from June 2014

Eastern	Chris Herries (Vice Chair)	A, S, P, R, F
East Midlands	Clare Neill	A, P
London	Gareth Thomas MP (Chair)	S, P
North East & Cumbrian	Sarah Gill	D, P, NPF, F
North West	Nick Crofts	A, NPF, F
Scotland & Northern Ireland	Jim Lee	Α
South	Lis Telcs	CAC, D
South West	Paul Bull	D, F
West Midlands	Elaine Kidney	Р
Wales	Rt.Hon. Alun Michael	D, P, R
Yorks & Humber	Cheryl Barrott	P, R, F, CAC*
Youth	Katy Corrigan	Р
Independent Societies	Ian Miller	S
Independent Societies	Marjory Smith	
Co-operatives UK	John Anderson	
The Co-operative Group	Jenny Barnes	S
	vacancy	
Westminster Parliamentary Group	Cathy Jamieson MP	A
	Gavin Shuker MP	
Attends NEC as an advisor	Gerald Shamash	
Co-opted to Audit Sub Committee	Swithun Mason	A

Key to Committee memberships:

Policy Sub-Committee Audit Sub-Committee

S Staffing & Remuneration Sub-Committee Disputes Sub-Committee D

CAC Conference Arrangements Committee (NEC representative)



The party staff in 2014

General Secretary	Karin Christiansen	
Deputy General Secretary	Karen Wilkie	
Head of External & Political Affairs	Claire McCarthy	
Political & Parliamentary Officer	Joe Fortune	
Digital & Communications Officer	Ben West	
Membership & Party Support Officer	John Boyle	
Membership Officer	Shane Brogan	
Political & Membership Officer (Scotland)	Richard McCready	
Events, Training & Partnerships Officer	Olly Parker	To August 2014
Office Manager	Dorota Kseba	
Executive Assistant	Issy Oozeerally	From March 2014
Fundraising and Development Manager	Alexandra Parsons	From November 2014

Party membership

Party membership

Section	2014	2013
Brussels	11	10
East	812	820
East Midlands	642	642
London	1563	1487
National Party	38	10
North East	360	356
North West	941	1001
Northern Ireland	40	42
Scotland	610	649
South East	809	786
South West	582	599
Wales	405	380
West Midlands	571	586
Yorkshire & the Humber	552	563
Total	7936	7931

Strategic objectives

In 2013, the party undertook a major review to ensure we are ready to deliver change in Britain by 2015. The Party must be capable of delivering on the five strategic objectives established by the NEC in November 2011 and the key actions identified to support these objectives.

We are working to ensure that:

- The Co-operative Party's vision, narrative, identity and profile are clear to all our key stakeholders, and we are shaping the national political narrative into a fundamentally co-operative one.
- Co-operative policies and solutions are firmly embedded in the manifestos; shadow teams are laying the ground for our policy to be implemented in government.
- Our politicians at all levels are the best they can be, which includes nurturing and developing co-operators from across the movement to become the politicians of the future.
- Co-operative Party membership is growing, sustained by the best membership experience of a political party in Britain. Our members are innovating, supporting each other, and are rooted in the co-operative movement.
- Our operations and governance are the best of the political parties in Britain ethical politics in deed and fully digitally enabled.

All of this can only be done in partnership with our members and the cooperative movement. We will extend the range of people and organisations we work with closely to ensure we deliver this. As a result, we hope the cooperative movement will be proud of us, even those who are not voting for our candidates.



Elected representatives

Westminster

Thirty two Labour & Co-operative MPs represented the Party in 2014. Sadly Jim Dobbin, who served the Party for many years as MP for Heywood & Middleton and as a councillor, passed away in September. Lord Bilston, who was a member of both Houses, passed away in February.

As a result of our historic electoral agreement with the Labour Party, the Cooperative Party stands candidates jointly in elections at all levels.

Labour & Co-operative Members of Parliament

Jon Ashworth MP (Leicester South)	Cathy Jamieson MP (Kilmarnock & Loudoun)
Adrian Bailey MP (West Bromwich West)	Mark Lazarowicz MP (Edinburgh North & Leith)
Rt. Hon. Ed Balls MP (Morley & Outwood)	Chris Leslie MP (Nottingham East)
Luciana Berger MP (Liverpool Wavertree)	Andy Love MP (Edmonton)
Dr Stella Creasy MP (Walthamstow)	Seema Malhotra MP (Feltham and Heston)
Ian Davidson MP (Glasgow South West)	Meg Munn MP (Sheffield Heeley)
Geraint Davies MP (Swansea West)	Lucy Powell MP (Manchester Central)
Jim Dobbin MP (Heywood & Middleton) ¹	Steve Reed MP (Croydon North)
Stephen Doughty MP (Cardiff South & Penarth)	Jonathan Reynolds MP (Stalybridge & Hyde)
Gemma Doyle MP (West Dunbartonshire)	Linda Riordan MP (Halifax)
Louise Ellman MP (Liverpool Riverside)	Andy Sawford MP (Corby)
Chris Evans MP (Islwyn)	Barry Sheerman MP (Huddersfield)
Mike Gapes MP (Ilford South)	Gavin Shuker MP (Luton South)
Tom Greatrex MP (Rutherglen & Hamilton West)	Gareth Thomas MP (Harrow West)
Mark Hendrick MP (Preston)	Stephen Twigg MP (Liverpool West Derby)
Meg Hillier MP (Hackney South and Shoreditch)	John Woodcock MP (Barrow & Furness)
Meg Hillier MP (Hackney South & Shoreditch)	

¹Passed away in 2014

Labour & Co-operative Prospective Parliamentary Candidates

The Party continued to support members of the Parliamentary panel seeking selection in 2014, bringing the total of new candidates for election in May 2015 to 11.

