

Company registration number: 05577905

Charity registration number: 1114386

The Leeds Library

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2021

The Leeds Library

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The Leeds Library

Reference and Administrative Details

President	Kevin Grady
Chair	Martin Staniforth
Trustees	Bruce Buchan (retired 26 June 2021) Janet Dominey (appointed 10 November 2021) Andy Graham (appointed 10 November 2021) Florence Hoy (appointed 7 February 2022) Alexandra Hutchinson (resigned 26 July 2021) Simone Ivatts Paul Maclean (appointed 26 June 2021, resigned 13 December 2021) Elizabeth Minkin Stuart Rawnsley (resigned 1 March 2021) Ruth Robbins Christine Stead Patricia Urry (appointed 26 June 2021) Philip Walker Alan Wallace (resigned 3 August 2021) Christopher Webster (retired 26 June 2021) Lily Wong (appointed 26 June 2021)
Treasurer	Robert Kilner
Staff	Carl Hutton, Chief Executive Jane Riley, Librarian Anna Goodridge, Assistant Librarian Helen Holdsworth, Assistant Librarian Aimee-Jo Holdsworth, Library Assistant Aiden Thackray, Library Assistant Sarah West, Administrator Finnian Davies, Online Library Assistant Molly Magrath, Projects Assistant Claire O'Brien, Membership Administrator Jack Simpkins, Digital Media Assistant Thomas Walsh, Caretaker

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
Solicitors	Wrigleys 17-21 Cookridge Street Leeds LS2 3AG
Investment Advisors	Brewin Dolphin 10 Wellington Place Leeds LS1 4AN
Accountants	Brown Butler Chartered Accountants Leigh House 28-32 St Paul's Street Leeds LS1 2JT
Bankers	Lloyds 65-66 Briggate Leeds West Yorkshire LS1 6LH
Auditor	Murray Harcourt Limited Chartered Accountants and Registered Auditors 6 Queen Street Leeds LS1 2TW

Chair of Trustees Introduction

2021 was, to use a cliché, a year of two halves, the first dominated by Covid-19, the second by the project to purchase 15 Commercial Street.

As the year opened the Library, like the rest of the country, closed in response to the continuing spread of Covid-19. We shut our doors on 5 January and did not reopen them until 12 April, and then only with very limited hours and a range of restrictions on the way in which the Library operated. We gradually eased these restrictions in line with Government guidelines, returning to near normal arrangements from mid-July. For all its negatives the lockdown did have some benefits, one of which was the opportunity to lay new flooring in a style more in keeping with the Library building. Together with new furniture and improved lighting the Library now looks better than it has for many years.

The reopening of the Library coincided with the rare opportunity to acquire more space when the next-door building, 15 Commercial Street, was put on the market. Trustees quickly saw the benefits of purchasing the building – additional space to house our collection, more room to run events and reach diverse communities, better access and facilities for members and visitors with disabilities - and made an offer to buy it. After lengthy negotiations our offer was accepted and on 17 December we exchanged contracts with the vendors. The purchase of the building would not have been possible without the support, encouragement and enthusiasm of many. I am grateful to the Ecology Building Society and the Architectural Heritage Fund for the financial support they have provided, trustees for their continuing commitment to the project, and members for their enthusiasm for the development and their willingness to provide financial support for the purchase if needed. Of course buying the building is only the first step to bringing it to life and over the coming months we will be working to make the building suitable for our purposes and to integrate it with our existing building. The result will, I believe, be a Library fit for the twenty-first century and beyond.

The report details the many significant achievements of the past year. However I should also draw attention to the appointment of Barbara Taylor Bradford OBE as a Library Patron, a fitting honour for a doyenne of Leeds writing who remains fiercely loyal to her native city.

Finally my thanks as always go to the Library staff for all their hard work over the last year, to our President and my fellow trustees for their continued support and commitment, and to our members for their loyalty to the Library.

Simone Ivatts
Vice-Chair

The Leeds Library

Annual Report for the Year Ended 31 December 2021

Chief Executive's Welcome

At the beginning of 2021 not many people, including myself, would have predicted the year of challenges and achievements that the Library would face over the next 12 months. It started with the Library opening for one day before entering a lockdown that lasted through to April. But during this time the Library was not idle.

In March we were a key part of an online Leeds Lit Fest which was well supported by online audiences. The festival was then quickly followed by the challenge of having new flooring installed throughout the Library so as to remove the linoleum flooring that had blighted the aesthetics of the Library for too long. With the proposal to consider replacing the flooring only being discussed after lockdown started, it was to the credit of the trustees and staff that by the end of March the flooring had been fully replaced.

At the time of the flooring work being completed it was assumed by all of us that the Library would go through a period of consolidation with no further significant projects to be undertaken for the rest of the year due to the uncertainty of the pandemic. This assumption had not factored in the scenario of 15 Commercial Street becoming vacant and the owners being willing to sell the property. From May until the exchange of contracts in mid-December was a long period of uncertainty as to whether our attempt to buy 15 Commercial Street would be successful as negotiations went back and forth. The successful conclusion of those negotiations gives us the opportunity to open the Library up as never before and is a tribute to trustees' commitment to what will be the most significant development at the Library in over 140 years

Besides these two major projects, the Library hosted the Independent Libraries Association (ILA) conference for two days in September and forged new links with many ILA member libraries from across the UK. We were once again part of Leeds Light Night and in the Autumn started to bring events back to the Library as the Covid-19 measures began to ease. The Library launched its podcast series, continued to extend its online offer and managed to review and implement membership categories that adjusted to the new expectations of the Library created by the pandemic.

