

Registered no: NIC104564

The Linen Hall Library
Annual report
for the year ended 31 December 2016

The Linen Hall Library

Annual report for the year ended 31 December 2016

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The Linen Hall Library

Reference and administrative details

Governors

President:	Mrs A Davies, BA Hons, DILS	(8/8)
Vice-President:	Mr D Lewis, MA, PGDip, BSc (to June)	(6/8)
	Mrs A Chapman, OBE, BSSc Hons, MSW (from June)	(7/8)
Honorary Secretary:	Mr H Campbell, LLB, LLM (to June)	(1/4)
	Mr J Stewart, MSc, MA, BSc (from June)	(7/8)
Honorary Treasurer:	Mrs A Chapman, OBE, BSSc Hons, MSW (to June)	(7/8)
	Mr D Lewis, MA, PGDip, BSc (from June)	(6/8)
	Ms K Blair, LLB, LLM, LARTPI (co-opted September)	(2/2)
	Mr H Campbell, LLB, LLM (co-opted November)	(1/4)
	Mr P Cavan	(4/8)
	Professor Y Galligan, PhD, OBE (co-opted March)	(3/7)
	Mr S Harvey, BSc	(1/8)
	Mr J Johnston, MA, MLitt, JP	(5/8)
	Mr A Kershaw, BA	(7/8)
	Ms M Mackin, BA, MSc, PGDip	(4/5)
	Mr H Odling-Smee, MA, AdDip	(3/8)
	Mr C Radcliffe, BA Hons	(8/8)
	Mr J M Scott, BA, MA	(5/8)

[figure in brackets indicates attendance at Governors' meetings]

Principal office	17 Donegall Square North Belfast BT1 5GB
Solicitors	Cleaver Fulton Rankin 50 Bedford Street Belfast BT2 7FW
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 2016

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 2016. 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 2016, the Library was formally registered as a charity by the new Charity Commission for Northern Ireland.

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

Appointment of Governors

There is a maximum of fifteen 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 £205,886 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 2016 (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 2016

The Library aimed 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 2016 (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 delivery stage of this project commenced in 2016 with five dedicated members of staff and additional funding from Ulster Garden Villages.
- The Library achieved Museums Accreditation in November 2016 for three of its collections.
- Arts and cultural programming activity continued throughout the year, maintaining the Library's role as a wider arts and cultural centre.
- The Library utilised capital funding from Belfast City Council and the Department for Communities to carry out improvements such as new sound and lighting in the performance area, upgraded information technology systems and repairs to the iconic front door.
- Also through funding received from the Department for Communities, the Library digitised the manuscripts, correspondence, notebooks and cuttings of key Northern Irish writers of the 20th century.
- Through a grant from Together Building United Communities, the Library hosted Staging 2016, a creative writing and drama project for fifty children.
- 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 £17,000 towards Library funds in 2016.

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 £11,822 (2015: £28,986) in the year, before the impact of the actuarial loss on the defined benefit pension scheme. The Library had net current assets of £95,090 (2015: £26,835) at the year end.

Principal funding sources

The Library's key funders in 2016 were the Department for Communities which provided grants of £294,140 (2015: £351,749), the Heritage Lottery Fund £88,168 (2015: £74,026), Ulster Garden Villages £61,200 (2015: £Nil), Belfast City Council £109,777 (2015: £37,036) and the Arts Council of Northern Ireland £27,100 (2015: £30,930).

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 2016 this equates to £205,886 (2015: £219,709).

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 2016 and sufficient facilities to meet projected cash flow requirements were approved. At the year end the Library had net liabilities of £88,036 (2015: £68,285) at Danske Bank; this was inclusive of £60,385 (2015: £60,000) of funds (including gift aid) held for the Michael McLaverty Trust (see page 5) and a bank overdraft of £164,124 (2015: £128,285). The Library also had assets of £201,671 (2015: £200,919) 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 2016 (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 was 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 (2015: £199,852).

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 other such multi employer schemes, the Library treated its pension cost as if it were a defined contribution (rather than a defined benefit) scheme in accordance 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 2016 the scheme showed a deficit of £489,422, increased from £230,422 in the previous year, the change arising from changes in assumptions used by the scheme actuary.

