

Company registration number: 05577905

Charity registration number: 1114386

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The Leeds Library

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2022

The Leeds Library

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The Leeds Library

Reference and Administrative Details

President	Kevin Grady	
Chair	Martin Staniforth	
Trustees	David Butcher Janet Dominey Annie Faulder Andy Graham Graham Hill Rebecca Hoy Simone Ivatts Robert Kilner Elizabeth Minkin Ruth Robbins Christine Stead Patricia Urry Philip Walker Lily Wong	(appointed 7 December 2022) (appointed 13 March 2023) (resigned 25 June 2022) (appointed 25 June 2022, resigned 25 September 2022) (appointed 7 February 2022, resigned 25 June 2022) (resigned 25 June 2022)
Treasurer	Moade Shubita	(appointed 28 November 2022)
Staff	Carl Hutton, Chief Executive Ashley Cresswell, Finance Officer Finnian Davies, Library Assistant Niimi Day-Gough, Archives and Collections Assistant Anna Goodridge, Assistant Librarian Ian Harker, Communications and Marketing Officer Helen Holdsworth, Assistant Librarian Claire O'Brien, Membership and Development Officer Jane Riley, Librarian Aidan Thackray, Library Assistant Thomas Walsh, Caretaker Sarah West, Administrator	

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 Solicitors LLP
3rd Floor
3 Wellington Place
Leeds
LS1 4AP

Investment Advisors RBC 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 TC Group
6 Queen Street
Leeds
LS1 2TW

Chair of Trustees Introduction

2022 saw the Library emerge fully from the restrictions required as part of the national response to Covid and it was a delight to see members returning in numbers and the Library resuming its historic function not just to lend books to members but to be a social and cultural centre for members and visitors. The year also saw the Library complete the purchase of 15 Commercial Street, have its plans for converting the building approved, and start to raise the funds needed to turn those plans into reality. In that context I am grateful to those Library members who contributed to the 'Bridge the Gap' appeal, to the late Alan Longbottom for a substantial legacy to the Library, and to the Wolfson Foundation for their commitment to a significant grant towards the cost of conversion receivable in 2023. We now look forward to starting the building work on No 15 early in 2023.

The Report details the many achievements of the Library over the year, not the least of which was the smooth return to normal working. However I should mention a couple of items which are important but easily overlooked. First we revised our Articles of Association and Rules to bring them up to date and importantly to widen our objects to allow us to undertake a range of educational and related activities. Second we adopted a new strategy for the next five years aimed at growing the Library, increasing public access, and ensuring it is environmentally and financially sustainable for the future. As part of this work we have adopted a new approach to managing the increasing number of visitors which will balance the desire of members of the public to visit the Library with the rights of Library members.

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 particularly during the time when I was undergoing cancer treatment, and to our members for their loyalty to the Library.

Martin Staniforth
Chair

Chief Executive's Welcome

Following the challenges of Covid-19 over the previous two years, 2022 was an opportunity for the Library staff to undertake their work with more certainty that there would be no need to continually adapt the services that were being provided to respond to the demands of the pandemic.

With a focus on raising the profile of the Library and its work in the city on the back of the purchase of 15 Commercial Street, the Library made steady progress in growing membership numbers. By the end of the year the Library had some 1,200 members, just a couple of years after the 1,000 member milestone was reached. With the lifeblood of the Library being its membership it was good to see a significant reduction in the number of members stopping their membership, despite the cost of living crisis impacting all of us. We would like to think that the high retention of members shows that the Library has been doing a good job in engaging the membership in a positive way.

The Library was again the lead partner of the Leeds Lit Festival which was awarded the Saboteur National Lit Fest of the year award for the second time in three years. The festival is the key legacy of our 250th anniversary year of events and goes from strength to strength with nine partner organisations delivering the event that is held annually in March.

One of the standout highlights of the year was our contribution to the annual Leeds Light Night which each year attracts over 100,000 visitors to the city centre. It is an event that we seek to be involved in every year, with our contributions ranging from hosting performance pieces to having images and film projected on to the front of the Library building. For 2022 we hosted a light installation in the New Room of the Library, created by ARUP, and saw over 4,000 visitors explore our wonderful building over the two evenings of the event. It is hard to imagine the Library having received more visitors in such a short period of time.

I would like to thank everyone who has contributed to the work of the Library throughout 2022 - the volunteers who have assisted with cataloguing our collections and helping move books from Mill Hill Chapel to the Library, the staff team who have continued their dedicated hard work during a challenging year, and the Trustees of the Library. Finally on behalf of the staff team I would like to say thank you for the continued support of our members. It is never taken for granted and always gratefully received.

Carl Hutton
Chief Executive

The Leeds Library

Trustees' Report for the Year Ended 31 December 2022

The trustees of the charity, who are directors for the purposes of company law, present the annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 December 2022.

