

SHEFFIELD LIBERAL DEMOCRATS
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

SHEFFIELD LIBERAL DEMOCRATS

PARTY INFORMATION

Chair P A Baker (Appointed 1 January 2016)

Registered Treasurer N R Pye-Smith

Registered office 8-10 Great George Street
London
SW1P 3AE

Auditors Hart Shaw LLP
Europa Link


SHEFFIELD LIBERAL DEMOCRATS

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SHEFFIELD LIBERAL DEMOCRATS

REPORT OF THE PARTY OFFICERS

FOR THE YEAR ENDED 31 DECEMBER 2015

Address

The principal address of the Sheffield Liberal Democrats is 8-10 Great George Street, London, SW1P 3AE.

Officers

The principal officers of the party in 2015 were:

Chair: A P Sangar (Resigned 31 December 2015)

Registered Treasurer: N R Pye-Smith

Chair's introduction

Sheffield Liberal Democrats ("the party") is a local party, an accounting unit of the The Liberal Democrats (The Federal Party) ("the Federal Party"). The party covers the area of Sheffield City Council, comprising five parliamentary constituencies and part of a sixth. It was formed by merging four local parties on 1 January 2013. The party has nine branches, each covering one or two electoral wards.

Executive structure

The Executive Committee makes decisions about the activities of the party. It comprises the Honorary President; the officers (Chairman, Vice Chairman, Treasurer, Secretary, Membership Secretary and Policy Officer); the Campaign Manager; representatives of the Councillors; representatives of each branch and of areas where there is no branch, a student representative; the employed staff; and two ordinary members.

Other committees are formed when required, such as for writing a local election manifesto or for selecting candidates.

Staff

██████████ was engaged throughout 2014 and 2015 as organiser. He was employed and remunerated by the Federal Party; the party reimbursed that cost to the Federal Party. Details of the transfers made in respect of this are included in note 3.3.

██████████ was employed until the end of May 2015 to co-ordinate volunteers and ██████████ was employed until 7 May 2015 as campaign manager.

Membership

The number of members of the Federal Party who were assigned to the Sheffield local party was 468 on 31 December 2014 and 768 on 31 December 2015. A large number of people joined the party after the General Election.

Accounting units

The party is an accounting unit of the Federal Party. The branches are not separate accounting units. Their income and expenditure is incorporated in the accounts of the party.

Corporate governance and internal control

Decisions are made by the Executive Committee. The officers are elected at the AGM and branch representatives are elected by the branches at their AGMs.

Remuneration of employees is assessed in relation to other comparable positions.

Payments from the bank account have to be authorised by two officers.

The Registered Treasurer is responsible for the party's compliance with the Political Parties, Elections and Referendums Act 2000, particularly in respect of reporting donations.

External auditors are not usually appointed because the party's annual income and expenditure are usually less than £250,000. Exceptionally in 2015 the expenditure exceeded that limit.

SHEFFIELD LIBERAL DEMOCRATS

REPORT OF THE PARTY OFFICERS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Review of political activities

Liberal Democrat candidates stood in all six Sheffield parliamentary constituencies at the General Election on 7 May 2015. Nick Clegg was re-elected as MP for Sheffield Hallam.

Local elections for Sheffield City Council took place on the same day. Liberal Democrat candidates stood in all twenty eight wards and won five seats.

Review of financial activities

An exceptionally large amount was spent on campaigning during the year, particularly in connection with the parliamentary election in Sheffield Hallam. Although large donations were received from supporters outside Sheffield in addition to generous support from within the city, expenditure exceeded income by £46,000 resulting in substantially reduced reserves at the year end.

There is not a parliamentary election in 2016. Other than this, there has not been a substantial change since the year end. Income exceeded expenditure to the middle of June 2016 by £8,500.

Statement of Registered Treasurer's responsibilities

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 apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable 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 business.