Plans for the future

A Business Plan for 2017 was approved by the Governors in January 2017.

The Library aims to:

- Continue the development of its key collections and enhance its museum 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 and develop its tourist offering
- Reduce the operating deficit and the overdraft
- 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 and continue to receive core funding at current levels as a minimum

The Linen Hall Library

Governors' report for the year ended 31 December 2016 (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



Mr D. Lewis
Honorary Treasurer

Date: 23 March 2017

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 2016 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 2016 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.



JOHN MAGEE (Senior Statutory Auditor)

For and on behalf of
AUBREY CAMPBELL & COMPANY
Chartered Accountant & Statutory Auditor

24th March 2017

631 Lisburn Road
Belfast
BT9 7GT

The Linen Hall Library

Statement of financial activities for the year ended 31 December 2016

	Notes	Endowment Funds 2016 £	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Endowment Funds 2015 £	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £
Income and endowments from									
Donations and legacies	2	-	463,202	317,444	780,646	59,926	453,991	165,694	679,611
Rental income		-	255,136	-	255,136	-	145,574	-	145,574
Income from investments		-	1,380	-	1,380	-	1,171	-	1,171
Income from charitable activities									
Other trading activities	3	-	88,222	-	88,222	-	96,347	-	96,347
Other income		-	-	-	-	-	-	-	-
Total income		-	807,940	317,444	1,125,384	59,926	697,083	165,694	922,703
Expenditure on									
Rental expenses		-	2,000	-	2,000	-	2,000	-	2,000
Expenditure on raising funds	4	-	41,613	-	41,613	-	50,831	-	50,831
		-	43,613	-	43,613	-	52,831	-	52,831
Expenditure on charitable activities									
Projects and events	5	-	-	313,663	313,663	-	-	72,852	72,852
Library operating costs	6	-	779,930	-	779,930	-	826,006	-	826,006
		-	779,930	313,663	1,093,593	-	826,006	72,852	898,858
Total expenditure		-	823,543	313,663	1,137,206	-	878,837	72,852	951,689
Net income/(expenditure)	8	-	(15,603)	3,781	(11,822)	59,926	(181,754)	92,842	(28,986)
Transfers between funds	9	-	(15,721)	15,721	-	-	(2,292)	2,292	-
Net income/(expenditure) before recognised gains and losses		-	(31,324)	19,502	(11,822)	59,926	(184,046)	95,134	(28,986)
Actuarial (losses)/gains on defined benefit pension scheme	25	-	(220,000)	-	(220,000)	-	197,000	-	197,000
Net movement in funds		-	(251,324)	19,502	(231,822)	59,926	12,954	95,134	168,014
Fund balance brought forward		260,337	5,969,695	144,524	6,374,556	200,411	5,956,741	49,390	6,206,542
Total funds carried forward		260,337	5,718,371	164,026	6,142,734	260,337	5,969,695	144,524	6,374,556

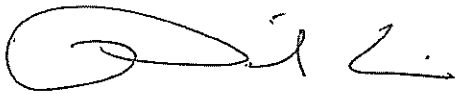
The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The Linen Hall Library

Statement of financial position as at 31 December 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	10	3,803,066	3,844,144
Heritage assets	11	2,734,000	2,734,000
		6,537,066	6,578,144
Current assets			
Stocks	12	11,482	11,872
Debtors	13	203,913	76,184
Cash at bank and in hand		277,842	261,012
		493,237	349,068
Creditors: amounts falling due within one year	14	(398,147)	(322,234)
Net current assets		95,090	26,834
Net assets excluding pension liability		6,632,156	6,604,978
Pension liability	25	(489,422)	(230,422)
Net assets including pension liability		6,142,734	6,374,556
Funds			
Unrestricted funds:			
- General fund	16	(421,791)	(170,467)
- Revaluation fund	16	6,140,162	6,140,162
		5,718,371	5,969,695
Restricted funds	17	164,026	144,524
Endowment funds	18	260,337	260,337
Total funds	19	6,142,734	6,374,556

The financial statements on pages 8 to 27 were approved by the Board on 23 March 2017 and were signed on its behalf by:



