

The Association of Liberal Democrat Councillors

Report and Financial Statements

For the Year Ended 31 December 2015

The Association of Liberal Democrat Councillors

Report and Financial Statements for the Year Ended 31 December 2015

The Management Committee present their report and the audited accounts for the year ended 31 December 2015.

Reference and Administrative Details of the Association, its Officers and Advisors

The Association of Liberal Democrat Councillors ("ALDC") is the representative body of Liberal Democrat Councillors in Great Britain. ALDC is a Specified Associated Organisation (SAO) of the Liberal Democrat Party.

Operating address:



Association officers:

<i>President</i>	Councillor Baroness Pinnock of Cleckheaton
<i>Chair</i>	Councillor Claire Hudson
<i>Vice-Chairs</i>	Councillor Isobel McCall Councillor Anood Al-Samerai
<i>Treasurer</i>	Councillor Sarah Boad
<i>Secretary</i>	Christine Tinker

Auditors: Garbutt & Elliott Audit Limited



Bankers:



Structure and Governance

The organisation aims to secure the election of Liberal Democrat Councillors, and to support Councillors once elected. We represent Liberal Democrat Councillors and local government campaigners within the broader party.

ALDC is the successor organisation to the Association of Liberal Democrat Councillors (ALC) and the Association of Social Democratic Councillors (ASDC), tracing our roots back to Liberal councillors first coming together in the 1960s.

ALDC is a membership organisation. Membership is open to any member of the Liberal Democrats, though in practice most of the members are councillors or local government campaigners. Members elect a Management Committee to serve for a period of two years from November. The current committee was elected in November 2014.

The Management Committee employs a small staff team, most of whom are based at our offices at [REDACTED] with a small team of Development Officers who work across the country. The committee would like to place on record its thanks to the staff team for their continuing commitment.

The Association of Liberal Democrat Councillors

Report and Financial Statements for the Year Ended 31 December 2015

Financial Review

In 2015 the Management Committee have reported a deficit of £34,964 (2014:surplus of £28,875). The bulk of the income is from Membership Fees and grants from the Federal Party and Joseph Rowntree Reform Trust (JRRT). We remain grateful for the continued commitment of the members, the Federal Liberal Democrat Party, JRRT and others for their support. Other income comes from trading activities such as conferences, events, publication sales and mailings.

Going concern

Although the level of reserves falls within the policy of the association, the committee is well aware that these reserves are limited, and have taken action to improve the financial position of the association. The committee is confident that as a result of controlling costs and maximising future income the association will be able to continue to operate as a going concern for at least the next 12 months.

Review of Political Activities

Achievements in 2015 included:

- Winning Elections and Winning Local Elections

ALDC continued to support local Liberal Democrat campaigners to compete in the 2015 English Metropolitan, Unitary and District, and in preparation for the 2016 general and local elections. The 2015 local elections were held on the same day as the UK General Election and saw further losses. ALDC played a full role in the 2015 general election campaign, in particular supporting candidates in non-target areas, and providing the Election Law Helpline for the whole Party. ALDC provided templates, advice, briefings, information and training to help Liberal Democrats campaign in the elections.

- Developing Campaign Capacity

The organisation has worked to build up the volunteer campaigning capacity of the Liberal Democrats. We have done this through our Development Officer field, kindly supported by the Joseph Rowntree Reform Trust, through a programme of local mentors, through training at conferences and our own residential Kickstart weekend.

We organised the annual Liberal Democrat Local Government Conference in Manchester, and continued to provide a free 'MyCouncillor' website to Lib Dem councillors and campaigners.

- Strong Organisation

During the year ALDC extended its internship programme, working with local parties geographically close to our Manchester headquarters.

The Fighting Fund appeal continued and has enabled us support local parties to fight council by-elections and to provide support in 'black hole' areas.

We were very grateful that JRRT extended its support to ALDC for a further five years in November 2015.

