

**SCOTTISH LIBRARY AND INFORMATION COUNCIL
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

SCOTTISH LIBRARY AND INFORMATION COUNCIL
(A company limited by guarantee)

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SCOTTISH LIBRARY AND INFORMATION COUNCIL

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2017**

Trustees

Gordon Hunt, Chair

Helen Durndell, Vice Chair (resigned 4 November 2016)

Moira Methven, Company Secretary (resigned 4 November 2016)

Kenneth McKinlay, Company Secretary (appointed 4 November 2016)

Fiona Clark, (Ex Officio APLS 4 November 2016)

Fiona Dakers

Donald McLean

Abigail Mawhirt

Peter Reid

Ann Wales

Dilys Young, Vice Chair (appointed 4 November 2016)

Carole Gray, (Ex Officio CDN 4 November 2016)

John Scally, (Ex Officio NLS 4 November 2016)

Alison Stevenson, (Ex Officio SCURL 4 November 2016)

Company registered number

SC129889

Charity registered number

SC017886

Registered office

Suite 2.4 Second Floor, Turnberry House, 175 West George Street, Glasgow, G2 2LB

Company secretary

Kenneth McKinlay

Chief executive officer

Pamela Tulloch

Independent auditors

EQ Accountants LLP, 14 City Quay, Dundee, DD1 3JA

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2017

The Trustees present their annual report together with the audited financial statements for the year 1 April 2016 to 31 March 2017.

Since the charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. POLICIES AND OBJECTIVES

The purposes of the charity are:

The Scottish Library and Information Council (SLIC) is the independent advisory body to the Scottish Government on library and information services.

SLIC provides leadership, focus and support to its membership which includes public library services, libraries in schools, colleges, universities and a broad range of specialist information services.

At the heart of its key objectives SLIC: -

- Provides leadership to library and information services and facilitate the co-ordination of these services.
- Promotes understanding of the contribution library and information services make to the life of the nation.
- Monitors standards of provision and advocates for the development required for continuing vitality.
- Advises Scottish Government on library and information service matters.
- Undertakes research and provide information, education and advice to its members.
- Facilitates joint working with key partners.
- Supports innovation and development in Scottish library and information services by awarding grants.

b. STRATEGIES FOR ACHIEVING OBJECTIVES

SLIC's activity is shaped by four key work priorities:

- Advocacy • Standards • Innovation • Partnership

In targeting these priorities, SLIC contributes to the development of:

- A clear vision of the role and benefits of library and information services in the 21st Century.
- An ethos of self-evaluation and continuous performance monitoring.
- A robust evidence base to demonstrate value, inform policy and support decision-making.
- A climate of innovation and experimentation across the library sector.
- More effective service delivery through increased partnership working across the profession, and with related agencies.
- An appropriately skilled workforce that is well equipped to meet present and future demands.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

Objectives are largely delivered through initiatives for promoting libraries, in partnership with members and other strategic organisations, development of network meetings and programmes which support these.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

d. MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT

• **ADVOCACY**

The Scottish Government requested that SLIC lead on the implementation of Ambition and Opportunity: A Strategy for Public Libraries in Scotland 2015 -2020 which is Scotland's first national strategy for public libraries. SLIC formed a National Strategy Implementation Advisory Group which has representatives from the key public library stakeholders groups. SLIC held an event, Realising Ambition and Opportunity, on 28th September 2016, in partnership with South Lanarkshire Leisure and Culture, at Hamilton Townhouse celebrating the first year of the national strategy. The event was aimed at policy makers and sectoral leaders, of whom over 90 from across Scotland attended the event, and Ms Fiona Hyslop MSP, Minister for Culture, Tourism, Europe and External Relations delivered the keynote speech.

The Scottish Parliament's Public Petitions committee invited SLIC to comment on the Save Scotland's School Libraries petition. SLIC outlined the importance of the role of the library within the school.

SLIC also represented Scottish libraries on a number of national strategic groups including the Scottish Government's Creative Industries Advisory Group, the Year of History, Heritage and Archaeology Working group and the First Minister's Reading Challenge Advisory group.

• **STANDARDS**

How Good Is Our Public Library Service? (HGIOPLS)

The self-assessment tool How Good is Our Public Library Service? was refreshed and updated to align it with Ambition and Opportunity. Working with Quality Scotland, convenors and assessors attended refresher training and a cohort of library staff were put through the training programme.

Every Child a Library Member (ECaLM)

SLIC commissioned an evaluation, by the Robert Gordon University, of the pilot Every Child a Library Member project. The recommendations have paved the way for a national Every Child a Library Member programme.

Health related Library Projects

SLIC commissioned Blake Stevenson to evaluate PLIF funded health related projects to inform future PLIF spend in this area. A report is due 2017/18.

• **INNOVATION**

During 2016/17 there were a number of key initiatives managed by SLIC to deliver against the strategic aims of the Strategy. These were:-

Rollout of Wifi to all public libraries in Scotland

SLIC worked in partnership with the Scottish Future's Trust through the Scottish Government's Public Wireless Programme which allocated £400,000 to SLIC to ensure the completion of the rollout of free public wifi to all public libraries in Scotland.

Introduction of a Film Literacy initiative supported by Creative Scotland

Creative Scotland awarded SLIC a grant of £190,000 to explore the development of a small number of pilot initiatives to develop creative film learning in public libraries in Scotland. SLIC appointed a project manager and 6 projects based within library services in Edinburgh, Falkirk, Midlothian, North Lanarkshire, South Ayrshire and the Western Isles commenced focussing on film education in rural, remote and inner city settings, young children and older people and young offenders.