Mr D Lewis
Honorary Treasurer



Mrs A Davies
President

The Linen Hall Library

Statement of cash flows for the year ended 31 December 2016

	Notes	2016 £	2015 £
Cash flows from operating activities	23	54,912	112,190
Cash flows from investing activities			
Interest income		1,380	1,171
Purchase of tangible fixed assets		(57,224)	(9,861)
Cash used in investing activities		(55,844)	(8,690)
Cash flows from financing activities			
Interest and fees paid		(18,077)	(24,567)
Cash used in financing activities		(18,077)	(24,567)
(Decrease) increase in cash and cash equivalents in the year		(19,009)	78,933
Cash and cash equivalents at the beginning of the year	24	132,727	53,794
Total cash and cash equivalents at the end of the year	24	113,718	132,727

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2016

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 2016

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 2016

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 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.

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2016

2 Donations and legacies

	Endowment £	Unrestricted £	Restricted £	2016 £	2015 £
Donations	-	10,799	-	10,799	22,274
Members' subscriptions (see below)	-	135,403	-	135,403	138,166
Grants (see below)	-	317,000	317,444	634,444	519,171
	-	463,202	317,444	780,646	679,611

Members' subscriptions

	2016 £	2015 £
Members' subscriptions	121,261	122,183
Income tax reclaimable on subscriptions	14,142	15,983
	135,403	138,166

Grants

	Endowment £	Unrestricted £	Restricted £	2016 £	2015 £
Arts Council of NI	-	-	27,100	27,100	30,930
Heritage Lottery Fund	-	-	88,168	88,168	74,026
Ulster Garden Villages	-	-	61,200	61,200	-
Belfast City Council	-	35,000	74,777	109,777	37,036
Department for Communities	-	256,000	38,140	294,140	351,749
Foyle Foundation	-	25,000	-	25,000	-
Ulster Scots Agency	-	-	25,000	25,000	24,430
Community Relations Council	-	-	3,059	3,059	-
NIPR	-	1,000	-	1,000	1,000
	-	317,000	317,444	634,444	519,171

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 2016

3 Other trading activities

	2016	2015	2014
	£	£	£
Sale of books			
Library books and publications	38,408	39,106	49,623
Sales of services			
Coffee shop	7,553	4,641	5,610
Photocopying and fax	1,396	1,665	2,256
Telephone & Internet	768	1,230	1,020
Postage	54	137	555
Cultural programming	2,042	4,033	6,472
Royalties	750	638	1,259
Facility fees	15,911	17,900	11,548
Fundraising events	3,127	4,556	670
	31,601	34,800	29,390
Sale of products			
Books, prints and pamphlets	9,167	12,420	26,115
Other products	1,461	671	478
Gift shop items	7,585	9,350	11,001
	18,213	22,441	37,594
Total	88,222	96,347	116,607

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2016

4 Expenditure on raising funds

	2016	2015
	£	£
Merchandising costs (see below)	6,607	16,553
Book fund (see below)	11,578	12,856
Charity shop	21,731	20,853
Fundraising costs	1,697	569
	41,613	50,831
	2016	2015
	£	£
Merchandising costs		
Prints, books and pamphlets	1,374	11,094
Coffee shop purchases	2,367	1,165
Gift shop expenditure	2,866	4,294
	6,607	16,553
	2016	2015
	£	£
Book fund		
Irish	3,260	4,012
Reference	75	-
General	8,244	8,844
	11,578	12,856

5 Projects and events

	2016	2015
	£	£
Cultural Programming (includes salary costs of £23,500 (2015: £23,500))	26,904	34,070
Divided Society digitisation (includes salary costs of £65,946 (2015: £9,711))	91,428	16,082
NI Writers Digitisation (includes salary costs of £25,100 (2015: £Nil))	51,047	-
Health, Safety and Governance	14,033	2,880
Repairs and Renewals	58,330	-
TBUC Staging 2016 (includes salary costs of £8,965 (2015: £Nil))	24,180	-
Burns in Ulster (includes salary costs of £25,000 (2015: £1,765))	25,000	9,430
Sustainability Planning (includes salary costs of £1,220 (2015: £Nil))	12,420	-
Staging 1916	3,059	-
Writers on Writers	2,235	-
Defibrillator and training	241	-
McLavery Short Story Award	3,302	-
Postcard App	-	3,682
iPad Memories (includes salary costs of £Nil (2015: £1,148))	-	5,224
Leasehold improvement depreciation	1,484	1,484
	313,663	72,852

Project and events costs include £149,731 (2015: £36,124) of staff costs.

