

Company registration number: 05577905

Charity registration number: 11114386

# The Leeds Library

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2016

Farrar Smith  
2 Woodside Mews  
Clayton Wood Close  
Leeds  
West Yorkshire  
LS16 6QE

# The Leeds Library

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**The Leeds Library**  
**Reference and Administrative Details**

**Principal Office**

18 Commercial Street  
Leeds  
West Yorkshire  
LS1 6AL

**Company Registration Number**

05577905

**Charity Registration Number**

1114386

**Directors and Trustees**

The directors of the charitable company (the charity) are its trustees for the purpose of charity law.  
The trustees and officers serving during the year and since the year end were as follows:

**Leeds Library Trustees and Directors**

Dr M Staniforth,BA,MA,PhD (Chairman)  
Miss E Adams,BSc  
Prof JW Bryant,BSc,BA,MA,Phd,FIMA (resigned 25/6/16)  
Mr B Buchan  
Mr RW Hainsworth  
Mr C Holmes (Treasurer)  
Mr D Jackson (resigned 25/6/16)  
Mr J Alan Longbottom (resigned 25/6/16)  
Mr MJ Meadowcroft,Hon Ald,MPhil  
Mrs E Minkin,Hon Ald,Hon.FRIBA.,BA  
Dr D Nash (resigned 25/6/16)  
Mrs MM Ness,BA  
Dr S Rawnsley,BA,MA,PhD,FRSA  
Mr MJ Rayner,MA (resigned 25/6/16)  
Mr PN Reed,MCLIP,ALCM,MILT (resigned 25/6/16)  
Mrs M Temple  
Mr PA Walker,ACIM (resigned 25/6/16)  
Dr Christopher Webster,FSA, FRHistS  
Mr RP Williams,BA,MA (resigned 25/6/16)  
Mrs A Winfield, BA,M.Ed (resigned 25/6/16)  
Mr M Young, BA,MA,CQSW,DMS (resigned 25/6/16)  
Ms S Ivatts (appointed 25/6/16)

**Staff**

<b>Chief Executive:</b>	Andrew Morrison	(To 08.07.16)
<b>Chief Executive:</b>	Carl Hutton	(From 26.09.16)
<b>Librarian</b>	Jane Riley	
<b>Assistant Librarians</b>	Anna Goodridge, Helen Holdsworth.	
<b>Library Assistants</b>	Aiden Thackray, Nichola Holmes	
<b>Administrator</b>	Sarah West	
<b>Finance Officer</b>	Liz Jones	
<b>IT and Communications Officer</b>	Claire Buckley	
<b>Caretaker/Cleaner</b>	Phillip Robinson	

**Auditors**

Farrar Smith  
2 Woodside Mews  
Clayton Wood Close  
Leeds  
West Yorkshire  
LS16 6QE

**Investment Advisors**

Brewin Dolphin  
34 Lisbon Street  
Leeds LS1 4LX

**Bankers**

Lloyds  
65-68 Briggate  
Leeds LS1 6LH

**Solicitors**

Wrigleys  
17-21 Cookridge Street  
Leeds LS2 3AG

# The Leeds Library

## Annual Report - Year Ended 31 December 2016

### Chair of Trustees Introduction

Over the last year the Leeds Library has continued to develop and grow. Our membership increased by an aggregate of 32 to 809 (as at 31 December 2016), equating to a total of 855 members. We acquired 1048 new books and other items, mostly on our members' recommendation but in some cases - as with our purchase of a splendid volume of David Hockney paintings - to continue our tradition of acquiring important works particularly those with a Yorkshire connection. We ran a significant events programme both for members and for the public, with the month-long *The Haunting*, in partnership with Alchemy Anew, the Ilkley Literature Festival and the Leeds Film Festival, being one of the highlights of the year. And we developed and strengthened our links with other organisations in the City, particularly the Thoresby Society, whose collection is now well embedded in the Library and whose members are increasingly making use of the building, and Mill Hill Chapel with which we have an historic connection through Joseph Priestley.

All of this work has contributed to raising the profile of the Library within the city's cultural, academic and business community. Importantly it has also contributed to opening the Library to new audiences who were not previously aware of either our building or our collection. This has been reinforced by the decision to open the Library to the public on Thursday evenings, a move which has attracted many visitors who have had the opportunity for the first time to look round a building which is a key part of the City's heritage.

