



# **The Green Party**

(England & Wales)

Reports and Financial Statements

Year ended 31 December 2019

# The Green Party

## Financial statements for the year ended 31 December 2019

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## The Green Party

### Administrative information

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#### Party Officers (Registered Officers under the Political Parties, Elections and Referendums Act 2000)

Co-Leader	Sián Berry	(job share)	Registered Leader with Electoral Commission
Co-Leader	Jonathan Bartley	(job share)	
Registered Treasurer	Jon Nott		
Nominating officer	Chris Rose		

#### 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 during the year are:

Co-Leader	Jonathan Bartley		
Co-Leader	Sián Berry		
Deputy Leader	Amelia Womack		
Chair	Liz Reason		
Registered Treasurer	Jon Nott	(from March 2019)	
	Sián Berry	(until March 2019)	
Campaigns Co-ordinator	Britta Goodman	(job share)	
	Caroline New	(job share)	
Elections Co-ordinator	Judy Maciejowska	(job share)	
	Tom Beament	(job share)	
Equality & Diversity Co-ordinator	Rashid Nix	(from September 2019)	
	Claudine Letsae	(until September 2019)	
External Communications	Rob Shepherd		
Finance Co-ordinator	Jon Nott	(co-opted December 2018, elected September 2019)	
Internal Communications	Peter Barnett	(job share)	(from September 2019)
	Hazel Pegg	(job share)	(from September 2019)
	Jack Lenox	(co-opted)	(March 2019 until September 2019)
	Molly Arthurs	(job share)	(until March 2019)
	Lee-Anne Lawrence	(job share)	(until March 2019)
	Tom Pashby	(job share)	(until March 2019)
International Co-ordinator	Alice Hubbard	(job share)	
	Michał Chantowski	(job share)	
Local Party Support	Dawn Furness	(from September 2019)	
	Douglas Rouxel	(until September 2019)	
Management Co-ordinator	Zoe Nicholson		
Policy Development Co-ordinator	Paul Woodhead		
Publications Co-ordinator	Dee Searle	(until March 2020)	
Trade Union Liaison	Paul Valentine		
Wales Green Party Leader	Antony Slaughter		
Young Greens Co-Chairs	Rosie Rawle	(job share)	
	Tom Hazell	(job share)	(from September 2019)
	Liam McClelland	(job share)	(until September 2019)

## The Green Party

### Administrative information

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#### Key Staff

Chief Executive	Mary Clegg	(from October 2019)
	Robert Buckman	(interim, from April 2019 to October 2019)
	Nick Martin	(until April 2019)

#### 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.

#### Elected representatives

##### Member of Parliament

Caroline Lucas	Brighton Pavilion Constituency	(re-elected December 2019)
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##### Members of European Parliament (until 31 January 2020)

Molly Scott Cato	South West Region	(re-elected May 2019)
Scott Ainslie	London Region	(elected May 2019)
Alexandra Phillips	South East Region	(elected May 2019)
Magid Magid	Yorkshire & The Humber Region	(elected May 2019)
Ellie Chowns	West Midlands Region	(elected May 2019)
Gina Dowding	North West Region	(elected May 2019)
Catherine Rowett	Eastern Region	(elected May 2019)
Jean Lambert	London Region	(until May 2019)
Keith Taylor	South East Region	(until May 2019)

##### Members of London Assembly

Siân Berry  
Caroline Russell

##### Peers

Natalie Bennett	Baroness Bennett of Manor Castle	(appointed September 2019)
Jenny Jones	Baroness Jones of Moulsecoomb	

##### Local Councillors

In the local elections held on 2 May 2019 the party increased its number of local councillors from 178 to 362. Following the elections the Green Party had representatives on 122 councils, an increase of 53 councils.

##### Membership

As at 31 December 2019 the party had 49,013 members (2018 - 38,707).

##### Accounting Units

As at 31 December 2019 the Party had 283 (2018 - 283) Accounting Units registered with the Electoral Commission.

##### Party Headquarters

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

**The Green Party**  
**Administrative information**

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**Banks**



**Auditors**

MHA MacIntyre Hudson  
2 London Wall Place  
London  
EC2Y 5AU

## The Green Party

### Report of the Party's Officers for the year ended 31 December 2019

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It is with pleasure that we present the accounts of the Green Party ('The Party') for the year ended 31 December 2019.

