

**PLAID CYMRU**

**Report and Audited Consolidated Financial Statements**

**For the year ended 31 December 2019**

## **PLAID CYMRU**

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## **PLAID CYMRU**

### **Overview of Party & Political Activities for the year ended 31 December 2019**

The following paragraphs outline relevant administrative information and Party & Political activities undertaken in the year.

#### **Party Headquarters**

Plaid Cymru – The Party of Wales  
Ty Gwynfor  
Marine Chambers  
Anson Court  
Atlantic Wharf  
Cardiff  
CF10 4AL

#### **Aims**

As the National Party of Wales, Plaid Cymru's aims are:

- To secure independence for Wales in Europe.
- To ensure economic prosperity, social justice and the health of the natural environment, based on decentralist socialism.
- To build a national community based on equal citizenship, respect for different traditions and cultures and the equal worth of all individuals, whatever their race, nationality, gender, colour, creed, sexuality, age, ability or social background. These are the Party's core values.
- To create a bilingual society by promoting the revival of the Welsh language.
- To promote Wales's contribution to the global community and to attain membership of the United Nations.

#### **Organisation**

##### **Membership**

Procedures governing applications to become a member of Plaid Cymru – The Party of Wales are described in the Party's Standing Orders. Plaid Cymru's membership is £36 a year, £12 for those who are unwaged. 45% of this income is returned to constituencies.

##### **Conference**

Conference is the highest authority of the Party and since February 2012 it has been decided that it will be open to all members. Conference is responsible for determining the Party's policy and for the election of National Officers.

##### **Constituencies**

The constituency is Plaid Cymru's primary level of organisation and are responsible for the party's activity within each of the National Assembly Constituencies in Wales. Constituencies receive a 45% quarterly repayment of subscriptions paid by each of their members.

##### **Branches**

A branch is a structure of the Party's organisation responsible for the Party's activity within a defined area of operation below constituency level. The primary purpose of a branch is to deliver, in the local context, the Party's political strategy.

## **PLAID CYMRU**

### **Overview of Party & Political Activities for the year ended 31 December 2019**

#### **National Sections**

Members of the Party wishing to cater for specific interests may form sections, which may apply to the National Council for recognition as official National Sections of the Party. As at 31 December 2019 there are 4 official National Sections as follows:

- Youth Section (“Plaid Ifanc”)
- Women’s Section (“Merched Plaid”)
- Trade Union (“Undeb”)
- Councillors’ Association

#### **Accounting Units**

Plaid Cymru has 43 accounting units separate from its central organisation in order to enable each constituent organisation to be responsible for its own financial affairs. The number of accounting units was reduced in 2010 when the sections and regions were absorbed into the national accounting unit (The Central Party).

#### **National Council**

National Council is the governing body of the Party between conferences and meets at least three times a year. In addition to hearing reports from National Officers, the National Council also has the power to make policy. The membership of the National Council is comprised of representatives from Constituency Committees, Sections, National Executive Committee, Elected Representatives, National Officers and County Council leaders.

#### **National Executive Committee**

Plaid Cymru’s National Executive Committee (“NEC”) is responsible for agreeing the strategic and political direction of the Party; ensuring that decisions of Conference and National Council are implemented; managing the Party’s organisation and finances; scrutinising the work of all individuals and teams charged with the implementation of the strategy; organising and directing national campaigns; the employment and direction of staff and the ownership and management of the Party’s national assets. Members of NEC are elected by Annual National Conference for two-year terms.

#### **Leaders Team**

The Leaders Team is responsible for overseeing the day-to-day political tactics of the Party and the executive implementation of the Party’s strategy. Members include Plaid Cymru’s Leader, Chair, Parliamentary Group Leader, European Group Leader and Chief Executive. The Leaders Team may co-opt further members subject to ratification by the NEC.

## **PLAID CYMRU**

### **Overview of Party & Political Activities for the year ended 31 December 2019**

#### **Elected Representatives**

Plaid Cymru fields candidates in elections to Welsh local authorities, the National Assembly of Wales, the House of Commons and the European Parliament, and as Police and Crime Commissioners.

As of December 2019, Plaid Cymru representation at each is as follows-

- 10 Members of the National Assembly of Wales
- 4 Members of Parliament
- 1 Member of the House of Lords (Unelected)
- 1 Member of the European Parliament
- 209 Local Authority Councillors
- 2 Police and Crime Commissioners

#### **Plaid Cymru staff**

Plaid Cymru is currently served by 11 full-time staff and 6 part-time staff based principally at its headquarters in Cardiff. The Party's Chief Executive is appointed by and accountable to the National Executive Committee.

