



The Liberal Democrats in England

Annual Report

Year Ended

31 December 2024

The Liberal Democrats in England

Financial Statements for the year ended 31 December 2024

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Party Officers and Registered Officers under PPERA:

Chair:	Caroline Pidgeon
Registered Treasurer:	David Craddock

Party Headquarters

1 Vincent Square, London, SW1P 2PN

Auditor

UHY Hacker Young LLP, Quadrant House, 4 Thomas More Square, London, E1W 1YW

Liberal Democrats in England

Report of the Party Officers for the year ended 31 December 2024

1. *Administrative information*

The Liberal Democrats in England (“the English State Party”, “the Party”) is part of the federal structure of the Liberal Democrats. It is a federation of the regional parties in England. Each regional party comprises a number of local parties. The Liberal Democrats in England is one of the accounting units of the Liberal Democrats in accordance with the financial scheme established under section 26 of the Political Parties, Elections and Referendums Act 2000. Each regional and local party is also an accounting unit. Each accounting unit prepares its statement of accounts separately, and the accounts of the accounting units are not consolidated.

Committees

The following committees operate within the Party to oversee and manage the Party’s business. The terms of reference for each committee is contained within the Party’s constitution and standing orders. The Chairs of the respective committees are:

English Council – Caroline Pidgeon
English Council Executive – Caroline Pidgeon
English Candidates – [REDACTED]
English Finance & Administration – David Craddock
Regional Parties – [REDACTED]

English Council (EC) is the sovereign body of the Liberal Democrats in England. Its functions are laid out in article 6.1 of the constitution and its membership is defined by article 5.1. EC is responsible for the appointment of the Party’s auditor.

Similarly, the function of the English Council Executive (ECE) is laid out in article 6.2 of the constitution and its membership in article 5.6.

Article 7.3 of the constitution defines the function of the English Candidates Committee and article 7.2 its membership. The English Candidates Committee supports the processes of approving and selecting Parliamentary candidates in England.

The English Finance & Administration Committee (EFAC) is chaired by the Registered Treasurer. Its responsibilities are defined by paragraph 5.4 of the ECE standing orders and its membership by paragraph 5.3. EFAC is responsible for ensuring that there are adequate financial controls and systems in place.

The Regional Parties Committee (RPC) is managed by its Chair. Its responsibilities are defined by paragraph 5.6 of the ECE standing orders and its membership by 5.5. RPC is responsible for spreading regional best practice, compliance with PPERA in regional and local parties and disciplinary matters under the membership rules.

Staffing

The activities of the Party are performed by employees of The Liberal Democrats (The Federal Party), the cost of which is included in the Federal Party service charge.

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2. *Review of political activities*

2024 saw a seismic change in the political landscape at the General Election. Across the UK the Liberal Democrats had a record 72 MP's elected with 65 of those in England, 6 in Scotland and 1 in Wales.

Labour was elected with an overall majority of 174 with 34% of the vote. The Conservatives lost 251 MPs and ended up with 121 elected.

Of significance was the rise of the new populist Reform Party headed by Nigel Farage which managed to gain 5 MPs elected and attaining an overall share of the vote of 14%.

In Scotland we managed to return 6 MPs. The Scottish National Party was punished for a series of scandals losing 39 MPs with 9 remaining in Parliament.

3. *Financial review*

Overall Membership decline since 2019 has slowed and membership income grew to £2.82m for the year due to higher average subscriptions at around £58 per member.

91% of the English Party finances are distributed across the party to Federal (64%), Regions (20%), and Local Parties (7%).

7% of income funds support for the Association of Liberal Democrat Councillors (ALDC), Liberal Youth, and Regional Development Officers.

A surplus of £39k has boosted reserves for the year to £135k.

Of the parties overall membership of 60k, England accounts for 55k, which is 92% of the UK membership total.

Membership spread across England show 70% of members in the South, in London, Southeast, Western Counties, and East of England.

Supporter levels remain constant at over 20k.



David Craddock
Registered Treasurer
27 June 2025

Liberal Democrats in England

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; 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.

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Independent Auditor's Report

To the English Council of the Liberal Democrats in England

Opinion

We have audited the financial statements of The Liberal Democrats in England ('The Party') for the year ended 31 December 2024 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow 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 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 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 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 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 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.