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;
- To advance the education of the general public in all aspects of arts, culture and/or heritage.

Trustees' vision is for the Library to aspire to be a thriving cultural hub for the city and beyond, providing a home for readers, writers and book-lovers and a space for the production and enjoyment of all forms of creative activity and their mission is:

To strengthen the Library's foundations by putting its finances on a sustainable basis, expanding its membership, and maintaining and developing its building and collections for future generations.

To open the doors of the Library and encourage its use by local people as well as by its members.

The trustees' strategic objectives for the Library over the period 2022-27, adopted during the year following consultation with members, can be summarised as:

Strengthening the foundations

- Increase and diversify the Library's income through a programme of fund-raising (including legacies), merchandising and room hire. By the end of the period these should make up 25% of the Library's income.
- Improve the diversity of Library trustees, staff, volunteers and members.
- Double membership to 2,000 by 2027 both through recruiting new members and by improving retention of existing members. Publicise the benefits of membership and ensure membership categories remain relevant.
- Establish 15 Commercial Street as an innovative, exciting and financially sustainable space which is fully used by Library members and by visiting organisations for creative, literary and educational activities.
- Establish and implement a new approach to acquiring, conserving and disposing of books which builds on the existing strengths of our collections, eliminates the need for off-site storage and makes increasing use of digital resources.

- Establish the Library as a leader in environmental sustainability within the cultural and library sector by developing and implementing ambitious and innovative plans for achieving a zero carbon/zero waste organisation, making use of dedicated funding.

Opening the doors

- Incrementally increase public access to the Library starting by opening up fully on one day a week.
- Research the range of new technologies to determine how our archive and our rare and historic books can best be made accessible to all in virtual form and make demonstrable progress towards their being fully accessible in a virtual form that engages readers by 2032. Develop a strategy for raising awareness of our virtual collection.
- Strengthen existing partnerships and establish a plan for increasing partnership working with businesses, with arts, education and community organisations as well as with city libraries.
- Promote the Library to external audiences and take active steps to invite businesses, community groups and schools to visit the Library and engage with our collections.
- Encourage the use of the Library's collections for research purposes.

These aims 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.

2022 saw the Library run a fuller programme of public activities and events than over the previous two years. We restarted regular guided tours of the Library, welcomed more visitors, and organised a wide-ranging events programme including poetry readings, talks and theatre performances open to the public as well as hosting events for other organisations including the Thoresby Society, the Victorian Society, the West Yorkshire Society of Architects and Sofar Sounds. We also participated in the annual Heritage Open Days, in partnership with the Thoresby Society, and our Leeds Light Night event attracted over 4,000 visitors over the two nights it was on. Finally the Leeds Lit Fest, organised by the Library in partnership with a range of other cultural organisations in the city, returned to an in-person format. The Library hosted and curated half of the festival programme with highlights including talks by Leeds political commentator Tim Marshall, politician Peter Hain, journalist Rebecca Lowe and psychologist A. C. Grayling. The Library was also able to welcome Gerald Dickens, the great-great-grandson of Charles Dickens, to perform *The Signalman*. Later on in the year Gerald returned to the Library to give a mesmerising performance of a Christmas Carol as part of a season of theatrical events.

We continued to make good use of social media to advertise the Library and its events to our followers, and expanded our offering onto Instagram. By the end of the year the Library had 4,855 followers on Twitter, 2,557 followers on Facebook and 1,572 followers on Instagram. We also produced a second series of our popular podcast 'Tales from The Leeds Library'. The Library has also featured in promotional material for Leeds 2023 City of Culture and a number of press articles covered the purchase of 15 Commercial Street and our plans for the future.

The Leeds Library

Trustees' Report for the Year Ended 31 December 2022

Achievements

The Library Buildings

2022 saw further significant progress on our plans to expand the Library and improve our facilities particularly for those with disabilities. We completed the purchase of 15 Commercial Street in February, engaged architects Garnett Netherwood to develop plans for the new building, and received planning permission from Leeds City Council in November. The project went to tender in February 2023. The work on the redevelopment of 15 Commercial Street is overseen by a Project Board which brings together trustees and external professionals. In parallel we have launched a major fundraising campaign, under the strapline 'The Leeds Library: The Next Chapter', to raise the funds we need for the redevelopment of the building. We are grateful to the many Library members who have made donations towards the cost of the conversion, to the late Alan Longbottom for a legacy which we are able to use for that purpose, and to the Wolfson Foundation for their commitment to the project. We are also working with Central Retail to identify tenants for the retail space in the development.

During the year we continued to maintain and improve our existing building and started to develop plans for increased sustainability which are being taken forward under the auspices of our Buildings Committee.

