

**The Green Party
(England & Wales)**

Reports and Financial Statements

Year ended 31 December 2018

The Green Party (England & Wales)
Financial statements for the year ended 31 December 2018

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The Green Party (England & Wales)
Administrative information

Party officers (registered officers under PPERA*)

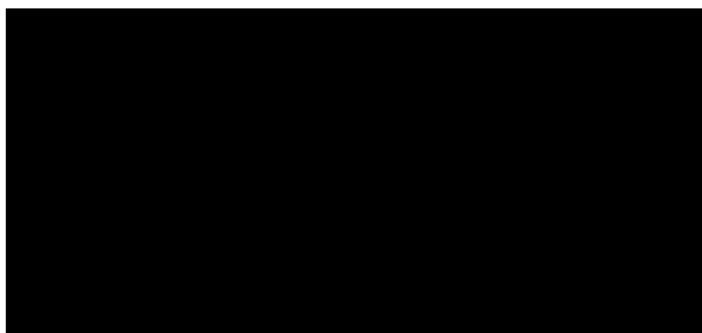
Co-Leader	Sian Berry	(job share)
Co-Leader	Jonathan Bartley	(job share)
Registered Treasurer	Jon Nott	
Nominating officer	Chris Rose	

* Political Parties, Elections and Referendums Act 2000

Party Headquarters

The Biscuit Factory
Block J (Unit 215)
100 Clements Road
London
SE16 4DG

Banks



Auditors

MHA MacIntyre Hudson



Executive

The Party's Executive 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:

Co-Leaders	Jonathan Bartley	
Co-Leaders	Sian Berry (from September 2018)	
	Caroline Lucas (stood down in September 2018)	
Deputy Leaders	Amelia Womack	
Chair of the Executive of the Party	Emma Carter	(co-opted, until September 2018)
	Liz Reason	(from September 2018)
Registered Treasurer	Emma Carter	(until September 2018)
	Sian Berry	(from September 2018 until March 2019)
	Jon Nott	(from March 2019) /Continued ...

The Green Party (England & Wales)
Administrative information

Executive (continued)

Campaigns Co-ordinator	Jackie Tait	(co-opted)	(from January 2018 until Sept 2018)
	Britta Goodman	(job share)	(from September 2018)
	Caroline New	(job share)	(from September 2018)
Elections Co-ordinator	Judy Maciejowska		(from September 2018)
	Tom Beament	(job share)	(from September 2018)
Equality & Diversity Co-ordinator	Alice Kiff	(co-opted)	(from April 2018 to September 2018)
	Claudine Letsae	(job share)	(from September 2018)
External Communications	Dee Searle	(job share)	(stood down in September 2018)
	Rob Shepherd	(co-opted job share until September 2018)	
	Rob Shepherd		(from September 2018)
Finance Co-ordinator	Emma Carter		(until April 2018)
	Chidi Obihara	(co-opted)	(from April 2018 until July 2018)
	Sebastian Sandys		(from September 2018 until October 2018)
	Jon Nott	(co-opted)	(from December 2018)
Internal Communications	Molly Arthurs	(job share)	(resigned March 2019)
	Lee-Anne Lawrance	(job share)	(resigned March 2019)
	Tom Pashby	(job share)	(resigned March 2019)
International Co-ordinator	Michal Chantowski	(job share)	(co-opted until September 2018)
	Jessica Northey	(job share)	(until September 2018)
	Alice Hubbard	(job share)	(from September 2018)
Local Party Support	Douglas Rouxel		
Management Co-ordinator	Liz Reason		(until September 2018)
	Zoe Nicholson		(from September 2018)
Policy Development Co-ordinator	Ronald Steward	(job share)	(until September 2018)
	Rob Magowan	(job share)	(until September 2018)
	Paul Woodhead	(co-opted)	(from November 2018)
Publications Co-ordinator	Aimee Challenor		(until September 2018)
	Dee Searle	(co-opted)	(from September 2018)
Trade Union Liaison	Paul Valentine	(co-opted)	(until September 2018)
Wales Green Party Leader	Grenville Ham		(resigned in August 2018)
	Antony Slaughter		(from November 2018)
Young Greens Co-Chairs	Hannah Graham		(until November 2018)
	Ben Parker		(until November 2018)
	Liam McClelland		(from November 2018)
	Rosie Rawle		(from December 2018)

/Continued ...

