



board report & annual accounts 2023

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 St., London SE17 3BQ

CONTENTS

| | |
|--|-----------|
| Co-operative Party Limited (Reg. No. 30027R) Board report & financial review | 3 |
| Introduction | 3 |
| Co-operative Party Ltd. | 3 |
| The NEC | 3 |
| Strategic Objectives 2022-24 | 5 |
| Financial Review | 6 |
| Covid-19 | 6 |
| Tax Policy | 6 |
| Membership | 7 |
| Statement of Responsibilities of the Board | 7 |
| Corporate Governance | 7 |
| Internal Control | 8 |
| Control Environment | 8 |
| Risk Identification | 8 |
| Control Procedures | 8 |
| Information and Communication | 8 |
| Monitoring | 8 |
| Disclosure of information to auditors | 8 |
| Auditors | 9 |
| Going Concern | 9 |
| National Executive Committee Certification | 9 |
| Independent auditor's report to the members of Co-operative Party Limited | 10 |
| Opinion | 10 |
| Basis for opinion | 10 |
| Conclusions relating to going concern | 10 |
| Other information | 10 |
| Matters on which we are required to report by exception | 11 |
| Responsibilities of the National Executive Committee | 11 |
| Auditor's responsibilities for the audit of the financial statements | 11 |
| Extent to which the audit was considered capable of detecting irregularities, including fraud | 11 |
| Use of our report | 12 |
| Financial reports | 13 |
| Notes to the financial statements | 16 |

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 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 in 26 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 NEC

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.

In 2022 the AGM approved a rule change to the structure of the NEC/Board. This came into effect with the elections for the NEC/Board 2023-26 in Spring 2023. The new Board took office at the NEC AGM on 10/11 June 2023.

The NEC met six times in 2023: 3 meetings prior to the election of the new NEC and three meetings following the election.

Members of the Co-operative Party NEC/Board of Co-operative Party Ltd up to June 2023 were:

| | Representing | Attendance |
|--------------------------------|-----------------------------|------------|
| Chris Vince | East | 2/3 |
| Jamie McMahon | East Midlands | 1/3 |
| Stella Creasy MP | London | 1/3 |
| Michael Bell | North East & Cumbria | 3/3 |
| Gary Booth | North West | 1/3 |
| Preet Kaur Gill MP | Parliamentary Group | 0/3 |
| Jim McMahon MP (Chair) | Parliamentary Group | 3/3 |
| Ruth Hall (Vice-Chair) | Scotland & Northern Ireland | 3/3 |
| Maria Lee | Societies | 3/3 |
| Eddie Thorn | Societies | 2/3 |
| Rosa Bolger | South East | 0/3 |
| Pat Juby | South West | 2/3 |
| John Hughes | The Co-operative Group | 3/3 |
| Mary Wimbury | Wales | 3/3 |
| Chris Bain | West Midlands | 0/3 |
| Abigail Marshall Katung | Yorkshire & Humber | 3/3 |
| Nathan Burns | Youth | 1/3 |



The NEC also had three observers up to June 2023. These are not members of the Board of Co-operative Party Ltd and do not vote.

| | Representing | Attendance |
|-------------------------|--------------------------------------|------------|
| Faisal Rana | BAME Network | 0/3 |
| Tony McMullan | Northern Ireland Party | 3/3 |
| Lord Roy Kennedy | Parliamentary Group (House of Lords) | 0/3 |

Following the election of the new NEC for 2023-26, members of the NEC and their attendance in 2023 was as follows:

| | Representing | Attendance |
|--------------------------------|-----------------------|------------|
| Stella Creasy MP | England East & London | 1/3 |
| Chris Vince | England East & London | 1/3 |
| Jamie McMahon | England Midlands | 3/3 |
| Kindy Sandhu | England Midlands | 3/3 |
| Michael Bell | England North | 2/3 |
| Abigail Marshall Katung | England North | 2/3 |
| Dr Savneet Bains | England South | 2/3 |
| Lucy Naylor | England South | 3/3 |
| Tony McMullan | Northern Ireland | 3/3 |
| Ruth Hall | Scotland | 3/3 |
| Mary Wimbury | Wales | 3/3 |
| Preet Kaur Gill MP | Parliamentary Group | 1/3 |

| | Representing | Attendance |
|---------------------------------------|-------------------------|------------|
| Jim McMahon MP | Parliamentary Group | 3/3 |
| Celia Hibbert | Elected Representatives | 0/0 |
| Paul Sweeney MSP | Elected Representatives | 1/1 |
| Zach Evans | Co-operative Group | 0/2 |
| Sarah McCarthy-Fry¹ | Co-operative Group | 0/0 |
| Maria Lee | Retail Societies | 2/3 |
| Eddie Thorn | Retail Societies | 0/3 |
| Rev. Chris Wilson | Affiliates | 3/3 |
| Prof. Cecile Wright | BAME | 3/3 |
| Sandra Wilson | (dis)Ability | 3/3 |
| Ashley Halstead | LGBTQ+ | 3/3 |
| Ellie Ormsby | Youth | 3/3 |