The Library Collections

Over the year we added a further 841 books and other items to the Library collections. As usual these were predominantly requested by members. We maintained and developed our eBook collection and the PressReader service as well as continuing to provide access to Drama Online, the Idler Academy and JSTOR.

The full reopening of the Library has seen members return and an increase in borrowing. During the year some 13,989 books and terms were borrowed compared with 12,199 last year, a positive increase but still well below the pre-pandemic levels of borrowing. We continue to operate a postal service for members but no longer run the delivery collection service introduced during the Covid crisis.

Finally we continued cataloguing the Library's Heritage Fiction collection and some 3,984 books were added to the catalogue during the year. Once the cataloguing is complete we will decide, in consultation with external experts, how best to preserve the collection and make particularly rare books more widely accessible. At the same time a further 14,017 items from the Library's historic collection were added to the online catalogue.

Book Conservation

The Library continues to conserve and maintain its heritage collection during the year. Six folio books from our historic collection were restored by Brian Cole of the Castle Bindery. In addition a further 133 books were rebound using commercial bookbinders in Leeds.

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. Over the year some sixteen researchers made use of our collections, some visiting the Library and others seeking information which could be responded to by providing scans of material and emailing it to them, a practice that is likely to grow in importance as the range and depth of material we hold, and its availability online, becomes increasingly recognised. To facilitate this, staff attended a conference run by the Historic Libraries Forum entitled "Reading the room: reflecting on researcher access to collections".

The Leeds Library

Trustees' Report for the Year Ended 31 December 2022

Research subjects ranged widely including local history, biographical research, the story of the Library's ghost and work to support an archaeologist who had been doing a dig in the city where we worked closely with the Thoresby Society in providing high quality scans of material, particularly maps. We were also able to help a Dutch researcher who was researching libraries which had collected books from the Loeb classical library since the very beginning by providing scans from our accession ledgers to show when and where we had acquired our volumes.

Membership

At the end of 2022 the Library had 1,039 memberships, 161 more than in 2021, and the highest number in the Library's history. This equated to 1,218 members, 175 more than last year and again a record number. As a result income from membership fees increased by £22,707 from £102,945 to £125,652 (22%). This reflects the success of our efforts both to recruit new members and to retain existing members and we look forward to building on this in future years.

As the Library emerged from the Covid-19 lockdown we reinstated our regular book group, film club and craft club meetings for members in person. Throughout the year the Library produced its regular newsletter, *Speaks Volumes*, with an increasing number of high-quality articles which were well received by members.

Staffing and volunteering

2022 saw a number of changes in the Library's staff. We said goodbye to Aimee-Jo Holdsworth, one of our Library Assistants, Molly Magrath, our Projects Assistant, and Jack Simkins, our Digital Media Assistant and welcomed Ashley Cresswell, Finance Officer, Niimi Day-Gough, Archives and Collections Assistant, and Ian Harker, Communications and Marketing Officer. In addition Finnian Davies, our Online Library assistant was appointed to a permanent role as Library Assistant to replace Aimee-Jo Holdsworth. Mary Ealden, Michael Lister and Yasir Munir also worked for the Library during the year. We are grateful to all staff for their hard work and commitment during the year.

We were also able to welcome back our volunteers. Across the course of the year twenty-seven people volunteered their time for the Library undertaking a range of activities including painting the basement of 15 Commercial Street, cataloguing and cleaning our collections, assisting with book sales and helping out at events. In addition twelve volunteers were trained as guides by our President, Kevin Grady, enabling us to increase the number of guided tours of the Library.

Partnerships

The Library continued to develop and strengthen its partnerships with other organisations within and outside the city. Our main partnership project is the Leeds Lit Fest, which was founded by the Library in 2019 as a legacy project that came out of our 250th anniversary programme. In 2022 the partner organisations for the festival were MILIM CIC, Leeds Central Library, Hyde Park Book Club, Leeds Church Institute, Carriageworks Theatre, Leeds Big Bookend, Headingley Lit Fest and Strix Magazine. In addition Leeds Arts University, the British Library, Leeds University and Leeds Beckett University all programmed events for the festival.

As well as the work to deliver the Leeds Lit Fest, we maintained our relationships with Candlestick Press, hosting a number of events and book launches. The Library also delivered several workshops for Trinity Academy students, provided support for the Yorkshire Herald Society, delivered a programme of tours for the National Lottery Open Week, and worked with the Universities in the city on various projects outside the Lit Fest. Finally the Library continued its support of the Priestley lecture, working closely with Mill Hill Chapel and the Leeds Philosophical and Literary Society.

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, 25 June 2016 and 25 June 2022). The operation of the Library is governed by Rules adopted on 14 May 2008 and amended on 25 June 2010, 29 June 2019, 26 June 2021 and 21 June 2022.

