



The Green Party

(England & Wales)

Reports and Financial Statements

Year ended 31 December 2021

The Green Party
Financial statements for the year ended 31 December 2021

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The Green Party

Administrative information

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

Co-Leader	Adrian Ramsay	(job share)	(from October 2021)
Co-Leader	Carla Denyer	(job share)	(from October 2021)
	<i>Siân Berry</i>	<i>(job share)</i>	<i>(until September 2021)</i>
	<i>Jonathan Bartley</i>	<i>(job share)</i>	<i>(until July 2021)</i>

Adrian Ramsay is the Registered Leader with the Electoral Commission (previously Siân Berry)

Registered Treasurer	Jon Nott
Nominating Officer	Chris Rose

Executive

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

Co-Leader	Adrian Ramsay		
Co-Leader	Carla Denyer		
Deputy Leader	Amelia Womack		
Chair	Liz Reason		
Campaigns Co-ordinator	Tom Scott		(co-opted from August 2021)
	<i>Britta Goodman</i>	<i>(job share)</i>	<i>(until July 2021)</i>
Elections Co-ordinator	Kai Taylor	(job share)	
	<i>Claire Stevenson</i>	<i>(job share)</i>	<i>(until July 2021)</i>
Equality & Diversity Co-ordinator	Rashid Nix	(job share)	
	Dzaier Neill	(job share)	(from October 2021)
External Communications Co-ordinator	Molly Scott Cato		
Finance Co-ordinator	Jon Nott		
Internal Communications Co-ordinator	Zoe Hatch		(from October 2021)
	<i>Peter Barnett</i>	<i>(job share)</i>	<i>(until January 2022)</i>
	<i>Hazel Pegg</i>	<i>(job share)</i>	<i>(until September 2021)</i>
International Co-ordinator	Claudine Letsae		
Local Party Support Co-ordinator	Rosie Rawle		(from October 2021)
	<i>Dawn Furness</i>		<i>(until February 2021)</i>
Management Co-ordinator	Matt Browne	(job share)	
	Florence Pollock	(job share)	
Policy Development Co-ordinator	Vix Lowthian		
Publications Co-ordinator	Julia Lagoutte		
Trade Union Liaison	Kefentse Dennis		
Wales Green Party Leader	Anthony Slaughter		
Young Greens Co-Chairs	Jane Baston	(job share)	(from September 2021)
	Kelsey Trevett	(job share)	(from September 2021)
	<i>Rosie Rawle</i>	<i>(job share)</i>	<i>(until August 2021)</i>
	<i>Lily Fitzgibbon</i>	<i>(job share)</i>	<i>(until August 2021)</i>

The Green Party

Administrative information

Regional Council (GPRC)

Co-Chairs	Adrian Spurrell	(from November 2020)
	Martha James	(from November 2020)

Key Staff

Chief Executive	Mary Clegg	
Chief Operating Officer	Robert Buckman	(until January 2022)
Head of Elections and Field Team	Chris Williams	
Head of Communications	Gemma Walker	
Head of Development	Chanelle Woodland	(from June 2021)
Head of Finance	Fiona Shaw	
Head of Digital	Jordan Harp	(until August 2021)
Head of Digital	Jonathan Evans	(from October 2021)

Conference

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

Elected representatives

Member of Parliament

Caroline Lucas	Brighton Pavilion Constituency	(re-elected December 2019)
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Members of London Assembly

Siân Berry
Caroline Russell
Zack Polanski

Peers

Natalie Bennett	Baroness Bennett of Manor Castle
Jenny Jones	Baroness Jones of Moulsecoomb

Local Councillors

By December 2021 there were 465 Principal Authority Green Party Councillors on 145 Councils in England and Wales and nearly 400 parish or town councillors. Greens formed part of the Ruling Administration in 23 councils.

Following the recent May 2022 elections, these numbers had increased yet again to 547 Principal Authority Councillors on 167 Councils.

