

**The Green Party of England
and Wales**

Reports and Financial Statements

Period to 31 December 2016

The Green Party of England and Wales
Financial statements for the year ended 31 December 2016

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The Green Party of England and Wales

Administrative information

Party officers (registered officers under PPERA*)

| | |
|----------------------|------------------|
| Leader | Jonathan Bartley |
| Registered Treasurer | Emma Carter |
| Nominating officer | Chris Rose |

* Political Parties, Elections and Referendums Act 2000

Party Headquarters

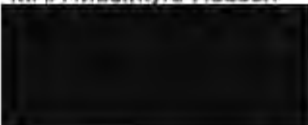
The Biscuit Factory
Block A (Unit 201)
100 Clements Road
London
SE16 4DG

Banks



Auditors

MHA MacIntyre Hudson



Executive

The Party's Executive (GPEx) is responsible for the day to day running of the Party. Elections are held in the summer of each year for half of the posts, with the elected Officer's term of office being two years. Each elected member is responsible for a specific area of the Party's operations. The members of the Executive are:

| | | |
|-------------------------------------|-------------------|-----------------------------|
| Leader | Natalie Bennett | (stood down September 2016) |
| Co-Leaders | Caroline Lucas | (elected September 2016) |
| | Jonathan Bartley | (elected September 2016) |
| Deputy Leaders | Shahrar Ali | (stood down September 2016) |
| | Amelia Womack | (re-elected September 2016) |
| Chair of the Executive of the Party | Richard Mallender | (stood down September 2016) |
| | Clare Phipps | (elected September 2016) |
| Registered Treasurer | Philip Igoe | (stood down February 2016) |
| | Emma Carter | (appointed March 2016) |

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The Green Party of England and Wales
Administrative information

Executive (continued)

| | | |
|--------------------------------------|---------------------------|---|
| Campaigns Co-ordinator | Howard Thorp | (stood down January 2016) |
| | Chris Jarvis | (co-opted February 2016) |
| | | (stood down September 2016) |
| | Tamsin Omond (job share) | (elected September 2016) |
| | Elisabeth Whitebread | (elected September 2016) |
| Elections Co-ordinator | Judy Maciejowska | (re-elected September 2016) |
| Equality & Diversity Co-ordinator | Charlene Concepcion | |
| External Communications | Penny Kemp | (job share) (re-elected September 2016) |
| | | (stood down April 2017) |
| | Clare Phipps | (stood down September 2016) |
| | Matt Hawkins | (re-elected September 2016) |
| | | (stood down April 2017) |
| | Jennifer Nadel | (elected September 2016) |
| Finance Co-ordinator | Philip Igoe | (stood down March 2016) |
| | Emma Carter | (co-opted March 2016) |
| | Emma Carter | (elected September 2016) |
| Internal Communications Co-ordinator | Clifford Fleming | (stood down May 2016) |
| | Peter Barnett (job share) | (elected September 2016) |
| | Paul Jenkins | (elected September 2016) |
| | | |
| International Co-ordinator | Derek Wall | (job share) (re-elected September 2016) |
| | Jessica Northey | (elected September 2016) |
| Local Party Support | Thomas French | (stood down December 2016) |
| Management Co-ordinator | John Coyne | (co-opted June 2016) |
| | | (stood down September 2016) |
| | Tom Chance (job share) | (elected September 2016) |
| | Liz Reason | (elected September 2016) |
| Policy Development Co-ordinator | Sam Riches | (job share) |
| | Samantha Pancheri | |
| Publications Co-ordinator | Dee Searle | (stood down November 2016) |
| Trade Union Liaison | Romayne Phoenix | (stood down May 2016) |
| | Kieron Merrett | (elected September 2016) |
| | | (stood down January 2017) |
| Wales Green Party Leader | Alice Hooker-Stroud | (stood down March 2017) |
| | Grenville Ham | (elected November 2016) |
| | | (assumed office March 2017) |
| Young Greens Co-Chairs | Hannah Ellen Clare | |
| | Tom Bolitho | (co-opted March 2016) |
| | | (stood down October 2016) |
| | Sam Murray | (elected October 2016) |

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The Green Party of England and Wales

Administrative Information

Conference

Conference is the sovereign representative body of the Party with the power to determine its policies. In addition to setting the Party's policies, Conference also receives reports from the Committees. Conference is organised by the Conference Committee and two are held each year.

