



Review 2019/20

Administrative Information

Organisational structures

Review of political activities

Corporate Governance

Financial Review

Statement of accounts 2019

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Party Officers

Registered officers under the Political Parties,
Elections and Referendums Act 2000 ("PPERA"):

Leader	Nicola Sturgeon
Nominating Officer	Peter Murrell
Treasurer	Colin Beattie

Party Headquarters

Gordon Lamb House, 3 Jackson's Entry, Edinburgh EH8 8PJ.

Auditors

Johnston Carmichael LLP, 7-11 Melville Street, Edinburgh EH3 7PE.

Bankers



1. Administrative Information

About the SNP

The Scottish National Party, committed to restoring Scottish independence, was founded in 1934. Gaining its first parliamentary seat in 1945, the SNP has been the driving force for constitutional change in Scotland for 85 years.

The aims of the Party are:

- a) Independence for Scotland; that is the restoration of Scottish national sovereignty by restoration of full powers to the Scottish Parliament, so that its authority is limited only by the sovereign power of the people of Scotland to bind it with a written constitution and by such agreements as it may freely enter into with other nations or states or international organisations for the purpose of furthering international cooperation, world peace and the protection of the environment.
- b) the furtherance of all Scottish interests.

The SNP forms a minority Scottish Government, with 61 of 129 seats in the Scottish Parliament. We are the largest party in Scottish local government and hold most Scottish seats in the UK Parliament (48 out of 59) – making our party the third largest party in the House of Commons.

The Party is funded from voluntary contributions, with the active support of a network of over 125,000 members and supported by many others. The Party is hugely dependent on the activities of the members in nearly 300 local organisations.

SNP membership - totaling 125,691 at 31 December 2019 - represents 3.2 per cent of the Scottish electorate. Combined membership of the Conservative, Labour and Liberal Democrat parties is around 1.7 per cent of the total UK electorate

2. Organisational Structures

The Scottish National Party adopted a revised constitution in October 2018 to reform structures to accommodate the needs of a much larger membership and better reflect the diversity of the people of Scotland.

COMMUNITY ORGANISATIONS

The SNP organises at a local level around Scottish Parliament constituency boundaries. Each constituency has either a Constituency Association and a network of Branches or is formed into a single Constituency Branch. Constituency Associations tend to exist in larger geographical areas where there is a need for more than one branch within the boundary.

22 of the 73 Scottish Parliament constituencies presently operate as Constituency Branches. All Constituency Associations, Branches and Constituency Branches are registered as accounting units of the party under PPERA and have financial autonomy

Branches and Constituency Branches

In areas where there is a Constituency Association, this operates to co-ordinate campaigning and other organisational tasks across the Scottish Parliament constituency. Branches within the constituency may be levied to cover the costs of its operation.

Constituency Associations have delegate entitlement to National Conference in addition to the entitlement of the Branches in the area.

Constituency Associations

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Constituency Associations have delegate entitlement to National Conference in addition to the entitlement of the Branches in the area.

CAMPAIGN ORGANISATIONS

Regional Steering Committees

These were created under the revised constitution and cover one of the eight Scottish Parliament electoral regions. The role of the Regional Steering Committees includes co-ordinating campaigns on a cross-region and cross-constituency basis and sharing best practice.

Each Constituency Association and Constituency Branch in the region will be entitled to send two delegates to the Regional Steering Committees. A range of members can attend Regional Steering Committee meetings as of right, but not vote, and other members may be invited along.

The Steering Committees will be able to decide whether to divert a portion of the local branch dividend to employ a paid Regional Co-Ordinator in their area, employed and part financially supported by SNP Headquarters.

Westminster Campaign Committees

Westminster Campaign Committees are active when a Westminster election is anticipated. The number of delegates from each is dependent on how much of a Branch or Constituency Branch area comes within the boundary,

Council Campaign Committees

Council campaign committees are responsible for co-ordinating the Party's electoral activities for the council elections in their area and producing an election manifesto.

NATIONAL GOVERNANCE

National Office Bearers

The Leader and Depute Leader are elected by all SNP members when a vacancy arises.

The Business Convener is nominated by the Leader, with the nomination being approved annually by the NEC, and is responsible for overseeing the operation of the Party as well as chairing National Conference.