2019 saw a significant growth in the Party's membership numbers and donations received, linked to an intense period of campaigning which included three sets of major nationwide elections - local councils, European Parliament and UK Parliament.

Membership increased during the course of the year from 38,707 to 49,013 - a net increase of 10,306 or 27%.

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 at all levels, who represent us as well as their communities.

#### Review of Political Activities

##### Local Council Elections

In the local elections held on 2 May 2019 the Party achieved its best ever results at this level. Going into the elections we already had 178 councillors, but this number leapt to 362 councillors following a string of successes. By the time all of the votes had been counted, the Party had expanded its presence to a record 122 councils, including councils where we had not previously had a presence.

Highlights included:

- Warwick District, where we gained 7 new councillors, Lewes and Folkstone & Hythe where we gained 5 each and Braintree, Norwich and South Oxfordshire, in each of which we gained 5 councillors.
- Brighton & Hove, where we gained 8 seats to take us up to 19 in total.
- Solihull where we moved up to 14, with one ward achieving an 84% Green vote share - the highest ever share achieved by a Green Party candidate.
- Mid Suffolk, where we doubled our tally to 12 seats.
- Lewes, where Greens formed a coalition to take control of the Council.

Greens are now part of the administration on 17 councils. In total, Greens are now represented on 53 new councils across the country.

##### European Parliamentary Elections

The local council elections were closely followed by hurriedly arranged European Parliamentary Elections, called following an unexpected delay to the UK's exit from the European Union.

Again, the Party celebrated a record-breaking performance, more than doubling its number of elected MEPs to seven. Green MEPs were elected for the first time in the Eastern, North West, West Midlands and Yorkshire & the Humber regions, while the Party held on to its seats in London, the South East and the South West.

Nationally, the party came fourth, with an 11.8% vote share placing the Party ahead of the Conservative Party for the first time ever in a national election. The total number of votes cast for the Green Party in England and Wales was 1,861,306 - again, a record for the party in a nationwide poll.

Sadly, Brexit brought an abrupt end to our MEPs' tenure, as the UK formally left the European Union on 31 January 2020, forcing our representatives to vacate their seats.

##### General Election

On 12 December 2019, voters were called to the polls for a third time, as the Prime Minister called a General Election in an effort to break the deadlock in parliament over Brexit. Once again, the Green Party and its members and supporters responded rapidly to the sudden triggering of the unscheduled election - the first winter General Election since 1974.

The shortness of notice of the election and the difficulties arising from having to campaign in the middle of winter presented the Party and its activists with significant challenges. However, the Party rose to the occasion and produced a good result, with the 2.7% nationwide vote share representing a 1.1% increase compared with the 2017 General Election.

## The Green Party

### Report of the Party's Officers for the year ended 31 December 2019

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Caroline Lucas achieved an outstanding result, emphatically retaining her seat in Brighton Pavilion with a massive 19,940 majority. However, the flaws in the British electoral system were again brutally exposed, with the Green Party's 835,579 votes producing just one MP and the Conservative Party winning 56% of the seats in the House of Commons, despite achieving fewer than 44% of the votes.

2019 placed exceptional demands on the Party, its staff, members, supporters and candidates. They can all feel proud of the immense achievements to which they contributed. The Party now has a formidable presence in local government across England and Wales, and has strengthened its hold over its parliamentary seat.

#### House of Lords

A beneficial result of the party's consistent electoral success in recent years was the awarding of a second place in the House of Lords to a Green Party representative. In September 2019, former Leader of the party, Natalie Bennett was nominated for a life peerage, and on 15 October 2019 she entered the House of Lords as Baroness Bennett of Manor Castle, doubling the Party's representation in the second chamber of the UK parliament. There she joined Jenny Jones (Baroness Jones of Moulsecoomb) who had entered the chamber as a the Party's sole representative six years earlier.