The Green Party (England & 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 (co-chairs)	Liz Carlton Kat Driscoll Rachel Collinson Rob Grant	(until September 2018) (from September 2018) (from March 2019)
Administration and Finance Committee (AFCOM)	Liz Reason Jon Nott	(until December 2018) (from December 2018)
Policy Development Committee	Ronald Stewart Rob Magowan Paul Woodhead	(job share until September 2018) (job share until September 2018) (from November 2018)
Campaigns Committee	Jackie Tait Britta Goodman Caro New	(until September 2018) (from September 2018) (from September 2018)
Green World Editorial Board	Diana Korchien	
Disputes Resolution Committee	Bernard Ekbery	
International Committee	Michal Chantkowski Alice Hubbard Jessica Northey	(from September 2018) (until September 2018)
Disciplinary Committee	Leo Littman	
Equality and Diversity Committee	Claudine Letsae	(from September 2018)
Conference Committee	Jenny Vernon	
Standing Orders Committee	Martin Hemingway	
Political Committee	Jonathan Bartley	

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The Green Party (England & Wales)
Administrative information

Elected representatives

Member of Parliament

Caroline Lucas

European Parliament

Jean Lambert

Keith Taylor

Molly Scott Cato

London Assembly

Sian Berry

Caroline Russell

Staffing

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

Chief Executive (CEO)	Nick Martin	(until April 2019)
Interim Chief Executive (CEO)	Robert Buckman	(from April 2019)
Head of Finance	Diane Sharp	(until February 2018)
	Robert Buckman	(from April 2018 until April 2019)
Interim Head of Finance	Stephanie Le	(from April 2019)
Chief of Staff	Cath Miller	
Head of Communications	Kim Manning Cooper	(from July 2018)
Senior Communications Manager	Matt Hawkins	(until January 2018)
National Election Agent	Chris Rose	
HR & Office Manager	Sylvia Linton	(until March 2018)
	Ruth Horsfall	(from April 2018)
Digital Manager	Lee Davies	
Membership Development Manager	Wasim Yurus	(until April 2018)
Membership Experience Manager	Becky Parford	(from July 2018)
Conference Manager	Louisa Greenbaum	
Fundraising Manager	Toby Bourke	(from May 2018 until April 2019)
Finance Manager	Mamadou Mane	(from April 2018)
Head of Election & Field Operations	Chris Williams	
Learning and Development Manager	Cami Ouzerdine	(until May 2018)
Learning and Development Manager	David Beales	(from May 2018)

Membership

As at 31 December 2018 there were 38,707 Members of the Party (2017 - 42,413).

Accounting units

As at 31 December 2018 the Party had 283 (2017 - 283) Accounting Units registered with the Electoral Commission.

The Green Party (England & Wales)

Report of the Party officers for the year ended 31 December 2018

It is with pleasure that we present the accounts of the Green Party (England & Wales) for the year ended 31st December 2018. This year saw significant financial challenges as income fell short of expectation, bringing the net asset position back below zero.

The members of the Party Executive team 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.

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

Review of Political Activities

2018 Local elections

The Party won 39 seats in May, a net gain of 8 seats. We lost 11 seats to Labour and 1 to the Conservatives while gaining 9 from Labour, 10 from the Conservatives and 1 from UKIP.

Most significantly, we gained representation on 6 councils and lost representation on 2 councils. We gained our first ever seats on Burnley, Trafford, Knowsley, Birmingham, Peterborough and Richmond Councils, while losing our presence on Lewisham and Worthing.

With the addition of two defections from Labour in Stroud and Dover, we now have 178 councillors on 69 councils, a record number of councillors on a record number of councils. The previous records were 168 councillors and presence on 63 councils.

