

Company no. 08313429

Charity no. 1151668

Upper Norwood Library Trust

Report and Financial Statements

31 March 2015

Upper Norwood Library Trust
Your local community learning hub



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Upper Norwood Library Trust

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Reference and administrative information for the year ended 31 March 2015

Company number	08313429
Charity number	1151668
Registered office	Minerva House 5 Montague Close London SE1 9BB
Operational address	3 Palace Grove Upper Norwood London SE19 2XD
Bankers	The Co-operative Bank plc PO Box 101 1 Balloon Street Manchester M60 4EP
Solicitor	Winkworth Sherwood Minerva House 5 Montague Close London SE1 9BB

Upper Norwood Library Trust

Report of the Trustees for the year ended 31 March 2015

The Trustees are pleased to present their report and consolidated financial statements for Upper Norwood Library Trust for the year ended 31 March 2015.

The reference and administrative information set out on page 3 forms part of this report. The financial statements are prepared in accordance with the accounting policies set out on page 13 and comply with the current applicable laws, the memorandum and articles of association, and the Statement of Recommended Practice – Accounting and Reporting by Charities (issued in March 2005).

Structure, Governance and Management

Upper Norwood Library Trust ('the Charity') is a company limited by guarantee (Company no. 08313429) and a registered charity (Charity no. 1151668) governed by its memorandum and articles of association. The Trustees constitute directors of the Charity for the purposes of company law.

The Charity was incorporated on 29 November 2012 and registered as a charity on 17 April 2013.

Focus is placed on the skills mix of the Trustees to ensure that the Board of Trustees has all the necessary skills required to contribute fully to the Charity's development.

An induction and training programme has been developed for new Trustees to ensure that all Trustees have specific knowledge of the Charity, and general knowledge of their responsibilities as a charity Trustee so as to enable them to carry out their roles.

Trustees met as a body twelve times during the year ended 31 March 2015.

The following Trustees were in office at 31 March 2015 and at the time this report was approved and served throughout the period, except where shown:

<u>Trustee</u>	<u>Capacity</u>
Emma Sharville MBE	Co-Chairman (until 5 February 2015) Trustee
Robert Gibson	Co-Chairman Trustee (resigned 11 September 2015)
Bryher Scudamore	Trustee
Pam Gray	Trustee
Jane Gregory	Treasurer Trustee
Laura Wright	Co-Chairman (from 5 February 2015) Chair (from 11 September 2015) Trustee
Phil de Montmorency	Trustee
Marcus Lloyd-Davy	Trustee

No Trustee received any remuneration from the Charity during the period, and nor did any Trustee receive any expenses during the period.

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Report of the Trustees for the year ended 31 March 2015

Management

The day-to-day management of the Charity is undertaken by the Trustees at present. All strategic and major decisions are considered and taken by the Trustees.

The management of the Charity falls into four areas of responsibility:

- *Library operations*

During the period the charity continued to prepare for the transfer of the library operations which continued to be run by Lambeth council.

- *Grant applications and identification of charitable projects*

The Charity achieves its objects by receiving income from contracts, grants and fundraising for key projects in support of the Library, the community hub and local residents (see Objectives and Activities).

- *Fundraising and communications*

This area covers all fundraising appeals and initiatives, and the way that the Charity presents itself to the outside world.

The Trustees are committed to ensuring that the Charity's fundraising activities are in line with its strategic goals.

- *Finance and administration*

This covers the accounting, secretarial, legal and administrative requirements of the Charity. The everyday management of this area is delegated to the Treasurer.

Risk Management

The Trustees have given consideration to the major risks to which the Charity is exposed and have established systems and procedures to manage those risks.

The Trustees seek actively to manage the Charity's key strategic risks, which are considered for each new activity and formally assessed at least annually. The current key strategic risks are considered to be:

- Environment risk of changes in local authority and library funding
- Contract and grant risk from local authorities and other funders
- Fundraising risk for committed projects
- Economic environment and competitive market for charities

These risks and other identified risks relating to the Charity are analysed in a formal risk register which includes controls to mitigate the risks.

Objectives and Activities

The charitable objects of the Charity relate to the community and residents of Upper Norwood and surrounding areas and in particular but without limitation to:

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Report of the Trustees for the year ended 31 March 2015

1. Advance the education of the public by the provision of or assistance in the provision of a library and/or a library service to be available to the public at large;
2. Without prejudice to the generality of the above, to advance the education of the public by the management and operation of The Upper Norwood Library, including facilities for adults, children, young people, including information and study facilities;
3. To advance the education of the public through the development of programmes to promote literacy and lifelong learning;
4. To develop the skills and capacity of those sections of the community in need, whether by reason of youth, age, infirmity, disability or social or economic circumstances to enable them to participate more fully in society;
5. Pursue such other charitable purposes consistent with the above, as the trustees in their absolute discretion shall determine.