Membership

As at 31 December 2021 the party had 54,306 members (2020 - 47,087).

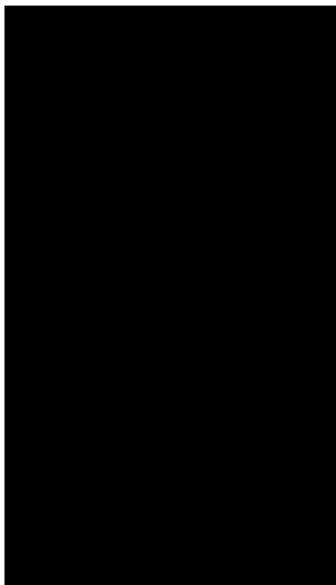
Accounting Units

As at 31 December 2021 the Party had 291 (2020 - 287) Accounting Units registered with the Electoral Commission.

The Green Party
Administrative information

Party Headquarters

PO Box 78066
London
SE16 9GQ



Auditors

MHA MacIntyre Hudson
2 London Wall Place
London
EC2Y 5AU

The Green Party

Report of the Party's Officers for the year ended 31 December 2021

We present the accounts of the Green Party ('The Party') for the year ended 31 December 2021.

2021 was a year of transition from the lock-downs of 2020, as the roll-out of the vaccine programme enabled periods of more normal life to return, although the advent of the Omicron variant in Autumn 2021 threatened this again. For many of the most vulnerable, COVID remains a significant challenge to the quiet enjoyment of life, and worldwide over 6 million people have died.

Membership of the Party increased from 47,087 in December 2020 to 54,306 at the end of December 2021 - a significant increase of 15%, driven both by our local election success in May 2021 and by the election of new Leaders in the summer.

The focus of the Party was on delivering the agreed Political Strategy, which was approved by Conference in Spring 2021, to make step changes in our electoral impact. We continue to strive to direct all our capabilities, paid and unpaid, to getting our policies in place in England and Wales through getting great Greens elected.

We would like to thank all our members, donors, supporters and staff for their many contributions to the Party, and to recognise the daily impact of our elected Greens who work hard to implement our policies and to represent their communities at all levels of Government.

REVIEW OF POLITICAL ACTIVITIES

Local Council Elections

The Local Elections in 2021 were extensive as a result of incorporating the postponed 2020 local elections. 5,000 seats were up for election and Greens stood in 2,957, contesting 59% of the seats. It was our second best ever set of local election results (second only to 2019) with 157 seats won, of which 99 were gains and 58 holds from previous elections. Year-on-year we are showing that Greens can not only win locally but they can retain their seats as voters get to appreciate what having a Green in local administration means.

The Party runs Brighton & Hove City Council as a minority administration, is in power on 13 other Councils and the official opposition in 10. Elected Greens at all levels of local government work together, ably supported by a small handful of staff, to share policies and ways of influencing. Through this we are seeing the distinct impact "Greens in Power" make.

The London Assembly elections saw Green candidates in each constituency with two strong 2nd places in London North East and in Lambeth & Southwark. With our vote share increasing to 11.8% a third member of the London Assembly was achieved, with Zack Polanski joining Siân Berry and Caroline Russell.

In the Senedd elections we achieved a record number of list votes, coming 4th. We narrowly missed a seat on the Senedd, a source of very significant frustration to all involved.

In Bristol, the Greens gained 13 seats on the City Council (an 11.9% swing), matching Labour with 24 seats each.

Parliamentary activities

Caroline Lucas MP has continued to be a leading opposition voice in Parliament. She has tabled amendments and spoken on a wide range of Government legislation such as the Environment Bill, Trade Bill, Elections Bill, Nationality and Borders Bill, and the Police, Crime, Sentencing and Courts Bill. She has been outspoken about the Government's COVID strategy, including breaches of the rules by the PM, mandatory vaccination and support for businesses.