The Management Committee would like to take the opportunity to thank people who make ALDC possible: our volunteers, our staff team, our members and people who support the Association financially through grants and donations.

The Association of Liberal Democrat Councillors

Report and Financial Statements for the Year Ended 31 December 2015

Reserves Policy

ALDC policy is to make maximum use of its resources to meet its stated aims and priorities, but aims to maintain funds in reserve to meet the following needs:

- Reserves to allow for the smooth running of the organisation over the course of the year (cash flow).
- Reserves to allow the organisation time to take appropriate action to meet an unexpected and sudden loss of income or increase in expenditure.

The organisation aims to have sufficient reserves to cover two to four weeks' running costs.

Auditors

During the year Garbutt & Elliott Audit Limited were appointed as auditors replacing Ian Pickup and Co following the merger of the two practices.

Statement of Registered Treasurer's Responsibilities

The Registered Treasurer of the association is required by the Political Parties, Elections and Referendum Act 2000 to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the association as at the end of the financial year and of the surplus or deficit of the association for that period.

In preparing those financial statements the Registered Treasurer is required to

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.

Section 41 of the Act requires that the Registered Treasurer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and to enable him to ensure that the financial statements comply with the Act. He or she is also responsible for safeguarding the assets of the association and hence for taking steps for the prevention and detection of fraud and other irregularities.

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

Sarah Boad
Registered Treasurer

6 July 2016

The Association of Liberal Democrat Councillors

Independent Auditor's Report to the Registered Treasurer of the Association of Liberal Democrat Councillors

We have audited the financial statements of The Association of Liberal Democrat Councillors for the year ended 31 December 2015 which comprise the Income and Expenditure Account, the Balance Sheet, and the related notes. 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).

This report is made solely to The Association of Liberal Democrat Councillors, as a body, in accordance with Section 43 of the Political Parties, Elections and Referendum Act 2000. Our audit work has been undertaken so that we might state to the Association 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 Association for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of Registered Treasurer and auditors

As explained more fully in the Registered Treasurer's Responsibilities Statement set out on page 4, the Registered Treasurer is responsible for the preparation of the annual report and financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the accounting policies set out therein and the requirements of the Political Parties, Elections and Referendum Act 2000. We also report to you if, in our opinion, the Report of the Registered Treasurer is not consistent with the financial statements, if the Association has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the Report of the Registered Treasurer and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information contained in the annual report.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practice Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Registered Treasurer in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed,

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

The Association of Liberal Democrat Councillors

Independent Auditor's Report to the Registered Treasurer of the Association of Liberal Democrat Councillors

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 December 2015 and of its surplus 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 Referendum Act 2000.

Garbutt & Elliott Audit Limited

Chartered Accountants & Statutory Auditors



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The Association of Liberal Democrat Councillors

Income and Expenditure Account for the year ended 31 December 2015

	Note	2015 £	2014 £
Income:			
Membership and subscription fees	2	163,125	171,860
Grants	3	207,848	213,988
General donations		8,175	9,908
Fighting fund donations		5,580	-
Projects and activities	4	78,888	88,750
Conferences	5	7,226	19,153
Investment income	6	7	18
Other income	7	13,849	4,093
Total income		484,698	507,770
Expenditure:			
Costs of projects and activities	8	78,494	93,052
Wages and salaries	9	286,254	252,387
Depreciation and amortisation		9,301	9,603
Fighting fund grants and staff costs		2,700	-
Running costs	10	104,832	92,698
Conferences	11	22,799	20,430
Other expenses	12	15,282	11,025
Total expenditure		519,662	479,195
(Deficit)/Surplus for the year	13	(34,964)	28,575
Funds brought forward at 1 January 2015		41,844	13,269
Funds carried forward at 31 December 2015	18	6,880	41,844

The notes on pages 9 to 14 form part of these financial statements.

There were no other recognised gains or losses for 2015 or 2014 other than those shown on the Income and Expenditure Account.

