

MANCHESTER CENTRAL LIBRARY DEVELOPMENT TRUST

(A company limited by guarantee)

ANNUAL REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MAY 31 2014

Company Number
Charity Number

08049427
1150161

**MANCHESTER CENTRAL LIBRARY DEVELOPMENT TRUST LIMITED
FINANCIAL STATEMENTS AND TRUSTEES REPORT
FOR THE YEAR ENDED MAY 31 2014**

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MANCHESTER CENTRAL LIBRARY DEVELOPMENT TRUST LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED MAY 31 2014

Trustees & Directors

R B Bond (appointed 17/02/14)
E P Fell
B P O'Shea
V S Rosin
S T Sorrell (Chair) (appointed 17/02/14)
S M Todd (appointed 5/2/14)
S Ullah

**Registered Office and
Principal Place of Business**

Town Hall PO Box 532
Town Hall
Manchester M60 2LA

Accountants & Independent examiners

Chittenden Horley Limited
Chartered Accountants : Charity Specialists
456 Chester Road
Old Trafford
Manchester M16 9HD

Bankers

The Co-operative Bank

MANCHESTER CENTRAL LIBRARY DEVELOPMENT TRUST LIMITED

TRUSTEES' AND DIRECTORS REPORT

FOR THE YEAR ENDED MAY 31 2014

The Directors, who are the trustees of the charity, present their annual report and the financial statements for the period ended May 31 2014.

STRUCTURE GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association dated April 27 2012. It is registered as a charity with the Charity Commission, having been registered on December 13 2012. The Directors have the power to admit any person to membership and also have the power to remove members. There are currently four members of the company, each of whom agrees to contribute a sum not exceeding £1 in the event of the charity being wound up.

Appointment of Directors and Trustees

The Directors, who are the Trustees, are appointed by either ordinary resolution or by the existing directors. A Director ceases to hold office if they are absent without permission of the Directors from all their meetings held within a period of six consecutive months and the Directors resolve that his or her office be vacated. The Trustees who served during the year, together with any changes up to the date of approving this report are listed on page 1.

Trustee recruitment, induction and training

All new Directors to Manchester Central Library Development Trust are carefully selected for recruitment. They bring a range of skills and a wealth of experience to the Board. The current Directors plan to undertake a skills audit in the autumn of 2014 to inform a review of the membership of the Board and will consider developing a recruitment and induction policy.

Organisation

The Board of Directors which must not be less than two members, but is not subject to any maximum number, administers the Charity and meets as necessary. The day to day operations of the Charity are currently undertaken by Chris Whitfield whom the Trustees have delegated authority to for operational matters.

Risk management

The Trustees have undertaken a review of the major risks to which the Charity is exposed and systems have been established to mitigate those risks.

OBJECTIVES AND ACTIVITIES

The charity's objectives are:

- The advancement of education by the enhancement of libraries, learning, advice and information, archives and other related services for residents of Manchester and citizens of the UK and/or
- Such other charitable purposes that benefit the public consistent with the object above as the Trustees shall in their absolute discretion determine.

In order to achieve these objectives the Charity has put in place a fundraising strategy to enhance the provision of services by Manchester Central Library, above that which is required by statute, by providing both capital and revenue funding to Manchester City Council (MCC).

Manchester Central Library Development Trust was established in 2013 with the priority of enhancing elements of Central Library's first major transformation for almost 80 years for public benefit. The Trust will support the acquisition of new resources, equipment and facilities for Central Library and will fund its educational activities and events by providing grants to complement the Council's core commitment to public libraries.

The Development Trust will provide public benefit in the following ways:

- Support the development and delivery of new and innovative ways of making library services, resources and facilities available and accessible to all
- Support the development and delivery of new display, performance and interpretation areas for use by a range of communities to celebrate and promote Manchester's cultural diversity
- Preserve, conserve and develop Central Library's rare books and special collections
- Promote Central Library's new centre of excellence for regional archives
- Invest in Central Library capital projects, enhance the building and provide equipment to deliver and present work
- Develop new partnerships with educational providers and international libraries to support the development and delivery of innovative ways of working

The Trust promotes reading as an essential life skill; raise the awareness and profile of Manchester Central Library as an educational and cultural venue; develop and promote lifelong learning opportunities, particularly for marginalised and socially excluded groups; promote and celebrate the history and cultural diversity of Manchester; support the development of facilities which help to tackle digital and social exclusion, and develop partnerships with educational providers and other libraries.

