



Board report & annual accounts 2019

Co-operative Party Limited is a registered Society
under the Co-operative and Community Benefit Societies Act
2014

Registered no. 30027R
Unit 13, 83 Crampton Street, London SE17 3BQ

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Co-operative Party Limited
(Reg. No. 30027R)

Board report & financial review

Introduction

Co-operative Party Ltd.

The Co-operative Party was established in 1917 to protect and promote the interests of the Co-operative Movement. In 2005, the Party was established as Society and is registered under what is now the Co-operative and Community Benefit Societies Act 2014.

The members of the Society are its individual members and affiliated organisations. Individual members are organised into 31 local Co-operative Parties.

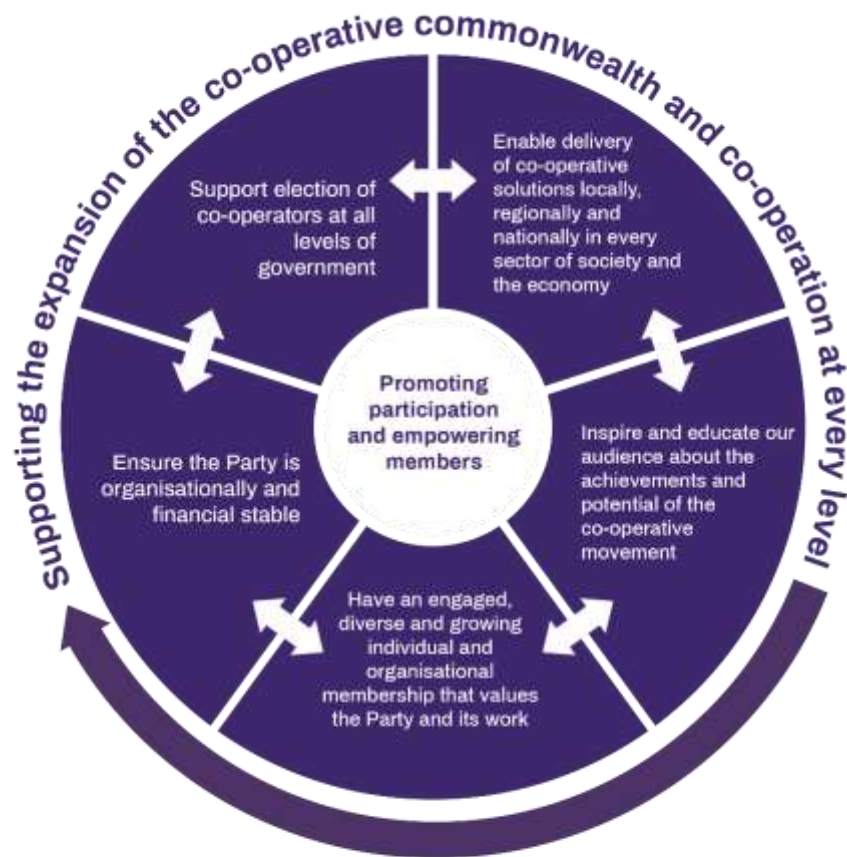
The Co-operative Party is also registered as a Political Party under the Political Parties, Elections and Referendums Act 2000.

The National Executive Committee (NEC) is responsible for the governance, strategy and policies of the Party. It is elected every three years by and from individual members and subscribing Societies.

Strategic Objectives 2019-21

The Co-operative Party's Strategic Objectives were revised in November 2018 and an updated Strategic Plan was produced to direct the Party's work and priorities to the end of 2021.

Progress towards the five strategic objectives frames the Party's reporting to members and subscribing societies. This work is outlined separately in the Annual Review.



Financial Review

The Co-operative Party recorded a surplus of £37,018 in 2019.

Income from individual members again rose significantly, with increases in recruitment and retention and in the average contribution by each member. Society and affiliate subscriptions were also slightly higher.

Other donations were boosted by donations towards the General Election. Overall, total income was higher than in 2018. The surplus shown in the accounts is also increased by the addition, for the first time, of the figure for unrealised surplus on investment. This relates to the transfer of a portion of the Party's reserves from the Co-operative Bank to an investment account in 2019.

Expenditure was also higher in 2019. Some of this related to the office move – this will result in lower costs in future years. There was also General Election campaign spend in 2019, which was funded by the donation appeals.