However, in a year dominated by two major projects, the greatest achievement of the year in my view was the fact that from the time the Library reopened in April until the end of the year we remained open for our members each and every day. With a number of staff part furloughed for a significant proportion of the year, and working in bubbles to ensure that several staff would not need to self isolate at any one time, keeping the Library open throughout the year was never straightforward and never taken for granted by anyone.

On behalf of the staff team I would first of all like to thank the Trustees and members of the Library for their continued support. I would also like to thank everyone who worked for the Library during 2021 for their commitment, resolve and understanding in difficult circumstances for everybody.

Carl Hutton
Chief Executive

The Leeds Library

Trustees' Report for the Year Ended 31 December 2021

The trustees of the charity, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2021.

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.

Aims and Objectives

The principal activity 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.

The trustees' strategic aims for the Library can be summarised as:

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,
- Develop a reputation for research, publications and new technology.

These aims, which are currently under review for the next five-year period, provide the framework within which the Library develops its annual plans and measures its performance.

Public benefit

The trustees confirm that, in delivering against their strategic aims, they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

While the restrictions imposed by Covid-19 limited the ability of the Library to open its doors to members of the public during the first half of 2021 we have welcomed visitors to the Library throughout the autumn and winter. As well as informal visits we have run a range of events including poetry readings, writing workshops, talks, theatre performances and film shows, which were open to members and non-members. We also participated in the annual Heritage Open Days, in partnership with the Thoresby Society, and the annual Leeds Light Night festival.

The Leeds Library

Trustees' Report for the Year Ended 31 December 2021

More significantly we substantially expanded our online offering to bring the Library and its work to the wider community of the city. In March we launched the third Leeds Lit Fest as an online programme of events, working in partnership with Hyde Park Book Club, Leeds Big Bookend, The Carriageworks, Leeds Libraries, Milim CIC, Headingley Lit Festival, Strix Magazine, Leeds Church Institute and Chapel FM. With the country in lockdown, the festival had 25 online events that attracted audiences from as far afield as the US and New Zealand. Two of the highlights of the festival were a theatre performance by 'Don't Go Down to the Cellar Theatre Company' and an accompanied silent movie screening featuring pianist Jonny Best, both of which were filmed live from the New Room of the Library. We also held a number of online events during the year that were open to all. Finally December saw the launch of our virtual Library tour, a 360-degree walk through the Library illustrated by information about its history and images from its archives and collections. This brings the Library vividly to life for people throughout the country and across the world.

We also continued to make good use of social media to advertise the Library and its events. By the end of the year the Library had over 4,500 followers on Twitter where we post content several times a day on a broad range of subjects including on the heritage story of the Library with the aim of engaging people in our collections and literary focus, taking advantage of the site's popularity to reach a diverse international audience. We also had some 2,500 followers on Facebook which we use to provide updates on the day-to-day work of the Library. During the year we expanded our social media offer to Instagram, where we already have over 800 followers, using our account to showcase our history with images of our collections, heritage spaces and story.

September 2021 saw the launch of the Library's podcast 'Tales from the Leeds Library'. The first series of 12 episodes is available free of charge on the Library website, Spotify, Amazon Music, Apple Music, Google Music and Podbean. The podcasts are produced and presented by two young members of the staff team appointed through the Government's Kickstart employment initiative, and focus on aspects of the Library and its history (like our resident ghost) which may be unknown to the majority of people. With the aim of engaging new audiences in the work of the Library, the podcast has a global reach with people from as far afield as New Zealand, the US and South East Asia downloading episodes.

Finally the most recent series of David Olusaga's *A House Through Time*, which looked at the history of a house in Headingley, featured the Library and brought it to the attention of a wider national audience.

Achievements

The Library Collections

Over the year we added a further 994 books and other items to the Library collections. As usual these were predominantly items requested by members. We maintained and developed our eBook collection and the popular PressReader service as well as continuing to provide access to Drama Online. We also subscribed to the Idler Academy which provides a range of online courses for members and more recently we have arranged access to JSTOR, a major digital repository of academic books and journals, for members working in the Library.

The borrowing of books has inevitably been affected by the Covid-related periods of closure or reduced access, but during the year some 12,199 books and other items were borrowed, well below the 21,000 items borrowed in 2019, the last full year before the pandemic. During the lockdown in the spring we reinstated our postal and delivery services for members, which again proved popular.

Finally we started the work of cataloguing the Library's Heritage Fiction collection, with the first 2,170 books being added to the catalogue. At the same time a further 2,151 items from the Library's historic collection were added to the online catalogue.

The Leeds Library

Trustees' Report for the Year Ended 31 December 2021

Book Conservation

The Library has always been committed to the preservation and repair of its heritage collection and this continued during the year with Brian Cole from Castle Bindery continuing his excellent work with the Library team. Over the course of the year he rebound 88 books despite the continuing difficulty of moving books between Leeds and Scarborough where the bindery is based. These included *A collection of voyages and travels, some now first printed from original manuscripts, others now first published in English: in six volumes* by Awnsham Churchill, 1744-46. In addition a further 140 books were rebound using commercial bookbinders in Leeds.

The Library Building

The major development in relation to the fabric of the Library was trustees' decision to try to purchase the adjacent building, 15 Commercial Street, when it became available. After a lengthy process of negotiation we exchanged contracts for the purchase in December. Acquiring the building represents the biggest physical development of the Library since the 1880s when the New Room was added. It will provide us with additional space to store and display our collections, a dedicated space for our diverse programme of events and activities, and better facilities and access for members and visitors with disabilities through the provision of a lift. 2022 will see much work and effort put in to converting and fitting out the new space and integrating it with the current Library building. This is a truly transformative project for the Library and will secure our future for many years to come.