#### Implementation of New Governance Structures and Incorporation of the Party

Following discussions at the 2019 spring and autumn Conferences the implementation of new governance structures, which had been approved in outline by a ballot of Party members in January 2019, was postponed. Work continued throughout 2019 and since the year end to finalise the details of the new governance structures and ensure that these are compliant with the report of the Holistic Review Commission, the result of the members ballot and the Conference motion on incorporation. Work to incorporate the Party as a Co-operative Company is linked to this work and has also been postponed. The cancellation of the Party's spring 2020 Conference due to the Covid-19 lockdown has caused a further delay. It is hoped that final documentation for the new governance structures and the incorporation of the Party will be presented to either the autumn Conference in 2020 or the spring Conference in 2021, in order to enable implementation on either 1 January 2021 or 1 January 2022.

#### Financial Review

The Income and Expenditure Account on page 11 shows that the party's total income grew by £1.46m (73.2%), while expenditure increased by £0.95m (42.7%). As a result, the Party achieved an overall net surplus for the year of £277,239, a substantial improvement compared with the net deficit of £231,884 recorded in the previous year.

Thanks to this surplus, the Party ended the year with a much improved Balance Sheet, with positive net assets as at 31 December 2019 of £76,442 (2018 - net liabilities £200,797).

The improved financial performance seen during 2019 was partly the result of a healthy increase in membership subscriptions, up by 34% to £1.20m (2018 - £0.89m), due mainly to growth in the number of members during the course of the year. Of more significance was an almost doubling in donations received, up to £1.76m (2018 - £0.89m), spurred by appeals surrounding the three major electoral events which took place during 2019.

The aforementioned three electoral events precipitated a surge in campaign expenditure - up to £526k compared with just £23k in 2018. The sustainable growth in membership income enabled the Party to increase our capabilities by the recruitment of additional staff, although the increase in staff costs was limited to a relatively modest 13%, up to £1,431k (2018 - £1,266k).

The Party ended 2019 with a healthy cash position of £581k (2018 - £121k), although it should be noted that capitalisation payments due to local parties were £346k as at 31 December 2019 (2018 - £269k).

With increased membership numbers and an effective fundraising capability the Party is well placed to continue to enhance its political profile. We will do this by providing greater support to our local parties, helping our growing number of councillors to consolidate their positions, identifying and investing in potential new target seats at all levels of government and improving our membership offer. Built on solid financial foundations, we can further build our political strength and impact for the benefit of all of the communities which we seek to serve.



## The Green Party

### Report of the Party's Officers for the year ended 31 December 2019

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#### Going Concern Statement

The accounts have been prepared on a going concern basis. As reported above, the Party returned to a positive net asset position by the end of 2019. Significant growth in membership numbers has restored the Party to a financial surplus.

We have prepared detailed financial forecasts through to the end of 2021 which show that the Party can continue to operate within its financial means for the foreseeable future. We maintain tight financial control, including through annual departmental budgets against which actual performance is regularly compared. The Party Executive has identified and assessed key financial risks and the management's responses to them and has concluded that it is appropriate for the party to continue to be classed as a going concern.

For further information please refer to the Going Concern paragraph of Note 1 - Accounting Policies, contained within the Notes to the Financial Statements.

#### COVID-19

During early 2020 the COVID-19 outbreak started to impact people, businesses and other organisations across the world. On 23 March 2020 the UK government announced lockdown measures which significantly curtailed the normal way of life of people across the whole country, with well-publicised severe effects on the wider economy. The Green Party took swift action to shut its offices at the Biscuit Factory and to move all of our employees to home working. Although this has been disruptive, it is to the credit of the staff that the transition has been accomplished with minimal impact on the day to day functioning of the Party.

To date, the negative financial impact of COVID-19 on the Party has been very limited. The spring 2020 Conference, scheduled to take place in Brighton, had to be cancelled, but this was managed in a way which minimised the loss to the Party. The Party's autumn 2020 Conference has, similarly, been cancelled and moved online. The postponement of the May 2020 local elections has had a negligible financial impact, although we believe we were on track for significant gains which would have likely had a positive impact on membership numbers and revenue.

Overall, the Party's income in 2020 has, to date, been broadly in line with budget, and expenditure has been, if anything, reduced compared with budget. GPEx and the management of the Party are monitoring the financial impact of the crisis very carefully and stand ready to take appropriate measures to preserve the financial stability of the Party. However, we do not currently anticipate that significant action will be required in the short term.

Based upon information currently available, we do not believe that COVID-19 requires us to modify our view that the Party can operate as a Going Concern for the foreseeable future.