Public Benefit

The charitable objects of the Charity are set out above and they centre on the education of and the provision of a library service to the public at large. The Charity continued to work towards the transfer of the library service to the Charity from the local authority. The aim of completing the transfer before 31 March 2015 was not achieved due to changes in local authority approach to funding. The Charity continues to consider and assess alternative arrangements. During the period the Charity applied grants received to running digital inclusive IT training courses for the public. In preparing and refining its strategy and business plan the Charity consulted widely with the local community to identify the areas of greatest priority and kept them informed of developments.

Therefore the Trustees believe they have complied with the duty to have due regard to guidance published by the Charity Commission.

Purpose

The Upper Norwood Library Trust (UNLT) was formed by local residents with the objective of taking over the operation, governance and management of the Upper Norwood Joint Library (UNJL) as a library and community hub in response to overwhelming support from the community for the continued running of the library, and its transfer to the community as a locally managed asset.

UNJL has been managed jointly for the last 112 years by a Joint Library Committee of elected members from Lambeth and Croydon borough councils, and local community representatives. Due to significant funding reductions the joint funding arrangement between both councils has become problematic and the library has been at risk of closure.

Achievements and Performance

The year to 31 March 2015 was a period of further negotiation with Croydon and Lambeth councils and development of dynamic business planning in response to changes in proposed funding arrangements.

Grants receivable

Grants awarded in the previous period were expended on

- setting up and running Digital Inclusion courses based at the library for members of the local community (Peoples Health Trust). Courses were run several times a month from June 2014 with 39 disadvantaged people benefiting. These came from a wide variety of ages and socio-economic backgrounds. Between them they attended 173 course sessions, between 1 and 10 each. The final tranche of funding will be used to run further courses in 2015/16;

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Report of the Trustees for the year ended 31 March 2015

- establishing development of other sources of funding, furthering business development plans and establishing policies and procedures for future operations through working with consultants (Social Investment Business)

Fundraising Activities

Trustees were grateful to local business Lightbox who donated £1,000 and various other local supporters and organisations who have made donations during the year.

£396 of £1,399 raised in the previous year by The Crystal Palace Mums for equipment and improvements to the facilities of the Junior Library were spent following consultation with library staff on a large colourful mural, 6 Story Sacks, Musical Instruments for weekly Waggle and Hum sessions and an activity centre toy for younger members. The remainder will be spent once the library staff has agreed priorities with the donors.

Upper Norwood Library Trust Enterprises Limited

The Charity's wholly owned trading subsidiary, Upper Norwood Library Trust Enterprises Company Limited, has not yet traded. The directors have guaranteed the subsidiary and claimed exemption from the preparation of accounts under section 394C of the Companies Act 2006.

Volunteers

The Charity is indebted to the many volunteers who have offered to donate their time or raise money or undertake other activities for the library.

Future Plans

In 2015/16 Upper Norwood Library Trust will work to secure the continuation of the library service for the local community.

The Charity will also undertake activities to develop a social enterprise model through which the library building can become a community learning hub offering a wider range of community services, led by experts in the fields of learning and community development.

Trustees will seek to agree an ongoing statutory funding commitment from existing local authority funders. The Charity will also continue to seek additional grant funding and build additional revenue streams to sustain community services, supporting key projects that make a significant difference to the local community and its residents.

Financial review

The statement of financial activities on page 11 summarises the income, expenditure and gains of the Charity during the year ended 31 March 2015.

Incoming Resources

Total incoming resources for the period were £23,556. Donations for the period were £1,377 and grants were £22,147.

Resources Expended

Resources expended for the year were £51,665. £38,720 of this relates to set up costs and preparing for the transfer of library services. £11,713 relates to the delivery of digital inclusion IT courses.

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Report of the Trustees for the year ended 31 March 2015

The Trustees ensure that expenditure on fundraising activities and governance is carefully monitored and controlled, and expect over any four year period to keep the level of expenditure of this nature at less than 20% of donations; this target was achieved in the year and is expected to be achieved in the coming year.

Financial position

The net movement in funds for the period was a deficit of £28,109.

The Charity ended the period with reserves of £7,501 of which £5,079 was restricted and £2,422 was unrestricted general funds. Details of restricted funds can be found in note 12 to the financial statements together with an analysis of movements in the period.

Funds raised in the period are held as either restricted funds (where donors or grantees have specifically requested that their donations/grants are used on a project or for a particular purpose) or within unrestricted funds where no restrictions are placed by the donor.

The Trustees are satisfied with the year-end position of both the Charity and its subsidiary company.