Other Committees

In addition to the Executive the following committees operate within the Party, with the terms of reference for each being contained within the Party's constitution. The chairs/convenors of the respective committees are:

| | | |
|--|---|---|
| Regional Council | Mike Shipley Freda Davis Sandy Irvine | (stood down January 2017) (elected January 2017) (elected January 2017) |
| Administration and Finance Committee (AFCOM) | Erma Carter | (elected September 2016) |
| Policy Development Committee | Sam Riches Sam Pancheri | |
| Campaigns Committee | Tamsin Omond Elisabeth Whitebread | |
| Green World Editorial Board | Tom Williams Rebecca Johnson | (stood down September 2016) (elected September 2016) |
| Disputes Resolution Committee | Bernard Ekbery | |
| International Committee | Derek Wall Jessica Northey | |
| Disciplinary Committee | Leo Littman | |
| Equality and Diversity Committee | Charlene Concepcion | |
| Conferences Committee | Ricky Knight | |
| Standing Orders Committee | Douglas Rouxel Martin Hemingway | (stood down September 2016) (elected September 2016) |
| Political Committee | Caroline Lucas Jonathan Bartley | (elected September 2016) (elected September 2016) |

Elected representatives

Member of Parliament

Caroline Lucas

European Parliament

Jean Lambert

Keith Taylor

Molly Scott Cato

London Assembly

Sian Berry

Caroline Russell

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The Green Party of England and Wales

Administrative information

Staffing

The key members of staff for the year, and up to the date of signing, were:

| | | |
|----------------------------------|------------------|---------------------------|
| Chief Executive (CEO) | Nick Martin | |
| Head of Finance | Diane Sharp | |
| Head of Communications | Mike Blakemore | (appointed February 2017) |
| National Election Agent | Chris Rose | |
| HR & Office Manager | Kate Barnett | |
| Digital Manager | Peter McAndrew | |
| Fundraising & Membership Manager | Halita Obineche | (left October 2016) |
| Membership Development Manager | Wasim Yurus | (appointed February 2017) |
| Press and Communications Manager | Archie Thomas | (left December 2016) |
| Conference Co-ordinator | Louisa Greenbaum | |

Membership

As at 31 December 2016 there were 45,643 Members of the Party (2015 63,219).

Accounting units

As at 31 December 2016 the Party had 283 (2015 - 264) Accounting Units registered with the Electoral Commission.

The Green Party of England and Wales

Report of the Party officers for the year ended 31 December 2016

It is with pleasure that we present the accounts of the Green Party of England and Wales (GPEW) for the year ended 31st December 2016. This year was one of recovery following a disappointing financial performance in 2015, and we have ensured a reduction in our overall deficit position.

The members of the Party executive (GPEx) have been focussed on the day to day running and organisation of the party. This includes our administrative, political, and campaigning activities and communicating with our members and supporters across England and Wales.

Our focus on securing our financial position and stabilising our membership numbers has meant we are in a place where we can continue to build on our electoral and campaigning successes into 2017.

We would like to thank all of our members, donors, and supporters for the invaluable contribution they make to the Party, and to our elected members who represent us at all levels of office.

Co-leaders, Jonathan Bartley and Caroline Lucas

In 2016 the Green Party rose to many new challenges and continued to build its local and national profile. In local elections we stood over 1,500 candidates and in the London mayoral elections recorded our best ever results – Greens are now the third Party in the city.

We played a leading role in the EU referendum campaign, making a strong positive case to Remain in the EU. And Greens made history again by electing us as the first ever Co-Leaders of a British political party – a role we are proud and honoured to fulfil.

Deputy Leader, Amelia Womack

In 2016, my work spanned across our campaigns in council and assembly elections as well as the EU referendum. I worked with our candidates, local parties and campaigning organisations to promote our work across a breadth of topics and issues in economic, social and environmental justice.

For the EU campaign as part of our leadership team I promoted the Green Party's unique message for Europe across England and Wales. Calling for us to stay in Europe and to campaign for reforms within it.

Following the referendum result to leave the EU, I worked as chair of the Greens for Europe campaign to build our position on protecting social, environmental and human rights in the UK. I also worked with Green Parties across Europe to promote our work and collaborate on the rise of the far right across the continent.

Wales Green Party Leader, Grenville Ham

The main focus for 2016 was the Welsh Assembly elections and establishing a process for the 2017 Council Elections. We stood 36 candidates across 40 constituencies and a full suite of candidates across the Proportional Representation list seats for the Senedd. Whilst the campaign for the Welsh Assembly was buoyant we were unable to break through in an election dominated by the upcoming referendum. However the inclusion of the Wales Green Party leader in the National TV Debate solidified our representation in the Welsh Media.

Running a second national campaign within 12 months of the General Election was testing with many members feeling the strain. The appointment of a campaign manager eased the load considerably.

The latter half of the year focussed on identifying council candidates for 2017 and beginning the process of implementing our election strategy.

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The Green Party of England and Wales
Report of the Party officers for the year ended 31 December 2016

GPEX Chair, Clare Phipps

After the Green Surge of 2015, 2016 was a year of consolidation for the Party. Following the EU Referendum we experienced an increase in members joining in response. Our continued stance against a divisive politics of hate, working to retain the legal protections afforded us by membership of the EU has continued to engage our members and supporters with our activities.

Our new Co-Leaders Jonathan Bartley and Caroline Lucas MP have been key in our work on electoral alliances. As a democratic Party, they were keen for this approach to be endorsed by our members, and I was pleased to help with this aim at our Spring Conference in April 2017.

My main focus is to ensure that while we stand for equality, compassionate politics and democracy externally, we are also living these values in the way we work internally as a Party.

