

The New Zealand Council of the
New Zealand Labour Party Inc

Group Performance Report

for the year ended 31 December 2024



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Entity information

<i>Legal name of entity</i>	The New Zealand Labour Party Incorporated	
<i>Entity identifiers</i>	NZ Business Number - 9429047844483 Incorporated Society Registration Number - 50021380	
<i>Entity type</i>	Incorporated Society	
<i>Entity's purpose or mission</i>	Labour exists to improve the lives of New Zealanders by implementing progressive solutions to public policy issues. We do this by electing competent people to Parliament and local government, who we expect to govern according to our party's principles, policies, and values.	
<i>Entity structure</i>	A Governing Council which then encompasses a Head Office, 72 Electorate committees, approx 175 branches, six regions, several hubs and sectors and two property holding entities.	
<i>Entity's governance arrangements</i>	Our Council is made up of 26 members of the Party - some appointed, others elected. Some decisions are delegated to the General Secretary. Some decisions require voting by the membership at annual conference/congress.	
<i>Other entities controlled by the entity</i>	<i>Legal Name</i>	<i>Entity Identifier</i>
	Labour Party Properties Incorporated *	NZBN - 9429042655831
	Labour Party Properties Ltd *	NZBN - 9429031583565
	* These entities are included in the Group Financial Statements and listed here along with their own unique business identifiers.	
<i>Entity's reliance on volunteers and donated goods or services</i>	Like all political organisations, Labour relies heavily on volunteer supporters and party members. Party members take on almost all our internal leadership and governance roles, while both supporters and members support our MPs in their communities and participate in election campaign activity. We do not typically receive donated goods or services, other than the labour of our volunteers.	

Approval of Group Performance Report

The New Zealand Council of the New Zealand Labour Party Incorporated are pleased to present the approved Group Performance Report including the historical financial statements for the year ended 31 December 2024.

Approved by

Signature

Name

Position

Date

Signature

Name

Position

Date

Statement of Service Performance

Party objectives

From NZLP Constitution (1.3), the Party's objectives are:

- (a) *To elect competent men and women to Parliament and local bodies through free elections for the purpose of giving effect to Party policy and principles;*
- (b) *To build and sustain an economy which can attract and retain the intelligence, skills and efforts of all citizens;*
- (c) *To ensure the just distribution of the production and services of the nation for the benefit of all the people;*
- (d) *To promote and protect the freedoms and welfare of all New Zealand citizens; and*
- (e) *To educate the public in the principles and objectives of democratic socialism and economic and social co-operation.*

Key activities

Public support

Objective

We seek to persuade as many citizens as possible to support Labour's progressive vision for the country and our policy proposals in pursuit of that vision.

<u>Measures</u>	<u>Current year</u>	<u>Last year</u>
The best measure against this target is our party vote performance at a General Election.	-	General election: 26.9% party vote
At other times, a good measure is Labour's support in published scientific opinion polls.	Polling average 29.5% (December / Wikipedia)	Polling average 25.5% (December / Wikipedia)

Policy

Objective

We seek to promote relevant, high-quality policies that address the issues citizens need us to address and that promote our progressive values.

<u>Measures</u>	<u>Current year</u>	<u>Last year</u>
As our goal is about a quality policy offer rather than the volume of our policy offer, assessments of achieving this goal are necessarily subjective. The best measure of achieving this goal lies in our public support measures above.	-	-
We track a secondary quantitative measure available in non-election years that summarises the volume of new policy proposals agreed by our Annual Conferences. (We hold a Congress instead of an Annual Conference in an election year.)	368 policies approved for possible inclusion	-

Financial capacity

Objective

We seek to raise sufficient funds to pay for our day-to-day activities and also to pay every three years for a competitive general election campaign.

<u>Measures</u>	<u>Current year</u>	<u>Last year</u>
In non-election years, the most appropriate measure of progress against this objective is to compare our income with our operating expenditure, which indicates whether we are successfully saving for the next election campaign.	-	Attributable party election expenses \$3.511m, higher than any other party.

Financial capacity (continued)

<u>Measures (continued)</u>	<u>Current year</u>	<u>Last year</u>
In election years, the best measure of our medium-term success sits in our ability to mount a financially competitive election campaign without placing our asset base at undue risk, measured by assessing our declared election spending against our competitors and by assessing whether our operating deficit is at a sustainable level given our asset base and previous operating surpluses.	Group level surplus \$715,000	Group-level deficit \$859,000, which is sustainable given last two years' surpluses (nationwide party only) exceeding \$2m.