As Chair of Parliament's all party Climate Change Group and member of the Environmental Audit Committee, Caroline secured a number of high-profile climate and nature debates in the run up to COP26 and afterwards, and the first ever debate in the House of Commons about the wellbeing economy as an alternative to the growth model. At COP26 in November, Caroline spoke at a global parliamentarians event in the Scottish Parliament, helped launch the international Fossil Fuels Non Proliferation Treaty campaign, which is now a major focus for her work, and led sessions on the Green New Deal.

The Green Peers Jenny Jones and Natalie Bennett, supported by a part-time team of four Green Party staff, have between them scrutinised, sought to amend and spoken on all new government legislation. While we continue to fight for an elected second chamber, Natalie and Jenny have used their opportunities as parliamentarians to scrutinise the government, suggest Green alternatives, and demonstrate the competence and expertise that Greens bring to all level of politics.

The Green Party

Report of the Party's Officers for the year ended 31 December 2021

The Conservative Government continues to control the House of Commons with its large majority but finds resistance in the Lords with recent defeats over the Police Bill, and the Nationality and Borders Bill. Charities and NGOs are increasingly briefing the Lords in recognition of this power balance which has led to new opportunities to collaborate. A Lords-led rebellion on sewage combined with a huge public lobbying led to a significant victory for the environmental campaigners.

Our Green Peers continue to prioritise cross-party communication, with trust and relationships going from strength to strength. Jenny and Natalie were instrumental in defeating the government's 18 pages of late amendments to the Police, Crime, Sentencing and Courts Bill which sought to criminalise peaceful protest, and they have both achieved good visibility to the public this year through mainstream media and social media. They also regularly communicate with party members and campaigners. The benefit of a green voice in the room is increasingly clear to both the House and the public.

IMPLEMENTATION OF NEW GOVERNANCE STRUCTURES AND INCORPORATION OF THE PARTY

The Party continues to consider the best ways of governing its activities. The Extraordinary Conference in May 2021 failed to agree a proposed constitution to take to the Members. Following this, the Green Party Regional Council (GPRC) have convened a Party Structure Working Group who are engaging Members across the Party to agree new proposals for consideration in 2022.

Following the resignation of Jonathan Bartley, Co-Leader, and the decision of Siân Berry not to seek re-election, a contest was held for the Leadership of the Party. Five candidates or co-candidates ran and Carla Denyer and Adrian Ramsay were elected in the second round. The Party saw a significant uptick in membership associated with the leadership contest.

The agreement of a Political Strategy to 2030 at Spring Conference in 2021 has significantly aided the Party in planning and organising its activities. Increasing effort goes into co-ordinating activities across all the staff groups within the Party, from national teams, to those supporting our representatives in Parliament, and those working at the local Party level. Staff numbers have expanded and we continue to work to get our infrastructure in to the best state it can be to support all activists, campaigners and members. This is supported by offering more extensive Human Resources and financial admin support to satellite teams, enabling standardisation of recruitment and employment practices.

FINANCIAL REVIEW

The Income and Expenditure Account shows that the Party's total income increased by £0.3m (12%), while expenditure increased by £0.1m (5%). As a result, the Party made an overall net surplus for the year of £13,711, an improvement compared with the net deficit of £181,276 recorded in 2021.

The Balance Sheet has net liabilities of £91,255 as at 31 December 2021, compared to net liabilities of £104,966 the previous year.

With the increase in Member numbers, income from membership subscriptions increased again this year, up by 10% to £1.39m. We were disappointed that appeals donations fell slightly by £39k, but this was more than offset by an increase of £205k in legacy income.

Further investments were made in the staff team, enabling more staff to be employed to work on local and national election planning and delivery, increasing these costs by £116k to £1.7m. We also increased the support to local and regional parties by £52k to £96k, and the capitations payable to them also increased again this year by £34k.

We welcomed the return to in-person Member Conferences in Autumn 2021. Learning lessons from the pandemic period we ran the first ever hybrid Party Conference, enabling a wider segment of our Members to attend safely. Costs increased to 126k. £84k to £126k.