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. Trustees are appointed for a term of three years and may be reappointed for a maximum of two further terms. Trustees may also appoint a President, Vice-Presidents and Patrons. The following Patrons have been appointed:

Simon Armitage
Barbara Taylor Bradford
Caryl Phillips
Nima Poovaya-Smith

The trustees may delegate any of their functions to sub-committees consisting of at least two trustees. There are currently six standing sub-committees: Books and Collections Committee, Buildings Committee, Outreach and Partnership Committee, Research Committee, Membership Committee and Resources Committee. In addition trustees have established a Development Oversight Committee, a Project Board and a Fundraising Working Group to oversee aspects of the Library expansion.

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 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.

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 at their meetings 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 has been integrated into the main risk register.

Financial Overview

Financial Outturn

The Library made a surplus of £157,524 compared with a deficit of £34,554 in 2021. This outturn reflects two main factors. The first is the Library's success in fundraising particularly through the Bridging the Gap appeal which raised over £200,000 from Library members towards the costs of converting 15 Commercial Street. We are also grateful for a generous legacy of £100,000 from the late Alan Longbottom. The second is that as a result of registering for VAT the Library received a refund of some £133,000 for VAT paid in previous years.

However the surplus masks a further significant deficit in the operational costs of running the Library. This has primarily arisen from increased costs as a result of pay and price increases, delays in submitting grant applications to ensure they had full information on plans for developing 15 Commercial Street, and the cost of staff recruited ahead of the completion of that development. The trustees recognise that such deficits are not sustainable and are taking action to return the Library to a balanced operational position. In drawing up a broadly balanced budget for 2023 trustees have looked both to increase income, primarily by increasing membership fees by some 20% from April 2023, and to reduce expenditure by holding vacant posts empty over the year and by reviewing, and where possible reducing, Library budgets. We are also submitting grant applications to a range of funding organisations and taking forward a comprehensive fundraising strategy to raise additional funds both to enable the completion of work on 15 Commercial Street and to support the current programme of Library activities. This has already borne fruit in the shape of a commitment to a £100,000 grant from the Wolfson Foundation towards the costs of work on 15 Commercial Street. However achieving a balanced outturn has been made more difficult as a result of one of our tenants, Paperchase, going into administration which will reduce our rental income for the year. Trustees will monitor the financial position closely and take action if the planned measures do not appear sufficient to achieve a satisfactory outturn.

Reserves Policy

During the year trustees decided to de-designate the Building Maintenance Reserve and Book Restoration Fund in order to allow maximum flexibility in using the reserves in future.

The policy of the trustees is to maintain a sufficient level of general and free reserves in order that due regard can be given to the contingencies surrounding the Library's operations and in particular to the risk of a reduction in rental from our retail units.

The Library's risk profile has increased significantly with the investment in 15 Commercial Street and the commitment to refurbish the building and we consider that the level of free reserves in the future 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.

In previous years the trustees have considered the free reserves to be funds which are not restricted for any particular purpose or tied in property or other operational assets and liabilities. This equated to those monies we were able to hold with our investment managers as they were not required for day to day operations or tied up in fixed assets. In 2021 they were £429,663.

The Leeds Library

Trustees' Report for the Year Ended 31 December 2022

As reported last year, when the decision was taken to purchase 15 Commercial Street, we liquidated some £200,000 of our investments to help fund the purchase. The trustees have therefore this year redefined the free reserves as any liquid funds they have that are not restricted and are therefore available for charitable activities. This has been taken to be the funds still held by the investment managers plus the cash held at bank less our restricted reserve. At 31 December 2022 the free reserves were therefore £589,985 and the restated comparative for 2021 would be £459,950. The free reserves held at the end of 2022 are high as we are holding a significant cash balance in anticipation of the outgoings on the refurbishment of 15 Commercial Street.

The balance held by our investment managers as at 31 December 2022 was £191,095 (2021 £429,663) and trustees recognise the need to replenish this balance. In this context they were grateful to receive a share donation of some £11,565 during the year.

Investment Strategy and Performance

The trustees' investment strategy is to obtain a balance between capital growth and investment return and this is reviewed annually 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 utilise the invested funds for approved projects, following a strategy for disposal devised with the professional investment advisor.

Cash on deposit at 31 December 2022 increased to £14,744 (2021 £3,119) as a result of the share donation mentioned earlier. The value of the Library investments at 31 December 2022 was £191,095 (2021 £429,663) as a result of trustees' decision to use £200,000 of investments towards the purchase of 15 Commercial Street and the difficult market conditions during the year as a result of the effect of the war in Ukraine, rising inflation and political instability. The investments generated dividend income of £5,218, a reduction from the previous year (2021 £11,984).

