



The Green Party

(England & Wales)

Reports and Financial Statements

Year ended 31 December 2022

The Green Party
Financial statements for the year ended 31 December 2022

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The Green Party

Administrative information

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

Co-Leader	Adrian Ramsay	(role share)
Co-Leader	██████████	(role share)

Adrian Ramsay is the Registered Leader with the Electoral Commission.

Registered Treasurer	Jon Nott
Nominating Officer	██████████

Executive

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

Chair	Jon Nott		(from September 2022)
	██████████		(until September 2022)
Co-Leader	Adrian Ramsay		
Co-Leader	██████████		
Deputy Leader	██████████		(from September 2022)
	██████████		(until September 2022)
Wales Green Party Leader	██████████		
Campaigns Co-ordinator	██████████		
Elections Co-ordinator	██████████		(from September 2022)
	██████████		(until September 2022)
Equality & Diversity Co-ordinator	██████████	(role share)	
	██████████	(role share)	
External Communications Co-ordinator	██████████		
Finance Co-ordinator	Richard Bearman		(co-opted from November 2022)
	Jon Nott		(until November 2022)
Internal Communications Co-ordinator	██████████	(role share)	(from September 2022)
	██████████	(role share)	(from September 2022)
	██████████		(until January 2022)
International Co-ordinator	██████████	(role share)	(from September 2022)
	██████████	(role share)	(from September 2022)
	██████████		(until September 2022)
Local Party Support Co-ordinator	██████████		
Management Co-ordinator	██████████		(from September 2022)
	██████████	(role share)	(until September 2022)
	██████████	(role share)	(until September 2022)
Policy Development Co-ordinator	██████████		
Publications Co-ordinator	██████████		
Trade Union Liaison	██████████		(from September 2022)
	██████████		(until September 2022)
Young Greens Co-Chairs	██████████	(role share)	
	██████████	(role share)	

The Green Party

Administrative information

Regional Council (GPRC)

Co-Chairs



(from October 2020)
(until October 2022)

Key Staff

Chief Executive



Head of Elections and Field Team

Chris Williams

Head of Governance



(from October 2022)

Head of Communications



Head of Development



(from August 2022)



(Interim)

(January-May 2022)



(until January 2022)

Head of Finance



Head of Digital



(from October 2022)



(until July 2022)

Chief Operating Officer



(until January 2022)

Conference

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

Elected representatives

Member of Parliament

Caroline Lucas

Brighton Pavilion Constituency

(re-elected December 2019)

Members of London Assembly

Siân Berry

Caroline Russell

Zack Polanski

Peers

Natalie Bennett

Baroness Bennett of Manor Castle

Jenny Jones

Baroness Jones of Moulsecoomb

Local Councillors

By December 2022 there were 560 Principal Authority Green Party Councillors on 168 Councils in England and Wales, and several hundred parish or town councillors. Greens formed part of the Ruling Administration in 18 councils.

Following the recent May 2023 elections, these numbers had increased yet again to 745 Principal Authority Councillors on 168 Councils. Greens now form part of the ruling administration on 35 Principal Authority Councils, including Mid Suffolk where we're the first Green majority-led council in England.

Membership

As at 31 December 2022 the party had 53,126 members (2021 - 55,795 - these have been restated because a class on Members had been excluded in error).

Accounting Units

As at 31 December 2022 the Party had 295 (2021 - 291) Accounting Units registered with the Electoral Commission.

The Green Party

Administrative information

Party Headquarters

PO Box 78066
London
SE16 9GQ

Banks

The Co-operative Bank
PO Box 101
1 Balloon Street
Manchester
M60 4EP

Triodos Bank
Deanery Road
Bristol
BS1 5AS

The Ecology Building Society
7 Belton Road
Silsden
Keighley
BD20 0EE

Auditors

MHA
2 London Wall Place
London
EC2Y 5AU

The Green Party

Report of the Party's Officers for the year ended 31 December 2022

We present the accounts of the Green Party ('The Party') for the year ended 31 December 2022.