Following the systems improvements implemented in 2020, we were able to reduce bank charges by £53k and Management and admin costs by £68k.

The improvements made last year in our IT infrastructure are bearing fruit, enabling us to manage the peaks in new members joining and in improving our sustainability of income and ensuring our ambitions are underpinned by sound financial planning

Cash balances remained healthy at £592k at the end of the year, although it should be noted that capitation payments due to local parties were £435k as at 31 December 2021 (2020 £354k).

The Green Party

Report of the Party's Officers for the year ended 31 December 2021

Going Concern Statement

The accounts have been prepared on a going concern basis. Although the Party shows a net liabilities position at the end of 2021, forecasts for 2022 and 2023 show that the Party will remain solvent throughout 2023, with sufficient cash balances to meet our obligations.

There is a reasonable expectation that capitulations payments due to the Party's Accounting Units will not be required to be settled more quickly than the current convention whereby they are accumulated during the year and are paid during the second half of the following year.

We have prepared detailed financial forecasts through to the end of 2023 which show that the Party can continue to operate within its financial means for the foreseeable future. We maintain tight financial control, including through annual departmental budgets against which actual performance is compared monthly. The Party Executive has identified and assessed key financial risks and the management's responses to them and has concluded that it is appropriate for the party to continue to be classed as a going concern.

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

COVID-19

Overall the Party income and membership numbers have proved more resilient in the face of the disruptions people experienced during the pandemic than we initially feared. We can not directly attribute the decline in regular donations to these disruptions but it would be surprising if there had been no impact.

As we enter 2022 the war in Ukraine, rising prices, the energy crisis and the on-going impact of Brexit are coalescing to create the biggest decline in living standards since records began. The Party can fully expect this to have an impact on membership numbers and donations and is taking active steps to ensure members who cancel their membership for financial reasons are made aware of our lower cost memberships.

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


STATEMENT OF REGISTERED TREASURER'S RESPONSIBILITIES

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

In preparing those financial statements, the Registered Treasurer is required to:

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

This report has been approved by the Party Officers.


Jon Nott, Registered Treasurer

11 June 2022

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

Opinion

We have audited the financial statements of The Green Party of England and Wales for the year ended 31 December 2021 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes including a summary of significant accounting policies. These financial statements have been prepared under the accounting policies set out therein and the requirements of FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (September 2015) (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the Party's affairs as at 31 December 2021 and of its income and expenditure in the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Political Parties, Elections and Referendums Act 2000.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Party in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Registered Treasurer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Registered Treasurer's assessment of the entity's ability to continue to adopt the going concern basis of accounting included critical reviews of budgets and forecasts provided.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Party's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Registered Treasurer with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Responsibilities of the Registered Treasurer

As explained more fully in the Statement of Registered Treasurer's Responsibilities included in the Report of the Party Officers, the Registered Treasurer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Registered Treasurer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Registered Treasurer is responsible for assessing the Party's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Registered Treasurer either intend to liquidate the Party or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:


- Obtaining an understanding of the legal and regulatory frameworks that the Party operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Registered Treasurer of The Green Party, in accordance with the Party's rules and section 43 of the Political Parties, Elections and Referendums Act 2000. Our audit work has been undertaken so that we might state to the Treasurer those matters we are required to state to him/her in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Treasurer, for our audit work, for this report, or for the opinions we have formed.