As well as acquiring books the Library also has an active programme of book cleaning, conservation and repair. Our bookbinders, The Castle Bindery, led by Brian Cole, continue to rebind our ageing books to the highest standard and clearly have many years work ahead of them to restore all our works - indeed I suspect that, rather like painting the Forth Bridge, it is an endless process! We are also grateful to the volunteers who help with this work, particularly from the Leeds Decorative and Fine Arts Society (LDFAS).

The year also saw two significant changes to the way the Library is organised and managed. First, we said goodbye to Andrew Morrison who moved to a new job with the National Trust and welcomed Carl Hutton as our new Chief Executive. Carl joined us from English Heritage and has quickly got his feet under the table and started to drive the organisation forward. Second, the Annual General Meeting approved changes to our constitution which have slimmed down the trustee body and put limits on the length of time trustees can serve. As a result several trustees have stood down and I want to place on record my thanks to them for all their work for the Library.

Finally it may be a truism to say that our staff are our greatest asset but it is nonetheless very much the case for the Library. Our staff's knowledge of our collections, their willingness to go the extra mile, and their commitment to the Library and its members make the Leeds Library what it is. My thanks go to them, to our many excellent volunteers, and to my fellow trustees whose support and advice I have greatly valued.

**Martin Staniforth**  
**Chair of Trustees**

## **The Leeds Library**

### **Annual Report - Year Ended 31 December 2016**

#### **Chief Executive's Welcome**

Having joined the Library towards the end of 2016 I would first like to acknowledge the work and contribution of my predecessor Andrew Morrison for the energy and enthusiasm he brought to the Library. During his tenure in post, Andrew drove through a number of changes and instilled a can-do attitude that I hope is continued over the coming months and years. We wish him all the best for the future.

Since starting in post the main focus of my work has been to get to know the staff, trustees, volunteers and members of the Library and to gain appreciation of our building, collections and heritage. So far it has been a very enjoyable experience and I have been left with a sense of wonder at the amazing resource that the Library offers to members and the deep sense of purpose that the trustees, members of the various committees, volunteers and staff team show for the Library.

The year as a whole saw a number of projects and partnerships developed within the Library, most notably being the Haunting project that was delivered with Alchemy Anew and which enabled us to develop strong links with a number of cultural institutions including the Ilkley Literature Festival, Leeds International Film Festival and Mill Hill Chapel. Highlights of the programme included a spoken word performance by Simon Armitage in the Library and an evening event at The Kings Hall in Ilkley as part of the Ilkley Literature Festival.

The membership of the Library continued to grow with 809 family, student and individual memberships at the end of the year, an increase of 32 from the previous year. I hope and expect that through investment in our collections and facilities, the presentation of a broad range of events and an ongoing respect for the heritage and tradition of the institution, the number of members will continue to grow over the coming years.

Much discussion and time was invested in the development of a vision for the Library that will take us through the next 5 years. The suggestions of everyone who contributed to this process which was ongoing for a number of months was appreciated. This vision will now define how we will take forward the Library and help inform decisions to ensure that we go from strength to strength as an institution, not least ensuring that the plans for our 250<sup>th</sup> Anniversary in 2018 provide a showcase of all that is positive about the Library, its heritage and its work.

Finally on behalf of all of the team I would like to thank all of the members for their continued support of the Library and helping ensure that it continues to be a cultural gem of Leeds.

**Carl Hutton**  
**Chief Executive**

# **The Leeds Library**

## **Annual Report - Year Ended 31 December 2016**

The trustees present their report and the accounts for the year ended 31 December 2016. The financial statements have been prepared in accordance with the Companies Act 2006, the Statement of Recommended Practice: Accounting and Reporting by Charities and applicable accounting standards.

### **Objectives and Activities**

#### **Purposes of the charity as set out in its governing document**

The principal activities of The Leeds Library and the Charity's objectives are: -

- The advancement of education, the diffusion of knowledge and the provision of suitable literature for persons particularly but not exclusively within the city of Leeds and the surrounding area by establishing and maintaining a library to promote the study and knowledge of literature and all artistic and scientific subjects and by providing library facilities and research facilities;
- To preserve for the benefit of the public the listed building known as Nos. 16 to 20 Commercial Street, Leeds LS1 6AL being a place of historical and architectural interest, value and beauty.