While acquiring the new building was the focus of work over the second half of the year we took advantage of lockdown in the spring to have new flooring laid throughout the Library at a time when the work could be done without disturbing members. This was funded from the generous donation from Alan and Betty Longbottom. At the same time new furniture was installed, improvements were made to the lighting, and the Library was given a thorough spring-clean.

During the year we increasingly focussed on the need for the Library to be environmentally as well as financially sustainable. As a first step we signed up as a member of SAIL (Sustainable Arts in Leeds), a group of organisations and companies from the cultural and creative sectors of Leeds committed to responding to the climate crisis. We are in the process of drawing up a strategy to guide our work on reducing our carbon footprint.

Research

The Library remains committed to supporting the use of its rich collections and archive for research both by Library members and external researchers, and to working with the Thoresby Society to publicise and encourage the use of the extensive collections on Leeds and its history which they and the Library hold. While Covid restrictions limited the scope for engaging with the research community the gradual easing of lockdown restrictions saw three external researchers and four from the Library's members and staff make use of the Library's holdings for their work.

Membership

The Library had 1,043 members at the end of 2021, one fewer than in 2020. This comprised 878 memberships compared with 886 in 2020.

During the year trustees developed a new membership structure intended to reflect changing patterns of Library use, with new categories for remote members and for those wishing to use the Library building but not wanting to borrow books. We also extended our reduced rate membership to people on Universal Credit and Pension Credit as part of our commitment to make the Library more accessible.

The Leeds Library

Trustees' Report for the Year Ended 31 December 2021

While the Library was closed because of the Covid-19 lockdown we again delivered a range of online events for members including five quizzes and 11 book club meetings. These have now returned to in-person meetings at the Library. We also refreshed our members' forum to encourage greater engagement with it. Throughout the year the Library produced its bi-monthly newsletter, *Speaks Volumes*, with an increasing number of high-quality articles which were well received by members.

Staffing and volunteering

2021 saw a number of changes in the Library's staff. We said goodbye to Liz Jones, our Finance Officer, Fiona Gell, our Marketing and Communications Officer, and our caretaker/cleaners Phil and Jean Robinson. We have also welcomed a number of new staff, including Aimee-Jo Holdsworth, Library Assistant, Claire O'Brien, Membership Administrator, and Thomas Walsh, Caretaker. We also recruited three staff on short-term contracts, Finnian Davies, Online Library Assistant, Molly Magrath, Projects Assistant, and Jack Simpkins, Digital Media Assistant, two of them funded by the Government's Kickstart scheme.

Once again staff rose to the challenges presented by the lockdown in the first half of the year and the subsequent gradual lifting of restrictions until, by the autumn, the Library was functioning normally. With a number of staff partially furloughed during the first half of the year, and with the Library closed to members up until April, the team focused on the planning and delivery of the Lit Fest in March, then immediately set to work on clearing the Library collections from shelves in order to enable the new floor of the Library to be installed.

Finally we were not able to bring our volunteers back during the year because of Covid uncertainties. However we hope they will return in 2022 and we are developing a new framework for them which will give greater clarity in terms of their work and management.

Partnerships

The Library continued to develop and strengthen its partnerships with other organisations within and outside the city. As well as the work to deliver the Leeds Lit Fest detailed above we maintained our relationships with Arts@Leeds who provide support for the Library, with Candlestick Press, hosting a number of events and book launches, with Nunkie Theatre who performed M. R. James ghost stories and with Jenny Tribolet, who decorates our windows. We also strengthened our work with the Thoresby Society who now nominate a member to sit on our Books Committee, and we look to build on this in the years to come.

In September the Library hosted the annual conference of the Independent Libraries Association (ILA) of which the Library is a long-standing member. Built around the theme of 'Independent Libraries as the Great Good Place', the conference attracted 26 delegates in person and virtually, including from the United States. There were 17 papers covering a wide range of topics including discussions on the future of Independent Libraries post-pandemic, the use of online library services, and the development of cultural events to raise profile of ILA libraries. The conference was greatly enjoyed by all those who attended.

Structure, governance and management

Nature of governing document

The Leeds Library is a registered company limited by guarantee (number 05577905), incorporated on 29 September 2005. The Limited company became a registered charity (number 1114386) on 27 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 2016). The operation of the Library is governed by Rules adopted on 14 May 2008 and amended on 25 June 2010, 29 June 2019 and 26 June 2021. These may be amended by the Members of the Charity at a General Meeting.

The Leeds Library

Trustees' Report for the Year Ended 31 December 2021

The Members of the Charity are those persons who have subscribed to the Memorandum of Association and such other persons or organisations 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 as Members of the Charity.

Recruitment and appointment of trustees

The Articles provide for the election from the Members of the Charity of a maximum of twelve trustees including the Honorary 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 periods of office of normally three years 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 cannot be trustees). The following Patrons have been appointed:

Simon Armitage

Barbara Taylor Bradford

Caryl Phillips

Nima Poovaya-Smith

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 and Collections Committee, Buildings Committee, Outreach and Partnership Committee, Research Committee, Membership Committee and Resources Committee.

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 is fit for purpose and is representative of the Charity's membership, the board regularly seeks potential new trustees from amongst the membership, including advertising for trustees in the Library's members newsletter *Speaks Volumes*. Members with specialist expertise are co-opted onto the trustee sub-committees which also allows them to become acquainted with the trustees and their work.

Organisational structure

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 acquisition of books and other library materials, and the financial management of the Library within budgets approved by the trustees.

