



THE LIBERAL DEMOCRATS (THE FEDERAL PARTY)

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

FOR

THE LIBERAL DEMOCRATS  
(THE FEDERAL PARTY)





THE LIBERAL DEMOCRATS (THE FEDERAL PARTY)

**PARTY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**REGISTERED OFFICERS:**

Sir E J Davey MP - Leader

M F Cox FCA - Registered Party Treasurer

Sarah Morris – Nominating Officer

Mike Dixon – Campaigns Officer

**REGISTERED OFFICE:**

1 Vincent Square,  
London,  
SW1P 2PN

**AUDITORS:**

UHY Hacker Young LLP





**REPORT OF THE CHIEF EXECUTIVE OFFICER  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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The officers present their strategic report for the year ended 31 December 2024.

**REVIEW OF POLITICAL ACTIVITIES**

2024 saw our most successful General Election result in Liberal Democrat history, winning in 72 seats across England, Scotland and Wales. This was the best result by a third party in a century.

This built on our sixth round of gains in local elections in May.

Although this was a striking transformation in our political representation, it was built on hard work over the parliament, including widespread operational changes and a much stronger culture of working together across local, regional, state and Federal parties, alongside associated organisations and other groups.

Our core systems, technology and ways of working are well-established and run well, following several years of change, consolidation and simplification. This meant we were able and ready to quickly scale up our support for 72 MPs in Westminster, who have been working hard to respond to their constituents as local champions, intent on delivering on their promises to voters.

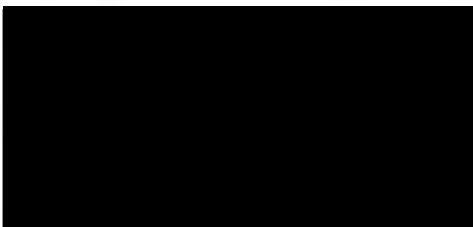
Financially, we ended the year once again in a strong position. We hit our budget targets, making a planned operational surplus on the General Election that allows us to smooth spending over the parliament. Again, we have showed that we can manage our finances well even in a period of great uncertainty.

Our internal operational performance continues to perform well. Our technology proved robust under General Election conditions and local parties are able to use data with more confidence and accuracy. We continue to find it ever easier to listen to what voters are telling us and respond.

Staff satisfaction has remained consistently high, and we were able to increase pay in some core roles to recognise the contribution these make to our electoral success.

We go into 2025 with a strong mandate from voters, our strongest ever Westminster representation, and a clear sense of momentum and confidence.

**ON BEHALF OF THE PARTY:**



Mike Dixon - Chief Executive Officer

Date: 27 June 2025



## THE LIBERAL DEMOCRATS (THE FEDERAL PARTY)

### REPORT OF THE FINANCE & RESOURCES COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2024

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The Liberal Democrats (The Federal Party) is a federation constituted by the Scottish Liberal Democrats, the Welsh Liberal Democrats (Democratiaid Rhyddfrydol Cymru) and the Liberal Democrats in England (together, "The State Parties"). The Liberal Democrats in England is a federation of the Regional Parties in England. The Regional Parties comprise a number of Local Parties.

The Liberal Democrats (The Federal Party) is constituted under section 26 of the Political Parties, Elections and Referendums Act 2000 as a central organisation with 404 accounting units.

These financial statements deal solely with the activities of the Federal Party as set out in Article 2 of the Constitution of the Federal Party. They do not include the income, expenditure, assets or liabilities of the State, Regional, Local Parties, or any other bodies.

#### COMMITTEES

The following committees operate within The Liberal Democrats (The Federal Party) ("the Federal Party", "the Party") to oversee and manage the organisation's business. The terms of reference for each committee are contained within the Party's constitution. The Chairs of the respective committees during the year are:

Federal Board - Dr Mark Pack  
Federal Policy - Sir Ed Davey MP  
Federal Conference – Nick da Costa  
Federal Finance & Resources – Michael F Cox  
Federal Communications & Elections - Kath Pinnock  
Federal People Development: Claire Hudson  
Federal International Relations – David Chalmers  
Federal Audit & Scrutiny Committee – David Radcliffe

Conference is the sovereign representative body of the Party [REDACTED] power to determine its policies. In addition to setting the Party's policies, Conference also receives reports from [REDACTED] eral committees, Westminster parliamentary and European parliamentary parties. Membership of Conference is defined by article 6.1 of the constitution.