Tax Policy

In 2019 the Party continued to support the Fair Tax Mark Campaign.

The Co-operative Party takes its tax obligations seriously. It seeks to comply with them in an open and transparent way with both its tax advisers and, through them, with HM Revenue & Customs.

It has for some time been agreed with HM Revenue & Customs that the Party is taxed in accordance with 'the mutuality principle'. What this, in effect, means is that the Party is seen as the representative of its members in undertaking activity on their behalf. The tax consequence is that the income received from members, including for supplying services to them, is not considered taxable. Nor is any tax relief given on any spending undertaken to supply this activity. The result is that much of the activity of the Party is outside the scope of corporation tax.

This is not the case when it comes to investment income. Since any such income would if received by the Party members be considered taxable so it is in the case of the Party itself. Therefore, tax liabilities have been reported in the Party's accounts in the past.

In fulfilling its obligations to HMRC the Party has agreed that it will take no artificial steps or enter any arrangements, whether in the UK or offshore, to avoid the receipt of taxable income giving rise to a declarable tax liability. The Party is committed to paying all its taxes due at the right rate, in the right place and at the right time and believes that this commitment reflects the political values it seeks to uphold.

Membership

Members of the Co-operative Party in 2019 included 11,040 individual members and 17 societies and affiliates:

Central England Co-operative	Chelmsford Star
Community Union	Co-operative & Mutual Solutions
Co-operative Press	Co-operatives UK
Co-operative Forum (NI)	Enabled Works
East of England Co-operative	Grafton Housing Co-operative Ltd
Glenhall Housing	Scottish Midland Co-operative
Revolver Co-operative	The Midcounties Co-operative
The Co-operative Group	USDAW
United Cabbies Group	

Chelmsford Star Co-operative did not pay a national subscription in 2019 but continued to support the local Co-operative Party.

Statement of Responsibilities of the Board

The Board is responsible for preparing the financial statements of Co-operative 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 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 are 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. This was reviewed in 2018 and the NEC confirmed one variance from the Code recommendations – that, subject to annual election, there should not be a limit on the term of the Chair. This will be reviewed again in 2020 following the publication of a new Co-operatives UK Code.

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

- Use of the NCVO Trusted Charity (formerly known as PQASSO) framework to monitor systems and procedures

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

The system of internal financial controls is 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 to 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

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

Risk Identification

The NEC and Party management have the primary responsibility for identifying the key risks to the Party. 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.

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 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, and this is reviewed and updated on an annual basis.

In 2016 the Audit Committee reviewed the re-appointment of an Internal Auditor and agreed to subscribe instead to the PQASSO (now known as NCVO Trusted Charity) system.

Information and Communication

The Party operates a membership database. Communication takes place through regular Officers' Support Mailings to local Party officers, information on the website, direct member emails and magazines and social media.

Monitoring

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. Recommendations are made to the appropriate level of management to improve controls where weaknesses are found.

Disclosure of information to auditors

The Board Members who held office at the date of approval of this Board Report confirm that, so far as they are each aware, there is no relevant audit information of which the Society's auditors are unaware; and each Board Member 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 Society's auditors are aware of that information.

Auditors

Crowe UK LLP have been the Party's Auditors from the financial year 2011. In line with best practice, the NEC reviewed this in 2016 but agreed to recommend retaining Crowe UK LLP and not re-tendering for the Party's External Auditor at that time. This was ratified at the AGM in 2016.

Going Concern

The Board has prepared forecasts for the period to 31 December 2020, which indicate that the Society has sufficient committed subscription income and financial resources to enable it to meet its obligations as they fall due. Consequently, 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 14-24 are hereby signed on behalf of the National Executive Committee.

Joe Fortune
General Secretary

Independent **auditor's** report to the members of Co- operative Party Limited

Opinion

We have audited the financial statements of The Co-operative Party Limited for the year ended 31 December 2019 which comprise Income and Expenditure, Balance Sheet, 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 society's affairs as at 31 December 2019 and of its surplus 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 Co-operative and Community Benefit Societies Act 2014.

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

Conclusions relating to going concern

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

- the National Executive Committee's (henceforth referred to as "NEC") use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the NEC has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the society's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The NEC is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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
- 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.