Sarah Owen (Hastings Rye)	Rowenna Davis (Southampton Itchen)
Sharon Taylor (Stevenage)	David Drew (Stroud)
Anna Turley (Redcar)	Jamie McMahon (North West Leicestershire)
Andrew Pakes (Milton Keynes South)	Melanie Ward (Glenrothes)*
Luke Pollard (Plymouth, Sutton and Devonport)*	Richard Baker (Aberdeen North)*
Louise Baldock (Stockton South)	

^{*} Selected in 2013

Labour & Co-operative Members of the House of Lords

Lord Bassam of Brighton	Lord McFall of Alcuith
Lord Bilston <i>passed away in 2014</i>	Lord Moonie of Bennochy
Lord Davies of Coity	Baroness Nicol of Newnham *
Lord Foulkes of Cumnock	Lord Patel of Bradford
Lord Graham of Edmonton	Baroness Smith of Basildon
Baroness Hayter of Kentish Town	Baroness Thornton of Manningham
Lord Kennedy of Southwark	Lord Thomas of Macclesfield*
Lord Knight of Weymouth	Lord Tomlinson of Walsall
Lord McAvoy of Rutherglen	Lord Touhig of Islwyn

^{*} On leave of absence

Scotland

In 2014 the Scottish Parliamentary Group was as follows:

Claudia Beamish MSP (South of Scotland)	James Kelly MSP (Rutherglen)
Kezia Dugdale MSP² (Lothian)	Johann Lamont MSP (Glasgow Pollock) ¹

¹Leader of Scottish Labour until October 2014 ²Deputy Leader of Scottish Labour from October 2014

Wales

In 2014 the Welsh Co-operative Assembly Group was as follows:

Mick Antoniw AM (Pontypridd)	Ann Jones AM (Vale of Clwyd)
Christine Chapman AM (Cynon Valley)	Huw Lewis AM (Merthyr Tydfil & Rhymney)
Alun Davies AM (Blaenau Gwent)	Sandy Mewies AM (Delyn)
Vaughan Gething AM (Cardiff South & Penarth)	Lynne Neagle AM (Torfaen)
John Griffiths AM (Newport East)	

Shaping Labour policy

As we moved towards the 2015 General Election, the Co-operative Party's focus was to ensure that the needs of the co-operative movement, as well as an enhanced role for co-operative values and principles, were a top political priority.

A new inclusive policy process

2014 saw the culmination of the Cooperative Party's new inclusive two year policy process, which for the first time gave individual members and subscribing Societies the ability to influence policy at every stage of its

development alongside engagement with key stakeholders from the cooperative movement. This engagement formed the basis of the Co-operative Party's manifesto to be launched early in 2015.

Success at Labour's National Policy Forum

As a result of the Co-operative Party's electoral agreement with Labour the Party has three seats on their National Policy Forum, which had its major preelection meeting in Milton Keynes in July.

The Co-operative Party successfully ensured that co-operative values and principles were firmly embedded in Labour's policy agenda for Government. The Co-operative Party was able to secure 16 commitments in the National Policy Forum documents, including:

■ A high level commitment to provide the necessary support that will allow co-operatives, social enterprises, mutuals and the not-for-profit economy to thrive.

- A newly created British Investment Bank to provide support to the cooperative and social economy.
- An agreement to support the development of community-owned renewable energy. This included the specific commitment to pilot changes to the National grid that would allow community energy firms to supply energy directly to local people.
- A commitment to encourage the adoption of mutual models in social housing, as well exploring the introduction of a new legal form of co-operative housing tenure.
- High level support for the cooperative schools movement and a commitment to promote cooperation between schools through

- the formation of 'clusters' to share resources, facilities and expertise with one another.
- A number of measures to support the development of the credit

People-powered rail services

In July, Shadow Secretary of State for Transport, Mary Creagh MP pledged that co-operative principles would play a significant role in Labour's new plan for the railways, increasing accountability to passengers and staff, as well as the exploration of co-operative and mutual models of rail ownership. In particular, the Labour Party committed itself to:

- Create a single 'guiding mind' for the railways overseen by a representative passenger body, based on co-operative values and principles
- Encourage co-operative principles in the rail industry to make sure that passengers and employees are involved in transport delivery

Putting football fans in control

In October, Clive Efford MP, the Shadow Minister for Sport, backed Co-operative Party plans to give football fans more of a say in how their clubs are run. In what would be the biggest legislative shake up in the governance of English and Welsh football clubs since the advent of the game, the Labour Party committed to giving co-operative football supporters' trusts the right to:

union movement; including financial support through a levy on payday lenders and commitment to the establishment of an Armed Forces credit union.

- Both the Scottish and Welsh Labour Parties expressed support for such an approach.
- In July, Scottish Shadow Cabinet Secretary for Infrastructure, Investment and Cities, James Kelly MSP called for the power to extend co-operative principles to the rail network in Scotland.
- In December, the Welsh Minister for Economy, Science and Transport, Edwina Hart AM announced that the Welsh Government would establish a notfor-profit operator to prepare to take over Welsh train services from 2018.
- Appoint and remove up to a quarter and not less than two of a football club's board of directors;
- Purchase up to 10 per cent of the shares when a club changes ownership, if they so wish.