¹ Appointed after the final meeting in 2023

The NEC also had one observer from June 2023. These were not members of the Board of Co-operative Party Ltd and do not vote.

| | Representing | Attendance |
|-------------------------|--------------------------------------|------------|
| Lord Roy Kennedy | Parliamentary Group (House of Lords) | 1/2 |



Strategic Objectives 2022-2024

The Co-operative Party's Strategic Objectives were revised in November 2021 and an updated Strategic Plan was produced to direct the Party's work and priorities to the end of 2024.

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 small deficit in 2023. Total income was higher than in 2022 - although subscriptions from Societies and Affiliates increased only marginally, income from individual members again increased by over 8%. This reflects continued strong recruitment and retention, together with the voluntary contributions individual members give above the minimum membership subscription. The Party also received increased income from donations and legacies.

Increased income was offset by increased expenditure on staffing and communications, and on Constituency Plan Agreements for new parliamentary candidates.

With the return to Annual Conference on-line in 2023, this generated lower income than 2022, offset by lower expenditure.

Covid-19

The global pandemic had a substantial impact on the planned work of the Party in 2020. The pandemic continued through 2021 but the Party had adapted significantly and successfully to new ways to work, meet and campaign. These new ways of working continued into 2022, but with an increase in 'in-person' meetings and events, including the Party's first venue-based Annual Conference since 2019.

From the start of the first lock-down, all staff transferred to home working. After the initial work to ensure that all had the necessary infrastructure and equipment the team adapted well to changes to their working environment and workplans. No staff were furloughed or made redundant. The team continued to meet on-line daily, and adjustments were made where necessary to accommodate caring responsibilities.

Since 2022, the Party has adopted systems that are likely to continue for the foreseeable future. Staff have a mix of office and home working as best suits their roles and circumstances. There are some in-person meetings but the successful 'Co-op Party Live' events have continued on-line. Annual Conference was on-line in 2023, following the first post-Covid venue-based Conference in 2022. The NEC now plans for Annual Conference to alternate between on-line and in-person going forward. The AGM was again on-line in 2023 and this will continue on-line, earlier in the year than Annual Conference as it has since 2022.

Tax Policy

In 2023 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.

The Party took the decision to deregister for VAT with effect from 31 December 2020 and no longer reclaims VAT on conferences and events.



Membership

Members of the Co-operative Party in 2023 included 13,422 individual members and thirteen societies and affiliates:

- **Central England Co-operative**
- **Chelmsford Star**
- **Community Union**
- **Co-operative & Mutual Solutions**
- **Co-operative Press**
- **Co-operatives UK**
- **East of England Co-operative**
- **Grafton Housing Co-operative Ltd**
- **Scottish Midland Co-operative**
- **Revolver Co-operative**
- **The Midcounties Co-operative**
- **The Co-operative Group**
- **USDAW**

Chelmsford Star Co-operative did not pay a national subscription in 2023 but continued to support the local Co-operative Party. Unison Labour Link was accepted into membership in 2023 with effect from 2024.

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 is 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 and revised in 2020. 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. In February 2020 the new Co-operatives UK Code was adopted by the NEC, subject to one variance (as previously) that, subject to annual election, there should not be a limit on the term of the Chair.



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 'MESMA', (formally 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 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 MESMA/NCVO Trusted Charity) framework.

Information and Communication

The Party operates a membership database. Communication takes place through regular Officers' Support Mailings ('Buzz') to local Party officers and activists, 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 invited tenders for the financial year 2021. Following a review of the tenders received, the NEC recommended to members at the AGM in December 2021 that Crowe UK LLP be reappointed. This was approved, and the appointment of the Auditors was again confirmed at the AGM in June 2023.

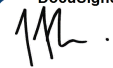
Going Concern

The Board has prepared forecasts for the period to 31 December 2024, 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 13-21 are hereby signed on behalf of the National Executive Committee.

DocuSigned by:

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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 2023 which comprise of the Income and Expenditure Account, Balance Sheet, Cash Flow Statement and notes to the financial statements, including 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 2023 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the 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 party in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the NEC with respect to going concern are described in the relevant sections of this report.

