

Registered no: XN45679

The Linen Hall Library
Annual report
for the year ended 31 December 2015

The Linen Hall Library

Annual report for the year ended 31 December 2015

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The Linen Hall Library

Reference and administrative details

Governors

President:	Mrs A Davies, BA Hons, DILS	(6/6)
Vice-President:	Mr D Lewis, MA, PGDip, BSc	(4/6)
Honorary Secretary:	Mr H Campbell, LLB, LLM	(2/6)
Acting Treasurer:	Mr S Mungavin, BA, CPFA (to June)	(1/3)
Honorary Treasurer:	Mrs A Chapman, OBE, BSSc Hons, MSW (from June)	(4/6)
	Mr P Cavan	(1/6)
	Mr G Dorrian, MSc (resigned May)	(1/2)
	Mr S Harvey, BSc (co-opted January)	(4/6)
	Mr J Johnston, MA, MLitt, JP	(5/6)
	Mr A Kershaw, BA (elected June)	(2/3)
	Mr C Radcliffe, BA Hons	(5/6)
	Mr J M Scott, BA, MA (elected June)	(2/3)
	Mr J Stewart, MSc, MA, BSc (elected June)	(3/3)
	Mrs J Trewsdale, OBE, BA, FSS, CStat (retired June)	(0/3)

[figure in brackets indicates attendance at Governors' meetings]

Principal office 17 Donegall Square North
Belfast
BT1 5GB

Solicitors Pinsent Masons
Arnott House
12 - 16 Bridge Street
Belfast
BT1 1LS

Bankers Danske Bank Limited
Donegall Square West
Belfast
BT1 6JS

Independent auditors Aubrey Campbell & Company
631 Lisburn Road
Belfast
BT9 7GT

The Linen Hall Library

Governors' report for the year ended 31 December 2015

The Library, which operates under the name of the Linen Hall Library, is legally known as the Belfast Library and Society for Promoting Knowledge.

The Board of Governors, who are also the trustees of the Library, submit their annual report and the audited financial statements for the year ended 31 December 2015. The Governors have prepared the accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102, effective 1 January 2015).

Reference and administration information

Details of the registered office, governors, independent advisers and other relevant information are given on page 1.

Structure, governance and management

Governors

The Governors are responsible for setting the Library's forward strategy and oversight of its business.

Governing document

The Library was founded in 1788 and is governed by its Constitution enacted in 1891 under the Educational Endowments (Ireland) Act, 1885 and as subsequently amended.

During 2006 sanction was given by the Department of Social Development to significant amendments approved by Special General Meetings in 2005. Following two Special General Meetings, further changes were agreed at the 2013 AGM; these will now go to the Charity Commission NI for sanction.

The Constitution is available on the Library website at www.linenhall.com.

Appointment of Governors

There are a maximum of twelve Governors of the Linen Hall Library who are elected by triennial rotation (four in each year) at the Annual General Meeting and by the subscribing members of the Library. A Governor shall not be eligible for re-election after having served two successive terms of three years, until the lapse of a period of two years. The officers of the Society are also elected annually at the Governors' meeting immediately after the Annual General Meeting.

Recruitment of Governors

The Governors annually review the skills required by the Board and available to them and, when appropriate, use their powers of co-option to fill gaps.

Governor induction and training

New Governors undertake an induction visit to the Library and are supplied with all key Library documentation. The Library has arrangements in place to provide training for all its Governors on an annual basis.

Risk management

The Library has established a risk register which is reviewed by the Governors on a quarterly basis.

Risks arising from the relative weakness of the Library's financial position are being addressed in the context of the ongoing business planning process.

The Governors will continue to review the financial risks that the Library faces and believe that increasing the free reserves to £219,709 will provide sufficient resources in the event of adverse conditions (see Reserves policy on page 4).

The Governors take the responsibility of monitoring financial risk management. The organisation is not significantly exposed to price or credit risk. The organisation has a bank overdraft and the Governors continually review this debt to ensure interest charges are minimised as far as possible.

The Linen Hall Library

Governors' report for the year ended 31 December 2015 (continued)

Structure, governance and management (continued)

Management

Responsibility for the day to day running of the Library lies with the Director and the Management Team. The Director is responsible for ensuring that planned services are delivered, that key performance indicators are met, and that agreed procedures are operative.

Related parties

The Library is Lead Partner in The National Collection of Northern Ireland Publications (NIPR). The one part-time employee of NIPR based at the Linen Hall was employed and paid for by NIPR.

Objectives and activities

Constitution and mission

The Library's Constitution at paragraph 11, and as amended in 2006, describes the 'Trusts of the Endowment' as follows:

The Endowments and all other property of or belonging to the Governors, or available for the purposes of this Scheme, shall be held by them upon trust for the promotion of knowledge in Northern Ireland and for the benefit of international scholarship, by the maintenance of a Library, and by such other means as the Society may from time to time deem it advisable to adopt.