The Party's officers and full-time staff during 2019 were:

#### **Officers**

- Chair – Alun Ffred Jones
- National Treasurer – Marc Phillips
- Director of Fundraising – Tim Thomas

#### **Staff**

- CEO – Gareth Clubb
- Deputy CEO and Head of Campaigns – Geraint Day
- Director of Political Strategy and External Affairs – Aled ap Dafydd (September 2019)
- Head of Communications – Cerith Rhys Jones (resigned December 2019)
- Head of Strategy – Carl Harris (April 2019)
- Administrative Manager – Gwennol Haf
- Senior Policy Officer – Emily Edwards (Fflur Elin maternity cover January to October 2019)
- Policy Engagement Officer – Sam Parry
- Senior Communications Officer – Rhydian Fitter
- Finance Officer – Iltyd ap Dafydd (Niall O'Reilly sickness cover July to August 2019, Suki Bamsey September 2019)
- Data and Campaigns Officer – Daniel Bryant (June 2019) following the resignation of Luke Fletcher (January 2019)
- Membership Officer – Emyr Williams
- Personal Assistant to the Leader – Nia Medi (December 2019)
- Local Organisers – Wendy Allsop, Gwynfor Edwards, Hugh Kocan, Joe Williams (November 2019)

**Report of the Party Officers  
for the year ended 31 December 2019**

**CHIEF EXECUTIVE'S REVIEW**

In my review of 2017, I had said: "We now face the prospect of a few years without an election (although those are dangerous words to put in print!)". Dangerous indeed. Because 2019 brought us not one, but two unexpected national elections. An interesting *hors d'oeuvres* was served with the prospect of a tough Westminster by-election in Newport West following the death of Labour's Paul Flynn. Paul was a champion of Wales and it always struck me that he would have made a fine Plaid Cymru MP. Not as fine, of course, as Jonathan Clark, our candidate in that by-election who did a fantastic job in safeguarding our deposit in a crowded field of 11.

We were immediately thrust into a whirlwind European Election: we in Wales will have others in the future. And what an election! In coming second in the Wales-wide plebiscite, we pushed Labour into third place. This was our first occasion in beating Labour in a national election: we in Plaid will have others in the future. It is a great shame that Jill Evans, an MEP representing Wales with such verve and virtue over a period of twenty years, was stood down following the UK's departure from the EU in early 2020.

We had two tremendous conferences again in 2019; our spring conference in Bangor and our annual conference in Swansea. Our conferences are widely regarded by (I am assured) independent sources as being the most enjoyable and lively conferences on the Welsh circuit. I'd like to thank the Party staff – what an excellent team – for their efforts in putting on such stimulating fayre.

The autumn proved particularly febrile at Westminster, with our team dealing at a level of intensity quite beyond comprehension. The UK Government, defeated time and again on critical votes, and taking outrageous steps to limit or eliminate scrutiny, staggered on towards the December Westminster election. It really was only a matter of when, not if. Our four MPs returned, mostly with substantially increased majorities.

Regrettably, at a UK level the Conservatives secured a significant majority. But perhaps the silver lining is that more and more people in Wales now see the Westminster facade for what it is. And many of these people are turning towards our shared dream of independence, with Wales taking her rightful place among the nations of the world.

These are exciting times, and I'm delighted to share them with our outstanding staff, officers and members.



Gareth Clubb  
Chief Executive  
Date: 6<sup>th</sup> July 2020

**National Treasurer's Report  
for the year ended 31 December 2019**

The financial health of Plaid Cymru is inextricably tied up with the fluctuating demands of fulfilling our political mission. Some events are predictable. Others not so. The art of politics is an ability to adjust, adapt and then to plan for new circumstances.

As the Chief Executive has noted, 2019 sprang upon us the challenges of a Westminster by-election, an unexpected European election, and a UK General Election, all of which contributed to unexpected spikes in both income and expenditure. It also saw the adoption of a new and ambitious political strategy designed to equip the party to win in the next Welsh General Election in 2021. We always knew this would require investment to be met by drawing upon previously accumulated reserves, and this is reflected in the overall deficit in our income and expenditure in 2019.

From a management and control perspective the year held particular challenges requiring the engagement of a temporary accounting consultant and a temporary Finance Officer, and both Mark Holliday and Suki Bamsey did tremendous work in bringing a new rigour to our processes. We are also indebted to our auditors, Baldwins, for their thorough analysis and guidance.

Looking ahead to 2020 and 2021, the demands of the forthcoming election remain at the forefront of our mind, and there has been considerable investment, particularly in staff capacity and technology as that crucial landmark draws near. We have invested in a new approach to generating income, but it will take time for that to bear fruit to the degree that is required. As I write this report, we are in the midst of Covid-19 which has had an immense impact on the delivery of our plans. From the beginning of the Covid-19 lockdown there have been significant changes to our planned Income & Expenditure. We have remodelled our financial forecasts based on what we now know, and although the pattern of Income & Expenditure has changed it has not produced a significant alteration to the overall results for the year. This process will continue on a monthly basis so that we can adapt our plans as the full effect of Covid-19 becomes clear. We have had to make unprecedented operational adjustments, and the full impact on our members, our campaigning, our expenditure priorities, and our income remains fluid. What hasn't changed is our political and electoral ambition. In order to realise that, we must be ever more rigorous in our financial controls and ever more inventive in our income generation.

