



Review 2021/22

Administrative Information

Organisational structures

Review of political activities

Corporate Governance

Financial Review

Annual Accounts 2021

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Party Officers

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

Leader	Nicola Sturgeon
Nominating Officer	Peter Murrell
Treasurer	Colin Beattie
Campaigns Officer	Peter Murrell

Party Headquarters

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

Auditors

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

1. Administrative Information

About the SNP

The Scottish National Party, committed to restoring Scottish independence, was founded in 1934. Gaining its first parliamentary seat in 1945, the SNP has been the driving force for constitutional change in Scotland for 88 years.

The aims of the Party are:

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

The SNP leads the Scottish Government, with 64 of 129 seats in the Scottish Parliament.

The SNP hold most Scottish seats in the UK Parliament (45 of 59) – making our party the third largest party in the House of Commons.

And the SNP is the largest party in Scottish local government, winning 453 seats in the May 2022 council elections.

The Party is primarily funded from voluntary contributions, with the active support of a network of over 100,000 members and supported by many others. The Party is hugely dependent on the activities of the members in nearly 300 local organisations.

2. Organisational Structures

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

COMMUNITY ORGANISATIONS

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

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

Branches and Constituency Branches

Branches form the organisational building block of the Scottish National Party. Each branch has office bearers who are elected at the Annual General Meeting. Branches are entitled to 25 per cent of membership subscriptions raised through members of their branches. This sum is known as the “branch dividend”.

Branches are entitled to send delegates to National Conferences, Westminster Campaign Committees and Council Campaign Committees. The number of delegates is dependent on the number of members in the Branch.

Constituency Associations

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

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

CAMPAIGN ORGANISATIONS

Regional Steering Committees

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

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

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

Westminster Campaign Committees

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

Council Campaign Committees

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

NATIONAL GOVERNANCE

National Office Bearers

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

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

National Office Bearers elected by delegates at National Conference include:

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

National Executive Committee

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

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

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

NEC Committees

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

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

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

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

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

AFFILIATED ORGANISATIONS

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

The affiliated organisations are as follows:

BAME Members Network

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

Disabled Members Group

A group to represent disabled members throughout the SNP.

Federation of Student Nationalists (FSN)

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

Out for Independence

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

Scots Asians for Independence*

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

The Trade Union Group

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

Young Scots for Independence

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

NATIONAL POLICY STRUCTURES**National Assembly**

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

Policy Development Committee

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

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

Conferences Committee

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

National Conference

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

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

OTHER ELECTED COMMITTEES

Member Conduct Committee

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

Conduct Appeals Committee

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

ELECTED MEMBERS

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

As at 31 May 2022, the SNP had: -

453	Members of Scottish Local Authorities
64	Members of the Scottish Parliament
45	Members of the House of Commons

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

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

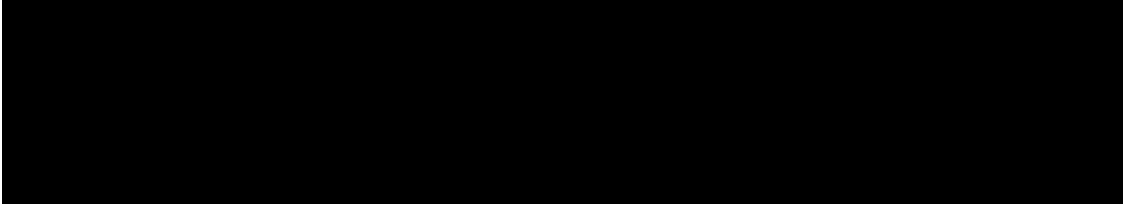
Councillors who are SNP members meet as SNP Groups for each of the local authorities in Scotland where the SNP is represented.

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

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

STAFF

The 27 employees are a vital ingredient in the mix of SNP people – they support our members, volunteers and supporters. Last year this group of talented professionals worked across a range of disciplines including campaigns, training, fundraising, events, social media, finance, legal, media, IT facilities, research and human resources.