#### **Strategic aims**

The trustees' strategic aims sit within the Library's Vision that:

The Leeds Library will be a thriving, individual library and much-loved cultural institution of Leeds, which is an inspiring and valued home and resource for lovers of books, writing and creativity.

The Leeds Library's Strategic Mission has been agreed by the trustees, staff and other stakeholders. It is:

To be a home for lovers of books, writing and creativity, the Library's mission can be encapsulated within two areas: Supporting our Foundations, and Raising Our Roof. One area is more inward-facing, the other chiefly external. Key elements of both criteria are as follows:

#### **Supporting our Foundations**

- Take care of our unique building
- Conserve and develop our collection of books, journals and magazines
- Improve our financial and corporate sustainability
- Improve the access to and availability of, our heritage and collections
- Increase proactive management, as opposed to reactive management

#### **Raising the Roof**

- Establish a distinctive profile with our peers and future champions
- Make membership desirable and enjoyable
- Celebrate the heritage of our unique cultural institution and our collections
- Develop partnerships that serve the Library's strategy

- Targeted events and outreach that reach new audiences
- Develop a reputation for research, publications and new technology

It has been agreed by trustees that the key factors informing and underpinning the current and future work and ambition of The Leeds Library are as follows: -

- Financial and corporate sustainability
- Member engagement
- Building management and maintenance
- Partnership development and cultural positioning
- Celebrating our past and inspiring our future

Each of these factors have a number of priority actions that have been developed as an annual action plan for the Library which is overseen by the Board of Trustees.

### **Activities of Public Benefit**

As a charity, the Library is obliged to demonstrate how its work benefits the public as a resource available for the people of Leeds as well as its members. This is a responsibility that the trustees are mindful of and keen to ensure is fulfilled. Throughout the year a number of initiatives were developed to increase the public benefit for the Library including the delivery of regular library tours across the year and the opening of the Library to non-members on Thursday evenings.

A variety of creative projects took place in the Library, all of which engaged non-members with the work of the Library. These included a number of activities as part of the Haunting Project such as guided tours of the exhibition accompanying the project and several paranormal investigations, a number of book readings with partners including the Big Bookend Festival and Milim Jewish Writing Festival as well as creative writing workshops organised in partnership with Leeds Beckett University.

In November the trustees also made a commitment to opening the Library on Thursday evenings to non-members. This proved popular in the run up to Christmas with an average of 22 people each evening visiting the Library across the course of a six week period. The Trustees have renewed the commitment to maintain access to the Library on Thursday evening to non-members into 2017. Alongside the tours of the building also given for non-members this saw a total of 380 members of the public visit the library outside of the events programme during the year.

Across the course of the year a total of 2493 people attended some 94 Library events, projects and initiatives. In addition, the use of social media promoted the work of the Library through Facebook and Twitter accounts, both of which grew the number of supporters to the Library significantly. The Library website had 25,053 hits, our Twitter account has 1539 Followers and our Facebook site a further 784 Followers.

Finally the presentation of the Word of the Day outside the entrance to the Library continued to bring enjoyment to visitors to the city centre and showed how sometimes the simplest of ideas can have the broadest and most positive impact in raising the awareness of the Library and extending the positive impression that the Library now has in terms of developing its connection with the people of Leeds.

## **Achievements and Performance**

### **The Building**

Incremental work took place throughout the year in the building. This included a new kitchen area, the installation of blinds above the New Room and investment in a number of items including projector screens, lights, PA systems and projectors to improve the presentation of events in the New Room.

Towards the end of the year exploratory work was undertaken on the basement within the Library in preparation for the installation of an air conditioning system in 2017 that will enable members to access freely a significantly larger section of our collections.

A management and maintenance survey was also commissioned with the aim of identifying all key building and maintenance issues over the next five years so as to help inform future plans for the Library.

### **The Thoresby Society**

Following significant discussions in the previous year, the partnership arrangements with the Thoresby Society were formalised in May 2016. Work undertaken during the year included the cataloguing of books and maps and the integration of the card index and furniture of the society within the Library interior.

Ongoing discussions with the Thoresby Society ensured that what could have been a tricky and complicated merging of the catalogues and items of two key institutions went as smoothly as could be expected. The hosting of a number of Thoresby Society events in the second half of the year further cemented a positive working relationship between both organisations which it is hoped will be continued into 2017 and beyond.