We are enormously grateful to all those who have supported us financially during the year through their membership, their donations, their fundraising and their legacies. It is because of contributions of this kind that the party is able to function. The challenges of rewriting the political fortunes of Wales while emerging from Covid-19 loom large. Your continued financial support is essential.

In the meantime, I commend these accounts to you as a true record of the party's financial activity during 2019.



Marc Phillips  
National Treasurer  
Date: 6<sup>th</sup> July 2020

**Statement of National Treasurer's Responsibilities  
for the year ended 31 December 2019**

The National Treasurer of the Party is required by the Political Parties, Elections and Referendums Act 2000 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 its surplus or deficit for that period. In preparing those financial statements, the National Treasurer is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained 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 business.

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 and to enable them to ensure that the financial statements comply with the Act. The National Treasurer is also responsible for safeguarding the assets of the party and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

The National Treasurer has taken all steps he ought to have taken to make them aware of any information required by the auditor for the purpose of their audit and to establish that the auditor is aware of that information. The National Treasurer is not aware of any relevant information of which the auditor is unaware.



## **PLAID CYMRU**

### **Independent auditor's report to the members of Plaid Cymru**

#### **Opinion**

We have audited the financial statements of Plaid Cymru for the year ended 31 December 2019 which comprise the Consolidated Income and Expenditure Account, the Central Party Income and Expenditure Account, the Consolidated Balance Sheet, the Central Party Balance Sheet, the Consolidated Cash Flow Statement 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, including Financial Reporting Standard 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of Plaid Cymru's Consolidated and Central Party's affairs as at 31 December 2019 and of Plaid Cymru's Consolidated and Central Party's deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Political Parties, Elections and Referendums Act 2000 and other direction issued by the Electoral Commission thereunder.

#### **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.

#### **Other information**

The Party Officers and National Treasurer are responsible for the other information. The other information comprises the information included in the Overview of Party and Political Activities, 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.

## **PLAID CYMRU**

### **Independent auditor's report to the members of Plaid Cymru**

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.

### **Opinions on other matters**

In our opinion, the information given in the Overview of Party and Political Activities for the financial year for which the statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Party, its accounting units and its environment obtained in the course of the audit, we have not identified material misstatements in the Overview of Party and Political Activities, Chief Executive's Review or National Treasurer's Report.

We have nothing to report in respect of the following matters which requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of information specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of the national treasurer**

As explained more fully in the National Treasurer's responsibilities statement (set out on page 6) 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 is determined 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.

**Independent auditor's report to the members of Plaid Cymru**

**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.

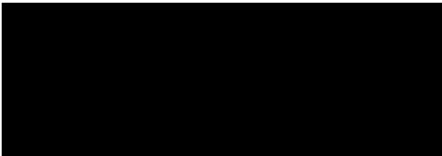
As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also;

- 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 in the financial statements.
- Conclude on the appropriateness of the 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 disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate that 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.

## **Use of our Report**

This report is made solely to the Party Members as a body, in accordance with the requirements of the Political Parties Elections and Referendums Act 2000 and other direction issued by the Electoral Commission. Our audit work has been undertaken so that we might state to the party's members these matters we are required to state to them 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 Party and the Party's Members as a body, for our audit work, for this report, or for the opinions we have formed.



Bethan Wyn Vaughan (Senior Statutory Auditor)  
For and on behalf of:  
Llyr James Cyf  
25 Bridge Street  
Carmarthen  
SA31 3JS

Date: 6<sup>th</sup> July 2020

**PLAID CYMRU****Consolidated Income and Expenditure Account  
for the year ended 31 December 2019**

	Note	2019 £	2018 £
<b>INCOME</b>			
Donation income	2	258,711	105,050
Membership and subscription fees		231,578	223,724
Income from fundraising activities	3	17,267	23,273
Income from commercial activities	4	3,289	7,788
Income from legacies		8,500	166
Investment income	5	7,773	8,337
Grant income	6	175,101	165,061
Income from conferences		70,281	46,965
Constituency transactions	8	116,326	112,385
<b>Total Income</b>		<b>888,826</b>	<b>692,750</b>
<b>EXPENDITURE</b>			
Costs of fundraising activities	9	24,694	18,668
Costs of commercial activities		22,433	18,154
Staff costs	10	438,160	332,646
Campaign expenditure	11	249,802	42,027
Other expenditure	12	236,680	206,937
Interest and charges payable	13	11,559	11,529
Conference expenditure		52,066	46,508
Depreciation	15	12,346	13,931
Impairment losses	15	-	40,998
Profit on disposal of fixed assets	15	(24,248)	-
<b>Total Expenditure</b>		<b>1,023,492</b>	<b>731,398</b>
<b>Deficit before taxation</b>	7	<b>(134,666)</b>	<b>(38,648)</b>
<b>Taxation</b>	14	<b>-</b>	<b>-</b>
<b>Net Deficit for the Year</b>	19	<b>(134,666)</b>	<b>(38,648)</b>