Rollout of a national literacy and numeracy initiative READ, WRITE, COUNT

The Scottish Government literacy and numeracy programme was successfully introduced to all public libraries in Scotland. SLIC received a grant of £109,000 from the Scottish Government's Education Dept to ensure the consistent access to READ WRITE COUNT resources to all families in Scotland through the public library network.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

Introduction of 3D printers

SLIC received a grant of £76,000 to rollout 3D printers to all public library services within Scotland. A project manager was appointed to work with local authorities to identify the most suitable kit, train staff and promote the use of 3D print in across the public library network.

CODE CLUB development

SLIC received £46,550 from the Scottish Government Digital Skills Business Excellence Partnership administered by DigitalXtra to enable the development of Code Clubs through libraries in Scotland. SLIC appointed trainers to develop both coding and training for over 150 public library staff from across Scotland to enable Code Clubs to be delivered in libraries aimed at 9-11yrs.

Administering the Public Library Improvement Fund (PLIF)

The Scottish Government made £450,000 available for the Public Library Improvement Fund in 2016/17 which SLIC administered. Twenty-two projects were supported from public library services from across Scotland. Projects were aligned to the six strategic aims of Ambition and Opportunity: A Strategy for Public Libraries in Scotland 2015-2020.

Distribution of the Innovation and Development Fund

SLIC made £25,000 available to its non public library members for projects which supported innovation and development within libraries. Forth Valley College, Perth College UHI and the University of the West of Scotland were successful in obtaining funding which supported 3D Printing in Learning Resources Centres, a study into the use of Social Media and a project looking at the information literacy journey.

• PARTNERSHIP

Whilst during 2016/17 SLIC worked in partnership with a number of agencies, key partners included the Scottish Confederation of University and Research Libraries (SCURL), the Colleges Development Network (CDN), the National Library of Scotland (NLS) and Scottish Book Trust.

In June 2016, a strategic partnership agreement was signed between SLIC and BBC Scotland which saw initiatives such as #lovetoread, a national reading celebration, and Build it Scotland! a Make It Digital promotion by the BBC saw libraries involve young people with coding and design to enable 3D print come to fruition in libraries. On the back of the partnership two 3 hour outdoor Radio Broadcasts took place in Renfrewshire and Orkney Libraries.

Through SLIC's partnership with Publishing Scotland, a national book design competition took place through public libraries to celebrate the 2016 Festival of Architecture.

SLIC supported Book Week Scotland by working in partnership with Scottish Book Trust to enable 220 events to take place in public and Further Education libraries.

Achievements and performance

a. KEY FINANCIAL PERFORMANCE INDICATORS

2016/17 was a positive fiscal year for SLIC. Strong financial management ensured that SLIC complied with the Reserves Policy and also generated a surplus on our activities. In 2016/17 the overall deficit was £324,689 compared to a surplus of £493,117 in the 2015/16 fiscal year. This movement is due to the increase in the pension liability.

SLIC secured additional funding to support the implementation of Ambition and Opportunity: A Strategy for Public Libraries in Scotland 2015 -2020. In particular, funding was received to deliver:

Free public wifi in public libraries - £400,000
3D printers for all public library services - £76,000
Film Education Pilot in public libraries - £190,000

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FOR THE YEAR ENDED 31 MARCH 2017

READ WRITE COUNT as a core public library offer - £109,000
A Code Club programme for 9-11yrs in public libraries in Scotland - £46,550
Public Library Improvement Fund - £450,000

The Scottish Government stated that it had maintained SLIC's core grant £205,000 and protected the Public Library Improvement Fund in recognition of the work which was being delivered through the implementation of Ambition and Opportunity: A Strategy for Public Libraries in Scotland 2015-2020.

b. REVIEW OF ACTIVITIES

ADVOCACY

As a result of the advocacy surrounding Ambition and Opportunity: A Strategy for Public Libraries in Scotland 2015-2020, a significant amount of funding was attracted to support the aims of the strategy. In total, over an additional £1.3 million was attracted by the end of 2016/17 to deliver free public wifi, film education, literacy and numeracy projects, 3D printers and CODE Clubs in addition to a range of national and local projects which were supported through the Scottish Government's Public Library Improvement Fund (PLIF).

SLIC works in partnership with a range of organisations to amplify the library message to key partners include Carnegie UK trust, BBC, Scottish Book Trust, The Reading Agency, Young Scot and the British Library.

STANDARDS

How good is our public library service? (HGIOPLS) was refreshed to align it with Ambition and Opportunity. It was formally adopted by the public library sector with Borders Libraries, Moray Libraries and Aberdeen libraries being the first to take part in the assessment in 2016/17. Convenor and assessor training has taken place to enable a suite of assessments to take place moving forward.

The Every Child a Library Member pilot was completed and the Robert Gordon University evaluated the pilot. 27 library authorities had received funding from SLIC to implement the pilot and all 32 public library services participated in the project. The Robert Gordon evaluation outlined that the public library sector had been extremely creative with its approach to engaging children with their libraries and that relatively small sums of funding were very impactful.

In recognition of the significant amount of work which public libraries undertake to support health and wellbeing, SLIC commissioned Blake Stevenson to undertake a review of this work to better understand what makes most impact and where resources should be targeted in the future. The report is due 2017/18.