Holistic Review Commission

At the Party Conference in October 2018 the Party voted to approve the recommendations of a Holistic Review Commission (HRC) into the Party's structure and governance designed to make it a party fit for the 21st century. These proposals were subsequently endorsed by the full membership in an internal referendum. A new constitution setting out the new governance arrangements will be presented to Party Conference in June 2019 and if approved this is likely to change the reporting relationships. A board will be appointed by an elected Party Council to oversee operational matters and the Chief Executive will report directly to the Chair of that board. A Political Executive will also be created to oversee the Party's day-to-day strategy, positioning and tactics.

The Party Executive has also been currently looking into the potential of incorporation for the Party and become a company limited by guarantee. Discussions in relation to this are still on going and decision will take place in the next financial year.

The Green Party (England & Wales)
Report of the Party officers for the year ended 31 December 2018

Financial Performance:

Income and Expenditure and Balance sheet

During 2018 the Party received income of £1.995m, £477k less than in 2017 (£2.472m). Expenditure was £2.226m, which was £57k less than 2017 (£2.283m), meaning the Party made a deficit of £232k (2017 saw a surplus of £188k).

Income comparisons show year on year reductions in all categories apart from interest received. The decline in donation income is closely linked to the fact that 2017 was a General election year, which also explains the differences in Campaign income of £9.3k in 2018 compared to £67.4k in 2017. Spring conference attendance was badly affected by snow and ice, which contributed significantly to the fall in conference income, and the reduction in Short Money received following the 2017 General election explains £35k of the shortfall in Other income.

The 2017 General election is also responsible for the largest variance in expenditure, with Campaign expenditure falling from £237k in 2017 to £23k in 2018. The other significant variances were year on year increases in spend on Staff costs of £1.266m in 2018 compared to £1.187m in 2017, and Management and administration costs of £211k in 2018 compared to £138k in 2017. The increase in Management and administration costs were largely due to one off legal fees relating to work on incorporating as a limited company and on consultancy fees for the report into safeguarding produced by Verita.

Following two years of strong financial performance, the party took the decision to invest further in its staff team over 2018, with the belief that increased income from fundraising activity would be able to cover these costs. With membership falling below budgeted levels and exceptional expenditure items presenting themselves, it became clear by early summer 2018 that the Party was likely to make a significant loss in the year.

A newly rejuvenated Party Executive has put forward an improved financial sustainable strategy, which would see the Party through this difficult period. This strategy together with the Party's robust financial controls and cash flow forecasting has meant that the Party Executive and Green Party Regional Council have agreed that the financially sustainable response to this loss-making period would be to protect the current staff structure and use reserves to cover the shortfall while income increased:

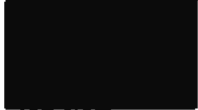
By protecting the budgeted staffing structure, the Party was able to avoid having to reduce its ambitions and therefore its ability to attract new members and donors. As forecast, the Party finished the year in a strong financial position and is now in a position to deliver a surplus again in 2019.

Going concern statement

The accounts have been prepared on a going concern basis. It is through the measures set out above that we have justified our going concern status.

Further information on this can be found in the Going Concern paragraph of Note 1 Accounting policies within the Notes to the Financial Statements.

This report has been approved by the Party Officers.


Jon Nott
Registered Treasurer
20 June 2019

The Green Party (England & 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 them 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.



Jon Nott
Registered Treasurer
20 June 2019

Independent Auditor's Report to the Registered Treasurer of The Green Party (England & Wales)

Opinion

We have audited the financial statements of The Green Party (England & Wales) for the year ended 31 December 2018 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes including a summary of significant accounting policies. 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) (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the Party's affairs as at 31 December 2018 and of its deficit 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.

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

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

- the Registered Treasurer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Registered Treasurer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Party's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Registered Treasurer of The Green Party (England & Wales)

Responsibilities of the Registered Treasurer

As described in the Statement of Registered Treasurer's Responsibilities set out on page 8, the Treasurer 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 Registered Treasurer 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 Registered Treasurer 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 Registered Treasurer 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

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.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Registered Treasurer of The Green Party (England & Wales), 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.