Conference is organised by the Federal Conference Committee (FCC), membership of which is defined by article 11.2 of the constitution.

Between conferences the Federal Policy Committee (FPC) is responsible for researching, developing and overseeing the policy making process. Membership of the FPC is defined by article 10.2 of the constitution.

The Federal Board (FB) is responsible for directing, co-ordinating and overseeing the implementation of the strategy and the work of the Federal Party. Membership of the FB is defined by article 9.2 of the constitution.

The Federal Finance & Resources Committee (FFRC) is responsible for the planning and administration of the budget and finances of the Federal Party, overseeing the administration of the Federal Party and ensuring compliance of the Party at all levels with the provisions of the Political Parties, Elections and Referendums Act 2000 as amended by the Political Parties and Election Act 2009 and by the Electoral Administration Act 2006. The FFRC is also responsible for ensuring that there are adequate financial controls and systems in place. Membership of the FFRC is defined by article 12.2 of the constitution.

The Federal Communications and Elections Committee (FCEC) is responsible for overseeing the implementation of the Party's strategy in relation to elections, campaigns and communications. Membership of the FCEC is defined by article 13.2 of the constitution



**REPORT OF THE FINANCE & RESOURCES COMMITTEE  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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The Federal People Development Committee (FPDC) is responsible for co-ordinating, planning and supervising the training, diversity engagement, and membership recruitment, retention and activation strategies for the Party, in addition to working with Associated Organisations and Specified Associated Organisations to support them in recruiting and maintaining membership, and implementing the Party's policies on diversity. Membership of the FPDC is defined by article 14.3 of the constitution.

The Federal International Relations Committee (FIRC) is responsible for the Party's international liaison. A full list of responsibilities is laid out in article 15.1 of the constitution. Membership of the FIRC is defined by article 15.2 of the constitution.

The Federal Audit and Scrutiny Committee (FASC) is appointed by the Federal Board. The FASC's responsibilities are defined by article 16.2 of the constitution and include the appointment of the Federal Party's auditor including meeting with the auditor and receiving its reports. The membership of the FASC is defined in article 16.3 of the constitution.

The members of the FASC during the year are:

David Radcliffe (Chair)  
Rebecca Cave  
Matthew Green  
Elsie Gisslegard  
Simon Marlow  
Valerie Stainton  
Mark Pack\*  
Sir Ed Davey MP\*  
Tilly McAuliffe\*  
Michael F Cox\*

Those marked with an asterisk are only observers and do not have the right to vote.

Elected representatives

The Party has 72 elected members of the Westminster Parliament and there are 84 Liberal Democrat members of the House of Lords, four Liberal Democrat members of the Scottish Parliament, one Liberal Democrat member of the Welsh Assembly and two Liberal Democrat members of the Greater London Authority. As of December 2024 there were approximately 2,977 Liberal Democrat Councillors. There was also one directly elected Liberal Democrat Mayor.

Staffing

The principal permanent members of staff during the year are:

Chief Executive - Mike Dixon  
Director of Communications: Olly Grender  
Director of Campaigns: Dave McCobb  
Chief Operating Officer: Trudy Church  
Director of Operations: Sian Waddington  
Financial Controller: Fern McLurg

Accounting units

The Party has 404 accounting units registered with the Electoral Commission.



**REPORT OF THE FINANCE & RESOURCES COMMITTEE  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**PARTY OFFICERS**

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

Leader:	Sir Ed Davey MP
Registered Treasurer:	Michael F Cox
Nominating officer:	Sarah Morris
Campaigns officer:	Mike Dixon

Office Holders

English Party Chair:	Caroline Pidgeon
Convenor of the Scottish Party:	Jenni Lang
Chair of the Welsh	
National Executive Committee:	Tim Sly
Treasurer:	Tilly McAuliffe
Chief Executive:	Mike Dixon
Party President:	Dr Mark Pack

**STATEMENT OF RESPONSIBILITIES OF THE REGISTERED PARTY TREASURER**

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; 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 them 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.

