

PLAID CYMRU

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Overview of Party & Political Activities for the year ended 31 December 2020

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 £60 a year, £24 for those who are unwaged. 30% 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 30% 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.

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Overview of Party & Political Activities for the year ended 31 December 2020

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 2020 there are 4 official National Sections as follows:

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

Accounting Units

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

National Council

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

National Executive Committee

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

Leaders Team

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

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Overview of Party & Political Activities for the year ended 31 December 2020

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 2020, Plaid Cymru representation at each is as follows: -

- 10 Members of the National Assembly of Wales
- 4 Members of Parliament up to June 2020.3 thereafter following the suspension of Jonathan Edwards.
- 1 Member of the House of Lords (Unelected)
- 1 Member of the European Parliament (until 31st January 2020. None following Brexit)
- 209 Local Authority Councillors
- 2 Police and Crime Commissioners

Plaid Cymru staff

Plaid Cymru is currently served by 15 full-time staff and 6 part-time staff based principally at its headquarters in Cardiff. The Party's Chief Executive is appointed by and accountable to the National Executive Committee.

The Party's officers and full-time staff during 2020 were:

Officers

- Chair – Alun Ffred Jones
- National Treasurer – Mari Arthur (from January 2021) / Marc Phillip (until December 2020)
- [REDACTED]

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Report of the Party Officers for the year ended 31 December 2020

CHIEF EXECUTIVE'S REVIEW

From the outset, 2020 was going to be a year of considerable challenge. A new Conservative Government in Westminster, with the majority to do their worst. The implementation of Brexit, with totally cavalier implications for the interest of Wales or the Welsh economy. And the Westminster Government's campaign to undermine the powers of our Senedd has continued unabated ever since.

The far reaching implications of these developments will be felt for a very long time to come. But in terms of immediate impact, the Covid-19 pandemic introduced changes in everyone's lives that no-one foresaw. I wish to commend Plaid Cymru staff for the utterly professional way in which they have adapted to using Tŷ Gwynfor in a very restricted manner, and/or working from home. The wider party too has adjusted remarkably to the holding of National Executive and National Council meetings via Zoom, as have constituency and branch committees. While this method of convening has some plus sides, in the long term it is no substitute for the direct person to person interaction that is such a fundamental feature of Plaid Cymru's political engagement.

In spite of the great ingenuity shown in staging virtual spring and annual conferences, our inability to hold traditional conferences during 2020 was undoubtedly inhibiting. And the negative impact on our ambitious fundraising strategy was significant.

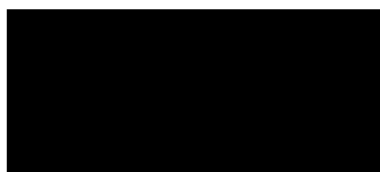
In spite of this we continued to prepare with vigour for the challenge of the 2021 Senedd Election. This was the central focus of all our activity, and although the eventual results were below our initial expectations, we begin the summer of 2021 with an invigorated team of Senedd members with a healthy mix of youth and experience.

As we welcome these new members, we acknowledge an enormous debt of gratitude to those who have now left the Senedd and to Arfon Jones as he stands down from the role of North Wales Police & Crime Commissioner.

Staff turnover is always a feature of political parties, and I won't list here all the comings and goings. At the end of 2020 our Chief Executive, Gareth Clubb, took the decision to move into a role in Local Government and we wish him well and thank him for his great contribution to the party over the years. With a major election so close it would have been too much of a distraction to advertise for a permanent replacement, so I was asked to fill the role on a temporary basis, with Mari Arthur taking on my previous duties as Treasurer. I am grateful to her and to the staff team who have supported my short tenure in this formidable hot seat.

Post-Election Plaid Cymru needs to focus on building the party, and I am very excited by the momentum that is developing around this period of growth and preparation for the next electoral challenge – the local elections in 2022.

Marc Phillips
Chief Executive
Date: 28/06/2021



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National Treasurer's Report for the year ended 31 December 2020

2020 was a year in which we anticipated – and planned for – a year-end deficit, reflecting the party's will to invest previously accumulated surpluses in preparing the party for the 2021 Senedd Elections.