INNOVATION

Rollout of Wifi to all public libraries in Scotland

Free public wifi was successfully introduced to Scottish Public Libraries. Coverage as of March 2017 stands at 96% with the remaining 4% of libraries having plans in progress. The introduction of free public wifi across the public library network in Scotland has been transformational for services.

Introduction of a Film Literacy initiative supported by Creative Scotland

The six projects based within library services in Edinburgh, Falkirk, Midlothian, North Lanarkshire, South Ayrshire and the Western Isles have commence focussing on film education in rural, remote and inner city settings, young children and older people and young offenders. Feedback from those attending screenings in libraries has been extremely positive. Initially Creative Scotland had been hoping for 3 or 4 projects however with 13 library services applying to take part it was decided to fund 6 pilot projects. A programme of staff training has been well received.

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FOR THE YEAR ENDED 31 MARCH 2017

Rollout of a national literacy and numeracy initiative READ, WRITE, COUNT

READ WRITE COUNT resources are available in all public libraries in Scotland. The successful roll out Scottish Government initiative to all public libraries has ensured that families have equal access to resources in the community to ensure support for children's literacy and numeracy needs. All 32 local authority library services are participating.

Introduction of 3D printers

All 32 local authority library services have 3D printing facilities and trained staff to support the public with using them. All 32 library services have a dedicated 3D print champion.

CODE CLUB development

Over 150 public library staff from across Scotland to enable Code Clubs to be delivered in libraries aimed at 9-11yrs. This nationwide programme of coding activity has proved extremely popular with many library services experiencing waiting lists for the 56 clubs which has started by the end of 2016/17. 31 of the local authority library services participated in the DigitalXTRA Code Club project.

Public Library Improvement Fund

The Public Library Improvement Fund attracted 48 applications of which 22 were approved. All projects are tied into one of the six strategic aims of Ambition and Opportunity: A Strategy for Public Libraries in Scotland 2015-2020. Successful projects included:-

- A National Reading Initiative to tie in with the 2017 Year of History, Heritage and Archaeology – Read the Past, Imagine the Future in which all 32 library services participated
- Edinburgh Explorers – a project to encourage children to use library resources to explore the capital
- Tablet Tasters – an initiative to encourage young people to become confident with Fife Libraries
- Lads and Dads – a project to encourage intergenerational reading and literacy in Perth and Kinross
- Angus Home Front in WW1 – a project commemorating WW1 in Angus
- Community Language Engagement – a project looking to ensure community language materials is available from Glasgow Libraries

Innovation and Development Fund

SLIC prioritised £25,000 from its budget to support its non public library members with innovation and development projects. The Fund received six applications and supported three. The three projects from Forth Valley College, the University of the West of Scotland and Perth College UHI were successful in having funding approved. These projects will be fully realised in Autumn 2017.

PARTNERSHIP

SLIC continued to build on key partnerships with SCURL, CDN and NLS. Increasingly SLIC messages these member groups with targeted information for the library sector. To that end SLIC introduced a monthly Funding Newsletter for its members in December 2016.

SLIC has worked with partners to collaborate on projects which are helpful to both organisations. Examples from 2016/17 are:

National Book Cover Competition for children delivered in partnership with Publishing Scotland to mark the 2016 Festival of Architecture. The competition received over 800 entries from across Scotland.

Through SLIC's partnership with BBC Scotland, all 32 public library authorities participated in the #Lovedoread initiative which saw a 3 hour outdoor broadcast taking place from Renfrewshire and Orkney Libraries. Through the BBC Scotland Build IT Scotland! Make It Digital campaign, which also tied in with the 2016 Festival of

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

Architecture, public libraries make their 3D printers available for the schools involved so that the pupils could learn how to print out the building which they had designed in 3D. This has provided a legacy 3D map for the project.

SLIC has worked in partnership with Carnegie UK Trust on its Library Lab project, encouraging submissions from across libraries in Scotland and supporting services with successful bids.

SLIC has worked in partnership with Scottish Book Trust to deliver a successful programme in libraries for Book Week Scotland in which all 32 public library services participated and were financially supported by SLIC to host 229 events. For the first time 3 Further Education College Libraries were supported to host author events during Book Week Scotland.

SLIC has also worked in partnership with public library services in Scotland to support the development of the Association of Public Libraries in Scotland (APLS). Thus providing the public library community with a body similar to those in the HE sector (SCURL) and the FE sector (CDN).

c. INVESTMENT POLICY AND PERFORMANCE

The trustees manage the charity budget to deliver the key priorities of the charity. There is no intention to invest as part of this objective.

d. FACTORS RELEVANT TO ACHIEVE OBJECTIVES

SLIC is the independent advisory body to the Scottish Government on library and information related matters. SLIC's funding is dependent on a core grant from the Scottish Government and membership subscriptions. SLIC's positive relationship with both the Scottish Government and the membership is essential to enable the library community in Scotland to prosper.

Financial review

a. GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. PRINCIPAL FUNDING

The Scottish Library and Information Council receives its core budget from the Scottish Government. Additional income is received from the membership subscriptions and consultancy work.

c. MATERIAL INVESTMENTS POLICY

The trustees manage the charity budget to deliver the key priorities of the charity. There is no intention to invest as part of this objective.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

Structure, governance and management

a. CONSTITUTION

The charity, which is a recognised charity in Scotland, is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

The company, which is a recognised charity in Scotland, is governed by a Memorandum of Association and Articles of Association of the Company dated 2016 and is a registered charity number SC017886.

The principal object of the charity is to provide independent advice to the Scottish Government on library and information services.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

New Trustees undergo an orientation day to brief them on: their legal obligations under charity and company law, the Scottish Charity Regulator's guidance on trustee duties, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity.