National Office Bearers elected by delegates at National Conference include:

- **President**
Held by a member in recognition by the Party of distinguished service to the Party.
- **National Treasurer**
Ensures the sound management of the Party's finances reports to the NEC and National Conference on finances, provides guidance and directions to other Treasurers in the Party and is responsible under PPERA as Registered Treasurer.
- **National Secretary**
Acts as guardian of the Constitution of the Party and is currently responsible for reporting cases to the Member Conduct Committee.
- **Organisation Convener**
Works with the Business Convener in improving the Party's organisational activity, developing training activity and ensuring organisational preparedness for election campaigns.
- **Local Government Convener**
Supports the work of SNP Council Groups, co-ordinates the role of SNP delegates to COSLA and, with the National Secretary, deals with any disputes within Council Groups.

Six new National Office Bearers - Policy Development Convener, Member Support Convener, Women's Convener, Equalities Convener (who will convene a new National Equalities Forum), BAME Convener and Disabled Members' Convener - were elected for the first time in 2019.

National Executive Committee

The SNP's leadership is invested in the National Executive Committee (NEC).

The Membership of NEC consists of the National Office Bearers, two ordinary members who are parliamentarians, sixteen - two from each region, gender balanced - regional members who are not parliamentarians, a member representing each of the Party's parliamentary groups, a member representing the Association of Nationalist Councillors; and a delegate representing each Affiliated Organisation.

The NEC meets monthly and is charged with devising the SNP's national political strategy to help to deliver the Party's aims, as well as overseeing the organisation and administration of the Party. NEC members report to National Conference, and members other than Ordinary Members are open to question by delegates

NEC Committees

The Candidate Assessment Committee is responsible for the approval of parliamentary and local government candidates.

The Candidate Appeals Panel hears appeals from decisions of the Candidate Assessment Committee.

The Readmissions Committee interviews members who have publicly resigned from the party who are seeking to re-join.

A Disputes Committee can also be formed when necessary to make recommendations in relation to internal difficulties.

The Finance and Audit Committee provides advice to the National Treasurer on the Party's finances

AFFILIATED ORGANISATIONS

These are autonomous groups representing interests. Each group has one representative on the National Executive Committee (NEC) and can send delegates to National Conference. Affiliate organisations have access to grant funding to help develop new projects, campaigns or events during each year.

The affiliated organisations are as follows:

BAME Members Network

A network within the SNP for Black and Minority Ethnic members.

Disabled Members Group

A group to represent disabled members throughout the SNP.

Federation of Student Nationalists (FSN)

The student wing of the SNP, which is active in most colleges and universities throughout Scotland. The FSN is open to anyone in full-time or part-time education.

Out for Independence

The LGBTI group within the SNP promoting a fair, equal and independent Scotland.

Scots Asians for Independence*

A group of Scots Asians who promote the cause of an independent Scotland in the Scots Asian community and beyond.

The Trade Union Group

The Trade Union Group has a dual role - to promote the role of trade unions within the SNP and to promote the aims and objectives of the SNP within the wider trade union movement.

Young Scots for Independence

The youth wing of the Scottish National Party. It started in the 1980s and membership is open to all between the ages of 14 years and 29 years and focuses its activity on issues affecting young people.

NATIONAL POLICY STRUCTURES

National Assembly

National Assembly is a forum for members of the Party to exchange ideas for attaining the aims of the Party and debate policy at an early formation stage. It agrees draft resolutions and policy statement for consideration by the Policy Development Committee. Any member of the Party is entitled to attend National Assembly. National Assembly also provides an opportunity for training.

Under the constitutional review, National Assembly will meet from 2020 at least once in each of the Scottish Parliament regions.

Policy Development Committee

This is a new body co-convened by the Depute Leader and the Policy Development Committee. It has sixteen regional representatives elected by National Conference on a gender-balanced basis and one representative elected by branches out with Scotland.

It is tasked with promoting discussion on Party policy at all levels of the party. It develops policy ideas from National Assembly with a view to having them debated by National Conference. It identified areas where Party policies could be updated.

Conferences Committee

This committee sets the agenda for National Conference. It is convened by the National Secretary and comprises the Depute Leader, the Policy Development Convener, two members elected by NEC and ten members elected on a gender balanced basis by Annual National Conference.

National Conference

This is the supreme governing and policy-making body of the SNP, which holds the NEC to account. It elects the Party's National Office Bearers and NEC, Member Conduct Committee and the Conduct Appeal Committee.

Conference is attended by around 5,000 delegates, observers, diplomats, and media along with the SNP parliamentarians and councillors. Conference is a delegate body, comprising representatives from local organisations, as well as affiliated organisations, elected members and elected representatives. Any member of the Party may attend conference but only delegates can speak and vote.