This was reflected in significantly increased expenditure on staff – not only in Tŷ Gwynfor, but around the country in key constituencies – and on campaigning costs, opinion research and policy development. We had also budgeted for increases in income through various streams, but regrettably the impact of Covid-19 proved damaging to a number of our plans.

The result of this was that we carried through into 2021 and the election period, a deficit larger than we had anticipated and larger than was comfortable. A great deal of work was undertaken to adjust and trim expenditure plans without damaging the election campaign.

National Conference in the autumn of 2019 approved an increase in the membership fee structure which took effect in January 2020 – leading to a very welcome increase in party income from this source of 48%. But this did not reflect an increase in membership numbers which, overall, remained largely static.

The key to building a much more robust financial model must surely lie in significantly increasing party membership, and it is to be hoped that attention will turn to this with renewed vigour in all parts of the country as lockdown restrictions begin to ease.

Having begun 2020 with competent, but temporary part-time finance staff in place, the appointment of Paula Reed as full-time Head of Finance & Compliance, has brought renewed stability and control to these aspects of our work. We also began a new period with the appointment of Llŷr James as the party's auditors, and we are indebted to them for their guidance.

At the end of 2020 the Treasurership of the party transferred from Marc Phillips to Mari Arthur on a temporary basis. This will revert back once a new CEO is in place.

We remain enormously grateful to all those who have supported us financially during the year through their membership, their donations, their fundraising and their legacies. It is because of contributions of this kind that the party is able to function.

In the meantime, I commend these accounts to you as a true record of the party's financial activity during 2020.



Mari Arthur
National Treasurer
Date: 28/06/2021

PLAID CYMRU

Statement of National Treasurer's Responsibilities for the year ended 31 December 2020

The National Treasurer of the Party is required by the Political Parties, Elections and Referendums Act 2000 to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the party and of its surplus or deficit for that period. In preparing those financial statements, the National Treasurer is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the party will continue in business.

Section 41 of the Act requires that the National Treasurer is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the party and to enable them to ensure that the financial statements comply with the Act. The National Treasurer is also responsible for safeguarding the assets of the party and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Section 43 of the Act requires that the National Treasurer is responsible for delivery of the statement of accounts to The Electoral Commission by the required deadline.

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

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Independent auditor's report to the members of Plaid Cymru

Opinion

We have audited the financial statements of Plaid Cymru for the year ended 31 December 2020 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 2020 and of Plaid Cymru's Consolidated and Central Party's deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Political Parties, Elections and Referendums Act 2000 and other direction issued by the Electoral Commission thereunder.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the National Treasurer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the National Treasurer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Party's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The National Treasurer is responsible for the other information. The other information comprises the information included in the Overview of Party and Political Activities, Chief Executive's Review and National Treasurer's 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.

PLAID CYMRU

Independent auditor's report to the members of Plaid Cymru

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

We have nothing to report in this regard.

Opinions on other matters

In our opinion, the information given in the Overview of the Party and Political Activities, Chief Executive's Review and National Treasurer's Report 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 the Party and Political Activities, Chief Executive's Review and National Treasurer's Report.

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

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

Responsibilities of the National Treasurer

As explained more fully in the National Treasurer's responsibilities statement (set out on page 6) the National Treasurer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as is determined necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the National Treasurer is responsible for assessing the party's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

PLAID CYMRU

Independent auditor's report to the members of Plaid Cymru

Auditor's responsibilities for the audit of the financial statements

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

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Party, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Electoral Commission and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Political Parties, Elections and Referendums Act 2000. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed included:

- Discussions with management and officers, including consideration of known instances of non-compliance with laws and regulation;
- Reviewing quarterly returns submitted to the Electoral Commission in relation to compliance with laws and regulations;
- Reviewing relevant meeting minutes of the Finance and Audit Risk and Compliance committees.
- Selecting a sample of transactions and tracing to documentation to establish that they are bona fide business transactions; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the party's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made in the financial statements.
- Conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Party's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the party to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our Report

This report is made solely to the Party Members as a body, in accordance with the requirements of the Political Parties Elections and Referendums Act 2000 and other direction issued by the Electoral Commission. Our audit work has been undertaken so that we might state to the party's members these matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Party and the Party's Members as a body, for our audit work, for this report, or for the opinions we have formed.