As at 31 May 2022, the annual salary of our Chief Executive is £79,750.

3. Review of Political Activities

May 2021

The SNP secures a historic and extraordinary fourth consecutive victory in the Scottish elections. The Party finished on 64 seats - one short of a majority but one more than it won in 2016. Anum Qaisar becomes the first SNP MP to defend a Westminster by-election.

August 2021

The SNP and Scottish Greens enter a power-sharing agreement on a shared policy programme. The Bute House Agreement focuses on areas of mutual interest to improve the way Scotland is governed and create a stable platform to meet the challenges Scotland faces. It details collaboration on the climate emergency, economic recovery, child poverty, the natural environment, energy and the constitution.

Delivering the programme for government

Key achievements include announcing the world's biggest programme of commercial floating offshore wind development, with a potential generating capacity of nearly 25GW; a National Strategy for Economic Transformation – detailing how we can transform our economy to boost entrepreneurship, wages and job creation; a new Tackling Child Poverty Delivery Plan aims to reduce child poverty in Scotland to the lowest level in 30 years. As the cost of living crisis bites, we have already doubled the weekly Scottish Child Payment to £20 per week per eligible child, benefitting around 105,000 children under 6, and we will further increase the payment to £25 by the end of 2022; bold steps to address climate change and meet the net zero challenge – including helping to host the world's largest climate conference, COP26; a new approach to Scotland's justice system – making it fairer for all and with a new approach to tackling the scourge of misogyny; post-pandemic recovery plans for our health, education and justice systems; and a major milestone in childcare expansion - now providing 1,140 hours per week free to all 3 and 4 year olds and increasing numbers of 2-year-olds

May 2022

The SNP wins the Scottish council elections, with 34.1 per cent of the votes cast. This was up 1.8 percentage points on the last council contest in 2017, and the 11th Scotland-wide election in a row where the SNP has come out on top. The party made the most gains and won the most seats, getting 453 councillors elected to council chambers across the country.

June 2022

The first SNP president of the body representing Scotland’s local authorities is elected. Shona Morrison, the co-leader of Moray council, has been voted in as the head of Cosla, which represents the interests of councils across Scotland. It is the first time one of the party’s councillors has held the top spot. The party now dominates the body's key spokesperson jobs, controlling four out of seven roles.

4. Financial Review

Income overview

Like every organisation today, we face challenges and uncertainty in the face of rising inflation and the cost of living crisis. Even with the worst of the COVID-19 pandemic now hopefully behind us, our members and donors will not be immune to the prolonged period of uncertainty ahead. While the evolving nature of the situation means it is not possible to accurately quantify the financial impact this may have, the Party is confident in its ability to manage this risk.

85 per cent of total income in 2021 came from the voluntary contributions of members and supporters. Turnover was generated from six income streams: -

Membership	56%
Fundraising	26%
Parliamentary Levy	7%
Policy Development Grant	4%
Events	4%
Legacies	3%

Events since March 2020 have thrown into stark relief just how critical regular giving income is for the Party, the fact that it can provide an essential fundraising cushion and give time and space to review, adjust and react in a crisis.

Moving forward, the Party is giving renewed focus on this area to ensure regular giving is nurtured and protected.

Membership

Overall membership payments increased in 2021, up 3 per cent and providing over £86,754 in extra membership income on the prior year. Since March 2020, the Party pre-empted cancellations by offering membership payment options such as skip, holiday or reduced giving. Despite the increase in income, the overall number of members at year end was 103,884 (31 December 2020: 105,393).

Public concern about the economy and job security has impacted on membership income in the first half of 2022, with the soaring costs of living being given as the reason for cancelling or lowering their membership payments.

Referendum Appeal

By 31 December 2021, a total of £740,822 had been raised through the independence related appeals. These donations are also included in – and have been reconciled with – the total amount for donations included in Party accounts from 2017 to 2021. Up until 31 December 2021 a total of £253,335 of expenditure had been applied against this income. The balance remains “earmarked” for independence related campaigning.