OTHER ELECTED COMMITTEES

Member Conduct Committee

The Member Conduct Committee (formerly the Disciplinary Committee) consists of nine members elected each year at Conference. It considers complaints of breaches of the Member's Code of Conduct. It has more flexible sanctioning powers following the constitutional review. The committee can censure members, suspend them from the party for a specified period, expel them from the party, restrict the exercise of membership rights, agree appropriate restorative action, require the member to undertake training or impose other proportionate sanctions on the member.

Conduct Appeals Committee

The Conduct Appeals Committee (previously the Appeals Committee) hears appeals from decisions of the Disciplinary Committee. It has seven members elected each year at Conference.

ELECTED MEMBERS

The Scottish National Party fields candidates in elections to Scottish local authorities, the Scottish Parliament, and the House of Commons.

As at 25 June 2020, the SNP had:

- 422 Members of Scottish Local Authorities
- 61 Members of the Scottish Parliament
- 48 Members of the House of Commons

Information on all our parliamentarians is available on the SNP website.

SNP Members of the Scottish Parliament and the UK Parliament meet as Groups. The UK Parliament Group is an accounting unit of the party.

Councillors who are SNP members meet as SNP Groups for each of the local authorities in Scotland where the SNP is represented.

Every SNP member who is a member of the SNP group of a Scottish local authority is also a member of the Association of Nationalist Councillors. The aim of the ANC is to act as a forum for SNP councillors to exchange best practice across council groups; put forward a collective view on council issues to SNP national bodies; and coordinate the work of SNP councillors in achieving the Party's aims. The ANC has one representative on the NEC.

All publicly elected representatives of the SNP are also delegates to National Conference.

STAFF

Paid staff are a vital ingredient in the mix of SNP people – they support our members, volunteers and supporters. Last year this group of talented professionals worked across a range of disciplines including campaigns, training, fundraising, events, social media, finance, legal, media, IT facilities, research and human resources.

The average number of employees, calculated on a full-time equivalent basis was 20.

	Email	Direct dial
	[REDACTED]	
Member Care	[REDACTED]	0131 525 8910
	[REDACTED]	0131 525 8902
Fundraiser	[REDACTED]	0131 525 8904
Accounts	[REDACTED]	0131 525 8913
Events	[REDACTED]	0131 525 8922
	[REDACTED]	0131 525 8924
Leader Support	[REDACTED]	0131 525 8924
Marketing	[REDACTED]	0131 525 8928
Campaigns	[REDACTED]	0131 525 8909
Digital	[REDACTED]	0131 525 8912
	[REDACTED]	0131 525 8912
	[REDACTED]	0131 525 8949
Communications	[REDACTED]	0131 525 8949
	[REDACTED]	0131 525 8930

Policy	██████████ ██████████	0131 525 8916
	██████████ ██████████	0131 525 8929
IT	██████████ ██████████	0131 525 8917
	██████████ ██████████	0131 525 8914
Chief Executive	██████████ ██████████	0131 525 8907
Chief Operating Officer	██████████ ██████████	0131 525 8928
Governance & Compliance	██████████ ██████████	0131 525 8903
Solicitor	██████████ ██████████	0131 525 8920

3. Review of Political Activities

Theresa May's failure to get her Brexit deal approved forced the UK to take part in European elections on 23 May 2019.

How did the SNP do?

- The SNP achieved its best ever result in an EU election at 38 per cent - the highest percentage of the vote of any UK party.
- The SNP won the highest vote share of any party in Western Europe.
- Both the Tory and Labour vote has collapsed, unable to stand up for Scotland's overwhelming Remain vote.
- The SNP won in every local authority except Orkney and Shetland and was only 846 votes away from winning in every council area.
- The SNP's lowest result (24 per cent in Orkney) was higher than the Tories' highest result (21 per cent in Dumfries & Galloway).
- The SNP vote rose 9 percentage points since 2014 and has surpassed its previous best European result of 32.6 per cent in 1994.

Boris Johnson's failure to get his Brexit deal approved by Parliament forced a UK General Election on 12 December 2019.

How did the SNP do?

- The SNP won 47 seats after securing 45 per cent of the vote - 8.1 per cent more than in the last general election in 2017.
- The SNP made twelve gains, seven seats from the Conservatives and five from Labour.
- The SNP also defeated the Liberal Democrat leader Jo Swinson in East Dunbartonshire.