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

The notes on pages 16 to 31 form part of these financial statements.

**PLAID CYMRU****Central Party Income and Expenditure Account  
for the year ended 31 December 2019**

	Note	2019 £	2018 £
<b>INCOME</b>			
Donation income	2	255,548	104,568
Membership and subscription fees		224,331	221,324
Income from fundraising activities	3	17,267	23,273
Income from commercial activities	4	3,289	7,788
Income from legacies		8,500	166
Investment income	5	7,773	8,337
Grant Income	6	175,101	165,061
Income from conferences		70,281	46,965
Constituency transactions	8	113,752	104,882
<b>Total Income</b>		<b>875,842</b>	<b>682,364</b>
<b>EXPENDITURE</b>			
Costs of fundraising activities	9	24,694	18,668
Costs of commercial activities		22,433	18,154
Staff costs	10	438,160	332,646
Campaign expenditure	11	249,802	42,027
Other expenditure	12	227,851	201,918
Interest and charges payable	13	11,559	11,529
Conference expenditure		50,830	40,697
Depreciation	15	12,346	13,931
Impairment losses	15	-	40,998
Profit on disposal of fixed assets	15	(24,248)	-
<b>Total Expenditure</b>		<b>1,013,427</b>	<b>720,568</b>
<b>Deficit before taxation</b>	7	<b>(137,585)</b>	<b>(38,204)</b>
<b>Taxation</b>	14	<b>-</b>	<b>-</b>
<b>Deficit for the year</b>	19	<b>(137,585)</b>	<b>(38,204)</b>

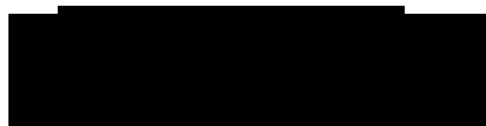
The income and expenditure account has been prepared on the basis that all operations are continuing operations.

The notes on pages 16 to 31 form part of these financial statements.

**PLAID CYMRU****Consolidated Balance Sheet  
as at 31 December 2019**

	Note	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	15	267,415	476,488
<b>CURRENT ASSETS</b>			
Debtors	16	51,238	25,013
Cash at bank and in hand		<u>596,473</u>	<u>509,646</u>
		647,711	534,659
<b>CREDITORS</b>			
Amounts falling due within one year	17	(149,267)	(110,622)
<b>NET CURRENT ASSETS</b>		498,444	424,037
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>765,859</u>	<u>900,525</u>
<b>TOTAL NET ASSETS</b>		<u>765,859</u>	<u>900,525</u>
<b>RESERVES</b>			
General reserve	19	765,859	900,525
Policy development unit reserve	19	<u>-</u>	<u>-</u>
<b>ACCUMULATED RESERVES</b>	19	<u>765,859</u>	<u>900,525</u>

The financial statements were approved by the Party Officers on 6 July 2020 and signed on their behalf by:



Marc Phillips  
National Treasurer

The notes on pages 16 to 31 form part of these financial statements.

**PLAID CYMRU****Central Party Balance Sheet  
as at 31 December 2019**

	Note	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	15	267,415	476,488
<b>CURRENT ASSETS</b>			
Debtors	16	51,238	25,013
Cash at bank and in hand		<u>584,447</u>	<u>500,539</u>
		635,685	525,552
<b>CREDITORS</b>			
Amounts falling due within one year	17	<u>(149,267)</u>	<u>(110,622)</u>
<b>NET CURRENT ASSETS</b>		486,418	414,930
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>753,833</u>	<u>891,418</u>
<b>TOTAL NET ASSETS</b>		<u>753,833</u>	<u>891,418</u>
<b>RESERVES</b>			
General reserve	19	753,833	891,418
Policy development unit reserve	19	<u>-</u>	<u>-</u>
<b>ACCUMULATED RESERVES</b>	19	<u>753,833</u>	<u>891,418</u>

The financial statements were approved by the Party Officers on 6 July 2020 and signed on their behalf by:

  
Marc Phillips  
National Treasurer

The notes on pages 16 to 31 form part of these financial statements.