The Library's mission statement is as follows:

The Linen Hall Library aims to increase knowledge and understanding, both locally and internationally, by collecting, curating, and providing access to an historic library and cultural centre with unique strengths in Irish and local studies.

Objectives in 2015

The Library aimed to:

- Continue the development of its key collections
- Further enhance its role as a wider arts and cultural centre
- Improve both physical and virtual access to its resources
- Continue to enhance and monitor its service standards
- Achieve improved satisfaction ratings in member and user surveys
- Increase subscribing membership
- Increase visitor numbers
- Reduce the operating deficit and the overdraft
- Endow the longer term future of the Library
- Keep its management structure under review
- Ensure best practice in all areas of employment
- Continue to improve training for Governors and staff

The Linen Hall Library

Governors' report for the year ended 31 December 2015 (continued)

Structure, governance and management (continued)

Achievements and performance

The Library had mixed results in meeting its objectives during a year in which working to enhance its contribution to society and the future financial security of the institution were once again the key focus.

- The Heritage Lottery Fund has awarded the Library a grant to digitise and make available online parts of the Northern Ireland Political Collection, and the development stage of this project was completed in 2015.
- Arts and cultural programming activity continued during the year, albeit with reduced funding from the Arts Council for Northern Ireland, maintaining the Library's role as a wider arts and cultural centre.
- Towards the end of 2015, the Library received capital funding from Belfast City Council and the Department of Culture, Arts and Leisure towards improvements such as new sound and lighting in the performance area and repairs to the iconic front door.
- Also at the end of 2015, funding was received from the Department of Culture, Arts and Leisure to digitise the manuscripts, correspondence, notebooks and cuttings of key Northern Irish writers of the 20th century.
- The Ulster Scots Agency continued to provide funding towards work being carried out at the Linen Hall Library to conserve and make accessible the Gibson Collection of Ulster Scots material.
- The Library's charity bookshop produced a surplus of £18,000 towards Library funds in 2015.

Financial review

Results

In common with many other charities, the Library faces challenging economic times, and continuing efforts are being made to increase revenue and to control costs. The Library has worked successfully with funders and bankers to deal with the deficit going forward. The statement of financial activities for the year is set out on page 8.

The Library incurred a deficit of £28,986 (2014: £118,052) in the year, before the impact of the actuarial gain on the defined benefit pension scheme. The Library had net current assets of £26,834 at the year end as compared with net current liabilities of £62,812 at the end of 2014.

Principal funding sources

The Library's key funders in 2015 were the Department of Culture, Arts and Leisure which provided grants of £351,749 (2014: £364,270), Belfast City Council which provided grants of £37,036 (2014: £42,920) and the Arts Council of Northern Ireland which provided grants of £30,930 (2014: £46,840).

Reserves policy

The long term objective of the Governors over a three to five year period is to achieve a level of unrestricted funds not invested in tangible or fixed assets (the free reserves) equivalent to three months' expenditure on the core activities of the Library. At the end of 2015 this equates to £219,709 (2014: £220,140).

Taxation

The Library is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Library's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Borrowings

The Library relies on an overdraft facility with Danske Bank. This facility was reviewed in 2015 and sufficient facilities to meet projected cash flow requirements were approved. At the year end the Library had net liabilities of £68,285 (net liabilities 2014: £86,750) at Danske Bank; this was inclusive of £60,000 (2014: £60,000) of funds (including gift aid) held for the Michael McLaverty Trust (see page 5) and a bank overdraft of £128,285 (2014: £146,750). The Library also had assets of £200,919 (2014: £140,543) at Barclays Bank, of which £199,852 related to the Catalyst Endowment Fund (see page 5).

The Linen Hall Library

Governors' report for the year ended 31 December 2015 (continued)

Financial review (continued)

Endowment funds

The Library administers the Michael McLaverty award and holds £60,385 in respect of this trust. This is an endowment, the income from which is available to the Library only for the specific purpose of running the biennial Michael McLaverty Short Story Award.

During 2013, the Library launched its Catalyst Endowment Fund, under which every £1 raised by the Library is matched by a £1 grant from the Heritage Lottery Fund's Catalyst endowment programme, up to the value of £1 million over a four-year period. Funds raised under this programme are to be invested for a period of 25 years, and the income used to further the Library's mission. The balance held in this fund at the year end was £199,852 (2014: £139,926).

Pension scheme

The Library operates a defined benefit scheme through NILGOSC. Prior to 2006 the Library's share of this scheme could not be identified by NILGOSC and, in keeping with such multi employer schemes, the Library treated its pension cost as if it were a defined contribution (rather than a defined benefit) scheme in keeping with accounting standards.