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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the Registered Party Treasurer is aware, there is no relevant audit information of which the Party's auditors are unaware, and Registered Party Treasurer has taken all the steps that he ought to have taken in order to make himself aware of any relevant audit information and to establish that the party's auditors are aware of that information.



THE LIBERAL DEMOCRATS (THE FEDERAL PARTY)

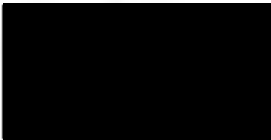
**REPORT OF THE FINANCE & RESOURCES COMMITTEE  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**AUDITORS**

The auditors, UHY Hacker Young LLP, will be proposed for re-appointment at the forthcoming Meeting of the Finance & Resources Committee.

**ON BEHALF OF THE FINANCE AND RESOURCES COMMITTEE:**



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M F Cox FCA - Registered Party Treasurer

Date: ..... 27 June 2025.....



**REPORT OF THE INDEPENDENT AUDITORS TO THE FEDERAL CONFERENCE OF THE LIBERAL DEMOCRATS  
(THE FEDERAL PARTY)**

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**Opinion**

We have audited the financial statements of The Liberal Democrats (The Federal Party) ('The Federal Party') for the year ended 31 December 2024 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the notes to the cashflow statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is the Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" applicable law and the Statement of Accounts Guidance Notes issued by the Electoral Commission.

In our opinion, the financial statements:

- give a true and fair view of the state of The Federal Party's affairs as at 31 December 2024 and of its surplus for the year then ended;
- have been properly prepared in accordance with the Statement of Accounts Guidance Notes issued by the Electoral Commission; and
- have been prepared in accordance with the requirements of the Political Parties, Elections and Referendums Act 2000.

**Basis for opinion**

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that The Federal Party's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Registered Treasurer's assessment of The Federal Party's ability to continue to adopt the going concern basis of accounting included In auditing the financial statements, we have concluded that the Federal Party's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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 Registered Treasurer is responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. 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.



**REPORT OF THE INDEPENDENT AUDITORS TO THE FEDERAL CONFERENCE OF THE LIBERAL DEMOCRATS  
(THE FEDERAL PARTY)**

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In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 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, 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 Federal 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 intends to liquidate The Federal Party or to cease operations, or has no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

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

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. Based on our understanding of the Federal Party and its activities, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Political Parties, Elections and Referendums Act 2000.

We evaluated the Registered Treasurer's and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Registered Treasurer and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Federal Party which were contrary to applicable laws and regulations, including fraud.



THE LIBERAL DEMOCRATS (THE FEDERAL PARTY)

**REPORT OF THE INDEPENDENT AUDITORS TO THE FEDERAL CONFERENCE OF THE LIBERAL DEMOCRATS  
(THE FEDERAL PARTY)**

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Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Registered Treasurer and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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](http://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 Federal Conference of the Liberal Democrats (The Federal Party) 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 Federal Conference of the Liberal Democrats (The Federal Party) 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 Federal Conference of the Liberal Democrats (The Federal Party) as a body for our audit work, for this report, or for the opinions we have formed.

[REDACTED]  
UHY Hacker Young LLP  
Chartered Accountants and Statutory Auditor  
[REDACTED]

Date: 27 June 2025



THE LIBERAL DEMOCRATS (THE FEDERAL PARTY)

INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024		2023	
		£	£	£	£
<b>Turnover</b>					
Donations		7,505,075		4,001,894	
Membership & Subscription fees		1,565,898		1,611,890	
Conference Income		1,102,009		842,904	
Notional Income		201,675		51,899	
Grants	3	432,908		473,425	
Interest & Investment Gains		24,566		23,836	
Recharges to Party bodies	4	1,601,975		1,057,869	
Other Income		128,980		5,568	
			12,563,086		8,069,285
<b>Expenditure</b>					
Rent		175,600		158,465	
Other establishment costs		1,003,586		461,415	
Wages	5	3,710,598		3,190,818	
Social security		373,350		326,433	
Pensions		83,380		75,042	
Other operating leases	6	3,900		3,250	
Staff related costs		844,128		355,714	
Fundraising expenditure		243,868		124,687	
Campaign expenditure		2,504,085		1,193,164	
Notional expenditure		201,675		51,899	
IT costs		828,173		635,492	
Sundry expenses		(17,068)		1,346	
Grants to party bodies		544,241		589,139	
Services to members		25,260		31,420	
Auditors' remuneration	6	59,862		20,320	
Depreciation of tangible fixed assets	6	168,272		38,007	
Conference expenditure		658,152		462,669	
			11,411,062		7,719,280
			1,152,024		350,005
<b>Finance costs</b>					
Bank interest	7	(86,634)		(72,905)	
<b>NET SURPLUS BEFORE TAX</b>			1,065,390		277,100
Tax on surplus	8	(2,047)		(5,842)	
<b>NET SURPLUS AFTER TAX</b>			1,063,343		271,258



THE LIBERAL DEMOCRATS (THE FEDERAL PARTY)

OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2024

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	Notes	2024 £	2023 £
SURPLUS FOR THE YEAR		1,063,343	271,258
OTHER COMPREHENSIVE INCOME		—	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,063,343</u>	<u>271,258</u>

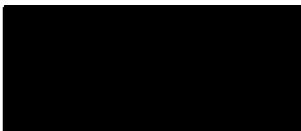


THE LIBERAL DEMOCRATS (THE FEDERAL PARTY)

BALANCE SHEET  
31 DECEMBER 2024

	Notes	2024		2023	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	9		100,320		268,591
<b>CURRENT ASSETS,</b>					
Debtors	10	1,790,309		1,157,803	
Cash at bank		<u>1,247,476</u>		<u>318,065</u>	
		3,037,785		1,475,868	
<b>CREDITORS</b>					
Amounts falling due within one year	11	<u>1,043,873</u>		<u>669,060</u>	
<b>NET CURRENT ASSETS</b>			<u>1,993,912</u>		<u>806,808</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,094,232</u>		<u>1,075,399</u>
Amounts falling due after one year	12		18,333		-
<b>PROVISIONS FOR LIABILITIES</b>	13		<u>130,203</u>		<u>193,046</u>
<b>NET ASSETS</b>			<u>1,945,696</u>		<u>882,353</u>
<b>RESERVES</b>					
Reserve fund	14		45,000		45,000
General fund	14		732,823		732,823
Income and expenditure account	14		<u>1,167,873</u>		<u>104,530</u>
			<u>1,945,696</u>		<u>882,353</u>

The financial statements were approved by the Federal Finance and Resources Committee and authorised for issue on 27 June 2025 and were signed on its behalf by:



Michael F Cox FCA – Registered Party Treasurer



THE LIBERAL DEMOCRATS (THE FEDERAL PARTY)

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2024

	Income and expenditure account £	Reserve fund £	General fund £	Total reserves £
<b>Balance at 31 December 2023</b>	<u>104,530</u>	<u>45,000</u>	<u>732,823</u>	<u>882,353</u>
Total comprehensive income for 2024	<u>1,063,343</u>	<u>-</u>	<u>-</u>	<u>1,063,343</u>
<b>Balance at 31 December 2024</b>	<u>1,167,873</u>	<u>45,000</u>	<u>732,823</u>	<u>1,945,696</u>

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	2024 £	2023 £
<b>Cash flows from operating activities</b>			
Cash expended from operations	1	1,024,755	(482,630)
Interest paid		(86,634)	(72,905)
Tax paid		(8,709)	(12)
Net cash inflow/(outflow) from operating activities		<u>929,411</u>	<u>(555,547)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		-	(11,550)
Sale of investment assets		-	523,622
Net cash from investing activities		<u>-</u>	<u>512,073</u>
<b>Increase/(decrease) in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of year	2	318,065	361,542
Cash and cash equivalents at end of year	2	<u>1,247,476</u>	<u>318,065</u>

