

**PLAID CYMRU**

**Report and Audited**

**Consolidated Financial Statements**

**For the year ended 31 December 2017**

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## **PLAID CYMRU**

### **Overview of Party & Political Activities for the year ended 31 December 2017**

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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.

##### **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 2017, there are 4 official National Sections as follows:

- Youth Section ("Plaid Ifanc")
- Women's Section ("Merched Plaid")
- Trade Union ("Undeb")
- Councillors' Association

## **PLAID CYMRU**

### **Overview of Party & Political Activities for the year ended 31 December 2017**

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#### **Accounting Units**

Plaid Cymru has 53 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.

#### **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 2017, Plaid Cymru representation at each is as follows-

- 10 Members of the National Assembly of Wales
- 4 Members of Parliament
- 1 Member of the European Parliament
- 203 Local Authority Councillors
- 2 Police and Crime Commissioners

#### **Plaid Cymru staff**

Plaid Cymru is served by 5 full-time staff and 3 part-time staff based at its headquarters in Cardiff. The Party's Chief Executive is appointed by and accountable to the National Executive Committee.

The Party's key financial officers and full-time staff as of December 2017 are:

#### **Officers**

- Chair – Alun Ffred Jones
- Treasurer – Professor Nigel Copner
- Director of Fundraising – Sioned Williams

#### **Staff**

- Chief Executive – Gareth Clubb
- Finance Officer – Illyd ap Dafydd
- Policy Co-ordinator – Emily Cole
- Administrative Manager - Gwennol Haf
- Data and Membership Officer - Shaughan Feakes
- Data and Membership Officer - Emyr Williams
- Deputy CEO and Head of Campaigns - Geraint Day
- Senior Communications Officer – Math Wiliam

**CHIEF EXECUTIVE'S REVIEW**

Plaid Cymru was well prepared for a set of national elections in 2017, but the June Westminster elections, hot on the heels of the council elections in May, caught pretty much everyone by surprise.

Our ability to rise to the challenge was never in doubt.

The local elections were among our best ever. Not only were we within three seats of our highest ever total (203 seats, as compared to 206 in 2008), but the breadth of our resurgence was invigorating. We broke new ground with our first ever councillors (two) in Powys, increased from one to three each in Wrexham and Bridgend, gained a councillor in Pembrokeshire and made significant advances in Neath Port Talbot, Denbighshire and Rhondda Cynon Taf. In Rhondda Cynon Taf we doubled our councillors, to 18, and we are three seats short of being the biggest group within the Neath constituency of Neath Port Talbot county. Across Britain, we were one of just two parties to increase our councillor numbers, and the enthusiasm to stand for election was refreshing, with more candidates than ever before standing for election (577).

Following hot on the heels of a gruelling set of local elections, we found ourselves fighting a snap Westminster election during which we increased our representation to our joint-highest tally of four MPs. Ben Lake's stunning victory in overturning a 3,000+ majority also brought Liberal Democrat Westminster representation in Wales to an end after 117 years. Hywel Williams fought off a strong Labour campaign in Arfon, while Jonathan Edwards and Liz Saville Roberts both increased their share of the vote. But let's not overlook the scale of this achievement. This was an election in which the big unionist parties got the highest combined vote share since 1970 (82.4%), in what ended up as a highly polarised "return to two-party politics". Our increased presence in Westminster pays dividends in terms of increasing our visibility and activity levels in Westminster. And given that this is a review in the financial report, there are significant benefits to Party finance from an additional MP. Not just from payments that we levy on all nationally elected members, but with the increased visibility, activity and credibility that an additional MP generates.

Our Annual Conference in Caernarfon was a huge success, with more members attending than at any previous conference. We now face the prospect of a few years without an election (although those are dangerous words to put in print!), with the Police and Crime Commissioners due for re-election in 2020 before the National Assembly election in 2021. That provides time for reflection and reinvigoration.

I'd like to thank everyone who makes this Party what it is. There are countless volunteers in communities across our country – and beyond – who work tirelessly in promoting our positive vision for Wales. Some of them sit, unremunerated, on Committees whose wise decisions guide our Party through challenging times. And those who, through their membership and donations, make our vital campaigning work possible. And to all the Party's staff in your various guises and outposts as far afield as Brussels, past and present, I salute you.