In late 2006 NILGOSC separated each of the employer scheme details and, as a result, the Library complies with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and incorporates the year end deficit on the scheme in its balance sheet and the movement on the scheme within the Statement of Financial Activities. At 31 December 2015 the scheme showed a deficit of £230,422, decreased from £383,422 in the previous year, the change arising from changes in assumptions used by the scheme actuary.

Plans for the future

A Business Plan for 2016 was approved by the Governors in November 2015.

The Library aims to:

- Continue the development of its key collections
- Further enhance its role as a wider arts and cultural centre
- Continue to seek funding for capital improvements
- Continue to enhance and monitor its service standards
- Achieve improved satisfaction ratings in member and user surveys
- Increase subscribing membership
- Form new tourism partnerships
- Reduce the operating deficit and the overdraft
- Complete a sustainability/development plan
- Ensure best practice in all areas of employment
- Continue to improve training for Governors and staff
- Foster relationships with new funders
- Position itself within the new Department for Communities

The Linen Hall Library

Governors' report for the year ended 31 December 2015 (continued)

Statement of Governors' responsibilities

The Governors are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102, effective 1 January 2015).

The law applicable to charities requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in FRS 102;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act (Northern Ireland) 1964 and under the Charities (NI) Order 1987 and in accordance with the Educational Endowments Act 1885. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

So far as each of the Governors in office at the date of approval of these financial statements is aware:

- there is no relevant audit information of which the Library's auditors are unaware; and
- they have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the Library's auditors are aware of that information.

Independent auditors

A motion to reappoint the auditors will be proposed at the AGM.

By order of the Board



Mrs A. Chapman
Honorary Treasurer

Date: 24 March 2016

The Linen Hall Library

Independent auditor's report to the Governors of The Linen Hall Library

We have audited the financial statements of for the Linen Hall Library year ended 31 December 2015 on pages 8 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with the Charities Act (Northern Ireland) 1964 and the Charities (NI) Order 1987. Our audit work has been undertaken so that we might state to the charity's Governors 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITOR

As explained more fully in the Governors Annual Report, they are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act (Northern Ireland) 1964 and the Charities (NI) Order 1987.



7 April 2016

JOHN MAGEE (Senior Statutory Auditor)
For and on behalf of
AUBREY CAMPBELL & COMPANY
Chartered Accountants
& Statutory Auditor

631 Lisburn Road
Belfast
BT9 7GT

The Linen Hall Library

Statement of financial activities for the year ended 31 December 2015

	Notes	Endowment Funds 2015 £	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Endowment Funds 2014 £	Unrestricted Funds 2014 £	Restricted Funds 2014 £	Total Funds 2014 (restated) £
Income and endowments from									
Donations and legacies	2	59,926	453,991	165,694	679,611	2,000	476,519	172,389	650,908
Rental income		-	145,574	-	145,574	-	144,932	-	144,932
Income from investments		-	1,171	-	1,171	-	1,349	-	1,349
Income from charitable activities									
Other trading activities	3	-	96,347	-	96,347	-	116,607	-	116,607
Other income									
		-	-	-	-	-	-	-	-
Total income		59,926	697,083	165,694	922,703	2,000	739,407	172,389	913,796
Expenditure on									
Rental expenses		-	2,000	-	2,000	-	2,000	-	2,000
Expenditure on raising funds	4	-	50,831	-	50,831	-	59,929	-	59,929
		-	52,831	-	52,831	-	61,929	-	61,929
Expenditure on charitable activities									
Projects and events	5	-	-	72,852	72,852	-	-	151,288	151,288
Library operating costs	6	-	826,006	-	826,006	-	818,631	-	818,631
		-	826,006	72,852	898,858	-	818,631	151,288	969,919
Total expenditure		-	878,837	72,852	951,689	-	880,560	151,288	1,031,848
Net income/(expenditure)	8	59,926	(181,754)	92,842	(28,986)	2,000	(141,153)	21,101	(118,052)
Transfers between funds	9	-	(2,292)	2,292	-	-	-	-	-
Net income/(expenditure) before recognised gains and losses		59,926	(184,046)	95,134	(28,986)	2,000	(141,153)	21,101	(118,052)
Net gain on revaluations of fixed assets	10 & 11	-	-	-	-	-	394,000	-	394,000
Actuarial gains/(losses) on defined benefit pension scheme	25	-	197,000	-	197,000	-	(361,000)	-	(361,000)
Net movement in funds		59,926	12,954	95,134	168,014	2,000	(108,153)	21,101	(85,052)
Fund balance brought forward		200,411	5,956,741	49,390	6,206,542	198,411	6,064,894	28,289	6,291,594
Total funds carried forward		260,337	5,969,695	144,524	6,374,556	200,411	5,956,741	49,390	6,206,542

