

Financial Statements for The Library Association

BALANCE SHEET

AS AT 31 DECEMBER 1999

| | Notes | £ | 1999 £ | £ | 1998 £ |
|--|-------|-----------|------------------|-----------|------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 2 | | 522,973 | | 373,374 |
| Investments in subsidiary companies | 3 | | 2 | | 2 |
| Other investments | 4 | | 1 | | 1 |
| CURRENT ASSETS | | | | | |
| Stock and work in progress | 5 | 115,191 | | 121,311 | |
| Debtors | 6 | 846,528 | | 724,568 | |
| Investments | 7 | 6,317,504 | | 2,152,971 | |
| Investments in process of realisation for reinvestment | | - | | 2,708,544 | |
| Balances held by Branches and Groups | | 608,349 | | 556,744 | |
| Bank balances and cash in hand | | 649,631 | | 966,655 | |
| | | | 8,537,203 | 7,230,793 | |
| Less: CREDITORS | | | | | |
| Amounts falling due within one year: | 8 | 930,695 | | 762,457 | |
| NET CURRENT ASSETS | | | 7,606,508 | | 6,468,336 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 8,129,484 | | 6,841,713 |
| MEMBERS' FUNDS | | | | | |
| Restricted funds | 9 | | 384,402 | | 153,467 |
| Unrestricted funds: | | | | | |
| Designated funds | 10 | | 5,240,285 | | 4,495,012 |
| Other funds - Head Office | | | 1,953,701 | | 1,692,379 |
| Branches and Groups | | | 551,096 | | 500,855 |
| | | | 8,129,484 | | 6,841,713 |

Signed on behalf of the Council by:

Jacqueline Cropley

HONORARY TREASURER

Bob McKee

CHIEF EXECUTIVE

Approved by the Council on 15 June, 2000.

THE LIBRARY ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 1999

| Notes | 1999 | | Total £ | 1998 |
|--|----------------------------|--------------------------|------------------|------------------|
| | Unrestricted funds £ | Restricted funds £ | | Total £ |
| INCOMING RESOURCES | | | | |
| Members' subscriptions | 1,965,173 | | 1,965,173 | 1,897,351 |
| Income from quoted investments | 186,575 | 5,387 | 191,962 | 178,807 |
| Rent | 102,770 | | 102,770 | 100,102 |
| LA Enterprises income | 2,863,953 | | 2,863,953 | 2,574,693 |
| Legacy | | 200,000 | 200,000 | - |
| Miscellaneous | 424,769 | 12,972 | 437,741 | 184,699 |
| Income to Branches and Groups | 1,273,468 | 1,364 | 1,274,832 | 895,696 |
| TOTAL INCOMING RESOURCES | 6,816,708 | 219,723 | 7,036,431 | 5,831,348 |
| RESOURCES EXPENDED | | | | |
| Staff salaries, NI and pensions | 2,154,962 | | 2,154,962 | 2,056,699 |
| Conference, courses and production costs | 1,150,940 | | 1,150,940 | 1,115,528 |
| Agency staff | 72,181 | | 72,181 | 40,527 |
| Payments to Branches, Groups and Affiliated Members Committee | 244,088 | | 244,088 | 223,476 |
| Computer maintenance and depreciation | 25,956 | | 25,956 | 25,011 |
| Rent, rates, insurance, repairs and depreciation | 320,339 | | 320,339 | 238,632 |
| Heating, lighting and cleaning | 42,078 | | 42,078 | 42,954 |
| Post, packing, printing and stationery | 368,642 | | 368,642 | 345,071 |
| Telephone | 30,834 | | 30,834 | 21,782 |
| VAT | 24,561 | | 24,561 | 20,151 |
| Staff travel, training and recruitment | 107,075 | | 107,075 | 78,400 |
| Council, committees and elections | 107,719 | | 107,719 | 90,595 |
| Professional fees, project, promotion and other expenses | 700,344 | 1,109 | 701,453 | 374,737 |
| Expenditure of Branches and Groups | 1,223,227 | | 1,223,227 | 855,460 |
| TOTAL RESOURCES EXPENDED | 6,572,946 | 1,109 | 6,574,055 | 5,529,023 |
| NET INCOMING RESOURCES | 243,762 | 218,614 | 462,376 | 302,325 |
| Gains/(losses) on investment assets: | | | | |
| Realised | 46,107 | | 46,107 | (30,936) |
| Unrealised | 766,967 | 12,321 | 779,288 | 297,744 |
| NET MOVEMENT IN FUNDS | 1,056,836 | 230,935 | 1,287,771 | 569,133 |
| Fund balances brought forward at 1 January 1999 : Head Office | 6,187,391 | 97,578 | 6,284,969 | 5,756,072 |
| Branches and Gr | 500,855 | 55,889 | 556,744 | 516,508 |
| Fund balances carried forward at 31 December 1999: Head Office | 7,193,986 | 327,149 | 7,521,135 | 6,284,969 |
| Branches and Gr | 551,096 | 57,253 | 608,349 | 556,744 |
| | 7,745,082 | 384,402 | 8,129,484 | 6,841,713 |