Supporter capacity

Objective

We seek to build a committed corps of committed supporters who volunteer their time and other resources to help Labour pursue our public support, policy, and financial capacity objectives above. Our supporters include our party members. In addition to our formal members, we have many other people who actively support us without paying a membership fee. Supporters can assist in multiple ways, most prominently during General Election campaigns but also at other times, including formal activities like participating in voter contact campaigns, leaflet drops, and party and public meetings, as well as informal ways like talking with their friends and family about the future of the country in a way that promotes Labour's values and policies.

Measures

As our objective rests in part on persuading existing supporters to deepen their engagement, as well as persuading passive supporters to become active, raw numbers of volunteers is a potentially misleading measure.

We do track additional metrics such as party membership numbers and volume of direct voter contacts in election years, but the political sensitivity around these figures means we do not report them publicly.

Leadership development

Objective

We seek to recruit quality candidates to be leaders within our party. This includes external leadership positions such as a Member of Parliament, and internal leadership positions such as leading a Labour Electorate Committee.

<u>Measures</u>	<u>Current year</u>	<u>Last year</u>
Measuring candidate quality is necessarily subjective, so we do not track a dedicated "candidate quality" measure.	No election, so no Parliamentary candidacies.	101 expressions of interest for Parliamentary candidacies.
We do track quantitative measures such as the number of expressions of interest we receive each election cycle for a Parliamentary candidacy, and the vacancy rate of our key internal leadership positions on our New Zealand Council and our Labour Electorate Committees.	97.5% fill-rate in our key internal leadership positions.	96.3% fill-rate in our key internal leadership positions.

Statement of Financial Performance

for the year ended 31 December 2024

	<i>Note</i>	2024	2023
		\$	\$
Income			
Donations, koha, bequests & fundraising		1,875,159	6,379,353
Membership fees and subscriptions		153,224	142,411
Revenue from commercial activities		245,057	380,647
Interest, dividends and other investment revenue		315,590	255,456
Other revenue		48,671	1,131,201
Total Operating Income		2,637,701	8,289,068
Expenses			
Expenses related to fundraising		132,490	216,557
Employee remuneration and other related expenses		821,924	993,515
Volunteer related expenses		10,605	-
Expenses related to commercial activities		121,261	211,083
Other expenses related to service delivery		685,234	7,618,719
Grants and donations made		-	184
Other expenses		151,695	108,498
Total Operating Expenses		1,923,209	9,148,556
Surplus/(deficit)		714,492	(859,488)

The accompanying notes form part of and should be read in conjunction with these Group Financial Statements

Statement of Financial Position

as at 31 December 2024

	<i>Note</i>	2024	2023
		\$	\$
Current Assets			
Cash and bank accounts		1,302,808	1,187,016
Short-term deposits		353,558	126,000
Debtors and prepayments		308,046	394,437
Inventory		14,989	6,781
Term deposits		2,195,746	1,403,800
Other current assets		-	3,800
		<u>4,175,147</u>	<u>3,121,834</u>
Non-Current Assets			
Property, plant and equipment		3,877,146	4,457,809
Investments		1,808,711	1,793,521
Longer-term deposits		850,135	394,500
		<u>6,535,992</u>	<u>6,645,830</u>
Total Assets		10,711,139	9,767,664
Current Liabilities			
Creditors and accrued expenses		136,413	149,536
Employee costs payable		100,769	161,860
Other current liabilities		25,788	48,256
		<u>262,970</u>	<u>359,652</u>
Non-Current Liabilities			
Loans		6,749	32,683
Other non-current liabilities		974,933	854,384
		<u>981,682</u>	<u>887,067</u>
Total Liabilities		1,244,652	1,246,719
Net Assets		9,466,487	8,520,945
Equity			
Profit/loss from P&L		714,492	(859,488)
Accumulated surpluses or (deficits)		7,608,388	7,964,835
Revaluation reserves		1,143,607	1,415,598
		<u>9,466,487</u>	<u>8,520,945</u>

The accompanying notes form part of and should be read in conjunction with these Group Financial Statements