Responsibilities of the National Executive Committee

As explained more fully in the NEC's responsibilities statement set out on page 5, the NEC 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 Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the NEC is responsible for assessing the society'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 NEC either intends to liquidate the society or to cease operations, or have 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.

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.

Use of our report

This report is made solely to the society's members as a body in accordance with the Co-operative 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.

Crowe U.K. LLP
Statutory Auditor

The Lexicon
Mount Street
Manchester
M2 5NT

22 February 2020

Income and Expenditure Account

Year ended 31 December 2019

	Note	2019		2018	
		£	£	£	£
Society & Affiliate Subscriptions	2	780,180		776,655	
Other Donations	3	37,485		743	
Other Income	4	43,935		52,324	
Individual members Conference Income	5	326,580		284,670	
Constituency Plan Agreements	6	16,200		16,200	
Total Income			1,252,548		1,191,500
Expenditure					
Salaries & salary related costs	7	582,356		561,791	
Occupancy costs		64,208		49,810	
Travel		66,814		58,107	
Events		78,595		84,205	
Communications		68,178		52,854	
Printing, publications and stationery		13,302		22,790	
IT & technical		23,749		22,055	
Professional fees		18,115		15,736	
Consultancy, Delivery & Research		4,404		25,410	
Bank Charges		15,453		16,192	
Grants & Donations		186,835		161,000	
Membership fees payable to local parties	5	40,116		40,280	
Depreciation & Write offs		500		6,307	
Irrecoverable VAT		14,986		-	
CPA	6	47,385		48,600	
			<u>1,224,997</u>		<u>1,158,838</u>
Surplus/ (Deficit) from Party activities before interest and taxation			27,551		32,662
Interest	18		2,231		194
Unrealised Surplus on Investment			7,660		-
Surplus/ (Deficit) from Party activities before taxation			<u>37,442</u>		<u>32,856</u>
Corporation tax	8		(424)		(37)
Surplus/ (Deficit) for the year	13		<u><u>37,018</u></u>		<u><u>32,819</u></u>

The above relates entirely to continuing operations. There were no recognised gains or losses for 2019 or 2018 other than those included in the income and expenditure account.

The notes on pages 17-24 form part of these financial statements.

Balance Sheet

as at 31 December 2019

	Note	2019		2018	
		£	£	£	£
Fixed Assets					
Tangible Fixed Assets	9		18,500		9,564
Current Assets					
Debtors	10	47,720		47,900	
Investments	11	158,968		26,144	
Cash in hand		496,333		622,916	
			<u>703,021</u>		<u>696,960</u>
Creditors					
Amounts falling due within one year	12		<u>(64,513)</u>		<u>(86,624)</u>
Net Current Assets					
			638,508		610,336
Total assets less current liabilities					
			657,008		619,990
Net assets					
Financed by Reserves					
Revenue	13		<u>657,008</u>		<u>619,990</u>

The notes on pages 17-24 form part of these financial statements

The financial statements on pages 14 to 24 were approved and authorised for issue by the National Executive Committee on 22 February 2020 and signed on its behalf by:

Cash flow statement

as at 31 December 2019

	Note	2019 £	2018 £
Net cash inflow from operating activities	17	5,621	21,336
Proceeds from disposal of investment		26,143	25,950
Purchase of Investment		(151,308)	(26,143)
Purchase of fixed asset		(8,846)	
Returns on investments and servicing of finance	18	2,231	194
Taxation			
Corporation tax	8	(424)	(37)
Increase/decrease in cash		<u>(126,583)</u>	<u>21,300</u>
Reconciliation of net cash flow to movement in net funds	19		
Net funds at 1 January		622,916	601,616
Increase/(decrease) in cash		(126,583)	21,300
Net funds at 31 December		<u>496,333</u>	<u>622,916</u>

The notes on pages 17-24 form part of these financial statements.

Notes to the Financial Statements

1. Statement of Accounting Policies

Basis of Accounting

Co-operative Party Ltd is a registered society under the Co-operative and Community Benefits Societies Act 2014. Its registered office is Unit 13, 83 Crampton Street, London SE17 3BQ (Registered no.30027R).

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 local 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, FRS102 and applicable accounting standards.