Ymlaen!



Gareth Clubb  
Executive

Date: 4 July 2018

**Treasurer's Report  
for the year ended 31 December 2017**

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Even though the last year has been challenging the financial position of the party remains healthy. This is in no small part due to the excellent team led by Gareth Clubb, the finance committee and the various fund raising opportunities. In particular we have received substantial donations during the General election in 2017 and through bequests at the end of last year.

However, challenges still persist if we are to set a competitive environment for the next elections. Work is well underway to address these challenges with the allocation of resources and funding to committees that will optimise this approach. We are also reviewing our structures and processes to ensure continuity of delivery/support and conformance to legal obligations. It is my wish to seek approval for these changes over the next year.

Overall we are very positive about the future of the party and through strong financial management we hope to see strong but sustainable growth of the party going forward.



Professor Nigel Copner  
National Treasurer

Date: 4 July 2018

**Statement of Treasurer's Responsibilities  
for the year ended 31 December 2017**

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The 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 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 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 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 Treasurer is responsible for delivery of the statement of accounts to The Electoral Commission by the required deadline.

The 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 Treasurer is not aware of any relevant information of which the auditor is unaware.

## **Opinion**

We have audited the financial statements of Plaid Cymru for the year ended 31 December 2017 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 2017 and of Plaid Cymru's Consolidated and Central Party's surplus 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 use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the registered Treasurer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Party's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

The Party Officers and 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.

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 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 registered treasurer**

As explained more fully in the Treasurer's responsibilities statement (set out on page 5) the Treasurer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as 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 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.

**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 in 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.

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

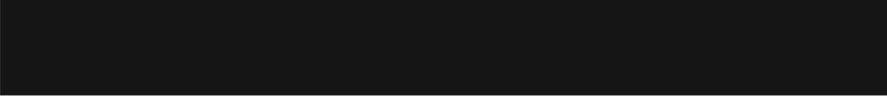
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- Conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Party's ability 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.



Carol Warburton (Senior Statutory Auditor)  
For and on behalf of Baldwins Audit Services Limited, Statutory Auditor



Date: 4 July 2018

**PLAID CYMRU****Consolidated Income and Expenditure Account  
for the year ended 31 December 2017**

	Note	2017 £	2016 £
<b>INCOME</b>	1		
Donation income	2	205,806	108,183
Membership and subscription fees		164,904	192,548
Income from fundraising activities	3	20,910	23,746
Income from commercial activities	4	10,731	8,565
Income from legacies		538,343	122,085
Investment income	5	6,494	7,115
Grant income	6	135,771	132,553
Income from conferences		72,978	70,100
Other income	8	105,588	104,197
<b>Total Income</b>		<b>1,261,525</b>	<b>769,092</b>
<b>EXPENDITURE</b>			
Costs of fundraising activities	9	9,688	10,908
Costs of commercial activities		18,908	15,857
Staff costs	10	336,086	296,440
Depreciation		13,247	10,746
Campaign expenditure	11	171,446	265,999
Interest and charges payable	13	11,749	11,897
Conference expenditure		46,025	56,253
Other expenditure	12	149,236	193,439
<b>Total Expenditure</b>		<b>756,385</b>	<b>861,539</b>
<b>Surplus/(Deficit) before taxation</b>		<b>505,140</b>	<b>(92,447)</b>
<b>Taxation</b>	14	<b>(179)</b>	<b>1,589</b>
<b>Net Surplus/(Deficit) for the Year</b>	19	<b>504,961</b>	<b>(90,858)</b>

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

The notes on pages 14 to 25 form part of these financial statements.