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**1. RECONCILIATION OF SURPLUS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2024 £	2023 £
Surplus before taxation	1,065,390	277,100
Depreciation charges	168,272	38,007
Finance costs	<u>86,634</u>	<u>72,905</u>
	<b>1,320,296</b>	388,012
Increase in trade and other debtors	<b>(632,507)</b>	(557,976)
Increase/(decrease) in trade and other creditors	<b>289,809</b>	(248,712)
Increase in loans	<b>110,000</b>	-
Decrease in provisions	<u><b>(62,843)</b></u>	<u>(63,954)</u>
<b>Cash used in operations</b>	<b><u>1,024,755</u></b>	<b><u>(482,630)</u></b>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 December 2024**

	31.12.24 £	1.1.24 £
Cash and cash equivalents	<u>1,247,476</u>	<u>318,065</u>

**Year ended 31 December 2023**

	31.12.23 £	1.1.23 £
Cash and cash equivalents	<u>318,065</u>	<u>361,542</u>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.24 £	Cash flow £	At 31.12.24 £
<b>Net cash</b>			
Cash at bank	<u>318,065</u>	<u>929,411</u>	<u>1,247,476</u>
	<u>318,065</u>	<u>929,411</u>	<u>1,247,476</u>
<b>Total</b>	<u>318,065</u>	<u>929,411</u>	<u>1,247,476</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**1. STATUTORY INFORMATION**

The Liberal Democrats (The Federal Party) is unincorporated association and is a federation constituted by the Scottish Liberal Democrats, the Welsh Liberal Democrats (Democratiaid Rhyddfrydol Cymru) and the Liberal Democrats in England (together, "The State Parties"). The Liberal Democrats in England is a federation of the Regional Parties in England. The Regional Parties comprise a number of Local Parties.

The Liberal Democrats (The Federal Party) is constituted under section 26 of the Political Parties, Elections and Referendums Act 2000 as a central organisation with 404 accounting units . Details of these units are available from party headquarters.

These financial statements deal solely with the activities of the Federal Party as set out in Article 2 of the Constitution of the Federal Party. They do not include the income, expenditure, assets or liabilities of the State, Regional, Local Parties, or any other bodies.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The Liberal Democrats (The Federal Party) is not incorporated in law and is thus not bound by the Companies Act 2006. The Party is required to prepare financial statements in accordance with the Political Parties, Elections and Referendums Act 2000 ("PPERA"). The financial statements have been prepared under the historical cost convention, and in accordance with applicable law and the statement of Accounts Guidance Notes issued by Electoral Commission.

**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 in the Income and Expenditure account on receipt. Donations of notional income are recognised on receipt at the relevant market value of the item or service received with an expense of the same amount being recognised contemporaneously.
- Policy Development Fund grant is recognised in the Income and Expenditure account when the conditions for receipt of the grant have been met and the Joseph Rowntree Reform Trust grant is recognised when the grant is received per agreed payment schedule.
- Membership and subscription fees are recognised on a receipts basis.
- 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. Legacies received in the year are included as part of donation income.
- Conference income, and the State Party Levy are recognised on an accruals basis.
- Interest receivable is recognised in the Income and Expenditure account on an accruals basis.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 10 years
Computer equipment	- 5 years

**Taxation**

As a voluntary organisation society, tax is only charged on investment income.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable Surplus.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to surplus or deficit on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

Defined benefit pension scheme:

The Party formerly sponsored the Liberal Headquarters 1975 Retirement Fund. As at the year end the scheme was in surplus and had only one deferred member and no active members. In January 2014 the scheme purchased a deferred annuity for the one remaining member and in June 2014 the Party commenced the winding up of the scheme. It is anticipated that the wind up of the scheme will be completed by the end of 2024.

The amounts involved are not reflected in the accounts as they are not material.

Defined contribution scheme:

Contributions to the Party's defined contribution pension scheme are charged to the Income and Expenditure account in the year in which they become payable.