4. Financial Review

How we raise money

Over 85 per cent of total income in 2019 came from the voluntary contributions of members and supporters. Turnover is generated from six income streams: -

Membership	42%
Fundraising	28%
Events	14%
Legacies	7%
Parliamentary Levy	5%
Policy Development Grant	4%

The SNP would like to thank all our members and supporters who made every achievement possible in 2019. Whether you sold raffle tickets to friends and family or donated to the appeals which made possible our elections victories, we thank you.

The SNP is grateful for every legacy, big or small. All gifts in Wills are recognised in our Book of Remembrance. All unrestricted legacy values are ring-fenced for national campaign purposes and the amounts held for future election or referendum purposes to provide vital investment in the future.

How money is spent

We remain dedicated to ongoing prudence and financial control, striving to use funds in the most effective and efficient ways possible. For every £1 of income in 2019, the SNP spent: -

45p	on Campaigning
20p	on Staff
15p	on Events
8p	on Operational Costs
5p	on Professional Fees
4p	on Fundraising
3p	on IT Systems

The efficiency of campaign expenditure is analysed on an ongoing basis through the Party's spending per vote won in national elections. In eleven of the twelve national elections between 2007 and 2019, the SNP secured more seats than any other party. In ten of these twelve national elections, the SNP also secured more votes than any other party.

SCOTTISH NATIONAL PARTY STATEMENT OF NATIONAL TREASURER'S RESPONSIBILITIES

The Political Parties, Elections and Referendums Act 2000 requires the National Treasurer of the Party to prepare the 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 National Treasurer is required to:

- select suitable accounting policies and then apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed;
- provide 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 National 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 him to ensure that the financial statements comply with the Act. Section 43 of the Act requires that the National Treasurer is responsible for delivery of the statement of accounts to The Electoral Commission by the required deadline.

SCOTTISH NATIONAL PARTY REPORT OF THE INDEPENDENT AUDITORS

To the National Treasurer of the Scottish National Party

Opinion

We have audited the financial statements of the Scottish National Party for the year ended 31 December 2019 which comprise the Income and Expenditure account, the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the Scottish National Party as at 31 December 2019 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been 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 National Treasurer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the National 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.

SCOTTISH NATIONAL PARTY REPORT OF THE INDEPENDENT AUDITORS

Other information

The National Treasurer is responsible for the other information. The other information comprises the information included in the Annual Review, 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.

Responsibilities of the National Treasurer

As explained more fully in the National Treasurer's responsibilities statement set out on page 10, the National 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 National 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 National 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 National Treasurer either intends to liquidate the Party or to cease operations, or has no realistic alternative but to do so.

SCOTTISH NATIONAL PARTY

REPORT OF THE INDEPENDENT AUDITORS

Auditor's responsibilities for the audit of the financial statements

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

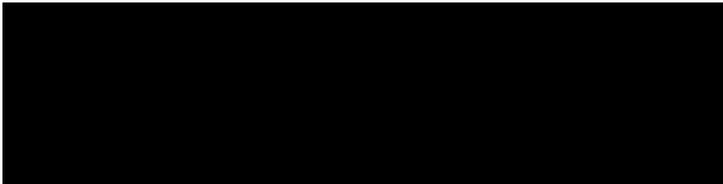
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Party's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the National Treasurer.
- Conclude on the appropriateness of the National Treasurer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Party's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Party to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

SCOTTISH NATIONAL PARTY REPORT OF THE INDEPENDENT AUDITORS

Use of our report

This report is made solely to the National Treasurer of the Scottish National 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 National Treasurer those matters we are required to state to him in an auditors' 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 National Treasurer, for our audit work, for this report, or for the opinions we have formed.



Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor
7-11 Melville Street
EDINBURGH
EH3 7PE

26 June 2020

**SCOTTISH NATIONAL PARTY
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
Income			
Membership	2	2,247,344	2,246,070
Donations	3	904,695	323,936
Fundraising income	4	316,529	281,439
Investment income	5	6,366	10,511
Conference income		718,846	683,833
Commercial income		30,917	9,109
Grant income	6	201,661	213,913
Miscellaneous	7	864,457	979,639
Total income		5,290,815	4,748,450
Expenditure			
Premises costs	8	(73,367)	(77,106)
Office costs	9	(394,030)	(413,211)
Staff costs	10	(1,101,024)	(960,840)
Transfers out	11	(563,294)	(475,688)
Campaigning costs		(1,557,871)	(287,056)
Fundraising costs	12	(209,897)	(166,556)
Conference expenditure	13	(833,092)	(695,424)
Financing/interest charges	14	(87,282)	(76,315)
Depreciation/Amortisation	17 & 18	(196,155)	(202,297)
Membership expenses	15	(6,373)	(31,985)
Irrecoverable VAT	15	(340,451)	(130,419)
Miscellaneous	15	(246,188)	(110,274)
Total expenditure		(5,609,024)	(3,627,171)
Deficit before tax		(318,209)	1,121,279
Taxation	16	(952)	(1,926)
Deficit for the year		(319,161)	1,119,353