**PLAID CYMRU****Consolidated Statement of Cash Flows  
31 December 2019**

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	<b>Note</b>	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
<b>Cashflow from operating activities</b>	20	<b>(134,148)</b>	297,950
		<hr/>	<hr/>
Net cash inflow from operating activities		<b>(134,148)</b>	297,950
<b>Cashflow from investing activities</b>			
Purchase of tangible fixed assets	15	<b>(11,025)</b>	(6,426)
Proceeds of fixed asset disposals	15	<b>232,000</b>	-
		<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>		<b>86,827</b>	291,524
<b>Cash and cash equivalents at the beginning of the year</b>		<b>509,646</b>	218,122
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>		<b>596,473</b>	509,646
		<hr/>	<hr/>

The notes on pages 16 to 31 form part of these financial statements.

## **1. ACCOUNTING POLICIES**

### **General information and basis of preparation**

Plaid Cymru is not incorporated in law and thus not bound by the Companies Act 2006. The party is required to prepare financial statements in accordance with the Political Parties, Elections and Referendum Act 2000 (“PPERA”). The address of the Party Headquarters is Ty Gwynfor, Marine Chambers, Anson Court, Atlantic Wharf, Cardiff CF10 4AL.

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 (FRS102). 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 requirement of Section 1A of FRS102 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 rounded to the nearest £.

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**

For the financial year under review the Party has returned a consolidated deficit of £134,666. In cash terms this has been partly off-set by an increase in cash of £86,827, primarily due to the proceeds on disposal of the investment properties (note 15) At the year end the party had consolidated cash reserves of £596,473.

In common with other political parties, Plaid Cymru relies on membership and fundraising income to meet a large proportion of its expenditure, including most of its non-recurring expenditure. The Party also receives donations and legacies from supporters of the Party. The nature of such income is that there is some unpredictability associated with it.

The National Treasurer has prepared Income & Expenditure budgets and cash flow projections for the Party for the year to December 2020 and is satisfied that the party has sufficient membership, fundraising income, reserves, grants and trading income to enable the Party to meet its financial obligations as they fall due and to achieve its organisational and political objectives.

Given the context of Brexit, Corona virus, and the build up towards the 2021 Senedd election, the National Treasurer feels that the current and future projected cash resources are adequate to enable the party to face these challenges.

**Notes to the Financial Statements  
for the year ended 31 December 2019**

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**1. ACCOUNTING POLICIES (continued)**

In the light of the foregoing and making enquiries and taking all circumstances into account, the National Treasurer considers that it is appropriate to continue to prepare the financial statements on a going concern basis.

**Basis of consolidation**

In February 2010, Plaid Cymru reduced the number of accounting units in Wales through a process of merger and consolidation. Most of the units merged together with the local accounting units, and are still accountable to the Electoral Commission on an individual basis. These accounting units are not consolidated into these accounts. The merger process left 5 regional committees and 4 sections of the Party to be taken under the control of Plaid Cymru, the Central Political Party. The regions and sections included in these consolidated accounts are:

- Councillors Association
- Plaid Ifanc
- Womens Section
- Undeb Section
- South Wales Central Committee
- Mid and West Wales Committee
- South Wales East Committee
- South Wales West Committee
- North Wales Committee

In respect of the year ended 31 December 2019, the Party received returns from 4 of the 9 accounting units (2018:9 out of 9). The 5 regions were inactive during the year due to the election cycle.

The Central Party holds no investment in these committees and sections.

The accounts for the regions and sections consolidated are produced mainly on a cash accounting basis rather than an accruals basis. It is not considered that a restatement of these results to an accruals basis would have a material impact on the results for the year.

**Income recognition**

Income is measured at the fair value of the consideration received or receivable net of VAT, trade discounts and constituency re-imbursements.

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

- The Party is entitled to the asset;
- There is reasonable certainty 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:

**1. ACCOUNTING POLICIES (continued)**

- Donations of monetary assets, and liquid investments, and fundraising income are recognised at market value in the income and expenditure account on receipt. Donations of notional income are recognised on receipt at the relevant market value of the item or service received with an expense of the same amount being recognised contemporaneously;
- When donations are received that have conditions in respect of the nature of expenditure to be applied, income is recognised when the conditions attached to that donation are fully met;
- Grants are recognised in the income and expenditure account when the conditions for receipt have been met;
- Membership and subscription fees that are not in arrears are recognised in the income and expenditure account in the period to which they relate;
- Legacies from benefactors who have died prior to the yearend are recognised when the personal representatives of the deceased have notified the Party of the legacy, they have obtained grant of representation and there are no significant matters outstanding concerning the precise division of the estate; and
- Interest receivable and rental income are recognised in the income and expenditure account on an accruals basis.
- Conference and commercial income are recognised in the income and expenditure account on an accruals basis.