Influencing the national political narrative

In 2014, the Co-operative Party secured a range of positive media coverage for extending the role of co-operative values and principles in Britain's economy, public services and society. These included:

- Support from Jon Cruddas, co-ordinator of the Labour Party policy review, for the extension of co-operative values and principles across the economy and society
 - (http://www.theguardian.com/commentisfree/2014/mar/16/co-operativemovement-key-to-better-britain)
- Support for the Co-operative Party's plans to allow community energy organisations to turn the 'Big Six' into the 'Big Six Thousand' (http://www.independent.co.uk/news/uk/politics/community-energy-wouldbypass-the-big-six-under-labour-9923413.html)
- Launch of Co-operative Party policy to treble the number of credit union members over the next 10 years (http://www.theguardian.com/money/2014/ sep/21/cooperative-drive-treble-credit-union-membership)
- The Co-operative Party's campaign for an Armed Forces Credit Union (http://www.mirror.co.uk/news/uk-news/help-heroes-credit-unionset-4719005)
 - (http://www.dailymail.co.uk/wires/pa/article-2709859/HELP-FORCES-COUNTER-LOAN-SHARKS.html)
 - (http://www.mirror.co.uk/news/uk-news/payday-loan-firms-preyskint-4057931)
 - (http://www.bbc.co.uk/democracylive/house-of-lords-28552327)
- Further support for credit unions (http://www.ft.com/cms/s/0/05062eb4-5063-11e4-9822-00144feab7de.html? siteedition=uk#axzz3QbjQ1HRI)
- The Co-operative Party's call to treble the number of co-operative schools over the next five years (https://www.independent.co.uk/news/education/ schools/coop-banks-preside-over-the-growing-breed-of-state-schools-inengland-9769920.html)

- Labour support for Co-operative Party plans to extend co-operative principles over Britain's rail network (http://www.theguardian.com/politics/2014/jul/28/labour-co-operativesmutuals-railway-franchises) (http://www.theguardian.com/sustainable-business/2014/jul/15/modelrailways-co-operative-train-travel-a-reality)
- The establishment of a new worker co-operative for axed Remploy workers (https://www.mirror.co.uk/news/uk-news/ed-balls-hails-axedremploy-4630737)
- The Co-operative Party calls for the delivery of 20,000 co-operative homes per year by 2020 (http://www.theguardian.com/society/2014/dec/14/councils-fight-limit-rightto-buy-losses-social-housing)
- Co-operative Party plans to give greater transparency and powers to consumers (https://www.independent.co.uk/news/uk/politics/labour-urged-to-setup-super-ombudsman-to-give-greater-transparency-and-power-toconsumers-9946629.html)
- Co-operative Party proposals to give pension fund savers more of a say over investment decisions (http://www.theguardian.com/business/2014/oct/06/ labour-mps-pensions-savers-retirement-funds)
- Launch of Co-operative Party pamphlet, Co-operative Capital (https://www.newstatesman.com/blogs/2014/09/david-lammy-housing-wecannot-build-some-dross-thats-been-built-past) (https://www.totalpolitics.com/blog/447032/ice-with-that.thtml) (https://www.huffingtonpost.co.uk/will-martindale/can-collaborativeconsumption-change-your-life b 5746336.html) (https://shiftinggrounds.org/2014/10/the-future-looks-bright-for-the-co-opparty/)

Promoting co-operation

Westminster

While 2014 was a relatively quiet year in Parliament, with fewer pieces of legislation from the Coalition Government, it was still an active and successful year for the Cooperative Party Parliamentary Group.

As a result of the hard work of our Parliamentary Group and party staff, the Government finally agreed to the establishment of a credit union for our Armed Forces. This was the result of tireless work, particularly on the part of Gareth Thomas MP and Lord Kennedy of Southwark, who both held Parliamentary debates on the subject and subsequently met with Government Ministers to build cross-Party support for the initiative. Working with ABCUL, the Party will continue to work with the Ministry of Defence to ensure that swift progress can be made towards implementation. The issue was also championed in Holyrood by Labour & Cooperative MSP Kezia Dugdale.

Meg Munn MP continued her unstinting support for Co-operative Schools by seeking achieve a cross-Party consensus in favour of amendments to the Deregulation Bill. The amendments would enable schools to set up as legal cooperatives – under the new Co-operative Consolidation Act – and would allow nursery schools to join co-operative clusters. The Bill returns to the Lords in 2015 where work on this matter will be on-going.

The late Jim Dobbin MP introduced the 'Co-operative and Social Enterprise (Development) Bill' into Parliament in March. The Bill required local enterprise partnerships (LEPs), responsible for supporting regional economic growth, to have at least one board member who is a social enterprise business specialist, and for them to make specific reference to the development of community co-ops and social enterprises in their plans. Mr Dobbin and fellow Labour & Co-operative MP Andy Sawford held a roundtable with representatives from across the movement to discuss the experience of working with LEPs and the need for reform.

Andy Sawford MP introduced a ten minute rule bill promoting co-operative and mutual solutions in rail policy, and Gareth Thomas MP introduced a ten minute rule bill to establish a credit union for NHS workers.

