

[REDACTED]

From: [REDACTED]
Sent: 08 September 2008 14:09
To: [REDACTED]
Subject: FW: Advice: Auction at the Aquarium Gallery
Follow Up Flag: Follow up
Flag Status: Red

From: Margaret Lynch [REDACTED]
Sent: 10 April 2008 17:23
To: [REDACTED]
Cc: [REDACTED]
Subject: Re: Advice: Auction at the Aquarium Gallery

[REDACTED]

Many thanks for this advice which is much appreciated and will greatly assist us moving forward with the London campaign.

I can confirm the following:

- The Party is not aware of any additional relevant facts or circumstances to those set out above; and
- In particular, the Party is not aware of any facts, circumstances or information suggesting that the figure of £75,000 is not a reasonable reserve price for such an artwork by Banksy, or that the reserve was set to include any element of discount or donation.

Best wishes

Margaret

Margaret Lynch
Compliance Manager

The Labour Party
39 Victoria Street
London SW1H 0HA

Tel: 020 7783 1376
Fax: 020 7783 1506
Mobile: [REDACTED]

From: [REDACTED]
To: "Margaret Lynch" [REDACTED]

24/09/2008

Date: 10/04/2008 17:06
Subject: Advice: Auction at the Aquarium Gallery

Dear Chris and Margaret

Following my various discussions with you about the art auction at the Aquarium Gallery, I am writing to confirm the Commission's guidance as to the valuation of artworks auctioned, based on the information you have provided to us.

Your request was made because one of the artists, Banksy, is anonymous and therefore not a permissible donor. This means that the Labour Party is not able to accept any funds from the auction attributable to the value of the Banksy artwork, and you have requested advice on the valuation.

I gather that the facts are as follows:-

- Banksy donated an original piece of artwork for the auction for the benefit of the London Labour Party, and placed a reserve price of £75,000 on it (through his agent), as a fair value with which to go into the auction; and
- You have obtained confirmation of the above from Banksy's representatives which you have supplied to the Commission; and
- The artwork was sold for £195,000 to a permissible donor ("the purchaser"); and
- Although the purpose of the auction was to raise funds for the Labour Party, it was organised and run by the Aquarium Gallery and not by the Party, so that funds have not been transferred to the Party or used for the Party's benefit, pending resolution of this particular issue.

In line with our guidance in *Donations and loans: guidance for political parties* para 6.5, the donation from the purchaser is £195,000 less the value of the artwork, and can be accepted by the Party.

The Commission recognises that the value of individual pieces of artwork can be difficult to establish with precision, given its nature and the frequent use of auctions as the means of sale, and that different valuers can reach different conclusions.

In the circumstances, our view is that it seems reasonable for you to report the transaction on the basis that the market value of the Banksy artwork is £75,000. This is based on the facts as above, and the following assumptions:-

- The Party is not aware of any additional relevant facts or circumstances to those set out above; and
- In particular, the Party is not aware of any facts, circumstances or information suggesting that the figure of £75,000 is not a reasonable reserve price for such an artwork by Banksy, or that the reserve was set to include any element of discount or donation.

If any of the facts or assumptions are incorrect, please let me know as this may change our view.

Please note that this guidance is not a formal advisory opinion from the Commission, but represents our guidance on the situation presented to us. If you have any questions, please call me.

Kind regards

 (Advisory Opinions)
The Electoral Commission
Trevelyan House

24/09/2008

Great Peter Street
London SW1P 2HW

Tel: [REDACTED]

Fax: [REDACTED]

Textphone: [REDACTED]

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