Coordinator Reports

Elections Co-ordinator, Judy Maciejowska

In 2016 I worked with GPEX colleagues and staff to develop a five year election strategy, and convened meetings of key personnel in order to implement this.

I worked on plans for a possible snap general election. This included identifying target and development constituencies. Meetings with the teams in each of those constituencies were convened to help them organise and plan their campaigns. I advised and supported local parties competing in by elections, both for local authorities and Westminster seats, and devised briefings for local parties considering electoral pacts and alliances.

We interviewed candidates for the new posts of Regional Manager (Elections) and Regional Manager (Training and Local Party Capacity). We appointed to those roles which are crucial to developing our regional networks in the Party

Policy Development Co-ordinators, Sam Riches and Samantha Pancheri

Our Policy Process was reviewed to ensure we continue to adapt our democratic processes. This allowed the accreditation of certain policy motions, giving the best chance for those with demonstrable research behind them to be heard and voted on at our biannual conferences.

Many members also attended our innovative "Policy Fest" in Autumn 2016. This event trialled new ways to enable members to get more involved with our policy work, without the time and process restrictions of conference.

Internal Communications Co-ordinator, Peter Barnett and Paul Jenkins

We have undertaken work in developing the existing members website. Voting and reporting facilities have been installed and are now live. We have established a committee to review the member's website, and development of its replacement by a network of sites.

We have produced editions of Green Activist, one of our internal members publications, and initiated a full review of all internal publications. The aim of this is to improve our communications with the membership with an emphasis on more modern digital techniques

Equality & Diversity Co-ordinator, Charlene Concepcion

I have continued to build on the work from last year. As part of our BME strategy, I have worked on ensuring that diversity monitoring is being completed consistently throughout all levels of the Party for internal and external candidates.

I have continued to chair the Equality and Diversity Committee, which includes representatives from liberation groups in the Party and helped to support these groups. I am working on relaunching our Greens of Colour group, and have taken responsibility for the group in the interim.

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The Green Party of England and Wales

Report of the Party officers for the year ended 31 December 2016

International Co-ordinators, Derek Wall and Jessica Northey

We have been involved in the organisation of the Global Greens Congress in Liverpool which took place in spring 2017. This event was the coordination of many Green Parties across the globe.

A successful training event for global partners was organised with the Swedish Green Forum at the Centre for Alternative Technology which took place after the Global Greens Congress.

Our international work included delegations of GPEW members to the European Green Party councils in Utrecht (May 2016), and Glasgow (November 2016).

Our work with the Westminster Foundation for Democracy included a Young Greens visit to Serbia to meet Serbian Young Greens, the signing of a three year programme to support the East African Green Federation and the CAT training event.

Work in solidarity with Rojava and Kurds in Turkey was undertaken.

Campaigns Co-ordinators, Elisabeth Whitebread and Tamsin Omond

Our work has included enabling campaigns supporting workers such as those employed by Deliveroo, protecting the NHS, and protecting our environment from fracking, which were key.

We have designed a new Campaigns Strategy in liaison with our Campaigns Officer, through which we can embrace our member directed campaigning to the fullest.

Management Co-ordinators, Liz Reason and Tom Chance

This role was vacant for the first 8 months of the year. The focus from September was to work with the Chair to review and improve the way that GPEx worked, to support the leadership and senior staff in their working relationships, and to review HR policies and training opportunities both for staff and GPEx members.

We have also sought to re-establish the Digital Committee and taken steps to enable greater volunteer contributions.

Financial Review

After the dramatic growth of 2015 the Party's income decreased to more sustainable levels in 2016 as anticipated in a non election year. The Party's income went from £3,184,539 in 2015 to £2,165,032 in 2016, a decrease of 24%. The principal drivers of this reduction were a decrease in membership income from £1,058,749 to £874,155 and a decrease in donations from £1,526,449 to £945,228.

With the introduction of a sustainable financial plan in 2016 which included a long-term staffing restructure, strict controls and robust systems we achieved a decrease in expenditure of 43% from 2015 to 2016. This coupled with some highly successful funding initiatives saw us ending the year with a surplus of £78,440, which cut the deficit on the balance sheet by a third.

The strengthening of financial controls and the sustainable financial principles have carried through to the full 2017 budget which was approved by the executive in November 2016. This was introduced to make further inroads into reducing the overall deficit, whilst maintaining an infrastructure that supports growth in our income base.

It is through these measures that we have justified our going concern status. Our focus on financial control, a higher than forecast surplus, and stabilisation of membership numbers and income demonstrate the sustainability measures required for the Party to be classed as a going concern.

The General Election in on June 8th 2017 has a budget approved by the executive, with robust financial controls and specifically strict authorisation limits and controls. The budget is structured as to reflect only funds raised in relation to that activity and does not represent a threat to our deficit reduction plan over the full year. There is no planned increase in the overall deficit as a result of an early general election being called.

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The Green Party of England and Wales
Report of the Party officers for the year ended 31 December 2016

There has been a prior period adjustment in our accounts resulting in some restatement of our 2015 numbers due to the inclusion of House of Commons Short Money in our accounts. This previous accounting error arose due to a lack of central party infrastructure capacity in 2010 when our first MP was elected. We have now rectified this and include all Short Money in our statutory accounts for the central party.