Date: 28th June 2021

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Consolidated Income and Expenditure Account
for the year ended 31 December 2020

	Note	2020 £	2019 £
INCOME			
Donation income	2	89,960	258,711
Membership and subscription fees		447,315	231,578
Income from fundraising activities	3	57,118	17,267
Income from commercial activities	4	981	3,289
Income from legacies		-	8,500
Investment income	5	7,664	7,773
Grant income	6	166,848	175,101
Income from conferences		7,395	70,281
Constituency transactions	8	128,186	116,326
Total Income		905,467	888,826
EXPENDITURE			
Costs of fundraising activities	9	9,273	24,694
Costs of commercial activities		11,514	22,433
Staff costs	10	712,075	438,160
Campaign expenditure	11	181,408	249,802
Other expenditure	12	217,601	236,680
Interest and charges payable	13	6,050	11,559
Conference expenditure		28,430	52,066
Depreciation	7	14,653	12,346
Impairment losses	7	15,000	-
Profit on disposal of fixed assets		-	(24,248)
Total Expenditure		1,196,004	1,023,492
Deficit before taxation	7	(290,537)	(134,666)
Taxation	14	(305)	-
Net Deficit for the Year		(290,842)	(134,666)

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

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

PLAID CYMRU

**Central Party Income and Expenditure Account
for the year ended 31 December 2020**

	Note	2020 £	2019 £
INCOME			
Donation income	2	88,945	255,548
Membership and subscription fees		441,410	224,331
Income from fundraising activities	3	57,118	17,267
Income from commercial activities	4	981	3,289
Income from legacies		-	8,500
Investment income	5	7,664	7,773
Grant Income	6	166,848	175,101
Income from conferences		7,395	70,281
Constituency transactions	8	126,193	113,752
Total Income		896,554	875,842
EXPENDITURE			
Costs of fundraising activities	9	9,273	24,694
Costs of commercial activities		11,514	22,433
Staff costs	10	712,075	438,160
Campaign expenditure	11	181,408	249,802
Other expenditure	12	213,425	227,851
Interest and charges payable	13	6,050	11,559
Conference expenditure		28,343	50,830
Depreciation	7	14,653	12,346
Impairment losses	7	15,000	-
Profit on disposal of fixed assets		-	(24,248)
Total Expenditure		1,191,741	1,013,427
Deficit before taxation	7	(295,187)	(137,585)
Taxation	14	(305)	-
Deficit for the year		(295,492)	(137,585)

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

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

PLAID CYMRU**Consolidated Balance Sheet
as at 31 December 2020**

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	15	265,871	267,415
CURRENT ASSETS			
Debtors	16	44,674	51,238
Cash at bank and in hand		<u>277,644</u>	<u>596,473</u>
		322,318	647,711
CREDITORS			
Amounts falling due within one year	17	(113,172)	(149,267)
NET CURRENT ASSETS		209,146	498,444
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>475,017</u>	<u>765,859</u>
TOTAL NET ASSETS		<u><u>475,017</u></u>	<u><u>765,859</u></u>
RESERVES			
General reserve	19	475,017	765,859
Policy development unit reserve	19	<u>-</u>	<u>-</u>
ACCUMULATED RESERVES	19	<u><u>475,017</u></u>	<u><u>765,859</u></u>

The financial statements were approved by the Party Officers on 28th June 2021 and signed on their behalf by:



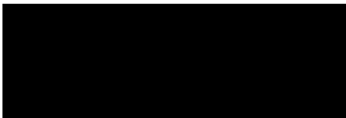
Mari Arthur
National Treasurer

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

PLAID CYMRU**Central Party Balance Sheet
as at 31 December 2020**

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	15	265,871	267,415
CURRENT ASSETS			
Debtors	16	44,674	51,238
Cash at bank and in hand		<u>260,968</u>	<u>584,447</u>
		305,642	635,685
CREDITORS			
Amounts falling due within one year	17	<u>(113,172)</u>	<u>(149,267)</u>
NET CURRENT ASSETS		192,470	486,418
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>458,341</u>	<u>753,833</u>
TOTAL NET ASSETS		<u>458,341</u>	<u>753,833</u>
RESERVES			
General reserve	19	458,341	753,833
Policy development unit reserve	19	<u>-</u>	<u>-</u>
ACCUMULATED RESERVES	19	<u>458,341</u>	<u>753,833</u>