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Trustees' Report for the Year Ended 31 December 2021

Risk management

The trustees are satisfied that appropriate arrangements are in place to record, review and mitigate the major operational and financial risks to the Library. The financial position and cashflow forecasts are reviewed at each meeting of the Resources Committee and of trustees. Wider operational risks are recorded in the Library's risk register and reviewed by the Resources Committee and trustees as appropriate during the year. A detailed risk assessment of the planned purchase and development of 15 Commercial Street was produced as part of the business planning for the acquisition and will be integrated into the main risk register.

Financial Overview

Financial Performance

The trustees' aim is to balance the Library's income and expenditure on an annual basis. The Library's income is derived from four main sources: commercial rents from the two retail properties at 16/17 and 19/20 Commercial Street and the licence agreement with the Thoresby Society; subscriptions from members; grants and donations; and events, activities, and the sale of books and Library merchandise. The trustees use these resources to deliver the aims and objectives of the Library. This is achieved primarily by expenditure on conservation and repair work for the historic book stock, continuing to expand the modern book stock in accordance with member recommendations, maintaining and improving the fabric of the Library building, and supporting events and activities.

In 2021 the Library recorded a loss of £34,5540, a substantial improvement on the budgeted deficit of some £85,000. However this outturn was achieved as a result of substantial gains on investments (£63,876) which offset higher than budgeted operating losses of £98,430.

The Library's income during the year increased by some £10,000 to £479,996. Within this total there was a welcome increase in rental income – up from £168,434 to £201,150, which offset slight falls in membership income and grant income. Against that expenditure increased by some £100,000 to £578,426. This was primarily caused by trustees' decision to invest in reflooring the Library while it was closed during lockdown at a cost of some £50,000, increased costs for professional fees as a result of the unanticipated opportunity to purchase 15 Commercial Street, and an increase in staff costs through recruiting staff to fill vacancies and to provide additional support for the Library.

Finally Covid-19 continued to affect the Library's financial position. The enforced closure of the Library in the early part of the year severely affected the Library's planned events and activities programme but the loss of income from closure was offset by continuing Covid-related funding from the Government's Coronavirus Job Retention Scheme and grants from the Heritage Fund and Leeds City Council. Trustees also judged that it was appropriate to repay the Bounce Back loan the Library had accessed in 2020 before it started incurring interest charges.

Reserves Policy

The trustees have recently reviewed their reserves policy to ensure it remains appropriate and have adopted the following 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 our retail units. The Library's risk profile has increased significantly with the investment in 15 Commercial Street and we consider that the level of free reserves should be at least nine months operating costs – currently some £450,000 – incorporating those additionally required for 15 Commercial Street as the building becomes operational.

The Leeds Library

Trustees' Report for the Year Ended 31 December 2021

Free reserves contain a Building Maintenance Reserve of £50,000 and a Book Restoration fund of £100,000 (reduced from £100,000 and £150,000 in the previous year) to cover ongoing or unforeseen expenses arising at any time in the short to medium term as a result of being the guardians of a listed building and an ageing book collection of historical importance. Both these designated reserves are to be reviewed on an annual basis.

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 2021 were £429,663 (2020 £576,640). This figure has been further reduced by £200,000 as of February 2022 to contribute to the cost of purchasing 15 Commercial Street and the trustees acknowledge the need to replenish the reserves.

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 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 trustees may use the invested funds for approved projects, following a strategy for disposal devised with the professional investment advisor. Cash on deposit at 31 December 2021 reduced slightly to [£3,119] (2020 £8,478). The investments generated dividend income of [£11,984], a reduction from the previous year (2019 £13,964), reflecting sales of investments during the year and continuing caution by companies in making dividend payments given the continuing Covid-19 pandemic. The value of the Library investments at 31 December 2021 was [£429,663] (2020 £576,640) as a result of sales of investments during the year particularly for the deposit for the purchase of 15 Commercial Street.

Going Concern

For the last two years the major risk to the future of the Library as a going concern has been from the impact of the Covid-19 pandemic. However a combination of grant funding and prudent management has mitigated the impact of Covid-19 on the Library's finances. Looking forward the major risk to the Library as a going concern arises from the trustees' decision to purchase the building at 15 Commercial Street to enable the Library to expand and improve its services. In the short term these risks arise from the need to raise sufficient funding to complete work on the building by the end of 2022, possible increased costs for the work, and the potential for delays in obtaining planning permission for the work and in its execution.

The Library has taken steps to mitigate these risks. Applications for support will be made to a range of funding bodies to maximise the chances of success and there will be a dedicated fund-raising campaign targeted at both Library members and non-members. There has been early engagement with Council officers over the planned conversion work and this will be followed by regular dialogue with them as plans are developed so as to minimise the risk of planning permission being refused or unnecessarily delayed. The project will be tightly managed by a specialist Project Manager reporting to a Project Steering Group and some contingency funding has been built into the costing of the conversion work to cover any unforeseen additional work should that be required. More generally the comprehensive risk register for the project will be kept under regular review by trustees and the Resources Committee, and they will also regularly monitor the Library's cash flow.

Although the Library has reserves which stand at some £200,000 at the time of writing this report we do not expect to use these for the project. Rather they are available to protect the Library from the possible risk of reduced future revenue, allowing the trustees time to address the situation in a controlled manner.

On this basis, and taking account of projections of the Library's projected income and expenditure and cashflows, the trustees consider that it is appropriate to continue to use the going concern basis in preparing the Library's financial statements.