MHA MacIntyre Hudson

Chartered Accountants and Statutory Auditor
2 London Wall Place
London
EC2Y 5AU

Date: 4 July 2022

The Green Party
Income and Expenditure Account
For the year ended 31 December 2021

	Notes	General Fund £	Other Funds £	Total 2021 £	Total 2020 £
Income					
Membership income		1,391,630	-	1,391,630	1,267,322
Friends' dues		39,676	-	39,676	13,334
Donations		1,083,926	48,426	1,132,352	1,171,500
Commission income	2	30,785	-	30,785	24,614
Campaign Income:					
Green Campaign Shop		11,647	-	11,647	8,164
Income from legacies		224,478	-	224,478	19,475
Interest receivable net of tax		465	-	465	695
Conference income		68,885	-	68,885	49,439
Other income	4	5,399	181,239	186,638	193,963
Total Income		<u>2,856,891</u>	<u>229,665</u>	<u>3,086,556</u>	<u>2,748,506</u>
Expenditure					
Cost of appeals and donations		3,910	-	3,910	44,568
Cost of publications and other materials	5	20,520	-	20,520	20,520
Campaign expenditure	6	40,729	20,146	60,875	48,711
Local and regional party support	6	83,751	12,087	95,838	43,813
Green Campaign Shop costs		12,309	-	12,309	5,803
Bank and credit card charges		20,153	178	20,331	72,898
Cost of Conferences		124,071	1,829	125,900	41,678
Regional and local party capitations	7	333,743	-	333,743	299,488
Staff costs	8	1,451,082	265,018	1,716,100	1,599,908
Office and premises costs		371,576	5,843	377,419	365,693
Management and administration		302,484	3,281	305,765	373,958
External communications		47	-	47	12,744
Total Expenditure		<u>2,764,375</u>	<u>308,382</u>	<u>3,072,757</u>	<u>2,929,782</u>
Surplus / (Deficit) before taxation	11	92,516	(78,717)	13,799	(181,276)
Taxation charge	10	(88)	-	(88)	(132)
Surplus / (Deficit) for the year		<u>92,428</u>	<u>(78,717)</u>	<u>13,711</u>	<u>(181,408)</u>
Total funds brought forward		(341,573)	236,607	(104,966)	76,442
Transfers between funds		(66,396)	66,396	-	-
Total funds carried forward	17	<u><u>(315,541)</u></u>	<u><u>224,286</u></u>	<u><u>(91,255)</u></u>	<u><u>(104,966)</u></u>

The Green Party
Balance Sheet
as at 31 December 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	12		<u>2,824</u>		<u>5,736</u>
			2,824		5,736
Current assets					
Inventories	13		-	17,652	
Debtors	14	152,982		110,401	
Cash at bank and in hand	15	<u>591,636</u>		<u>403,496</u>	
		744,618		531,549	
Creditors: amounts falling due within one year	16	(838,697)		(642,251)	
Net current (liabilities) / assets			<u>(94,079)</u>		<u>(110,702)</u>
Total assets less current liabilities			<u>(91,255)</u>		<u>(104,966)</u>
Net (liabilities) / assets			<u><u>(91,255)</u></u>		<u><u>(104,966)</u></u>
Reserves					
General Reserves	17		(91,255)	(104,966)	
Total reserves			<u><u>(91,255)</u></u>	<u><u>(104,966)</u></u>	

The financial statements were approved and authorised for issue by the Party's Executive on 11 June 2022, and signed on their behalf by:



Jon Nott
Registered Treasurer

The Green Party
Statement of Cash Flows
For the year ended 31 December 2021

	2021 £	2020 £
Cash in / (out) flow from operating activities (see below)	<u>187,675</u>	<u>(171,398)</u>
Cash flow from investing activities		
Payments to acquire tangible fixed assets	-	(6,790)
Interest received	465	695
Net cash flow from investing activities	<u>465</u>	<u>(6,095)</u>
Cash flow from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	188,140	(177,493)
Cash and cash equivalents at 1 January 2021	<u>403,496</u>	<u>580,989</u>
Cash and cash equivalents at 31 December 2021	<u>591,636</u>	<u>403,496</u>
Cash and cash equivalents consists of:		
Cash at bank and in hand	67,097	131,444
Short term deposits	524,539	272,052
Cash and cash equivalents at 31 December 2021	<u>591,636</u>	<u>403,496</u>

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

Net income / (expenditure) for the year	13,799	(181,276)
Interest receivable	(465)	(695)
Loss on disposal of fixed asset	449	11,972
Depreciation of tangible fixed assets	2,463	5,587
(Increase) in debtors	(42,581)	(45,108)
Decrease / (increase) in inventories	17,652	(2,876)
Increase in creditors	196,446	41,130
Taxation paid	(88)	(132)
Net cash flow from operating activities	<u>187,675</u>	<u>(171,398)</u>

As the Party does not have any debt, an analysis of debt has not been produced.