### **Events and Projects**

The Library continued to develop a varied events programme through a mix of talks, lectures, performances and presentations. During the year the Library played host to a range of events both programmed by the Library and through partnerships with various external organisations including the Creative Writing Department of Leeds Beckett University, the Independent Libraries Association, Milim Jewish Literature Festival, Library Fest organised by Leeds City Council and Alchemy Anew.

Key events during the year included the film premiere of "Netherby Naps" produced by Peter Van Deusen and Leah Miller about a playwright's struggle to complete a play and "The Spaces in Between" by artist Carla Moss. It was good to see the Library being used to support the skills, talents and creativity of Peter and Carla as they are both members of the Library.

A day of discussion on the Fabulous World of Book Illustration entitled "What's the Point" in partnership with the Independent Libraries Association saw a number of fellow libraries including the Portico in Manchester, Highgate Institute in London and The Gladstone Library in North Wales visit us. As an association that brings together a number of likeminded independent libraries, the support of an ILA event was an important statement to make and a valuable exercise in partnership development for all.

The highlight of the year was "The Haunting: Ghosts of Every Shade", a thrilling, chilling, reflective and fascinating probing of ghosts and haunting through poetry, performance, visual arts, dance, vocals, film and sound installations over a four week period in October and November. Partly funded by the Arts Council and with support from the Ilkley Literature Festival, Leeds International Film Festival and Mill Hill Chapel the programme of events saw artists and writers including Simon Armitage, Imtiaz Dharker, Mark Pajak, Rommi Smith, Jonnie Khan and Joe Williams amongst many others perform new commissions and related work within the confines of the Library and at a number of other prestigious venues.

The project was made possible through the creative commitment of Nima Poovaya-Smith, Director of Alchemy and Leeds Library member, working with old and new members of the Library team over an extended period to make the project happen. The project introduced a number of new visitors to the Library, including creative

artists and performers, and raised the profile of the Library locally, regionally and nationally, ensuring that what was at times a complicated and intense project was a success. As such, special thanks go to all of the people who made the project a reality.

### **Book Conservation**

The Library continued its commitment to the preserving and conserving of its collections throughout the year. Brian Cole, the Director of the Castle Bindery, worked with the Library team to ensure 148 books from the Library's core collection were conserved.

Some of the key gems restored during the year included: The Complete Works of Martin Luther – 7vols (1554); Biographies Britannica, 6 vols. (1747-1763); The Vindication of the Rights of Women by Mary Wollstonecraft (1796); The History of the Council of Trent by Polano (1676) and Theaktraun Botanicum by John Parkinson (1640).

Recognising the uniqueness of the collection within the Library, the trustees invested in an evaluation of the core collection of the Library to identify other key items and to inform the future conservation priorities for the Library.

When not preserving books within the core collection, part of Brian Cole's time was invested in training a couple of apprentices in the art of book-binding and also leading a visit from the Book Binding Association to introduce them to the work of the Library.

### **Collection Development**

A key milestone for the Library during the year was the approval of a collections development policy for the institution to aid decisions on priorities for the Library in terms of the books, journals, magazines, and audio-visual elements of our collection. Supplementing the requests from members for items, the development of the policy helped inform the decision to purchase "The Bigger Book" by David Hockney which is expected to be a future gem of the Library.

Overall across the course of the year the Library purchased 529 fiction and 401 non-fiction titles for members. Two historical collection books and 116 media items were also purchased during the year.

Alongside the purchasing of new titles the Library also agreed to accept two key collections. These were the ABC collection from Alchemy Anew, a collection focused around South East Asian Arts and Culture, and The Leon and Nina Collins Collection, a large scale collection of Judaica. We are grateful to both donors for their generosity in donating their collections to the Library.

### **Counter Service**

The trustees continued their commitment to making sure that one of the Library's core strengths is the quality of service to members, making the collection as accessible as possible.

To assist with meeting this commitment, the Library upgraded the Library lending software to Heritage Cirqa. This decision was made to upgrade the system in order to improve the reliability in terms of access of our collection for members. We hope that this investment, together with the development of a new website, will vastly improve the experience of both members and the public wishing to consult the Library catalogue over the internet and improve the efficiency of the team in meeting the requests received for titles.