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The Linen Hall Library

Statement of financial position as at 31 December 2015

	Notes	2015 £	2014 (restated) £
Fixed assets			
Tangible assets	10	3,844,144	3,918,776
Heritage assets	11	2,734,000	2,734,000
		6,578,144	6,652,776
Current assets			
Stocks	12	11,872	22,912
Debtors	13	76,184	91,566
Cash at bank and in hand		261,012	200,544
		349,068	315,022
Creditors: amounts falling due within one year	14	(322,234)	(377,834)
Net current (liabilities)/assets		26,834	(62,812)
Net assets excluding pension liability		6,604,978	6,589,964
Pension liability	25	(230,422)	(383,422)
Net assets including pension liability		6,374,556	6,206,542
Funds			
Unrestricted funds:			
- General fund	16	(170,467)	(183,421)
- Revaluation fund	16	6,140,162	6,140,162
		5,969,695	5,956,741
Restricted funds	17	144,524	49,390
Endowment funds	18	260,337	200,411
Total funds	19	6,374,556	6,206,542

The financial statements on pages 8 to 27 were approved by the Board on 24 March 2016 and were signed on its behalf by:

Alice Chapman

Mrs A Chapman
Honorary Treasurer

Alice Davies

Mrs A Davies
President

The Linen Hall Library

Statement of cash flows for the year ended 31 December 2015

	Notes	2015 £	2014 (restated) £
Cash flows from operating activities	23	112,190	(128,573)
Cash flows from investing activities			
Interest income		1,171	1,349
Purchase of tangible fixed assets		(9,861)	-
Cash (used in) provided by investing activities		(8,690)	1,349
Cash flows from financing activities			
Interest and fees paid		(24,567)	88,226
Cash (used in) provided by financing activities		(24,567)	88,226
Increase (decrease) in cash and cash equivalents in the year		78,933	(38,998)
Cash and cash equivalents at the beginning of the year	24	53,794	92,792
Total cash and cash equivalents at the end of the year	24	132,727	53,794

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2015

1 Accounting policies

These financial statements are prepared on the going concern basis under the historical cost convention, as modified by the revaluation of certain tangible fixed assets and in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, The Charities Act (Northern Ireland) 1964 and the Charities (NI) Order 1987. The principal accounting policies, used consistently throughout, are set out below.

Incoming resources

All incoming resources are included in the statement of financial activities when the Library is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Voluntary income

Legacies

Legacies are recognised when received or when their amount is capable of measurement.

Donations

Donations are included in full when received.

Grants

Revenue grants are credited to incoming resources on the earlier date of when they are received or when they are receivable, unless they relate to a specified future period, in which case they are deferred.

Grants for the purpose of capital expenditure are credited to restricted incoming resources when receivable and transferred to unrestricted funds on purchase of asset.

Activities for generating funds

Voluntary income

Annual subscriptions are included as voluntary income and are accounted for on an accruals basis.

Other income

Other income is included in full in the Statement of Financial Activities when received.

Investment income

Investment income is accounted for when received.

Fundraising income

Fundraising income is accounted for when received.

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2015

1 Accounting policies (continued)

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Library operating costs

Library operating costs are those incurred in connection with administration of the Library and compliance with constitutional and statutory requirements.

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate.

Pensions

The Library operates a defined benefit scheme through the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) for specific employees. The assets of the scheme are held separately from those of the Library.

The Library has adopted FRS 102 in these financial statements. Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability. The increase in the present value of the liabilities of the Library's defined benefit pension scheme arising from employee service in the period is charged to operating profit. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time are included in other finance costs. Actuarial gains and losses are recognised in the statement of financial activities.

Tangible assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost, or valuation, of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used are as follows:

		%
Buildings	-	2
Leasehold improvements	-	10
Fixtures & fittings	-	15
Computer equipment	-	33

When circumstances dictate, an impairment review is carried out. Land and buildings are revalued on a regular basis by a suitably qualified individual. The Library ensures that a full valuation is undertaken every five years. The resulting revaluation gains or losses are recognised in the statement of financial activities and result in a movement on revaluation reserves to the extent that they result in gains or offset previous gains. If the revaluation results in a loss greater than previously recognised revaluation gains, the excess loss will be charged to the statement of financial activities.

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2015

1 Accounting policies (continued)

Heritage assets

The heritage assets are held by the Library in support of the primary objective of the charity to promote knowledge in Northern Ireland and for the benefit of international scholarship. Heritage assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Library's policy on other fixed assets. The heritage assets held by the charity consist of various collections of books and periodicals covering a wide range of topics relating largely to Irish history including some documents over three hundred years old. The collections are carried at a current valuation. The collections are deemed to have indeterminate lives and a high residual value and therefore depreciation has not been charged. The carrying amounts of the assets are reviewed when there is evidence of impairment and any impairment is recognised in accordance with the Library's general policy on impairment.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Fund accounting

The Library has various types of funds for which it is responsible and which require separate disclosure. A definition of the various types of funds is as follows:

Unrestricted funds

Funds which are expendable at the discretion of the Library, in furtherance of the purpose of the Library. In addition to expenditure on activities such funds may be held in order to finance capital investment and working capital.