**PLAID CYMRU****Central Party Income and Expenditure Account  
for the year ended 31 December 2017**

	Note	2017 £	2016 £
<b>INCOME</b>	1		
Donation income	2	204,331	101,318
Membership and subscription fees		162,247	189,079
Income from fundraising activities	3	20,910	23,038
Income from commercial activities	4	10,731	8,565
Income from legacies		538,343	122,085
Investment income	5	6,494	7,115
Grant income	6	135,771	132,553
Income from conferences		72,978	70,100
Other income	8	101,980	85,470
<b>Total Income</b>		<b>1,253,785</b>	<b>739,323</b>
<b>EXPENDITURE</b>			
Costs of fundraising activities	9	9,017	10,908
Costs of commercial activities		18,908	15,857
Staff costs	10	336,086	296,440
Depreciation		13,247	10,746
Campaign expenditure	11	170,558	230,090
Interest and charges payable	13	11,749	11,867
Conference expenditure		46,025	56,253
Other expenditure	12	144,032	187,095
<b>Total Expenditure</b>		<b>749,622</b>	<b>819,256</b>
<b>Surplus/(Deficit) before taxation</b>		<b>504,163</b>	<b>(79,933)</b>
<b>Taxation</b>	14	<b>(179)</b>	<b>1,589</b>
<b>Net Surplus/(Deficit) for the year</b>	19	<b>503,984</b>	<b>(78,344)</b>

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

The notes on pages 14 to 25 form part of these financial statements.

**PLAID CYMRU**

**Consolidated Balance Sheet  
as at 31 December 2017**

	Note	2017 £	2016 £
<b>FIXED ASSETS</b>			
Tangible assets	15	524,991	347,519
<b>CURRENT ASSETS</b>			
Debtors	16	254,326	42,902
Cash at bank and in hand		218,122	119,755
		<u>472,448</u>	<u>162,657</u>
<b>CREDITORS</b>			
Amounts falling due within one year	17	<u>(58,266)</u>	<u>(75,964)</u>
<b>NET CURRENT ASSETS</b>			
		414,182	86,693
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>939,173</u>	<u>434,212</u>
<b>TOTAL ASSETS LESS TOTAL LIABILITIES, BEING NET ASSETS</b>			
		<u>939,173</u>	<u>434,212</u>
<b>RESERVES</b>			
General reserve	19	939,173	430,980
Policy development unit reserve	19	-	3,232
<b>ACCUMULATED RESERVES</b>			
	19	<u>939,173</u>	<u>434,212</u>

The financial statements were approved by the Party Officers on 4 July 2018 and signed on their behalf by:



Professor Nigel Copner  
Treasurer

The notes on pages 14 to 25 form part of these financial statements.

**PLAID CYMRU**

**Central Party Balance Sheet  
as at 31 December 2017**

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	Note	2017	2016
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	15	524,991	347,519
<b>CURRENT ASSETS</b>			
Debtors	16	254,326	42,902
Cash at bank and in hand		208,571	111,181
		<u>462,897</u>	<u>154,083</u>
<b>CREDITORS</b>			
Amounts falling due within one year	17	<u>(58,266)</u>	<u>(75,964)</u>
<b>NET CURRENT ASSETS</b>			
		404,631	78,119
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>929,622</u>	<u>425,638</u>
<b>TOTAL ASSETS LESS TOTAL LIABILITIES, BEING NET ASSETS</b>			
		<u>929,622</u>	<u>425,638</u>
<b>RESERVES</b>			
General reserve	19	929,622	422,406
Policy development unit reserve	19	-	3,232
		<u>-</u>	<u>3,232</u>
<b>ACCUMULATED RESERVES</b>			
	19	<u>929,622</u>	<u>425,638</u>

The financial statements were approved by the Party Officers on 4 July 2018 and signed on their behalf by:



Professor Nigel Copner  
Treasurer

The notes on pages 14 to 25 form part of these financial statements.

**PLAID CYMRU****Consolidated Statement of Cash Flows  
31 December 2017**

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	Note	2017 £	2016 £
<b>Cashflow from operating activities</b>	20	<b>99,265</b>	(52,288)
Income taxes paid	14	<u>(179)</u>	<u>-</u>
Net cash inflow (outflow) from operating activities		<b>99,086</b>	(52,288)
<b>Cashflow from investing activities</b>			
Purchase of tangible fixed assets	15	<u>(719)</u>	<u>(2,494)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>98,367</b>	(54,782)
<b>Cash and cash equivalents at the beginning of the year</b>		<u>119,755</u>	<u>174,537</u>
<b>Cash and cash equivalents at the end of the year</b>		<u><b>218,122</b></u>	<u>119,755</u>

The notes on pages 14 to 25 form part of these financial statements.