Going Concern

As last year the main risk to the future of the Library as a going concern arises from the purchase of 15 Commercial Street to enable the Library to improve and develop its services, exacerbated by continuing operational losses. The trustees have taken steps to mitigate these risks. In particular, as indicated earlier in this report, trustees have approved plans to increase income and reduce costs with the aim of bringing income and expenditure into balance and will maintain this approach in future years. Library trustees will regularly monitor the financial position and cashflow projections to enable early action to be taken if needed.

In terms of 15 Commercial Street the major short-term risks remain around the need to raise the funds to complete the redevelopment work on the building now that planning permission for the work has been received. Work will not commence until funds are available. If funds are not available to complete all the work at once the trustees propose to undertake the work in two phases. The first phase will prepare the retail unit for renting, so generating additional income for the Library, and complete the necessary infrastructure work for the rest of the conversion while the second phase will fit out the Library space. Trustees consider that adequate funds are available to enable the first phase to go ahead, subject to the tenders we receive, and we aim to start work in spring 2023. The second phase, and some consequential work on 18 Commercial Street, will not start until further funds have been raised. This will minimise risk to the Library. We do not expect to draw on the Library's investments for the building project and they will remain available to respond to unexpected issues such as reductions in revenue or unexpected expenditure on operational activities.

The building project at 15 Commercial Street will continue to be overseen by our Project Manager and Project Board, reporting regularly to trustees. This is intended to ensure so far as possible that the work is completed to time and budget and so mitigate the risks to the Library. Trustees will regularly monitor the Library's risk register which includes risks related to the building project.

Taking account of the measures outlines above, and projections of the Library's income and expenditure and cashflow trustees consider it is appropriate to continue to use the going concern basis in preparing the Library's financial statements.

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 annual report was approved by the trustees of the charity on 22 May 2023 and signed on its behalf by:


.....

Martin Staniforth
Chair

Date: 22 May 2023

The Leeds Library

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

Auditor's Report update

Opinion

We have audited the financial statements of The Leeds Library (the 'charity') for the year ended 31 December 2022, 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 2022 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 12), 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, 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

The objectives of our audit, in respect of fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the trustees and other management (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102, the Companies Act 2006 and the Charities Act 2011) and the relevant tax compliance regulations in the UK;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the entity has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from material fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect all non-compliance with laws and regulations.

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.

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 charitable company's members 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 the charitable company's members 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 TC Group
Statutory auditor

6 Queen Street
Leeds
LS1 2TW

Date: 8 June 2023

The Leeds Library

**Statement of Financial Activities for the Year Ended 31 December 2022
(Incorporating the Income and Expenditure Account and the Statement of Comprehensive Income)**

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Income and Endowment from:					
Donations and legacies	3	281,661	120,884	402,545	148,399
Charitable activities	4	266,810	-	266,810	105,595
Investment income	5	225,159	-	225,159	213,134
Other income	6	13,816	-	13,816	12,868
Total income		787,446	120,884	908,330	479,996
Expenditure on:					
Charitable activities	7	(702,593)	(12,407)	(715,000)	(578,426)
Total expenditure		(702,593)	(12,407)	(715,000)	(578,426)
Net gains on investment assets		(35,806)	-	(35,806)	63,876
Net income/(expenditure)		49,047	108,477	157,524	(34,554)
Transfer between funds		54,891	(54,891)	-	-
Net movement in funds		103,938	53,586	157,524	(34,554)
Reconciliation of funds					
Total funds brought forward	22	7,069,193	-	7,069,193	7,103,747
Total funds carried forward	22	7,173,131	53,586	7,226,717	7,069,193

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

The detail for the comparative period is shown in note 26.

The Leeds Library
(Registration number: 05577905)

Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	14	-	-
Tangible assets	15	1,282,976	61,362
Heritage assets	16	6,401,032	6,552,432
Investments	17	176,351	426,544
		<u>7,860,359</u>	<u>7,040,338</u>
Current assets			
Debtors	18	91,196	66,612
Cash at bank and in hand	19	467,220	33,406
		<u>558,416</u>	<u>100,018</u>
Creditors: Amounts falling due within one year	20	<u>(106,788)</u>	<u>(71,163)</u>
Net current assets		451,628	28,855
Total assets less current liabilities		8,311,987	7,069,193
Creditors: Amounts falling due after more than one year	21	<u>(1,085,270)</u>	<u>-</u>
Net assets		<u>7,226,717</u>	<u>7,069,193</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		7,173,131	7,069,193
Restricted funds		53,586	-
Total funds	22	<u>7,226,717</u>	<u>7,069,193</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 32 were approved by the trustees, and authorised for issue On 22 May 2023 and signed on their behalf by:



 Martin Staniforth
 Chair

The Leeds Library

Notes to the Financial Statements for the Year Ended 31 December 2022

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 2022 there were 1,218 members (2021: 1,043).