News in 2022 has been dominated by the war in Ukraine, rising prices, the energy crisis and the on-going impact of Brexit, all of which are coalescing to create the biggest decline in living standards since records began. This had an impact on membership numbers and donations, and the Party is taking active steps to ensure that members who cancel their membership for financial reasons are made aware of our lower cost memberships.

Membership of the Party decreased slightly from 55,795 in December 2021 to 53,126 at the end of December 2022 - a reduction of 5%.

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

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

REVIEW OF POLITICAL ACTIVITIES

Parliamentary activities

House of Commons

From the Illegal Migration Bill and government plans for nuclear modular reactors, to campaigning for every new home to be fitted with solar and for an extended Right to Roam, Caroline Lucas MP has continued to use her voice to hold the government to account and to champion green ideas. She has also picked up Baroness Jenny Jones' Private Member's Bill to make access to clean air a human rights and has started to steer it through the House of Commons.

The year has seen a continued major focus on ending the use of fossil fuels and Caroline secured an Environmental Audit Committee inquiry into accelerating the transition from fossil fuels. Legislative work has including seeking to make financial services and markets aligned with 1.5 and trying to get rid of the Investment Allowance giveaway in the Windfall Tax. She secured a major debate on fossil fuels and the cost of living – and used this and other opportunities, including on programmes such as Question Time and Newsnight, to stress that the cost of living scandal is one of the government's own making. She also secured a major debate ahead of the COP15 UN Biodiversity Summit.

She has been actively opposing the use of hotels to house unaccompanied asylum seeking children and following up on ongoing casework involving Afghan nationals let down by the Home Office. She has spoken at numerous rallies on topics that include animal protection, been lobbied extensively by constituents on topics such as renters reform and joined picket lines locally and in Westminster. Caroline has also used her voice to ask challenging questions about the war in Ukraine, including on the depth and breadth of sanctions and the continued purchase of Russian oil and gas for use in the UK. She led a successful cross party effort to divest the parliamentary pension scheme from Russian investment. And Caroline has worked with a wide range of civil society organisations on the Retained EU Law (REUL) Bill – both on the huge scope of the legislation the government is seeing to scrap post-Brexit and on the processes and timeframes.

House of Lords

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

The Conservative government continues to control the House of Commons with its large majority but finds constant resistance in the Lords with the largest percentage of defeats per vote since the 1970s. The government have lost votes on the Public Order Bill, with draconian laws being deleted, and the Lords have forced the government to make numerous small concessions on other legislation such as freedom of the press. Charities and NGOs are increasingly briefing the Lords in recognition of this power balance which has led to new opportunities to collaborate. A Lords-led rebellion on the EU Retain Law Bill is expected to be big.

The Green Party

Report of the Party's Officers for the year ended 31 December 2022

Our Green Peers continue to prioritise cross-party communication, with trust and relationships going from strength to strength. Jenny's Clean Air (Human Rights) Bill successfully passed in the Lords and has now been taken up by Caroline Lucas MP in the Commons. Jenny was one of only two peers with a 100% attendance record last year and Natalie has spoken more than any other peer. They also regularly communicate with party members and attend local party events. Occasionally, their speeches even go viral on social media. The benefit of a green voice in the room is increasingly clear to both the House and the public.

Greens in Power

Green councillors hold administration position on 18 Principal Authority councils. Apart from in Brighton and Hove, Greens share power with others. Most are district councils, alongside three cities - Sheffield, York and Lancaster - and the unitary county council of Herefordshire.

2022-23 saw the development of the Greens in Power as a learning community. Over two 'Weekenders' in the last year, plus the establishment of a lively WhatsApp group, they are developing a green approach to local government ('Green Municipalism') and are providing specific support to each in innovation and facing challenges. Funds for continuing to develop the learning community are lacking but staff and the AGC board continue to look for ways to continue this work.