During the Budget debate in the spring Labour & Co-operative MPs were active in raising issues of importance to the co-operative movement including the need for a stable regulatory environment for co-operative and community energy; more support for co-operative start-ups and the potential for a greater role for cooperatives in childcare.

The Party held policy roundtables in Parliament, bringing stakeholders from across the movement together with Labour & Co-operative Parliamentarians and Labour Shadow Ministers to discuss international development and fair-trade, health and procurement.

Wales

In Wales, we championed the implementation of key recommendations from the Welsh Co-operatives and Mutuals Commission and have begun developing policy ideas for the 2016 Welsh Assembly Elections. The Welsh Government also announced a further £1.2 million funding to support credit unions in Wales, and backed the 'Don't Get Bitten By Loan sharks' campaign.

The Housing (Wales) Act 2014 - the first Housing Act to be passed by a Welsh Government, received Royal Assent in September. Piloted by Labour & Co-operative AM Huw Lewis while Housing Minister, the Act contains specific provisions to support co-op housing. There are now more than twenty new 'pioneer' co-operative housing schemes underway in Wales.

The Social Services and Well-being (Wales) Act 2014 was another step forward for co-operatives and mutuals in Wales, placing a duty on local authorities to support the development of co-operative organisations or arrangements to provide care and support and preventative services.

In February, the report of the Welsh Co-operative and Mutuals Commission was published, and Labour & Co-operative AM Huw Lewis, the Welsh Minister for Education, endorsed a co-operative vision for schools in Wales and committed to implement the recommendations in the report.

In June, the Welsh Minister for the Economy, Science and Transport announced that the Welsh Government would accept all of the recommendations in the report of the Welsh Co-operative and Mutuals Commission. Central to this will be greater support to enable to the Wales Co-operative Centre to help growth in new sectors, in succession planning, and in procurement. Increased representation on the Business Wales Strategic Board will give co-op models the influence appropriate to their size and contribution to the economy.

The Finance Minister, Jane Hutt AM, has also recognised the potential of public procurement to develop co-ops and mutuals and will look at establishing a pilot project to explore this. John Griffiths AM, as the Minister for Culture and Sport encouraged local authorities to explore greater community ownership of facilities through asset transfer. In housing, Lesley Griffiths AM is working with community land trusts to increase the supply of co-operative housing.

Scotland

In Scotland, the Party has championed the need for full power over the Scotrail franchise to be devolved to Holyrood to allow a future Labour & Co-operative Government in Edinburgh to develop a not-for-profit 'People's Railway'. In July, Labour's Shadow Transport Secretary Mary Creagh and Labour & Co-operative MSP James Kelly confirmed that a future Labour Government in Westminster would ensure that this commitment will be delivered.

Under the leadership of Labour & Co-operative MSP Johann Lamont, Scottish Labour's devolution commission made commitments to further co-operation in Scotland including promoting the co-operative council model, community energy co-ops and the potential for co-operatively run companies in social care and childcare.

James Kelly MSP also sought to amend the Procurement (Scotland) Bill to improve the opportunities for co-operatives and mutuals to win public sector contracts. Unfortunately these amendments were not accepted by the Scottish Government.

The Scottish Co-operative Party Parliamentary Group continued to champion credit unions and fairtrade; and to work with cross party co-operative forums to promote co-operative enterprise. During the independence referendum, Co-operative Party members worked tirelessly alongside colleagues from the Labour Party and labour movement to maintain the United Kingdom. In December Labour & Co-operative MSP Kezia Dugdale was elected as Deputy Leader of Scottish Labour.

Political representation

Parliamentary Panel interviews for Westminster and Holyrood were held and the Party entered official candidates in the Sheffield Heeley, Aberdeen North, Neath and Glenrothes Labour Party selections. We were successful in Glenrothes and Aberdeen North, with Melanie Ward and Richard Baker adopted as 'official' Labour & Co-operative Prospective Parliamentary Candidates (PPCs).

This took the group of new Labour & Co-operative PPCs to 11, and meaning that there would be 40 Labour & Co-operative MPs in 2015, should all candidates and existing MPs be elected. A plan of communication and digital support for PPCs was developed in lead up to their General Election campaigns.

The Party has been successful in supporting a range of new candidates ahead of the Scottish Parliament selections, with a roster of 8 candidates ahead of the election in 2016. Parliamentary panel interviews have been held for the Welsh Assembly panel, with selection to be undertaken in 2015.

Police and Crime Commissioners

There are currently two Police and Crime Commissioners. The Police & Crime Plan for South Wales is based firmly on principles of co-operation and partnership. Alun Michael, our Labour & Co-operative Commissioner is promoting close joint working with local councils, the NHS, the voluntary and community sector as well as the police to reduce crime and disorder.

Priorities include cutting violence, a campaign on safer drinking, tackling offending in the 18-25 age group, preventing and reducing violence against women and girls and tackling issues like mental health and drugs while putting victims at the heart of the agenda for policing. There is close co-operation with Welsh Government Ministers – who have provided money for extra PCSOs – and a lively debate on the prospect of devolving policing responsibilities to the Welsh Government.

Success in Local Government

Following nominations from local parties, 144 candidates stood as Labour & Cooperative in local council elections, ensuring a strong presence of Co-operative Party councillors elected in 2014. There are now around 500 official Labour & Cooperative councillors, as well as hundreds more Labour councillors who have placed co-operative policies in their manifestos.