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 2023.

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.

The allocation of costs between the charitable activities has been revised this year following a review of the governance costs and the comparative figures for notes 7 and 8 have been restated to be consistent.

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 provided further details in note 25.

The Leeds Library

Notes to the Financial Statements for the Year Ended 31 December 2022

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	3 years straight line
Basement costs	7 years straight line
Foyer pod	10% straight line

Assets under construction are not depreciated until brought into use.

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 2022

2 Accounting policies – continued

Rental income

Rents received under operating leases are credited to the profit and loss account on an accruals 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 £	Restricted funds £	Total 2022 £	Total 2021 £
Donations and legacies:				
General donations and grants	281,661	120,884	402,545	148,399

4 Income from charitable activities

	Unrestricted Funds £	Restricted funds £	Total 2022 £	Total 2021 £
250th book	241	-	241	60
Membership fees	125,652	-	125,652	102,945
Sales of donated goods	7,773	-	7,773	2,590
VAT reclaim	133,144	-	133,144	-
	<u>266,810</u>	<u>-</u>	<u>266,810</u>	<u>105,595</u>

The Leeds Library

Notes to the Financial Statements for the Year Ended 31 December 2022

5 Investment income

	Unrestricted Funds £	Restricted funds £	Total 2022 £	Total 2021 £
Other income from fixed asset investments	5,218	-	5,218	11,984
Income from rents	219,941	-	219,941	201,150
	<u>225,159</u>	<u>-</u>	<u>225,159</u>	<u>213,134</u>

6 Other income

	Unrestricted Funds £	Restricted funds £	Total 2022 £	Total 2021 £
Thoresby Society	13,816	-	13,816	12,868
	<u>13,816</u>	<u>-</u>	<u>13,816</u>	<u>12,868</u>

7 Expenditure on charitable activities

	Unrestricted Funds £	Restricted funds £	Total 2022 £	Restated Total 2021 £
Operation as a library	459,701	-	459,701	428,538
Asset under construction (15 Commercial Street)	48,986	12,407	61,393	-
Listed building maintenance	95,844	-	95,844	72,259
Governance costs	98,062	-	98,062	77,629
8	<u>702,593</u>	<u>12,407</u>	<u>715,000</u>	<u>578,426</u>

The Leeds Library

Notes to the Financial Statements for the Year Ended 31 December 2022

8 Analysis of governance and support costs

Support costs allocated to charitable activities

	Staff costs £	Other support costs £	Total 2022 £	Restated Total 2021 £
Operation as a library	258,857	179,883	438,740	395,929
Listed building maintenance	71,834	44,971	116,805	104,868
Asset under construction	-	61,393	61,393	-
	<u>330,691</u>	<u>286,247</u>	<u>616,938</u>	<u>500,797</u>

Analysis of charitable activities other support costs

	Unrestricted funds			Restricted funds	Total 2022 £	Restated Total 2021 £
	Library £	Building £	Asset under construction £	Asset under construction £		
Premises	111,258	27,814	-	7,633	146,705	191,727
Postage and printing	8,703	2,176	-	-	10,879	14,082
Finance costs	1,024	256	48,986	-	50,266	986
General insurance	12,854	3,213	-	-	16,067	11,294
Miscellaneous	15,066	3,767	-	4,774	23,607	17,276
Depreciation	30,978	7,745	-	-	38,723	19,220
	<u>179,883</u>	<u>44,971</u>	<u>48,986</u>	<u>12,407</u>	<u>286,247</u>	<u>254,585</u>

Governance costs

	Unrestricted funds £	Total 2022 £	Restated Total 2021 £
Wages and salaries	30,996	30,996	22,889
Staff NIC (Employers)	1,867	1,867	1,720
Staff pensions (defined contribution) – pension scheme 1	3,054	3,054	2,366
Auditor's remuneration	9,240	9,240	7,450
Management fees	3,900	3,900	5,400
Legal and professional fees	35,806	35,806	28,526
Insurance	13,199	13,199	9,278
	<u>98,062</u>	<u>98,062</u>	<u>77,629</u>

9 Net incoming/outgoing resources

Net outgoing resources for the year include:

	Total 2022 £	Total 2021 £
Audit fees	<u>9,240</u>	<u>7,450</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:

	2022 £	2021 £
Staff costs during the year:		
Wages and salaries	<u>359,168</u>	<u>269,754</u>