In addition to this, the Board of Trustees attend an Away Day once a year to reflect on the running of the organisation and plan for the future.

d. PAY POLICY FOR SENIOR STAFF

The Board of Directors, who are SLIC's trustees, and the Chief Executive Officer comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day-to-day basis. All directors give their time freely and no director received remuneration for the year. Details of Trustees expenses are disclosed in note 10 to the accounts.

The pay of senior staff is reviewed annually and normally increased in accordance with public sector pay award.

e. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The board of trustees, which can have up to 14 members, administers the charity. The board normally meets 4 times per year and there are subcommittees covering allocations of funds and Board nominations which meet as required. The Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within the terms of delegation approved by the trustees, for operational matters including finance, employment and member liaison.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

f. RISK MANAGEMENT

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Monthly budget monitoring statements are produced and circulated to the Board with a commentary prepared by the Company Secretary. The Board meets regularly and the Company's finances are a standing item on the agenda. The Company Secretary provides a statement and there is an opportunity for Board members to ask questions, make comments and seek further information from the Chief Executive Officer.

A quarterly meeting is held with the Company Secretary, Chief Executive and the Account Manager.

The Trustees have the opportunity to assess any risks to which the Company is exposed as part of this process.

A risk register is maintained by the organisation and is also a standing item on the Board agenda.

Plans for future periods

a. FUTURE DEVELOPMENTS

In addition to its core business, SLIC will continue to advocate for the library sector, promote standards within the sector, encourage innovation, seek to nourish and develop partnership and support the library sector seek external funding opportunities.

SLIC will recruit new Board members in line with the revised Memorandum and Articles of Association approved at its AGM in November 2016.

SLIC will develop a new strategy for the organisation.

SLIC will continue to lead on the implementation of Ambition and Opportunity: A Strategy for Public Libraries in Scotland 2015-2020 and seek opportunities for collaborative working with key stakeholders and funding as these arise.

SLIC will commission a refresh of the National Reading Strategy to bring it in line with Ambition and Opportunity: A Strategy for Public Libraries in Scotland 2015-2020.

SLIC will continue to work in partnership with the Scottish Government's Culture, Digital and Education teams to maximise opportunities for library development and ensure that libraries deliver the best for their users.

SLIC will work with the Scottish Government's Education department and Education Scotland to ensure that School Library standards are adopted.

SLIC will work with Creative Scotland to fully evaluate the Film Education in Libraries project with a view to ensure learning is shared with the sector.

SLIC will continue to distribute funds, such as the PLIF and IDF, to the library sector.

FUNDS HELD AS CUSTODIAN

SLIC holds no funds as Custodian.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Scottish Library and Information Council for the purposes of company law) are responsible for preparing the Trustees' report and the 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 year. 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees on

and signed on their behalf by:

Kenneth McKinlay
Company Secretary

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF SCOTTISH LIBRARY AND INFORMATION COUNCIL

We have audited the financial statements of Scottish Library and Information Council for the year ended 31 March 2017 set out on pages 13 to 35. 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the charitable company's Trustees those matters we are required to state to them in an Auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditors under the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with regulations made under those Acts.

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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF SCOTTISH LIBRARY AND INFORMATION COUNCIL

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 March 2017 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

EQ Accountants LLP

Chartered Accountants
Statutory Auditors

14 City Quay
Dundee
DD1 3JA
Date:

EQ Accountants LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:					
Donations and legacies	2	308,231	9,300	317,531	285,262
Charitable activities	3	-	516,530	516,530	1,344,652
Investments	4	360	-	360	459
TOTAL INCOME		308,591	525,830	834,421	1,630,373
EXPENDITURE ON:					
Charitable activities	6,7,8	224,314	677,796	902,110	1,282,256
TOTAL EXPENDITURE		224,314	677,796	902,110	1,282,256
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
Transfers between Funds	16	84,277 15,120	(151,966) (15,120)	(67,689)	348,117
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		99,397	(167,086)	(67,689)	348,117
Actuarial gains/(losses) on defined benefit pension schemes	20	(257,000)	-	(257,000)	145,000
NET MOVEMENT IN FUNDS		(157,603)	(167,086)	(324,689)	493,117
RECONCILIATION OF FUNDS:					
Total funds brought forward		138,707	301,766	440,473	(52,644)
TOTAL FUNDS CARRIED FORWARD		(18,896)	134,680	115,784	440,473

All activities relate to continuing operations.

The notes on pages 16 to 35 form part of these financial statements.

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REGISTERED NUMBER: SC129889

BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible assets	13	3,232	3,434
CURRENT ASSETS			
Debtors	14	62,683	82,478
Cash at bank and in hand		573,038	624,667
		<u>635,721</u>	<u>707,145</u>
CREDITORS: amounts falling due within one year	15	(27,169)	(42,106)
NET CURRENT ASSETS		<u>608,552</u>	<u>665,039</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>611,784</u>	<u>668,473</u>
Defined benefit pension scheme liability	20	(496,000)	(228,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES		<u>115,784</u>	<u>440,473</u>
CHARITY FUNDS			
Restricted funds	16	134,680	301,766
Unrestricted funds	16	(18,896)	138,707
TOTAL FUNDS		<u>115,784</u>	<u>440,473</u>

The financial statements were approved by the Trustees on behalf, by:

and signed on their

Gordon Hunt
Chairperson

Kenneth McKinlay
Company Secretary

The notes on pages 16 to 35 form part of these financial statements.