Reserves policy

The Trustees have considered the Charity's requirements for reserves in light of the main risks to the organisation and prior to the implementation of new services will establish a policy and define the level of unrestricted funds not committed that should be held at any time. Free reserves were £2,422 at the period end. The strategy is to build reserves through planned operating surpluses but the Trustees believe that it is unlikely that the likely target range can be reached for at least five years.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Upper Norwood Library Trust for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

Upper Norwood Library Trust

Report of the Trustees for the year ended 31 March 2015

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

Each of the Trustees confirms that:

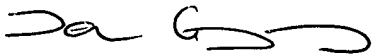
- so far as the Trustee is aware, there is no relevant information of which the Charity's independent examiner is unaware; and
- the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant information and to establish that the Charity's independent examiner is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees on: 15 December 2015

and signed on their behalf by:



Jane Gregory
Trustee and Director

Upper Norwood Library Trust

Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account) for the year ended 31 March 2015

		Year to 31 March 2015			16 months to 31 March 2014
		Unrestricted funds	Restricted funds	Total funds	Total funds
	Note	£	£	£	£
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	1,367	10	1,377	3,516
<i>Incoming resources from charitable activities</i>					
Grants receivable	3	-	22,147	22,147	50,823
Interest receivable		32	-	32	10
Total incoming resources		1,399	22,157	23,556	54,349
Resources expended					
<i>Costs of generating funds:</i>					
Costs of generating voluntary income		-	-	-	-
<i>Charitable activities</i>					
Charitable support of the Library	4	-	50,829	50,829	344
<i>Governance costs</i>					
Set up costs	5	-	-	-	18,127
Governance costs		836	-	836	268
Total resources expended		836	50,829	51,665	18,739
Net (outgoing)/incoming resources		563	(28,672)	(28,109)	35,610
Reconciliation of funds					
Total funds brought forward at 1 April 2014		1,859	33,751	35,610	-
Total funds carried forward at 31 March 2015	12	2,422	5,079	7,501	35,610

All of the above results are derived from set up activities. There were no recognised gains or losses. Movements in funds are disclosed above and in note 12 to the financial statements.

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Balance Sheets

For the year ended 31 March 2015

	Note	The Group		The Charity	
		2015 £	2014 £	2015 £	2014 £
Fixed assets					
Investment in subsidiary company	10	-	-	1	1
Current assets					
Debtors		3,304	-	3,304	-
Cash at bank and in hand		27,520	35,741	27,520	35,741
		30,824	35,741	30,824	35,741
Current liabilities					
Creditors: amounts falling due within 1 year	11	(23,323)	(131)	(23,324)	(132)
Net current liabilities		7,501	35,610	7,500	35,609
Creditors: amounts falling due after 1 year		-	-	-	-
Total assets		7,501	35,610	7,501	35,610
Funds					
Restricted funds					
Lambeth and Croydon Councils - pre-feasibility grants		1,137	1,873	1,137	1,873
Peoples Health Trust - digital inclusion project		2,929	11,487	2,929	11,487
Social Investment Board - preparation for full service transfer		-	18,992	-	18,992
Junior Library (CP Mums)		1,013	1,399	1,013	1,399
Unrestricted funds					
General funds		2,422	1,859	2,422	1,859
Total funds	12	7,501	35,610	7,501	35,610

For the year ending 31 March 2015 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Trustees on: 15 December 2015

Signed on their behalf by:



Company no. 08313429
Charity no. 1151668

Upper Norwood Library Trust

Notes to the Financial Statements

For the year ended 31 March 2015

1. Principal accounting policies

- a) The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value, and in accordance with United Kingdom applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (issued in March 2005).

These financial statements consolidate the results of the Charity and its wholly-owned subsidiary, Upper Norwood Library Enterprises Limited, on a line-by-line basis. Upper Norwood Library Enterprises Limited did not trade during the period. Transactions and balances between the Charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the Charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the Charity itself is not presented because the Charity has taken advantage of the exemptions afforded by s480 of the Companies Act 2006 and paragraph 397 of SORP 2005.

- b) Incoming resources are recognised in the period in which the Charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the Charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.
- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable.
 - Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
 - Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
 - Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- c) Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity and comprise the following:

- The costs of generating funds include direct costs of generating donated income and costs incurred by the Charity's subsidiary trading company.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs comprise the costs incurred which are directly attributable to the management of the Charity's assets, organisational procedures and the necessary legal procedures for compliance with statutory and constitutional requirements. One-off costs attributable to the set up of the charity and preparation for charitable activities are shown separately.

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Notes to the Financial Statements

For the year ended 31 March 2015

All costs have been directly attributable to specific activities. There were no support costs incurred during the period to be allocated over more than one activity.

- d) The Charity's investment in the subsidiary company is included in the financial statements valued at cost.
- e) Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.
- f) General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the Charity's charitable objects.