Of course, the SNP is the party of independence and, as such, every action we take – directly or indirectly – is in support of winning independence. However, we continue to take a very strict approach to ensuring that this income supports expenditure directly related to the campaign for independence. We will ensure that an amount equivalent to the sums raised from these appeals will go directly to our work to secure a referendum and win independence.

Events

With a return to large-scale in-person conferences planned for the second half of 2022, event income will begin the journey of recovery towards pre-pandemic levels. Annual National Conference will meet in Aberdeen between 8-10 October. The annual St Andrew’s Dinner will be held on 25 November.

Expenditure overview

With the Holyrood elections in May 2021, £1,647,041 was spent in the year on securing a historic and extraordinary fourth consecutive victory in the Scottish elections. The efficiency of campaign expenditure¹ continues to be analysed on an ongoing basis through the Party’s spending in elections. In the 2021 Scottish election, the cost breakdown was as follows: -

SNP: £0.61 per vote² / £22,943 per MSP

Conservative: £1.11 per vote² / £43,853 per MSP

Labour: £1.10 per vote² / £53,473 per MSP

Liberal Democrats: £1.33 per vote² / £108,588 per MSP

Scottish Greens: £0.91 per vote² / £28,988 per MSP

Continuing expenditure

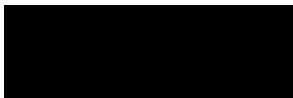
Resilience planning has never been more important. With the strength of members, supporters and staff behind us, we will continue to navigate our way through these trying times.

¹ <https://www.electoralcommission.org.uk/media-centre/campaign-and-candidate-spending-data-2021-scottish-parliament-election>

² <https://commonslibrary.parliament.uk/research-briefings/cbp-9230/>

The National Treasurer and staff regularly review the financial plans and agree a series of activities to ensure financial stability in the years ahead. Infrastructure is in place to allow hybrid working for staff. The SNP remains resilient through avoiding undue risk, combined with sound financial planning and management. We also remain dedicated to ongoing prudence and cash control, striving to use funds in the most effective and efficient ways possible

On behalf of the Party Officers



30 / 06 / 2022

Colin Beattie
National Treasurer

SCOTTISH NATIONAL PARTY STATEMENT OF NATIONAL TREASURER'S RESPONSIBILITIES

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

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

Section 41 of the Act requires that the National Treasurer is responsible for keeping proper accounting records that disclose, with reasonable accuracy, at any time the financial position of the Party at that time and to enable him to ensure that the financial statements comply with the Act. Section 43 of the Act requires that the National Treasurer is responsible for delivery of the statement of accounts to The Electoral Commission by the required deadline.

SCOTTISH NATIONAL PARTY REPORT OF THE INDEPENDENT AUDITORS

To the National Treasurer of the Scottish National Party

Opinion

We have audited the financial statements of the Scottish National Party for the year ended 31 December 2021 which comprise the Income and Expenditure account, the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the National Treasurer’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

SCOTTISH NATIONAL PARTY REPORT OF THE INDEPENDENT AUDITORS

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The National Treasurer is responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the National Treasurer

As explained more fully in the National Treasurer's responsibilities statement set out on page 12, the National Treasurer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the National Treasurer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

SCOTTISH NATIONAL PARTY REPORT OF THE INDEPENDENT AUDITORS

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Party focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”
- Political Parties, Elections and Referendums Act 2000.
- General Data Protection Regulation
- VAT Legislation

We gained an understanding of how the party is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of submitted returns and of National Executive Committee (NEC) minutes.