MHA MacIntyre Hudson

Chartered Accountants and Statutory Auditor

Date: 3 July 2019

The Green Party (England & Wales)
Income and Expenditure Account
For the period ended 31 December 2018

	Notes	General Fund	Other Funds	Total 2018 £	Total 2017 £
Income					
Membership income		891,876		891,876	898,373
Friends' dues		4,294		4,294	5,010
Donations		863,266	28,959	892,225	1,215,351
Income from fundraising activities	2	630		630	1,382
Commission income	3	15,825		15,825	16,413
Campaign Income		-		-	-
Freepost sales		-		-	47,952
Green Campaign Shop		9,264		9,264	19,428
Income from legacies		150		150	20,142
Interest receivable net of tax		791	341	1,132	822
Conference income		60,370		60,370	81,750
Other income	4	118,489	569	119,058	165,408
Total Income		1,964,955	29,869	1,994,824	2,472,031
Expenditure					
Cost of appeals and donations		36,644	542	37,186	40,715
Cost of publications and other materials	5	18,802		18,802	18,180
Campaign expenditure	6	14,028	9,292	23,320	221,021
Green Campaign Shop costs		10,531		10,531	15,080
Bank and credit card charges		58,944	1	58,945	59,394
Cost of Conferences		135,574		135,574	121,677
Regional and local party capitations		224,350		224,350	215,602
Local and regional party support		-	13,564	13,564	43,548
Staff costs	7	1,205,831	60,454	1,266,285	1,187,225
Office and premises costs		223,173		223,173	220,789
Management and administration		210,284	1,041	211,325	138,483
External communications		3,438		3,438	1,609
Total Expenditure		2,141,599	84,894	2,226,493	2,283,323
(Deficit) / Surplus before taxation	9	(176,644)	(55,025)	(231,669)	188,708
Taxation charge	8	215	-	215	222
(Deficit) / Surplus for the year		(176,859)	(55,025)	(231,884)	188,486
Total funds brought forward		(181,196)	212,505	31,309	(157,399)
Total funds carried forward		(358,055)	157,480	(200,575)	31,087

The Green Party (England & Wales)
Balance Sheet
as at 31 December 2018

	Notes	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	11		1,153		1,831
Current assets					
Stocks	12	20,337		20,904	
Debtors	13	60,792		72,123	
Cash at bank and in hand	14	121,450		439,191	
		<u>202,579</u>		<u>532,218</u>	
Creditors: amounts falling due within one year	15	(404,529)		(502,962)	
Net current (liabilities)/assets			<u>(201,950)</u>		<u>29,256</u>
Total assets less current liabilities			<u>(200,797)</u>		<u>31,087</u>
Net (liabilities)/assets			<u>(200,797)</u>		<u>31,087</u>
Reserves	16				
General Reserves			(200,797)		31,087
Total reserves			<u>(200,797)</u>		<u>31,087</u>

The financial statements were approved and authorised for issue by the Party's Executive on 11 May 2019 and signed on their behalf by



Jon Nott
Registered Treasurer
20 June 2019

The Green Party (England & Wales)
Statement of Cash Flows
For the period ended 31 December 2018

	2018 £	2017 £
Cash flow from operating activities (see below)	<u>(319,440)</u>	<u>226,675</u>
Interest paid		
Cash flow from investing activities		
Payments to acquire tangible fixed assets	-	-
Interest received	1,132	822
Net cash flow from investing activities	<u>1,132</u>	<u>822</u>
Cash flow from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(317,741)	-
Cash and cash equivalents at 1 January 2018	<u>439,191</u>	<u>439,191</u>
Cash and cash equivalents at 31 December 2018	<u><u>121,450</u></u>	<u><u>439,191</u></u>
Cash and cash equivalents consists of:		
Cash at bank and in hand	61,147	94,303
Short term deposits	<u>60,303</u>	<u>344,888</u>
Cash and cash equivalents at 31 December 2018	<u><u>121,450</u></u>	<u><u>439,191</u></u>

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

	2018 £	2017 £
Net income/(expenditure) for year	(231,669)	188,708
Interest receivable	(1,132)	(822)
Depreciation of tangible fixed assets	678	1,928
Decrease in debtors	11,331	1,223
Increase in creditors	(98,433)	35,860
Taxation paid	(215)	(222)
Net cash flow from operating activities	<u><u>(319,440)</u></u>	<u><u>226,675</u></u>

The Green Party (England & Wales)
Notes to the Financial Statements
For the year ended 31 December 2018

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

The Party incurred a substantial deficit in 2018, which brought the balance sheet back into a negative net asset position. As outlined in the Officers' Report, this deficit was forecast and carefully managed during 2018 so as to minimise the operational impact on the Party's ambitions. The Party is committed to improving this negative net asset position in the 2019 financial year.