The direct impact of our councillors on communities, despite a hostile government, is growing significantly. They are delivering green policies in housing, transport, support for the cost of living crisis, nature recovery, greener local economies, equalities and inclusion, and health. They are also working on running councils better. Much of this can also be classed as 'Climate Action'.

The Local Elections in 2022 were extensive as a result of every seat in London and Wales up for election along with many around England. 5,646 seats were up for election and Greens stood in 2,335, contesting 41% of the seats. The results took us to yet another record high number of council seats. Greens won 124 seats of which 88 were gains. Greens lost 10 seats and held all others, making a net gain of 78. The seats were gained in roughly equal numbers from Labour and the Conservatives in a variety of demographics, showing that Greens can make progress nationwide. The May 2022 elections resulted in a total of 546 seats on 166 councils, a net gain of 21 new council areas with an elected Green.

Of particular note was the Green Party's breakthrough on to councils in Wales where no representation before the election led to 8 seats across Swansea, Newport, Powys, Neath Port Talbot, Denbighshire, Conwy and Monmouthshire councils.

The 2022 elections brought new councils where Greens found themselves in administration and rise of 16 where Greens found themselves as the official opposition, including in Newham where Greens became the first opposition voices for the first time in 12 years.

SUPPORTING VOLUNTEERS AND ACTIVISTS

2022 was a year in which our membership numbers remained stable, which is an achievement in light of the impact of the cost of living crisis. We continue to sharpen our activities to communicate clearly to members the impact their membership and their activism is having across England and Wales.

In addition to election success and developing the support to Greens who have gained power in local Councils, our key work focused on preparing for a General Election (which at various times looked imminent in 2022), improving the Party infrastructure for members and improving our internal governance and processes. This included working to deliver the improvements to equity, equality, diversity and inclusion identified in an audit of the Party and its practices that was received by the Green Party Executive in June 2022.

Our autumn Conference in Harrogate continued our new approach of hybrid events with members able to attend on line and in person, improving accessibility.

During 2022 we appointed three new Heads of department, two to vacancies and one to the new role of Head of Governance. This fully staffed senior team has made a great difference to day-to-day operations.

2022 saw on-going work to resolve the matter of incorporation. Consideration of the necessary motions requires them to be prioritised to Conference and this did not happen during this year. GPRC who hold responsibility for this continue to work on solutions.

FINANCIAL REVIEW

The Income and Expenditure Account shows that the Party's total income increased by £0.1m (2%), while expenditure increased by £0.1m (5%). As a result, the Party made an overall net deficit for the year of £79,425, compared to the net deficit of £3,385 recorded in 2022.

The Green Party

Report of the Party's Officers for the year ended 31 December 2022

The Balance Sheet has net liabilities of £215,483 as at 31 December 2022, compared to net liabilities of £136,058 the previous year.

Despite the decrease in Member numbers, income from membership subscriptions increased slightly again this year, up by 6% to £1.48m. Income from appeals donations also increased slightly by £14k, and legacy income remained stable.

Staff costs increased by £114k to £1.8m. This investment, particularly in the Field Team, funded by Regional and Local Party fundraising, enabled more staff to work on local and national election planning and delivery.

Capitations payable to local and regional parties also increased again this year by £26k.

Increases to our spending on management and administration has been driven by a small number of members challenging the Party's processes via Court. This reflects a current trend in members seeking to enforce their rights through litigation across membership organisations nationwide. This is somewhat offset by reduction in employment disputes within the Party. The new Head of Governance will work with the accountable bodies to address the underlying issues associated with these claims.

Cash balances remained healthy at £485k at the end of the year, although it should be noted that capitation payments due to local parties were £464k as at 31 December 2022 (2021 £435k).

Going Concern Statement

The accounts have been prepared on a going concern basis. Although the Party shows a net liabilities position at the end of 2022, forecasts for 2023 and 2024 show that the Party will remain solvent throughout 2023, with sufficient cash balances to meet our obligations.

