

MANCHESTER CENTRAL LIBRARY DEVELOPMENT TRUST

(A company limited by guarantee)

ANNUAL REPORT

AND

FINANCIAL STATEMENTS

FOR THE PERIOD APRIL 27 2012 TO MAY 31 2013

**Company Number
Charity Number**

**08049427
1150161**

**MANCHESTER CENTRAL LIBRARY DEVELOPMENT TRUST LIMITED
FINANCIAL STATEMENTS AND TRUSTEES REPORT
FOR THE PERIOD ENDED MAY 31 2013**

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MANCHESTER CENTRAL LIBRARY DEVELOPMENT TRUST LIMITED
COMPANY INFORMATION
FOR THE PERIOD ENDED MAY 31 2013

Trustees & Directors

E P Fell	Appointed 7/11/12
B P O'Shea	Appointed 7/11/12
V S Rosin	Appointed 27/04/12
S T Sorrell (Chair)	Appointed 7/11/12
N C MacInnes	Appointed 27/4/12, resigned 15/11/12
E P O'Rourke	Appointed 27/4/12, resigned 15/11/12

**Registered Office and
Principal Place of Business**

Manchester City Library
Elliot House
151 Deansgate
Manchester M3 3WD

Independent Examiner

Mr P Smith BA FCA DChA

Accountants

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 PERIOD ENDED MAY 31 2013

The Directors, who are the trustees of the charity, present their annual report and the financial statements for the period ended May 31 2013.

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 2013 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 2012 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 PERIOD ENDED MAY 31 2013

ACHIEVEMENT AND PERFORMANCE

During its first year of operation the Development Trust was granted full charitable status and embedded itself as the key supporter for Central Library in a pivotal time of its landmark transformation. Stephen Sorrell, a senior partner at law firm Eversheds LLP, and fundraiser for arts and culture in the region, was appointed as Chair of the Trust. Stephen brings a wealth of experience and contacts across the city region and he already holds the position of Trustee of the Greater Manchester Arts Centre.

Quarterly meetings have taken place to discuss strategic and operational affairs and there has been considerable activity by the Trust in its formative year. Stephen is currently joined by fellow Directors, Vicky Rosin, Brendan O'Shea, and Peter Fell who bring with them a wealth of cross sector professional experience and a passion for the sustainability of public libraries.

A trading subsidiary was also established and registered with Companies House and HMRC for VAT. Manchester Central Library Development Company Ltd will gift all its profits to the Trust and will incentivise company sponsorship through the delivery of taxable commercial benefits.

A successful fundraising strategy was developed and implemented, focusing in the first year on securing high level capital support for enhanced rooms and spaces in Central Library as part of the major transformation project. The Directors are very grateful for the generous confirmed support of a number of prolific grant giving trusts and foundations including:

- The Granada Foundation (£50,000) – support towards audio-visual equipment for Central Library's new Performance Space.
- The Zochonis Charitable Trust (£50,000) – general support for Central Library's cultural programme.
- The Oglesby Charitable Trust (£100,000) – support towards children's activity and programming.

The Development Trust was also instrumental in assisting Manchester City Council in securing a major grant from The Wolfson Foundation for £473,000 to support the refurbishment of the Great Hall Reading Room and the furniture fit out of a new Media Lounge. The Foundation decided that the grant would be paid to the Trust to be held on trust for MCC and paid to MCC in accordance with the Foundation's instructions. The first instalment of £273,000 was received shortly before the period end.

This secured support will help Central Library to be the best it can possibly be upon re-launch in early 2014. It will make the difference between re-opening with an adequate provision and re-launching with a truly world class library fit for the learning demands and visitor expectations of 21st century.

To raise awareness, particularly with potential funders, sponsors and members during the year, the Development Trust embarked on hosting a series of behind the scenes tours of Central Library as it undergoes transformation. The first event took place in June 2013 and the initial interest from individuals and companies has been extremely encouraging. It underlines the importance of Central Library to those in the region and the affection in which it is held.