Strict financial controls and robust systems continue to be used, and there is continued scrutiny of monthly budgets and cash flow by the finance team, by Party Executive, and by AFCom (the party's Administration and Finance Committee). The plan put in place by Party Executive for sustainable growth in its finances continues. Inroads continue to made to both expand and diversify the Party's funding base to reduce the overall level of reliance on membership income.

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 2019 cash flow forecasts.

Forecasts have been prepared looking at a period of 12 months from the date of signing the financial statements, which the Party considers to equate to the foreseeable future. The key uncertainties when preparing forecast information relate to income generation, as the Party's costs are generally fixed and/or able to be reduced easily, and therefore do not pose a risk of underperformance. Income generation uncertainties that exist are not considered by the Party to be material to the outcomes forecast and thus the ability of the Party to conclude satisfactorily on going concern.

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.

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Accounting policies (continued)

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.

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.

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Accounting policies (continued)

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 £1,000 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.

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.

/Continued ...

The Green Party (England & Wales)
Notes to the Financial Statements
For the year ended 31 December 2018

Accounting policies (continued)

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	2018	2017
	£	£
Other fundraising income	630	1,382
	<u>630</u>	<u>1,382</u>

3 Commission income

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

4 Other income	2018	2017
	£	£
Government grants	114,223	149,699
Other	4,835	15,709
	<u>119,058</u>	<u>165,408</u>

5 Cost of publications and other materials

Green World is the official Green Party (England & Wales) 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.

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6 Campaign expenditure	2018	2017
	£	£
Freepost expenses	-	39,967
General election costs	-	167,192
Non election campaigns expenditure	4,781	1,742
Other campaign expenses	18,539	12,120
	<u>23,320</u>	<u>221,021</u>

7 Staff numbers (actual average headcount) and costs	2018	2017
Management and Leadership	2.9	3.0
Election agent	1.0	1.0
External communications	4.3	5.7
Administration & Finance	9.6	9.4
Young Greens group	1.0	0.6
Fundraising	1.9	2.0
Policy	0.4	0.2
Conferences	2.0	2.0
Parliamentary Office	6.7	4.7
Campaigns	3.1	1.5
Regional	19.4	18.2
	<u>52.3</u>	<u>48.3</u>

Staff costs

	2018	2017
	£	£
Wages and salaries	1,137,414	1,064,443
Social security costs	100,986	98,361
Pension contributions	26,361	24,421
Redundancy costs	1,524	-
	<u>1,266,285</u>	<u>1,187,225</u>

	2018	2017
	£	£
Key Management Personnel remuneration	<u>146,962</u>	<u>170,841</u>

Key Management Personnel are considered to be members of the Party Executive, the Party's Chief Executive, the Head of Finance and Head of Communications. Party Executive members received no remuneration in that capacity in 2018 (2017 - £nil). One of the Co-leaders and the Deputy Leader receive allowances in their Leadership capacity but these sums are not included in this figure.

The Green Party (England & Wales)
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8 Taxation

	2018	2017
	£	£
Taxation on investment income	<u>215</u>	<u>222</u>

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

9 Surplus for the year

	2018	2017
	£	£
The surplus for the year is stated after charging:		
Auditors remuneration - audit services statutory accounts		
Current year	12,975	13,824
Prior year under provision	-	-
Auditors remuneration - non statutory audit services	5,913	7,576
Operating lease charge - property	32,836	14,429
Depreciation	678	1,928
	<u> </u>	<u> </u>

10 Auditor's remuneration

	2018	2017
	£	£
Statutory audit fees		
Current year	12,975	13,824
Non statutory audit services	5,913	7,576
	<u>18,888</u>	<u>21,400</u>

