

## THE LIBERAL DEMOCRATS (TRUSTEES) LIMITED

### Directors' Report to the Members for the year ended 31 December 2005

The Directors submit their report for the year ended 31 December 2005, and the Company's balance sheet as at that date.

By virtue of Article 8.3 of the present Constitution of the Liberal Democrats ("the Party"), the function of the Company is to acquire, hold and dispose of such assets of the Federal Party (as defined in that Constitution) as the Federal Executive (as so defined) may from time to time direct.

Where the Company enters into any transaction, it does so as trustee and/or agent for the Party. On this basis, the Company is dormant within the meaning of Section 249AA of the Companies Act 1985 and does not prepare a profit and loss account.

The Directors of the Company during the year ended 31 December 2005 were:

Lord Clement-Jones (appointed 15 December 2005)

Lord Dholakia

David Brandon Griffiths

Eric Hamilton Lowry (Irish)

Baroness Neuberger

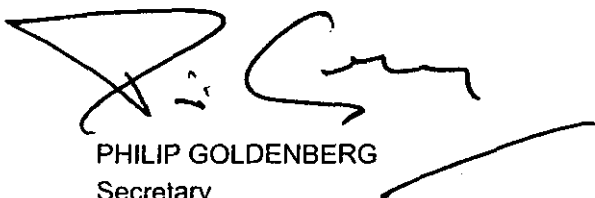
Lord Sharman

Lord Vallance

Sir Ian William Wrigglesworth

The Directors record with sadness the death in April 2006 of Sir Ian Morrow, who served as a Director from January 1989 until March 2004.

Signed on behalf of the Board



PHILIP GOLDENBERG  
Secretary

Dated: 3 July 2006

Registered in England

No. 2231620

Registered Office  
4 Cowley Street  
London SW1P 3NB



**THE LIBERAL DEMOCRATS (TRUSTEES) LIMITED**

**Balance Sheet as at 31 December 2005**

	£
Assets	NIL
Liabilities	NIL

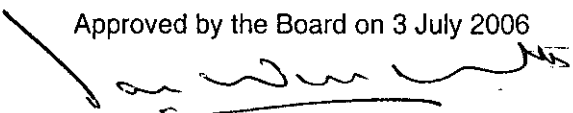
Throughout the year ended 31 December 2004, the Company was dormant, and accordingly entitled under Section 249AA(1) of the Companies Act 1985 ("the Act") to exemption from audit.

Members have not required the Company to obtain an audit in accordance with Section 249B(2) of the Act.

The Directors acknowledge their responsibility for:

- (a) ensuring that the Company keeps accounting records which comply with Section 221 of the Act; and
- (b) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of its financial year, and of its profit and loss for the financial year, in accordance with Section 226 of the Act, and which otherwise comply with the requirements of the Act relating to accounts so far as applicable to the Company.

Approved by the Board on 3 July 2006



IAN WRIGGLESWORTH  
Director