The Leeds Library

Trustees' Report for the Year Ended 31 December 2021

Post Balance Sheet Event

Following the exchange of contracts in December 2021 legal completion of the purchase of 15 Commercial Street took place on 25 February 2022. This has resulted in an increase in the Tangible Fixed Assets Freehold Property of £1,200,000. This has been funded by a mortgage of £880,000, a loan of £220,000, and a contribution of £100,000 from Library reserves resulting in an increase in liabilities of £1,100,000. The mortgage is repayable over a period of 30 years at a variable rate of interest starting at 4.15% and with a floor of 4%, commencing in March 2022. The loan is repayable over 5 years at a variable rate of interest of 7% over Bank of England Base Rate commencing in March 2022. The building will be refurbished and fitted out during 2022 with the intention of becoming operational early in 2023.

Statement of Trustees' Responsibilities

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:

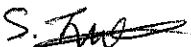
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed 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.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The Trustees Report was approved by the trustees of the charity on [] and signed on its behalf by:


.....
Simone Ivatts
Vice-Chair

Date: 9 MAY 2022

The Leeds Library

Independent Auditor's Report to the Members of The Leeds Library

Opinion

We have audited the financial statements of The Leeds Library (the 'charity') for the year ended 31 December 2021, which comprise the Statement of Financial Activities, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw your attention to Note 26 in the financial statements which indicates the charity incurred a net loss during the year ended 31 December 2021, however as of that date, the charity's balance sheet assets exceeded its liabilities. As stated in Note 26 the events or conditions, along with other matters set forth in the note, indicate a material uncertainty exists that may cast significant doubt on the charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

The Leeds Library

Independent Auditor's Report to the Members of The Leeds Library

Opinion on other matters 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 the financial statements; and
- the Trustees' Report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 12), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The Leeds Library

Independent Auditor's Report to the Members of The Leeds Library

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of the directors on procedures relating to their processes for identifying, evaluating and complying with laws and regulations and for detecting and responding to the risks of fraud;
- obtaining an understanding of the legal and regulatory frameworks applicable to the entity. The most significant considerations identified were the Companies Act 2006, the Charities Act 2011, corporation tax and employment tax legislation; and
- discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas:
 - management override of controls; and
 - revenue recognition.

We designed and executed procedures in line with our responsibilities to detect material misstatements in respect of irregularities, including fraud. These procedures, together with the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

- We made enquiries of management and reviewed correspondence with the relevant authorities to identify any irregularities or instances of non-compliance with laws and regulations and to identify any irregularities or instances of fraud;
- We tested the appropriateness of a sample of accounting journals;
- We reviewed the Company's accounting policies for non-compliance with relevant accounting standards;
- We considered significant accounting estimates for evidence of misstatement; and
- We considered the appropriateness of the revenue recognition policies.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements. There are inherent limitations in the audit procedures performed not least due to the following:

- the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve deliberate concealment; and
- the further removed the non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Councils website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our audit report.

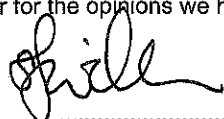
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Leeds Library

Independent Auditor's Report to the Members of The Leeds Library

Use of our report

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.



.....
Steven Williams FCA (Senior Statutory Auditor)
For and on behalf of Murray Harcourt Limited

Murray Harcourt Limited
Chartered Accountants & registered auditors
6 Queen Street
Leeds
LS1 2TW

Date: 10 JUNE 2022

The Leeds Library

Statement of Financial Activities for the Year Ended 31 December 2021
(Incorporating the Income and Expenditure Account and the Statement of Comprehensive Income)

	Note	Unrestricted funds £	Total 2021 £	Total 2020 £
Income and Endowment from:				
Donations and legacies	3	148,399	148,399	157,909
Charitable activities	4	105,595	105,595	117,433
Investment income	5	213,134	213,134	182,404
Other income	6	12,868	12,868	12,036
Total income		<u>479,996</u>	<u>479,996</u>	<u>469,782</u>
Expenditure on:				
Charitable activities	7	(578,426)	(578,426)	(476,374)
Total expenditure		<u>(578,426)</u>	<u>(578,426)</u>	<u>(476,374)</u>
Net gains on investment assets		63,876	63,876	1,688
Net expenditure		<u>(34,554)</u>	<u>(34,554)</u>	<u>(4,904)</u>
Net movement in funds		<u>(34,554)</u>	<u>(34,554)</u>	<u>(4,904)</u>
Reconciliation of funds				
Total funds brought forward		<u>7,103,747</u>	<u>7,103,747</u>	<u>7,108,651</u>
Total funds carried forward		<u>7,069,193</u>	<u>7,069,193</u>	<u>7,103,747</u>

All of the charity's activities derive from continuing operations during the above two periods.

The Leeds Library
(Registration number: 05577905)

Balance Sheet as at 31 December 2021


	Note	2021 £	2020 £
Fixed assets			
Intangible assets	14	-	-
Tangible assets	15	61,362	67,559
Heritage assets	16	6,552,432	6,401,000
Investments	17	426,544	568,162
		<u>7,040,338</u>	<u>7,036,721</u>
Current assets			
Debtors	18	66,612	54,479
Cash at bank and in hand	19	33,406	123,801
		<u>100,018</u>	<u>178,280</u>
Creditors: Amounts falling due within one year	20	<u>(71,163)</u>	<u>(62,087)</u>
Net current assets		28,855	116,193
Total assets less current liabilities		7,069,193	7,152,914
Creditors: Amounts falling due after more than one year	21	<u>-</u>	<u>(49,167)</u>
Net assets		<u>7,069,193</u>	<u>7,103,747</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>7,069,193</u>	<u>7,103,747</u>
Total funds	22	<u>7,069,193</u>	<u>7,103,747</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small company regime and in accordance with FRS 102 SORP.

The financial statements on pages 17 to 31 were approved by the trustees, and authorised for issue on **9 MAY** 2022 and signed on their behalf by:


.....
Simone Ivatts
Vice-Chair

The Leeds Library

Notes to the Financial Statements for the Year Ended 31 December 2021

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 £1 towards the assets of the charity in the event of liquidation.

