

Keats Community Library



REGISTERED COMPANY NUMBER: 07889559 (England and Wales)
REGISTERED CHARITY NUMBER: 1146702

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2015
FOR
KEATS COMMUNITY LIBRARY

KEATS COMMUNITY LIBRARY

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FOR THE YEAR ENDED 31ST DECEMBER 2015

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KEATS COMMUNITY LIBRARY
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2015

The Trustees of the Keats Community Library (“the Charity”), who are also directors of the Company for the purposes of the Companies Act 2006, present their report with the financial statements of the Charity for the year ended 31st December 2015. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in September 2015 by the Charity Commission for England and Wales.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity’s governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014. This is the Trustees first report in the revised format

REFERENCES AND ADMINISTRATIVE DETAILS

The Charity is known as Keats Community Library

The Trustees consider that the Charity is a “small charity” under the rules of the Charity Commission of England and Wales.

Registered Company number: 07889559 (England and Wales)

Registered Charity number: 1146702

Registered office: Keats Grove, London NW3 2RR

Trustees	appointed:	retired:
Steven Bobasch (Chairman)	19/01/12	
David Burns (Treasurer)	05/03/13	
Jana Harrison	29/01/13	
Anthony Hillier	21/12/11	03/03/15
Victoria Joel	19/01/12	
Lee Montague	19/01/12	
Jonathan Nakouzi	19/01/12	
Eileen Shaw	21/04/15	17/03/16
Nigel Steward	21/12/11	

Company Secretary

Nigel Steward

Independent Examiner

Anthony Ghilchik FCA
6 Morland Close, London NW11 7JG

Bankers

Barclays Bank,
28, Hampstead High Street, London NW3 1QB

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Keats Community Library (“the Charity”) is incorporated as a company limited by guarantee under the Companies Act 2006. It is also a registered charity. The Directors of the Company are also charity trustees as defined by section 97 of the Charities Act 1993. In this document they are referred to as Trustees.

Directors of the Charity are also Members of the company as are some former directors. Directors are appointed by the board by being co-opted and then confirmed at the next General Meeting of Members. The policy of the Board of Directors is to appoint people as directors who have a skill or interest to offer for which they take responsibility.

The Charity is governed by the terms of its Memorandum of Association and its Articles of Association.

Management

The Trustees have not delegated their powers to any one Trustee or other person, although from time to time in accordance with the Articles they delegate their powers to a sub-committee of more than one Trustee. The Trustees manage the day-to-day affairs of the Charity; there is no executive management. The Trustees meet regularly and take note of the acts of individual Trustees on behalf of the Company.

Risk and Internal Controls

The Trustees have a duty to identify and review the risks to which the company is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Risk and controls are reviewed regularly by the Board.

The Trustees have identified three main areas of risk:

- Staffing: a reliance on volunteers for all aspects of operation.

The organisation derives its strength from the work of volunteers. The principal internal controls which apply to staff and volunteers, including segregation of duties, cash management controls including double signature etc., are set out in the office manual.

- Funding: the Charity is partially reliant on grants and donations of various kinds.

The trustees maintain contacts with a range of grant providers to understand their requirements and develop sustainable funding.

- Security of Tenure: the library building is made available to the Charity by means of a three-year licence, for a limited number of hours per week.

The licence was renewed in April 2014 for a second period of three years. The Licensor, the City of London Corporation which is also the owner of Keats House, wrote further in December 2014 to confirm that it currently intended to continue the licence thereafter. The trustees consider that the risk relating to security of tenure has thus been successfully mitigated.

Further discussion of the main areas of risk may be found in the Annual Report.

OBJECTIVES AND ACTIVITIES

Objectives and activities

The object of the Charity (as stated in the Articles) is the promotion of education, by way of providing education in the form of literary activity and learning through the facilities of a community centre based around a library. The activities include charitable services provided either gratuitously or for reasonable and proper remuneration which support this object. These charitable services are designed to respond to the various and changing needs of the community, and are not limited by the Charity’s constitution.

The Charity main activity is the running of a single library in Keats Grove for the benefit of the broader community. The library has separate rooms for children and adults and allows the borrowing of books and

DVDs, access to newspapers and journals, study area, public access computers and Wi-Fi and printing and photocopying service.

The Charity also organises a number of events all open to the public based on literacy, theatre and music. These events are intended to provide the community with access to high quality speakers and performers at modest cost. These events also provide part of the source of funding for the Charity.