PLANS FOR THE FUTURE

More tours and receptions of Central Library are being planned for 2013 to raise awareness of the transformation project and cultivate support. The success of the capital fundraising campaign in the first year of operation means the Development Trust will now start looking at securing external revenue support for educational and cultural activities and programming to utilise the new rooms and spaces in Central Library and maximise their potential for public benefit.

The fundraising strategy outlines decreased major grants activity and an increase in cultivating and securing support and unrestricted income from companies and individuals. A public appeal is planned for early autumn with committed giving schemes being gradually introduced during the year. Company partnerships will be fully developed with sponsorship income collected by the trading subsidiary and gifted to the Trust.

Holding pages for the Trust's website have been launched www.manchesterlibrarytrust.org and a full site launch is scheduled for September 2013. This will help to raise awareness of the charity's activities to the general public and promote ways for grant giving trusts, individuals, and companies to engage with the Library's transformation and contribute to the venue's ongoing needs. It will ensure it stays fresh, relevant and sustainable in the years ahead.

The next financial year presents an ideal opportunity for the Directors to review the membership of the Board and consider ways to widen and diversify it. The Directors plan to undertake this activity with a skills audit in the autumn.

MANCHESTER CENTRAL LIBRARY DEVELOPMENT TRUST LIMITED TRUSTEES' AND DIRECTORS REPORT FOR THE PERIOD ENDED MAY 31 2013

FINANCIAL REVIEW

Overview

It was only after achieving charitable status that the company began to 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 £1,500.

The Charity has already secured £200,000 of restricted funding for both capital and revenue projects. These projects will be undertaken by Manchester City Council in Central Library, but at the year end the Charity had not made any formal grant offers to the Council and therefore had no liabilities shown in these accounts.

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 and S T Sorrell.

For the period ended May 31 2013, MCLDC made a donation of £4,700 to the Charity, equal to its taxable profits.

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: 6 September 2013

INDEPENDENT EXAMINERS REPORT TO THE MEMBERS OF MANCHESTER CENTRAL LIBRARY DEVELOPMENT TRUST LIMITED ON THE UNAUDITED ACCOUNTS FOR THE PERIOD ENDED MAY 31 2013

I report on the accounts of the company for the period April 27 2012 to May 31 2013 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 PERIOD ENDED MAY 31 2013

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2013 £
INCOMING RESOURCES				
<i>Incoming resources from generated funds</i>				
Voluntary income	2	9,705	200,000	209,705
<i>Activities for generating funds</i>				
Investment income - bank interest		27	-	27
<i>Intangible income</i>	3	18,900	-	18,900
TOTAL INCOMING RESOURCES		28,632	200,000	228,632
RESOURCES EXPENDED				
<i>Cost of generating funds</i>	4	21,439	-	21,439
<i>Costs of charitable activities</i>		-	-	-
<i>Governance costs</i>	5	1,740	-	1,740
TOTAL RESOURCES EXPENDED		23,179	-	23,179
NET INCOMING RESOURCES BEFORE TRANSFERS (net income for the year)	6	5,453	200,000	205,453
TRANSFERS BETWEEN FUNDS		-	-	-
NET INCOMING RESOURCES AFTER TRANSFERS		5,453	200,000	205,453
TOTAL FUNDS BROUGHT FORWARD		-	-	-
TOTAL FUNDS CARRIED FORWARD	10	5,453	200,000	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 2013

	Notes	2013 £	2013 £
FIXED ASSETS			
Investments	7		1
CURRENT ASSETS			
Debtors	8	151,199	
Cash at bank and in hand		<u>328,093</u>	
		479,292	
CREDITORS			
Amounts falling due in one year	9	<u>273,840</u>	
Net current assets			205,452
NET ASSETS			<u>205,453</u>
FUNDS			
Unrestricted funds	10		5,453
Restricted funds	10		<u>200,000</u>
TOTAL FUNDS			<u>205,453</u>

The directors are satisfied that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and that members have not required an audit in accordance with section 476.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps accounting records which comply with section 386; and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 396, and which otherwise comply with the requirements of the Act relating to accounts so far as applicable to the charitable company.