Restricted funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of overheads and support costs.

Endowment funds

Permanent endowment funds are restricted funds where a donor has specified that only income arising from the donation can be used by the Library. This income is restricted for the particular purpose specified by the donor.

Going Concern

The Governors believe it is appropriate that the financial statements for the Library are produced on a going concern basis due to the following:

- The Governors are confident that the Museums and Libraries Branch, within the new Department for Communities, and Belfast City Council will continue their respective grant assistance to the Library for the foreseeable future.
- The Governors believe that Library membership will continue at current levels.
- The Library is committed to monitoring and controlling expenditure to ensure the long term viability of the charity.

Transition to FRS 102

No transition adjustments have been required in making the transition to FRS 102. The transition date was 1 January 2014.

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2015

2 Donations and legacies

	Endowment	Unrestricted	Restricted	2015	2014 (restated)
	£	£	£	£	£
Donations	-	22,274	-	22,274	10,916
Members' subscriptions (see below)	-	138,166	-	138,166	149,103
Grants (see below)	59,926	293,551	165,694	519,171	490,889
	59,926	453,991	165,694	679,611	650,908

Members' subscriptions

	2015	2014 (restated)
	£	£
Members' subscriptions	122,183	132,726
Income tax reclaimable on subscriptions	15,983	16,377
	138,166	149,103

Grants

	Endowment	Unrestricted	Restricted	2015	2014 (restated)
	£	£	£	£	£
Arts Council of NI	-	-	30,930	30,930	46,840
Heritage Lottery Fund	59,926	-	14,100	74,026	14,100
Belfast City Council	-	35,000	2,036	37,036	42,920
Department of Culture, Arts and Leisure	-	257,551	94,198	351,749	364,270
Department of Foreign Affairs (ROI)	-	-	-	-	15,040
Ulster Scots Agency	-	-	24,430	24,430	5,000
Department of Social Development	-	-	-	-	719
NIPR	-	1,000	-	1,000	2,000
	59,926	293,551	165,694	519,171	490,889

In accordance with recommended practice, income received in advance is not deferred, but recognised in the period in which it is received.

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2015

3 Other trading activities

	2015 £	2014 (restated) £
Sale of books		
Library books and publications	39,106	49,623
Sales of services		
Coffee shop	4,641	5,610
Photocopying and fax	1,665	2,256
Telephone & Internet	1,230	1,020
Postage	137	555
Cultural programming	4,033	6,472
Royalties	638	1,259
Facility fees	17,900	11,548
Fundraising events	4,556	670
	34,800	29,390
Sale of products		
Books, prints and pamphlets	12,420	26,115
Other products	671	478
Gift shop items	9,350	11,001
	22,441	37,594
Total	96,347	116,607

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2015

4 Expenditure on raising funds

	2015	2014 (restated)
	£	£
Merchandising costs (see below)	16,553	17,396
Book fund (see below)	12,856	19,366
Charity shop	20,853	23,167
Fundraising costs	569	-
	50,831	59,929
	2015	2014 (restated)
	£	£
Merchandising costs		
Prints, books and pamphlets	11,094	10,906
Coffee shop purchases	1,165	1,069
Gift shop expenditure	4,294	5,421
	16,553	17,396
	2015	2014 (restated)
	£	£
Book fund		
Irish	4,012	6,815
Reference	-	91
General	8,844	12,460
	12,856	19,366

5 Projects and events

	2015	2014 (restated)
	£	£
Cultural Programming (includes salary costs of £23,500 (2014: £22,000))	34,070	36,792
Divided Society digitisation (includes salary costs of £9,711 (2014: £11,726))	16,082	13,601
Library Refurbishment	-	46,000
Outreach Programme (includes salary costs of £Nil (2014: £5,550))	-	17,395
Burns in Ulster (includes salary costs of £1,765 (2014: £7,380))	9,430	19,375
Postcard App (includes salary costs of £Nil (2014: £595))	3,682	6,298
iPad Memories (includes salary costs of £1,148 (2014: £Nil))	5,224	-
Writers on Writers	-	2,751
Tourism Brochure (includes salary costs of £Nil (2014: £500))	-	1,500
Good Relations (includes salary costs of £Nil (2014: £240))	-	1,200
Theatre Archive	-	324
McLavery Short Story Award	-	4,568
Health, Safety and Governance	2,880	-
Leasehold improvement depreciation	1,484	1,484
	72,852	151,288

Project and events costs include £36,124 (2014: £47,991) of staff costs.