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

	2022 £	2021 £
The average monthly head count	<u>15</u>	<u>11</u>

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

13 Auditor's remuneration

	2022 £	2021 £
Audit of the financial statements	<u>9,240</u>	<u>7,450</u>

The Leeds Library

Notes to the Financial Statements for the Year Ended 31 December 2022

14 Intangible fixed assets

	Website costs £	Total £
Cost		
At 1 January 2022	6,274	6,274
At 31 December 2022	<u>6,274</u>	<u>6,274</u>
Amortisation		
At 1 January 2022	6,274	6,274
Charge for the year	-	-
At 31 December 2022	<u>6,274</u>	<u>6,274</u>
Net book value		
At 31 December 2022	<u>-</u>	<u>-</u>
At 31 December 2021	<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

	Assets under construction £	Furniture and equipment £	Total £
Cost			
At 1 January 2022	-	307,789	307,789
Additions	1,254,891	5,446	1,260,337
At 31 December 2022	<u>1,254,891</u>	<u>313,235</u>	<u>1,568,126</u>
Depreciation			
At 1 January 2022	-	246,427	246,427
Charge for the year	-	38,723	38,723
At 31 December 2022	<u>-</u>	<u>285,150</u>	<u>285,150</u>
Net book value			
At 31 December 2022	<u>1,254,891</u>	<u>28,085</u>	<u>1,282,976</u>
At 31 December 2021	<u>-</u>	<u>61,362</u>	<u>61,362</u>

The Leeds Library

Notes to the Financial Statements for the Year Ended 31 December 2022

16 Heritage assets

	Buildings £	Books £	Fixtures and fittings £	Total £
Cost				
At 1 January 2022	3,511,400	3,000,032	41,000	6,552,432
Transfer to Asset under construction	(151,400)	-	-	(151,400)
At 31 December 2022	<u>3,360,000</u>	<u>3,000,032</u>	<u>41,000</u>	<u>6,401,032</u>
Net book value				
At 31 December 2022	<u>3,360,000</u>	<u>3,000,032</u>	<u>41,000</u>	<u>6,401,032</u>
At 31 December 2021	<u>3,511,400</u>	<u>3,000,032</u>	<u>41,000</u>	<u>6,552,432</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 2022 is £8,368,539 (2021: £8,368,539).

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 2022

17 Fixed asset investments

	2022 £	2021 £
FA investment – listed shares b/fwd	426,544	568,162
FA investment – listed realised gain	555	10,488
FA investment – listed unrealised (loss)/gain	(36,361)	53,388
FA investment – listed shares additions	26,055	116,494
FA investment – listed shares disposals	(240,442)	(321,988)
	<u>176,351</u>	<u>426,544</u>

Investments on listed equities & convertible loan stock in at market value in the UK is £60,164 (2021: £136,241) and at market value outside of the UK £116,187 (2021: £290,303).

The historical cost of the investments at 31 December 2022 was £173,253 (2021: £332,128).

18 Debtors

	2022 £	2021 £
Other debtors	70,525	252
Prepayments	20,671	13,549
Accrued income	-	52,811
	<u>91,196</u>	<u>66,612</u>

19 Cash and cash equivalents

	2022 £	2021 £
Cash in hand	15,903	3,119
Cash at bank	451,317	30,287
	<u>467,220</u>	<u>33,406</u>

20 Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loan	14,730	-
Other creditors	15,930	-
Accruals	45,570	41,813
Deferred income	30,558	29,350
	<u>106,788</u>	<u>71,163</u>

There is £30,518 (2021: £29,310) 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 2022

21 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Mortgage (falling due in less than 5 years)	69,163	-
Bank loan (falling due in less than 5 years)	205,270	-
Mortgage (falling due in more than 5 years)	810,837	-
	<u>1,085,270</u>	<u>-</u>

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 with interest payments only and from March 2024 for capital and interest repayments to commence. 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 for interest and from February 2023 for capital and interest repayments.

22 Funds

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Transfers £	Balance at 31 December 2022 £
Unrestricted funds						
General	305,399	787,446	(702,593)	(35,806)	234,677	589,123
Designated:						
Building maintenance	50,000	-	-	-	(50,000)	-
Book restoration	100,000	-	-	-	(100,000)	-
Designated capital funds:						
- Assets under const. (net of loans)	-	-	-	-	154,891	154,891
- Furniture and equipment	61,362	-	-	-	(33,277)	28,085
- Heritage Assets Build	3,511,400	-	-	-	(151,400)	3,360,000
- Heritage Assets Books	3,000,032	-	-	-	-	3,000,032
- Heritage Assets Fixtures & fittings	41,000	-	-	-	-	41,000
	<u>7,069,193</u>	<u>787,446</u>	<u>(702,593)</u>	<u>(35,806)</u>	<u>54,891</u>	<u>7,173,131</u>
Restricted funds						
Membership donations for Asset under construction	-	120,884	(12,407)	-	(54,891)	53,586
Total funds	<u>7,069,193</u>	<u>908,330</u>	<u>(715,000)</u>	<u>(35,806)</u>	<u>-</u>	<u>7,226,717</u>