The Green Party

Notes to the Financial Statements

For the year ended 31 December 2021

1 Accounting policies

Basis of preparation of financial statements

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

The Green Party is a political party within the United Kingdom, constituted under the Political Parties, Elections and Referendums Act 2000. The financial statements are prepared in sterling which is the functional currency of the Party, and are rounded to the nearest pound. The Party's Headquarters and principal place of business is given on page 3.

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

Going concern

Although the Balance Sheet at the end of 2021 shows a net liabilities position, the Party maintains a strong cashflow position, due in large part to the deferred payment of capitations to Accounting Units.

Detailed budgets and forecasts have been prepared for the period up to 31 December 2023. These show that the Party can continue to maintain a positive cash balance and is expected to be able to meet any financial obligations as they fall due for the foreseeable future.

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

The forecasts for 2021 and 2022, along with ongoing efforts made to maintain and improve the Party's current high standards of financial control and forward financial visibility give the Party reason to consider it appropriate to prepare the accounts on a Going Concern basis.

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

We are closely monitoring the impact of the cost of living crisis on our income.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

The following principal accounting policies have been applied:

Income recognition

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

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

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

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

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The Green Party

Notes to the Financial Statements

For the year ended 31 December 2021

1 Accounting policies (continued)

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

Expenditure recognition

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

Termination payments

Termination payments, including redundancy costs, are recognised when the Party has the obligation to pay the benefits and they can be reliably measured.

Fixed assets and depreciation

Assets costing more than £1,000 are capitalised and depreciation is provided on all tangible fixed assets at rates calculated to write off their cost on a straight line basis over their expected useful lives, as follows:

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

Inventories

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

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

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

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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The Green Party
Notes to the Financial Statements
For the year ended 31 December 2021

1 Accounting policies (continued)

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

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

Taxation

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

Operating leases policy

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

Pension arrangements

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

Financial Instruments

The Party holds basic Financial Instruments. The financial assets and financial liabilities of the Party are as follows:

Financial assets – Trade and Other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial Liabilities - Trade creditors, other creditors and capitations payable will be classified as financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure. Accruals and deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver Party services rather than cash or another financial instrument.

2 Commission income

Commissions are received from affinity schemes with Ecotricity, Recycle 4 Charity and Teemill Tech Ltd (formerly Rapanui Clothing Ltd).

3 Freepost sales

This item is only applicable in years when there is a general election.

The Green Party
Notes to the Financial Statements
For the year ended 31 December 2021

4 Other income	2021	2020
	£	£
Government grants - Short Money	177,239	175,601
COVID-19 Job Retention Scheme grants	769	17,131
Other	8,630	1,231
	<u>186,638</u>	<u>193,963</u>

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

During the year, the Party claimed COVID-19 Job Retention Scheme grants for staff unable to continue to work during lockdown. There are no unfulfilled conditions to this income at year end.

5 Cost of publications and other materials

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

6 Campaign expenditure	2021	2020
	£	£
Non election campaigns expenditure	1,029	1,472
Local and regional party support	95,838	43,813
Other campaign expenses	59,846	47,239
	<u>156,713</u>	<u>92,524</u>

7 Capitulations

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

	2021	2020
	£	£
Capitations accrued during the year	333,743	299,488
	<u>333,743</u>	<u>299,488</u>

The Green Party
Notes to the Financial Statements
For the year ended 31 December 2021

8 Staff costs and numbers	2021	2020
	£	£
Wages and salaries	1,888,282	1,618,490
Social security costs	159,593	153,577
Pension contributions	50,223	64,055
Termination costs	40,474	-
	<u>2,138,572</u>	<u>1,836,122</u>
Salary Recharges	(440,007)	(308,345)
Agency staff	17,535	72,131
	<u>1,716,100</u>	<u>1,599,908</u>

Salary Recharges is the total cost of staff funded by our Accounting Units.