**i. 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 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**

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 from supporters of the Party. The nature of such income is that there is some unpredictability associated with it.

The Treasurer has reviewed the expenditure budgets and cash flow projections for the Party for the period to August 2019 and is satisfied that sufficient membership, fundraising income and funds from other sources will be available for the Party to meet its financial obligations and to achieve its organisational and political objectives. On this basis the Treasurer considers that it is appropriate to prepare the accounts 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 Cymru Youth (formerly Cymru X)
- 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 2017, the Party received returns from 4 of the 9 accounting units (2016: 9 out of 9). Omitted returns would not have a material impact on the consolidated Party Financial Statements, which consolidate the 4 out of 9 (2016: 9 out of 9) accounting units.

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

**1. ACCOUNTING POLICIES (continued)**

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 and trade discounts.

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:

- 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 year end 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 is 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. 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.

**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.

**I. ACCOUNTING POLICIES (continued)**

**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.

**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 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 investment properties. The 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.

**1. ACCOUNTING POLICIES (continued)**

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. When factors that could impair the value are identified appropriate adjustments are made in the Income and Expenditure Account.

**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. £141,832 were reported to the Electoral Commission during the year (2016: £111,085).

**3. INCOME FROM FUNDRAISING ACTIVITIES**

	<b>Consolidated</b>		<b>Central</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Local elections and campaigns	-	110	-	110
500 club	<b>11,832</b>	12,338	<b>11,832</b>	12,338
Presidents club	<b>2,125</b>	3,603	<b>2,125</b>	3,603
Other fundraising activities	<b>6,953</b>	7,695	<b>6,953</b>	6,987
	<b><u>20,910</u></b>	<u>23,746</u>	<b><u>20,910</u></b>	<u>23,038</u>

**4. INCOME FROM COMMERCIAL ACTIVITIES**

	<b>Consolidated &amp; Central</b>	
	2017	2016
	£	£
Merchandise and events	7,731	8,525
Summer school income	<u>3,000</u>	<u>40</u>
	<u><u>10,731</u></u>	<u><u>8,565</u></u>

**5. INVESTMENT INCOME**

	<b>Consolidated &amp; Central</b>	
	2017	2016
	£	£
Rental income (external tenants)	<u>6,494</u>	<u>7,115</u>

**6. GRANT INCOME**

	<b>Consolidated &amp; Central</b>	
	2017	2016
	£	£
Policy development unit	<u>135,771</u>	<u>132,553</u>

**7. SURPLUS/ (DEFICIT) BEFORE TAX**

The surplus/ (deficit) before tax is stated after charging:

	<b>Consolidated &amp; Central</b>	
	2017	2016
	£	£
Auditors' remuneration - audit services	5,500	5,500
Auditors' remuneration - non-audit services	750	4,122
Operating lease - equipment	4,338	5,435
Depreciation	<u>13,247</u>	<u>10,746</u>

## PLAID CYMRU

### Notes to the Financial Statements for the year ended 31 December 2017

#### 8. OTHER INCOME

	Consolidated		Central	
	2017	2016	2017	2016
	£	£	£	£
Commissions	630	146	630	146
External staff salary contributions	37,866	22,381	37,866	22,381
Sundry income	7,816	17,401	4,208	12,674
Constituency, branch and section registrations	59,276	64,269	59,276	50,269
	<u>105,588</u>	<u>104,197</u>	<u>101,980</u>	<u>85,470</u>

#### 9. COSTS OF FUNDRAISING ACTIVITIES

	Consolidated		Central	
	2017	2016	2017	2016
	£	£	£	£
Appeals and donations	2,959	5,954	2,288	5,954
500 club prizes	6,729	4,954	6,729	4,954
	<u>9,688</u>	<u>10,908</u>	<u>9,017</u>	<u>10,908</u>

#### 10. STAFF COSTS AND STAFF REMUNERATION

The average number of staff employed by the central party during the year was 7 (2016: 9).

The average number of staff employed by the regions and committees during the year was 5 (2016: 5).