Other information

The NEC is responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 party 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 Board

As explained more fully in the NEC's responsibilities statement set out on **page 7**, 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 NEC 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 party's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the NEC either intends to liquidate the party 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

The laws and regulations we considered in this context were the Communities and Co-Operatives Benefits Societies Act 2014, electoral and taxation legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the NEC and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management, existence of contributions to staff salaries and completeness of institutional subscription income. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, comparing Electoral Commission donation



reports to the financial statements, agreeing a sample of staff salary contribution agreements to the financial statements and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is available 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 party'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 party and the party's members as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP
Statutory Auditor
The Lexicon
Mount Street
Manchester
M2 5NT

21 May 2024



FINANCIAL REPORTS

| Income and Expenditure Account | | | | | |
|---|-------------|-------------|-----------|-------------|-----------|
| Year ended 31 December 2023 | | | | | |
| | Note | 2023 | | 2022 | |
| | | £ | £ | £ | £ |
| Society & Affiliate subscriptions | 2 | 757,770 | | 756,401 | |
| Other donations | 3 | 50,000 | | 500 | |
| Legacy | | 19,957 | | | |
| Other income | 4 | 71,354 | | 141,844 | |
| Individual members | 5 | 482,612 | | 444,194 | |
| Conference income | | 20,332 | | 52,792 | |
| Constituency Plan Agreements | 6 | 15,660 | | 10,125 | |
| Total Income | | | 1,417,675 | | 1,405,856 |
| Expenditure | | | | | |
| Salaries & salary related costs | 7 | 852,167 | | 771,442 | |
| Occupancy costs | | 58,490 | | 56,048 | |
| Travel | | 35,374 | | 50,250 | |
| Events | | 46,997 | | 95,593 | |
| Communications | | 99,699 | | 68,861 | |
| Printing, publications and stationery | | 7,859 | | 6,610 | |
| IT & technical | | 41,623 | | 47,655 | |
| Professional fees | | 18,996 | | 17,256 | |
| Consultancy, Delivery & Research | | 23,683 | | 8,482 | |
| Bank Charges | | 21,902 | | 20,216 | |
| Grants & Donations | | 150,000 | | 156,250 | |
| Membership fees payable to local parties | 5 | 29,188 | | 52,752 | |
| Dilapidations & Write offs | | 1,885 | | 1,885 | |
| Constituency Plan Agreements | 6 | 45,765 | | 30,375 | |
| Loss on share sale | | | | | |
| | | | 1,433,629 | | 1,383,675 |
| Surplus/(Deficit) from Party activities before interest and taxation | | | (15,954) | | 22,181 |
| Interest | 18 | | 16,727 | | 7,257 |
| Unrealised profit/loss on Investment | | | (1,748) | | (8,401) |
| Surplus/(Deficit) from Party activities before taxation | | | (975) | | 21,037 |
| Corporation Tax | 8 | | (3,345) | | (1,367) |
| Surplus/(Deficit) for the year | 13 | | (4,320) | | 19,670 |

The above relates entirely to continuing operations. There were no recognised gains or losses for 2023 or 2022 other than those included in the income and expenditure account. The notes on pages 16-21 form part of these financial statements.



| Balance Sheet | | | | | |
|---------------------------------------|-------------|-------------|---------|-------------|---------|
| as at 31 December 2023 | | | | | |
| | Note | 2023 | | 2022 | |
| | | £ | £ | £ | £ |
| Fixed Assets | | | | | |
| Tangible Fixed Assets | 9 | | 15,035 | | 15,920 |
| Current Assets | | | | | |
| Debtors | 10 | 56,186 | | 62,958 | |
| Investments | 11 | 137,202 | | 138,748 | |
| Cash in hand | | 731,241 | | 699,079 | |
| | | 924,629 | | 900,785 | |
| Creditors | | | | | |
| Amounts falling due within one year | 12 | (118,938) | | (91,659) | |
| Net Current Assets | | | 805,691 | | 809,126 |
| Total assets less current liabilities | | | 820,726 | | 825,046 |
| Net Assets | | | | | |
| Financed by Reserves | | | | | |
| Revenue | 13 | | 820,726 | | 814,309 |
| Designated Funds | 13 | | - | | 10,737 |
| | | | 820,726 | | 825,046 |

The notes on **pages 16-21** form part of these financial statements. The financial statements on **pages 13-15** were approved and authorised for issue by the National Executive Committee on 21 May 2024 and signed on its behalf by:

DocuSigned by:


 BD93988F89D84DA...

Eddie Thorn

DocuSigned by:

 829995B3206741F...

Ruth Hall

DocuSigned by:

 60ADBAC3923A42A...