**SCOTTISH NATIONAL PARTY
BALANCE SHEET
AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	17	282,307	394,696
Tangible assets			
- Furniture, fixtures and fittings	18	59,802	103,612
- Office/computer equipment	18	73,602	44,993
Investments	19	479	479
Total fixed assets		416,190	543,780
Current assets			
Debtors and prepayments	20	1,000,268	880,054
Cash in hand and at bank		96,854	411,042
Total current assets		1,097,122	1,291,096
Current liabilities			
Creditors and accruals	21	(1,220,200)	(1,085,051)
Loans outstanding	22	(4,544)	(12,503)
Total current liabilities		(1,224,744)	(1,097,554)
Non-current liabilities			
Creditors and accruals	21	(16,652)	(146,245)
Total net (liabilities)/assets		271,916	591,077
Reserves			
Accumulated fund at start of year		591,077	(528,276)
Deficit		(319,161)	1,119,353
Accumulated fund at end of year	23	271,916	591,077

The financial statements were approved by the Party Officers on *26.06.20*

Colin Beattie
National Treasurer

**SCOTTISH NATIONAL PARTY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Cash flow from operating activities	26	(81,539)	768,652
Net cash flow from operating activities		(81,539)	768,652
Cash flow from investing activities			
Purchase of tangible assets		(69,426)	(112,984)
Purchase of intangible assets		-	-
Interest received		1,353	374
Investment income		5,012	10,137
Income taxes paid		(1,926)	(645)
Net cash from investing activities		(64,987)	(103,118)
Cash flow from financing activities			
Interest paid		(13,094)	(21,409)
Repayment of hire purchase and finance leases		(146,609)	(138,294)
Receipts from new loans		-	-
Repayment of loans		(7,959)	(102,695)
Net cash flow from financing activities		(167,662)	(262,398)
Net increase/(decrease) in cash and cash equivalents		(314,188)	403,136
Cash and cash equivalents at the beginning of the year		411,042	7,906
Cash and cash equivalents at the end of the year		96,854	411,042

SCOTTISH NATIONAL PARTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting Policies

General information and basis of preparation

The Scottish National Party is not incorporated in law and thus not bound by the Companies Act 2006. The Party is a Political Party and is required to prepare financial statements in accordance with the Political Parties, Elections and Referendum Act 2000 ('PPERA'). The address of the registered office of the Party is Gordon Lamb House, 3 Jackson's Entry, Edinburgh, EH8 8PJ.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102). The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements are in accordance with the guidance issued by the Electoral Commission. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required by the guidance issued by the Electoral Commission or is required to show a true and fair view.

The financial statements are presented in sterling which is the functional currency of the Party and rounded to the nearest £.

As stated in the Annual Review, the Party has 292 registered accounting units. Details of these units are available from Party headquarters. These accounts are unconsolidated and present the accounts of the central Party only.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

In light of the COVID-19 pandemic, the National Treasurer has reviewed the expenditure budgets and cash flow projections for the Party for the period to 30 June 2021 and is satisfied that the Party will have sufficient funds for it to meet its financial obligations. On this basis, the National Treasurer is satisfied that it is appropriate to prepare the accounts on the going concern basis.

Income Recognition

Income is measured at the fair value of the consideration received or receivable net of VAT and trade discounts.

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

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

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

- Donations of monetary assets and liquid investments are recognised at market value in the income and expenditure account on receipt.
- Grants are recognised in the income and expenditure account when the conditions for receipt have been met.
- Membership and subscription fees are recognised in the income and expenditure account when received.

SCOTTISH NATIONAL PARTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting Policies (continued)

- Legacies from benefactors who died prior to the year-end are only recognised if, prior to finalising the accounts, the personal representatives of the deceased have notified the Party of the legacy, there are no significant matters outstanding and the amount due has been confirmed.
- Interest receivable is recognised in the income and expenditure account on an accruals basis.
- Dividend income is recognised as the Party's right to receive payment is established.