**Going concern**

The Liberal Democrats (The Federal Party) shares a banking facility with certain other Liberal Democrat entities (the "entities"), and there is a right of set off between bank accounts of the entities. The Registered Treasurer has therefore considered the applicability of the going concern basis of preparation of the financial statements by reference to the aggregated financial position of the entities.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**2. ACCOUNTING POLICIES – continued**

In addition to stable income in the form of various grants, Short Money, and Cranborne Money, the entities receive income from membership subscriptions and donations. Membership subscription income has been projected forward based on income and renewal levels of relevant prior years. Donation income is inherently unpredictable and comprises regular payments and ad-hoc donations. These income streams have also been projected forward using an historical analysis and conservative forward-looking assumptions. The Federal Party also benefits from occasional legacy income which is unpredictable and difficult to forecast. Legacy income has been included in the projections using the average amount of legacies received over the last five years.

Management has reviewed the aggregated cash flow projections for the entities to the end of June 2026 which indicate that the entities are expected to be able to operate within the currently available bank facility throughout that period. The Party has reviewed the sensitivities around membership and donation income and in the event of a significant decrease will take mitigating actions if necessary.

**3. GRANTS RECEIVED**

	2024 £	2023 £
Policy development grant	432,908	432,396
Joseph Rowntree Reform Trust grant	-	41,029
	<u>432,908</u>	<u>473,425</u>

**4. RECHARGES TO PARTY BODIES**

	2024 £	2023 £
Fixed cross charges to State Parties	473,784	870,659
Charges to other party bodies	1,128,191	187,210
	<u>1,601,975</u>	<u>1,057,869</u>

The fixed cross charge represents agreed recharges between the Federal Party and State Parties to cover the cost of activities that are constitutionally State Party responsibilities carried out by the Federal Party.

**5. EMPLOYEES AND DIRECTORS**

	2024 £	2023 £
Wages and salaries	3,710,598	3,190,818
Social security costs	373,350	326,433
Other pension costs	83,380	71,779
	<u>4,167,328</u>	<u>3,589,030</u>

The average number of employees during the year was as follows:

	2024	2023
Campaign and Head Office staff	<u>105</u>	<u>95</u>

None of the Registered Officers under PPERA or Committee Chairs received any remuneration in those capacities in 2024 (2023 - £nil).

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**6. OPERATING SURPLUS**

The operating surplus is stated after charging:

	2024 £	2023 £
Other operating leases	3,900	3,250
Depreciation - owned assets	168,272	38,007
Auditor's remuneration – financial statements audit	38,670	18,520
Auditors' remuneration - other	<u>21,192</u>	<u>1,800</u>

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2024 £	2023 £
Bank interest and similar charges	<u>86,634</u>	<u>72,905</u>

**8. TAXATION**

**Analysis of the tax charge**

The tax charge on the surplus for the year was as follows:

	2024 £	2023 £
Current tax:		
UK corporation tax	4,668	11,344
Prior year adjustment	<u>(2,621)</u>	-
Total current tax	2,047	11,344
Deferred tax	-	<u>(5,500)</u>
Tax on surplus	<u>2,047</u>	<u>5,842</u>

**9. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2024	350,313	337,791	688,104
Additions	-	-	-
At 31 December 2024	<u>350,313</u>	<u>337,791</u>	<u>688,104</u>
<b>DEPRECIATION</b>			
At 1 January 2024	93,417	326,095	419,512
Charge for year	<u>163,480</u>	<u>4,792</u>	<u>168,272</u>
At 31 December 2024	<u>256,897</u>	<u>330,887</u>	<u>587,784</u>
<b>NET BOOK VALUE</b>			
At 31 December 2024	<u>93,416</u>	<u>6,904</u>	<u>100,320</u>
At 31 December 2023	<u>256,896</u>	<u>11,696</u>	<u>268,591</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024**