Starling Wilkie

| Cash Flow Statement | | | |
|--|-------------|-------------|-------------|
| Year ended 31 December 2023 | | | |
| | Note | 2023 | 2022 |
| | | £ | £ |
| Net cash inflow from operating activities | 17 | 17,004 | (59,728) |
| Proceeds from disposal of investment | | 26,937 | 26,737 |
| Purchase of investment | | (27,139) | (26,950) |
| Purchase of fixed asset | | | |
| Returns on investments and servicing of finance | 18 | 16,727 | 7,257 |
| | | | |
| Taxation | | | |
| Corporation Tax paid | 8 | (1,367) | (1,367) |
| | | | |
| | | | |
| Increase/(decrease) in cash | | 32,162 | (54,051) |
| | | | |
| | | | |
| Reconciliation of net cash flow to movement in net funds | 19 | | |
| | | | |
| Net funds at 1 January | | 699,079 | 753,130 |
| | | | |
| Increase/(decrease) in cash | | 32,162 | (54,051) |
| | | | |
| Net funds at 31 December | | 731,241 | 699,079 |

The notes on **pages 16-21** 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.

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 2024 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 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 recognized on an accruals basis and includes all amounts receivable for the year.
- Grants and donations are recognized 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 – 10% 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 holds basic financial instruments as defined in FRS 102. The financial assets and liabilities of the Party are their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 10 & 11. Prepayments are not financial instruments.

Amounts due to the Party's wholly owned subsidiary are held at face value less any impairment.

Cash at bank - is classified as basic financial instrument and measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 12. Taxation and social security are not included in financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or other financial instrument. Amounts due to the Party's wholly owned subsidiary are held at face value less any impairment.

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 Pension Scheme, which is a 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 reliability 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.

1. 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.

2. Impairment of debtors

The company 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.

2. Society & Affiliate Subscriptions

| | 2023 | 2022 |
|----------------------------|----------------|----------------|
| Society | £ | £ |
| Central England | 66,300 | 66,300 |
| Community Union | 7,140 | 7,140 |
| East of England | 25,000 | 25,000 |
| Midcounties | 34,437 | 33,434 |
| Scottish Midland | 15,993 | 15,527 |
| The Co-operative Group* | 598,600 | 598,600 |
| USDAW | 10,200 | 10,200 |
| Other | 100 | 200 |
| <i>Total Subscriptions</i> | <i>757,770</i> | <i>756,401</i> |

All are members of the Co-operative Party

* Includes funds for Party Councils

3. Other Donations

| | 2023 | 2022 |
|---|---------------|------------|
| | £ | £ |
| Donations from individual members and other organisations | 50,000 | 500 |
| <i>Total</i> | <i>50,000</i> | <i>500</i> |

4. Other Income

| | 2023 | 2022 |
|--------------------------------------|---------------|----------------|
| | £ | £ |
| Campaigns Levy/other grants | 37,191 | 31,450 |
| Contributions towards staffing | 31,743 | 89,687 |
| Affinity Schemes & Merchandise sales | 2,420 | 2,871 |
| Annual Conference insurance claim | - | 7,099 |
| Regional Conference funding | | 10,737 |
| <i>Total</i> | <i>71,354</i> | <i>141,844</i> |

5. Membership fees payable to local parties

Of the annual individual member subscription £2 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 Party National Executive Committee and 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 Constituency Labour Parties.

7. Employees

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

| 2023 | | 2022 | |
|-----------|-----------|-----------|-----------|
| Full time | Part time | Full time | Part time |
| 10 | 8 | 9 | 11 |

The Party also employed temporary staff on behalf Party Councils.

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

| | 2023 | 2022 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and Salaries | 714,507 | 648,248 |
| Social security costs | 61,979 | 59,430 |
| Pension contributions | 60,867 | 50,600 |
| Non-salary benefits | 11,168 | 12,219 |
| Internal training | 1,671 | 237 |
| Recruitment costs | 1,975 | 708 |
| <i>Total</i> | <i>852,167</i> | <i>771,442</i> |

Senior Management remuneration

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

| | 2023 | 2022 |
|----------------------------------|----------------|----------------|
| | £ | £ |
| Salaries | 165,364 | 155,382 |
| Pension contributions | 15,790 | 13,200 |
| National Insurance contributions | 17,917 | 17,598 |
| <i>Total</i> | <i>199,071</i> | <i>186,180</i> |

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

| | 2023 | 2022 |
|----------------------------------|----------------|---------------|
| | £ | £ |
| Salary | 83,684 | 80,262 |
| Pension Contributions | 8,368 | 8,026 |
| National Insurance contributions | 9,716 | 9,767 |
| <i>Total</i> | <i>101,768</i> | <i>98,055</i> |

8. Taxation

| | 2023 | 2022 |
|-----------------|-------|-------|
| | £ | £ |
| Corporation Tax | 3,345 | 1,367 |

The Party deregistered from VAT on 31 December 2020.