Across the course of the year the Library team enacted 36,929 transactions across the counter, 16,397 titles were issued for members and 16,214 items were returned.

Alongside the work on the counter the Library team also continued with a broad range of work cataloguing, tagging and archiving the collection. This programme of work will be underpinned through the development of a Library Management Strategy to be implemented in 2017.

## **Staffing**

The year was a period of transition with the Library saying goodbye to one Chief Executive and welcoming a new one. It is to the credit of the Library team, volunteers and trustees that this period of change passed with minimal fuss or crisis. Throughout the year time was spent with a number of stakeholder groups on developing the strategic vision for the Library for the next five years. The input from the staff team in moulding the shape of this vision, aligned to the introduction of a staff appraisal system and the focusing of work around an annual programme of objectives, is expected to assist with a focused approach to managing an increasing range of priorities and tasks within the Library with the 250<sup>th</sup> anniversary programme on the horizon.

As always the work of the Library was enhanced by the contributions of the team of volunteers assisting with the management and care of the Library collection and archives. Over the coming years our renewed commitment to volunteering within the Library will see a programme of training, supervision and engagement with the volunteer team to enhance their engagement with the Library and increase the benefit that members receive from their commitment and passion for the institution.

Complementing the work of the staff team have been a number of contractors and partners including Braithwaite and Jackson (architects); Alchemy (Arts Management); Chris Holmes – Direction (Accounts); and Castle Bindery (Book Binding).

## **Financial Review**

A positive, break-even budget and continued good financial control, particularly with the regular Library operations, allowed the first six months of the year to continue as planned. These conditions were also helpful in allowing the change of Chief Executive to proceed without concern over the finances and allowed more concentration on the practical operation of the Library for the new CEO. The changeover also put a hold on some of the larger projects until the revised Trustee body and the new CEO were able to consider objectives and the program of capital funded projects.

The Haunting event involved considerable financial management and detailed transaction recording for the project. This enabled feedback reporting to the Arts Council, from whom a grant of £54k was received during 2016 as matched funding for the month-long event.

The normal operating budget outcome for the 2016 year was a surplus of £10k, partly due to the additional income from the new arrangement and integration of the Thoresby Society and reduced payroll costs during the CEO vacancy and handover.

The final £10k of the donation from the Bramall Foundation, for which we continue to be most grateful, was released during 2016. This was used to further the plans for the entrance foyer and apply for the required approval to allow the project to be carefully considered and discussed.

The Basement project, assumed complete during 2015, required further investment to make the air quality and flow safe for people to work in the area and for books to be stored. The £16,619 recorded in the Income and Expenditure account covers the repair cost element of the air conditioning project in the basement which will be completed during 2017. The inclusion of this non-recurring cost produces a deficit on the Income and Expenditure account of £6,321.

The regular operating expenses are covered by the income, whereas project and capital expenditure required additional finance. £30k was generated from the sale of investments during June and July for this purpose. The project expenditure during the year include £10k for the entrance foyer project and the balance of Arts Council matched funding for the Haunting event.

The investments benefited from very positive market conditions through 2016. This generated a combination of realised and unrealised gains which total £ 72,299. This helps to recover the £30k unrealised loss from the market decline later in 2015.

The overall result for 2016 is a surplus of £65,978.

### **Reserves Policy**

The policy of the Trustees is to maintain an appropriate level of free reserves in order that due regard can be given to the contingencies surrounding the Library's operation and, in particular, to the reduction in rental from one or both of the ground floor retail units. Free reserves represent funds which are not restricted for any particular purpose and not tied in property or other operational fixed assets. Free reserves as at 31 December 2016 were £629,046 (2015 - £598,025).

### **Income and Expenditure**

The trustees' strategic priority was to balance the Library's income and expenditure for the year ending 31<sup>st</sup> December 2016. The Library's income for 2016 was derived from four principal sources: commercial rents from the two retail properties at 16/17 and 19/20 Commercial Street and the incorporation of the Thoresby Society with a new licence agreement; subscriptions from members; grants and donations and the increased activities on the events, sale of books and Library merchandise. The large grant from the Arts Council was £54,000 towards the Haunting project. The sale of surplus stock, donations, merchandise and event income amounted to £7,963. The Library will continue to develop and expand the events programme and fund raising activities into the coming year. The trustees have expended these incoming funds in delivering the aims and objectives of the Library. The team of 9 permanent employed staff assisted the trustees in managing the Library during the change-over to the newly appointed Chief Executive. Significant conservation and repair work continued to be commissioned for the historic book stock. The modern book stock was updated in accordance with members' recommendations. Contractual commitments for the protection and surveying of the historic assets and stock were continued.