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2016

6 Library operating costs

	2016	2015
	£	£
Administration expenses		
Stationery	1,299	1,536
Printing	7,758	9,447
Advertising & PR	5,214	5,378
Photocopying	6,501	6,728
Postage	4,950	3,651
Telephone, fax and internet	8,264	8,612
Computer maintenance	35,337	37,942
Training	3,332	2,226
Audit and related fees	6,629	6,588
Professional fees	13,447	10,826
Travelling expenses	1,489	1,824
Conservation	1,702	2,751
Bad debts	877	3,105
Miscellaneous	935	591
	97,734	101,205
Establishment		
Rent and rates	18,493	18,703
Insurance	16,050	16,605
Light and heat	17,186	25,277
Repairs and maintenance	42,647	33,155
	94,376	93,740
Financial expenses		
Bank charges	1,112	1,277
Bank interest	6,356	8,093
Visa paypoint fees	743	429
Other Interest	867	768
Other finance costs (see below)	9,000	14,000
	18,077	24,567
Depreciation		
Building	78,000	78,000
Fixtures and fittings	1,073	1,301
Computer equipment	3,485	3,708
	82,558	83,009
Staff costs (note 7)	487,185	523,485
Total	779,930	826,006

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2016

6 Library operating costs (continued)

Other finance costs

	2016 £	2015 £
Expected return on pension scheme	138,000	126,000
Interest on pension scheme liabilities	(147,000)	(140,000)
Net return	(9,000)	(14,000)

7 Staff costs

	Unrestricted £	Restricted £	Total 2016 £	Total 2015 £
Salaries	368,211	130,098	498,309	433,357
Social security costs	25,511	6,213	31,724	24,814
Pension costs	111,428	13,420	124,848	118,467
	505,150	149,731	654,881	576,638

Analysis of staff costs

	2016 £	2015 £
Project staff	149,731	36,124
Library:		
- Charity Bookshop staff	17,965	17,029
- Administration staff	487,185	523,485
	654,881	576,638

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

	2016 Number	2015 Number
Charitable activities	20	18

No employees had employee benefits in excess of £70,000 (2015: £70,000).

Governors are not remunerated for services to the Library (2015: £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 £171,058 (2015: £133,323).

Indemnity insurance for Governors' liability has been purchased by the Library at a cost of £3,355 (2015: £2,190).

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2016

8 Net income/(expenditure)

	2016	2015
	£	£
Net income/(expenditure) is stated after charging:		
Depreciation on owned assets	98,302	84,493
Auditors' remuneration:		
- audit services	5,522	5,562
- non-audit services	-	-
Other operating lease rentals	-	-

9 Transfers between funds

	Endowment Funds £	Unrestricted Funds £	Restricted Funds £
Projects	-	-	15,721
General Fund	-	(15,721)	-
	-	(15,721)	15,721

10 Tangible fixed assets

	Land & building £	Leasehold Improvements £	Fixtures & fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2016	3,900,000	14,840	155,727	189,385	4,259,952
Additions	-	-	26,260	30,964	57,224
At 31 December 2016	3,900,000	14,840	181,987	220,349	4,317,176
Accumulated depreciation					
At 1 January 2016	78,000	10,388	152,456	174,964	415,808
Charge for the year	78,000	1,484	5,012	13,806	98,302
At 31 December 2016	156,000	11,872	157,468	188,770	514,110
Net book amount					
At 31 December 2016	3,744,000	2,968	24,519	31,579	3,803,066
At 31 December 2015	3,822,000	4,452	3,271	14,421	3,844,144

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 2016 based on historical cost, had there been no revaluations, would have been £2,910,400 (2015: £2,996,000).

Fixed assets totalling £57,224 were purchased through capital grant funding in the year.