**Investment property**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value as assessed either by professional valuers every five years or by the Party's officers at the reporting end date unless there are valuations provided by experts on the sale of property, when these valuations are recognised in the accounts. The surplus or deficit on revaluation is recognised in the Income and Expenditure Account.

**Tangible fixed assets**

Tangible fixed assets other than land and buildings are included in the accounts at historic cost. Land and buildings are held at deemed cost at the date of transition to FRS102. Depreciation is provided on all tangible fixed assets other than freehold land and investment properties at the following annual rates in order to write off each asset over its estimated useful life:

- Long leasehold property - 2% straight line per annum
- Fixtures and equipment - 25% straight line per annum
- Improvements to property - 10% straight line per annum

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 or value in use.

**1. ACCOUNTING POLICIES (continued)**

**Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss on a straight-line basis.

**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

**Taxation**

The Party is treated as an unincorporated association for tax purposes and is therefore liable to corporation tax on its investment income. It also bears tax on any investment transactions that give rise to capital gains. 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. No deferred tax is recognised as any investment income is taxed on the same basis as it is recognised in the income and expenditure account.

**Deferred Tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Income and Expenditure Account. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Deferred tax relating to investment property that is measured at fair value shall be measured using the tax rates and allowances that apply to the sale of the asset.

**Value Added Tax**

The party is registered for Value Added Tax (VAT) purposes but it is only liable on chargeable transactions. A partial exemption formula has been agreed with HM Revenue & Customs and VAT has been recovered. The value of VAT that is unrecoverable is included within the relevant expenditure categories in the Income and Expenditure account.

**Notes to the Financial Statements  
for the year ended 31 December 2019**

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**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.

**Financial Instruments**

Basic financial instruments consist of cash and cash equivalents and basic debt instruments. 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.

**Judgements and key sources of estimation uncertainty**

The National Treasurer has considered if there are any key sources of estimation uncertainty or significant judgements that have been made in the process of applying the above accounting policies to prepare these financial statements aside from the consideration of the values of investment properties (note 15). The National Treasurer considers that there are no key judgements or sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial statements.

In respect of investment properties, the fair value of investment properties involve the use of professional valuation techniques, reviewed annually by the Party's officers together with sufficient evidence to support that assessment. When factors that could impair the value are identified appropriate adjustments are made in the Income and Expenditure Account.

**Notes to the Financial Statements  
for the year ended 31 December 2019**

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**2. DONATION INCOME**

**Consolidated and Central**

Under the Political Parties, Elections and Referendums Act 2000, single or aggregated donations for an individual greater than £7,500 in any calendar year are reportable to the Electoral Commission.

**3. INCOME FROM FUNDRAISING ACTIVITIES**

	<b>Consolidated &amp; Central</b>	
	<b>2019</b>	2018
	<b>£</b>	£
500 club	<b>11,424</b>	12,134
Presidents club	-	1,115
Other fundraising activities	<b>5,843</b>	10,024
	<b><u>17,267</u></b>	<u>23,273</u>

## PLAID CYMRU

### Notes to the Financial Statements for the year ended 31 December 2019

#### 4. INCOME FROM COMMERCIAL ACTIVITIES

	Consolidated & Central	
	2019	2018
	£	£
Merchandise and events	3,289	7,788
	<u>3,289</u>	<u>7,788</u>

#### 5. INVESTMENT INCOME

	Consolidated & Central	
	2019	2018
	£	£
Interest Received	287	-
		8,337
Rental income	<u>7,486</u>	<u>8,337</u>
	<u>7,773</u>	<u>8,337</u>

#### 6. GRANT INCOME

	Consolidated & Central	
	2019	2018
	£	£
Policy Development Grant	<u>175,101</u>	<u>165,061</u>

#### 7. DEFICIT BEFORE TAX

The Deficit before tax is stated after charging:

	Consolidated & Central	
	2019	2018
	£	£
Auditors' remuneration - audit services	7,800	20,500
Auditors' remuneration - non-audit services	-	3,555
Operating lease - equipment	-	4,767
Depreciation	12,346	13,931
Impairment losses – Investment Property	-	40,998





**8. CONSTITUENCY TRANSACTIONS**

	<b>Consolidated</b>		<b>Central</b>	
	<b>2019</b>	2018	<b>2019</b>	2018
	<b>£</b>	£	<b>£</b>	£
Commissions	<b>340</b>	826	<b>340</b>	<b>826</b>
External staff salary contributions	<b>36,743</b>	43,033	<b>36,743</b>	<b>43,033</b>
Sundry income	<b>3,334</b>	4,578	<b>760</b>	<b>75</b>
Constituency, branch and section registrations	<b>75,909</b>	63,948	<b>75,909</b>	<b>60,948</b>
	<b><u>116,326</u></b>	<u>112,385</u>	<b><u>113,752</u></b>	<b><u>104,882</u></b>

