

Welsh Liberal Democrats Statement of Accounts

For the year ended 31 December 2015



INTRODUCTION

This Statement of Accounts provides a report of the political and financial activities of the Welsh Liberal Democrats/Democratiaid Rhyddfrydol Cymru (hereinafter referred to as the Welsh Liberal Democrats). The address of the Welsh Liberal Democrats is:



The Welsh Liberal Democrats are an accounting unit of the Liberal Democrats.

For the purposes of the Political Parties, Elections and Referendums (2000) Act, Robert Griffin, as the elected Treasurer is the Registered Treasurer.

The Party re-established a Finance and Management Committee during 2009 with the roles and functions which had previously been exercised by the National Executive Committee being transferred back to the Finance and Management Committee.

ADMINISTRATIVE INFORMATION

Chief Executive:	Richard Thomas
Leader:	Kirsty Williams CBE AM
President:	Prof John Last CBE (to 15 November 2015) Roger Williams CBE (from 15 November 2015)
Treasurer:	Mark Stephens (to 15 November 2015) Robert Griffin (from 15 November 2015)
Chair, National Executive:	Dr Rodney Berman OBE
Chair, Finance & Management Committee:	Glennys Hughes
Chair, Campaigns & Candidates Committee:	John Dixon
Chair, Policy Committee:	Alec Dauncey
Chair, Conference Committee:	Jacqui Sullivan

At the end of the year the Party had one Member of Parliament (having lost the MPs for Brecon & Radnorshire and Cardiff Central at the General Election), five Members of the National Assembly for Wales and 76 unitary authority Councillors. The MP and AMs were:

Mark Williams MP	Cllr Peter Black AM
	Eluned Parrott AM
	Cllr William Powell AM
	Aled Roberts AM
	Kirsty Williams CBE AM

REVIEW OF POLITICAL ACTIVITIES

Overview:

In terms of political activity the main activities of the Party were UK General Election held on 3 May 2015 and then preparatory work for the 2016 Welsh General Election.

The Welsh Liberal Democrats held two successful policy making and party business Conferences in 2015 (Cardiff in March and Swansea in November).

REVIEW OF FINANCIAL ACTIVITIES

Overview:

The Party's main sources of income continue to be the two Conferences, membership fees and policy development funding received via the Federal Party from the Electoral Commission. The Party has also benefitted from a number of donations which have been declared to the Electoral Commission in accordance with the Political Parties, Elections and Referendums Act. Members of Parliament and the National Assembly Members continue to contribute to the Party's staffing and operational costs. Increased expenditure on electoral support in 2015 compared to 2014 was more than offset by a rise in income to deliver a surplus.

There have been continued budgetary pressures from having the Deputy Prime Minister in attendance at the Spring Conference but this has also led to an increase in income.

The financial management, systems and reporting of the Party were managed by the Party Treasurer and the Finance and Management Committee. There was a change in both positions in 2015 with Mark Stephens stepping down as Chair of the Finance and Management Committee at the start of the year and then as Treasurer on 15 November 2015.



Robert Griffin, Treasurer
05 July 2016

STATEMENT OF REGISTERED TREASURER'S RESPONSIBILITIES

The Registered Treasurer of the Party is required by the Political Parties, Elections and Referendums Act 2000 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 its 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 judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Party will continue in operation.

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 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE NATIONAL EXECUTIVE OF THE WELSH LIBERAL DEMOCRATS (THE PARTY)

We have audited the financial statements of the Welsh Liberal Democrats for the year ended 31 December 2015 which comprise the Income and Expenditure Account, the Balance Sheet and 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).

Respective responsibilities of the Registered Treasurer and auditor

As explained more fully in the Statement of Registered Treasurer's responsibilities as set out on page 5, 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. This report is made solely to the National Executive of the Welsh Liberal Democrats as a body, 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 National Executive of the Welsh Liberal Democrats 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 National Executive of the Welsh Liberal Democrats as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the Welsh Liberal Democrats 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 Referendums Act 2000.

Other matter

Without qualifying our opinion we draw attention to the fact that the comparative information in the accounts was unaudited as The Party was entitled to exemption from audit at that point.

[REDACTED]
Jonathan Marchant (Senior Statutory Auditor)
For and on behalf of Mazars LLP

[REDACTED]

6/7/2016

Income & Expenditure Account

(for the year ended 31 December 2015)

INCOME	Notes	2015 (£)	2014 (£) <i>restated</i>
Core	3	262,612	171,637
Conference		39,919	32,294
TOTAL		302,531	203,931
EXPENDITURE			
Core	2, 6	162,395	118,527
Discretionary	6	8,265	6,213
Electoral Support		113,385	16,054
Conference		17,089	17,599
Committee Support		677	1,574
Bad Debt Write-Off		-	-
TOTAL		301,811	159,967
EXCESS INCOME OVER EXPENDITURE		720	43,964

All operations are considered to be continuing.

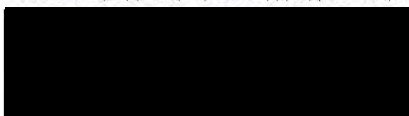
There were no recognised gains or losses other than those included in the income & expenditure account.