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

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Independent Auditor's Report

To the English Council of the Liberal Democrats in England

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 4, the Registered Treasurer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Registered Treasurer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's 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 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.

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Independent Auditor's Report
To the English Council of the Liberal Democrats in England

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 Party which were contrary to applicable laws and regulations, including fraud.

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. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the English Council of The Liberal Democrats in England 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 English Council of The Liberal Democrats in England 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 English Council of The Liberal Democrats in England as a body for our audit work, for this report, or for the opinions we have formed.

UHY Hacker Young LLP
Chartered Accountants and Statutory Auditor

Liberal Democrats in England
Income and Expenditure Account
For the year ended 31 December 2024

	Note	Total 2024 £	Total 2023 £
Income			
Membership & subscription fees	3	2,821,482	2,662,362
Other income		4,458	13,882
		<u>2,825,940</u>	<u>2,676,244</u>
Expenditure			
Federal Party levy		1,394,772	1,454,208
Federal Party services		441,974	416,303
Regional rebates		418,432	329,162
Local Party service fees		201,836	188,431
Liberal Youth grant		21,000	20,004
Services to members	4	42,336	25,276
Running costs		127,443	127,018
Grants paid	5	139,250	30,000
		<u>2,787,043</u>	<u>2,590,402</u>
Surplus before taxation	6	38,897	85,842
Taxation		(115)	(142)
Surplus for the year		<u>38,782</u>	<u>85,700</u>

The Income and Expenditure account has been prepared on the basis that all operations are continuing operations.

There were no recognised gains or losses other than those included in the Income and Expenditure account.

The notes on pages 11 to 15 form part of these financial statements

The Liberal Democrats in England
Balance Sheet as at 31 December 2024

	Note	2024 £	2024 £	2023 £	2023 £
Current assets					
Debtors	7	2,500		79,229	
Cash at bank and in hand	12	<u>453,903</u>		<u>102,280</u>	
		456,403		181,509	
Creditors: amounts falling due within one year	8	<u>(321,030)</u>		<u>(84,918)</u>	
Net current assets			135,373		96,591
Net assets			<u>135,373</u>		<u>96,591</u>
Reserves					
General Fund	9		135,373		96,591
Total funds			<u>135,373</u>		<u>96,591</u>

These financial statements were approved by the English Finance & Administration Committee on behalf of the English Council Executive on 27 June 2025.

David Craddock
Registered Treasurer

The notes on pages 11 to 15 form part of these financial statements

The Liberal Democrats in England
Cash Flow Statement
For the year ended 31 December 2024

	Note	2024 £	2023 £
Net cash inflow from operating activities	10	351,765	93,298
Tax paid		(142)	-
Increase in cash	11	<u>351,623</u>	<u>93,298</u>
Cash and cash equivalents at beginning of year		<u>102,280</u>	<u>8,982</u>
Cash and cash equivalents at end of year		<u>453,903</u>	<u>102,280</u>

The notes on pages 11 to 15 form part of these financial statements

1 Accounting policies

The Liberal Democrats in England (“the English State Party”, “the Party”) is part of the federal structure of the Liberal Democrats. It is a federation of the regional parties in England. Each regional party comprises a number of local parties. The Liberal Democrats in England is one of the accounting units of the Liberal Democrats in accordance with the financial scheme established under section 26 of the Political Parties, Elections and Referendums Act 2000. Each regional and local party is also an accounting unit. Each accounting unit prepares its statement of accounts separately, and the accounts of the accounting units are not consolidated.

The Liberal Democrats in England is constituted under section 26 of the Political Parties, Elections and Referendums Act 2000 as an accounting unit of the Liberal Democrats.

These financial statements deal solely with the activities of the Liberal Democrats in England as set out in Article 6 of the Constitution of the Liberal Democrats in England. They do not include the income, expenditure, assets or liabilities of the Federal Party or of Regional, Local Parties or any other bodies.

Basis of preparation

The Liberal Democrats in England 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 the Electoral Commission.

Going concern

The Liberal Democrats in England 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 Party and the entities.

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 subscription income and in the event of a significant decrease will take mitigating actions if necessary.