**9. COSTS OF FUNDRAISING ACTIVITIES**

	<b>Consolidated &amp; Central</b>	
	<b>2019</b>	2018
	<b>£</b>	£
Appeals and donations	<b>18,394</b>	13,268
500 club prizes	<b><u>6,300</u></b>	<u>5,400</u>
	<b><u>24,694</u></b>	<u>18,668</u>

**Notes to the Financial Statements  
for the year ended 31 December 2019**

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**10. STAFF COSTS AND STAFF REMUNERATION**

The average number of staff employed by the central party during the year was 12 (2018:8). The average number of staff employed by the regions and committees during the year was 5 (2018: 5).

Staff costs for the above persons comprise:

	<b>Consolidated &amp; Central</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>375,107</b>	282,128
Social security costs	<b>27,657</b>	21,955
Other pension costs	<b>35,396</b>	28,563
	<b><u>438,160</u></b>	<b><u>332,646</u></b>

<b>Average salary per employee:</b>	<b>£36,513</b>	£41,581
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No member of staff received remuneration in excess of £50,000 in either year ended 31 December 2019 or 31 December 2018.

**11. CAMPAIGN EXPENDITURE**

	<b>Consolidated &amp; Central</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
European and Westminster elections	<b>238,355</b>	39,155
By Elections	<b>11,447</b>	-
Assembly elections	<b>-</b>	2,872
	<b><u>249,802</u></b>	<b><u>42,027</u></b>

**12. OTHER EXPENDITURE**

	<b>Consolidated</b>		<b>Central</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Travelling expenses	<b>16,382</b>	15,649	<b>16,382</b>	15,649
Rent, rates and utilities	<b>13,616</b>	12,152	<b>13,616</b>	12,152
Insurances	<b>2,776</b>	3,099	<b>2,776</b>	3,099
Postage, printing and stationery	<b>9,452</b>	17,856	<b>9,452</b>	17,856
Telephone, fax and e-mail	<b>8,636</b>	8,351	<b>8,636</b>	8,351
Training	<b>1,993</b>	2,222	<b>1,993</b>	2,222
Canvassing software and maintenance	<b>28,572</b>	31,298	<b>28,572</b>	31,298
Office cleaning	<b>3,009</b>	2,877	<b>3,009</b>	2,877
Policy development research and direct costs	<b>34,175</b>	43,358	<b>34,175</b>	43,358
Licences and subscriptions	<b>5,461</b>	3,729	<b>5,461</b>	3,729
Press expenditure	<b>3,425</b>	4,576	<b>3,425</b>	4,576
Sundries	<b>50,437</b>	14,062	<b>41,608</b>	9,043
Accountancy	<b>10,250</b>	7,555	<b>10,250</b>	7,555
Audit	<b>7,800</b>	20,500	<b>7,800</b>	20,500
Professional fees	<b>14,886</b>	10,163	<b>14,886</b>	10,163
Provision against doubtful debts	<b>7,972</b>	9,490	<b>7,972</b>	9,490
Irrecoverable VAT	<b>17,838</b>	-	<b>17,838</b>	-
	<b>236,680</b>	206,937	<b>227,851</b>	201,918

**PLAID CYMRU****Notes to the Financial Statements  
for the year ended 31 December 2019****13. INTEREST AND CHARGES PAYABLE**

	<b>Consolidated &amp; Central</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Bank charges	<b>11,553</b>	11,488
Bank interest	<b>6</b>	41
	<b><u>11,559</u></b>	<b><u>11,529</u></b>

**Notes to the Financial Statements  
for the year ended 31 December 2019**

**14. TAXATION**

	<b>Consolidated &amp; Central</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Corporation tax – Total tax charge	<u>-</u>	<u>-</u>

The provision for corporation tax is normally made in respect of corporation tax arising in the period on Party activities which are subject to such tax.

There is no provision for corporation tax in the current year due to the deficit incurred. There was no Corporation Tax payable on the disposal of the investment properties.