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2015

6 Library operating costs

	2015 £	2014 (restated) £
Administration expenses		
Stationery	1,536	1,692
Printing	9,447	9,233
Advertising & PR	5,378	4,754
Photocopying	6,728	5,967
Postage	3,651	4,052
Telephone, fax and internet	8,612	8,024
Computer maintenance	37,942	39,958
Training	2,226	3,392
Audit and related fees	6,588	6,588
Professional fees	10,826	15,050
Travelling expenses	1,824	2,030
Conservation	2,751	859
Bad debts	3,105	5,038
Miscellaneous	591	1,398
	101,205	108,035
Establishment		
Rent and rates	18,703	18,876
Insurance	16,605	16,687
Light and heat	25,277	27,550
Repairs and maintenance	33,155	57,698
	93,740	120,811
Financial expenses		
Bank charges	1,277	1,181
Bank interest	8,093	2,530
Visa paypoint fees	429	1,293
Other Interest	768	770
Other finance costs (see below)	14,000	(94,000)
	24,567	(88,226)
Depreciation		
Building	78,000	103,500
Fixtures and fittings	1,301	8,375
Computer equipment	3,708	9,257
	83,009	121,132
Staff costs (note 7)	523,485	556,879
Total	826,006	818,631

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2015

6 Library operating costs (continued)

Other finance costs

	2015 £	2014 (restated) £
Expected return on pension scheme	126,000	250,000
Interest on pension scheme liabilities	(140,000)	(156,000)
Net return	(14,000)	94,000

7 Staff costs

	Unrestricted £	Restricted £	Total 2015 £	Total 2014 (restated) £
Salaries	399,690	33,667	433,357	500,441
Social security costs	23,565	1,249	24,814	35,170
Pension costs	117,259	1,208	118,467	85,950
	540,514	36,124	576,638	621,561

Analysis of staff costs

	2015 £	2014 (restated) £
Project staff	36,124	47,991
Library:		
- Charity Bookshop staff	17,029	16,691
- Administration staff	523,485	556,879
	576,638	621,561

The average number of employees, calculated on a full time equivalent basis, analysed by function was:

	2015 Number	2014 (restated) Number
Charitable activities	18	22

No employees had employee benefits in excess of £70,000 (2014: £60,000).

Governors are not remunerated for services to the Library (2014: £Nil).

The key management personnel of the Library comprise the Governors, the Director, the Librarian and the Finance Manager. The total employee benefits of the key management personnel of the Library were £133,323 (2014: £156,865).

Indemnity insurance for Governors' liability has been purchased by the Library at a cost of £2,190 (2014: £2,120).

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2015

8 Net income/(expenditure)

	2015 £	2014 (restated) £
Net income/(expenditure) is stated after charging:		
Depreciation on owned assets	84,493	122,616
Auditors' remuneration:		
- audit services	5,562	5,562
- non-audit services	-	-
Other operating lease rentals	-	-

9 Transfers between funds

	Endowment Funds £	Unrestricted Funds £	Restricted Funds £
Cultural Programming	-	-	2,292
General Fund	-	(2,292)	-
	-	(2,292)	2,292

10 Tangible fixed assets

	Land & building £	Leasehold Improvements £	Fixtures & fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2015	3,900,000	14,840	155,727	179,524	4,250,091
Additions	-	-	-	9,861	9,861
At 31 December 2015	3,900,000	14,840	155,727	189,385	4,259,952
Accumulated depreciation					
At 1 January 2015	-	8,904	151,155	171,256	331,315
Charge for the year	78,000	1,484	1,301	3,708	84,493
At 31 December 2015	78,000	10,388	152,456	174,964	415,808
Net book amount					
At 31 December 2015	3,822,000	4,452	3,271	14,421	3,844,144
At 31 December 2014	3,900,000	5,936	4,572	8,268	3,918,776

The Library's freehold and long leasehold properties were revalued at 31 December 2014 on the basis of open market value and open market rental value for existing use by McConnell Chartered Surveyors. The valuations were undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors in the United Kingdom.

The net book value of freehold and long leasehold properties at 31 December 2015 based on historical cost, had there been no revaluations, would have been £2,996,000 (2014: £3,081,600).

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2015

10 Tangible fixed assets (continued)

	Land & building £	Leasehold improvement £	Office Equipment £	Computer Equipment £	Total £
Cost or valuation at 31 December 2015 is represented by					
Cost	-	14,840	155,727	189,385	359,952
Valuation	3,900,000	-	-	-	3,900,000
	3,900,000	14,840	155,727	189,385	4,259,952

No deferred tax has been provided for since the Library is a charity and therefore not subject to corporation tax.

11 Heritage assets

	2015 £	2014 (restated) £
Books and Periodicals at 31 December	2,734,000	2,734,000

The books and periodicals were valued during 2014 by Mr Peter Rowan, P & B Rowan, Antiquarian Booksellers.