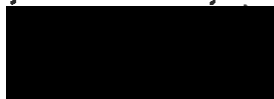
Section 41 of the Act requires that the Registered Treasurer is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the party at that time and to enable him to ensure that the financial statements comply with the Act. Section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

The Registered Treasurer is also responsible for safeguarding the assets of the Party and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

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

By order of the Party Officers



N R Pye-Smith
Registered Treasurer
29 June 2016

SHEFFIELD LIBERAL DEMOCRATS

INDEPENDENT AUDITORS' REPORT

TO THE REGISTERED TREASURER OF SHEFFIELD LIBERAL DEMOCRATS

We have audited the financial statements of Sheffield Liberal Democrats for the year ended 31 December 2015 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement 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 Registered Treasurer in accordance with section 43 of the Political Parties, Elections and Referendums Act 2000. Our audit work has been undertaken so that we might state to the Registered 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 Registered Treasurer 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 Statement of Registered Treasurer's Responsibilities set out on page 2, the Registered Treasurer is responsible for the preparation of the 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the party's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Registered Treasurer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Party Officers to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the party's affairs as at 31 December 2015 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.

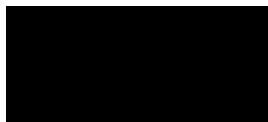
SHEFFIELD LIBERAL DEMOCRATS

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE REGISTERED TREASURER OF SHEFFIELD LIBERAL DEMOCRATS

Other matter

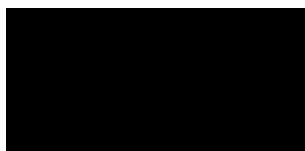
In the previous accounting period under s43(1) of the Political Parties, Elections and Referendums Act 2000 the Registered Treasurer of the party was not required to have the financial statements audited. Therefore the prior period's financial statements were not subject to audit.



Sarah L Brock (Senior Statutory Auditor)
for and on behalf of Hart Shaw LLP

29 June 2016

Chartered Accountants
Statutory Auditor



SHEFFIELD LIBERAL DEMOCRATS

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Income	2		
Membership income		4,583	3,435
Donations		154,029	108,158
Branch income		7,296	6,711
Fundraising income		12,617	11,560
Investment income		252	196
Transfers in		36,076	20,000
Rent receivable		8,700	8,700
Miscellaneous income		12	-
		<u>223,565</u>	<u>158,760</u>
Expenditure	3		
Wages and salaries		10,321	22,221
Employer's NI contributions		570	1,257
Campaigning costs		138,234	90,975
Fundraising costs		6,976	6,257
Staff training		215	1,167
Branch expenditure		2,624	2,027
Transfers out		75,840	26,161
Premises		17,174	17,487
Office costs		6,817	6,435
Audit and accountancy		3,480	-
Miscellaneous expenditure		4,157	4,021
Depreciation		2,866	2,866
		<u>269,274</u>	<u>180,874</u>
Deficit on ordinary activities before taxation		<u>(45,709)</u>	<u>(22,114)</u>
Taxation	4	<u>(50)</u>	<u>(39)</u>
Deficit for the year	9	<u><u>(45,759)</u></u>	<u><u>(22,153)</u></u>



SHEFFIELD LIBERAL DEMOCRATS

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	7		2,418		5,284
Current assets					
Cash at bank and in hand		20,971		47,163	
Creditors: amounts falling due within one year	8	(17,991)		(1,290)	
Net current assets			2,980		45,873
Total assets less current liabilities			5,398		51,157
Reserves					
Accumulated funds	9		5,398		51,157

The financial statements were approved by the Party Officers on 29 June 2016


N R Pye-Smith
Registered Treasurer

SHEFFIELD LIBERAL DEMOCRATS

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	£	£
Operating deficit	(45,709)	(22,114)
Depreciation of tangible assets	2,866	2,866
Decrease in debtors	-	500
Increase/(decrease) in creditors	16,701	(143)
	<hr/>	<hr/>
Cash absorbed by operations	(26,142)	(18,891)
Application of cash		
Tax paid	(50)	(39)
Payments to acquire tangible assets	-	(7,252)
	<hr/>	<hr/>
Net decrease in cash	(26,192)	(26,182)
Cash at bank and in hand at beginning of year	47,163	73,345
	<hr/>	<hr/>
Cash at bank and in hand at end of year	20,971	47,163
	<hr/> <hr/>	<hr/> <hr/>