We assessed the susceptibility of the party’s financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk. As a result of performing these procedures we have assessed the following areas as having a heightened risk of fraud; related party transactions and manual journal entries.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

SCOTTISH NATIONAL PARTY REPORT OF THE INDEPENDENT AUDITORS

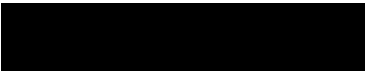
- Enquiring of management and reviewing NEC minutes for any reference to breaches in laws or regulations or indications of any potential litigation or claims, including any health and safety issues;
- performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of related party transactions and significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

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



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

30 / 06 / 2022

**SCOTTISH NATIONAL PARTY
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021**


	Notes	2021 £	2020 £
Income			
Membership	2	2,516,854	2,430,100
Donations	3a	695,351	416,186
Fundraising income	4	437,820	506,300
Investment income	5	10,550	8,507
Conference income		195,526	142,358
Commercial income		12,514	14,849
Grant income	6	182,467	182,592
Miscellaneous	7	459,378	726,529
Total income		4,510,460	4,427,421
Expenditure			
Premises costs	8	(73,426)	(70,273)
Office costs	9	(370,684)	(459,616)
Staff costs	10	(1,282,780)	(1,259,540)
Transfers out	11	(641,712)	(458,391)
Campaigning costs		(1,647,041)	(193,880)
Fundraising costs	12	(272,907)	(189,270)
Conference expenditure	13	(64,068)	(176,790)
Financing/interest charges	14	(79,505)	(78,295)
Depreciation/Amortisation	17 & 18	(208,501)	(140,386)
Membership expenses	15	(18,188)	(20,497)
Irrecoverable VAT	15	(445,612)	(168,334)
Miscellaneous	15	(155,381)	(120,112)
Total expenditure		(5,259,805)	(3,335,384)
(Deficit)/Surplus before tax		(749,345)	1,092,037
Taxation	16	(2,227)	(1,616)
(Deficit)/Surplus for the year		(751,572)	1,090,421

**SCOTTISH NATIONAL PARTY
BALANCE SHEET
AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	17	199,620	248,885
Tangible assets			
- Furniture, fixtures and fittings	18	383,621	422,069
- Office/computer equipment	18	191,996	268,368
- Motor Vehicles	18	80,632	-
Investments	19	479	479
Total fixed assets		<u>856,348</u>	939,801
Current assets			
Debtors and prepayments	20	629,131	1,183,090
Cash in hand and at bank		144,975	260,565
Total current assets		<u>774,106</u>	1,443,655
Current liabilities			
Creditors and accruals	21	(948,354)	(1,011,776)
Loans outstanding	22	(71,335)	(9,343)
Total current liabilities		<u>(1,019,689)</u>	(1,021,119)
Non-current liabilities			
Creditors and accruals	21	-	-
Total net assets		<u><u>610,765</u></u>	<u>1,362,337</u>
Reserves			
Accumulated fund at start of year (Deficit)		1,362,337 (751,572)	271,916 1,090,421
Accumulated fund at end of year	23	<u>610,765</u>	<u>1,362,337</u>

30 / 06 / 2022

The financial statements were approved by the Party Officers on


Colin Beattie
National Treasurer

**SCOTTISH NATIONAL PARTY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Cash flow from operating activities	26	(44,439)	956,129
Net cash flow from operating activities		(44,439)	956,129
Cash flow from investing activities			
Purchase of tangible assets		(125,048)	(615,270)
Purchase of intangible assets		-	(55,129)
Interest received		-	-
Investment income		10,550	8,507
Income taxes paid		(1,616)	(952)
Net cash from investing activities		(116,114)	(662,844)
Cash flow from financing activities			
Interest paid		(378)	(4,779)
Repayment of hire purchase and finance leases		(16,651)	(129,594)
Receipts from new loans		61,992	4,799
Repayment of loans		-	-
Net cash flow from financing activities		44,963	(129,574)
Net (decrease)/increase in cash and cash equivalents		(115,590)	163,711
Cash and cash equivalents at the beginning of the year		260,565	96,854
Cash and cash equivalents at the end of the year		144,975	260,565

SCOTTISH NATIONAL PARTY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting Policies

General information and basis of preparation

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

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

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

As stated in the Annual Review, the Party has 288 registered accounting units. Details of these units are available from Party headquarters. These accounts are unconsolidated and present the accounts of the central Party only.