SCOTTISH LIBRARY AND INFORMATION COUNCIL
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	(49,208)	266,892
Cash flows from investing activities:			
Purchase of tangible fixed assets		(2,421)	(4,734)
Net cash used in investing activities		(2,421)	(4,734)
Change in cash and cash equivalents in the year		(51,629)	262,158
Cash and cash equivalents brought forward		624,667	362,509
Cash and cash equivalents carried forward	19	573,038	624,667

SCOTTISH LIBRARY AND INFORMATION COUNCIL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

Scottish Library and Information Council meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

1.3 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

The company operates from its registered office at Suite 2.4 Second Floor, Turnberry House, 175 West George Street, Glasgow, G2 2LB.

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

SCOTTISH LIBRARY AND INFORMATION COUNCIL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. ACCOUNTING POLICIES (continued)

1.5 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

SCOTTISH LIBRARY AND INFORMATION COUNCIL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. ACCOUNTING POLICIES (continued)

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.7 Going concern

The accounts have been prepared on a going concern basis as no material uncertainties have been identified.

1.8 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery - 33% straight line

1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

SCOTTISH LIBRARY AND INFORMATION COUNCIL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. ACCOUNTING POLICIES (continued)

1.11 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2017.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	79,231	-	79,231	69,262
Grants	24,000	9,300	33,300	11,000
Government grants	205,000	-	205,000	205,000
Total donations and legacies	308,231	9,300	317,531	285,262
	=====	=====	=====	=====

In 2016, of the total income from donations and legacies, £285,262 was to unrestricted funds and £ NIL was to restricted funds.

SCOTTISH LIBRARY AND INFORMATION COUNCIL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
3D Printer	-	-	-	76,000
Film Education in Libraries	-	-	-	190,000
Dig.Xtra	-	46,550	46,550	-
PLIF	-	450,000	450,000	500,000
Read Write Count	-	-	-	109,000
SLIC	-	-	-	11,643
Wi-Fi Project	-	-	-	400,000
Scotland's People	-	19,980	19,980	59,259
Ask Scotland	-	-	-	(1,250)
	<hr/>	<hr/>	<hr/>	<hr/>
	-	516,530	516,530	1,344,652
	<hr/>	<hr/>	<hr/>	<hr/>

In 2016, of the total income from charitable activities, £12,208 was to unrestricted funds and £1,332,444 was to restricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment Income	360	-	360	459
	<hr/>	<hr/>	<hr/>	<hr/>

In 2016, of the total investment income, £ 459 was to unrestricted funds and £ NIL was to restricted funds.

5. ANALYSIS OF GRANTS

	Grants to Institutions 2017 £	Total 2017 £	Total 2016 £
Grants, Film Education in Libraries	15,328	15,328	-
Grants, PLIF	287,122	287,122	290,570
Grants, Read Write Count	-	-	90,000
Grants, SLIC	18,622	18,622	36,859
Grants, Wi-Fi Project	-	-	343,258
	<hr/>	<hr/>	<hr/>
Total	321,072	321,072	760,687
	<hr/>	<hr/>	<hr/>

SCOTTISH LIBRARY AND INFORMATION COUNCIL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

DETAILS OF GRANTS PAYABLE

During the year the following grants were paid to institutions:

	2017 £
FILM IN EDUCATION	
Western Isles Library	2,450
North Lanarkshire Culture	2,360
South Ayrshire Libraries	3,556
Midlothian Library Service	6,962
Sub total	<hr/> 15,328 <hr/>
PLIF	
Robert Gordon University - Element	6,788
<i>Reading, literacy & learning</i>	
Angus Alive	2,000
Perth & Kinross Culture	14,000
Stirling Council Libraries	20,200
Dundee Leisure & Culture	26,240
<i>Digital Inclusion</i>	
Orkney Islands Council	2,000
Western Isles Library	5,000
Stirling Council Libraries	11,000
Perth & Kinross Culture	12,220
Fife Cultural Trust	13,000
<i>Health & Wellbeing</i>	
East Dunbartonshire Library	6,364
East Renfrewshire Culture & Leisure	10,000
<i>Culture & Creativity</i>	
East Dunbartonshire Library	3,640
Glasgow Life	4,900
Edinburgh City Libraries	5,330
North Ayrshire Library & Information	6,900
Aberdeen Central Library	7,500
South Lanarkshire Leisure & Culture	20,000
Moray Council	10,000
<i>Public Service Excellence</i>	
Highlife Highland	22,000
East Renfrewshire Culture & Leisure	30,000
<i>Scottish Book Trust</i>	24,950
<i>WW1 - Commemorative projects</i>	
AngusAlive - WW1	7,000
East Dunbartonshire Library	15,790
<i>Find a Book Support</i>	300
Sub total	<hr/> 287,122 <hr/>

SCOTTISH LIBRARY AND INFORMATION COUNCIL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

SLIC	
CILIPS	960
Social Media Use in Libraries	2,050
The Info Lit Journey	3,200
Going 3D in the LRC	12,412
Sub total	18,622
Total	321,072