Going Concern

The NEC has prepared forecasts for the period to December 2020, which indicate that the Party has sufficient committed subscription income and financial resources to enable it to meet its obligations as they fall due. Therefore 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 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. The hand painted silk banner is not depreciated due to its high residual value.

Debtors

Short Term Debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less impairment.

Cash and Cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transition price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently and amortised cost using the effective interest method.

Financial instruments

The Party only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Corporation and Deferred Taxation

The Co-operative Party takes its tax obligations seriously. It seeks to comply with them in an open and transparent way with HM Revenue & Customs.

It has for some time been agreed with HM Revenue & Customs that the Party is taxed in accordance with 'the mutuality principle'. What this, in effect, means is that the Party is seen as the representative of its members in undertaking activity on their behalf. The tax consequence is that the income received from members, including for supplying services to them, is not considered taxable. Nor is any tax relief given on any spending undertaken to supply this activity.

The result is that much of the activity of the Party is outside the scope of Corporation Tax. This is not the case when it comes to investment income. Since any such income would if received by the Party members be considered taxable so it is in the case of the Party itself. This is why tax liabilities have been reported in the Party's accounts. In fulfilling its obligations to HMRC the Party has agreed that it will take no artificial steps or enter into any arrangements, whether in the UK or offshore, to avoid the receipt of taxable income giving rise to a declarable tax liability. The Party is committed to paying all its taxes due at the right rate, in the right place and at the right time and believes that this commitment is a reflection of the political values it seeks to uphold.

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 the Co-operative Party's defined contribution pension scheme. The employer contributes, 5%, 8% or 10% of gross pensionable salary (according to the contribution made by the employee).

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.

Investment

Fixed asset investments (including social investments) are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, when realised, are presented above taxation in the income and expenditure statement. Unrealised gains and losses are presented below taxation in the income and expenditure statement.

Judgements in applying accounting policies and key sources of estimation uncertainty

The Party makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

(ii) Impairment of debtors

The Party makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

See note 10 for the net carrying amount of the debtors and associated impairment provision.

Income

2 Society & Affiliate Subscriptions

	2019	2018
Society	£	£
Central England	66,300	65,000
Community Union	7,140	7,000
East of England	25,000	24,000
Midcounties	31,200	30,600
Scottish Midland	14,490	14,205
The Co-operative Group *	625,600	625,600
USDAW	10,200	10,000
Other	<u>250</u>	<u>250</u>
Total Subscriptions	<u><u>780,180</u></u>	<u><u>776,655</u></u>

All are members of Co-operative Party

* Includes funds for Party Councils

3 Other Donations

	2019	2018
	£	£
Donations from individual members & other organisations	230	743
General Election	<u>37,255</u>	<u>-</u>
	<u><u>37,485</u></u>	<u><u>743</u></u>

4 Other Income

	2019	2018
	£	£
Campaigns Levy / other grants	22,464	24,491
Contributions towards staffing Affinity Schemes & merchandise sales	<u>16,009</u>	<u>24,649</u>
	<u>5,462</u>	<u>3,184</u>
	<u><u>43,935</u></u>	<u><u>52,324</u></u>

5 Membership fees payable to local parties

Of the annual individual member subscription £4 per paid up member is forwarded to Party Councils. The individual member income is presented gross before the payment to Party Councils.

6 Constituency Plan Agreements

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

Expenditure

7 Employees

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

2019		2018	
Full time	Part time	Full time	Part time
8	6	7	7

The Party also employed temporary staff on behalf of Members of the Co-operative Parliamentary Group and local Parties

Reimbursement to the Party in respect of employment costs for such employees is included in 'other income' in Income and Expenditure.

	2019 £	2018 £
Wages and salaries	485,968	469,594
Social security costs	44,353	42,029
Pension contributions	42,044	42,808
Non-Salary benefits	5,757	4,963
Internal Training	1,386	1,240
Recruitment Costs	2,847	1,157
	<u>582,355</u>	<u>561,791</u>

Senior Management remuneration

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

	2019 £	2018 £
Salaries	146,856	144,864
Pension Contributions	13,932	14,465
National Insurance Contributions	16,857	16,669
	<u>177,645</u>	<u>175,998</u>

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

	2019 £	2018 £
Salary	76,147	75,712
Pension Contributions	6,861	7,571
National Insurance Contributions	8,799	8,772
	<u>91,807</u>	<u>92,055</u>