Balance Sheet

(as at 31 December 2015)

	Notes	2015 (£)	2014 (£)
FIXED ASSETS	4	-	-
CURRENT ASSETS			
Debtors		1,600	1,373
Cash at Bank		61,980	52,398
TOTAL CURRENT ASSETS		63,580	53,771
Creditors falling due in less than one year	5	(27,761)	(18,672)
NET ASSETS		35,819	35,099
Financed by:			
Accumulated Fund		35,099	(8,865)
(Deficit)/Surplus for the year		720	43,964
TOTAL FUNDS		35,819	35,099

The financial statements were approved by the Finance and Management Committee on



5/7/16

Robert Griffin]
Treasurer

NOTES TO THE ACCOUNTS

1. Accounting Policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards and the principles set out in the Electoral Commission's *Statement of Accounts Guidance Notes* in existence at year end.

The following principal accounting policies have been applied:

a. Income recognition

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 in the income and expenditure account on receipt;
- Donations of notional income are recognised on receipt at the relevant market value of the donation received with an expense of the same amount being recognised contemporaneously;
- Grants are recognised in the income and expenditure account when the conditions for receipt have been met;
- Membership and subscription fees are recognised on a receipts basis;
- Conference Income is recognised on an accruals basis; and
- Interest receivable is recognised in the income and expenditure account on an accruals basis

At 31 December 2015 only the debt owed by the Cardiff and the Vale Local Party remains. It is judged that Cardiff and the Vale Local Party's debt does fulfil the criteria set out above and therefore is not recognised as income in the accounts.

This debt is:

Cardiff & the Vale Local Party:	£7,995
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b. Depreciation:

Depreciation is provided to write off the cost less estimated residual values, of all fixed assets evenly over their expected useful lives. It is calculated at the following rates:

ICT & Conference Equipment:	3 Years
Furniture, Fixtures & Fittings:	5 Years

c. Basis of Preparation:

The Welsh Liberal Democrats are a State Party federated to the Liberal Democrats and comprise a number of Local and Regional Parties.

These financial statements deal solely with the activities of the Welsh Liberal Democrats. They do not include the income, expenditure, assets or liabilities of the Federal, Regional or Local Parties, or any other bodies and as such have been drawn up on the ongoing concern basis appropriate due to the on-going support of Party Members.

The principal accounting policies of the Welsh Liberal Democrats have remained unchanged from the previous year.

d. Prior Period Restatement

The core income and core expenses in the Income and Expenditure lines for the year to 31 December 2014 have each been increased by £25,265. Previously, grant income for specific expenses had been net against the related expense. In the year to 31 December 2015 the grant funding has been recorded as grant income and the corresponding expense reported gross. The values for the year to 31 December 2014 have been adjusted to provide for consistent reporting. This change does not impact on the surplus of income over expenditure for the year, or on the balance sheet.

2. Staffing

Staff Costs appear in the Income and Expenditure Account under the heading of Core Expenditure. Staff Costs, which comprise of salaries, pensions and National Insurance Contributions, totalled £75,269 in 2015 (2014 £75,283). The average number of employees was 6 (3.5 full time equivalent) during the year end 31 December 2015 and 31 December 2014.

3. Core Income

	2015 (£)	2014 (£) <i>restated</i>
Donations	79,177	59,703
Membership Fees	57,667	45,995
Grant Income	122,608	64,236
Other Income	3,160	1,703
Total	262,612	171,637

The total of all personal donations to the Party, from members and non-members, Members of Parliament and Members of the National Assembly for Wales (excluding membership, training and Conference fees) during 2015 included £62,343 that was declared to the Electoral Commission as being from permissible donors under PPERA.

4. Fixed Assets

The Welsh Liberal Democrats own no property. The tangible assets owned by the Party would be only office fixtures and fittings, ICT and conference equipment. Previous expenditure on these items, due to the value of the purchases, has been expensed fully in the year of acquisition. There were no fixed asset additions during 2015.

5. Creditors

	2015 (£)	2014 (£)
Inter-Party	16,993	17,319
Deferred income	10,768	1,353
Sundry Creditors	-	-
Total	27,761	18,672

The inter-party (Welsh – English Party and Welsh – Federal Party Loan Accounts) creditor position is due to a net deficit on the Welsh-Federal Loan Account for 2015.

Deferred income represents amounts paid in advance in respect the 2016 Spring Conference which took place on 6 and 7 February 2016.

6. Definitions and spend included in Core and Discretionary Expenditure

In these accounts, the headings 'Core' and 'Discretionary' expenditure, the following areas are included:

CORE:

These include (but not exclusively) payments for bank charges, fees to the Federal Party for candidate assessments and the processing of membership subscriptions, Office Rental and associated service charges, telephones and utilities, Staff Salaries and pensions, insurance and translation costs.

DISCRETIONARY:

These include (but not exclusively) payments for legal costs, the Party's presence at national events such as the Royal Welsh Show and the National Eisteddfod, staff and volunteer expenses, stationery, printing and photocopying, staff recruitment, staff training and development and office equipment.