The financial statements were approved by the Party Officers on 28th June 2021 and signed on their behalf by:


Mari Arthur
National Treasurer

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

PLAID CYMRU

Consolidated Statement of Cash Flows
31 December 2020

	Note	2020 £	2019 £
Cashflow from operating activities	20	(290,720)	(134,148)
Net cash inflow from operating activities		(290,720)	(134,148)
Cashflow from investing activities			
Purchase of tangible fixed assets	15	(28,109)	(11,025)
Proceeds of fixed asset disposals	15	-	232,000
Net (decrease) / increase in cash and cash equivalents		(318,829)	86,827
Cash and cash equivalents at the beginning of the year		596,473	509,646
Cash and cash equivalents at the end of the year		<u>277,644</u>	<u>596,473</u>

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

1. ACCOUNTING POLICIES

General information and basis of preparation

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

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102, The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102). The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements are in accordance with the guidance issued by the Electoral Commission. The disclosure requirement of Section 1A of FRS102 have been applied other than where additional disclosure is required by the guidance issued by the Electoral Commission or is required to show a true and fair view.

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

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

Going concern

For the financial year under review the Party has returned a consolidated deficit of £290,842. At the year end the party had consolidated cash reserves of £277,644.

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

The National Treasurer has prepared Income & Expenditure budgets and cash flow projections for the Party for the year to December 2021 and is satisfied that the party has sufficient membership, fundraising income, reserves, grants and trading income to enable the Party to meet its financial obligations as they fall due and to achieve its organisational and political objectives.

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

1. ACCOUNTING POLICIES (continued)

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

Basis of consolidation

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

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

In respect of the year ended 31 December 2020, the Party received returns from all active accounting units. The 5 regions were inactive during the year due to the election cycle.

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

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

Income recognition

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

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

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

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

1. ACCOUNTING POLICIES (continued)

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

Investment property

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

Tangible fixed assets

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

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

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

1. ACCOUNTING POLICIES (continued)

Leased assets

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

Pension costs

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

Taxation

The Party is treated as an unincorporated association for tax purposes and is therefore liable to corporation tax on its investment income. It also bears tax on any investment transactions that give rise to capital gains. Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. No deferred tax is recognised as any investment income is taxed on the same basis as it is recognised in the income and expenditure account.

Deferred Tax

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

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

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

Value Added Tax

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

Provisions

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

Financial Instruments

Basic financial instruments consist of cash and cash equivalents and basic debt instruments. Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income and expenditure account.

Judgements and key sources of estimation uncertainty

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

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

2. DONATION INCOME

Consolidated and Central

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

3. INCOME FROM FUNDRAISING ACTIVITIES

	Consolidated & Central	
	2020	2019
	£	£
500 club	13,377	11,424
Presidents club	-	-
Other fundraising activities	43,741	5,843
	<u>57,118</u>	<u>17,267</u>

Notes to the Financial Statements
for the year ended 31 December 2020

4. INCOME FROM COMMERCIAL ACTIVITIES

	Consolidated & Central	
	2020	2019
	£	£
Merchandise and events	981	3,289
	<u>981</u>	<u>3,289</u>

5. INVESTMENT INCOME

	Consolidated & Central	
	2020	2019
	£	£
Interest Received	663	287
Rental income	7,001	7,486
	<u>7,664</u>	<u>7,773</u>

6. GRANT INCOME

	Consolidated & Central	
	2020	2019
	£	£
Policy Development Grant	156,848	175,101
Cardiff County Council Grant	<u>10,000</u>	<u>-</u>
	<u>166,848</u>	<u>175,101</u>

7. DEFICIT BEFORE TAX

The Deficit before tax is stated after charging:

	Consolidated & Central	
	2020	2019
	£	£
Auditors' remuneration – audit services	7,800	7,800
Auditors' remuneration – non-audit services	1,950	-
Operating lease – equipment	-	-
Depreciation	14,653	12,346
Impairment loss – Investment property	<u>15,000</u>	<u>-</u>

Notes to the Financial Statements
for the year ended 31 December 2020

8. CONSTITUENCY TRANSACTIONS

	Consolidated		Central	
	2020	2019	2020	2019
	£	£	£	£
Commissions	184	340	184	340
External staff salary contributions	48,489	36,743	48,489	36,743
Sundry income	1,993	3,334	-	760
Constituency, branch and section registrations	<u>77,520</u>	<u>75,909</u>	<u>77,520</u>	<u>75,909</u>
	<u>128,186</u>	<u>116,326</u>	<u>126,193</u>	<u>113,752</u>

9. COSTS OF FUNDRAISING ACTIVITIES

	Consolidated & Central	
	2020	2019
	£	£
Appeals and donations	2,786	18,394
500 club prizes	<u>6,487</u>	<u>6,300</u>
	<u>9,273</u>	<u>24,694</u>

PLAID CYMRU

Notes to the Financial Statements for the year ended 31 December 2020

10. STAFF COSTS AND STAFF REMUNERATION

The average number of staff employed by the central party during the year was 16 (2019:12). The average number of staff employed by the regions and committees during the year was 5 (2019: 5).

Staff costs for the above persons comprise:

	Consolidated & Central	
	2020	2019
	£	£
Wages and salaries	609,544	375,107
Social security costs	47,359	27,657
Other pension costs	55,172	35,396
	<u>712,075</u>	<u>438,160</u>

Average salary per employee: £44,505 £36,513

2 members of staff received remuneration in excess of £50,000 during the year (none in 2019).

11. CAMPAIGN EXPENDITURE

	Consolidated & Central	
	2020	2019
	£	£
European and Westminster elections	-	238,355
By Elections	-	11,447
Senedd Election	<u>181,408</u>	<u>-</u>
	<u>181,408</u>	<u>249,802</u>

PLAID CYMRU

**Notes to the Financial Statements
for the year ended 31 December 2020**

12. OTHER EXPENDITURE

	Consolidated		Central	
	2020	2019	2020	2019
	£	£	£	£
Travelling expenses	2,078	16,382	2,078	16,382
Rent, rates and utilities	13,609	13,616	13,609	13,616
Insurances	3,768	2,776	3,768	2,776
Postage, printing and stationery	8,167	9,452	8,167	9,452
Telephone, fax and e-mail	17,844	8,636	17,844	8,636
Training	4,257	1,993	4,257	1,993
Equipment leasing and repair charges	46,049	28,572	46,049	28,572
Office cleaning	1,088	3,009	1,088	3,009
Policy development research and direct costs	48,826	34,175	48,826	34,175
Licences and subscriptions	5,457	5,461	5,457	5,461
National Executive Meetings	2,341	3,425	2,341	3,425
Sundries	12,954	50,437	8,778	41,608
Accountancy	230	10,250	230	10,250
Audit	13,608	7,800	13,608	7,800
Professional fees	13,097	14,886	13,097	14,886
Provision against doubtful debts	-	7,972	-	7,972
Irrecoverable VAT	24,228	17,838	24,228	17,838
	<u>217,601</u>	<u>236,680</u>	<u>213,425</u>	<u>227,851</u>

PLAID CYMRU

Notes to the Financial Statements
for the year ended 31 December 2020

13. INTEREST AND CHARGES PAYABLE

	Consolidated & Central	
	2020	2019
	£	£
Bank charges	6,050	11,553
Bank interest	-	6
	<u>6,050</u>	<u>11,559</u>

PLAID CYMRU

Notes to the Financial Statements
for the year ended 31 December 2020

14. TAXATION

	Consolidated & Central	
	2020	2019
	£	£
Corporation tax – Total tax charge	<u>305</u>	<u>-</u>