There have also been adjustments relating to our recent VAT registration and resulting accounting changes as a result.

This report has been approved by the Party Officers,



Emma Carter
Registered Treasurer
1 July 2017

The Green Party of England and Wales

Statement of Registered Treasurer's Responsibilities

The Registered Treasurer is responsible for preparing the financial statements in accordance with applicable law and regulations. The Political Parties, Elections and Referendums Act 2000 requires the Registered Treasurer of the Party to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Party and of the surplus or deficit for that period. In preparing those financial statements, the Registered Treasurer is required to:

- select suitable accounting policies and then prepare them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable United Kingdom accounting standards have been followed, providing details and explanations of any departures in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Party will continue in operation.

Section 41 of the Act requires that the Registered Treasurer is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Party at that time and to enable her to ensure that the financial statements comply with the Act. Section 45 of the Act requires that the Registered Treasurer is responsible for delivery of the statement of accounts to The Electoral Commission by the required deadline.

Emma Carter
Registered Treasurer
1 July 2017



Independent Auditor's Report to the Registered Treasurer of The Green Party of England and Wales

We have audited the financial statements of The Green Party of England and Wales for the year ended 31 December 2016 which comprise the Income and Expenditure Account (incorporating a statement of Income and Retained Earnings), the Balance Sheet, the Statement of Cash Flows and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of FRS102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (September 2015)

This report is made solely to the Registered Treasurer of The Green Party, in accordance with the Party's rules and section 43 of the Political Parties, Elections and Referendums Act 2000. Our audit work has been undertaken so that we might state to the Treasurer those matters we are required to state to him/her 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 Treasurer, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Registered Treasurer and auditors

As described in the Statement of Registered Treasurer's Responsibilities, the Treasurer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We are required to comply with the Auditing Practices Board's ethical standards for auditors.

We have been appointed as auditors under section 43 of the Political Parties, Elections and Referendums Act 2000 in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with applicable law.

Scope of the audit of the financial statements

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

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

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**Independent Auditor's Report to the Registered Treasurer of
The Green Party of England and Wales**


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Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the Party's affairs as at 31 December 2016 and of its income and expenditure in the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Political Parties, Elections and Referendums Act 2000.


MHA MacIntyre Hudson
Chartered Accountants and Statutory Auditor


Date: 6 July 2017

The Green Party of England and Wales
Income and Expenditure Account (incorporating a Statement of Income and Retained Earnings)
For the period ended 31 December 2016

| | Notes | General Fund £ | Green-quest Fund £ | Leader's Project Fund £ | Climate Sense Appeal | Total 2016 £ | Restated Total 2015 £ |
|--|-------|--------------------|-----------------------|----------------------------|----------------------|--------------------|--------------------------|
| Income | | | | | | | |
| Membership income | | 874,155 | - | - | - | 874,155 | 1,058,749 |
| Friends' dues | | 5,964 | - | - | - | 5,964 | - |
| Donations | | 944,605 | 348 | 225 | 50 | 945,228 | 1,526,449 |
| Income from fundraising activities | 2 | 24,337 | - | - | - | 24,337 | 19,802 |
| Commission income | 3 | 17,815 | - | - | - | 17,815 | 56,363 |
| Income from publications and other materials | | - | - | - | - | - | 1,063 |
| Campaign Income | | | | | | | |
| Freepost sales | | - | - | - | - | - | 154,925 |
| Green Campaign Shop | | 479 | - | - | - | 479 | 77,743 |
| Income from legacies | | 13,294 | - | - | - | 13,294 | - |
| Interest receivable net of tax | | 216 | 280 | - | 62 | 558 | 1,216 |
| Conference income | | 67,346 | - | - | - | 67,346 | 129,173 |
| Other income | 4 | 215,856 | - | - | - | 215,856 | 159,056 |
| Total Income | | 2,164,067 | 628 | 225 | 112 | 2,165,032 | 3,184,539 |
| Expenditure | | | | | | | |
| Cost of appeals and donations | | 43,598 | - | - | - | 43,598 | 114,584 |
| Cost of fundraising activities | | 6,126 | - | - | - | 6,126 | 16,771 |
| Cost of publications and other materials | 5 | 19,149 | - | - | - | 19,149 | 90,560 |
| Campaign expenditure | 6 | 119,972 | - | - | - | 119,972 | 1,007,807 |
| Green Campaign Shop costs | | 13,019 | - | - | - | 13,019 | 81,393 |
| Bank and credit card charges | | 59,131 | - | - | 2 | 59,133 | 70,864 |
| Cost of Conferences | | 91,990 | - | - | - | 91,990 | 212,177 |
| Regional and local party capitulations | | 211,582 | - | - | - | 211,582 | 245,096 |
| Local party support | | 17,751 | - | - | - | 17,751 | 27,933 |
| Staff costs | 7 | 1,160,898 | - | - | 6,063 | 1,166,961 | 1,312,597 |
| Office and premises costs | | 159,359 | - | - | - | 159,359 | 186,869 |
| Management and administration | | 156,198 | - | 722 | - | 156,920 | 263,877 |
| External communications | | 21,032 | - | - | - | 21,032 | 30,996 |
| Equality project | | - | - | - | - | - | 1,824 |
| Total Expenditure | | 2,079,805 | - | 722 | 6,065 | 2,086,592 | 3,663,348 |
| (Deficit)/surplus for the year | | £ 84,262 | £ 628 | £ (497) | £ (5,953) | £ 78,440 | £ (478,809) |
| Total funds brought forward | | £ (299,179) | £ 34,650 | £ 950 | £ 27,740 | £ (235,839) | £ 242,970 |
| Total funds carried forward | | <u>£ (214,917)</u> | <u>£ 35,278</u> | <u>£ 453</u> | <u>£ 21,787</u> | <u>£ (157,399)</u> | <u>£ (235,839)</u> |