Labour & Co-operative Councillors are now leading the most innovative and effective councils right across the UK, including Edinburgh, Cardiff, Oldham and Plymouth, working closely with the Co-operative Councils Innovation Network.

Doing more for less

In 2014, the Co-operative Party had to absorb a challenging cut of 20% in its subscription from the Co-operative Group. This has led to a relentless focus on efficiency within the organisation, seeking to continue to place co-operative values and principles at the heart of local and national politics with fewer resources at our disposal.

As a result of the efficiency drive, the Party managed to find £86,000 per year from making efficiency savings and the reduction of spending on lower priority areas. This included £32,600 per year from the recruitment freeze and £6,300 per year from closing the office in Wales. The printing and postage bill was reduced by £23,000 by focusing on engagement via email and social media. A further £10,400 of savings was made in the travel budget. Functions such as accountancy and IT support were brought in-house, saving a further £14,000 per year.

Some of the changes made this year will begin to bear fruit in 2015. By moving offices from London Bridge to Farringdon, we will save around £12,000 per year from 2015 onwards, and further reductions in staff time will save an additional £8,350 per year – leading to a total additional annual reduction of over £20,000 per year.

The efficiency savings have enabled the Party to invest further in core functions such as finance, fundraising and communications. The fundraising drive has also enabled the Party to begin to diversify its funding base, raising £17,000.

Membership and Party Support

Party members have been passionate advocates for co-operation during what was a challenging period for the movement. Co-operative Party members across the country continue to be busy working on national campaigns and issues relevant to their local communities.

Members from Llandudno to Norwich, from Dundee to Penzance talked to people on stalls, at fairs and exhibitions, campaigning for Co-operative candidates in local elections, and spreading the message of co-operation across. We are hugely grateful for the support of our voluntary members across the whole UK.

Annual Conference

This year's '#Co-operative Difference' Co-operative Party Conference was held on 11-12th October at the TUC in London, with 342 registered delegates and visitors. The two day programme of debates and fringes commenced with a short introductory film incorporating clips filmed at the International Co-operative Alliance's meeting of global executives as well as case studies from across the cooperative sector including the Olympic Aquatic Centre, Repowering London and Corelli College. The film can be found here: http://party.coop/coopdifference14

Key note speakers included the Rt. Hon. Ed Balls MP (Shadow Chancellor of the Exchequer); Johann Lamont MSP (Leader of Scottish Labour), Angela Eagle MP (Shadow Leader of the House of Commons and Chair of the Labour Party Policy Forum), Dame Pauline Green (President of the ICA), Mick Antoniw AM (Chair of the Welsh Assembly Co-operative Group).

Other membership highlights

In June, the Party held a Members' Meeting in the House of Commons hosted by Karin Christiansen and Stella Creasy MP on how to meet some of the challenges facing the Party. 120 members registered in 24 hours, with people coming from all over the country. The Party is working to implement the key areas identified at all levels.

In July, the Party held its annual National Weekend School in Birmingham. The highly successful training event brought together activists from across the country to undertake training sessions, policy debates and social activities.

Co-operative Party Youth launched a recruitment drive amongst students, including freshers' fairs, allowing Labour Students to apply to be Labour & Co-operative Clubs and a new 'Campus Credit' campaign to support a greater role for credit unions amongst students. Campaign days were held to support Co-operative Party election candidates, with youth bursaries, training sessions and social events also held as part of the National Weekend School and Annual Conference.

The Councillors' Network began working to create a platform for councillors to share practice and experience across the country and increasing support for co-operative ideas in local government - via a new regular e-newsletter to all members who are councillors. A meeting of Scottish Labour & Co-operative Councillors was held.

The Women's Network held its regular social event as part of annual conference as well as a special event looking at how the Network can be developed and increase the support it provides.

Members have come together to start planning the development of new memberled networks to support the work of the Party in policy specific areas as well as to support members, including the re-launch of the BAME Network.

New membership systems and materials

The roll-out of a new web-based membership database 'My Co-operative Party' has resulted in major improvements to the delivery of member services. Members have been able to interact directly with the system for the first time by making Conference bookings through the site. New members now receive their card within 2 weeks as opposed to 4-6 weeks. An updated welcome letter and membership guide has been produced and sent to new members and party officers. An email induction programme has been developed introducing new members to different elements of the Party over their first six weeks (including how to get involved in the Party, who their NEC rep is, relevant networks and the Parliamentary Group). A small number of members switched to monthly Direct Debits as part of a trial to prepare for the National Membership System (NMS) from January 2015.

New materials have been produced to support local party recruitment focusing on the co-operative movement, the labour movement and youth members, with a new guide on recruiting members produced and an online store to make ordering materials easier. Recruitment events have included the Labour Party Conference in Manchester (50+ new members) and the TUC Congress in Liverpool. We have supported member-led networks such as youth, focusing on campaign actions, training and capacity building and continued work to improve retention of members, including involving officers in the induction process for new members.

Membership communications included a bi-monthly Officer Support mailing, sent out to Party officers. Using 'My Co-operative Party', party officers are now able to make changes to their membership lists to up-date, add new or lapse members and create membership reports for their branch or party council. Officer training programmes included sessions in regions, online, via telephone support and website guides. Further training on the database will be provided when a critical demand is recognised.

A major stocktake giving an overview of the current state and organisation of all regions and local parties was produced for review by the NEC. This will help lead future strategy on increasing member recruitment and retention at a local level.