### **Investment strategy and performance**

The trustees' investment strategy is to obtain a balance between capital growth and investment return and this is reviewed biannually with help from the professional investment advisors. The Library's surplus funds are currently held in a portfolio of individual stocks covering UK and global equities in various sectors as well as unit trust and bond investments. The Treasury stocks of £20,000 formed part of the disposal activities during 2016. The trustees may utilise the invested funds for approved projects, following a strategy for disposal devised with the professional investment advisor. The Library does not hold any cash on deposit at this time. The investments generated income of £22,836 for 2016. The value of the Library's investments at 31 December 2016 were £629,046 (2015 - £598,025).

### **Structure, Governance and Management**

The Leeds Library is a registered company limited by guarantee (number 5577905) incorporated on 29 September 2005. The limited company became a registered charity (number 1114386) on 26 May 2007. This charity began operations on 1 July 2008 following receipt of a gift from the Proprietors of the Leeds Library (founded 1768) of all the assets and liabilities of that Library. The Library is governed by the Memorandum and Articles of Association of the company dated 29 September 2005 (with amendments to the Articles dated 20 March 2007 and 25 June 2015). The operation of the Library is governed by Rules adopted on 14 May 2008 and amended on 25 June 2010. These may be amended by the Members of the Charity at a General Meeting.

The Members of the Charity are those persons who have subscribed to the Memorandum of Association and such other persons or organizations as are admitted to membership in accordance with the rules made under the Articles of Association. At the annual general meeting on 21 May 2008 it was agreed that all Members of the old Library (both proprietary and associate) would be admitted Members of the Charity.

The Articles provide for the election from the Members of the Charity of a maximum of twelve trustees including the Hon. Treasurer. At the end of each year, one third of the non-Treasurer trustees retire. Each of the non-Treasurer trustees is eligible to serve for two consecutive three-year periods before having to stand down for a

year, following which they may serve for a single further three-year term. The Treasurer is eligible to serve for three consecutive three-year terms. Members of the Charity may also appoint a President, Vice-Presidents and Patrons (who may not be trustees).

The trustees may appoint sub-committees consisting of at least two trustees for the purpose of making any enquiry or supervising or performing a function or duty. There are currently six Sub-Committees: Books Committee, House Committee, Outreach and Development Committee, Staffing Committee, Research Committee and a 250<sup>th</sup> Anniversary Committee

Following the decision to support an Ordinary Resolution to amend the composition of the Board of Trustees, all existing trustees were required to resign at the Library's annual general meeting on 25<sup>th</sup> June 2016. An election took place using a single transferable vote (STV) system using the rules set out by the Electoral Reform Society (ERS97). Each primary member received a vote which could be cast either via a paper ballot or electronically. Fifteen candidates stood for eleven places. The successfully elected trustees were: Bruce Buchan, Chris Webster, Elizabeth Minkin, Ellen Adams, Martin Staniforth, Mary Ness, Michael Meadowcroft, Mollie Temple, Richard Hainsworth, Simone Ivatts and Stuart Rawnsley. In addition Chris Holmes was elected as Treasurer.

The trustees choose from their own number a Chair and Vice-Chair and appointed Martin Staniforth as Chair and Stuart Rawnsley as Vice-Chair.

All new trustees are given an induction manual covering the duties and responsibilities of trustees, all aspects of the Library's governance and management procedures and relevant documents of record (including the minutes of meetings for the past year and relevant policy and strategy papers). Introductory meetings are held with key members of staff and support is available from the Chair, Treasurer and other trustees.

To ensure that the Board of Trustees reflects the Charity's membership and is fit for purpose, the board regularly seeks potential new trustees from amongst the membership. The work of the trustees is advertised within the library's newsletter which also carries notices for interested members to come forward to discuss the work and responsibilities of the trustees. Members with specialist expertise are co-opted onto the trustee sub-committees which also allows the members to become acquainted with the trustees and their work.

