

Company registration number: 05577905

Charity registration number: 1114386

The Leeds Library
(A company limited by share capital)
Annual Report and Financial Statements
for the Year Ended 31 December 2020

The Leeds Library

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The Leeds Library

Reference and Administrative Details

President

Kevin Grady

Chair

Martin Staniforth

Trustees

Bruce Buchan
Richard Hainsworth (resigned 19 September 2020)
Alexandra Hutchinson (appointed 19 September 2020)
Simone Ivatts
Michael Meadowcroft (resigned 19 September 2020)
Elizabeth Minkin
Stuart Rawnsley (resigned 1 March 2021)
Ruth Robbins
Christine Stead
Philip Walker
Alan Wallace (appointed 19 September 2020)
Christopher Webster

Treasurer

Robert Kilner

Staff

Carl Hutton, Chief Executive
Jane Riley, Librarian
Anna Goodridge, Assistant Librarian
Helen Holdsworth, Assistant Librarian
Aiden Thackray, Library Assistant
Sarah West, Administrator
Fiona Gell, Marketing & Communications Officer
Liz Jones, Finance Officer
Jean Robinson, Caretaker/Cleaner
Phillip Robinson, Caretaker/Cleaner

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

Bankers Lloyds
65-66 Briggate
Leeds
West Yorkshire
LS1 6LH

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

Chair of Trustees Introduction

2020 was one of the most challenging years in the Library's history as we, like other cultural and commercial organisations, responded to the global Covid-19 pandemic. This required us to close the Library to members for several months during the year and introduce a range of measures to protect staff and members when we were able to open. I know how difficult the year has been for staff and want to thank them very sincerely for the way in which they rose to the many and changing demands that Covid-19 placed on them, and for their continuing cheerfulness and positive approach throughout the year.

Although Covid-19 dominated the year, for the first three months Library life went on as normal. In particular the Library took the lead in organising the prize-winning second Leeds Lit Fest, working in partnership with other organisations in the city. However, no sooner had the Festival ended than we were required to close the Library to help reduce the spread of Covid-19 and while we were able to open after a three-month closure we were again required to close in November for a month. When we were open there were restrictions on how we operated: there was a limit on the number of members in the building at any time, staff and members had to wear masks, there was a one-way system in the building, and handled books were quarantined. The closures, and the restrictions on opening, were disruptive for members and staff and also had a severe impact on the Library's finances as our events programme dried up, membership growth halted, and rental income was reduced. We are, therefore, extremely grateful to the Heritage Fund which awarded us two grants totalling nearly £120,000 to support the Library during the year and into 2021. We have also benefitted from support from the Government's Coronavirus Job Retention Scheme, and from Business Support Grants from Leeds City Council.

At the same time the Covid-19 crisis has spurred innovation in the Library. Recognising that if members could not come to the Library then we must take the Library to them we introduced a range of new services to support members. These included a postal service, a local delivery service, a click and collect service, an eBook library, access to newspapers, journals and drama online, an online members' forum and online events. We plan to maintain and expand the range of online services we provide when the Library reopens as a key part of our membership offer particularly for those who cannot, or do not wish to, visit the Library. We have also taken the opportunity to refresh the Library furniture and to enhance our alarm and security systems recognising the greater vulnerability of the Library when it stands empty.

Throughout what has been a difficult year I have been greatly heartened by the positive support from members and the many kind comments they have made about our response to the pandemic. I am also grateful for the continuing commitment of our President and trustees, who have managed the transition to meetings on Zoom without any of the disasters which have befallen some other organisations.

Martin Staniforth
Chair

Chief Executive's Welcome

It would be fair to say that 2020 was a year unlike any other in the history of the Library. A year that had started with plans being developed aimed at securing funding for an ambitious capital project turned into a year dictated by the impact of the Covid-19 pandemic. In no previous year during our 252 year history had the Library been instructed to close its doors for extended periods as happened during 2020. The ever-changing nature of the pandemic brought with it a need for the Library team to work in a nimble, creative and positive fashion in order to make the best of a very difficult situation.

Prior to the pandemic the Library led the delivery of the Leeds Lit Fest at the beginning of March, which in its second year saw the festival receiving the Saboteur National Lit Fest of the Year Award. This was an incredible achievement for a festival that uniquely was based around a working partnership of ten cultural organisations based in the city, and saw events take place throughout the city over the five days of the festival.

As the impact of the pandemic became apparent immediately after the Lit Fest, the Library staff team and trustees took steps to ensure that the Library was run in a way that both respected Government requirements and enabled us to deliver services to our members at a time when the Library building was closed and the main contact point with members was through electronic media. The development of an eBook lending library, PressReader service and Drama Online facility for members was underpinned by regular, consistent and detailed communications with members so that everyone could see there was a clarity of purpose at the Library at a time of stress and worry for all.