At the 31 December 2021 there were 1,043 members (2020: 1,044).

The address of its registered office is:

18 Commercial Street

Leeds

West Yorkshire

LS1 6AL

These financial statements were authorised for issue by the trustees on 9 MAY 2022.

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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

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 have prepared the financial statements on a going concern basis and have highlighted in note 26 matters giving rise to a material uncertainty about the going concern status of the library and the mitigating factors making this basis of preparation of the financial statements appropriate. There are no significant areas of uncertainty that affect the carrying value of assets held by the charity.

2 Accounting policies - continued

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.

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.

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.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

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.

Website

Website costs are amortised over its useful life of three years.

2 Accounting policies - continued

Tangible fixed assets

Individual fixed assets costing £250.00 or more are initially recorded at cost.

Heritage assets

To meet the requirements of the SORP, disclose the policy for acquisition, preservation, management and disposal of 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 charged cannot be separately identified or quantified. The trustees consider that this policy results in the accounts giving a true and fair view.

Amortisation

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

Asset class	Amortisation method and rate
Website	33.33% straight line

Depreciation

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:

Asset class	Depreciation method and rate
Fixtures and fittings	20% straight line
Computer equipment	33% straight line
Digitisation	15 years straight line
Basement costs	7 years straight line
Foyer pod	10% 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.

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.

The Leeds Library

Notes to the Financial Statements for the Year Ended 31 December 2021

2 Accounting policies – continued

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.

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in the Statement of Financial Activities in the period in which they arise.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

3 Income from donations and legacies

	Unrestricted funds		
	General £	Total 2021 £	Total 2020 £
Donations and legacies:			
General donations and grants	148,399	148,399	157,909
	<u>148,399</u>	<u>148,399</u>	<u>157,909</u>

4 Income from charitable activities

	Unrestricted Funds		
	General £	Total 2021 £	Total 2020 £
250th book	60	60	180
Membership fees	102,945	102,945	115,673
Sales of donated goods	2,590	2,590	1,580
	<u>105,595</u>	<u>105,595</u>	<u>117,433</u>

The Leeds Library

Notes to the Financial Statements for the Year Ended 31 December 2021

5 Investment income

	Unrestricted Funds		
	General £	Total 2021 £	Total 2020 £
Other income from fixed asset investments	11,984	11,984	13,970
Income from rents	201,150	201,150	168,434
	<u>213,134</u>	<u>213,134</u>	<u>182,404</u>

6 Other income

	Unrestricted Funds		
	General £	Total 2021 £	Total 2020 £
Thoresby society	<u>12,868</u>	<u>12,868</u>	<u>12,036</u>

7 Expenditure on charitable activities

	Note	Unrestricted Funds		
		General £	Total 2021 £	Total 2020 £
Operation as a library		254,841	254,841	225,631
Listed building maintenance		72,259	72,259	56,409
Governance costs	8	251,326	251,326	194,334
		<u>578,426</u>	<u>578,426</u>	<u>476,374</u>

£578,426 (2020: £476,374) of the above expenditure was attributable to unrestricted funds and £Nil (2020: £Nil) to restricted funds.

The Leeds Library

Notes to the Financial Statements for the Year Ended 31 December 2021

8 Analysis of governance and support costs

Support costs allocated to charitable activities

	Staff costs £	Other support costs £	Total 2021 £	Total 2020 £
Operation as a library	188,828	66,013	254,841	225,631
Listed building maintenance	53,951	18,308	72,259	56,409
	<u>242,779</u>	<u>84,321</u>	<u>327,100</u>	<u>282,040</u>

Analysis of charitable activities other support costs

Unrestricted funds

	Library £	Building £	Governance £	Total 2021 £	Total 2020 £
Premises	16,554	4,730	2,365	23,649	16,772
Postage and printing	9,857	2,816	1,408	14,081	12,740
Finance costs	690	197	99	986	852
General insurance	7,906	2,259	1,129	11,294	12,857
Miscellaneous	10,564	3,018	1,509	15,091	10,045
Depreciation	13,454	3,844	1,922	19,220	14,247
	<u>59,025</u>	<u>16,864</u>	<u>8,432</u>	<u>84,321</u>	<u>67,513</u>

Governance costs

	Unrestricted funds		
	General £	Total 2021 £	Total 2020 £
Wages and salaries	22,889	22,889	20,413
Staff NIC (Employers)	1,720	1,720	1,289
Staff pensions (defined contribution) – pension scheme 1	2,366	2,366	2,135
Auditor's remuneration	7,450	7,450	5,530
Management fees	5,400	5,400	5,400
Legal and professional fees	28,526	28,526	6,575
Binding and conservation	14,291	14,291	12,117
Books, publications, DVD's etc	33,426	33,426	20,358
Staff training	619	619	364
Catering supplies	1,510	1,510	1,593
Staff expenses	2,814	2,814	459
Storage	10,451	10,451	10,355
Insurance	9,278	9,278	10,562
Repairs and maintenance	78,800	78,800	35,382
Computer software and maintenance costs	19,560	19,560	16,033
Event expenses	11,551	11,551	44,869
Sundry expenses	675	675	900
	<u>251,326</u>	<u>251,326</u>	<u>194,334</u>

The Leeds Library

Notes to the Financial Statements for the Year Ended 31 December 2021

9 Net incoming/outgoing resources

Net outgoing resources for the year include:

	Total 2021 £	Total 2020 £
Audit fees	<u>7,450</u>	<u>5,530</u>

10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

12 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year:		
Wages and salaries	<u>269,754</u>	<u>238,364</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2021 £	2020 £
The average monthly head count was	<u>11</u>	<u>11</u>

No employee received emoluments of more than £60,000 during the year.