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

We have prepared detailed financial forecasts through to the end of 2024, as well as stress testing and scenario planning, which show that the Party can continue to operate within its financial means for the foreseeable future. Although forecasts show that the Party can continue to maintain a positive cash balance and is expected to be able to meet any financial obligations as they fall due for the foreseeable future, the existence of contingent claims, together with the existing financial situation of the Party, and its reliance of the majority of its income on membership fees and donations, indicates a material uncertainty exists that may cast significant doubt on the Party's ability to continue as a going concern. The Party remains confident that it can react accordingly and implement cost-cutting strategies on a timely basis to ensure the Party's going concern should the material uncertainties outlined in Note 18 crystallise.

We maintain tight financial control, including through annual departmental budgets against which actual performance is compared monthly. The Party Executive has identified and assessed key financial risks and the management's responses to them, and has concluded that it is appropriate for the party to continue to be classed as a going concern.

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

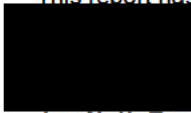
STATEMENT OF REGISTERED TREASURER'S RESPONSIBILITIES

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

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

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

This report has been approved by the Party Officers.


Jon Nott, Registered Treasurer
03 July 2023

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

Opinion

We have audited the financial statements of The Green Party (the 'Party') for the year ended 31 December 2022 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is 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), Electoral Commission accounting guidance and the requirements of the Political Parties, Elections and Referendums Act 2000.

In our opinion the financial statements:

- give a true and fair view of the Party's affairs as at 31 December 2022 and of its income and expenditure in the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Political Parties, Elections and Referendums Act 2000.

Basis for opinion

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

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial statements and disclosures in the Report of the Party's Officers which indicates that a material uncertainty exists regarding legal claims against the party that are disclosed as contingent liabilities in Note 18 and that may cast significant doubt on the Party's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Registered 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 Registered Treasurer

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities This description forms part of our auditor's report

Use of our report

This report is made solely to the Registered Treasurer of The Green Party, in accordance with the Party's rules and section 43 of the Political Parties, Elections and Referendums Act 2000. Our audit work has been undertaken so that we might state to the Treasurer those matters we are required to state to 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 Treasurer, for our audit work, for this report, or for the opinions we have formed

MHA, Statutory Auditor

London, United Kingdom

Date: 6 July 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

The Green Party
Income and Expenditure Account
For the year ended 31 December 2022

					<i>Restated</i>
	Notes	General Fund £	Other Funds £	Total 2022 £	Total 2021 £
Income					
Membership income		1,475,593	-	1,475,593	1,391,630
Friends' dues		39,755	-	39,755	39,676
Donations		1,056,045	84,356	1,140,401	1,126,550
Commission income	2	9,434	-	9,434	30,785
Campaign Income:					
Green Campaign Shop		6,987	-	6,987	11,647
Income from legacies		211,145	-	211,145	224,478
Interest receivable net of tax		1,305	505	1,810	465
Conference income		69,092	-	69,092	68,885
Other income	4	8,039	184,710	192,749	186,638
Total Income		<u>2,877,395</u>	<u>269,571</u>	<u>3,146,966</u>	<u>3,080,754</u>
Expenditure					
Cost of appeals and donations		495	4,736	5,231	3,910
Cost of publications and other materials	5	20,520	-	20,520	20,520
Campaign expenditure	6	31,409	4,141	35,550	60,468
Local and regional party support	6	99,798	6,978	106,776	121,438
Green Campaign Shop costs		10,473	-	10,473	12,309
Bank and credit card charges		21,852	335	22,187	20,153
Cost of Conferences		116,227	449	116,676	125,744
Regional and local party capitations	7	360,226	-	360,226	333,743
Staff costs	8	1,545,168	274,195	1,819,363	1,705,818
Office and premises costs		355,765	1,654	357,419	375,788
Management and administration		354,972	16,654	371,626	304,201
External communications		-	-	-	47
Total Expenditure		<u>2,916,905</u>	<u>309,142</u>	<u>3,226,047</u>	<u>3,084,139</u>
(Deficit) / Surplus before taxation	11	(39,510)	(39,571)	(79,081)	(3,385)
Taxation charge	10	(344)	-	(344)	(88)
(Deficit) / Surplus for the year		<u>(39,854)</u>	<u>(39,571)</u>	<u>(79,425)</u>	<u>(3,473)</u>
Total funds brought forward		(315,541)	179,483	(136,058)	(132,585)
Transfers between funds	16	(39,996)	39,996	-	-
Total funds carried forward	16	<u><u>(395,391)</u></u>	<u><u>179,908</u></u>	<u><u>(215,483)</u></u>	<u><u>(136,058)</u></u>