Key Management Personnel remuneration	<u>458,899</u>	<u>435,192</u>
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Key Management Personnel are considered to be members of the Party Executive, the Party's Chief Executive Officer (CEO), Chief Operations Officer (COO), Head of Elections & Field Operations, Head of Communications, Head of Development, Head of Finance, and Head of IT & Digital.

Party Executive members received no remuneration in that capacity in 2021 (2020 - £nil). The Co-Leaders and the Deputy Leader receive allowances in their Leadership capacity but these sums are not included in this figure.

Termination costs totalling £40,474 (2020: £nil) have been recognised as expenditure in these accounts. Of these costs, which include both contractual and non-contractual elements, £39,114 (2020: £nil) was yet to be paid as at the year-end and is thus represented within creditors.

	2021	2020
The average headcount numbers during the year was as follows:		
Management and Leadership	6.6	6.0
Election agent	1.0	1.0
External communications	5.2	3.1
Administration & Finance	9.0	13.3
Fundraising	6.6	4.8
Conferences	1.9	2.0
Parliamentary Office	8.6	4.8
Elections and Local Party Support	38.8	25.7
	<u>77.7</u>	<u>60.7</u>

9 Related party transactions

£3,800 (2020 - £9,174) was reimbursed to a total of 12 (2020 - 18) individuals who were members of the Party Executive or Key Management Personnel. The reimbursed expenditure related to travel costs and subsistence.

The Green Party
Notes to the Financial Statements
For the year ended 31 December 2021

10 Taxation

	2021 £	2020 £
Taxation on investment income	<u>88</u>	<u>132</u>

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

11 Deficit for the year

	2021 £	2020 £
The deficit for the year is stated after charging:		
Auditors remuneration - audit services statutory accounts		
Current year	15,876	18,420
Prior year (over) / under provision	(862)	564
Auditors remuneration - non statutory accounts audit services	1,216	1,494
Operating lease charges	616	55,337
Depreciation	2,463	5,587
Inventory recognised as an expense	9,396	579
Loss on disposal of fixed assets	450	11,973
	<u> </u>	<u> </u>

12 Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 January 2021	2,430	36,762	39,192
Additions	-	-	-
Disposals	(2,257)	(29,972)	(32,229)
At 31 December 2021	<u>173</u>	<u>6,790</u>	<u>6,963</u>
Depreciation			
At 1 January 2021	1,781	31,675	33,456
Charge for the year	200	2,263	2,463
On disposals	(1,808)	(29,972)	(31,780)
At 31 December 2021	<u>173</u>	<u>3,966</u>	<u>4,139</u>
Net book value			
At 31 December 2021	<u>-</u>	<u>2,824</u>	<u>2,824</u>
At 31 December 2020	<u>649</u>	<u>5,087</u>	<u>5,736</u>

The Green Party
Notes to the Financial Statements
For the year ended 31 December 2021

13 Inventories	2021	2020
	£	£
Campaign Shop	-	6,652
Artwork	-	11,000
	<u>-</u>	<u>17,652</u>

14 Debtors	2021	2020
	£	£
Trade debtors	39,423	23,568
Other debtors	1,088	21,999
Greenquest loans	2,214	13,439
Prepayments and accrued income	110,257	51,395
	<u>152,982</u>	<u>110,401</u>

The Greenquest loans are interest free and made to local and regional parties to fund election deposits and development activity. The balance includes £800 (2020: £800) falling due after more than one year.