The Leeds Library

Notes to the Financial Statements for the Year Ended 31 December 2022

22 Funds - continued

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Transfers £	Balance at 31 December 2021 £
Unrestricted funds						
General	385,188	479,996	(578,426)	63,876	(45,235)	305,399
Designated:						
Building maintenance	100,000	-	-	-	(50,000)	50,000
Book restoration	150,000	-	-	-	(50,000)	100,000
Designated capital funds:						
- Furniture and equipment	67,559	-	-	-	(6,197)	61,362
- Heritage Assets Build	3,360,000	-	-	-	151,400	3,511,400
- Heritage Assets Books	3,000,000	-	-	-	32	3,000,032
- Heritage Assets Fixtures & fittings	41,000	-	-	-	-	41,000
Total funds	7,103,747	479,996	(578,426)	63,876	-	7,069,193

23 Analysis of net assets between funds

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	1,282,976	1,282,976
Heritage assets	-	6,401,032	6,401,032
Fixed asset investments	-	176,351	176,351
Current assets	53,586	504,830	558,416
Current liabilities	-	(106,788)	(106,788)
Long term liabilities	-	(1,085,270)	(1,085,270)
Total net assets	53,586	7,173,131	7,226,717
		Unrestricted funds 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		7,069,193	7,069,193

The Leeds Library

Notes to the Financial Statements for the Year Ended 31 December 2022

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 £13,816 per annum for the use of the premises and the management of their library and archive.

Transactions with Trustees

During the period there were no transactions with trustees.

25 Going concern

The trustees consider that the Library remains a going concern. On the basis of prudent estimates of future income and expenditure together with the availability of liquid reserves the Library can meet the demands arising from operational cost pressures and from the purchase of 15 Commercial Street.

While the financial statements show a surplus for the year trustees are conscious that the underlying operational costs of the Library ran at a significant deficit as a result of pay and price increases, delays in obtaining grants, and the additional costs of staff recruited ahead of completion of the work to redevelop 15 Commercial Street. Donations, legacies and a substantial VAT refund following the Library's registration for VAT have been adequate to meet this deficit without the need to draw on investments. As planned the Library has drawn up a broadly balanced operational budget for 2023 and retains sufficient reserves to meet a shortfall. On this basis the trustees consider the Library remains a going concern.

In the light of this assessment the trustees have determined the disclosure needed to assess current uncertainties. These uncertainties and the steps taken to mitigate them so as to ensure, so far as possible, the future financial sustainability of the Library are set out in the trustees' report. In particular:

- 1 The Library will implement a comprehensive fundraising strategy both to raise funds to complete the redevelopment of 15 Commercial Street and to support other aspects of the Library's work. This includes continuing to apply for grants from a range of funding organisations.
- 2 Work on 15 Commercial Street will not start until the funds are available. If funds are not available to complete the redevelopment as a single project the Library will phase the work concentrating in the first phase on completing work on the retail unit so that it can be rented out to generate income.
- 3 Work on the redevelopment project will be tightly managed to minimise the risk of cost and time overruns.
- 4 Trustees will monitor closely both the redevelopment of 15 Commercial Street and the operational budget and will take early action if problems emerge.
- 5 The Library's investments are sufficient to cover some four months operational expenditure. The Library will seek to increase these over time but does not expect to use its investments to meet the costs of work on 15 Commercial Street but rather to manage unexpected operational costs or shortfalls in income.

The Leeds Library

Notes to the Financial Statements for the Year Ended 31 December 2022

26 Security

The property purchased during the year at 15 Commercial Street, Leeds is subject to security charges issued in favour of two lenders of mortgage funding. The charges were issued in February 2022.

27 Prior year SOFA for comparatives

	Note	Unrestricted funds £	Total 2021 £
Income and Endowment from:			
Donations and legacies	3	148,399	148,399
Charitable activities	4	105,595	105,595
Investment income	5	213,134	213,134
Other income	6	12,868	12,868
Total income		<u>479,996</u>	<u>479,996</u>
Expenditure on:			
Charitable activities	7	<u>(578,426)</u>	<u>(578,426)</u>
Total expenditure		<u>(578,426)</u>	<u>(578,426)</u>
Net gains on investment assets		63,876	63,876
Net expenditure		<u>(34,554)</u>	<u>(34,554)</u>
Net movement in funds		<u>(34,554)</u>	<u>(34,554)</u>
Reconciliation of funds			
Total funds brought forward	22	<u>7,103,747</u>	<u>7,103,747</u>
Total funds carried forward	22	<u>7,069,193</u>	<u>7,069,193</u>