MANCHESTER CENTRAL LIBRARY DEVELOPMENT TRUST LIMITED

TRUSTEES' AND DIRECTORS REPORT

FOR THE YEAR ENDED MAY 31 2014

ACHIEVEMENT AND PERFORMANCE

- The Central Library was successfully re-launched at the end of March 2014 with key areas within the building enhanced by major capital funds secured in the previous financial year by or on behalf of the Charity;
- Funds secured and committed from Granada Foundation, Zochonis Charitable Trust, Garfield Weston Foundation, Oglesby Charitable Trust were gratefully received and administered by the Charity in this financial year;
- A Trust website was fully launched highlighting the Trust's objectives and promoting further fundraising;
- A legacy of approximately £40k was received from the estate of Harry Sutcliffe deceased. The Trust agreed, post year end, to fund an events co-ordinator post for 12 months from this legacy;
- The Zochonis Charitable Trust agreed for its £50k grant to be spent on the first year cultural programme for the Central Library which added support to the core funded music themed Arts Council programme;
- Grants to the Council on an unrestricted basis were utilised to provide financial support for the Library's re-launch and preview and to acquire a set of specialist display easels for exhibitions; and
- Further Directors were appointed to the Trust, namely Richard Bond, Sara Todd and Selina Ullah, all with complementary skills to assist the continued work of the Trust.

PLANS FOR THE FUTURE

The Trust will continue to raise awareness of the Central Library and its facilities and cultivate support particularly from the corporate sector and high net worth individuals. The successful capital fundraising campaign in the first year of operation means the Trust will now focus on securing revenue support for cultural and educational activities and programming and to ensure that the new spaces in the Central Library are fully utilised and maximised for public benefit.

The fundraising strategy will also focus on cultivating and securing support for activities and events which could be hosted by the Trust outside the normal open hours of the Library. These events could be sponsored and/or used to provide unique events and access to the Library for friends and supporters – for example to enable a new friends scheme. The Trust will continue to seek to raise unrestricted income from the corporate sector and individuals. Company partnerships will be fully developed with sponsorship income collected by the trading subsidiary and gifted to the Trust.

We will continue to develop and utilise the Trust's website (www.manchesterlibrarytrust.org). This will be a key way in which to continue to raise awareness of the Trust's activities to both the general public and the Corporate sector and promote ways for grant giving for Trusts, individuals and corporates to engage with the Central Library's ongoing programme requirements.

FINANCIAL REVIEW

Overview

It was only after achieving charitable status that the Charity was able to fully embark on its fundraising activities. Its trading subsidiary has contributed a substantial part of the unrestricted funds and at the year end the Charity had a surplus of unrestricted funds of £33,656.

During the year a further £100,000 of restricted funding was secured for revenue and capital projects in the Manchester Central Library and the Charity awarded grants to Manchester City Council for various projects amounting to £160,000 all of which were paid out in full in the year.

Reserves Policy

The trustees are in the process of forming a reserves policy to determine the extent of free reserves (unrestricted funds not invested in fixed assets or otherwise designated) that the Charity requires. The Trustees are clear though that no grant awards will be made unless the Charity has the funds available to meet those promises, and that where it receives restricted funding itself it will pass on those grants with identical conditions.

SUBSIDIARY COMPANY

The Charity owns the whole of the issued share capital of Manchester Central Library Development Company Ltd (MCLDC). This Company has the right to sell sponsorship and naming rights in respect of Manchester Central Library, and as well as exploiting sponsorship opportunities in respect of any fundraising material produced or events organised by the Charity. It will gift aid its taxable profits to the Charity.

The following trustees of the charity are also the Directors of MCLDC: E P Fell, B P O'Shea, V S Rosin, S T Sorrell, S M Todd and S Ullah.

MCLDC was not able to make any donations in this year to the Charity.