In order to manage the resources of the Library effectively a number of the staff team were furloughed for different periods of times, and applications were submitted to local, regional and national grant-giving trusts to help cover core building costs. The most noticeable success here was securing two grants from the Heritage Fund's Emergency Heritage Fund and Culture Recovery Fund. Through these grants we were able to progress with some certainty to undertake a number of repairs, replace outdated building systems, and invest in making improvements to the Library so that we would be able to open in a Covid-19 secure manner as and when allowed by the Government.

With many staff, trustees and members affected to varying degrees by the pandemic, the Library showed it had the strength, resourcefulness and creativity to respond positively to the challenges of Covid-19. This was underpinned by a very close working relationship between staff and trustees which enabled decisions to be made and implemented quickly even at the most difficult times of the year. In this regard I would like to thank personally the trustees of the Library for their support of the staff team throughout the year and also the staff team for their work, understanding and flexibility in constantly adapting to the work and working conditions required of them in their role. I never imagined that I would see a librarian in the Library working in a face mask or visor and I hope we will soon reach a point where we do not have to see staff wearing such equipment or the Library counter having protective screens positioned on it ever again.

Finally I would like to thank our membership for their ongoing support, patience and warmth towards the Library at a time when everyone was working under a significant degree of stress, worry and concern. It was greatly appreciated by all of the staff team.

Carl Hutton
Chief Executive

The Library Collections

In a normal year we add over 1,000 books and other items to the Library collections. The challenges of Covid-19 however saw a significant and rapid diversification of the Library collection in a matter of a few weeks to include the setting up of an eBook library which within eight months had over 600 titles available for members to borrow remotely. Whilst historically the provision of online resources for members was not seen as a priority it had been the subject of discussion over the years so that, once we recognised the challenges lockdown would bring, a consensus to set up an eBook facility was agreed very quickly across the staff team and trustees and is now here to stay.

Complementing the eBook library, we also subscribed to two other online services. First, following a successful trial period paid for by the Independent Libraries Association, the Library subscribed to the PressReader service, a resource that provides direct online access to over 6,000 newspaper and magazine titles, not just from the UK but from across the globe. The extensive range of reading matter in itself provides good value for the annual membership subscription. This resource was enhanced by a subscription to the Drama Online service, giving members access to performances by the likes of the National Theatre and Royal Shakespeare Company. As with the eBook library we expect that both of these subscriptions will be long term commitments of the Library in future and in time will be supplemented by other online services.

Given the Library closures and the development of an eBook library we acquired fewer new items than usual, purchasing 619 books, audiobooks and DVDs during the year. We expect that this reduction in the number of items purchased will be a one-off blip and that new purchases will return to historic levels as Covid restrictions ease. A number of magazine and newspaper subscriptions were paused temporarily while the Library was in lockdown and staff were not routinely in the Library to receive the daily papers. We will, however, reinstate these when circumstances allow.

Book Conservation

The Library has always been committed to the preservation and repair of its heritage collection and this continued under difficult circumstances in 2020 with Brian Cole from Castle Bindery continuing his excellent work with the Library team. However, Brian was unable to conserve as many books as usual because he was unable to visit the Library from his Scarborough base due to lockdown restrictions and the Library had limited capacity to send him items to work on. He did, however, continue to work on restoring some of the gems of the Library collection that are housed in the Librarian's Office.

In addition to Brian's work the Library, thanks to the support of the Heritage Fund, was able to resource the binding of 140 books during the year, mainly from the travel collection which is located on the balcony in the Main Room.

Looking to the future, much discussion took place on the work needed to conserve and make accessible the Library's Heritage Fiction collection. With the agreement of trustees the intention is for the Library to catalogue in detail the full collection, which numbers around 7,000 items, in 2021. Following that an external consultant will be commissioned to review the collection and make recommendations on how the books can be best looked after, which parts of the collection should be made more widely available, and the best way of achieving this, for example through digitisation.

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. However we were unable to move forward with our plans for engaging more fully with the research community because of the Covid-19 pandemic. We look forward to resuming this work, under the guidance of the Research Committee, as soon as circumstances allow.

The Library Building

Through the support of the Heritage Fund, the Library was able to use grant funding during the two lockdown periods to undertake a significant number of urgent building projects.

The Emergency Heritage Fund grant enabled the Library to undertake work that would directly improve the security and protection of the core collections of the Library. The initial work allowed for a new CCTV system to be installed throughout the public and non-public areas of the Library, a repair to be undertaken to the heating system, and significant repairs to be made to the Library roof over the Smoke Room which is now used as the main office for the staff team. Linked to this work, the grant also covered the cost of redecoration of the Smoke Room and gents toilet.

The grant also covered a number of costs incurred in enabling the Library to reopen after the end of the first lockdown period. These included the purchase of counter screens, floor signage aimed to encourage social distancing in the Library, and PPE equipment for staff members.