9. Tangible Fixed Assets

| | Fixtures, fittings and equipment | Fixtures, fittings and equipment |
|-----------------------|----------------------------------|----------------------------------|
| | 2023 | 2022 |
| | £ | £ |
| Cost | | |
| 1 January | 79,048 | 79,048 |
| 31 December | 79,048 | 79,048 |
| Depreciation | | |
| 1 January | 63,128 | 62,243 |
| Charge for year | 885 | 885 |
| 31 December | 64,013 | 63,128 |
| Net Book Value | | |
| 1 January | 15,920 | 16,805 |
| 31 December | 15,035 | 15,920 |

10. Debtors

| | 2023 | 2022 |
|--------------------------------|---------------|---------------|
| | £ | £ |
| Trade debtors | 6,037 | 8,459 |
| Prepayments and accrued income | 50,149 | 54,499 |
| <i>Total</i> | <i>56,186</i> | <i>62,958</i> |

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

11. Investment

| | 2023 | 2022 |
|----------------------|----------|----------|
| Capital value | £ | £ |
| At 1 January 2023 | 138,748 | 146,948 |
| Additions | 26,937 | 26,038 |
| Disposals | (26,937) | (26,038) |
| Interest reinvested | 202 | 201 |
| Revaluations | (1,748) | (8,401) |
| | | |
| At 31 December 2023 | 137,202 | 138,748 |

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

12. Creditors

| | 2023 | 2022 |
|------------------------------|---------|--------|
| | £ | £ |
| Trade creditors | 11,304 | 7,582 |
| Taxation and social security | 22,337 | 16,068 |
| Corporation tax | 3,345 | 1,367 |
| Accruals and deferred income | 81,952 | 66,642 |
| VAT Payable | - | - |
| | | |
| | 118,938 | 91,659 |

13. Reserves

| | 2023 | | | 2022 | | |
|--------------------------------|---------|------------|---------|---------|------------|---------|
| | Revenue | Designated | Total | Revenue | Designated | Total |
| | £ | £ | £ | £ | £ | £ |
| Balance at 1 January | 814,309 | 10,737 | 825,046 | 805,376 | - | 805,376 |
| Surplus/(Deficit) for the year | 6,417 | (10,737) | (4,320) | 8,933 | 10,737 | 19,670 |
| Balance at 31 December | 820,726 | - | 820,726 | 814,309 | 10,737 | 825,046 |

The designated fund related to funds set aside for regional party conferences due to take place in 2023.

14. Operating Lease Commitments

At 31 December 2023 the Party had commitments under non-cancellable operating leases as follows:

| | Land and Buildings | | Computer equipment | |
|----------------------------|--------------------|--------|--------------------|--------|
| | 2023 | 2022 | 2023 | 2022 |
| Lease payments due: | £ | £ | £ | £ |
| Within one year | 20,000 | 30,000 | 1,680 | 2,016 |
| Between 2 and 5 years | | 18,096 | 6,720 | 8,064 |
| <i>Total</i> | 20,000 | 48,096 | 8,400 | 10,080 |

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 2023 were £1,387 (2022- £1,083). 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 2.

16. Related Parties

The Co-operative Group

At 31 December 2023, Co-operative Party Limited held shares amounting to £26,950 (2022- £26,736) in the Co-operative Group.

The Co-operative Group is considered to be a related party as Co-operative Party Ltd 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

| | 2023 | 2022 |
|--|----------|----------|
| | £ | £ |
| Surplus/deficit for the year before interest | (15,954) | 22,181 |
| Depreciation charge | 885 | 885 |
| Movement in debtors | 6,772 | (18,638) |
| Movement in creditors | 25,301 | (64,156) |
| Net cash inflow from operating activities | 17,004 | (59,728) |

18. Returns on investments and servicing of finance

| | 2023 | 2022 |
|-------------------|--------|-------|
| | £ | £ |
| Interest received | 16,727 | 7,257 |
| <i>Total</i> | 16,727 | 7,257 |

19. Analysis of net fund

| | 1 January 2023 | Cash Flows | 31 December 2023 |
|--------------|----------------|------------|------------------|
| | £ | £ | £ |
| Cash in hand | 699,079 | 32,162 | 731,241 |
| <i>Total</i> | 699,079 | 32,162 | 731,241 |