#### 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.

This report has been approved by the Party Officers.

  
**Jon Nott, Registered Treasurer**  
25 June 2020



## **Independent Auditor's Report to the Registered Treasurer of The Green Party**

### **Opinion**

We have audited the financial statements of The Green Party of England and Wales for the year ended 31 December 2019 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 2019 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.

### **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 company'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**

### **Responsibilities of the Registered Treasurer**

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, 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, 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

2 London Wall Place

London

EC2Y 5AU

Date: 6 July 2020

**The Green Party**  
**Income and Expenditure Account**  
**For the year ended 31 December 2019**

	Notes	General Fund £	Other Funds £	Total 2019 £	Total 2018 £
<b>Income</b>					
Membership income		1,197,005	-	1,197,005	891,876
Friends' dues		4,245	-	4,245	4,294
Donations		1,044,740	720,110	1,764,850	892,225
Income from fundraising activities	2	510	200	710	630
Commission income	3	21,331	-	21,331	15,825
Campaign Income:					
Freepost sales		-	167,609	167,609	-
Green Campaign Shop		23,949	-	23,949	9,264
Income from legacies		70,794	-	70,794	150
Interest receivable net of tax		287	169	456	1,132
Conference income		82,928	1,464	84,392	60,370
Other income	4	3,040	116,181	119,221	119,058
<b>Total income</b>		<b>2,448,829</b>	<b>1,005,733</b>	<b>3,454,562</b>	<b>1,994,824</b>
<b>Expenditure</b>					
Cost of appeals and donations		53,371	7,082	60,453	37,186
Cost of publications and other materials	5	20,520	-	20,520	18,802
Campaign expenditure	6	20,623	505,060	525,683	23,320
Local and regional party support	6	30,110	74,357	104,467	13,584
Green Campaign Shop costs		20,812	-	20,812	10,531
Bank and credit card charges		86,247	190	86,437	58,945
Cost of Conferences		117,382	1,534	118,916	135,574
Regional and local party capitations	7	294,496	-	294,496	224,350
Staff costs	8	1,212,364	218,803	1,431,167	1,266,285
Office and premises costs		229,383	4,834	234,217	223,173
Management and administration		178,508	61,132	239,640	211,325
External communications		3,008	35,419	38,428	3,438
Grants payable		2,000	-	2,000	-
<b>Total Expenditure</b>		<b>2,268,825</b>	<b>908,411</b>	<b>3,177,236</b>	<b>2,226,493</b>
Surplus/(Deficit) before taxation	10	180,004	97,322	277,326	(231,669)
Taxation charge	9	(87)	-	(87)	(215)
<b>Surplus/(Deficit) for the year</b>		<b>179,917</b>	<b>97,322</b>	<b>277,239</b>	<b>(231,884)</b>
Total funds brought forward		(358,611)	157,814	(200,797)	31,087
Transfers between funds		(24,328)	24,328	-	-
<b>Total funds carried forward</b>	16	<b>(203,022)</b>	<b>279,464</b>	<b>76,442</b>	<b>(200,797)</b>

**The Green Party  
Balance Sheet  
as at 31 December 2019**

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		<u>16,505</u>		<u>1,153</u>
			16,505		1,153
<b>Current assets</b>					
Inventories	12	14,776		20,337	
Debtors	13	65,293		60,792	
Cash at bank and in hand	14	<u>580,989</u>		<u>121,450</u>	
		661,058		202,579	
<b>Creditors: amounts falling due within one year</b>	15	(601,121)		(404,529)	
<b>Net current assets / (liabilities)</b>			<u>59,937</u>		<u>(201,950)</u>
<b>Total assets less current liabilities</b>			<u>76,442</u>		<u>(200,797)</u>
<b>Net assets / (liabilities)</b>			<u>76,442</u>		<u>(200,797)</u>
<b>Reserves</b>					
General Reserves	16		76,442		(200,797)
<b>Total reserves</b>			<u>76,442</u>		<u>(200,797)</u>

The financial statements were approved and authorised for issue by the Party's Executive on 25 June 2020, and signed on their behalf by:



**Jon Nott**  
Registered Treasurer

**The Green Party**  
**Statement of Cash Flows**  
**For the year ended 31 December 2019**

	2019 £	2018 £
<b>Cash flow from operating activities (see below)</b>	<u>478,501</u>	<u>(318,873)</u>
<b>Cash flow from investing activities</b>		
Payments to acquire tangible fixed assets	(19,418)	-
Interest received	456	1,132
<b>Net cash flow from investing activities</b>	<u>(18,962)</u>	<u>1,132</u>
<b>Cash flow from financing activities</b>	-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	459,539	(317,741)
Cash and cash equivalents at 1 January 2019	<u>121,450</u>	<u>439,191</u>
Cash and cash equivalents at 31 December 2019	<u><b>580,989</b></u>	<u><b>121,450</b></u>
<b>Cash and cash equivalents consists of:</b>		
Cash at bank and in hand	575,885	61,147
Short term deposits	<u>5,304</u>	<u>60,303</u>
<b>Cash and cash equivalents at 31 December 2019</b>	<u><b>580,989</b></u>	<u><b>121,450</b></u>

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

Net income / (expenditure) for year	277,326	(231,869)
Interest receivable	(456)	(1,132)
Loss on disposal of fixed asset	948	-
Depreciation of tangible fixed assets	3,118	678
(Increase) / Decrease in debtors	(4,501)	11,331
Decrease in inventories	5,561	567
Increase / (decrease) in creditors	196,592	(98,433)
Taxation paid	(87)	(215)
<b>Net cash flow from operating activities</b>	<u><b>478,501</b></u>	<u><b>(318,873)</b></u>



# The Green Party

## Notes to the Financial Statements

### For the year ended 31 December 2019

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#### 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 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 3.

Local and regional Green Party groups are separately registered Accounting Units with the Electoral Commission and their financial transactions are not consolidated in these accounts.

##### **Going concern**

The Party generated a substantial surplus in 2019, restoring the Balance Sheet to a positive net asset position, including a healthy cash balance as at 31 December 2019.

Detailed budgets and forecasts have been prepared for the period up to 31 December 2021. These show that the Party can continue to maintain a positive cash balance and is expected to be able to meet any financial obligations as they fall due for the foreseeable future.

Strict financial controls and robust systems continue to be used. The Finance team, the Party Executive (GPEx) and the Party's Administration and Finance Committee (AFCom) scrutinise actual financial performance and cash flow by reference to regularly updated budgets and forecasts.

The much-improved financial position of the Party as at 31 December 2019, along with ongoing efforts made to maintain and improve its current high standards of financial control and forward financial visibility give the Party reason to consider it appropriate to prepare the accounts on a Going Concern basis.

##### **Post-balance Sheet Event - COVID-19**

The emergence of COVID-19 in early 2020 has had a very limited financial impact on the Party. It is not considered that any of the financial effects of the virus and its consequent economic disruption materially impact the valuation of any of the assets or liabilities of the Party as at the Balance Sheet date.

Although COVID-19 has introduced some additional uncertainty into expectations of revenues, fixed and variable costs and cash flow requirements after the Balance Sheet date, it is not considered that such uncertainty is of sufficient magnitude to undermine the Party's ability to continue to operate as a Going Concern for the foreseeable future.

Consequently, it has been assessed that COVID-19 is to be treated as a non-adjusting post-balance sheet event and that the Going Concern basis can continue to be applied in these Financial Statements.

##### **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.

/Continued ...

# The Green Party

## Notes to the Financial Statements

### For the year ended 31 December 2019

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#### 1 Accounting policies (continued)

- 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 and the income shown in the accounts is the total received before deducting the capitations due to local and regional parties.
- Interest receivable is recognised in the Income and Expenditure Account on the accruals basis.
- 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 etc. 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**

Assets costing more than £1,000 are capitalised and 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

#### **Inventories**

*Campaign shop inventories* are stated at the lower of cost and estimated selling price less costs to complete and sell. Inventories are recognised as an expense in the period in which the related revenue is recognised. Cost is determined on the first-in, first-out (FIFO) method.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell. The impairment charge is recognised in the income and expenditure account. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the income and expenditure account.

*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.