The Association of Liberal Democrat Councillors

Balance Sheet as at 31 December 2015

	Notes	2015 £	£	2014 £	£
Fixed Assets					
Tangible assets	15		-		9,301
Current Assets					
Debtors and prepayments	16	54,647		75,796	
Cash at bank and in hand		25,561		50,158	
		80,208		125,954	
Creditors: amounts falling due within one year	17	(73,328)		(93,411)	
Net current assets			6,880		32,543
Net assets			6,880		41,844
Reserves:					
Fighting fund	18	2,880		-	
General fund	18	4,000		41,844	
		6,880		41,844	

The notes on pages 9 to 14 form part of these financial statements.

The financial statements were approved by the Management Committee.

Sarah Boad
Registered Treasurer

6 July 2016

The Association of Liberal Democrat Councillors

Notes to the Financial Statements for the year ended 31 December 2015

1. Accounting Policies

Basis of preparation of accounts

The financial statements are prepared under the historical cost convention and are in accordance with applicable accounting standards and the Statement of Accounts Guidance Notes issued by the Electoral Commission.

The accounts have been prepared on a going concern basis despite the deficit in the year and the low reserves carried forward. The Officers feel confident that after securing ongoing funding after the year end, maintaining membership subscriptions and by expanding its training offer the association will have resources sufficient to meet obligations as they fall due over the next 12 months and to enable it to build up reserves longer term.

The following accounting policies have been applied:

Income Recognition

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

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

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

- Donations of monetary assets and liquid investments are recognised 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 that are not in arrears are recognised in the income and expenditure account in the period to which they relate. Arrears of membership and subscription fees are only recognised in the income and expenditure account if received before the financial statements are approved.
- Interest receivable is recognised in the income and expenditure account on an accruals basis.

Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at the following annual rates in order to write off fixed assets less their residual value over their expected useful lives:

Office equipment	3 years straight line
Website development costs	3 years straight line

Pension costs

Contributions to the defined contribution pension scheme are charged to the income and expenditure account in the year in which they become payable.

The Association of Liberal Democrat Councillors

Notes to the Financial Statements for the year ended 31 December 2015

2. Membership

	2015	2014
	£	£
Opening reserve at 1 January 2015	28,302	34,086
Membership income received in the year	161,026	166,076
Closing reserve at 31 December 2015	(26,203)	(28,302)
	163,125	171,860

3. Grants

	2015	2014
	£	£
Party grant	41,840	46,476
Policy development fund	30,000	30,000
The Joseph Rowntree Reform Trust Limited	70,017	71,005
G8 reimbursement	46,483	42,750
Local Government secondment	19,508	23,757
	207,848	213,988

4. Income relating to specific projects and activities

	2015	2014
	£	£
Publication sales	1,594	5,358
Other council support income	54,135	63,431
Training	23,159	19,961
	78,888	88,750

5. Income from conferences

	2015	2014
	£	£
Local Government conference	7,226	17,762
Federal conferences	-	1,391
	7,226	19,153

6. Investment income

	2015	2014
	£	£
Interest receivable	7	18

The Association of Liberal Democrat Councillors

Notes to the Financial Statements for the year ended 31 December 2015

7. Other income

	2015	2014
	£	£
Management charges – Birchcliffe Training Limited	6,000	1,000
Photocopier income	-	388
Other income	7,849	2,705
	13,849	4,093

8. Costs of specific projects and activities

	2015	2014
	£	£
Publications	509	2,197
Training	44,255	36,302
Council support costs	33,730	54,553
	78,494	93,052

9. Wages and salaries

	2015	2014
	£	£
Salaries and wages	249,846	210,652
Social security costs	22,214	17,116
Other pension costs	14,194	24,619
	286,254	252,387

The average number of persons employed during the year, calculated on the basis of full time equivalents, was as follows:

	2015	2014
	FTE	FTE
Support staff	1.5	1
Political staff	5.8	4.8
	7.3	5.8

The Association of Liberal Democrat Councillors

Notes to the Financial Statements for the year ended 31 December 2015

10. Running costs

	2015	2014
	£	£
Office rental and services	22,028	14,200
Telephone and fax	10,048	4,192
Staff expenses	16,142	20,501
Staff recruitment	623	-
Photocopying	4,882	4,016
Computer consumables and support	29,273	36,160
Postage	7,841	2,474
General stationery	2,269	2,047
Legal and professional	1,693	-
Office administration	1,141	-
Audit accountancy and taxation	6,140	4,800
Management committee expenses and elections	2,752	2,463
Bad debt expense	-	1,631
Miscellaneous	-	214
	104,832	92,698

11. Conference costs

	2015	2014
	£	£
Local Government conference	17,720	13,224
Federal conference	5,079	7,206
	22,799	20,430

12. Other expenses

	2015	2014
	£	£
Bank charges	4,535	5,677
Irrecoverable Value Added Tax	10,747	5,348
	15,282	11,025

13. (Deficit)/surplus for the year

This has been arrived at after charging:	2015	2014
	£	£
Auditors' remuneration:		
Audit and accountancy	3,400	3,300
Depreciation on owned assets	9,301	9,603

The Association of Liberal Democrat Councillors

Notes to the Financial Statements for the year ended 31 December 2015

14. Registered treasurer and officers

None of the Registered Officers received any emoluments during the year (2014: Nil).

15. Tangible fixed assets

	Website Development	Office Equipment	Total
	£	£	£
Cost or valuation:			
1 January 2015 and 31 December 2015	24,516	3,990	28,506
Depreciation:			
1 January 2015	16,344	2,861	19,205
Charge for the year	8,172	1,129	9,301
31 December 2015	24,516	3,990	28,506
Net book value 31 December 2015:	-	-	-
Net book value 31 December 2014:	8,172	1,129	9,301

16. Debtors: due within one year

	2015 £	2014 £
Trade debtors	10,467	23,638
Prepayments and accrued income	3,750	5,089
Other debtors	40,430	47,069
	54,647	75,796

17. Creditors - amounts falling due within one year

	2015 £	2014 £
Trade creditors	34,517	3,438
Taxation and social security	7,161	974
Accruals and deferred income	31,650	86,939
Credit cards	-	2,060
	73,328	93,411

The Association of Liberal Democrat Councillors

Notes to the Financial Statements for the year ended 31 December 2015

18. Reserves

	2015 £	2014 £
General funds at 1 January 2015	41,844	13,269
(Deficit)/Surplus for the year	(34,964)	28,575
Transfer to Fighting Fund	(2,880)	-
General Funds at 31 December 2015	4,000	41,844
Fighting fund at 1 January 2015	-	-
Transfer to fund	2,880	-
Fighting Fund at 31 December 2015	2,880	-
Total Funds at 31 December 2014	41,844	13,269
Total Funds at 31 December 2015	6,880	41,844

The Fighting Fund represents the unspent balance remaining from donations made specifically towards fighting campaigns.

19. Related party transactions

Birchcliffe Training Limited (BTL)

During the year the following transactions have taken place between the Association and BTL, a company which is controlled by the officers of the Association, two of whom have been appointed as directors of the company on behalf of the Association. During the year ALDC raised management charges of £6,000 (2014: £1,000) to BTL. The amount owing to ALDC by BTL at the period end was £13,676 (2014: £7,276).

Other related parties

Steve Hitchen, who is a management committee member, is involved with the Be a Councillor Project. The amounts paid to Steve Hitchens Limited were £28,586 (2014: £10,385).

The association has recharged certain administrative costs totalling £7,838 (2014: £389) provided to Bury Liberal Democrats, for which Tim Pickstone, the Chief Executive of ALDC, is an elected councillor.

20. Lease commitments

There were no ongoing lease commitments at 31 December 2015 (2014: None).