To join the party online www.party.coop/join For all membership enquiries membership@party.coop

Board Report & Financial Review

Statement of Responsibilities of the Board

The Board are responsible for preparing the financial statements of the Cooperative Party Limited in accordance with applicable law and regulations. The Board is required to prepare financial statements for each financial year and has elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the Co-operative Party Limited and of the income and expenditure of Co-operative Party Limited for that period.

In preparing those financial statements, the Board are 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 Co-operative Party Limited will continue in business.

The Board are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act. They have general responsibility for taking such steps as is reasonably open to them to safeguard the assets of the society and to prevent and detect fraud and other irregularities

Corporate Governance

The Party has continued to review and report on internal financial controls in accordance with its Code of Governance, adopted in 2010. A review process will continue throughout future years and will be considered regularly by the NEC and its audit sub-committee. The process used by the NEC to review the effectiveness of the system of internal control includes the following:

A full risk assessment has been carried out to identify and evaluate the risks faced by the Party. Procedures have been established to regularly identify, evaluate and to manage significant risk.

- The Audit Committee reviews the effectiveness of the risk management process.
- Considering reports from management and external audit on the system of internal control and any material control weaknesses.
- The Chair of the Audit Committee reports on all audit committee meetings to the NEC.

In 2010 the Board agreed to adopt the Co-operatives UK Corporate Governance Code of Best Practice, subject to amendments that are consistent with the nature of the organisation. These amendments relate to Board size, frequency of meetings and length of term of Board members. This was reviewed in 2014 and a working party of the NEC established to update this.

The Party has adopted an internal control framework that contains the following key elements:

Internal Control

The NEC is ultimately responsible for the Party's system of internal control and for monitoring its effectiveness. The NEC through its Audit Committee monitors these systems through a review of:

- Monthly and annual accounts
- Reports of External Auditors

The Audit Committee also reviews steps taken in response to significant findings or identified risks.

The system of internal financial controls are designed to provide reasonable but not absolute assurances regarding:

- The safeguarding of assets
- The maintenance of proper accounting records
- The reliability of financial information
- General responsibility for taking such steps as are reasonably open to it prevent and detect fraud and other irregularities

However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

Key procedures that have been established and are designed to provide effective internal financial control are:

Control Environment 1.

The NEC approves the Party's annual budgets. The Party has a policy of communicating its management accounts on a monthly basis to each member of the Audit Committee. Results are reported against budgets with any significant variances considered by the NEC and remedial action taken where appropriate.

Risk Identification 2.

The NEC and Party management have the primary responsibility for identifying the key risks to the business. The Party operates a risk management process identifying key risks facing the Party. Each risk is assessed for probability and likelihood of occurrence with the existing controls in place or controls required necessary to manage the risk. All risks are logged and categorised with the key risks reported to the Audit Committee and NEC.

3. **Control Procedures**

The Party has implemented control procedures designed to ensure complete and accurate accounting for financial transactions and to limit the potential exposure to loss of assets or fraud. Measures taken include some physical controls, some segregation of duties, internal and external audit to the extent necessary to arrive at their audit opinions.

In 2014, the Finance Handbook was amended and expanded to meet the changes from bringing the accounts in house.

Information and Communication

The Party operates a membership database and communication takes place through a regular Officers' Support Mailing to local Party officers and activist direct member mailings as well as through social media.

Operation of the new membership database commenced in September 2013.

Monitoring 5.

There are procedures in place for monitoring the system of internal financial controls. The Audit Committee meets at least twice a year and, within its remit, reviews the effectiveness of the Party's internal financial controls. Audit reports will be issued to the appropriate level of management, containing recommendations to improve controls where weaknesses are found, together with management's response.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director

has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Crowe Clark Whitehill LLP were re-appointed as auditors on 5 June 2015.

Going Concern

The Board have prepared forecasts for the period to 31 December 2015, which indicate that the Society has sufficient committed subscription income and financial resources in order to enable it to meet its obligations as they fall due. As a consequence the Board believes that the society is well placed to manage its business risks successfully in the current economic environment.

After making all enquiries, the NEC has a reasonable expectation that the Party has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the Party's accounts.

National Executive Committee Certification

The accounts and notes on pages 28-38 are hereby signed on behalf of the National Executive Committee.

Karın Christianien

Karin Christiansen

General Secretary, the Co-operative Party

Independent Auditor's Report to the Members of the Co-operative Party Limited

We have audited the financial statements of the Co-operative Party Limited for the year ended 31 December 2014 which comprise Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Society's members, as a body, in accordance with section 87 of the Cooperative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Society'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 Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board and Auditors

As explained more fully in the Statement of Board's Responsibilities, the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Board Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Society's affairs as at 31 December 2014 and of its income and expenditure 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 Co-operative and Community Benefit Societies Act 2014.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of controls over transactions has not been maintained; or
- the Society has not kept proper accounting records; or