Statement of Cash Flows

as at 31 December 2024

	2024
	\$
Cash flow from Operating Activities	
Operating Receipts	
Donations, koha, bequests & fundraising	1,875,159
Membership fees and subscriptions	113,165
Revenue from commercial activities	269,296
Interest, dividends and other investment revenue	39,781
Other revenue	49,073
Total receipts	<u>2,346,474</u>
Less Operating payments	
Expenses related to fundraising	(132,490)
Employee remuneration and other related expenses	(883,016)
Volunteer related expenses	(10,605)
Expenses related to commercial activities	(157,495)
Other expenses related to service delivery	(742,572)
Other expenses	-
Total Payments	<u>(1,926,178)</u>
Net cash flows from operating activities	<u>420,296</u>
Cash Flow from Other Activities	
Cash was received from	
Sale of property, plant and equipment	583,839
Sale of investments	39,000
Loans borrowed from other parties	120,549
Cash was applied to	
Acquisition of property, plant and equipment	(18,900)
Acquisition of investments	(1,008,078)
Repayment of loans borrowed from other parties	(20,914)
Net cash flow from other activities	<u>(304,504)</u>
Net Increase/(Decrease) in Cash	115,792
Bank Accounts and Cash	
Opening Cash	1,187,016
Net change in cash for the period	115,792
Closing Cash	<u>1,302,808</u>

The accompanying notes form part of and should be read in conjunction with these Group Financial Statements

Statement of Accounting Policies

Basis of preparation

The Group Performance Report has been prepared in accordance with the XRB's Tier 3 (NFP) Standard. The entity is eligible to apply these requirements as it does not have public accountability and has total annual expenses of less than \$5,000,000. All transactions in the performance report are reported using the accrual basis of accounting. These Statements are prepared under the assumption that the entity will continue to operate for the foreseeable future.

Basis of consolidation

The Group Performance Report has been prepared by adding together like items of assets, liabilities, equity, revenue, expenses and cash flows of entities in the group on a line-by-line basis. All intragroup balances, transactions, revenues and expenses are eliminated on consolidation.

The Group Performance Report has been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date when the Party obtains control of the entity and ceases when the Party loses control of the same entity.

Control over an entity is determined when the Party has exposure, or rights, to variable benefits from its involvement with the entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. The Party considers all relevant facts and circumstances in assessing whether it has power over another entity.

All subsidiaries have a reporting date of 31 December.

Goods and Services Tax (GST)

The Party is registered for GST. Therefore all amounts are recorded on a GST exclusive basis, except for Debtors and Creditors which are stated inclusive of GST.

Income Tax

The income tax expense recognised for the year is the estimated liability for the Group.

Bank Accounts and Cash

Cash and short term deposits in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Debtors

Debtors are carried at estimated realisable value after providing against debts where collection is doubtful.

Investments

Investments are stated at the lower of cost or market value. When the carrying amount of the investment is not expected to be recovered, it is written down to the current market price.

Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation. Gains and losses on disposal of property, plant and equipment are taken into account in determining the financial performance for the year.

Depreciation

Depreciation is provided on a mixture of straight line and diminishing value bases on all property, plant and equipment, at rates that will write off the cost of the assets to their estimated residual value over their useful lives. The depreciation rates and useful lives associated with major classes of assets have been estimated as follows:

Computer Equipment	20-50%
Motor Vehicles	25-30%
Office Equipment	20-26.4%
Plant & Equipment	6.5-40%
Renovations	5-25%
Software	16.67%

Tier 2 PBE Accounting Standards Applied (if any)

Nil.

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year (last year - nil).

Notes to the Financial Statements

1 ANALYSIS OF REVENUE

		\$000
Category	Analysis	Current year
Donations, koha, bequests and other general fundraising activities	Donations	1,615.4
	Bequests	35.7
	Events	224.1
	Other donations, koha, bequests and other general fundraising activities	0.0
	Total	1,875.2
Membership fees and subscriptions	Memberships	113.2
	Other membership fees and subscriptions	40.1
	Total	153.2
Revenue from commercial activities	Property rentals	131.4
	Sale of goods	54.4
	Contracted services	55.0
	Other revenue from commercial activities	4.2
	Total	245.1

2 ANALYSIS OF EXPENSES

		\$000
Category	Analysis	Current year
Expenses related to fundraising	Event costs	129.1
	Other expenses related to fundraising	3.4
	Total	132.5
Employee remuneration and other related expenses	Staffing	714.8
	Other employee related expenses	107.1
	Total	821.9
Expenses related to commercial activities	Cost of goods	31.3
	Other expenses related to commercial activities	89.9
	Total	121.3
Other expenses related to service delivery	Accommodation expenses	83.9
	Accounting and audit	69.3
	Banking costs	40.9
	By-election expenses	0.0
	Conference expenses	84.9
	General election expenses	16.0
	Governance	103.1
	Legal	14.7
	Software	182.4
	Other expenses related to service delivery	90.0
	Total	685.2