**MANCHESTER CENTRAL LIBRARY DEVELOPMENT TRUST LIMITED
TRUSTEES' AND DIRECTORS REPORT
FOR THE YEAR ENDED MAY 31 2014**

DIRECTORS RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of the Company and of the surplus or deficit of the Company for that period. In preparing those financial statements the Directors have:-

- selected suitable accounting policies and applied them consistently
- made judgements and estimates that are reasonable and prudent
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepared the financial statements on the going concern basis.

The Directors are responsible for keeping records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking steps for the prevention and detection of fraud and other irregularities.

SMALL COMPANY PROVISIONS

In preparing this report advantage has been taken of the small companies' exemption.

On Behalf of the Board

S T Sorrel - Chair

Date:

INDEPENDENT EXAMINERS REPORT TO THE MEMBERS OF MANCHESTER CENTRAL LIBRARY DEVELOPMENT TRUST LIMITED ON THE UNAUDITED ACCOUNTS FOR THE YEAR ENDED MAY 31 2014

I report on the accounts of the company for the year ended May 31 2014 which are set out on pages 6 to 11.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Peter Smith BA FCA DChA
Chittenden Horley Ltd
Chartered Accountants : Charity Specialists
456 Chester Road
Old Trafford
Manchester
M16 9HD

Date :-



MANCHESTER CENTRAL LIBRARY DEVELOPMENT TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES (including the Income and Expenditure Account)
FOR THE YEAR ENDED MAY 31 2014

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
INCOMING RESOURCES					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	42,312	100,000	142,312	209,705
<i>Activities for generating funds</i>					
Investment income - bank interest		942	-	942	27
<i>Intangible income</i>	3	18,900	-	18,900	18,900
TOTAL INCOMING RESOURCES		62,154	100,000	162,154	228,632
RESOURCES EXPENDED					
<i>Cost of generating funds</i>					
	4	19,500	-	19,500	21,439
<i>Costs of charitable activities</i>					
	5	6,000	160,000	166,000	-
<i>Governance costs</i>					
	6	2,998	-	2,998	1,740
TOTAL RESOURCES EXPENDED		28,498	160,000	188,498	23,179
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS (net income for the year)	7	33,656	(60,000)	(26,344)	205,453
TOTAL FUNDS BROUGHT FORWARD		5,453	200,000	205,453	-
TOTAL FUNDS CARRIED FORWARD	11	39,109	140,000	179,109	205,453

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the above period.

RECOGNISED GAINS AND LOSSES

The company had no gains or losses in the above two years other than as shown above.

The notes on pages 8 to 11 form part of these financial statements

MANCHESTER CENTRAL LIBRARY DEVELOPMENT TRUST LIMITED
BALANCE SHEET AS AT MAY 31 2014

	Notes	2014 £	2014 £	2013 £	2013 £
FIXED ASSETS					
Investments	8		1		1
CURRENT ASSETS					
Debtors	9	52,849		151,199	
Cash at bank and in hand		<u>127,299</u>		<u>328,093</u>	
		180,148		479,292	
CREDITORS					
Amounts falling due in one year	10	<u>1,040</u>		<u>273,840</u>	
Net current assets			179,108		205,452
NET ASSETS			<u>179,109</u>		<u>205,453</u>
FUNDS					
Unrestricted funds	11		39,109		5,453
Restricted funds	11		<u>140,000</u>		<u>200,000</u>
TOTAL FUNDS			<u>179,109</u>		<u>205,453</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

For the year ending May 31 2014, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and no notice has been deposited under section 476 requiring the company to obtain an audit of its accounts for the year in question.

Directors' responsibilities

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The notes on pages 8 to 11 form part of these financial statements.

Approved by the Board and authorised for issue on:

And signed on their behalf by:

S T Sorrel - Director

Company registration number 08049427

MANCHESTER CENTRAL LIBRARY DEVELOPMENT TRUST LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MAY 31 2014

1 ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Basis of preparation

The financial statements have been prepared the going concern basis, under the historical cost convention and comply with the Statement of Recommended Practice "Accounting and Reporting by Charities" (2005) and the Financial Reporting Standard for Smaller Entities (FRSSE) (effective April 2008) and comply with the Companies Act 2006.