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

Going concern

The Party has reported net current liabilities at 31 December 2021, principally due to the level of accrued branch dividends at that date (£760,628). As illustrated by the movement in this balance disclosed at note 25(b), the level of cash outflow in this respect in a year is typically modest in comparison to the scale of the balance, and while under the Party's constitution, these amounts are on-demand liabilities, in practice branches will not draw on this accrual to any extent that may be to the detriment of the Party's ability to meet its obligations as they fall due.

The National Treasurer has reviewed the expenditure budgets and cash flow projections for the Party for the period to 30 June 2023 and is satisfied that the Party will have sufficient funds for it to meet its financial obligations. On this basis, the National Treasurer is satisfied that it is appropriate to prepare the accounts on the going concern basis.

**SCOTTISH NATIONAL PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. Accounting Policies (continued)

Income Recognition

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

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

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

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

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

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

Tangible fixed assets

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

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

**SCOTTISH NATIONAL PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. Accounting Policies (continued)

Intangible assets

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

Software Development

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

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

Software licence fee

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

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

Software development costs	-	8-9 years
Software licence fee	-	4 years

**SCOTTISH NATIONAL PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. Accounting Policies (continued)

Fixed asset investments

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

Leased assets

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

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

Impairment of fixed assets

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

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.

Value added tax (including irrecoverable VAT)

Conference income has been deemed a taxable supply, as opposed to the majority of the Party's other income streams. The Party's partial exempt status means that a portion of VAT on costs is not recoverable, and therefore charged as an expense.

Provisions

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

Tax

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

**SCOTTISH NATIONAL PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. Accounting Policies (continued)

Debtors and creditors receivable / payable within one year

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

Loans and borrowings

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

2. Membership subscriptions

	2021	2020
	£	£
Membership fees received directly by the Party	2,516,854	2,430,100

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

3a. Donations

	2021	2020
	£	£
Donations	695,351	416,186
Total	695,351	416,186

Total value of donations reported to the Electoral Commission during 2021 was £922,175 (2020 - £435,720) This figure differs from the donations figure above as it includes amounts reported in financial statements as legacy income (within miscellaneous income) and grant income; the figure above includes amounts below the reporting threshold of £7,500; and amounts reported to the Electoral Commission are reported on an a cash basis rather than the accruals basis for accounting.

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

**SCOTTISH NATIONAL PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Fundraising

	2021	2020
	£	£
Independence Magazine	95,603	92,561
St Andrews Day Dinner	-	300
Raffles	342,217	413,439
Total	437,820	506,300

5. Investment income

	2021	2020
	£	£
Investment income	10,550	8,507
Total	10,550	8,507

6. Grant income

	2021	2020
	£	£
Policy development grant	182,467	182,592
Total	182,467	182,592

7. Miscellaneous

	2021	2020
	£	£
Legacies	155,106	420,732
Parliamentary levy	300,023	304,100
Campaign services	4,249	1,697
Total	459,378	726,529

Legacies include amounts bequeathed to the Party during the year.

The parliamentary levy is an annual charge imposed on all SNP MSPs and MPs.

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

**SCOTTISH NATIONAL PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Premises Costs

	2021	2020
	£	£
Rent and Rates	73,426	70,273
Total	73,426	70,273

9. Office Costs

	2021	2020
	£	£
Information technology	245,703	231,383
Office costs	316	65,773
Insurance	13,488	31,177
Telephone	16,728	26,317
Postage	94,449	104,966
Total	370,684	459,616

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

10. Staff costs

	2021	2020
	£	£
Salaries	1,039,040	1,016,316
Social security	113,566	111,787
Other costs, including pensions	130,174	131,437
	1,282,780	1,259,540

Average number of staff employed during the year:

	2021	2020
	No.	No.
Employees	25	24

**SCOTTISH NATIONAL PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Transfers out

	2021	2020
	£	£
Membership income due to branches	629,214	451,669
Affiliate dividend	-	1,727
Equalities fund	12,498	4,995
	<hr/>	<hr/>
Total	641,712	458,391
	<hr/> <hr/>	<hr/> <hr/>

The Party head office collects membership fees from all Party members. 25% of these membership fees are then payable to the branch of the Party in which each member resides. At the start of lockdown in March 2020, steps were taken to protect the core funding on which the party depends. For a period of three months from 1 April 2020, the payment of the branch dividend was suspended to help meet the party's financial obligations. The suspension was lifted on 1 July 2020 and the 25% payments to branches resumed.

The Party makes available grant funding to help affiliated organisations develop new projects, campaigns or events during the year.

The Equalities fund supports the Party's commitment to promoting equality in all its activities.

12. Cost of fundraising events

	2021	2020
	£	£
Fundraising	139,583	118,865
Independence magazine	99,746	70,405
Election appeal	33,578	-
	<hr/>	<hr/>
Total	272,907	189,270
	<hr/> <hr/>	<hr/> <hr/>

**SCOTTISH NATIONAL PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Conference costs

	2021	2020
	£	£
Venue hire and catering	-	-
Audio visual	42,322	105,717
Printed materials	8,157	3,827
Information technology	-	8,943
Other conference costs	-	17,949
Other national events	13,589	40,354
	<hr/>	<hr/>
Total	64,068	176,790
	<hr/> <hr/>	<hr/> <hr/>

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

14. Interest costs

	2021	2020
	£	£
Bank charges	79,174	73,511
Hire purchase/finance lease interest	304	4,779
Bank and other interest	27	5
	<hr/>	<hr/>
Total	79,505	78,295
	<hr/> <hr/>	<hr/> <hr/>

**SCOTTISH NATIONAL PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Miscellaneous

	2021	2020
	£	£
Membership expenses	18,188	20,497

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

	2021	2020
	£	£
Irrecoverable VAT	445,612	168,334

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

	2021	2020
	£	£
Miscellaneous expenditure		
Professional fees	5,856	2,135
Legal fees	60,193	77,780
Bad debt expense	600	10,669
Audit fee	57,235	26,290
Loss on disposal of fixed assets	-	6,401
Sundries	31,497	(3,163)
Total	155,381	120,112

16. Taxation

	2021	2020
	£	£
Corporation tax charge – current year	2,227	1,616
Total	2,227	1,616

**SCOTTISH NATIONAL PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. Intangible assets

	Software licence £	Software development £	Total £
Cost			
At 1 January 2021	346,293	438,077	784,370
Additions	-	-	-
At 31 December 2021	346,293	438,077	784,370
Amortisation			
At 1 January 2021	346,293	189,192	535,485
Charged in year	-	49,265	49,265
At 31 December 2021	346,293	238,457	584,750
Net Book Value at 31 December 2021	-	199,620	199,620
Net Book Value at 31 December 2020	-	248,885	248,885

The intangible assets represent the cost of the membership system which went live in July 2016.

**SCOTTISH NATIONAL PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. Tangible fixed assets

	Furniture, fixtures and fittings £	Office/computer equipment £	Total £
Cost			
At 1 January 2021	520,310	382,162	902,472
Additions	8,551	116,497	125,048
Disposals	-	-	-
At 31 December 2021	<u>528,861</u>	<u>498,659</u>	<u>1,027,520</u>
Depreciation			
At 1 January 2021	98,241	113,794	212,035
Charged in year	46,999	112,237	159,236
On disposals	-	-	-
At 31 December 2021	<u>145,240</u>	<u>226,031</u>	<u>371,271</u>
Net Book Value at 31 December 2021	<u>383,621</u>	<u>272,628</u>	<u>656,249</u>
Net Book Value at 31 December 2020	<u>422,069</u>	<u>268,368</u>	<u>690,437</u>