The notes on pages 11 to 15 form part of these financial statements

1 Accounting policies (continued)

The following principal accounting policies have been applied:

Income recognition

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

- The Party is entitled to the 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:

- Membership and subscription fees are recognised on a receipts basis.
- Interest receivable is recognised in the Income and Expenditure account on an accruals basis.
- Fundraising income is recognised in the Income and Expenditure account on receipt.

Expenditure

The English Party adopted a Membership Incentive Scheme in the final quarter of 2013 whereby local parties that increased their membership received a higher proportion of membership subscriptions. This scheme is funded in conjunction with the Federal and Regional Parties.

Payments of the relevant share of membership subscriptions to regional and local parties, including payments under the Membership Incentive Scheme, are accounted for on an accruals basis.

The Federal Party receives a proportion of membership subscriptions as agreed by Federal Conference at the preceding autumn conference. This is reduced by its contribution towards the cost of the Membership Incentive Scheme.

The Federal Party meets the majority of the overheads incurred by the English State Party. The Federal Party recovers these costs through recharges.

Tax

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

2 Remuneration of Registered Party Officers

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

The notes on pages 11 to 15 form part of these financial statements

3 Membership

As at 31 December 2024 there were 54,839 (2023: 57,959) members and supporters of the Party.

4 Services to members

Services to members consist of the cost of sending out membership renewal reminders, membership cards and new members' packs. In addition it includes constitutional and compliance support.

5 Grants paid

The Party makes a contribution towards the cost of the G8 programme of support for local elections, which is managed by the Association of Liberal Democrat Councillors. In addition it has given grants to regional parties and Young Liberals for developmental work.

6 Surplus before taxation

	2024	2023
	£	£
Surplus before taxation is stated after charging:		
Auditor's remuneration - audit services	10,000	12,000
	<u>10,000</u>	<u>12,000</u>

7 Debtors

	2024	2023
	£	£
Amounts owed by Liberal Democrat related entities	2,500	36,373
Prepayments and accrued income	-	42,856
	<u>2,500</u>	<u>79,229</u>

8 Creditors: amounts falling due within one year

	2024	2023
	£	£
Amounts owed to Liberal Democrat related entities	298,815	75,176
Other Creditors	115	142
Accruals and deferred income	22,100	9,600
	<u>321,030</u>	<u>84,918</u>

The notes on pages 11 to 15 form part of these financial statements

9 General and total funds

	2024 £	2023 £
At 1 January 2024	96,591	10,891
Surplus for the year	38,782	85,700
As at 31 December 2024	<u>135,373</u>	<u>96,591</u>

The general fund represents accumulated annual surpluses and deficits.

10 Net cash inflow from operating activities

	2024 £	2023 £
Surplus before taxation	38,897	85,842
Decrease in debtors	76,729	10,025
Increase/(decrease) in creditors	236,139	(2,569)
Net cash inflow from operating activities	<u>351,765</u>	<u>93,298</u>

11 Reconciliation of net cash inflow to movement in net funds

	2024 £	2023 £
Increase in cash in the year	<u>351,623</u>	<u>93,298</u>
Movement in cash	351,623	93,298
Opening cash	102,280	8,982
Closing cash	<u>453,903</u>	<u>102,280</u>

12 Analysis of net funds

	At 1 January 2024 £	Cash flow £	At 31 December 2024 £
Cash at bank and in hand	<u>102,280</u>	<u>351,623</u>	<u>453,903</u>

The notes on pages 11 to 15 form part of these financial statements

13 Related entity transactions

The Liberal Democrats in England is related to other bodies within the Liberal Democrats. During the year The Liberal Democrats in England paid a proportion of the membership income received in the form of levies (to The Liberal Democrats (The Federal Party)), rebates (to Regional Parties), service fees (to Local Parties) and a grant (to Liberal Youth) in total amounting to £2,036,040 (2023 – £1,991,805). In addition the Liberal Democrats in England sub-contracted its membership, finance and other headquarter functions to The Liberal Democrats (The Federal Party). The cost of these services in 2024 was £441,974 (2023 - £313,703).

As at the year end, £202,383 was due to The Liberal Democrats (The Federal Party) (2023 - £32,623 due from them). As at the year end, there was also an amount of £96,432 (2023 - £75,176) owing to other related entities being mainly service fees and rebates owed to local and regional parties respectively, and £2,500 (2023: £3,750) owed by other related entities.

14 Group commitment

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

The notes on pages 11 to 15 form part of these financial statements