12 Stocks

	2015 £	2014 (restated) £
Goods for resale	11,872	22,912

13 Debtors

	2015 £	2014 (restated) £
Trade debtors	16,150	31,158
Other debtors	830	554
Prepayments and accrued income	59,204	59,854
	76,184	91,566

Included in Prepayments and accrued income is an amount of £17,500 (2014: £Nil) relating to accrued grants receivable.

14 Creditors: amounts falling due within one year

	2015 £	2014 (restated) £
Bank overdrafts	128,285	146,750
Trade creditors	78,099	102,186
Other creditors	39,402	34,990
Accruals and deferred income	76,448	93,908
	322,234	377,834

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2015

15 Contingent liability

An historical, unreconciled amount of £8,038 is included within the Value Added Tax liability.

16 Unrestricted funds

	General Fund £	Revaluation Fund £	Total £
Balance at 1 January 2015	(183,421)	6,140,162	5,956,741
Net outgoing resources for the year	(181,754)	-	(181,754)
Transfer to restricted funds	(2,292)	-	(2,292)
Actuarial gains on defined benefit scheme	197,000	-	197,000
Balance at 31 December 2015	(170,467)	6,140,162	5,969,695

Unrestricted general funds includes a liability of £230,422 (2014: £383,422) in respect of pension scheme liabilities of the pension fund.

17 Restricted funds

	Balance at 1 January 2015 £	Incoming Resources £	Project Expenditure £	Transfers £	Balance at 31 December 2015 £
Cataloguing	46	-	-	-	46
Hidden Connections	5,834	-	-	-	5,834
Leasehold Improvements Capital grant	5,936	-	(1,484)	-	4,452
Cultural Programming	848	30,930	(34,070)	2,292	-
McLavery Trust	2,425	-	-	-	2,425
Theatre Archive	3,230	-	-	-	3,230
Divided Society Digitisation	15,538	14,100	(16,082)	-	13,556
Burns in Ulster	5,000	24,430	(9,430)	-	20,000
Postcard App	3,682	-	(3,682)	-	-
iPad Memories	3,188	2,036	(5,224)	-	-
Northern Irish Writing Digital Project	-	50,998	-	-	50,998
Health & Safety and Governance	-	43,200	(2,880)	-	40,320
Computers	3,663	-	-	-	3,663
	49,390	165,694	(72,852)	2,292	144,524

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2015

16 Restricted funds (continued)

Cataloguing - funds towards enhancing access to unique resources.

Hidden Connections - programme to mark the bicentenary of the abolition of slavery and to increase the understanding of Northern Ireland's relationship with the slave trade.

Leasehold Improvements Capital grant – capital grant for leasehold improvements.

Cultural Programming - to use the Library's historical position as a cultural leader in Northern Ireland to showcase and nurture the artistic and cultural life of all in the community.

McLaverly Trust - Biennial award to foster and encourage the art of the short story in Ireland.

Theatre Archive - donation to support the Theatre and Performing Arts Archive.

Divided Society Digitisation – The Heritage Lottery Fund has provided a grant to digitise and make available online parts of the Northern Ireland Political Collection.

Burns in Ulster – Conservation of the Library's Gibson Collection.

Postcard App – CIIF (Creative Industries Innovation Fund), through the Arts Council of NI, funded the design and creation of an app related to the Library's postcard collection, www.postcardsireland.com

iPad Memories – The Library received funding from Belfast City Council's Belfast Health Development Unit, through its Social Isolation in Older People programme. This twelve-week course was free to participants and offered training in the use of iPads, creative writing and recorded interviews.

Northern Irish Writing Digital Project – The Library received a grant from the Department of Culture, Arts and Leisure to digitise the manuscripts, correspondence, notebooks and cuttings of key Northern Irish writers of the 20th century.

Health & Safety and Governance – The Department of Culture, Arts and Leisure provided funding for capital items for purposes of health & safety and governance.

Computers – IT funding received.

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2015

18 Endowment funds

	Balance at 1 January 2015 £	Income £	Transfers £	Balance at 31 December 2015 £
McLavery Trust	60,385	-	-	60,385
Catalyst Endowment Fund	139,926	59,926	-	199,852
Linen Hall Library Fund	100	-	-	100
	200,411	59,926	-	260,337

19 Analysis of net assets between funds

	Endowment Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fund balances at 31 December 2015 are represented by:				
Tangible fixed assets	-	3,839,692	4,452	3,844,144
Heritage assets	-	2,734,000	-	2,734,000
Net current assets/(liabilities)	260,337	(373,575)	140,072	26,834
Pension Liability	-	(230,422)	-	(230,422)
Total net assets at 31 December 2015	260,337	5,969,695	144,524	6,374,556

20 Financial commitments

At 31 December the Library had annual commitments under non-cancellable operating leases expiring as follows:

	Office equipment	
	2015 £	2014 (restated) £
In more than one year, but not more than 5 years	5,952	4,425

21 Related parties

The Library is Lead Partner in The National Collection of Northern Ireland Publications (NIPR). The one part-time employee of NIPR based at the Linen Hall was employed and paid for by NIPR. The Library received £1,000 (2014: £2,000) from NIPR as its contribution to the cost of running the integrated library system.