The trustees are responsible for the long-term well-being and effectiveness of the Library and make decisions on the application of its resources, the safeguarding of assets and the determination of strategies and policies in keeping with the founding aims. The day-to-day management of the Library is delegated to the Chief Executive who is appointed by the trustees and takes decisions on such matters as the appointment of relevant staff, the admission and regulation of members, the acquisition of books and other library materials and the financial management of the Library within budgets approved by the trustees.

The trustees have overall responsibility for ensuring that the Library has appropriate procedures in place to mitigate risks related to strategy, operations, finance or legal compliance. The Library's current procedures include:

- A formal process for review, recording and management of risks
- An on-going strategic plan and annual budgets against which actual results are reviewed throughout the year;
- Agreed terms of reference for committees and management; and
- Internal controls and policies.

The Charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Charity's policies approved by the Board of Trustees, which provide written principles on the use of financial derivatives to manage these risks. The Charity does not use derivative financial instruments for speculative purposes.

When planning the activities for the year, the trustees have regard to the Charity Commission's guidance on public benefit.

### **Auditors**

A resolution to re-appoint auditors Farrar Smith will be proposed at the Annual General Meeting.

### **Audit enquires**

As far as the trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware. Each of the trustees have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of the information.

The annual report was approved by the trustees of the Charity on 19th June 2017 and signed on their behalf by:

M Staniforth

Chair of Trustees

## **The Leeds Library**

### **Statement of Trustees' Responsibilities for the Year Ended 31 December 2016**

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

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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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. 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.

Approved by the trustees of the Charity on 19th June 2017 and signed on their behalf by:

M Staniforth

Chair of Trustees

## **The Leeds Library**

### **Independent Auditors' Report to the Members of The Leeds Library**

We have audited the financial statements of The Leeds Library, for the year ended 31 December 2016, which comprise the Statement of Financial Activities, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)).

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 13), 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. 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 (APB'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 charitable 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 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.

#### **Opinion on the 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 December 2016 and of its results 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.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.

.....  
Julie M Konczyk ACA FCCA  
(Senior Statutory Auditor)  
For and on behalf of Farrar Smith, Statutory Auditor

Farrar Smith – Chartered Accountants and Registered Auditors  
2 Woodside Mews  
Clayton Wood Close  
Leeds  
West Yorkshire  
LS16 6QE

Date: 19<sup>th</sup> June 2017

# The Leeds Library

## Notes to the Financial Statements for the Year Ended 31 December 2016

### 1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £Nil towards the assets of the charity in the event of liquidation.

### 2 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Statement of compliance

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. The accounts last year were prepared using applicable accounting standards and Financial Reporting Standard for Smaller Entities (effective January 2015).

#### Basis of preparation

The Leeds Library, 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 notes.

#### Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

#### Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

#### Income and endowments

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

#### Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

## **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

## **Raising funds**

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Unrestricted funds are incoming resources received or generated without further specific purpose. They are available for use at the discretion of the Trustees in furtherance of the objectives of the charity and which have not been designated for other purposes. Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

## **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

## **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and Trustee's meetings and reimbursed expenses.

## **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## **Heritage assets**

Heritage assets are shown at donated cost. The donated cost was ascertained by obtaining suitable evidence for a reliable valuation at the date of the donation. The property, fixtures and fittings and books are considered to be heritage assets as they are of historical, artistic or scientific importance and are held to advance the preservation and conservation objectives of the charity. No depreciation is provided in respect of freehold property. This is a departure from the requirements of the Companies Act 2006, which requires all properties to be depreciated. Such properties are not held for consumption but for investments and the trustees consider that to depreciate would not give a true and fair view. Depreciation is one of the many factors reflected in the annual valuation of properties and accordingly the amount of depreciation which might otherwise have been charges cannot be separately identified or quantified. The Trustees consider that this policy results in the accounts giving a true and fair view.

## **Tangible fixed assets**

Individual fixed assets costing £250 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

## **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Office equipment	20% straight line
Computer equipment	33% straight line

**Fixed asset investments**

Fixed asset investments are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

**Stock**

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

**Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

**Rental income**

Rents received under operating leases are credited to the profit and loss account on a receipts basis as there is no benefit of the income received if there is a rent free period.

**Books**

In order to avoid excessive professional valuation fees, books donated to the library are only included as voluntary income and heritage assets where their value is determined to be in excess of £5,000 (either individually or as a collection). Books purchased in the year are expensed as they are determined to have a low value and a short economic life.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.