Staff costs for the above persons comprise:

	Consolidated & Central	
	2017	2016
	£	£
Wages and salaries	288,937	251,654
Social security costs	22,421	23,349
Other pension costs	24,728	21,437
	<u>336,086</u>	<u>296,440</u>

No member of staff received remuneration in excess of £50,000 in either year ended 31 December 2017 or 31 December 2016.

## PLAID CYMRU

### Notes to the Financial Statements for the year ended 31 December 2017

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#### II. CAMPAIGN EXPENDITURE

	Consolidated		Central	
	2017	2016	2017	2016
	£	£	£	£
European and Westminster elections	162,113	26,897	161,225	26,897
Assembly elections	9,333	239,102	9,333	203,193
Research expenditure	-	-	-	-
	<u>171,446</u>	<u>265,999</u>	<u>170,558</u>	<u>230,090</u>

**12. OTHER EXPENDITURE**

	Consolidated		Central	
	2017	2016	2017	2016
	£	£	£	£
Travelling expenses	19,052	15,386	16,830	15,386
Rent, rates and utilities	14,501	17,546	14,501	17,546
Insurances	3,378	2,093	3,378	2,093
Postage, printing and stationery	24,987	30,306	24,586	30,228
Telephone, fax and e-mail	8,986	8,112	8,985	8,112
Computer and website expenses	-	5,271	-	5,271
Training	2,460	3,203	2,146	3,203
Equipment leasing and repair charges	25,671	26,917	25,671	26,917
Office cleaning	3,082	3,199	3,082	3,199
Policy development research and direct costs	15,078	52,723	15,078	52,723
Licences and subscriptions	3,716	3,190	3,716	3,190
Press expenditure	4,480	4,439	4,480	4,439
Sundries	8,104	11,402	6,961	5,166
Accountancy	750	4,122	750	4,122
Audit	5,500	5,500	5,500	5,500
Professional fees	3,481	30	2,358	-
Provision against doubtful debts	6,010	-	6,010	-
	<u>149,236</u>	<u>193,439</u>	<u>144,032</u>	<u>187,095</u>

**13. INTEREST AND CHARGES PAYABLE**

	Consolidated		Central	
	2017	2016	2017	2016
	£	£	£	£
Bank charges	11,749	11,897	11,749	11,867
Bank interest	-	-	-	-
	<u>11,749</u>	<u>11,897</u>	<u>11,749</u>	<u>11,867</u>

14. TAXATION

	Consolidated & Central	
	2017	2016
	£	£
Corporation tax – Total tax charge	<u>179</u>	<u>(1,589)</u>

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

In respect of investment properties, the fair value of these investment properties is not materially different to historical cost. Consequently, a significant tax liability is not expected to crystallise should the properties be sold and deferred tax has therefore not been provided.

15. TANGIBLE FIXED ASSETS – CONSOLIDATED AND CENTRAL PARTY

	Long leasehold property	Investment property	Fixtures and equipment	Total
	£	£	£	£
<b>COST OR VALUATION</b>				
At 1 January 2017	234,335	122,997	164,576	521,908
Additions	-	190,000	719	190,719
At 31 December 2017	<u>234,335</u>	<u>312,997</u>	<u>165,295</u>	<u>712,627</u>
<b>DEPRECIATION</b>				
At 1 January 2017	31,185	-	143,204	174,389
Charge for year	4,687	-	8,560	13,247
At 31 December 2017	<u>35,872</u>	<u>-</u>	<u>151,764</u>	<u>187,636</u>
<b>NET BOOK VALUE</b>				
At 31 December 2017	<u>198,463</u>	<u>312,997</u>	<u>13,531</u>	<u>524,991</u>
At 31 December 2016	<u>203,150</u>	<u>122,997</u>	<u>21,372</u>	<u>347,519</u>

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

The investment property at [REDACTED] was re-valued on 11 April 2011 by [REDACTED] an independent valuer, resulting in an increase in the valuation of £5,260. The increase was recognised in the financial statements for the year ended 31 December 2011. This property was valued by officers of the Party on 31 December 2017 and fair value at that date is not considered to be materially different to that shown in these financial statements.