#### **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.

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**The Green Party**  
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**1 Accounting policies (continued)**

***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.

***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, other creditors and capitalisations 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. Accruals and 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**

	2019 £	2018 £
Other fundraising income	710	630
	<u>710</u>	<u>630</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, Recycle 4 Charity and Teemill Tech Ltd (formerly Rapanu Clothing Ltd).

**The Green Party**  
**Notes to the Financial Statements**  
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<b>4 Other income</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Government grants - Short Money	115,681	114,223
Other	3,540	4,835
	<u>119,221</u>	<u>119,058</u>

Short Money is made available to all opposition parties in the House of Commons that secured either two seats, or one seat and more than 150,000 votes, at the previous General Election. The allocations are provided to assist an opposition party in carrying out its Parliamentary business, and for the opposition parties' travel and associated expenses.

**5 Cost of publications and other materials**

Green World is the official The Green Party 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.

<b>6 Campaign expenditure</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Freepost expenses	197,682	-
Non election campaigns expenditure	4,651	4,781
Local and regional party support	104,467	13,564
Other campaign expenses	323,351	18,539
	<u>630,151</u>	<u>36,884</u>

**7 Capitulations**

Capitulations are payments to the Party's regional and local parties and represent a set portion of membership income, as agreed under the Party constitution. These amounts are accrued monthly and are paid annually in arrears, once the Party's audited accounts have been approved.

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Capitulations accrued during the year	294,496	224,350
	<u>294,496</u>	<u>224,350</u>

**The Green Party**  
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<b>8 Staff costs and numbers</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,296,365	1,137,414
Social security costs	106,683	100,986
Pension contributions	28,120	26,361
Redundancy costs	-	1,524
	<u>1,431,168</u>	<u>1,266,285</u>

Key Management Personnel remuneration	<u>229,205</u>	<u>146,962</u>
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Key Management Personnel are considered to be members of the Party Executive, the Party's Chief Executive Officer (CEO), Chief Operations Officer (COO), Head of Elections and Field Operations, Head of Communications, and Head of Development (Fundraising).  
 (2018: Party Executive, CEO, the Head of Finance and Head of Communications).

Party Executive members received no remuneration in that capacity in 2019 (2018 - 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.

	<b>2019</b>	<b>2018</b>
The average headcount numbers during the year was as follows:		
Management and Leadership	5.6	2.9
Election agent	1.0	1.0
External communications	4.2	4.3
Administration & Finance	14.5	9.6
Young Greens group	-	1.0
Fundraising	1.8	1.9
Policy	-	0.4
Conferences	2.0	2.0
Parliamentary Office	4.7	6.7
Campaigns	1.0	3.1
Elections and Local Party Support	19.9	19.4
	<u>54.7</u>	<u>52.3</u>

<b>9 Taxation</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Taxation on investment income	<u>87</u>	<u>215</u>

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

**The Green Party**  
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**10 Surplus for the year**

	2019	2018
	£	£
The surplus for the year is stated after charging:		
Auditors remuneration - audit services statutory accounts		
Current year	15,000	12,975
Prior year overprovision	(290)	-
Auditors remuneration - non statutory accounts audit services	12,766	5,913
Operating lease charges	69,297	32,836
Depreciation	3,118	678
Inventory recognised as an expense	5,010	567
Impairment of inventory	551	-
Loss on disposal of fixed assets	948	-
	<u>          </u>	<u>          </u>

**11 Tangible fixed assets**

	Office equipment £	Computer equipment £	Total £
<b>Cost</b>			
At 1 January 2019	3,801	29,971	33,772
Additions	19,418	-	19,418
Disposals	(2,370)	-	(2,370)
At 31 December 2019	<u>20,849</u>	<u>29,971</u>	<u>50,820</u>
<b>Depreciation</b>			
At 1 January 2019	2,648	29,971	32,619
Charge for the year	3,118	-	3,118
On disposals	(1,422)	-	(1,422)
At 31 December 2019	<u>4,344</u>	<u>29,971</u>	<u>34,315</u>
<b>Net book value</b>			
At 31 December 2019	<u>16,505</u>	<u>-</u>	<u>16,505</u>
At 31 December 2018	<u>1,153</u>	<u>-</u>	<u>1,153</u>

**12 Inventories**

	2019	2018
	£	£
Campaign Shop	3,776	9,337
Artwork	11,000	11,000
	<u>14,776</u>	<u>20,337</u>

**The Green Party**  
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<b>13 Debtors</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade debtors	4,924	22,580
Other debtors	18,364	24,567
Greenquest loans	9,064	1,193
Prepayments and accrued income	32,941	12,452
	<u>65,293</u>	<u>60,792</u>

The Greenquest loans are interest free and made to local and regional parties to fund election deposits and development activity. The balance includes £3,100 (2018: £64) falling due after more than one year.