13 Auditor's remuneration

	2021 £	2020 £
Audit of the financial statements	<u>7,450</u>	<u>5,530</u>

The Leeds Library

Notes to the Financial Statements for the Year Ended 31 December 2021

14 Intangible fixed assets

	Website costs £	Total £
Cost		
At 1 January 2021	6,274	6,274
At 31 December 2021	<u>6,274</u>	<u>6,274</u>
Amortisation		
At 1 January 2021	6,274	6,274
Charge for the year	-	-
At 31 December 2021	<u>6,274</u>	<u>6,274</u>
Net book value		
At 31 December 2021	<u>-</u>	<u>-</u>
At 31 December 2020	<u>-</u>	<u>-</u>

Development costs

In 2017 website development costs of £6,274 were capitalised as intangible fixed assets and have been amortised over 3 years on a straight line basis.

15 Tangible fixed assets

	Furniture and equipment £	Total £
Cost		
At 1 January 2021	294,765	294,765
Additions	13,024	13,024
At 31 December 2021	<u>307,789</u>	<u>307,789</u>
Depreciation		
At 1 January 2021	227,206	227,206
Charge for the year	19,221	19,221
At 31 December 2021	<u>246,427</u>	<u>246,427</u>
Net book value		
At 31 December 2021	<u>61,362</u>	<u>61,362</u>
At 31 December 2020	<u>67,559</u>	<u>67,559</u>

The Leeds Library

Notes to the Financial Statements for the Year Ended 31 December 2021

16 Heritage assets

	Buildings £	Books £	Fixtures and fittings £	Total £
Cost				
At 1 January 2021	3,360,000	3,000,000	41,000	6,401,000
Additions	151,400	32	-	151,432
At 31 December 2021	<u>3,511,400</u>	<u>3,000,032</u>	<u>41,000</u>	<u>6,552,432</u>
Net book value				
At 31 December 2021	<u>3,511,400</u>	<u>3,000,032</u>	<u>41,000</u>	<u>6,552,432</u>
At 31 December 2020	<u>3,360,000</u>	<u>3,000,000</u>	<u>41,000</u>	<u>6,401,000</u>

On 30 June 2008, The Leeds Library company received a gift of property, books and other fixtures and fittings of the proprietary library founded 1768 and also known as The Leeds Library. The trustees of the Old Leeds Library (being duly authorised) granted on 10 November 1976 a lease for a term of 130 years from 1 November 1976 of all the premises owned by the Library (including two shop tenancies) to Save & Prosper Insurance Co. Plc., in consideration of a payment to the library of £260,000 and an annual sum representing one-half of the annual rents of the shop premises, subject to the Library bearing the periodical costs of repair, maintenance and property insurance of the premises as a whole. Save and Prosper granted, by way of a lease-back, a term of 130 years less one day to the Library of the premises solely occupied by the Library at a peppercorn rent. On 27 March 2014 the lease was sold by Countrywide Assured PLC (previously Save & Prosper Insurance Co. Plc.) to two companies; Leeds Properties No1 Ltd, and Leeds Properties No2 Ltd. The sum insured at 31 December 2021 is £8,368,539 (2020: £8,121,574).

The Leeds Library was established to collect books and other items for its members to borrow. It was formed on the basis of each person paying a capital sum to join and an annual subscription to retain membership. It is now the oldest example of this type of library still surviving though its proprietary nature ended on 30 June 2008. The books read by members were generally retained with the intention of building a collection of increasing size and value. As a result, the 140,000 items now estimated to be in the collection reflect the reading interests of members over more than 200 years.

The building fronting Commercial Street was constructed at the Library's expense in 1807-1808. It was substantially added to in 1821 (Main Room Gallery), 1880-1881 (New Room) and 1899-1900 (New Room Gallery). It is a grade II* listed building, a grading which recognises that it is a particularly important building of more than special interest and applies to less than 6% of listed buildings. There were four ground floor shops in the original 1807-1808 building and these were subsequently converted into two larger units. The basement under the shops and the Library entrance is currently shared by one shop lessee and the Library. The other extant objects collected by The Leeds Library since its foundation in 1768 were also gifted to the charitable company including equipment, furniture and ornaments.

The Leeds Library

Notes to the Financial Statements for the Year Ended 31 December 2021

17 Fixed asset investments

	2021 £	2020 £
FA investment – listed shares b/fwd	568,162	573,440
FA investment – listed realised gain	10,488	2,050
FA investment – listed unrealised loss/gain	53,388	(362)
FA investment – listed shares additions	116,494	148,694
FA investment – listed shares disposals	(321,988)	(155,660)
	<u>426,544</u>	<u>568,162</u>

Investments on listed equities & convertible loan stock in at market value in the UK is £136,241 (2020: £188,030) and at market value outside of the UK £290,303 (2020: £380,132).

The historical cost of the investments at 31 December 2021 was £332,128 (2020: £443,528).

18 Debtors

	2021 £	2020 £
Other debtors	252	-
Prepayments	13,549	18,416
Accrued income	52,811	36,063
	<u>66,612</u>	<u>54,479</u>

19 Cash and cash equivalents

	2021 £	2020 £
Cash in hand	3,119	8,478
Cash at bank	30,287	115,323
	<u>33,406</u>	<u>123,801</u>

20 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loan	-	833
Other creditors	-	61
Accruals	41,813	12,862
Deferred income	29,350	47,331
	<u>71,163</u>	<u>62,087</u>

There is £29,310 (2020: £19,694) of deferred income that relates to subscriptions received. These relate to the next financial period.