THE LIBRARY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1999

1. ACCOUNTING POLICIES

The accounting policies adopted are in accordance with the appropriate Statement of Recommended Practice on Accounting by Charities and with applicable accounting standards.

a) Accounting Convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments.

b) Depreciation

Depreciation is charged on all assets, other than freehold land and buildings, at the following rates which are expected to reduce the assets to their net realisable values over their expected lives:

Furniture, fixtures and equipment - 20% per annum on cost

Computers and programs - 25% per annum on cost

Motor vehicle - 25% per annum on cost.

c) Stocks

Stocks are valued at the lower of cost and net realisable value after making allowance for any obsolete or slow moving items. In the case of work in progress and finished goods, cost consists of direct materials, direct labour and attributable overheads. Net realisable value means estimated selling price less all further costs to completion and all costs to be incurred in marketing, selling and distribution.

d) Investments

Investments included in current assets in the balance sheet are at market value.

e) Pension costs

Contributions in respect of the Association's defined benefit pension scheme are charged to the income and expenditure account for the year in which they are payable to the scheme.

f) Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessors are charged against profit as incurred.

2. TANGIBLE ASSETS

Movements during the year are summarised as follows:

| | Freehold land and buildings £ | Furniture fixtures and equipment £ | Computers and programs £ | Motor vehicle £ | Total £ |
|-----------------------|--|---|-----------------------------------|-----------------------|------------|
| COST | | | | | |
| 1 January 1999 | 209,454 | 434,606 | 647,887 | 11,865 | 1,303,812 |
| Additions | | 102,700 | 141,451 | | 244,151 |
| Disposals | | (290,222) | (389,155) | | (679,377) |
| 31 December 1999 | 209,454 | 247,084 | 400,183 | 11,865 | 868,586 |
| DEPRECIATION | | | | | |
| 1 January 1999 | | 361,326 | 557,247 | 11,865 | 930,438 |
| Charged | | 35,169 | 59,383 | | 94,552 |
| Disposals | | (290,222) | (389,155) | | (679,377) |
| 31 December 1999 | - | 106,273 | 227,475 | 11,865 | 345,613 |
| NET BOOK VALUE | | | | | |
| 1 January 1999 | 209,454 | 73,280 | 90,640 | - | 373,374 |
| 31 December 1999 | 209,454 | 140,811 | 172,708 | - | 522,973 |

The current market value of freehold land and buildings is considerably higher than the cost shown above.

NOTES TO THE FINANCIAL STATEMENTS
(continued)

YEAR ENDED 31 DECEMBER 1999

3. INVESTMENT IN SUBSIDIARY COMPANIES

At 31 December 1999 and 31 December 1998 the Association held the following investments:

| Name of Company | Country of registration and operation | Holding | Proportion | Nature of business |
|--|--|----------------|-------------------|---------------------------|
| Library Association Publishing Limited | England | Ordinary shar | 100% | Dormant |
| Clive Bingley Limited | England | Ordinary shar | 100% | Dormant |

The shares in Clive Bingley Limited are held by Library Association Publishing Limited.

At 31 December 1999 the aggregate of the share capital and reserves of Library Association Publishing Limited and Clive Bingley Limited amounted to a deficiency of £137,045 and a surplus of £702 respectively. As full provision has been made in these accounts for the deficiency in Library Association Publishing Limited, the latter's accounts have not been consolidated into the Association's figures.

4. OTHER INVESTMENTS

At 31 December 1999 and at 31 December 1998 the Association held one share, out of 1,000 shares issued, in Library Services Limited.