Crowe Class Whitehill LLP

- · the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

Crowe Clark Whitehill LLP

Statutory Auditor

The Lexicon

Mount Street

Manchester

M2 5NT

Date 19th September 2015

Income and Expenditure Account Year ended 31 December 2014

Note

		2014			2013	
		£	£	£	£	
Grants to Local Parties	2a			200,000		
Society Subscriptions	2b	777,158		736,657		
Individual members	2c	9,602		- 00 540		
Other Donations	3	26,169 164,640		20,516 182,482		
Local Party Affiliation Fees Conference Income		33,761		28,831		
Other Income		15,864		13,626		
Constituency Plan Agreements		35,920		1,521		
Total Income		00,020	1,063,114	1,021	1,183,633	
Expenditure		£		£		
Salaries & salary related costs	4	485,702		551,143		
Occupancy costs		72,674		75,791		
Travel		26,662		38,353		
Events		51,064		90,039		
Communications		18,845		17,738		
Printing, publications and stationery		11,898		23,148		
IT & technical		10,583		-		
Professional fees		18,832		37,554		
Consultancy, Delivery & Research Bank Charges		25,409 4,258		13,833		
Grants & Donations		4,256 152,821		185,615		
Depreciation & Write offs		13,867		7,816		
Miscellaneous		10,007		4,997		
Bad debt provision		2,364		-		
CPA	5	110,250		(5,573)		
			1,005,229	_	1,040,454	
Surplus/ (Deficit) from Party activities						
before interest and taxation			57,884		143,179	
Interest			-		3,487	
Surplus/ (Deficit) from Party actiities before taxation			57,884	_	146,666	
Corporation tax	6		-		(697)	
Surplus/ (Deficit) for the year	10		57,884		145,969	

The above relates entirely to continuing operations.

The notes on page 34-38 form part of these financial statements.

There were no recognised gains or losses for 2014 or 2013 other than those included in the income and expenditure account.

BALANCE SHEET

as at 31 December 2014

	Note	2014	2013
		££	£ £
Fixed Assets			
Tangible Fixed Assets	7	19,648	20,482
Current Assets			
Debtors	8	60,363	87,582
Investments		25,000	-
Cash in hand		460,879	408,873
		546,242	496,455
Creditors			
Amounts falling due within one year	9	(52,024)	(60,956)
Net Current Assets		494,218	435,499
Net assets		513,866	455,981
Financed by			
Reserves	40	F40.005	455.004
Revenue	10	513,865	455,981
		513,865	455,981

The notes on pages 4 to 9 form part of these financial statements

Co-operative & Community Benefit Societies Act 2014 Registration No 030027R

The financial statements on pages 1 to 9 were approved and authorised for issue by the National Executive Committee on 2nd September 2015

Elisabeth Teles

and signed on its behalf by:

gim Lee

CO-OPERATIVE PARTY LIMITED

CASH FLOW STATEMENT

Year ended 31 December 2014

	Note	2014 £	2013 £
Net cash inflow from operating activities	14	91,307	137,839
Returns on investments and servicing of finance	15	-	3,487
Taxation			
Corporation tax	6	(697)	(2,506)
Capital expenditure and financial investment	16	(38,604)	209,045
Increase in cash		52,006	347,865
Reconciliation of net cash flow to movement in net fund	17		
Net fund at 1 January		408,873	61,008
Increase/(decrease) in cash		52,006	347,865
Net fund at 31 December		460,879	408,873

The notes on pages 34 to 38 form part of these financial statements

CO-OPERATIVE PARTY LIMITED

Notes to the Financial Statements

STATEMENT OF ACCOUNTING POLICIES 1

Basis of Accounting

The financial statements reflect the transactions of the national organisation of the Co-operative Party. The transactions of local Party organisations and of the political activities of individual Co-operative Societies, which are not under the control of the National Executive Committee (NEC), are not included. Grants to loca Party organisations are shown as expenditure in the financial statements when they are made.

The financial statements are prepared on the historical cost accounting basis and in accordance with regulations made by the Electoral Commission and applicable accounting standards.

Going Concern

The NEC have prepared forecasts for the period to December 2015 which indicate that the Party has sufficient committed subscription income and financial resources in order to enable it to meet its obligations as they fall due. As a consequence the NEC believes that the Party is well placed to manage its business risks successfully in the current economic environment.

After making all enquiries, the NEC has a reasonable expectation that the Party has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the Party's accounts.

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:

Subscription and Conference income is recognised on an accruals basis and includes all amounts receivable for the year.

Grants and donations are recognised in the income and expenditure account when the conditions for receipt have been met.

Investment income is accounted for on an accruals basis.

Depreciation

Fixed assets in excess of £5,000 will be capitalised and depreciated by equal annual instalments over their expected useful economic lives at the following minimum rates:

Fixtures, Fittings and Equipment - 20% to 50% per annum.

The foregoing rates are used to write off the cost of the various assets over their expected useful economic life.

Corporation and Deferred Taxation

The Party currently has exemption from liability to corporation tax on investment income. . No deferred tax is recognised in the Party's accounts as investment income is taxed on the same basis as it is recognised in the income and expenditure account.

Pensions

Staff may join one of the Co-operative Group's three (PACE) pension schemes. Two of these are defined contribution schemes. One is a defined benefit scheme, open to staff with two years' continuous service. The employer contributes 2%, 8% or 18% of gross pensionable salary, depending on the pension scheme.

Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

INCOME 2.

(a) Funding for grants to local parties represents money from membership bodies to be dispersed to local parties. This amount is included in Co-operative Society Subscriptions in 2014.

		2014	2013
(b)	Society	£	£
	Chelmsford Star	3,924	3,810
	East of England	22,848	31,848
	Midcounties	38,680	37,553
	Central England	72,314	70,208
	Scottish Midland	13,792	13,792
	The Co-operative Group	625,600	579,446
	Total Subscriptions	777,158	736,657

The societies are also members of the Co-operative Party Limited.