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2016

10 Tangible fixed assets (continued)

	Land & building £	Leasehold improvement £	Office Equipment £	Computer Equipment £	Total £
Cost or valuation at 31 December 2016 is represented by					
Cost	-	14,840	181,987	220,349	417,176
Valuation	3,900,000	-	-	-	3,900,000
	3,900,000	14,840	181,987	220,349	4,317,176

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

11 Heritage assets

	2016 £	2015 £
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

	2016 £	2015 £
Goods for resale	11,482	11,872

13 Debtors

	2016 £	2015 £
Trade debtors	146,223	16,150
Other debtors	143	830
Prepayments and accrued income	57,547	59,204
	203,913	76,184

Included in Prepayments and accrued income is an amount of £17,500 (2015: £17,500) relating to accrued grants receivable.

14 Creditors: amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	164,124	128,285
Trade creditors	91,827	78,099
Other creditors	59,047	39,402
Accruals and deferred income	83,149	76,448
	398,147	322,234

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2016

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 2016	(170,467)	6,140,162	5,969,695
Net outgoing resources for the year	(15,603)	-	(15,603)
Transfer to restricted funds	(15,721)	-	(15,721)
Actuarial losses on defined benefit scheme	(220,000)	-	(220,000)
Balance at 31 December 2016	(421,791)	6,140,162	5,718,371

Unrestricted general funds includes a liability of £489,422 (2015: £230,422) in respect of pension scheme liabilities of the pension fund.

17 Restricted funds

	Balance at 1 January 2016 £	Incoming Resources £	Project Expenditure £	Transfers £	Balance at 31 December 2016 £
Cataloguing	46	-	-	-	46
Hidden Connections	5,834	-	-	-	5,834
Leasehold Improvements Capital grant	4,452	-	(1,484)	-	2,968
Cultural Programming	-	25,000	(26,904)	1,904	-
McLavery Trust	2,425	-	(3,302)	13,114	12,237
Theatre Archive	3,230	-	-	-	3,230
Divided Society Digitisation	13,556	149,368	(91,428)	-	71,496
TBUC Staging 2016	-	24,140	(24,180)	40	-
Burns in Ulster	20,000	25,000	(25,000)	-	20,000
Staging 1916	-	3,059	(3,059)	-	-
NI Writing Digital Project	50,998	-	(51,047)	49	-
Health, Safety and Governance	40,320	-	(14,033)	59	26,346
Repairs and Renewals	-	74,777	(58,330)	-	16,447
Sustainability Planning	-	12,000	(12,420)	420	-
Defibrillator and Training	-	2,000	(241)	-	1,759
Writers on Writers	-	2,100	(2,235)	135	-
Computers	3,663	-	-	-	3,663
	144,524	317,444	(313,663)	15,721	164,026

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2016

17 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 - Using 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

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

Theatre Archive - Digitising the Theatre and Performing Arts Archive

Divided Society Digitisation – Project to digitise and make available online parts of the Northern Ireland Political Collection

TBUC Staging 2016 – Together Building United Communities provided funding for a creative writing and drama project for fifty children

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

Staging 1916 – Artistic interpretations of 1916 in the Decade of Centenaries

Northern Irish Writing Digital Project – Digitising the manuscripts, correspondence, notebooks and cuttings of key Northern Irish writers of the 20th century

Health & Safety and Governance – Capital items for purposes of health & safety and governance

Repairs and Renewals – Information Technology upgrade, new sound and lighting in the performance area, repairs to stonework at the front door and closed circuit television

Sustainability Planning – Examining future capital, resource and income generating requirements for the Library

Defibrillator and Training – Provision of defibrillator in the Library's city centre location and training of staff in its use

Writers on Writers – Dedicated in 2016 to playwright and former Governor Christina Reid on the theme of Northern Ireland women's writing and its impact

Computers – Information Technology funding received

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2016

18 Endowment funds

	Balance at 1 January 2016 £	Income £	Transfers £	Balance at 31 December 2016 £
McLavery Trust	60,385	-	-	60,385
Catalyst Endowment Fund	199,852	-	-	199,852
Linen Hall Library Fund	100	-	-	100
	260,337	-	-	260,337

19 Analysis of net assets between funds

	Endowment Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fund balances at 31 December 2016 are represented by:				
Tangible fixed assets	-	3,757,134	45,932	3,803,066
Heritage assets	-	2,734,000	-	2,734,000
Net current assets/(liabilities)	260,337	(283,341)	118,094	95,090
Pension Liability	-	(489,422)	-	(489,422)
Total net assets at 31 December 2016	260,337	5,718,371	164,026	6,142,734

20 Financial commitments

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

	Office equipment	
	2016 £	2015 £
In more than one year, but not more than 5 years	11,300	5,952

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 (2015: £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 2016 which require disclosure.