3 ANALYSIS OF ASSETS

		\$000
Category	Analysis	Current year
Cash and short-term deposits	Bank accounts	1,290.8
	Short-term deposits	353.6
	Other cash and short-term deposits	12.0
	Total	1,656.4
Debtors and prepayments	Debtors	133.0
	Prepayments	83.9
	GST	19.0
	Taxation	72.1
	Other debtors and prepayments	0.0
	Total	308.0
Inventory	Inventory	15.0
	Total	15.0
Other current assets	Term deposits	2,195.7
	Other current assets	0.0
	Total	2,195.7
Property, plant and equipment	Real estate - commercial	3,787.2
	Other property, plant and equipment	89.9
	Total	3,877.1
Investments	Socially responsible mutual funds	1,808.7
	Other investments	0.0
	Total	1,808.7
Other non-current assets	Longer-term deposits	850.1
	Other non-current assets	0.0
	Total	850.1

Notes to the Financial Statements (continued)

4 ANALYSIS OF LIABILITIES

		\$000
Category	Analysis	Current year
Creditors and accrued expenses	Creditors	39.2
	Accruals	69.3
	GST	16.6
	Taxation	0.0
	Funds held on behalf	5.1
	Other creditors and accrued expenses	6.1
	Total	136.4
Employee costs payable	Employee entitlements	100.8
	Other employee costs payable	0.0
	Total	100.8
Other current liabilities	Bank borrowings - current portion	11.6
	Other current liabilities	14.2
	Total	25.8
Loans	Bank borrowings - non-current portion	6.6
	Other loans	0.1
	Total	6.7
Other non-current liabilities	Funds advanced from associated independent trust	974.9
	Other non-current liabilities	0.0
	Total	974.9

5 PROPERTY, PLANT AND EQUIPMENT

Current year	\$000	\$000	\$000	\$000	\$000
Asset Class	Opening Carrying Amount	Purchases	Disposals	Depreciation and Impairment	Revaluation Movements
Renovations	74.3	0.0	-70.2	-4.2	0.0
Land & Buildings	4,269.6	0.0	-497.1	0.0	15.0
Motor vehicles	23.8	0.0	-6.0	-4.7	0.0
Office equipment	17.9	15.4	-3.9	-0.3	0.0
Other equipment	13.5	1.6	-2.6	-5.6	0.0
Computers	58.8	1.9	-0.2	-19.8	0.0
Total	4,457.9	18.9	-580.0	-19.6	15.0

6 INVESTMENTS

Current year	\$000	\$000	\$000	\$000	\$000	
Asset Class	Valuation Method	Opening Carrying Amount	Purchases	Withdrawal	Gains/(Losses) or Impairment	Closing Carrying amount
Managed Fund Units	Current Market Value	1,587.4	0.0	-39.0	260.3	1,808.7
Total		1,587.4	0.0	-39.0	260.3	1,808.7

7 ACCUMULATED FUNDS

Current year	\$000	\$000	\$000	\$000	\$000
Description	Accumulated Surpluses or Deficits	Restricted Reserves	Discretionary Reserves	Revaluation Reserves	Other Reserves
Opening balance	7.608	0.000	0.000	1.416	0.000
Surplus/(Deficit)	0.714				
Transfer to restricted or discretionary reserves					
Transfer from restricted or discretionary reserves					
Revaluation movements				0.015	
Transfers from revaluation reserve due to disposal of assets				-0.287	
Other movements recognised directly in accumulated funds					
Closing balance	8.322	0.000	0.000	1.144	0.000

8 COMMITMENTS AND CONTINGENCIES

Commitment	Timing	Explanation	\$000
			1-5 years
Commitment to lease or rent assets	Mar-26	Ricoh Multi-function device	10.4
Commitment to lease or rent assets	Sep-27	CBRE Level 24 Suite, Plimmer Towers, 2 Gilmer Terrace, Wellington	120.6

Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (2023: Nil)

9 OTHER

Assets held on behalf of others

There are no assets held on behalf as at balance date (2023: Nil)

10 RELATED PARTY TRANSACTIONS

There were no transactions involving related parties during the financial year. (2023: Nil)

11 EVENTS AFTER THE BALANCE DATE

There were no events that have occurred after the balance date that would have a material impact on the Group Performance Statement. (2023: Fraser House sale)

12 ABILITY TO CONTINUE OPERATING

The Group will continue to operate for the foreseeable future.