2. Voluntary income

	Unrestricted	Restricted	2015 Total	2014 Total
	£	£	£	£
Donations				
Upper Norwood Library Campaign			-	2,000
Crystal Palace Mums for Junior Library		10	10	1,399
Other voluntary donations	1,367		1,367	117
Total	1,367	10	1,377	3,516

3. Grants receivable

	Unrestricted	Restricted	2015 Total	2014 Total
	£	£	£	£
Social Investment Board - Feasibility			-	10,000
Lambeth and Croydon Councils - Feasibility/preparation for transfer			-	10,000
Peoples Health Trust - Digital Inclusion project		3,155	3,155	11,831
Social Investment Board - Preparation for full service transfer		18,992	18,992	18,992
Total	-	22,147	22,147	50,823

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Notes to the Financial Statements

For the year ended 31 March 2015

4. Charitable activities

	Unrestricted	Restricted	2015 Total	2014 Total
	£	£	£	£
Digital Inclusion Courses	-	11,713	11,713	344
Junior Library equipment	-	396	396	
Preparation for full service transfer		38,720	38,720	
	-	50,829	50,829	344

5. Governance costs

	Unrestricted	Restricted	2015 Total	2014 Total
	£	£	£	£
Set up costs	-	-	-	18,127
Other costs	836	-	836	268
	836	-	836	18,395

6. Staff costs and Trustees' remuneration

The Charity did not employ any staff during the period.

None of the Trustees received any remuneration in respect of their services during the period.

Out of pocket expenses were not reimbursed to Trustees during the period.

7. Taxation

Upper Norwood Library Trust is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

8. Net incoming/(outgoing) resources before transfers

The members have not required the company to obtain an audit of its accounts for the year to 31 March 2015 in accordance with section 476 of the Companies Act 2006.

Upper Norwood Library Trust

Notes to the Financial Statements

For the year ended 31 March 2015

9. Results of the subsidiary company

The Charity owns the whole of the issued share capital of Upper Norwood Library Enterprises Limited, a company registered in England (Company number 08313584). The subsidiary will be used for non-primary purpose trading activities but did not trade during the period. As a dormant company since incorporation, the subsidiary company is exempt from the requirements to prepare individual accounts under section 394A, or to file individual accounts under 448A of the Companies Act 2006.

10. Fixed asset investments

The Charity holds the entire issued share capital of its subsidiary company, Upper Norwood Library Enterprises Limited, totalling £1

11. Creditors: amounts falling due within one year

	The Group 2015 £	The Charity 2015 £	The Group 2014 £	The Charity 2014 £
Amounts due to the subsidiary company	-	1	-	1
Accruals and deferred income	<u>23,323</u>	<u>23,323</u>	<u>131</u>	<u>131</u>
	<u>23,323</u>	<u>23,324</u>	<u>131</u>	<u>132</u>

12. Movements in funds

The Group and the Charity	At 1 April 2014 £	Incoming resources £	Outgoing resources £	At 31 March 2015 £
Restricted Funds:				
Lambeth and Croydon Councils - Feasibility/preparation for transfer	1,873	-	(1,873)	-
Peoples Health Trust - Digital inclusion project	11,487	3,155	(11,713)	2,929
Social Investment Board -Preparation for full service transfer	18,992	18,992	(36,847)	1,137
Junior Library (CP Mums)	1,399	10	(396)	1,013
Total Restricted Funds	<u>33,751</u>	<u>22,157</u>	<u>(50,829)</u>	<u>5,079</u>
Unrestricted Funds	<u>1,859</u>	<u>1399</u>	<u>(836)</u>	<u>2,422</u>
Total funds	<u>35,610</u>	<u>23,556</u>	<u>(51,665)</u>	<u>7,501</u>

Purposes of restricted funds

The income funds of the Charity include restricted funds comprising balances of donations and grants held on trusts to be applied for specific purposes. The specific purposes for which the funds are to be applied are as follows:

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Notes to the Financial Statements

For the year ended 31 March 2015

Lambeth and Croydon Councils - Feasibility/preparation for transfer

To establish a charitable trust, undertake community consultation and prepare for the transfer of the library service

Peoples Health Trust - Digital inclusion project

To develop and run a digital inclusion project for the local community

Social Investment Business – Preparation for full service transfer

To establish and implement a development strategy for full library service transfer

13. Liability of members

The Charity is constituted as a company limited by guarantee. In the event of the Charity being wound up, the members are required to contribute an amount not exceeding £1 each.

14. Related party transactions

Gunpowder Studios

The Trust's website is hosted by Gunpowder Studios, a web design and services business also based in Upper Norwood. During the period the Charity spent £659 on fees to Gunpowder studios for website hosting. Emma Sharville, Trustee, is married to Tim Sharville, proprietor of Gunpowder Studios. The remaining Trustees approved these arms length transactions.

Upper Norwood Enterprise Company Limited

There were no transactions with the subsidiary company during the period.

Other than those transactions stated above there were no related party transactions during the period.