The Green Party
Balance Sheet
as at 31 December 2021

	Notes	2022		As restated 2021	
		£	£	£	£
Fixed assets					
Tangible assets	12		560		2,824
			560		2,824
Current assets					
Debtors	13	64,451		152,982	
Cash at bank and in hand	14	485,410		591,636	
		549,861		744,618	
Creditors: amounts falling due within one year	15	(765,904)		(883,500)	
Net current (liabilities) / assets			(216,043)		(138,882)
Total assets less current liabilities			(215,483)		(136,058)
Net (liabilities) / assets			(215,483)		(136,058)
Reserves					
General Reserves	16		(215,483)		(136,058)
Total reserves			(215,483)		(136,058)

The financial statements were approved and authorised for issue by the Party's Executive on 03 July 2023, and signed on their behalf by:



Jon Nott
Registered Treasurer

The Green Party
Statement of Cash Flows
For the year ended 31 December 2022

	2022 £	2021 £
Cash (out) / inflow from operating activities (see below)	<u>(108,036)</u>	<u>187,675</u>
Cash flow from investing activities		
Interest received	1,810	465
Net cash flow from investing activities	<u>1,810</u>	<u>465</u>
Net (decrease) / increase in cash and cash equivalents	(106,226)	188,140
Cash and cash equivalents at 1 January 2022	<u>591,636</u>	<u>403,496</u>
Cash and cash equivalents at 31 December 2022	<u>485,410</u>	<u>591,636</u>
Cash and cash equivalents consists of:		
Cash at bank and in hand	141,300	67,097
Short term deposits	<u>344,110</u>	<u>524,539</u>
Cash and cash equivalents at 31 December 2022	<u>485,410</u>	<u>591,636</u>
 Reconciliation of net income / (expenditure) to net cash flow from operating activities		
Net (expenditure) / income for the year	(79,081)	13,799
Interest receivable	(1,810)	(465)
Loss on disposal of fixed asset	-	449
Depreciation of tangible fixed assets	2,264	2,463
Decrease / (increase) in debtors	88,531	(42,581)
Decrease in inventories	-	17,652
(Decrease) / increase in creditors	(117,596)	196,446
Taxation paid	(344)	(88)
Net cash flow from operating activities	<u>(108,036)</u>	<u>187,675</u>

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

The Green Party

Notes to the Financial Statements

For the year ended 31 December 2022

1 Accounting policies

Basis of preparation of financial statements

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

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

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

Going concern

Although the Balance Sheet at the end of 2022 shows a net liabilities position, the Party maintains an adequate cashflow position, due in large part to the deferred payment of capitations to Accounting Units.

Detailed budgets and forecasts have been prepared for the period up to 31 December 2024, including stress testing and scenario planning. Although forecasts show that the Party can continue to maintain a positive cash balance and is expected to be able to meet any financial obligations as they fall due for the foreseeable future, the existence of contingent claims, together with the existing financial situation of the Party, and its reliance of the majority of its income on membership fees and donations, indicates a material uncertainty exists that may cast significant doubt in the Party's ability to continue as a going concern. The Party remains confident that it can react accordingly and implement cost-cutting strategies on a timely basis to ensure the Party's going concern should the material uncertainties outlined in Note 18 crystallise.