5. STOCKS

| | 1999 | 1998 |
|--------------------------|---------|---------|
| | £ | £ |
| Books - work in progress | 10,822 | 6,340 |
| - finished goods | 88,693 | 96,109 |
| Sundry stocks | 15,676 | 18,862 |
| | ----- | ----- |
| | 115,191 | 121,311 |
| | ===== | ===== |

6. DEBTORS

| | 1999 | 1998 |
|---------------|---------|---------|
| | £ | £ |
| Trade debtors | 598,446 | 463,955 |
| Other debtors | 219,866 | 212,635 |
| Prepayments | 28,216 | 47,978 |
| | ----- | ----- |
| | 846,528 | 724,568 |
| | ===== | ===== |

7. INVESTMENTS

| | 1999 | 1998 |
|-------------------------------------|-------------|-------------|
| | £ | £ |
| Quoted investments | | |
| Market value 1 January 1999 | 2,152,971 | 4,824,023 |
| Additions | 4,621,406 | 2,024,192 |
| Disposals | (1,236,161) | (4,992,988) |
| Net unrealised investment gains | 779,288 | 297,744 |
| | ----- | ----- |
| Market value 31 December 1999 | 6,317,504 | 2,152,971 |
| | ===== | ===== |
| Historical cost at 31 December 1999 | 4,904,648 | 1,254,906 |
| | ===== | ===== |

8. CREDITORS: Amounts falling due within one year

| | 1999 | 1998 |
|---------------------------------|---------|---------|
| | £ | £ |
| Trade creditors | 282,952 | 265,663 |
| Taxes and social security costs | 68,582 | 69,934 |
| Other creditors | 355,518 | 144,205 |
| Accruals | 223,643 | 282,655 |
| | ----- | ----- |
| | 930,695 | 762,457 |
| | ===== | ===== |

THE LIBRARY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
(continued)

YEAR ENDED 31 DECEMBER 1999

| 9. RESTRICTED FUNDS | At | Movement in resources | | Unrealised gains on | At |
|-----------------------------------|----------------|-----------------------|----------|---------------------|------------------|
| | 1 January 1999 | Incoming | Outgoing | investment assets | 31 December 1999 |
| | £ | £ | £ | £ | £ |
| Mitchell Memorial Fund | 10,469 | 1,238 | (50) | | 11,657 |
| Anthony Thompson Scholarship Fund | 6,372 | 285 | | 401 | 7,058 |
| Arundell Esdaile Memorial Fund | 1,641 | 74 | | 105 | 1,820 |
| G A Cooks - legacy | 65,596 | | | 4,798 | 70,394 |
| Henrik Jones Memorial Prize | 1,926 | 98 | | 138 | 2,162 |
| K Pierce - legacy | 4,443 | 2,305 | (820) | 428 | 6,356 |
| F Robinson - legacy | 7,131 | 375 | (239) | 528 | 7,795 |
| Colin Mears - legacy | | 213,984 | | 5,923 | 219,907 |
| | 97,578 | 218,359 | (1,109) | 12,321 | 327,149 |
| Branches and Groups | | | | | 57,253 |
| | | | | | 384,402 |

10. DESIGNATED FUNDS

The following designated funds have been set aside out of unrestricted funds for specific purposes:

| | At | New | Utilised/released | At |
|-----------------------------------|----------------|--------------|-------------------|------------------|
| | 1 January 1999 | designations | | 31 December 1999 |
| | £ | £ | £ | £ |
| Repairs and maintenance reserve | 113,535 | | | 113,535 |
| Branch and group development fund | 13,152 | | (11,150) | 2,002 |
| Investment preservation reserve | 4,333,325 | 756,423 | | 5,089,748 |
| Computer replacement reserve | 35,000 | | | 35,000 |
| | 4,495,012 | 756,423 | (11,150) | 5,240,285 |

The repairs and maintenance reserve is set aside for possible major repair and maintenance work on the Library Association's headquarters offices.

The investment preservation reserve represents an amount set aside to maintain the real value of the proceeds of the sale of Library Association Publishing Limited serials and journal publishing activities.

11. TOTAL RESOURCES EXPENDED

| | 1999 | 1998 |
|--|-----------|-----------|
| | £ | £ |
| Total resources expended include: | | |
| Auditors' remuneration | 13,700 | 13,500 |
| Depreciation | 94,552 | 82,876 |
| Operating lease charges | - | 2,170 |
| | 2,154,962 | 2,056,699 |

12. STAFF

| | 1999 | 1998 |
|-----------------------|-----------|-----------|
| | £ | £ |
| Staff costs: | | |
| Wages and salaries | 1,790,874 | 1,706,974 |
| Social security costs | 138,112 | 131,420 |
| Other pension costs | 225,976 | 218,305 |
| | 2,154,962 | 2,056,699 |