New members that joined in by DD (c)

GRANTS & DONATIONS

2014	2013
£	£
-	15,800
26,169	4,716
26,169	20,516
	26,169

EMPLOYEES 4.

The average number of staff, who are employed by the Co-operative Party was as follows:

	20	2014		13
	Full time	Part time	Full time	Part time
	7	4	8	2
-				
The costs incurred in respect of the	ese employees were:			
	2014		2013	
	£		£	
Wages and salaries	407,325		393,491	
Social security costs	34,861		41,022	
Pension contributions	39,516		30,642	
Others	4,000		85,988	
		•		_
	485.702		551.143	

Pensions

Actual pension contributions to the PACE scheme for its employees are disclosed above. There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

4. **EMPLOYEES** (continued)

Senior Management remuneration

The total remuneration of the members of the management team was as follows:

	2014	2013
	£	£
Salaries	187,681	236,318
Pension Contributions	20,520	18,613
	208,201	254,931

The remuneration of the General Secretary included above was as follows:

	2014 £	2013 £
Salary Pension Contributions	71,748 5,736	70,875 5,203
	77,484	76,078

5. **CONSTITUENCY PLAN AGREEMENTS**

These are agreements entered into between the Co-operative National Executive Committee and the Labour Party Constituencies to which partner Societies Co-operative parties contribute one third of the cost. Payments are made direct, from the Co-operative Party, to the Constituency Labour Parties.

6. TAVATION

TAXATION	2014 £	2013 £
Corporation tax	<u> </u>	2,506

Co-operative Party are exempt from completing corporation tax until 2019, subject to investment interest being earned.

7. **TANGIBLE FIXED ASSETS**

		Fixtures, Fittings &	
		Equipment 2014	Total 2014
	COST	£	£
	1 January	84,478	84,478
	Additions	13,604	13,604
	Disposals	(13,031)	(13,031)
	31 December	85,051	85,051
	DEPRECIATION		
	1 January	63,996	63,996
	Charge for year	14,384	14,384
	Disposals	(12,977)	(12,977)
	31 December	65,403	65,403
	NET BOOK VALUE		
	1 January	20,482	20,482
	31 December	19,648	19,648
8.	DEBTORS		
		2014	2013
		£	£
	Trade Debtors	47,343	47,260
	Prepayments and accrued income	11,214	18,065
	VAT Repayable	-	6,112
	Other Debtors	1,806	16,145
		60,363	87,582

Debtors are shown net of a provision for bad debts of £2,800 (2013 - £2,800).

9. **CREDITORS**

	2014	2013
	£	£
Trade Creditors	10,583	1,224
Taxation and Social security	11,482	12,546
Corporation tax	-	697
Accruals and deferred income	27,008	46,489
Vat Payable	2,951	-
	52,024	60,956

10. **RESERVES**

	2014	2013
	£	£
Revenue reserve		
B. 14.1	455.004	040.040
Balance at 1 January	455,981	310,012
Surplus/(Deficit) for the year	57,884	145,969
Balance at 31 December	513,865	455,981

11. **OPERATING LEASE COMMITMENTS**

At 31 December 2014 the Party had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings 2014	Land and Buildings 2013
Operating leases expiring:	£	£
Within one year	-	-
Between 2 and 5 years	24,200	
	24,200	-

12. NATIONAL EXECUTIVE COMMITTEE

The directors of the board (National Executive Committee) receive no remuneration for their services as members.

They do receive reimbursement for expenses incurred in discharging their responsibilities. Expenses reimbursed for 2014 were £5,982 (2013 - £5727). Certain directors of the board are also members of the boards or governing committees of other bodies in the Co-operative Movement (see note 13). Information regarding transactions between the Party and such bodies is given in note 2.

RELATED PARTIES 13.

The Co-operative Group

At 31 December 2014, The Co-operative Party Limited held shares amounting to £25,000 (2013 - nil) in the Co-operative Group.

The Co-operative Group is considered to be a related party as The Co-operative Party Limited is a member of the Group.

RECONCILIATION OF SURPLUS/(DEFICIT) TO NET CASH INFLOW/(OUTFLOW) 14. FROM OPERATING ACTIVITIES

		2014 £	2013 £
	Surplus for the year before interest	57,885	144,991
	Depreciation charge	14,384	7,816
	Loss on disposal of fixed assets	54	-
	Decrease in debtors	27,219	(13,718)
	Decrease in creditors	(8,235)	(1,250)
	Net cash inflow from operating activities	91,307	137,839
15.	RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
		2014	2013
		£	£
	Interest received		3,487

16. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2014	2013
	£	£
Purchase of tangible fixed assets	(13,604)	(15,955)
Investment in Co-op Group corporate investor shares	(25,000)	225,000
	(38,604)	209,045

17. **ANALYSIS OF NET FUND**

	1 January 2014	Cash Flows	31 December 2014
	£	£	£
Cash in hand	408,873	52,006	460,879
Total	408,873	52,006	460,879

18. **COMPARATIVE EXENDITURE**

Comparative expenditure has been reclassified for consistency with the current period analysis in the income and expenditure account. This has no effect on the comparative results for the year or net assets. The reclassification has been made to better reflect the nature of the expenditure.

politics for people

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Co-operative Party Limited is a registered Society under the Co-operative and Community Benefit Societies Act 2014. Registered no. 30027R.