ACHIEVEMENT AND PERFORMANCE

The Charity has kept open a much valued local resource for the benefit of the community. It provides a library environment for reading study, play and other activities for 42 hours every week. There is no comparable facility in the area.

It has issued over 5000 library cards (as at 30th June 2016) and replaced over 10,000 books from purchases and donations.

Book loan activity in 2015 (as described in the annual report) was 36,048 (2014: 38,718) and has broadly maintained the levels expected, assisted by a process of ensuring the latest books are available.

In 2015 there were some 75,000 visitors to the building as counted mechanically at the entrance.

In 2015, there were 28 public events organised by the Charity which continued to prove popular.

There are special events for children such as a spelling bee, a garden party, creative writing courses, art classes, family concerts, visits by prominent children's authors and the Summer Reading Challenge.

In addition, the weekly programmes for children of twice weekly Rhyme Time, story time and Chess classes continue.

In 2015, there were 3,332 visits by school children from 6 schools. Some schools bring multiple classes. The numbers of children visiting the library increases each year as more primary schools learn to appreciate the value of the library as part of their educational offer.

FINANCIAL REVIEW

Financial Results

The Charity spent £59,638 (2014: £65,071) on its charitable objects during the year. Expenditure on these charitable activities was offset by directly related incoming resources of £58,664 (2014: £58,121). The deficit on charitable activities thus amounted to £974 (2014: £6,950).

The Charity generated unrestricted funds of £54,931 (2014: £29,825), excluding investment interest. Fundraising activities in this reporting period were conducted by trustees and volunteers who are not remunerated. As a result in this period there were no identifiable costs of generating voluntary income.

Net incoming resources for the year amounted to £ 54,737 (2014: £23,693). The surplus on ongoing activities also amounted to £54,737 (2014: £23,693).

The Trustees are grateful to all those who have contributed in any way to the achievement of these results.

Reserves policy

The Trustees have examined the Charity's requirements for free reserves, i.e. those funds which are not invested in fixed assets, nor designated for specific purposes nor otherwise committed. In making their assessment, Trustees have taken into consideration that at the date of approval of these statements the Charity does not have commitments to employees, although this position may change. As a result, at present the costs of cessation, should cessation become necessary, relate to fulfilment of conditions under the Licence with the City of London, leasing and similar agreements. No material costs of this nature are currently foreseen. Given the nature of the Charity's activities and its reliance on donations and community support, the Trustees however consider that it is prudent to maintain as far and for as long as possible a

level of general funds corresponding to the total start-up funding received from the Council of the London Borough of Camden (£124,000). This is particularly the case since the Trustees have been informed that this funding is of a non-repeating nature. The level of cash reserves at year-end was adequate to meet that purpose. All reserves held are unrestricted and available for furtherance of the objects of the Charity.

The Trustees are satisfied that the Charity is a going concern at the date of these accounts.

FORMAT OF FINANCIAL STATEMENTS

The company is a registered charity and so achievements cannot be measured by normal commercial criteria. Accordingly, the Trustees consider it would be inappropriate to present the financial statements in either of the formats set out in the Companies Act 2006. Therefore, as permitted by the Companies Act, in order to reflect the special nature of the company's activities, the Trustees are of the opinion that it would be more appropriate to present a Statement of Financial Activities (incorporating income and expenditure account) rather than a Profit and Loss Account.

Under the requirements of the guideline on Accounting and Reporting by Charities, the Trustees have assessed the major risks to which the Charity is exposed. They are satisfied that systems are in place to mitigate its exposure to major risks. These procedures will be reviewed annually to ensure that they still meet the needs of the Charity.

ON BEHALF OF THE BOARD:



.....
S. Bobasch – Trustee



.....
D. Burns - Trustee

Date: 27th July 2016

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
KEATS COMMUNITY LIBRARY

I report on the accounts for the year ended 31st December 2015 set out on pages 8 to 15.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under Section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is required.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission under Section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with Section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of the Companies Act 2006, and which are consistent with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Anthony Ghilchik, FCA
6 Morland Close
London NW11 7JG

Date: 27 July 2016

KEATS COMMUNITY LIBRARY

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2015

		2015	2014
		Unrestricted funds	
	Notes	£	£
INCOME			
Incoming resources from generated funds			
Donations and legacies	2	54,931	29,825
Investment income	3	780	818
Incoming resources from charitable activities			
	4	<u>58,664</u>	<u>58,121</u>
Total incoming resources		114,375	88,764
EXPENDITURE			
Expenditure on Raising Funds			
		-	-
Expenditure on Charitable Activities			
	5,6	<u>59,638</u>	<u>65,071</u>
Total resources expended		59,638	65,071
NET INCOMING RESOURCES		<u>54,737</u>	<u>23,693</u>
RECONCILIATION OF FUNDS			
Total funds brought forward		<u>195,114</u>	<u>171,421</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>249,851</u></u>	<u><u>195,114</u></u>