<b>10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2024</b>	<b>2023</b>
	£	£
Trade debtors	<b>48,543</b>	26,653
Amounts owed by participating interests	<b>927,642</b>	288,076
VAT	<b>16,147</b>	16,253
Other debtors	<b>298,841</b>	264,764
Prepayments	<b>140,589</b>	255,252
Accrued income	<b>358,548</b>	306,805
	<hr/>	<hr/>
	<b><u>1,790,309</u></b>	<b><u>1,157,803</u></b>
<b>11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2024</b>	<b>2023</b>
	£	£
Trade creditors	<b>82,276</b>	50,630
Amounts owed to participating interests	<b>331,843</b>	182,010
Tax	<b>4,668</b>	11,330
Social security and other taxes	<b>181,837</b>	132,800
Other creditors	<b>88,475</b>	117,650
Accruals and deferred income	<b>263,107</b>	174,640
Other loans	<b>91,667</b>	-
	<hr/>	<hr/>
	<b><u>1,043,873</u></b>	<b><u>669,060</u></b>
<b>12. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</b>	<b>2024</b>	<b>2023</b>
	£	£
Other loans	<u>18,333</u>	<u>-</u>
	<hr/>	<hr/>
	<b><u>18,333</u></b>	<b><u>-</u></b>
<b>13. PROVISIONS FOR LIABILITIES</b>	<b>2024</b>	<b>2023</b>
	£	£
Regulatory matters and claims	<b><u>130,203</u></b>	<b><u>193,046</u></b>
	<hr/>	<hr/>
	<b><u>130,203</u></b>	<b><u>193,046</u></b>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024

14. RESERVES

	Income and expenditure account £	Reserve fund £	General fund £	Totals £
At 1 January 2024	104,530	45,000	732,823	882,353
Surplus for the year	<u>1,063,343</u>	<u>          </u>	<u>          </u>	<u>1,063,343</u>
At 31 December 2024	<u>1,167,873</u>	<u>45,000</u>	<u>732,823</u>	<u>1,945,696</u>

15. LEASE COMMITMENTS

As at 31 December 2024, the party had annual commitments under non-cancellable contracts as follows:

	2024 £	2023 £	2024 £	2023 £
	Land & Buildings	Land & Buildings	Other	Other
Operating leases which expire:				
Within 1 year	132,054	132,054	3,200	3,200
Within 2 to 5 years	528,216	528,216	400	3,600
After 5 years	175,638	307,692	-	-
	<u>835,908</u>	<u>967,962</u>	<u>3,600</u>	<u>6,800</u>

16. EMPLOYEE BENEFIT OBLIGATIONS

The Party formerly sponsored the Liberal Headquarters 1975 Retirement Fund. In January 2014 the scheme purchased a deferred annuity for the one remaining member and in June 2014 the Party commenced the winding up of the scheme.

Once the scheme is wound up any remaining surplus will be returned to the Party and treated as a return of the additional contributions made.

Other post-retirement benefit schemes

The Federal Party contributes to personal pension schemes held in the names of individual employees. The assets of these schemes are held separately from those of the Federal Party in independently administered funds. The pension cost charge represents contributions payable to these funds and amounted to £83,380 (2023: £71,779). At 31 December 2024, contributions amounting to £26,955 (2023: £91,360) were payable to these funds.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**17. RELATED PARTY TRANSACTIONS**

The Federal Board is chaired by the President of the Party to whose office the Federal Party paid grants in the year amounting to £nil (2023: £nil).

The Federal Party is related to other bodies within the Liberal Democrats as set out in note 1 above. During the year it received membership and subscription fee levies from these bodies amounting to £1,526,490 (2023: £1,578,444) and recharged expenditure totalling £1,601,975 (2023: £1,057,869). Expenditure includes grants to Specified Associated Organisations and other party bodies totalling £544,241 (2023: £589,139).

The amount owed by related entities at 31 December 2024 was £927,642 (2023: £288,076) and the amount owed to related entities was £331,843 (2023: £182,010).

**18. GROUP COMMITMENT**

At the year-end, the Federal Party forms part of the Liberal Democrats bank overdraft facility with the Liberal Democrats in England and the Parliamentary Office of the Liberal Democrats. The facility is unused. At the year-end the net cash position under the facility is £776,048 (2023: £677,563).

**19. MEMBERSHIP AND REGISTERED SUPPORTERS**

As at 31 December 2024 there were 83,174 (2023: 86,599) members and registered supporters of the Party.