Tangible fixed assets

Tangible fixed assets are included at cost. Depreciation is provided on tangible fixed assets at the following annual rates.

Computer Equipment, Fixtures, Fittings and Equipment	-	33.33 % reducing balance
Leasehold improvements	-	Over the term of the lease

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Software Development

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use;
- The intention to complete the software and use it;
- How the software will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use the software;
- The ability to measure reliably the expenditure attributable to the software during its development.

Software licence fee

Software licence fees are recognised as intangible assets when it is probable the software will be used to generate future economic benefits.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful lives:

Software development costs	-	9 years
Software licence fee	-	4 years

SCOTTISH NATIONAL PARTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting Policies (continued)

Fixed asset investments

Fixed asset investments are stated at fair value as assessed by the Party's officers at the year end. Where assets have been donated or bequeathed to the Party, market value at the point of acquisition is taken as deemed cost at that time.

Leased assets

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible or intangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the income and expenditure account on a straight-line basis.

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

Pension costs

Contributions to the Party's defined contribution pension scheme are charged to the income and expenditure account in the year in which they become payable.

Impairment of fixed assets

The need for any fixed asset impairment write down is assessed by comparison of the carrying value of the asset against the higher of its realisable value and value in use.

Value added tax (including irrecoverable VAT)

The Party agreed a partial exemption formula with HM Revenue & Customs and recovers VAT on this basis. In addition, conference income has been deemed a taxable supply. VAT is charged on conference income and costs.

Provisions

Provisions are recognised when the Party has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Tax

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income and expenditure account.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

**SCOTTISH NATIONAL PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Membership subscriptions

	2019 £	2018 £
Membership fees received directly by the Party	2,247,344	2,246,070

Membership subscriptions from our members are received by the central party and a proportion of these subscriptions are allocated to our local branches (see note 11).

3a. Donations

	2019 £	2018 £
Cash donations received reportable to the Electoral Commission	-	-
Cash donations received below the reporting threshold to the Electoral Commission	904,695	323,936
Notional donations below the reporting threshold to the Electoral Commission	-	-
Total	904,695	323,936

Total value of donations reported to the Electoral Commission during 2019 was £528,646 (2018 - £407,521)

Donations reported to the Electoral Commission are recorded under different categories in the accounts due to the nature and circumstances by which they were received.

3b. Donation reconciliation note

	2019 £	2018 £
Donations reported to the Electoral Commission:	528,647	407,521
Recorded in the accounts as:		
Legacy Income	326,986	214,898
Grant Income	201,661	192,623
	528,647	407,521

4. Fundraising

	2019 £	2018 £
Independence Magazine	102,304	145,347
St Andrews Day Dinner	53,556	-
Raffles	160,669	136,092
Total	316,529	281,439

**SCOTTISH NATIONAL PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Investment income

	2019	2018
	£	£
Investment income	5,012	10,137
Interest income	1,354	374
Total	6,366	10,511

6. Grant income

	2019	2018
	£	£
Policy development grant	201,661	213,913
Total	201,661	213,913

7. Miscellaneous

	2019	2018
	£	£
Legacies	399,993	700,292
Parliamentary levy	280,250	276,750
Campaign services	2,255	2,597
Square sales	7,732	-
Branch levy	174,227	-
Total	864,457	979,639

Legacies include amounts bequeathed to the Party during the year.

The parliamentary levy is an annual charge imposed on all SNP MSPs, MPs and MEPs, where all proceeds are ring-fenced for national campaign purposes.

Campaign services income is generated from the commission of call centre activity.

Square sales relate to credit card income from conference and donations to the party.

The branch levy is a one-off charge - usually calculated on branch membership - to pay for unplanned electoral events such as by-elections

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8. Premises Costs

	2019	2018
	£	£
Rent and Rates	73,367	77,106
Total	73,367	77,106

**SCOTTISH NATIONAL PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Office Costs

	2019	2018
	£	£
ICT	211,055	290,717
Office costs	32,593	25,078
Insurance	27,396	17,517
Telephone	17,529	12,382
Postage	101,182	63,202
Leasing	4,275	4,315
	<hr/>	<hr/>
Total	394,030	413,211
	<hr/> <hr/>	<hr/> <hr/>

ICT costs are those incurred in operating the Party's computer systems; servers; IT support; programming and development; and website. The importance of defending ICT systems from malicious attacks and protecting personal data from unauthorised access and misuse is fully recognised by the SNP. In response to the increasing risk in this area, significant investment is being made in a programme of work to upgrade SNP computer systems and extend the use by staff and volunteers of new and more powerful software primarily using the Salesforce CRM platform.