8 Taxation

	2019 £	2018 £
Corporation tax	<u>424</u>	<u>37</u>

9 Tangible Fixed Assets

	Fixtures, Fittings & Equipment 2019	Fixtures, Fittings & Equipment 2018
Cost	£	£
1 January	70,202	70,202
Additions	8,846	-
Disposals	-	-
	<hr/>	<hr/>
31 December	<u>79,048</u>	<u>70,202</u>
Depreciation		
1 January	60,548	60,541
Charge for year	-	7
Disposals	-	-
	<hr/>	<hr/>
31 December	<u>60,548</u>	<u>60,548</u>
Net Book Value		
1 January	9,654	9,661
	<hr/>	<hr/>
31 December	<u><u>18,500</u></u>	<u><u>9,654</u></u>

One asset's purchase cost is equivalent to its net book value and the addition in the year was not available for use during the reporting period, therefore no depreciation has been charged during the period.

10 Debtors

	2019	2018
	£	£
Trade Debtors	12,969	15,580
Prepayments and accrued income	33,601	29,730
Other Debtors	1,150	2,590
	<hr/>	<hr/>
	<u>47,720</u>	<u>47,900</u>

Debtors are shown net of a provision for bad debts of £Nil

11 Investment

	2019 £	2018 £
Capital value		
At 1 January	26,144	25,950
Additions	151,112	(25,950)
Disposal	(26,144)	(25,950)
Interest reinvested	196	194
Revaluations	7,660	-
	<hr/>	<hr/>
At 31 December	<u>158,968</u>	<u>26,144</u>

Investments relate to shares in The Co-operative Group and James Sharp - see note 16. All investments are held within the United Kingdom or the Channel Islands in the form of listed securities.

12 Creditors

	2019 £	2018 £
Trade Creditors	3,285	13,330
Taxation and Social security	12,314	27,175
Corporation tax	424	37
Accruals and deferred income	48,491	46,082
VAT Payable	<hr/>	<hr/>
	<u>64,513</u>	<u>86,624</u>

13 Reserves

	2019 £	2018 £
Revenue reserve		
Balance at 1 January	619,990	587,171
Surplus/(Deficit) for the year	37,018	32,819
	<hr/>	<hr/>
Balance at 31 December	<u>657,008</u>	<u>619,990</u>

14 Operating Lease Commitments

At 31 December 2019 the Party had commitments under non-cancellable operating leases as follows:

	Land and Buildings 2019 £	Land and Buildings 2018 £	Computer equipment 2019 £	Computer equipment 2018 £
Lease payments due:				
Within one year	30,000	-	2,016	320
Between 2 and 5 years	<hr/>	<hr/>	<hr/>	<hr/>
	<u>90,000</u>	<u>-</u>	<u>4,368</u>	<u>320</u>

15 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 2019 were £ 1,862 (2018 - £ 1,876). Certain directors of the Board are also members of the boards or governing committees of other bodies in the Co-operative Movement (see note 16). Information regarding transactions between the Party and such bodies is given in note 1.

16 Related Parties

The Co-operative Group

At 31 December 2019, Co-operative Party Limited held shares amounting to £26,339 (2018 - £26,143) in the Co-operative Group.

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

17 Reconciliation of surplus/(deficit) to net cash inflow/(outflow) from operating activities

	2019	2018
	£	£
Surplus/deficit for the year before interest	27,551	32,662
Depreciation charge	-	7
Increase/decrease in debtors	180	(11,876)
Decrease in creditors	(22,110)	543
Net cash inflow from operating activities	5,621	21,336

18 Returns on Investments and servicing of finance

	2019	2018
	£	£
Interest received	2,231	194
Total	2,231	194

19 Analysis of net fund

	1 January 2019	Cash Flows	31 December 2019
	£	£	£
Cash in hand	622,916	(126,583)	496,333
Total	622,916	(126,583)	496,333

20 Amortised cost from fair value

	2019	2018
	£	£
Financial Assets held at fair value	158,968	26,144
Financial Liabilities held at fair value	19,008	43,412
Financial Assets held at amortised cost	526,772	

Financial Assets held at fair value comprise of trade debtors, accrued income, other debtors and cash
Financial Liabilities held at fair value comprise of trade creditors, accruals and post employment benefits.