SCOTTISH LIBRARY AND INFORMATION COUNCIL

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

6. DIRECT COSTS

	Basis of Allocation	SLIC £	PLIF £	Film Education in Libraries £	3D Printer £	Dig.Xtra £
Defined benefit cost	Actual	8,000	-	-	-	-
Equipment purchases	Actual	-	2,148	65,860	43,642	2,372
Rent and rates	Usage	10,811	-	-	-	-
Telephone	Actual	-	-	178	-	-
Vouchers	-	-	-	-	-	-
Travel expenses	Actual	3,939	4,681	5,356	887	2,367
Advertising and promotion	Actual	-	17,716	600	1,857	6,561
Printing, stationery and postage	Actual	-	1,825	-	-	-
Subscriptions	Actual	-	12,373	-	-	-
Training	-	-	5,495	2,940	5,273	5,154
Sundry expenses	Actual	95	-	2,088	-	-
Grants	Actual	-	-	-	-	-
SCURL salary reimbursement	Actual	10,100	-	-	-	-
Courses and events	Actual	8,232	3,431	-	-	-
Consultancy	Actual	-	-	-	-	-
Conference fees	Actual	-	-	-	-	-
Everychild a library member	Actual	-	-	-	-	-
Secondment	Actual	15,645	-	-	13,445	8,889
Wages and salaries	Actual	72,580	37,934	19,692	-	-
National insurance	Actual	7,883	3,535	1,405	-	-
Pension cost	Actual	17,186	6,169	48	-	-
		154,471	95,307	98,167	65,104	25,343
		=====	=====	=====	=====	=====

SCOTTISH LIBRARY AND INFORMATION COUNCIL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

6. DIRECT COSTS (continued)

	Wi-Fi Project £	Scotland's People £	ALMA UK £	Total 2017 £	Total 2016 £
Defined benefit cost	-	-	-	8,000	4,000
Equipment purchases	-	-	-	114,022	-
Rent and rates	-	-	-	10,811	7,765
Telephone	-	-	-	178	-
Vouchers	-	19,980	-	19,980	58,693
Travel expenses	-	-	-	17,230	6,123
Advertising and promotion	-	-	-	26,734	3,475
Printing, stationery and postage	-	-	-	1,825	475
Subscriptions	-	-	-	12,373	16,581
Training	-	-	-	18,862	22,011
Sundry expenses	-	-	1,200	3,383	-
Grants	-	-	-	-	55,459
SCURL salary reimbursement	-	-	-	10,100	10,000
Courses and events	990	-	-	12,653	14,259
Consultancy	-	-	-	-	5,486
Conference fees	-	-	-	-	471
Everychild a library member	-	-	-	-	36,050
Secondment	-	-	-	37,979	-
Wages and salaries	-	-	-	130,206	89,252
National insurance	-	-	-	12,823	8,066
Pension cost	-	-	-	23,403	32,191
	<hr/> 990 <hr/>	<hr/> 19,980 <hr/>	<hr/> 1,200 <hr/>	<hr/> 460,562 <hr/>	<hr/> 370,357 <hr/>

In 2016, the company incurred the following Direct costs:

- £NIL in respect of 3D Printer
- £2,309 in respect of ALMA UK
- £NIL in respect of Film Education in Libraries
- £NIL in respect of Dig.Xtra
- £5,000 in respect of Digital Participation
- £175,860 in respect of PLIF
- £NIL in respect of Read Write Count
- £127,637 in respect of SLIC
- £NIL in respect of Wi-Fi Project
- £58,694 in respect of Scotland's People
- £NIL in respect of Ask Scotland

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

7. SUPPORT COSTS

	Basis of Allocation	SLIC £	PLIF £	Film Education in Libraries £
Rent and rates	Usage	1,081	676	541
Heat and light	Usage	197	109	87
Insurance	Usage	2,477	1,376	1,101
Telephone	Usage	466	388	466
Cleaning	Usage	629	285	114
Travel expenses	Usage	2,570	3,777	453
Printing, stationary and postage	Usage	318	401	267
Repairs and maintenance	Usage	402	144	-
Subscriptions	Usage	1,792	1,014	338
Training	Usage	-	-	-
Computer expenses	Usage	3,592	1,858	619
Sundry expenses	Usage	-	-	-
Legal and professional fees	Usage	7,459	11,302	2,260
Bank charges	Actual	144	-	-
Committee expenses & staff travel	Usage	7,127	3,511	-
Secondment costs	Usage	-	-	-
Conference Fees	Usage	1,413	2,120	1,178
Wages and salaries	Actual	9,912	14,034	3,536
National insurance	Actual	789	1,202	330
Pension cost	Actual	1,981	2,803	710
Depreciation	Actual	2,623	-	-
		44,972	45,000	12,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

7. SUPPORT COSTS (continued)

	3D Printer £	Dig.Xtra £	Total 2017 £	Total 2016 £
Rent and rates	270	135	2,703	4,435
Heat and light	22	22	437	-
Insurance	275	275	5,504	2,668
Telephone	78	155	1,553	1,507
Cleaning	57	57	1,142	-
Travel expenses	377	377	7,554	2,192
Printing, stationary and postage	134	67	1,187	1,461
Repairs and maintenance	-	29	575	5,534
Subscriptions	169	68	3,381	-
Training	-	-	-	3,420
Computer expenses	-	124	6,193	-
Sundry expenses	-	-	-	3,054
Legal and professional fees	1,130	452	22,603	25,097
Bank charges	-	-	144	145
Committee expenses & staff travel	-	-	10,638	9,104
Secondment costs	-	-	-	40,323
Conference Fees	-	-	4,711	1,630
Wages and salaries	3,967	2,244	33,693	33,261
National insurance	343	200	2,864	1,961
Pension cost	778	450	6,722	6,857
Depreciation	-	-	2,623	2,607
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	7,600	4,655	114,227	145,256
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>