22 Post-balance sheet events

There have been no events occurring after 31 December 2015 which require disclosure.

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2015

23 Reconciliation of net movement in funds to net cash flow from operating activities

	2015	2014
	£	(restated) £
Net movement in funds	168,014	(85,052)
Add back depreciation charge	84,493	122,616
Deduct net gain on revaluations of fixed assets	-	(394,000)
Deduct interest income shown in investing activities	(1,171)	(1,349)
Add back interest paid shown in financing activities	24,567	(88,226)
Decrease (increase) in stock	11,040	(4,733)
Decrease (increase) in debtors	15,382	(22,916)
(Decrease) increase in creditors falling due within one year	(37,135)	58,087
(Decrease) increase in pension liability	(153,000)	287,000
Net cash provided by (used in) operating activities	112,190	(128,573)

24 Cash and cash equivalents at 31 December

	2015	2014
	£	(restated) £
Deposit account at Barclays Bank	200,884	140,508
Current account at Barclays Bank	34	34
Term deposit at Danske Bank	60,000	60,000
Petty cash	94	2
Bank overdraft at Danske Bank	(128,285)	(146,750)
Total cash and cash equivalents	132,727	53,794

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2015

25 Pension commitments

The Library operates a defined benefit scheme with assets held in separate trustee administered funds.

An actuarial valuation of the defined benefit pension scheme using the projected unit basis was carried out at 31 December 2015 by Xafinity Consulting, independent consulting actuaries.

Defined benefit scheme

The amounts recognised in the statement of financial position are as follows:

	2015	2014
	£'000	(restated) £'000
Defined benefit obligation	(3,963)	(3,854)
Fair value of plan assets	3,732	3,470
Net defined benefit liability	(231)	(384)
Net amount recognised at year end	(231)	(384)

The amounts recognised in comprehensive income are:

The current and past service costs, settlements and curtailments, together with the net interest expenses for the year are included in profit or loss. Re-measurements of the net defined benefit liability are included in other comprehensive income.

	2015	2014
	£'000	(restated) £'000
Service cost:		
Current service cost (net of employee contributions)	107	80
Administration expenses	1	0
Net interest expense	14	5
Charge recognised in profit or loss	122	85

Re-measurements of the net liability:

Return on scheme assets (excluding amount included in net interest expense)	(83)	145
Actuarial (gains)/losses	(114)	118
(Credit)/charge recorded in other comprehensive income	(197)	263
Total defined benefit (credit)/cost	(75)	348

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2015

25 Pension commitments (continued)

The principal actuarial assumptions used were:

	2015	2014
Liability discount rate	3.65%	3.60%
Inflation assumption – RPI	3.15%	3.05%
Inflation assumption – CPI	2.05%	2.15%
Rate of increase in salaries	3.55%	3.65%
Revaluation of deferred pensions: CPI	2.05%	2.15%
Increases in pensions for payment	2.05%	2.15%
Proportion of employees commuting pension for cash	75.00%	75.00%

The mortality assumptions used were:

	31 December 2015	31 December 2014
Average expected future life at age 65 for		
Male currently aged 65	22.2	22.1
Female currently aged 65	24.7	24.6
Male currently aged 45	24.4	24.3
Female currently aged 45	27.0	26.9

Reconciliation of scheme assets and liabilities

	Assets £'000	Liabilities £'000	Total £'000
At start of period	3,470	(3,854)	(384)
Benefits paid	(49)	49	-
Administration expenses	(1)	-	(1)
Current service cost	-	(107)	(107)
Contributions from the employer	78	-	78
Contributions from employees	25	(25)	-
Interest income/(expense)	126	(140)	(14)
Return on assets (excluding amount included in net interest expense)	83	-	83
Actuarial gains	-	114	114
	3,732	(3,963)	(231)

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2015

25 Pension commitments (continued)

The return on plan assets was:

	2015	2014
	£'000	(restated) £'000
Interest income	126	152
Return on plan assets (excluding amount included in net interest expense)	83	(145)
Total return on plan assets	209	7

The major categories of scheme assets are as follows:

	2015	2014
	£'000	(restated) £'000
Equities and Alternatives	2,706	2,516
Property	560	521
Gilts	130	121
Cash	-	-
Fixed Interest Bonds	336	312
	3,732	3,470