The Green Party of England and Wales
Balance Sheet
as at 31 December 2016

| | Notes | £ | 2016 £ | Restated 2015 £ |
|---|-------|-----------|--------------------|-----------------------|
| Fixed assets | | | | |
| Tangible assets | 11 | | 3,759 | 4,322 |
| Current assets | | | | |
| Stocks | 12 | 20,904 | | 16,887 |
| Debtors | 13 | 73,346 | | 88,921 |
| Cash at bank and in hand | 14 | 211,694 | | 65,549 |
| | | 305,944 | | 171,357 |
| Creditors: amounts falling due within one year | 15 | (467,102) | | (411,518) |
| Net current (liabilities)/assets | | | (161,158) | (240,161) |
| Total assets less current liabilities | | | (157,399) | (235,839) |
| Net (liabilities)/assets | | | <u>£ (157,399)</u> | <u>£ (235,839)</u> |
| Funds | 16 | | | |
| Fixed Assets Fund | | | 3,759 | 4,322 |
| Greenquest Fund | | | 35,278 | 34,650 |
| Leader's Project Fund | | | 453 | 950 |
| Climate Sense Appeal | | | 21,787 | 27,740 |
| General Fund | | | (218,676) | (303,501) |
| Total funds | | | <u>£ (157,399)</u> | <u>£ (235,839)</u> |

The financial statements were approved and authorised for issue by the Party's Executive on 1 July 2017.

Emma Carter
Registered Treasurer

The Green Party of England and Wales
Statement of Cash Flows
For the period ended 31 December 2016

| | 2016 £ | Restated 2015 £ |
|---|-------------------------|--|
| Cash flow from operating activities (see below) | <u>151,355</u> | <u>(452,518)</u> |
| Cash flow from investing activities | | |
| Payments to acquire tangible fixed assets | (2,370) | (1,468) |
| Interest received | 558 | 1,216 |
| Net cash flow from investing activities | <u>(1,812)</u> | <u>(252)</u> |
| Cash flow from financing activities | - | - |
| Net increase/(decrease) in cash and cash equivalents | 146,145 | (461,307) |
| Cash and cash equivalents at 1 January 2016 | <u>65,549</u> | <u>526,856</u> |
| Cash and cash equivalents at 31 December 2016 | <u><u>211,694</u></u> | <u><u>65,549</u></u> |
| Cash and cash equivalents consists of: | | |
| Cash at bank and in hand | 211,507 | 49,487 |
| Short term deposits | <u>187</u> | <u>16,062</u> |
| Cash and cash equivalents at 31 December 2016 | <u><u>211,694</u></u> | <u><u>65,549</u></u> |

Reconciliation of net income/(expenditure) to net cash flow from operating activities

| | 2016 £ | 2015 £ |
|--|-------------------------|-------------------------|
| Net income/(expenditure) for year | 78,440 | (478,809) |
| Interest receivable | (558) | (1,216) |
| Depreciation of tangible fixed assets | 2,314 | 2,380 |
| Decrease/(increase) in debtors | 15,575 | (58,868) |
| Increase in creditors | 55,584 | 83,995 |
| Net cash flow from operating activities | <u><u>151,355</u></u> | <u><u>(452,518)</u></u> |

The Green Party of England and Wales
Notes to the Financial Statements
For the year ended 31 December 2016

1 Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (September 2015) and the Statement of Accounts Guidance Notes issued by The Electoral Commission.

The Party adopted FRS 102 for the first time in the year ended 31 December 2015. In preparing these accounts, the Executive considered whether in applying the accounting policies required by FRS 102 a restatement of comparative items was needed. No restatements were required as those items identified as potentially requiring adjustment were not deemed to be material.

The Green Party is a political party within the United Kingdom, constituted under the Political Parties, Elections and Referendums Act 2000. The financial statements are prepared in sterling which is the functional currency of the Party. The Party's Headquarters and principal place of business is given on page 2.

Going concern

After the Party incurred a substantial deficit and the Party's balance sheet was negative with overall net liabilities at the end of 2015, a substantial set of financial plans were put into place in order to reduce that deficit position. This resulted in a surplus in 2016 of £73,274, which put the party in a stronger position than originally forecast, although as at the 31st December 2016 the Party still had overall net liabilities.