8. GOVERNANCE COSTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Management Committee	3,100	-	3,100	2,805
Governance Auditors' remuneration	3,150	-	3,150	3,150
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	6,250	-	6,250	5,955
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>

SCOTTISH LIBRARY AND INFORMATION COUNCIL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

9. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2017	Grant funding of activities 2017	Support costs 2017	Total 2017	Total 2016
	£	£	£	£	£
3D Printer	65,104	-	7,600	72,704	6,723
ALMA UK	1,200	-	-	1,200	2,309
Film Education in Libraries	98,167	15,328	12,000	125,495	1,000
Dig.Xtra	25,343	-	4,655	29,998	-
Digital Participation	-	-	-	-	5,000
PLIF	95,307	287,122	45,000	427,429	516,430
Read Write Count	-	-	-	-	99,000
SLIC	154,471	18,622	44,972	218,065	203,887
Wi-Fi Project	990	-	-	990	383,258
Scotland's People	19,980	-	-	19,980	58,694
Total	460,562	321,072	114,227	895,861	1,276,301

10. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	2,623	2,607
Auditors' remuneration - audit	3,150	3,150

During the year, no Trustees received any remuneration (2016 - £NIL).

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year, Trustees received reimbursement of expenses totaling £2,370 (2016 - £4,073).

11. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an Audit fee of £3,150 (2016 - £3,150), and accountancy and payroll services of £9,471(2016 - £9,872).

SCOTTISH LIBRARY AND INFORMATION COUNCIL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

12. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	163,899	122,513
Social security costs	15,687	10,027
Other pension costs (Note 20)	30,125	39,048
	209,711	171,588

The average number of persons employed by the company during the year was as follows:

	2017 No.	2016 No.
	5	5

The number of higher paid employees was:

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	1

The total employee benefits of the key personnel were £62,096 (2016 - £62,416).

13. TANGIBLE FIXED ASSETS

	Plant and machinery £
Cost	
At 1 April 2016	11,957
Additions	2,421
Disposals	(3,964)
	10,414
Depreciation	
At 1 April 2016	8,523
Charge for the year	2,623
On disposals	(3,964)
	7,182
Net book value	
At 31 March 2017	3,232
	3,434
<i>At 31 March 2016</i>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

14. DEBTORS

	2017 £	2016 £
Trade debtors	17,730	3,002
Other debtors	3,650	3,850
Prepayments and accrued income	41,303	75,626
	62,683	82,478

15. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	12,374	21,111
Other creditors	-	9,450
Accruals and deferred income	14,795	11,545
	27,169	42,106

16. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	138,707	308,591	(224,314)	15,120	(257,000)	(18,896)
Restricted funds						
PLIF	-	450,000	(427,429)	-	-	22,571
Scotland's people	-	19,980	(19,980)	-	-	-
ALMA	16,747	-	(1,200)	(15,547)	-	-
Wi Fi project	16,742	-	(990)	-	-	15,752
3D printer	69,277	3,000	(72,704)	427	-	-
Creative scotland	189,000	6,300	(125,495)	-	-	69,805
Digital Xtra	-	46,550	(29,998)	-	-	16,552
Read, Write, Count	10,000	-	-	-	-	10,000
	301,766	525,830	(677,796)	(15,120)	-	134,680
Total of funds	440,473	834,421	(902,110)	-	(257,000)	115,784

SCOTTISH LIBRARY AND INFORMATION COUNCIL

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Unrestricted funds represent the funds that the trustees are free to use in accordance with the charitable objectives.

PLIF

The Public Libraries Improvement Fund (PLIF) consists of an annual grant received from the Scottish Government which is allocated by SLIC in a competitive bidding process to local authorities. 10% of the fund is retained by SLIC as a management fee to cover project management and related support costs, and the status of this fund is regularly reported to Scottish Government.

Grants were allocated under the 6 strategic aims implemented by the Scottish Government:

1. Reading, Literacy & Learning
2. Digital Inclusion
3. Economic Wellbeing
4. Social Wellbeing
5. Culture & Creativity
6. Excellent public services

Scotland's People

SLIC is a distributor of vouchers for Scotland's People, an online source of genealogical information. All amounts collected are paid over to the National Record of Scotland through Brightsolid their commercial partner. During the year SLIC ceased to operate this service.

ALMA UK

The ALMA UK (formerly UK Joint Forum (UKJF) fund represents contributions from Cymal, DCAL Northern Ireland, Museums Galleries Scotland, MLA, Scottish Council on Archives and SLIC towards the employment of an individual to build the profile of the ALMA UK through cross-sector projects and to support the outcomes of the ALMA UK by providing a secretariat service. During the year the ALMA committee disbanded and it was agreed at the final meeting the monies held in the bank account could be transferred to SLIC.

The Digital Participation Grant – Wi-Fi Project

In 2016, the Scottish Government granted an additional £400,000 in furtherance of their Digital Directorate to administer grants to increase/complete Wi-Fi access in all libraries.

3D Printer

As part of the Scottish Government's Digital Participation Programme, SLIC received funding totaling £76,000 to introduce 3D printing facilities to every Local Authority in Scotland. SLIC secured specialist 3D printing equipment and provided vital training to enable this new digital technology to be made available to new audiences.

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Film Education in Libraries

The Film Education In Libraries project has been funded by Creative Scotland and will involve evaluating the impact of film education in libraries and in particular examining the approaches to delivering film education in this context. In partnership with Creative Scotland, the Scottish Libraries Information Council will support the development of a small number of pilot initiatives to develop creative film learning in libraries in Scotland, in pursuit of Creative Scotland's film strategy and the national strategy for public libraries in Scotland (2015-20). Creative Scotland will devolve funds amounting to £190,000 to SLIC to manage the project, which will test key development approaches with a small number of library services among SLIC's members.