10. Staff costs

	2019	2018
	£	£
Salaries	874,266	767,305
Social security	93,545	74,066
Other costs, including pensions	133,213	119,469
	<hr/>	<hr/>
	1,101,024	960,840
	<hr/> <hr/>	<hr/> <hr/>

Average number of staff employed during the year:

	2019	2018
	No.	No.
Employees	21	20
	<hr/>	<hr/>

**SCOTTISH NATIONAL PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Transfers out

	2019	2018
	£	£
Membership income due to branches	561,836	561,726
Affiliate dividend	1,458	28,038
Affiliate grant release	-	(114,076)
Total	563,294	475,688

The Party head office collects membership fees from all Party members. 25% of these membership fees are then payable to the branch of the Party in which each member resides.

The Party makes available grant funding to help affiliated organisations develop new projects, campaigns or events during the year. The affiliate dividend – 2.5% of membership income of members who are also members of affiliate organisations – provided the source of income to the grant fund. Due to low levels of payments by members in prior years it was decided that this dividend would no longer be recognised from the branches as there is no obligation from the parties to pay.

During the prior year it was decided by the party that the affiliate grant dividend was to be available only in the year it was generated, therefore the accrual of historic unpaid dividends was released in the prior year, giving rise to a credit to the income and expenditure account.

12. Cost of fundraising events

	2019	2018
	£	£
Fundraising	111,213	40,944
Independence Magazine	98,684	125,612
Total	209,897	166,556

13. Conference costs

	2019	2018
	£	£
Venue hire and catering	309,496	298,774
Audio visual	375,972	265,656
Security	37,694	32,731
Printed materials	25,033	23,776
Information technology	18,447	19,076
Other conference costs	18,258	16,228
Other national events	48,192	39,183
Total	833,092	695,424

Other national events represent the costs paid for National Assembly and other non-conference events.

**SCOTTISH NATIONAL PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Interest costs

	2019	2018
	£	£
Bank charges	74,171	54,736
Hire purchase/finance lease interest	13,094	21,409
Bank and other interest	17	170
	<u>87,282</u>	<u>76,315</u>
Total	<u>87,282</u>	<u>76,315</u>

15. Miscellaneous

	2019	2018
	£	£
Membership expenses	<u>6,373</u>	<u>31,985</u>

Membership expenses are those incurred to produce recruitment materials and provide information materials to Party members.

	2019	2018
	£	£
Irrecoverable VAT	<u>340,451</u>	<u>130,419</u>

An explanation of irrecoverable VAT is included within the value added tax section of note 1.

	2019	2018
	£	£
Professional fees	26,240	23,615
Legal fees	156,483	38,676
Bad debt expense	564	2,758
Audit fee	39,851	18,940
Loss on disposal of fixed assets	862	16,399
Sundries	<u>22,188</u>	<u>9,886</u>
	<u>246,188</u>	<u>110,274</u>
Total	<u>246,188</u>	<u>110,274</u>

**SCOTTISH NATIONAL PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. Taxation

	2019 £	2018 £
Corporation tax charge – current year	<u>952</u>	1,926
Total	<u><u>952</u></u>	<u>1,926</u>

17. Intangible assets

	Software licence £	Software development £	Total £
Cost			
At 1 January 2019	346,293	365,141	711,434
Additions	-	17,807	17,807
At 31 December 2019	<u>346,293</u>	<u>382,948</u>	<u>729,241</u>
Amortisation			
At 1 January 2019	216,433	100,305	316,738
Charged in year	86,573	43,623	130,196
At 31 December 2019	<u>303,006</u>	<u>143,928</u>	<u>446,934</u>
Net Book Value at 31 December 2019	<u><u>43,287</u></u>	<u><u>239,020</u></u>	<u><u>282,307</u></u>
Net Book Value at 31 December 2018	<u>129,860</u>	<u>264,836</u>	<u>394,696</u>

All intangible assets above are held under hire purchase. The intangible assets represent the cost of the new membership system which went live in July 2016.