The Leeds Library

Notes to the Financial Statements for the Year Ended 31 December 2021

21 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loan (falling due in less than 5 years)	-	40,004
Bank loan (falling due in more than 5 years)	-	9,163
	<u>-</u>	<u>49,167</u>

The bank loan in 2020 was received under the Bounce Back Loan Scheme (BBLs) and was repayable in equal instalments spread over 60 months at a fixed interest rate of 2.5%. Under the Scheme the first 12 months interest was covered by the UK Government's Business Interruption Payment (BIP) and no loan repayments were required during the prior period. The loan has been fully repaid during 2021 on the first anniversary of the loan without incurring any interest.

22 Funds

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) and transfers £	Balance at 31 December 2021 £
Unrestricted funds					
General	6,853,747	479,996	(578,426)	163,876	6,919,193
Designated	250,000	-	-	(100,000)	150,000
Total funds	<u>7,103,747</u>	<u>479,996</u>	<u>(578,426)</u>	<u>63,876</u>	<u>7,069,193</u>

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2020 £
Unrestricted funds					
General	6,858,651	469,782	(476,374)	1,688	6,853,747
Designated	250,000	-	-	-	250,000
Total funds	<u>7,108,651</u>	<u>469,782</u>	<u>(476,374)</u>	<u>1,688</u>	<u>7,103,747</u>

The Leeds Library

Notes to the Financial Statements for the Year Ended 31 December 2021

23 Analysis of net assets between funds

	Unrestricted funds General 2021 £	Total funds 2021 £
Tangible fixed assets	61,362	61,362
Heritage assets	6,552,432	6,552,432
Fixed asset investments	426,544	426,544
Current assets	100,018	100,018
Current liabilities	(71,163)	(71,163)
Long term liabilities	-	-
Total net assets	<u>7,069,193</u>	<u>7,069,193</u>

	Unrestricted funds General 2020 £	Total funds 2020 £
Tangible fixed assets	67,559	67,559
Heritage assets	6,401,000	6,401,000
Fixed asset investments	568,162	568,162
Current assets	178,280	178,280
Current liabilities	(62,087)	(62,087)
Long term liabilities	(49,167)	(49,167)
Total net assets	<u>7,103,747</u>	<u>7,103,747</u>

24 Related party transactions

During the year the charity made the following related party transactions:

Thoresby Society

(During 2018 the Library formed a partnership with the Thoresby Society, which is a Charity). Thoresby Society are to pay the Library £12,868 per annum for the use of the premises and the management of their library and archive.

Transactions with Trustees

During the period there was a transaction with a Trustee, Paul Maclean, of £500 for room hire. This transaction was under normal market conditions.

The Leeds Library

Notes to the Financial Statements for the Year Ended 31 December 2021

26 Going concern

The trustees consider the Library to be a going concern. Based on prudent forecasts of income and expenditure, plus the availability of liquid reserves, there will be no significant short-term impact from the purchase of 15 Commercial Street. The trustees do not intend to proceed with refurbishment of that property until sufficient funds have been raised from grants, donations etc, activity to secure which is proceeding according to plan. The trustees will continue to closely monitor the effect which any possible delays would have on the Library's finances in the longer term.

The financial statements report a deficit for the year to 31 December 2021. This follows a conscious decision by the trustees to take advantage of the Government-enforced Covid-19 lockdown in early 2021 to carry out much-needed repair and refurbishment work on the Library, coupled with costs arising from trustees' decision to seek to purchase 15 Commercial Street. The Library's unrestricted funds were adequate to meet this. Looking forward the trustees anticipate a further deficit in the current financial year, primarily as a result of the costs of converting and fitting out 15 Commercial Street. They consider that the Library can meet this deficit from its reserves and from further grants and/or loan finance towards the costs of conversion and fit out. They plan for the Library to achieve a balanced income and expenditure position in 2023. On this basis they consider the Library remains a going concern.

In the light of this assessment the trustees have determined the disclosure needed to determine the assessment of the uncertainties that exist at this time. These uncertainties, and the steps taken to mitigate them and, so far as possible, ensure the future of the Library, are detailed in the trustees' report. In particular:

- 1 The Library will seek grants and loan finance from a number of bodies in order to maximise the chances of success and will undertake a dedicated fund-raising campaign.
- 2 The Library will continue to engage with Council officers over the planned conversion work so as to minimise the risk of planning permission being refused or unnecessarily delayed.
- 3 The project will be tightly managed to minimise the risk of delays or overspending. Some contingency funding has been built into the costing of the conversion work to cover any unforeseen additional work should that be required.
- 4 Trustees will keep progress under close review and take action to tackle any emerging concerns at an early stage,
- 5 The Library has sufficient reserves to cover some four months operating costs and will work to increase them to cover nine months expenditure, as set out in the reserves policy, over time.
- 6 The Library has developed a long-term financial strategy to ensure its sustainability following the purchase of 15 Commercial Street strategy which it will keep under regular review.

27 Post balance sheet event

Following the exchange of contracts in December 2021 legal completion of the purchase of 15 Commercial Street took place on 25 February 2022. This has resulted in an increase in the Tangible Fixed Assets Freehold Property of £1,200,000. This has been funded by a mortgage of £880,000, a loan of £220,000, and a contribution of £100,000 from Library reserves resulting in an increase in liabilities of £1,100,000. The mortgage is repayable over a period of 30 years at a variable rate of interest starting at 4.15% and with a floor of 4%, commencing in March 2022. The loan is repayable over 5 years at a variable rate of interest of 7% over Bank of England Base Rate commencing in March 2022. The building will be refurbished and fitted out during 2022 with the intention of becoming operational early in 2023.