<b>14 Cash and cash equivalents</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u>580,989</u>	<u>121,450</u>

<b>15 Creditors: amounts falling due within one year</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	70,961	40,384
Corporation tax	88	215
Other taxes and social security costs	57,656	30,451
Other creditors	39,528	16,321
Accruals and deferred income	76,425	47,971
Capitations payable to local and regional parties	346,467	269,187
	<u>801,121</u>	<u>404,529</u>
<b>Deferred income</b>		
Balance brought forward	-	13,757
Released in the year	-	(13,757)
Added in the year	<u>7,379</u>	
Closing balance	<u>7,379</u>	<u>-</u>

Deferred income at the end of 2019 included Spring Conference income for 2020.

**The Green Party**  
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**16 Reconciliation of movement in funds**

	Brought Forward 1 Jan 2019 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	Carried Forward 31 Dec 2019 £
<b>Specific Funds</b>					
Greenquest (see Note 13)	36,296	636		619	37,751
Short Money (see Note 4)	-	115,681	(115,681)		-
Elections	51,704	791,983	(730,817)		112,870
Parliamentary Office	68,713	47,333	(55,928)		60,118
Young Greens		18,168	(3,288)	3,176	18,056
Deyika Nzeribe		40		14,863	14,903
Access		4,138	(1,340)	5,716	8,514
Miscellaneous other Funds	1,101	27,754	(1,357)	(246)	27,252
<b>General Fund</b>	(358,611)	2,448,829	(2,268,912)	(24,328)	(203,022)
	<u>(200,797)</u>	<u>3,454,562</u>	<u>(3,177,323)</u>	<u>-</u>	<u>76,442</u>

Elections - to support local, European and General Election campaigns.

Parliamentary Office - to ensure the smooth running of the team in Parliament.

Deyika Nzeribe - to support the engagement, development and election of Global South heritage candidates.

Access - to enable financially disadvantaged members to attend Conference.

**Prior year comparatives**

	Brought Forward 1 Jan 2018 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	Carried Forward 31 Dec 2018 £
<b>Specific Funds</b>					
Greenquest	35,619	677	-		36,296
Short Money	-	114,223	(114,223)		-
Elections	77,663	5,523	(31,482)		51,704
Parliamentary Office	79,422	26,380	(37,089)		68,713
Miscellaneous other Funds	19,801	902	(19,602)		1,101
<b>General Fund</b>	(181,418)	1,850,732	(2,027,925)		(358,611)
	<u>31,087</u>	<u>1,998,437</u>	<u>(2,230,321)</u>	<u>-</u>	<u>(200,797)</u>

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**17 Post - employment benefits**

**Defined contribution scheme**

The Party provides a defined contribution scheme for its employees. The amount recognised as an expense for the defined contribution scheme was:

	2019	2018
	£	£
Current year contributions	<u>28,120</u>	<u>26,361</u>

**18 Capital and other commitments**

2019	2018
£	£

The Party did not have capital commitments at the year end (2018: Nil)

The Party had the following future minimum lease payments under non-cancellable operating leases for each of the following periods.

On office space		
Payable within one year	62,993	32,836
Payable within two to five years	15,938	-
On equipment		
Payable within one year	771	498
Payable within five years	2,918	42
Over five years	<u>729</u>	<u>42</u>

**19 Related party transactions**

£14,059 (2018 - £10,529) was reimbursed to a total of 22 (2018 - 22) individuals who were members of the Party Executive or Key Management Personnel. The reimbursed expenditure related to travel costs and subsistence.

**20 Reportable donations**

During the year the National Party accepted and reported to the Electoral Commission donations exceeding PPERA reporting threshold of £7,500, totalling £547,189 (2018: £195,710)

The total donation income for the year, was £1,764,950 (2018: £892,225).