Since the year end the Party has been running a balanced budget for 2017. In light of the General Election on June 8th 2017, additional financial controls were put in place. A fully funded budget was produced and approved by the party executive in April 2017, with no expenditure authorised without sufficient income through fundraising to cover the costs. This will ensure that there will not be an increase in the overall balance sheet deficit in 2017.

Strict financial controls and robust systems continue, and there is continued scrutiny of monthly budgets and cash flow by the finance team, by GPEx, and by AFCom (the party's Administration and Finance Committee). The plan put in place by GPEx for sustainable growth in its finances continues. Inroads have been made to both expand and diversify the Party's funding base to reduce the overall level of reliance on membership income. The party voted to raise its subscription rates at Spring Conference in April 2017 to reflect the real terms value of our income, and this contributes to the long term sustainability of our finances, particularly the cash flow.

The following key principles remain the core of our sustainable financial plan:

1. No financial commitments should be made unless it can be shown that they are fully funded
2. The Party will seek to protect the core infrastructure necessary for it to support services to members, campaigns, and its capacity to manage and grow income.
3. As part of its organisational plan for 2016-18 the Party has a credible strategy to grow its income from all sources and to reduce levels of reliance on members' dues.

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Accounting policies (continued)

Going concern continued

Cash flow ongoing has been tightly controlled through a combination of our sustainable financial plan and a management of the relationship with our creditors. In particular our creditors in the form of the Party's accounting units and payment of their capitations. This has been managed through a payment timetable spread over several months for those capitations and has been included fully in our 2017 and 2018 cash flow forecasts.

The above controls and additional risk assessments have resulted in our confidence that the Party can meet its payment obligations when they fall due, and on this basis the Party considers it appropriate to prepare the accounts on a going concern basis.

Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Party's accounting policies;

No significant judgements, further to that surrounding going concern as noted under the Basis of preparation paragraph above, have been made by management in preparing these financial statements.

The following principal accounting policies have been applied:

Income recognition

Income is recognised when all of the following conditions have been met:

- The Party is entitled to the assets;
- It is probable that the asset will be received; and
- The value of the asset can be measured with reliability.

Applying these criteria to specific types of income results in the following treatment:

- Donations of monetary assets are recognised in the Income and Expenditure Account on receipt at fair value.
- Gifts in Kind are recognised at the fair value of the donated goods or services, at the date of receipt, with an expense or asset of the equivalent value being recognised at the same time. Fair value is deemed to be the value the Party would be willing to pay for the gift if it were to be purchased. In the specific case of Artwork donated for onwards resale to raise funds, this is recognised at an estimate of market value made by the donating artist using specified criteria.
- Membership subscriptions are recognised in the Income and Expenditure Account on a cash basis. Membership income shown in the accounts is the total amount of subscriptions before deducting the capitations due to local and regional parties.
- Interest receivable is recognised in the Income and Expenditure Account on the accruals basis.

/Continued ...

Accounting policies (continued)

Income recognition continued

- Revenue from the Party's sale of publications and other materials is recognised in the Income and Expenditure Account as the benefit of the goods or services is transferred to the customer.
- Legacy income is included in the Income and Expenditure Account when it becomes probable that the legacy will be received and its value can be measured with sufficient reliability (for example if advance notification of a distribution is received from the executors).
- Freepost sales are recognised in the Income and Expenditure Account on receipt.
- Government grants such as Short Money are recognised at the amount entitled to be claimed, i.e. an amount equivalent to the expenditure claimable, in the year in which the related expenditure is incurred.
- All other income including affiliation fees/commission is recognised on the accruals basis.

Expenditure recognition

All expenditure is accounted for on the accruals basis, this includes irrecoverable VAT.

Fixed assets and depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off their cost on a straight line basis over their expected useful lives, as follows:

| | | |
|--------------------------------|---|---------|
| Office furniture and equipment | - | 5 years |
| Website | - | 3 years |
| Computer equipment | - | 3 years |

Only items costing over £500 are capitalised.

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 any 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 transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

/Continued ...

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Accounting policies (continued)

Stock

The Campaign Shop stock is valued at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Donated Artwork stock is held at the fair value at which it is recognised at the point of donation, being equivalent to market value. The market value of the artwork is determined on a 'piece by piece' basis, and is measured by experts within the industry.

Taxation

The Party is an unincorporated volunteer association considered to have mutual trading status and is therefore liable to corporation tax on its investment income. No deferred tax is recognised in the Party's accounts as any investment income is taxed on the same basis as it is recognised in the income and expenditure account.

Operating leases policy

Payments made under operating leases are charged to the Income and Expenditure Account on a straight-line basis over the period of the lease.

Pension arrangements

The Party contributes to a group pension fund or a staff member's personal pension funds and costs are charged to the Income and Expenditure Account when due.

Financial instruments

The Party holds basic Financial Instruments. The financial assets and financial liabilities of the Party 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 13. Prepayments are not financial instruments.