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2016

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

	2016 £	2015 £
Net movement in funds	(231,822)	168,014
Add back depreciation charge	98,302	84,493
Deduct net gain on revaluations of fixed assets	-	-
Deduct interest income shown in investing activities	(1,380)	(1,171)
Add back interest paid shown in financing activities	18,077	24,567
Decrease (increase) in stock	390	11,040
(Increase) decrease in debtors	(127,729)	15,382
Increase (decrease) in creditors falling due within one year	40,074	(37,135)
Increase (decrease) in pension liability	259,000	(153,000)
Net cash provided by operating activities	54,912	112,190

24 Cash and cash equivalents at 31 December

	2016 £	2015 £
Deposit account at Barclays Bank	201,404	200,884
Current account at Barclays Bank	267	34
Term deposit at Danske Bank	60,385	60,000
Petty cash	83	94
Divided Society current account at Danske Bank	15,708	-
Belfast City Council grant current account at Danske Bank	(5)	-
Bank overdraft at Danske Bank	(164,124)	(128,285)
Total cash and cash equivalents	113,718	132,727

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2016

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 2016 by Xafinity Consulting, independent consulting actuaries.

Defined benefit scheme

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

	2016	2015
	£'000	£'000
Defined benefit obligation	(4,980)	(3,963)
Fair value of plan assets	4,490	3,732
Net defined benefit liability	(490)	(231)
Net amount recognised at year end	(490)	(231)

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.

	2016	2015
	£'000	£'000
Service cost:		
Current service cost (net of employee contributions)	124	107
Administration expenses	1	1
Net interest expense	9	14
Charge recognised in profit or loss	134	122
Re-measurements of the net liability:		
Return on scheme assets (excluding amount included in net interest expense)	(545)	(83)
Actuarial (gains)/losses	765	(114)
Charge/(credit) recorded in other comprehensive income	220	(197)
Total defined benefit cost/(credit)	354	(75)

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2016

25 Pension commitments (continued)

The principal actuarial assumptions used were:

	2016	2015
Liability discount rate	2.79%	3.65%
Inflation assumption – RPI	3.25%	3.15%
Inflation assumption – CPI	2.15%	2.05%
Rate of increase in salaries	3.65%	3.55%
Revaluation of deferred pensions: CPI	2.15%	2.05%
Increases in pensions for payment	2.15%	2.05%
Proportion of employees commuting pension for cash	75.00%	75.00%

The mortality assumptions used were:

	31 December 2016	31 December 2015
Average expected future life at age 65 for		
Male currently aged 65	22.3	22.2
Female currently aged 65	24.8	24.7
Male currently aged 45	24.5	24.4
Female currently aged 45	27.2	27.0

Reconciliation of scheme assets and liabilities

	Assets £'000	Liabilities £'000	Total £'000
At start of period	3,732	(3,963)	(231)
Benefits paid	(49)	49	-
Administration expenses	(1)	-	(1)
Current service cost	-	(124)	(124)
Contributions from the employer	95	-	95
Contributions from employees	30	(30)	-
Interest income/(expense)	138	(147)	(9)
Return on assets (excluding amount included in net interest expense)	545	-	545
Actuarial losses	-	(765)	(765)
	4,490	(4,980)	(490)

The Linen Hall Library

Notes to the financial statements for the year ended 31 December 2016

25 Pension commitments (continued)

The return on plan assets was:

	2016	2015
	£'000	£'000
Interest income	138	126
Return on plan assets (excluding amount included in net interest expense)	545	83
Total return on plan assets	683	209

The major categories of scheme assets are as follows:

	2016	2015
	£'000	£'000
Equities and Alternatives	3,256	2,706
Property	673	560
Gilts	157	130
Cash	-	-
Fixed Interest Bonds	404	336
	4,490	3,732