KEATS COMMUNITY LIBRARY

BALANCE SHEET
AT 31ST DECEMBER 2015

		2015	2014
		Unrestricted Funds	
	Notes	£	£
FIXED ASSETS			
Tangible Assets	7	6,815	7,303
		-----	-----
CURRENT ASSETS			
Stocks		-	-
Debtors	8	9,758	8,384
Cash at bank and in hand		<u>234,464</u>	<u>180,993</u>
		<u>244,222</u>	<u>189,377</u>
CREDITORS			
Amounts falling due within one year	9	(1,186)	(1,566)
Loans		-	-
		-----	-----
NET CURRENT ASSETS		<u>243,036</u>	<u>187,811</u>
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>249,851</u>	<u>195,114</u>
		-----	-----
NET ASSETS		<u>249,851</u>	<u>195,114</u>
FUNDS	10		
Unrestricted Funds		<u>249,851</u>	<u>195,114</u>
		-----	-----
TOTAL FUNDS		<u>249,851</u>	<u>195,114</u>

For the year ending 31st December 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 year 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.

The financial statements were approved by the Board of Trustees on 27th July 2016 and were signed on its behalf by:



S. Bobasch – Trustee



D. Burns - Trustee

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Exemption from preparing a cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the Charity qualifies as a small charitable company.

Taxation

The Charity is exempt from corporation tax on its charitable activities. It is also exempt from VAT. VAT incurred on purchased goods and services is therefore unrecoverable and is included in expenditure under the cost heading to which it relates.

Income

All incoming resources are included on the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. As a result commitments to donate and to sponsor are usually accounted for on a cash received basis. In the case of donations eligible for Gift Aid, the amounts receivable from HMRC will in principle be accounted for in the year which the relevant donations are recognised (if appropriate, as accrued income). Items donated, principally books and other library materials, are recognised at their selling price if sold

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Assets are recognised in the balance sheet to the extent that the cost exceeds the de minimis threshold of £1000 per acquisition. The threshold was £200 until 31st December 2014.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Plant and machinery	20% on cost
Office Equipment including computers	20% on cost

Stocks

The initial stock of library books as well as certain depreciated computer equipment were gifted to the Charity by the London Borough of Camden at the time of set-up. There is no historical cost associated with these assets. Subsequent purchases of library stock are expensed in the year in which they occur. As a result the stock of books is not reflected in the balance sheet. Subsequent acquisitions of computer equipment are capitalised to the extent that they conform with the Charity's accounting policy with regard to tangible fixed assets.

Fund accounting

Unrestricted funds may be used in accordance with the charitable objectives at the discretion of the Trustees. Restricted funds may only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. At the present time the Charity has no restricted funds.

Charitable Activities

Charitable activities are those activities which are included in the objects of the association as set out in the Company's Articles of Association (and summarised in the Report of the Trustees).

Events

Events fall within the object of the Charity of providing cultural support to the community, and are hence treated as charitable activities, even though they may incidentally generate a surplus and/or attract sponsorship.

Sponsorship

Sponsorship receipts take several forms, including sponsorship in kind, reductions in amounts invoiced, and cash sponsorship of specific events. All sponsorship in 2015 is treated as Incoming Revenue from Charitable Activities. Cash value of sponsorship in kind is accounted for where information is available.

Balance Sheet Review

A balance sheet review is carried out annually to ensure that the individual assets and liabilities of the Charity as recorded in the financial statements are identified and known to trustees.

Principal Assets not recorded in the Balance Sheet

Traditionally, the principal assets of a public library are the library building and the book collection. In the Charity's case, from a financial accounting standpoint it is proper not to reflect these assets in the Balance Sheet. Both are nevertheless tangible assets in the stewardship of the Charity and the trustees take appropriate steps to protect them, including a rolling inventory and active management of the book collection (book protection, disposals, sales and purchases) and monitoring of the effectiveness of the building services provided by the landlord under the terms of the licence to occupy.

2. DONATIONS AND LEGACIES

	2015	2014
	£	£
Grants	-	5,000
Donations including Gift Aid	54,931	24,825
	<u>54,931</u>	<u>29,825</u>

Registration: Individuals using the Charity's facilities are invited both to register and to donate. Registration fees are accounted for under charitable activities (v. Note 4).