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

Financial Liabilities - Trade creditors, accruals, other creditors and capitations payable will be classified as financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure. 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 Party services rather than cash or another financial instrument.

| 2 Income from fundraising activities | 2016 £ | 2015 £ |
|--------------------------------------|---------------|---------------|
| Monthly draw | 265 | 3,900 |
| Other fundraising income | 24,072 | 15,902 |
| | <u>24,337</u> | <u>19,802</u> |

The Green Party of England and Wales
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3 Commission income

Commissions are received from affinity schemes with Good Energy Limited, The Phone Co-op Limited, Ecotricity, Ecology Building Society, Investing Ethically, Affilate Window, Recycle 4 Charity and Rapanui Clothing Ltd.

| 4 Other income | 2016 | 2015 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Government grants | 215,552 | 152,531 |
| Other | 304 | 5,525 |
| | <u>215,856</u> | <u>159,056</u> |

5 Cost of publications and other materials

Green World is the official GPEW members' magazine and its budget is set by the Executive as part of the overall budgeting process. The publication is a member benefit and primarily funded by membership subscriptions.

| 6 Campaign expenditure | 2016 | 2015 |
|--------------------------------------|----------------|------------------|
| | £ | £ |
| Freepost expenses | - | 180,070 |
| General/European election costs | - | 574,462 |
| Non election campaigns expenditure | 10,314 | 45,708 |
| Grants to local and regional parties | 51,609 | 181,729 |
| EU Referendum Campaign | 33,611 | - |
| Other campaign expenses | 24,438 | 25,838 |
| | <u>119,972</u> | <u>1,007,807</u> |

| 7 Staff numbers (actual) and costs | 2016 | Restated 2015 |
|---|-------------|--------------------------|
| Management and Leadership | 4.8 | 3.3 |
| Election agent | 1.0 | 1.0 |
| External communications | 4.3 | 5.2 |
| Administration & Finance | 7.0 | 8.3 |
| Fundraising | 3.8 | 1.6 |
| Policy | 0.6 | 3.3 |
| Conferences | 1.8 | 1.4 |
| Parliamentary Office | 5.3 | 3.7 |
| Campaigns | 3.6 | 5.8 |
| Regional | 14.0 | 15.6 |
| | <u>46.2</u> | <u>50.6</u> |

/Continued ...

The Green Party of England and Wales
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| Staff costs | 2016 £ | Restated 2015 £ |
|-----------------------|------------------|-----------------------|
| Wages and salaries | 1,047,527 | 1,239,845 |
| Social security costs | 96,911 | 64,778 |
| Pension contributions | 16,512 | 7,974 |
| Redundancy costs | 6,011 | - |
| | <u>1,166,961</u> | <u>1,312,597</u> |

| | 2016 £ | 2015 £ |
|---------------------------------------|----------------|----------------|
| Key Management Personnel remuneration | <u>125,954</u> | <u>113,551</u> |

Key Management Personnel are considered to be members of GPEx, the Party's Chief Executive and the Head of Finance. (2015 - included the Fundraising & Operations Director and the Campaigns Director prior to the appointment of the Chief Executive). GPEx members received no remuneration in that capacity in 2016 (2015-£nil). One of the Co-leaders and the Deputy Leader receive allowances in their Leadership capacity but these sums are not included above.

| | | |
|-------------------------------|-----------|------------|
| 8 Taxation | 2016 £ | 2015 £ |
| Taxation on investment income | <u>8</u> | <u>303</u> |

The investment income is shown net of taxation in the Income and Expenditure Account.

| | | |
|---|-----------|-----------|
| 9 Deficit/surplus for the year | 2016 £ | 2015 £ |
| The deficit for the year is stated after charging: | | |
| Auditors remuneration - audit services statutory accounts | | |
| Current year | 13,200 | 14,460 |
| Prior year underprovision | 2,410 | 5,160 |
| Auditors remuneration - non statutory audit services | 6,776 | 8,130 |
| Operating lease charge - property | 55,466 | 77,853 |
| Depreciation | 2,314 | 2,380 |
| | <u></u> | <u></u> |

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| 10 Auditor's remuneration | 2016 | 2015 |
|----------------------------------|---------------|---------------|
| | £ | £ |
| Statutory audit fees | | |
| Current year | 13,200 | 14,460 |
| Prior year underprovision | 2,410 | 5,160 |
| Non statutory audit services | 6,776 | 8,130 |
| | <u>22,386</u> | <u>27,750</u> |

| 11 Tangible fixed assets | Office equipment | Computer equipment | Total |
|---------------------------------|-------------------------|---------------------------|-----------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 January 2016 | 12,859 | 53,494 | 66,353 |
| Additions | 2,370 | - | 2,370 |
| Disposals | (11,428) | (23,523) | (34,951) |
| At 31 December 2016 | <u>£ 3,801</u> | <u>£ 29,971</u> | <u>£ 33,772</u> |
| Depreciation | | | |
| At 1 January 2016 | 12,510 | 49,521 | 62,031 |
| Charge for the year | 443 | 1,871 | 2,314 |
| On disposals | (11,428) | (22,904) | (34,332) |
| At 31 December 2016 | <u>£ 1,525</u> | <u>£ 28,488</u> | <u>£ 30,013</u> |
| Net book value | | | |
| At 31 December 2016 | <u>£ 2,276</u> | <u>£ 1,483</u> | <u>£ 3,759</u> |
| At 31 December 2015 | <u>£ 349</u> | <u>£ 3,973</u> | <u>£ 4,322</u> |