The emoluments of employees earning more than £40,000 per annum fell within the following ranges:

| | 1999 | 1998 |
|-------------------|--------|--------|
| | Number | Number |
| £40,001 - £50,000 | 4 | 4 |
| £50,001 - £60,000 | - | 1 |
| £60,001 - £70,000 | 1 | - |

THE LIBRARY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
(continued)

YEAR ENDED 31 DECEMBER 1999

| | 1999 | 1998 |
|--|--------|--------|
| The average number of employees , analysed by function, was: | Number | Number |
| Enterprises | 26 | 24 |
| Information Services | 16 | 17 |
| Management Services | 15 | 15 |
| Professional Services | 16 | 15 |
| Chief Executive & others | 8 | 8 |
| | ----- | ----- |
| | 81 | 79 |
| | ===== | ===== |

13. PENSION COMMITMENTS

The Association operates a defined benefit pension scheme on behalf of employees. The assets of the scheme are held separately from those of the Association in an independently administered fund. Contributions to the scheme are assessed in accordance with the advice of a qualified actuary using the projected unit method on the basis of regular valuations and the total pension cost charged in these financial statements amounted to £225,976 (1998 - £218,305).

14. OPERATING LEASE COMMITMENTS

The Library Association's operating lease commitments related to a lease of offices which has now ended.

15. TRUSTEES

The Members of The Library Association Council, who are the Trustees of the charity, received payment only for reimbursement of travel, subsistence and other out-of-pocket expenses.

THE LIBRARY ASSOCIATION

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 1999

| | | |
|--|-------------|-----------|
| Reconciliation of net movement in funds to net inflow from operating activities | 1999 | 1998 |
| | £ | £ |
| Net movement in funds | 1,287,771 | 569,133 |
| Depreciation charges | 94,552 | 82,876 |
| Unrealised gains on investments | (779,288) | (297,744) |
| Decrease/(increase) in stocks | 6,120 | (3,580) |
| Increase in debtors including Branches and Groups | (173,565) | (8,088) |
| Increase in creditors | 168,238 | 67,070 |
| | ----- | ----- |
| Net cash inflow from operating activities | 603,828 | 409,667 |
| | ===== | ===== |
| CASH FLOW STATEMENT | 1999 | 1998 |
| | £ | £ |
| Net cash inflow from operating activities | 603,828 | 409,667 |
| Capital expenditure (note 1) | (244,151) | (96,579) |
| | ----- | ----- |
| | 359,677 | 313,088 |
| Management of liquid resources (note 1) | (3,385,245) | 260,252 |
| | ----- | ----- |
| (Decrease)/increase in cash | (3,025,568) | 573,340 |
| | ===== | ===== |
| Reconciliation of net cash flows to movement in net funds (note 2) | 1999 | 1998 |
| | £ | £ |
| (Decrease)/increase in cash in the period | (3,025,568) | 573,340 |
| Cash used to increase/ (decrease) liquid resources | 3,385,245 | (260,252) |
| Unrealised gains on investments | 779,288 | 297,744 |
| | ----- | ----- |
| Change in net debt | 1,138,965 | 610,832 |
| Net funds at 1 January 1999 | 5,828,170 | 5,217,338 |
| | ----- | ----- |
| Net funds at 31 December 1999 | 6,967,135 | 5,828,170 |
| | ===== | ===== |

NOTES TO THE CASH FLOW STATEMENT

| | | |
|--|-------------|-------------|
| 1. GROSS CASH FLOWS | 1999 | 1998 |
| Capital expenditure | £ | £ |
| Payments to acquire tangible fixed assets | (244,151) | (96,579) |
| | ===== | ===== |
| Management of liquid resources | | |
| Purchase of current asset investments | (4,621,406) | (2,024,192) |
| Sale of current asset investments | 1,236,161 | 4,992,988 |
| Investments in process of realisation for reinvestment | | (2,708,544) |
| | ----- | ----- |
| | (3,385,245) | 260,252 |
| | ===== | ===== |

2. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1 January 1999 | Cash flow | Unrealised gains on investments | At 31 December 1999 |
|--|----------------------|--------------|------------------------------------|------------------------|
| | £ | £ | £ | £ |
| Bank balances and cash in hand | 966,655 | (317,024) | | 649,631 |
| Current asset investments | 2,152,971 | 3,385,245 | 779,288 | 6,317,504 |
| Investments in process of realisation for reinvestment | 2,708,544 | (2,708,544) | | - |
| | ----- | ----- | ----- | ----- |
| Total | 5,828,170 | 359,677 | 779,288 | 6,967,135 |
| | ===== | ===== | ===== | ===== |