Code Club

The Code Club aims to coordinate a programme of training for public library staff to deliver coding sessions to young people. Staff from 31 Scottish Libraries were trained in the basics of two coding languages, Scratch and Python. SLIC received £46,550 from the Scottish Government's Digital Xtra Fund.

Read, Write, Count

Read, Write, Count is a Scottish Government led campaign which aims to improve key numeracy and literacy skills among children in Primaries 1 to 3 across Scotland and has identified libraries as a key setting to support this.

SUMMARY OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	138,707	308,591	(224,314)	15,120	(257,000)	(18,896)
Restricted funds	301,766	525,830	(677,796)	(15,120)	-	134,680
	440,473	834,421	(902,110)	-	(257,000)	115,784

Unrestricted reserves detail

	2017 £	2016 £
General funds excluding pension liability	477,104	366,707
Pension liability	(496,000)	(228,000)
Unrestricted funds as at 31 March 2017	(18,896)	138,707

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17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Tangible fixed assets	3,232	-	3,232	3,434
Current assets	499,569	136,152	635,721	707,145
Creditors due within one year	(25,697)	(1,472)	(27,169)	(42,106)
Provisions for liabilities and charges	(496,000)	-	(496,000)	(228,000)
	<hr/>	<hr/>	<hr/>	<hr/>
	(18,896)	134,680	115,784	440,473
	<hr/>	<hr/>	<hr/>	<hr/>

**18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW
FROM OPERATING ACTIVITIES**

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(67,689)	348,117
Adjustment for:		
Depreciation charges	2,623	2,607
Decrease/(increase) in debtors	19,795	(37,379)
Decrease in creditors	(14,937)	(63,453)
Actuarial gain/(loss) on pension scheme	268,000	(128,000)
Actuarial gain/(loss) on pension scheme	(257,000)	145,000
Net cash (used in)/provided by operating activities	<hr/> (49,208)	<hr/> 266,892
	<hr/>	<hr/>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	573,038	624,667
Total	<hr/> 573,038	<hr/> 624,667

20. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £111 (2016 - £nil). Contributions totaling £nil (2016 - £nil) were payable to the fund at the balance sheet date.

SLIC is also a participating employer of a defined benefit scheme, the Strathclyde Pension Fund. The assets of the fund are held in a separately administered fund and the latest actuarial valuation of the fund was at 31 March 2017. The contributions were determined by a qualified actuary on the basis of triennial variations using the projected unit method.

The contribution for the year ended 31 March 2017 was £30,000.

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20. PENSION COMMITMENTS (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages) :

	2017	2016
Discount rate at 31 March	2.70 %	3.60 %
Expected return on scheme assets at 31 March	23.20 %	18.00 %
Future salary increases	4.40 %	4.20 %
Future pension increases	2.40 %	2.20 %

The assets in the scheme and the expected rates of return were:

	Fair value at 31 March 2017	Fair value at 31 March 2016
	£	£
Equities	73	72
Debt instruments	12	16
Property	10	12
Cash	5	-
 Total market value of assets	 100	 100
	=====	=====

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017	2016
	£	£
Current service cost	(33,000)	(41,000)
Interest on obligation	(26,000)	(27,000)
Expected return on scheme assets	18,000	23,000
 Total	 (41,000)	 (45,000)
	=====	=====

Movements in the present value of the defined benefit obligation were as follows:

	2017	2016
	£	£
Opening defined benefit obligation	703,000	782,000
Current service cost	33,000	41,000
Interest cost	26,000	27,000
Contributions by scheme participants	11,000	10,000
Actuarial losses/(gains)	354,000	(149,000)
Other experience	-	(8,000)
 Closing defined benefit obligation	 1,127,000	 703,000
	=====	=====

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20. PENSION COMMITMENTS (continued)

Changes in the fair value of scheme assets were as follows:

	2017 £	2016 £
Opening fair value of scheme assets	475,000	426,000
Interest income	18,000	15,000
Actuarial gains and (losses)	97,000	(4,000)
Contributions by employer	30,000	28,000
Contributions by scheme participants	11,000	10,000
	631,000	475,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £30,000 gain (2016 - £67,000 loss).

The company expects to contribute £30,000 to its Defined benefit pension scheme in 2018.

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2017 £	2016 £
Defined benefit obligation	(1,127,000)	(703,000)
Scheme assets	631,000	475,000
Deficit	(496,000)	(228,000)
Experience adjustments on scheme liabilities	(354,000)	149,000
Experience adjustments on scheme assets	97,000	(4,000)

21. OPERATING LEASE COMMITMENTS

At 31 March 2017 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	11,340	11,340

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22. RELATED PARTY TRANSACTIONS

Expenses of £2,370 (2016 - £785) were paid to 7 Trustees of SLIC to cover the costs of travel and accommodation for the company's business during the year.

In addition, expenses of £2,089 (2016 - £1,358) were paid for members of the management committee and working groups to meet for company business.

During the year no Trustee received remuneration from the charity.

23. FIRST TIME ADOPTION OF FRS 102

It is the first year that the has presented its financial statements under SORP 2015 and FRS 102. The last financial statements prepared under previous UK GAAP were for the year ended 31 March 2016 and the date of transition to FRS 102 and SORP 2015 was therefore 1 April 2015. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the company's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.