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

The forecasts for 2023 and 2024, along with ongoing efforts made to maintain and improve the Party's current high standards of financial control and forward financial visibility give the Party reason to consider it appropriate to prepare the accounts on a going concern basis.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

The following principal accounting policies have been applied:

Income recognition

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

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

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

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

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The Green Party

Notes to the Financial Statements

For the year ended 31 December 2022

1 Accounting policies (continued)

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

Expenditure recognition

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

Termination payments

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

Fixed assets and depreciation

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

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

Debtors

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

Cash and cash equivalents

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

Creditors

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

Taxation

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

Operating leases policy

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

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The Green Party

Notes to the Financial Statements

For the year ended 31 December 2022

1 Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Pension arrangements

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

Financial Instruments

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

Financial assets – Trade and Other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

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

Financial Liabilities - Trade creditors, other creditors and capitations payable will be classified as financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure. Accruals and deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver Party services rather than cash or another financial instrument.

Prior Year restatement

For administrative efficiency, the Party agreed during the year to provide accounting transaction processing and payroll support to the Association of Green Councillors (AGC), free of charge. Whilst administered by the Party, the income and expenditure associated with AGC's activities are not under the control of the Party and as such these values have not been recognised in the Party's Income and Expenditure Account; the year-end balance held by the Party on behalf of AGC is recognised on the Balance Sheet as a creditor as detailed in Note 15.

Commencing the provision of this support to AGC resulted in the Party reassessing the nature of a similar arrangement it has with another third-party entity, Young Greens. The Party concluded that it does not exercise control over the income and expenditure associated with the activities of Young Greens administered by the Party, and as such that these values should also not be recognised in the Party's Income and Expenditure Account. A prior year restatement has been made to reflect this conclusion in these accounts, as detailed in the Income and Expenditure Account, Balance Sheet and Notes 6, 8, 15 and 16. The financial effect of this restatement is that for the year ended 31 December 2021: income has decreased from £3,086,556 to £3,080,754, expenditure has increased from £3,072,757 to £3,084,139 (now incorporating a grant paid to Young Greens from the Central Party), the result for the year has decreased from £13,711 to £(3,473), and year-end creditors have increased from £838,697 to £883,500.

2 Commission income

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

3 Freepost sales

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

The Green Party
Notes to the Financial Statements
For the year ended 31 December 2022

4 Other income	2022	2021
	£	£
Government grants - Short Money	184,710	177,239
COVID-19 Job Retention Scheme grants	-	769
Other	8,039	8,630
	<u>192,749</u>	<u>186,638</u>

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

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

5 Cost of publications and other materials

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

6 Campaign expenditure	2022	2021
	£	£
Non election campaigns expenditure	353	622
Local and regional party support	106,776	121,438
Other campaign expenses	35,197	59,846
	<u>142,326</u>	<u>181,906</u>

7 Capitulations

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

	2022	2021
	£	£
Capitulations accrued during the year	360,226	333,743
	<u>360,226</u>	<u>333,743</u>

The Green Party
Notes to the Financial Statements
For the year ended 31 December 2022

	2022	restated 2021
	£	£
8 Staff costs and numbers		
Wages and salaries	2,097,470	1,879,033
Social security costs	198,109	159,593
Pension contributions	58,048	50,223
Termination costs	-	40,474
	<u>2,353,627</u>	<u>2,129,323</u>
Salary Recharges - staff funded by the Party's Accounting Units.	(567,325)	(440,007)
Agency staff	33,060	17,535
	<u>1,819,362</u>	<u>1,706,851</u>
Key Management Personnel remuneration	<u>393,651</u>	<u>458,899</u>

Key Management Personnel are considered to be members of the Party Executive, the Party's Chief Executive Officer (CEO), Head of Elections & Field Operations, Head of Governance, Head of Communications, Head of Development, Head of Finance, and Head of IT & Digital.

Party Executive members received no remuneration in that capacity in 2022 (2021 - £nil). The Co-Leaders and the Deputy Leader receive allowances in their Leadership capacity but these sums are not included in this figure.