11 Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 January 2018	3,801	29,971	33,772
Additions	-	-	-
Disposals	-	-	-
At 31 December 2018	<u>3,801.00</u>	<u>29,971.00</u>	<u>33,772.00</u>
Depreciation			
At 1 January 2018	2,087	29,854	31,941
Charge for the year	561	117	678
On disposals	-	-	-
At 31 December 2018	<u>2,648.00</u>	<u>29,971.00</u>	<u>32,619.00</u>
Net book value			
At 31 December 2018	<u>1,153.00</u>	<u>-</u>	<u>1,153.00</u>
At 31 December 2017	<u>1,714.00</u>	<u>117.00</u>	<u>1,831.00</u>

The Green Party (England & Wales)
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12 Stocks	2018	2017
	£	£
Campaign Shop	9,337	9,904
Artwork	11,000	11,000
	<u>20,337</u>	<u>20,904</u>

13 Debtors	2018	2017
	£	£
Trade debtors	22,580	7,659
Prepayments	9,487	37,656
Other debtors	27,532	24,308
Greenquest loans	1,193	2,500
	<u>60,792</u>	<u>72,123</u>

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

14 Cash and cash equivalents	2018	2017
	£	£
Cash at bank and in hand	<u>121,450</u>	<u>439,191</u>

15 Creditors: amounts falling due within one year	2018	2017
	£	£
Trade creditors	40,384	58,646
Deferred income	-	13,757
Other taxes and social security costs	30,451	31,321
Other creditors and accruals	64,507	97,065
Capitations payable to local and regional parties	269,187	302,173
	<u>404,529</u>	<u>502,962</u>

Deferred income

Balance brought forward	13,757	16,914
Released in the year	(13,757)	(16,914)
Added in the year	-	13,757
Closing balance	<u>-</u>	<u>13,757</u>

Deferred income in 2017 included Spring conference income for the following year and unspent Short Money in the year.

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16 Reconciliation of movement in funds

	Brought Forward 01/01/2018 £	Incoming Resources £	Outgoing Resources £	Carried Forward 31/12/2018 £
Other Funds				
Greenquest Fund	35,619	677	-	36,296
Leader's Project Fund	453	569	(167)	855
Climate Sense Campaign Fund	16,401	-	(16,155)	246
Election Fund	77,663	5,523	(31,482)	51,704
Parliamentary Office Fund	79,422	26,380	(37,089)	68,713
Manchester Gorton Fund	3,280	-	(3,280)	-
London Fund	(333)	333	-	-
General Fund	(181,418)	1,964,955	(2,142,148)	(358,611)
	<u>31,087</u>	<u>1,998,437</u>	<u>(2,230,321)</u>	<u>(200,797)</u>

Included within Other Funds are reserves designated for specific activities

	Brought Forward 01/01/2017 £	Incoming Resources £	Outgoing Resources £	Carried Forward 31/12/2017 £
Other Funds				
Greenquest Fund	35,278	341	-	35,619
Leader's Project Fund	453	-	-	453
Climate Sense Campaign Fund	21,787	-	(5,386)	16,401
Election Fund	-	309,929	(232,266)	77,663
Parliamentary Office Fund	-	109,305	(29,883)	79,422
Manchester Gorton Fund	-	12,325	(9,045)	3,280
London Fund	-	-	(333)	(333)
General Fund	(214,917)	2,040,131	(2,006,632)	(181,418)
	<u>(157,399)</u>	<u>2,472,031</u>	<u>(2,283,545)</u>	<u>31,087</u>

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17 Operating lease commitments

2018 **2017**
£ **£**

At 31 December, the balance sheet date, the Party had operating lease commitments as follows:

On office space		
Payable within one year	32,836	14,429
Payable within two to five years	-	-
On equipment		
Payable within one year	498	498
Payable within five years	42	540
	<hr/>	<hr/>

18 Related party transactions

£10,529 (2017 - £3,120) was reimbursed to a total of 22 (2017 - 20) individuals who were members of the Party Executive 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 £195,710 (2017 - £147,366) that were reportable to the Electoral Commission.

The total donation income for the year, totalling £892,225 (2017- £1,215,351) is greater than this as a result of donations received that were below the PPERA reporting threshold of £7,500.