19. Fixed asset investments

	Unlisted investments £
At 31 December 2020 and 31 December 2021	<u>479</u>

20. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	22,074	600
Other debtors	99,185	13,800
Prepayments and accrued income	507,872	1,168,690
Vat recoverable	-	-
Total	<u>629,131</u>	<u>1,183,090</u>

**SCOTTISH NATIONAL PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. Creditors

	2021	2020
	£	£
Amounts falling due within one year		
Trade creditors	36,006	21,852
Accrual and deferred income	58,012	106,815
Social security and other taxation	71,278	58,439
Amounts owed to accounting units	760,628	783,021
Loans (note 22)	71,335	9,343
Other creditors	22,430	24,998
Hire purchase/finance lease creditor	-	16,651
	<hr/>	<hr/>
Total falling due within one year	1,019,689	1,021,119
	<hr/> <hr/>	<hr/> <hr/>

	2021	2020
	£	£
Amounts falling due after more than one year		
Hire purchase/finance lease creditor	-	-
	<hr/>	<hr/>
Total falling due after more than one year	-	-
	<hr/>	<hr/>
Total liabilities	1,019,689	1,021,119
	<hr/> <hr/>	<hr/> <hr/>

22. Loans

	2021	2020
	£	£
Loans from accounting units and members	11,335	9,343
Loans from executive management	60,000	-
	<hr/>	<hr/>
Total	71,335	9,343
	<hr/> <hr/>	<hr/> <hr/>

Loans outstanding are made up of loans from accounting units, individual members, and loans from executive management, used for working capital purposes. All loans are repayable on demand with no interest charged.

**SCOTTISH NATIONAL PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

23. Reserves

	Total £
At 1 January 2021	1,362,337
Deficit for the year	<u>(751,572)</u>
At 31 December 2021	<u>610,765</u>

24. Leasing commitments

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

	2021 £	2020 £
Within one year	43,604	43,604
Between one and five years	104,889	104,889
	<u>104,889</u>	<u>104,889</u>

25. Related party transactions

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

a) Loans from accounting units	£
Loans payable at 1 st January 2021	9,343
Movement (net) in year	1,992
Loans payable at 31 st December 2021 (note 21)	<u>11,335</u>
b) Branch dividend amounts due to branches	
Due at 1 st January 2021	783,021
Movement (net) in year	(22,393)
Due at 31 st December 2021 (note 21)	<u>760,628</u>
c) Loans from executive management	
Loans payable at 1 st January 2021	-
Loans introduced in the year	107,620
Movement (net) in year	(47,620)
Loans payable at 31 st December 2021 (note 21)	<u>60,000</u>

**SCOTTISH NATIONAL PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

	2021	2020
	£	£
(Deficit)/ surplus for the year	(751,572)	1,090,421
Corporation tax charge	2,227	1,616
Income from fixed asset investments	(10,550)	(8,507)
Interest receivable	-	-
Interest payable	378	4,779
Depreciation of tangible assets	159,236	51,836
Amortisation of intangible assets	49,265	88,551
Loss on disposal of fixed assets	-	6,401
Decrease/(Increase) in debtors	553,959	(182,821)
(Decrease) in creditors	(47,382)	(96,147)
	<u>(44,439)</u>	<u>956,129</u>
Cash flow from operating activities	(44,439)	956,129

27. Analysis of changes in net debt

	2021
	£
Opening net funds	
Cash and cash equivalents	260,565
Hire Purchase	(16,651)
Loans	(9,343)
	<u>234,571</u>
Changes in net debt arising from:	
Cash flows to the entity	(115,590)
Movements in Hire Purchase	16,651
Movement in loans	(61,992)
	<u>73,640</u>
Closing net funds/(debt) as analysed below:	
Closing net funds	
Cash and cash equivalents	144,975
Hire Purchase	-
Loans	(71,335)
Closing net funds/(debt)	<u>73,640</u>