15 Cash and cash equivalents	2021	2020
	£	£
Cash at bank and in hand	<u>591,636</u>	<u>403,496</u>

16 Creditors: amounts falling due within one year	2021	2020
	£	£
Trade creditors	72,668	31,464
Corporation tax	88	132
Other taxes and social security costs	49,438	41,149
Other creditors	20,935	65,695
Accruals and deferred income	260,233	149,467
Capitations payable to local and regional parties	435,335	354,344
	<u>838,697</u>	<u>642,251</u>

The Green Party
Notes to the Financial Statements
For the year ended 31 December 2021

17 Reconciliation of movement in funds

	Brought Forward 1 Jan 2021 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	Carried Forward 31 Dec 2021 £
Specific Funds					
Greenquest (see Note 14)	38,068	336	-	-	38,404
Short Money (see Note 4)	-	177,239	(180,578)	-	(3,339)
Elections	85,143	1,200	(33,967)	-	52,376
Parliamentary Office	40,960	516	(9,380)	-	32,096
Young Greens	27,619	5,802	(15,018)	26,400	44,803
Deyika Nzeribe	26,474	2,778	(3,000)	-	26,252
Access	9,879	1,239	(1,672)	-	9,446
House of Lords	-	18,120	(42,907)	39,996	15,209
Miscellaneous other Funds	8,464	22,435	(21,860)	-	9,039
General Fund	(341,573)	2,856,891	(2,764,463)	(66,396)	(315,541)
	<u>(104,966)</u>	<u>3,086,556</u>	<u>(3,072,845)</u>	<u>-</u>	<u>(91,255)</u>

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

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

Young Greens - funds are kept separately and administered on behalf of Young Greens, supplemented by an annual contribution from general funds.

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

Access - to enable financially disadvantaged members to attend Conference.

House of Lords - to cover the staff team costs, supplemented by a transfer from general funds.

Miscellaneous Funds - various minor one-off funds balances received for specific purposes.

Prior year comparatives

	Brought Forward 1 Jan 2020 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	Carried Forward 31 Dec 2020 £
Specific Funds					
Greenquest	37,751	317	-	-	38,068
Short Money	-	175,601	(175,601)	-	-
Elections	112,870	4,100	(31,827)	-	85,143
Parliamentary Office	60,118	516	(19,674)	-	40,960
Young Greens	18,056	4,665	(21,502)	26,400	27,619
Deyika Nzeribe	14,903	11,571	-	-	26,474
Access	8,514	1,384	(19)	-	9,879
Case for support	-	54,934	(54,934)	-	-
Miscellaneous other Funds	27,252	720	(19,508)	-	8,464
General Fund	(203,022)	2,494,698	(2,606,849)	(26,400)	(341,573)
	<u>76,442</u>	<u>2,748,506</u>	<u>(2,929,914)</u>	<u>-</u>	<u>(104,966)</u>

The Green Party
Notes to the Financial Statements
For the year ended 31 December 2021

18 Post employment benefits

Defined contribution scheme

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

	2021 £	2020 £
Current year contributions	<u>50,223</u>	<u>64,055</u>

19 Capital and other commitments

The Party did not have capital commitments at the year end (2019: Nil)

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

	2021 £	2020 £
On office space		
Payable within one year	-	14,167
Payable within two to five years	-	-
On equipment		
Payable within one year	816	898
Payable within five years	2,449	3,261
Over five years	<u>-</u>	<u>-</u>

20 Reportable donations

During the year the Central Party accepted and reported to the Electoral Commission the following amounts, which exceeded the PPERA Central Party reporting threshold of £7,500, as follows:

	2021 £	2020 £
Donations	214,809	172,000
Public Funds, including Short Money and JRS COVID grants (see Note 4)	177,239	192,731
	<u>392,048</u>	<u>364,731</u>

The total donation income for the year, was £1,132,352 (2020: £1,171,500).

In addition to the above Central Party amounts, £130,162 was reported on behalf of Local Party Accounting Units (2020: £86,293).