SHEFFIELD LIBERAL DEMOCRATS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards in the United Kingdom and reflect those principles contained in the Statement of Accounts Guidance Notes issued by The Electoral Commission.

1.2 Income

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

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

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

- Donations of monetary assets and liquid investments 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 that are not in arrears are recognised in the income and expenditure account in the period to which they relate.
- Arrears are only recognised in the income and expenditure account if received before the financial statements are approved.
- Legacies are recognised when the personal representatives of the deceased have notified the party of the legacy, they have obtained grant of representation and there are no significant matters outstanding concerning the precise division of the estate.
- Interest receivable and rental income are recognised in the income and expenditure account on an accruals basis.
- Dividend income is recognised when declared.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Office equipment	3 years straight line
Fixtures and fittings	3 years straight line

1.4 Comparative figures

In the previous accounting period under s43(1) of the Political Parties, Elections and Referendums Act 2000 the Registered Treasurer of the party was not required to have the financial statements audited. Therefore the prior period's financial statements were not subject to audit. The opening balances of the current financial year have however been subject to audit.

2 Income

2.1 Donations

During the year the party accepted donations from permissible donors (as defined by section 54 of the Act) totalling £154,029 (2014: £108,158) of which £122,694 (2014: £94,800) were reportable to the Federal Party.

SHEFFIELD LIBERAL DEMOCRATS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

2 Income (Continued)

2.2 Membership income

	2015 £	2014 £
Membership fees received via/paid to the Federal Party	4,583	3,435

2.3 Branch income

	2015 £	2014 £
Broomhill	244	244
Beauchief and Greenhill	1,055	931
Dore and Totley	2,182	2,087
Ecclesall	1,083	836
Ecclesfield	104	186
Fulwood	435	933
Graves Park	1,542	781
Nether Edge	444	492
Stannington	207	221
Total of branches	7,296	6,711

2.4 Fundraising income

A number of fundraising events were held throughout the year. Income was £12,617 as opposed to last year's income of £11,560.

2.5 Investment income from current assets

	2015 Balance at end of year £	Interest £	2014 Balance at end of year £	Interest £
Bank accounts	20,971	252	47,163	196

2.6 Transfers

Transfer from	Details	2015 £	2014 £
Federal Party	Donations intended for Sheffield local party	35,576	20,000
Yorkshire and Humber Region	Lost deposit insurance scheme	500	-
		36,076	20,000

SHEFFIELD LIBERAL DEMOCRATS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

2 Income (Continued)

2.7 Property and rental income

	2015 £	2014 £
Furnished offices sub-let to MP for Sheffield Hallam	8,700	8,700

3 Expenditure

3.1 Branch expenditure

	2015 £	2014 £
Broomhill	-	-
Beauchief and Greenhill	1,039	439
Dore and Totley	996	635
Ecclesall	160	188
Ecclesfield	-	-
Fulwood	-	308
Graves Park	279	345
Nether Edge	150	112
Stannington	-	-
Total of branches	2,624	2,027

3.2 Fundraising expenditure

A number of fundraising events were held throughout the year. Expenditure was £6,976 as opposed to last year's expenditure of £6,257.