**SCOTTISH NATIONAL PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

18. Tangible fixed assets

	Furniture, fixtures and fittings £	Office/computer equipment £	Total £
Cost			
At 1 January 2019	237,187	126,045	363,232
Additions	-	51,620	51,620
Disposals	-	(6,545)	(6,545)
At 31 December 2019	<u>237,187</u>	<u>171,120</u>	<u>408,307</u>
Depreciation			
At 1 January 2019	133,575	81,052	214,627
Charged in year	43,811	22,148	65,959
On disposals	-	(5,683)	(5,683)
At 31 December 2019	<u>177,386</u>	<u>97,517</u>	<u>274,903</u>
Net Book Value at 31 December 2019	<u>59,801</u>	<u>73,603</u>	<u>133,404</u>
Net Book Value at 31 December 2018	<u>103,612</u>	<u>44,993</u>	<u>148,605</u>

19. Fixed asset investments

	Unlisted investments £
At 31 December 2018 and 31 December 2019	<u>479</u>

20. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	66,591	25,469
Other debtors	54,189	48,988
Prepayments and accrued income	<u>879,488</u>	805,597
Total	<u>1,000,268</u>	<u>880,054</u>

**SCOTTISH NATIONAL PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

21. Creditors

	2019	2018
	£	£
Amounts falling due within one year		
Trade creditors	357,583	28,094
Accrual and deferred income	81,253	96,248
Social security and other taxation	34,762	25,009
Amounts owed to accounting units	582,238	758,336
Loans from accounting units (note 22)	4,544	12,503
Other creditors	34,771	30,755
Hire purchase/finance lease creditor	129,593	146,609
	<hr/>	<hr/>
Total falling due within one year	1,224,744	1,097,554
	<hr/> <hr/>	<hr/> <hr/>

	2019	2018
	£	£
Amounts falling due after more than one year		
Hire purchase/finance lease creditor	16,652	146,245
	<hr/>	<hr/>
Total falling due after more than one year	16,652	146,245
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities	1,241,396	1,243,799
	<hr/> <hr/>	<hr/> <hr/>

22. Loans

	2019	2018
	£	£
Amounts outstanding on loans taken out in prior years	4,544	12,503
	<hr/>	<hr/>
Total	4,544	12,503
	<hr/> <hr/>	<hr/> <hr/>

Loans outstanding are made up of loans from accounting units and loans from individual members.

23. Reserves

	Total
	£
At 1 January 2019	591,077
Deficit for the year	(319,161)
	<hr/>
At 31 December 2019	271,916
	<hr/> <hr/>

**SCOTTISH NATIONAL PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

24. Leasing commitments

The Party's future minimum operating lease payments are as follows:

	2019	2018
	£	£
Within one year	43,604	16,517
Between one and five years	148,612	-
	<u>148,612</u>	

25. Related party transactions

The Party has entered into the following transactions with its (non-consolidated) accounting units and members:

a) Loans from accounting units	£
Loans payable at 1 st January 2019	12,503
Movement (net) in year	<u>(7,959)</u>
Loans payable at 31 st December 2019 (note 21)	<u>4,544</u>
b) Loans from individual members	-
Loans payable at 1 st January 2019	-
Movement (net) in year	<u>-</u>
Loans payable at 31 st December 2019 (note 21)	<u>-</u>
c) Branch dividend amounts due to branches	
Due at 1 st January 2019	758,336
Movement (net) in year	<u>(176,098)</u>
Due at 31 st December 2019 (note 21)	<u>582,238</u>

**SCOTTISH NATIONAL PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

26. Reconciliation of (deficit)/surplus to cash flow from operating activities

	2019	2018
	£	£
Surplus/(deficit) for the year	(319,161)	1,119,353
Corporation tax charge	952	1,926
Income from fixed asset investments	(5,012)	(10,137)
Interest receivable	(1,354)	(374)
Interest payable	13,094	21,409
Depreciation of tangible assets	65,959	74,810
Amortisation of intangible assets	130,196	127,487
Loss on disposal of fixed assets	862	16,399
Decrease/(Increase) in debtors	(120,215)	(501,652)
Increase/(Decrease) in creditors	153,140	(80,569)
	<hr/>	<hr/>
Cash flow from operating activities	(81,539)	768,652
	<hr/> <hr/>	<hr/> <hr/>

27. Analysis of changes in net debt

	2019
	£
Opening net funds	
Cash and cash equivalents	716,398
Changes in net debt arising from:	
Cash flows to the entity	(468,756)
	<hr/>
Closing net funds/(debt) as analysed below:	247,642
	<hr/>
Closing net funds	
Cash and cash equivalents	96,854
Finance leases	146,244
Loans	4,544
	<hr/>
Closing net funds/(debt) as analysed below:	247,642
	<hr/> <hr/>