These financial statements have been prepared in accordance with provisions of the Companies Act 2006 applicable to small companies

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

Approved by the Board of Directors and authorised for issue on: - September 6 2013

And signed on their behalf by:-

S T Sorrell - Director

Company registration number 08049427

MANCHESTER CENTRAL LIBRARY DEVELOPMENT TRUST LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED MAY 31 2013

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 PERIOD ENDED MAY 31 2013

2 VOLUNTARY INCOME	Unrestricted	Restricted	Total
	£	£	2013
			£
Oglesby Charitable Trust	-	100,000	100,000
Zochonis Charitable Trust	-	50,000	50,000
The Granada Foundation	-	50,000	50,000
Donation - Manchester Central Library Development Company	4,700	-	4,700
Other donations	5,005	-	5,005
	<u>9,705</u>	<u>200,000</u>	<u>209,705</u>
3 INTANGIBLE INCOME			
Secondees - Mcr City Council	18,900	-	18,900
	<u>18,900</u>	<u>-</u>	<u>18,900</u>
4 COST OF GENERATING FUNDS			
Secondees – Mcr City Council	18,000	-	18,000
Marketing materials	3,439	-	3,439
	<u>21,439</u>	<u>-</u>	<u>21,439</u>
5 GOVERNANCE COSTS			
Secondees - Mcr City Council	900		900
Annual Report and financial statements	840		840
	<u>1,740</u>	<u>-</u>	<u>1,740</u>

MANCHESTER CENTRAL LIBRARY DEVELOPMENT TRUST LIMITED
NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED MAY 31 2013

6 NET MOVEMENT IN FUNDS	2013
	£
<i>Net movement in funds is stated after charging :-</i>	
Accountants' remuneration:-	
Independent examination	350
Accountancy fees	490
Directors' remuneration and trustees' expenses	<u>-</u>

7 INVESTMENTS

The Charity owns 100% of the issued share capital of Manchester Central Library Development Company Limited. The company has been set up to exploit the sponsorship and advertising opportunities of the Central Library redevelopment and gift aids its taxable profits to the charity.

8 DEBTORS

Amounts due from group company	1,199
Grants receivable	<u>150,000</u>
	<u>151,199</u>

9 CREDITORS

Amounts falling due within one year:-

Funds in trust for Manchester City Council	273,000
Accruals	<u>840</u>
	<u>273,840</u>

Details of the funds held on trust are given in the Trustees' Annual Report.

10 STATEMENT OF FUNDS

	Income	Expenditure	Transfers	30/06/12
	£	£	£	£
Unrestricted funds				
General fund	28,632	(23,179)	-	5,453
	<u>28,632</u>	<u>(23,179)</u>	<u>-</u>	<u>5,453</u>
Restricted funds				
Oglesby Charitable Trust	100,000	-	-	100,000
Zochonis Charitable Trust	50,000	-	-	50,000
Granada Foundation	50,000	-	-	50,000
	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Total Funds	<u>228,632</u>	<u>(23,179)</u>	<u>-</u>	<u>205,453</u>

Restricted Funds

All the restricted funds are for use in connection with the central Library in Manchester and are expected to be utilised in 2013/14 as grants are awarded to Manchester City Council to enable the relevant work to take place.

Oglesby Charitable Trust	To support the capital and revenue costs of the children's library provisiior
Zochonis Charitable Trust	For general support for Central Library's cultural programme
Granada Foundation	To support towards audio-visual equipment for Central Library's new Performance Space

MANCHESTER CENTRAL LIBRARY DEVELOPMENT TRUST LIMITED
NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED MAY 31 2013

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at May 31 2013 are represented by:

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Net current assets	5,452	200,000	205,452
	<u>5,452</u>	<u>200,000</u>	<u>205,452</u>

12 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

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

12 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.

14 TRANSACTIONS WITH DIRECTORS

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

15 TAXATION

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