Fund accounting

General funds are available at the discretion of the directors in furtherance of the general objectives of the Company. Restricted funds are funds subject to specific restrictive conditions imposed by funders or by the purpose of the grant.

Incoming resources

Total Incoming Resources as shown in the Statement of Financial Activities represents the net amounts from all sources.

Income is recognised in the accounting period in which it is receivable, except in the following circumstances, when the income is deferred and included in creditors:

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out and the charity is not contractually entitled to the income until the work has been done
- Not all the terms and conditions of the grant have been met, including the incurring of expenditure and the grant conditions are such that unspent grant must be refunded.

Expenditure

Costs are defined as follows:

Costs of generating funds	Includes those costs associated with attracting voluntary income and fundraising.
Grants payable	Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognized as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.
Other Charitable expenditure	The costs delivering other charitable activities.
Governance costs	The costs associated with meeting the constitutional and statutory requirements of the charity and include fees for external scrutiny of the accounts and costs linked to the strategic management of the charity.

All costs are allocated between expenditure categories of the SoFA on a basis designed to reflect the use of resources. Costs directly relating to a particular activity are allocated directly and other costs (support costs) are allocated on an appropriate basis to reflect the usage of resources. The company is not registered for VAT, and where input tax has been incurred costs are shown inclusive of VAT.

Tangible fixed assets and depreciation

The Charity does not have any fixed assets.

Consolidation

Advantage is taken of the exemption in the Charities SoRP from the requirement to prepare consolidated accounts.

MANCHESTER CENTRAL LIBRARY DEVELOPMENT TRUST LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MAY 31 2014

2 VOLUNTARY INCOME	Unrestricted	Restricted	Total	Total
	£	£	2014	2013
			£	£
Oglesby Charitable Trust	-	-	-	100,000
Garfield Weston Foundation	-	100,000	100,000	-
Zochonis Charitable Trust	-	-	-	50,000
The Granada Foundation	-	-	-	50,000
Donation - Manchester Central Library Development Company	-	-	-	4,700
Legacy	42,137	-	42,137	-
Other donations	175	-	175	5,005
	<u>42,312</u>	<u>100,000</u>	<u>142,312</u>	<u>209,705</u>

3 INTANGIBLE INCOME

Secondees - Mcr City Council	18,900	-	18,900	18,900
	<u>18,900</u>	<u>-</u>	<u>18,900</u>	<u>18,900</u>

4 COST OF GENERATING FUNDS

Secondees – Mcr City Council	18,000	-	18,000	18,000
Marketing materials	1,500	-	1,500	3,439
	<u>19,500</u>	<u>-</u>	<u>19,500</u>	<u>21,439</u>

5 COST OF CHARITABLE ACTIVITIES

Grants to Manchester City Council	6,000	160,000	166,000	-
	<u>6,000</u>	<u>160,000</u>	<u>166,000</u>	<u>-</u>

The grant from unrestricted funds was to support the events for the re-opening of the Central Library.

Restricted fund grants were paid to Manchester City Council for the Central Library as follows:

Garfield Weston Foundation - children's library fitout	100,000
Zochonis Charitable Trust - cultural programme support	50,000
Oglesby Charitable Trust - capital equipment for Children's library	10,000
	<u>160,000</u>

6 GOVERNANCE COSTS

Secondees - Mcr City Council	900	-	900	900
Other costs	13	-	13	-
Annual Report and financial statements	2,085	-	2,085	840
	<u>2,998</u>	<u>-</u>	<u>2,998</u>	<u>1,740</u>

MANCHESTER CENTRAL LIBRARY DEVELOPMENT TRUST LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MAY 31 2014

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at May 31 2014 are represented by:

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Net current assets	39,108	140,000	179,108
	<u>39,108</u>	<u>140,000</u>	<u>179,108</u>

13 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There were no capital commitments at the balance sheet date nor any contingent liabilities.

14 CONSTITUTION

The Company is limited by guarantee and does not have a share capital. In the event of the Company being wound up the members are committed to contributing £1 each.

15 TRANSACTIONS WITH DIRECTORS

There are no transactions with Directors which require to be disclosed under the FRSSE.

16 TAXATION

The Company is a registered charity and is entitled to claim annual exemption from UK Corporation Tax.