

## ***HONORARY TREASURER'S REPORT***

### ***JACQUELINE CROPLEY BA (HONS) DIPLIB MIINFSC ALA***

The Library Association's accounts for 2000 continue to show a very satisfactory financial position. Operating activities for the year produced a surplus of £74,277, while restricted funds were increased by £302,971, due mainly to a substantial legacy received during the year.

Library Association Enterprises had another record year, contributing over £800,000 to net income (30% better than last year).

The value of investments decreased during the year due to the poor performance of technology stocks on the world markets, which resulted in total losses of £123,118. This figure includes £83,674 of losses realised when shares were sold to finance the building of the new fourth floor. It is anticipated that investment value should grow again as the markets recover.

During the year, a new fourth floor was added to 7 Ridgmount Street at a cost of £1.4m, in order to increase the Association's ability to provide services to members. The capital cost has been added to fixed assets on the Balance Sheet, while fees relating to construction of £82,000 have been charged to operating activities in the Statement of Financial Affairs.

The Association's reserves have been reviewed in line with the reserves policy, resulting in substantial changes to designated funds. The repairs and maintenance reserve has been increased to £1.2m to cover the cost of refurbishment of office space at 7 Ridgmount Street which will modernise it and provide suitable space for subletting. The depreciation reserve of £1.4m has been set up to reflect the cost of the new fourth floor and will be used to cover depreciation on this substantial asset in future years. The contingency reserve of £270,000 reflects the anticipated cost to the Association of hosting the IFLA 2002 conference next year. The development reserve of £730,000 has been set aside to cover a number of projects. These include exceptional costs relating to unification with the Institute of Information Scientists, and plans for strategic and regional development currently being formulated. The balance on unrestricted reserves of £3,509,342 represents the funds required to cover unforeseen future fluctuations in Membership or Enterprise income.

I am confident that the Association's finances will remain healthy, with the capable management of the Association's new Head of Finance, and that they will provide a sound basis for future development of the services to members of the existing Association and the new body formed through unification.