Termination costs totalling £0 (2021: £40,474) have been recognised as expenditure in these accounts. Of these costs, which include both contractual and non-contractual elements, £0 (2021: £39,114) was yet to be paid as at the year-end and is thus represented within creditors.

	2022	restated 2021
The average headcount numbers during the year was as follows:		
Management and Leadership	7.2	6.6
Election agent	1.0	1.0
External communications	4.8	5.2
Administration & Finance	10.0	9.0
Fundraising	10.7	6.6
Conferences	1.0	1.9
Parliamentary Office	7.9	8.6
Elections and Local Party Support	<u>41.9</u>	<u>38.0</u>
	<u>84.5</u>	<u>76.9</u>

9 Related party transactions

£9,211 (2021 - £3,800) was reimbursed to a total of 17 (2021 - 12) individuals who were members of the Party Executive or Key Management Personnel. The reimbursed expenditure related to travel costs and subsistence.

The Green Party
Notes to the Financial Statements
For the year ended 31 December 2022

10 Taxation	2022	2021
	£	£
Taxation on investment income	<u>344</u>	<u>88</u>

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

11 Deficit for the year	2022	2021
	£	£
The deficit for the year is stated after charging:		
Auditors remuneration - audit services statutory accounts		
Current year	19,000	15,876
Prior year under / (over) provision	1,330	(862)
Auditors remuneration - non statutory accounts audit services	3,244	1,216
Operating lease charges	1,223	616
Depreciation	2,264	2,463
Inventory recognised as an expense	8,029	9,396
Loss on disposal of fixed assets	-	450
	<u></u>	<u></u>

12 Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 January 2022	173	6,790	6,963
Disposals	(173)	-	(173)
At 31 December 2022	<u>-</u>	<u>6,790</u>	<u>6,790</u>
Depreciation			
At 1 January 2022	173	3,966	4,139
Charge for the year	-	2,264	2,264
On disposals	(173)	-	(173)
At 31 December 2022	<u>-</u>	<u>6,230</u>	<u>6,230</u>
Net book value			
At 31 December 2022	<u>-</u>	<u>560</u>	<u>560</u>
At 31 December 2021	<u>-</u>	<u>2,824</u>	<u>2,824</u>

The Green Party
Notes to the Financial Statements
For the year ended 31 December 2022

13 Debtors	2022	2021
	£	£
Trade debtors	27,392	39,423
Other debtors	16,144	1,088
Greenquest loans	1,464	2,214
Prepayments and accrued income	19,451	110,257
	<u>64,451</u>	<u>152,982</u>

The Greenquest loans are interest free and made to local and regional parties to fund election deposits and development activity. The balance includes £800 (2021: £800) falling due after more than one year.

14 Cash and cash equivalents	2022	2021
	£	£
Cash at bank and in hand	<u>485,410</u>	<u>591,636</u>

15 Creditors: amounts falling due within one year	2022	2021
	£	£
Trade creditors	73,223	72,668
Corporation tax	344	88
Other taxes and social security costs	53,828	49,438
Other creditors	11,613	20,935
Accruals and deferred income	122,761	260,233
Capitations payable to local and regional parties	463,630	435,335
Balances owed to AGC & Young Greens	40,505	44,803
	<u>765,904</u>	<u>883,500</u>

For administrative efficiency, the Party provides accounting transaction processing services for two of its autonomous groups - AGC and Young Greens. The value of the transactions is shown below.

AGC		
Brought forward balance	-	-
Income	41,554	-
Expenditure	(40,968)	-
Carried forward balance	<u>586</u>	<u>-</u>
Young Greens		
Brought forward balance	44,803	27,619
Income	23,278	32,202
Expenditure	(28,162)	(15,018)
Carried forward balance	<u>39,919</u>	<u>44,803</u>

The Green Party
Notes to the Financial Statements
For the year ended 31 December 2022