Sponsorship: The Charity's accounting policy is to include sponsorship in Incoming Resources from Charitable Activities (v. Note 1).

Grants: these are distinguished from donations to the extent that the donors are conventionally described as grantors. Where grants are received in the form of a rebate on services provided, these are not accounted for separately. No other grants were received in 2015 (v. Note 1).

KEATS COMMUNITY LIBRARY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2015

3. INVESTMENT INCOME		
	2015	2014
	£	£
Deposit account interest	<u>780</u>	<u>818</u>
4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES		
	2015	2014
	£	£
Revenue from Cultural Events	39,804	38,631
Revenue from Library Operations	<u>18,860</u>	<u>19,490</u>
	<u>58,664</u>	<u>58,121</u>
5. EXPENDITURE ON CHARITABLE ACTIVITIES		
	2015	2014
	£	£
Marketing Expenditure	-	10
Events Expenditure	6,917	8,054
Books and General Purchases	6,880	11,567
Licence to Occupy and space-related charges	24,508	22,617
Professional and contractor fees	11,885	13,202
Other Overheads	<u>9,448</u>	<u>9,621</u>
	<u>59,638</u>	<u>65,071</u>
Depreciation		
Resources expended are stated after charging:		
	2015	2014
	£	£
Depreciation - owned assets	<u>3,015</u>	<u>2,945</u>

Trustees' Remuneration and Benefits

There were no trustees' remuneration or other benefits for the year ended 31st December 2015 (2014: nil). Trustees' expenses, which were immaterial, were not accounted for separately from the expenses of volunteers and contractors. Other library costs incurred directly by trustees are accounted for by cost element.

KEATS COMMUNITY LIBRARY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2015

6. STAFF COSTS

	2015	2014
	£	£
Wages and salaries	-	-
	2015	2014
Average monthly number of employees	<u>-</u>	<u>-</u>

During the year an amount of £ 11,885 (2014: £9,430) was incurred as a result of contracts entered into with companies offering the service of (qualified and unqualified) contract librarians.

7. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1st January 2015	14,425
Additions	2,590
Retirements	<u>(252)</u>
At 31st December 2015	<u>16,763</u>
DEPRECIATION	
At 1st January 2015	7,122
Charge for year	3,015
Retirements	<u>(189)</u>
At 31st December 2015	<u>9,948</u>
NET BOOK VALUE	
At 31st December 2014	<u>7,303</u>
At 31st December 2015	<u>6,815</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Prepayments and advances on account	2,812	2,593
Accrued Income	6,706	5,791
Other debtors	<u>240</u>	<u>-</u>
	<u>9,758</u>	<u>8,384</u>

KEATS COMMUNITY LIBRARY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2015

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Taxation and social security	-	-
Other creditors and accruals	<u>1,186</u>	<u>1,566</u>
	<u><u>1,186</u></u>	<u><u>1,566</u></u>

10. MOVEMENT IN FUNDS

	At 1/1/15 £	Net movement in funds £	At 31/12/15 £
Unrestricted funds			
General fund	<u>195,114</u>	<u>54,737</u>	<u>249,851</u>
TOTAL FUNDS	<u><u>195,114</u></u>	<u><u>54,737</u></u>	<u><u>249,851</u></u>

Net movements in funds included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	<u>114,375</u>	<u>(59,638)</u>	<u>54,737</u>
TOTAL FUNDS	<u><u>114,375</u></u>	<u><u>(59,638)</u></u>	<u><u>54,737</u></u>

11. RELATED PARTY DISCLOSURES

There are no related party disclosures.

12. PEOPLE WITH SIGNIFICANT CONTROL

Under regulations coming into force from 6th April 2016, companies are required by law to identify People with Significant Control. The Charity, as a Company limited by Guarantee, is within the scope of this legislation and complies with its recording requirements. There are currently no People (whether individuals or a Relevant Legal Entity under the terms of the legislation) who have Significant Control over the Charity. In particular, the Charity has more than four Members.

13. OPERATING LEASES

The Charity has an operating lease for its photocopier. The lease is for 5 years from 11 May 2012 and the fixed cost is £480 per annum to which a charge is added based on each copy made. In 2015, this charge for copies amounted to £421.

14. GENERAL VOLUNTEERS

The role of volunteers is critical to the operation of the Charity. The numbers vary as people move in and out of the area or enter into other commitments. The Charity has a roster of approximately 50 volunteers (including the Trustees) many of whom have been generously helping the Charity since its opening in 2012.