3.3 Transfers

Transfer to	Details	2015 £	2014 £
Federal Party	National direct mail	51,000	-
Federal Party	Connect and Nationbuilder software	1,116	630
Yorkshire and Humber Region	Lost deposit insurance scheme	600	-
Federal Party	Salaries	23,049	22,630
Yorkshire and Humber Region	Donations intended for Region	-	2,400
Chesterfield local party	Printing	75	501
		75,840	26,161

SHEFFIELD LIBERAL DEMOCRATS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

3 Expenditure (Continued)

3.4 Miscellaneous expenditure	2015 £	2014 £
Training of volunteers	95	995
Payroll administration	174	334
Software licence	-	80
Office equipment	246	55
Office equipment maintenance	1,263	2,412
Administrative work	1,250	-
Legal fees	480	-
Other office costs	649	145
	<u>4,157</u>	<u>4,021</u>

4 Taxation	2015 £	2014 £
Taxation on investment income	50	39
Total current tax	<u>50</u>	<u>39</u>

5 Employees

Number of employees

The average number of employees employed under a contract of employment with the party during the year was:

	2015 Number	2014 Number
Campaign staff	<u>1</u>	<u>2</u>
Employment costs	2015 £	2014 £
Wages and salaries	10,321	22,221
Social security costs	570	1,257
	<u>10,891</u>	<u>23,478</u>

There were no employees in either 2014 or 2015 with remuneration over £50,000.

Further details regarding employees are provided in the Report of the Party Officers.

SHEFFIELD LIBERAL DEMOCRATS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

6	Campaign expenditure	2015	2014
		£	£
	General election	50,288	-
	Local government	10,239	10,007
	European Union	-	22,187
	Other campaign expenditure	77,707	58,781
		<u>138,234</u>	<u>90,975</u>
7	Tangible fixed assets		
		Office equipment £	Fixtures and fittings £
			Total £
	Cost		
	At 1 January 2015 & at 31 December 2015	<u>7,753</u>	<u>845</u>
	Depreciation		
	At 1 January 2015	2,799	515
	Charge for the year	<u>2,584</u>	<u>282</u>
	At 31 December 2015	<u>5,383</u>	<u>797</u>
	Net book value		
	At 31 December 2015	<u>2,370</u>	<u>48</u>
	At 31 December 2014	<u>4,954</u>	<u>330</u>
8	Creditors: amounts falling due within one year	2015	2014
		£	£
	Trade creditors	14,511	1,290
	Other creditors	3,480	-
		<u>17,991</u>	<u>1,290</u>

SHEFFIELD LIBERAL DEMOCRATS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

9 Statement of movements on reserves

	Accumulated funds £
Balance at 1 January 2015	51,157
Deficit for the year	(45,759)
Balance at 31 December 2015	<u>5,398</u>

10 Financial commitments

At 31 December 2015 the party was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2016:

	Land and buildings 2015 £	2014 £
Operating leases which expire:		
Within one year	<u>3,650</u>	<u>4,200</u>

11 Related party relationships and transactions

Included within creditors is an amount of £14,000 (2014: £nil) due to the Federal Party.

SHEFFIELD LIBERAL DEMOCRATS
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2015

SHEFFIELD LIBERAL DEMOCRATS

DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	£	£
Turnover		
Membership income	4,583	3,435
Donations	154,029	108,158
Branch income	7,296	6,711
Fundraising income	12,617	11,560
Investment income	252	196
Transfers in	36,076	20,000
Rent receivable	8,700	8,700
Miscellaneous income	12	-
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	223,565	158,760
 Administrative expenses	 (269,274)	 (180,874)
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Operating deficit	(45,709)	(22,114)
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SHEFFIELD LIBERAL DEMOCRATS

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	£	£
Administrative expenses		
Wages and salaries	10,321	22,221
Employer's NI contributions	570	1,257
Campaigning costs	138,234	90,975
Fundraising costs	6,976	6,257
Staff training	215	1,167
Branch expenditure	2,624	2,027
Transfers out	75,840	26,161
Premises	17,174	17,487
Office costs	6,817	6,435
Audit and accountancy	3,480	-
Miscellaneous expenditure	4,157	4,021
Depreciation	2,866	2,866
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	269,274	180,874
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