The investment property at [REDACTED] was re-valued on 22 November 2013 by [REDACTED] an independent valuer, resulting in a reduction in the valuation of £8,386. This decrease was charged to the Consolidated Central Party Income and Expenditure accounting the year ended 31 December 2013 as the reduction in the valuation was considered to be permanent. This property was valued by officers of the Party on 31 December 2017 and the fair value at that date is not considered to be materially different to that shown in these financial statements.

The addition in investment properties relates to a house bequeathed to the Party prior to 31 December 2017, the legacy being recognised in-line with the relevant accounting policy. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties by a local estate agency in early 2018. Party officers believe that market value is the best indicator of fair value on recognition of the legacy.

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

	Consolidated & Central	
	2017	2016
	£	£
Trade debtors	16,498	16,108
Amounts owed by accounting units	-	9,749
Legacies	231,361	10,000
Other Debtors	4,091	6,445
Prepayments and VAT recoverable	2,376	600
	<b>254,326</b>	<b>42,902</b>

Included within debtors is £231,360 which is in relation to a cash legacy receivable bequeathed to the Party before the year end.

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

	Consolidated & Central	
	2017	2016
	£	£
Trade creditors	32,341	19,956
Other creditors	1,201	2,239
Taxation and social security	11,112	5,985
Accruals and deferred income	13,612	47,784
	<b>58,266</b>	<b>75,964</b>

**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**

	General reserve	Policy development unit reserve	Total
	£	£	£
At 1 January 2016	521,838	3,232	525,070
(Deficit) for the year	<u>(90,858)</u>	<u>-</u>	<u>(90,858)</u>
At 1 January 2017	430,980	3,232	434,212
Surplus for the year	504,961	-	504,961
Transfer	<u>3,232</u>	<u>(3,232)</u>	<u>-</u>
At 31 December 2017	<u><u>939,173</u></u>	<u><u>-</u></u>	<u><u>939,173</u></u>

**RECONCILIATION OF RESERVES - CENTRAL PARTY**

At 1 January 2016	500,750	3,232	503,982
(Deficit) for the year	<u>(78,344)</u>	<u>-</u>	<u>(78,344)</u>
At 1 January 2017	422,406	3,232	425,638
Surplus for the year	503,984	-	503,984
Transfer	<u>3,232</u>	<u>(3,232)</u>	<u>-</u>
At 31 December 2017	<u><u>929,622</u></u>	<u><u>-</u></u>	<u><u>929,622</u></u>

Consolidated and Central Party Reserves includes £190,000 in relation to a legacy received in the form of Investment Property (note 15). This amount has been designated separately within reserves. The remaining 'free' Consolidated reserves of £749,173 and Party reserves of £739,622 are available for general Party use.

**20. NET CASH INFLOW/(OUTFLOW) FROM PARTY ACTIVITIES**

	<b>Consolidated &amp; Central</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Surplus/(Deficit) before taxation	<b>505,140</b>	(92,447)
(Increase)/Decrease in debtors	<b>(211,424)</b>	23,912
(Decrease)/Increase in creditors	<b>(17,698)</b>	5,501
Depreciation	<b>13,247</b>	10,746
Legacy donation of property (note 15)	<b>(190,000)</b>	-
<b>Net cash inflow/(outflow) from party activities</b>	<b><u>99,265</u></b>	<b><u>(52,288)</u></b>

**21. LEASING COMMITMENTS**

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Between one and five years	<b><u>4,288</u></b>	<b><u>8,576</u></b>

**22. RELATED PARTY TRANSACTIONS**

During the year Alun Ffred Jones, the Chair of the party made a donation of £20,000. There were no other related party transactions during the year (2016: £Nil).

**23. 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, the Party had two open legacy cases which had not met all of the above conditions.

**24. PROVISIONS AND CONTINGENCIES**

Following an Electoral Commission routine audit held on 9 May 2018 it has been identified that there has been an administrative error relating to the quarterly reporting. The error represents an omission of detail in respect of expenditure reported to the Electoral Commission against the development grant and short monies since June 2015.

The Party has now corrected the position but a regulatory fine will be levied for the administrative error – the amount of the penalty has not yet been quantified by the Electoral Commission and consequently no provision has been made in these financial statements for the penalty as the Party officers are unable to make a reliable estimate of the quantum.