| 12 Stocks | 2016 | 2015 |
|------------------|---------------|---------------|
| | £ | £ |
| Campaign Shop | 9,304 | 16,887 |
| Artwork | 11,600 | - |
| | <u>20,904</u> | <u>16,887</u> |

| 13 Debtors | 2016 | 2015 |
|-------------------|---------------|---------------|
| | £ | £ |
| Trade debtors | 7,209 | 12,422 |
| Prepayments | 22,801 | 15,822 |
| Sundry debtors | 40,586 | 58,577 |
| Greenquest loans | 2,750 | 4,100 |
| | <u>73,346</u> | <u>88,921</u> |

The Greenquest loans are interest free and made to local and regional parties to fund election deposits and development activity.

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| | | |
|--|----------------|----------------|
| 14 Cash and cash equivalents | 2016 | 2015 |
| | £ | £ |
| Cash at bank and in hand | <u>211,694</u> | <u>65,549</u> |
| 15 Creditors: amounts falling due within one year | 2016 | 2015 |
| | £ | £ |
| Trade creditors | 64,421 | 49,200 |
| Deferred income | 16,914 | 12,000 |
| Other taxes and social security costs | 24,347 | 35,358 |
| Other creditors and accruals | 99,764 | 53,466 |
| Capitations payable to local and regional parties | 261,656 | 261,494 |
| | <u>467,102</u> | <u>411,518</u> |
| Deferred income | | |
| Balance brought forward | 12,000 | 8,864 |
| Released in the year | (12,000) | (8,864) |
| Added in the year | <u>16,914</u> | <u>12,000</u> |
| Closing balance | <u>16,914</u> | <u>12,000</u> |

Deferred income includes Spring conference income for the following year and unspent Short Money in the year.

| | | | | |
|---|------------------|------------------|------------------|------------------|
| 16 Reconciliation of movement in funds | Restated | Surplus/ | | Carried |
| | Brought | (Deficit) | Transfers | Forward |
| | Forward | | | |
| | £ | £ | £ | £ |
| Fixed Assets Fund | 4,322 | (2,933) | 2,370 | 3,759 |
| Greenquest Fund | 34,650 | 628 | - | 35,278 |
| Leader's Project Fund | 950 | (497) | - | 453 |
| Climate Sense Campaign Fund | 27,740 | (5,953) | | 21,787 |
| General Fund | (303,501) | 87,195 | (2,370) | (218,676) |
| | <u>(235,839)</u> | <u>78,440</u> | <u>-</u> | <u>(157,399)</u> |

The Fixed Assets Fund has been established to represent funds tied up in fixed assets. £2,370 has been transferred from the General Fund to represent purchases during the year.

The Greenquest fund exists to provide loans and grants to approved local and regional party projects. Its income comes from restricted donations and interest received on the balance of funds not loaned which are held in a designated bank account.

The Leader's Project fund was established to support the work of the Party Leader and the income comes from restricted donations.

The Climate Sense Campaign Fund exists to support our Campaign for policies that make Climate Sense in the UK and across Europe. Income came from restricted donations.

The General Fund represents the balance available, after the balances available to the specific funds listed above, to spend on the Party's operational activities. The balance at 31 December 2016 is negative, but steps to reduce this were taken in 2016 and will continue to be taken in 2017, as detailed in the Report of the Party Officers.

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| 17 Operating lease commitments | 2016 | 2015 |
|---|-------------|-------------|
| | £ | £ |
| At 31 December, the balance sheet date, the Party had operating lease commitments as follows: | | |
| On office space | | |
| Payable within one year | 57,031 | - |
| Payable within two to five years | 14,429 | - |
| On equipment | | |
| Payable within one year | 498 | 508 |
| Payable within five years | 1,038 | 2,034 |

18 Related party transactions

£10,449 (2015: £18,188) was reimbursed to a total of 20 (2015: 23) individuals who were members of the Party Executive (GPEx) or Key management personnel. The reimbursed expenditure related to travel costs and subsistence.

19 Reportable donations

During the year the National Party accepted donations totalling £97,500, that were reportable to the Electoral Commission.

The total donation income for the year, totalling £945,228, is greater than this as a result of donations received that were below the PPERA reporting threshold of £7,500.

20 Prior year adjustment

A prior year adjustment has been made to recognise Short Money funds received and the related expenditure. This accounting error arose due to a lack of central party infrastructure capacity in 2010 when our first MP was elected. This resulted in recognition of income of £152,531 (as per note 4) and £152,531 of expenditure in the year ended 31 December 2015 comparative income and expenditure statement. Income of £8,350 as at December 2015 was deferred to 2016.