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

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

15. TANGIBLE FIXED ASSETS – CONSOLIDATED AND CENTRAL PARTY

	Long leasehold property £	Investment property £	Fixtures and equipment £	Total £
COST OR VALUATION				
At 1 January 2020	234,335	65,024	176,683	476,042
Additions	-	-	28,109	28,109
Impairment	-	(15,000)	-	(15,000)
At 31 December 2020	<u>234,335</u>	<u>50,024</u>	<u>204,792</u>	<u>489,151</u>
DEPRECIATION				
At 1 January 2019	45,242	-	163,385	208,627
Charge for year	4,687	-	9,966	14,653
At 31 December 2020	<u>49,929</u>	<u>-</u>	<u>173,351</u>	<u>223,280</u>
NET BOOK VALUE				
At 31 December 2020	<u>184,406</u>	<u>50,024</u>	<u>31,441</u>	<u>265,871</u>
At 31 December 2019	<u>189,093</u>	<u>65,024</u>	<u>13,298</u>	<u>267,415</u>

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

The investment property at 1 Griffiths Buildings, Newbridge was re-valued on 6th July 2019 by Robert Holder, an independent valuer. An impairment adjustment of £15,000 was made to the investment property during the year.

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated & Central	
	2020	2019
	£	£
Trade debtors	31,771	15,407
Amounts owed by accounting units	-	-
Legacies	-	1,000
Other Debtors	-	647
Prepayments and VAT recoverable	12,903	34,184
	<u>44,674</u>	<u>51,238</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated & Central	
	2020	2019
	£	£
Trade creditors	7,859	66,316
Other creditors	-	11,051
Taxation and social security	305	10,272
Accruals and deferred income	<u>105,008</u>	<u>61,628</u>
	<u><u>113,172</u></u>	<u><u>149,267</u></u>

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.

PLAID CYMRU

**Notes to the Financial Statements
for the year ended 31 December 2020**

19. RECONCILIATION OF RESERVES – CONSOLIDATED

	General reserve	Policy development unit reserve	Total
	£	£	£
At 1 January 2019	900,525	-	900,525
Deficit for the year	<u>(134,666)</u>	<u>-</u>	<u>(134,666)</u>
At 1 January 2020	765,859	-	765,859
Deficit for the year	<u>(290,842)</u>	<u>-</u>	<u>(290,842)</u>
Transfer	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2020	<u><u>475,017</u></u>	<u><u>-</u></u>	<u><u>475,017</u></u>

RECONCILIATION OF RESERVES - CENTRAL PARTY

At 1 January 2019	891,418	-	891,418
Deficit for the year	<u>(137,585)</u>	<u>-</u>	<u>(137,585)</u>
At 1 January 2020	753,833	-	753,833
Deficit for the year	<u>(295,492)</u>	<u>-</u>	<u>(295,492)</u>
Transfer	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2020	<u><u>458,341</u></u>	<u><u>-</u></u>	<u><u>458,341</u></u>

The Consolidated reserves of £475,017 and Party reserves of £458,341 are available for general Party use.

20. NET CASH INFLOW FROM PARTY ACTIVITIES

	Consolidated	
	2020	2019
	£	£
Deficit for the year	(290,537)	(134,666)
Corporation tax charge	(305)	-
Decrease / (Increase) in debtors	6,564	(26,225)
(Decrease) / Increase in creditors	(36,095)	38,645
Depreciation & impairment	29,653	12,346
Profit on disposal of fixed assets	-	(24,248)
Net cash inflow from party activities	<u>(290,720)</u>	<u>(134,148)</u>

21. LEASING COMMITMENTS

There were no operating lease commitments at the year-end (2019: none).

22. CAPITAL COMMITMENTS

There were no capital commitments at the year-end (2019: none).

23. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

24. LEGACIES

The party accounts for legacies as receivable when conditions for entitlement have been met, the amount is quantifiable, and receipt of the income is probable. At the year end, there were no legacies fulfilling the above criteria (2019: £1,000).

25. PROVISIONS AND CONTINGENCIES

Two issues have come to light regarding administrative errors in reporting to the Electoral Commission during 2020. The errors have now been rectified. With an ongoing investigation, it is possible that any or some of these alleged offences might result in penalties, but it is not possible to quantify this at this stage. No provision has been made in these financial statements for any penalties as the Party officers are unable to make a reliable estimate of the quantum and there is uncertainty over penalties being issued.