**15. TANGIBLE FIXED ASSETS – CONSOLIDATED AND CENTRAL PARTY**

	<b>Long leasehold property £</b>	<b>Investment property £</b>	<b>Fixtures and equipment £</b>	<b>Total £</b>
<b>COST OR VALUATION</b>				
At 1 January 2019	<b>234,335</b>	<b>271,999</b>	<b>171,721</b>	<b>678,055</b>
Additions	-	-	<b>11,025</b>	<b>11,025</b>
Disposals	-	<b>(206,975)</b>	<b>(6,063)</b>	<b>(213,038)</b>
At 31 December 2019	<u><b>234,335</b></u>	<u><b>65,024</b></u>	<u><b>176,683</b></u>	<u><b>476,042</b></u>

**DEPRECIATION**

At 1 January 2019	<b>40,555</b>	-	<b>161,012</b>	<b>201,567</b>
Charge for year	<b>4,687</b>	-	<b>7,659</b>	<b>12,346</b>
Eliminated on disposal	-	-	<b>(5,286)</b>	<b>(5,286)</b>
At 31 December 2019	<u><b>45,242</b></u>	<u>-</u>	<u><b>163,385</b></u>	<u><b>208,627</b></u>

**NET BOOK VALUE**

At 31 December 2019	<u><b>189,093</b></u>	<u><b>65,024</b></u>	<u><b>13,298</b></u>	<u><b>267,415</b></u>
At 31 December 2018	<u><b>193,780</b></u>	<u><b>271,999</b></u>	<u><b>10,709</b></u>	<u><b>476,488</b></u>

**15. TANGIBLE FIXED ASSETS – CONSOLIDATED AND CENTRAL PARTY:  
CONTINUED**

The investment property at [REDACTED] was sold during the year for £62,000 and the investment property [REDACTED] was sold for £170,000. The combined profit on the disposals was £24,248.

The investment property at 1 [REDACTED] was re-valued on 6<sup>th</sup> July 2019 by [REDACTED], an independent valuer. No impairment has been made to the value of the investment property during the year. An impairment adjustment of £40,998 was made to the investment properties during 2018.

**16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Consolidated &amp; Central</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>15,407</b>	20,316
Amounts owed by accounting units	-	-
Legacies	<b>1,000</b>	854
Other Debtors	<b>647</b>	-
Prepayments and VAT recoverable	<b>34,184</b>	3,843
	<b><u>51,238</u></b>	<b><u>25,013</u></b>

Included within debtors is £1,000 (2018: £854) which is in relation to the net cash legacy receivable bequeathed to the Party before the year end.

**Notes to the Financial Statements  
for the year ended 31 December 2019**

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**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Consolidated &amp; Central</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>66,316</b>	46,882
Other creditors	<b>11,051</b>	6,122
Taxation and social security	<b>10,272</b>	5,411
Accruals and deferred income	<b>61,628</b>	52,207
	<b>149,267</b>	110,622

**18. LOANS: CONSOLIDATED AND CENTRAL**

During the year, the Party reported no loans to The Electoral Commission under PPERA. The Party has not been required to report any other loans received in this financial year nor in the previous financial year. The threshold for the Party to report such loans is £7,500.



**19. RECONCILIATION OF RESERVES – CONSOLIDATED**

	<b>General reserve £</b>	<b>Policy development unit reserve £</b>	<b>Total £</b>
At 1 January 2018	<b>939,173</b>	-	<b>939,173</b>
Deficit for the year	<b>(38,648)</b>	-	<b>(38,648)</b>
At 1 January 2019	<b>900,525</b>	-	<b>900,525</b>
Deficit for the year	<b>(134,666)</b>	-	<b>(134,666)</b>
Transfer	-	-	-
At 31 December 2019	<b>765,859</b>	-	<b>765,859</b>

**RECONCILIATION OF RESERVES - CENTRAL PARTY**

At 1 January 2018	<b>929,622</b>	-	<b>929,622</b>
Deficit for the year	<b>(38,204)</b>	-	<b>(38,204)</b>
At 1 January 2019	<b>891,418</b>	-	<b>891,418</b>
Deficit for the year	<b>(137,585)</b>	-	<b>(137,585)</b>
Transfer	-	-	-
At 31 December 2019	<b>753,833</b>	-	<b>753,833</b>

The Consolidated reserves of £765,859 and Party reserves of £753,833 are available for general Party use.

**20. NET CASH INFLOW FROM PARTY ACTIVITIES**

	<b>Consolidated</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Deficit for the year	<b>(134,666)</b>	(38,648)
Corporation tax charge	-	-
(Increase) / Decrease in debtors	<b>(26,225)</b>	229,313
Increase in creditors	<b>38,645</b>	52,356
Depreciation & impairment	<b>12,346</b>	54,929
Profit on disposal of fixed assets	<b>(24,248)</b>	-
Net cash inflow from party activities	<b><u>(134,148)</u></b>	<b><u>297,950</u></b>

**21. LEASING COMMITMENTS**

There were no operating lease commitments at the year-end (2018: none).

**22. CAPITAL COMMITMENTS**

There were no capital commitments at the year-end (2018: £5,900).

**23. RELATED PARTY TRANSACTIONS**

There were no related party transactions during the year.

**24. LEGACIES**

The party accounts for legacies as receivable when conditions for entitlement have been met, the amount is quantifiable and receipt of the income is probable. At the year end, there were legacies of £1,000 fulfilling the above criteria (note 16).