16 Reconciliation of movement in funds

	Brought Forward 1 Jan 2022 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	Carried Forward 31 Dec 2022 £
Specific Funds					
Greenquest (see Note 13)	38,404	841	-	-	39,245
Short Money (see Note 4)	(3,339)	184,710	(170,502)	-	10,869
Elections	52,376	404	(9,606)	-	43,174
Parliamentary Office	32,096	456	(1,690)	-	30,862
██████████	26,252	2,592	(1,727)	-	27,117
Access	9,446	3,087	(568)	-	11,965
House of Lords	15,209	2,473	(52,151)	39,996	5,527
Telephone fundraising	-	53,708	(42,980)	-	10,728
Miscellaneous other Funds	9,039	21,300	(29,917)	-	422
General Fund	(315,541)	2,877,396	(2,917,251)	(39,996)	(395,392)
	<u>(136,058)</u>	<u>3,146,967</u>	<u>(3,226,392)</u>	<u>-</u>	<u>(215,483)</u>

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

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

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

Access - to enable financially disadvantaged members to attend Conference.

House of Lords - to cover the staff team costs, supplemented by a transfer from general funds. An amount is agreed each year by GPEx to transfer from general funds to the House of Lords fund.

Telephone fundraising - a joint initiative with some of the Party's Accounting Units, the year end balance represents the net funds owed to them.

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

Transfers represents a agreed transfer from the Central Party funds to the House of Lords fund.

Prior year comparatives, restated

	Brought Forward 1 Jan 2021 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	Carried Forward 31 Dec 2021 £
Specific Funds					
Greenquest (see Note 14)	38,068	336	-	-	38,404
Short Money (see Note 4)	-	177,239	(180,578)	-	(3,339)
Elections	85,143	1,200	(33,967)	-	52,376
Parliamentary Office	40,960	516	(9,380)	-	32,096
██████████	26,474	2,778	(3,000)	-	26,252
Access	9,879	1,239	(1,672)	-	9,446
House of Lords	-	18,120	(42,907)	39,996	15,209
Miscellaneous other Funds	8,464	22,435	(21,860)	-	9,039
General Fund	(341,573)	2,856,891	(2,790,863)	(39,996)	(315,541)
	<u>(132,585)</u>	<u>3,080,754</u>	<u>(3,084,227)</u>	<u>-</u>	<u>(136,058)</u>

The Green Party
Notes to the Financial Statements
For the year ended 31 December 2022

17 Post employment benefits

Defined contribution scheme

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

	2022	2021
	£	£
Current year contributions	<u>58,048</u>	<u>50,223</u>

18 Contingent liabilities

At the year-end, the Party were in process of settling three legal claims made against it during the year by three members.

The Party has sought and continues to seek legal advice from its solicitors with regards to each of the cases, with an eye both to the wider interest of the Party and to the commercial realities of legal action. It is possible that there will be outflows of resources in the settlement of the cases, the timings of which are currently unknown. Claim forms submitted to the relevant courts total £85,000 plus interest, legal costs and associated court fees. However, the complexity of the nature of the claims given the lack of established relevant case law, coupled with the Party's confidence in its defences means that the Party believes the value of these outflows and even the existence of obligations to be uncertain. As such, whilst the legal costs incurred by the Party during the year are included in these accounts, a liability reflecting any future legal costs and any potential settlement of the cases has not been included on the Balance Sheet.

Should the Party be successful in its defences, it will take every action available to recover the legal costs it has and will continue to incur from the respective claimants.

19 Capital and other commitments

The Party did not have capital commitments at the year end (2021: Nil)

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

	2022	2021
	£	£
On equipment		
Payable within one year	815	816
Payable within five years	<u>1,631</u>	<u>2,449</u>

20 Reportable donations

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

	2022	2021
	£	£
Donations	344,887	214,809
Public Funds, including Short Money and JRS COVID grants (see Note 4)	184,710	177,239
	<u>529,597</u>	<u>392,048</u>

The total donation income for the year, was £1,140,401 (2021: £1,126,550).

In addition to the above Central Party amounts, £153,104 was reported on behalf of Party Accounting Units (2021: £130,162).