The second Heritage Fund grant enabled the Library to replace the building-wide fire alarm system, install bookshelves in the Main Room to provide better protection for some of the larger items of the Library's heritage collection, and purchase new furniture to replace some of the older chairs and tables which were not fit for purpose given the need for the Library to be Covid-secure.

In addition, a significant amount of work was undertaken to look at the set-up and layout of each room in the Library to increase the areas for seating for members, reduce the number of areas in the Library where access to bookcases was hindered by furniture getting in the way, and ensure that there was a more consistent approach to the presentation of spaces. This work saw a number of items of furniture moved into storage so as to declutter spaces and improve the aesthetics of the rooms.

Membership

Membership numbers over the year declined from 1,200 to 1,044, largely because the Library closure restricted our ability to recruit new members. The Library recognised the impact that Covid-19 had on members and offered membership extensions of three months and one month at no cost. 116 members took up the option of a three month extension and 79 the offer of a one month extension. Of these, 29 took up both offers.

The Library made a commitment to maintain regular contact with its membership throughout the lockdown periods and to deliver a number of online events across the course of 2020 as it was not possible to present events in the Library building. As a result the Library organised six online quizzes, arranged nine book club meetings, presented seven Nowt But Verse Poetry events and delivered several online outreach events including a book launch for Frances Brody, the presentation of the annual Priestley Lecture, and the festive launch of a poetry collection by Candlestick Press, all of which were well attended.

The Library continued to produce bimonthly editions of its newsletter, *Speaks Volumes*, with an increasing number of high-quality articles which were well received by members. The Library also continued to use social media to inform members and supporters of the Library of developments to our work and by the end of the year the Library had 4,191 followers on Twitter, an increase of 591 on the previous year and 2,486 followers on Facebook, which was an increase of 336 on the figure in 2019.

Staffing

Each member of the staff team at the Library will have their own memories of the experience of 2020 and the way in which the pandemic affected them both personally and in their professional role. It is to their immense credit that despite the very challenging times they remained committed to and focussed on the Library and its members.

Soon after the closure of the Library on 23 March we took the unprecedented decision to furlough on full pay a number of staff whose work could not be undertaken from home. This meant they were not able to do any work for the Library, a situation that continued until the end of June. At the same time the small team of remaining staff had to work closely with the trustees to ensure that services to members were maintained and improved while the Library continued to meet its charitable duties.

When the Library reopened on 6 July, staff had to adjust to new working arrangements that meant working in smaller team units on a day-to-day basis so that the risk of a number of staff having to self-isolate was minimised. At the same time when in work staff had to wear visors while also implementing a number of health and safety measures for members including quarantining books, ensuring social distancing throughout the Library and changing the layout of each room in the Library building. With the enforcement of a second lockdown period on 5 November the majority of the Library team were flexibly furloughed and used the period of closure to work with contractors to enable several pieces of work to be undertaken ahead of reopening on 3 December.

During the year, no member of staff was placed in a easy situation. Those staff who were furloughed had to respect the need for the Library to reduce the financial impact of the Covid-19 crisis by claiming the Job Retention grant from the government, while those working had to accept and understand the need for them to work whilst others had a significant break from the day-to-day grind of work. It is to the credit of all staff members that despite all the challenges of the year they continued to work well together as a team, willingly accepted often difficult decisions as to who would work and who would be furloughed, and displayed great maturity in responding to the many and changing demands on them. The Library also recognised the increased pressures on staff and invested in an Employee Assistance Programme with Sovereign Healthcare to provide them with access to additional support if needed.

The Library said goodbye to two team members during the course of the year. Nichola Holmes left the Library in March, taking the decision to retire after working for a number of years as a part-time Library Assistant, and Jen Fox left her role of part-time Membership Administrator at the Library at the end of September to take up a full-time position elsewhere. We wish them both well for their future. Due to the uncertainty of the year, the decision was taken to delay the appointment to both job roles until 2021 when we hope we will be open more consistently. We look forward to making new appointments then. Due to the need for the Library to reduce the number of people working both behind the counter, in the offices and in the basement we also took the difficult decision during the year to disband temporarily the team of volunteers who have worked over many years to assist with the conservation of the Library's collections, to provide the management of the archive, and the cataloguing of books, and support for events, tours and other projects. It is hoped that at some point in the very near future the many valued volunteers will be able again to assist the Library with its work.

The Leeds Library

Annual Report for the Year Ended 31 December 2020

A number of external consultants and suppliers provided specialist support and advice to the Library. They included Direction Accounting and Brown Butler who provided accountancy services, Castle Bindery who assisted the Library with the conservation of our heritage book collection, and Crowther Turnbull Booth who assisted the Library with building surveyor advice for a number of projects funded by Heritage Fund grant support.

The Leeds Lit Fest

The Leeds Lit Fest is a partnership that sees the Library working with Hyde Park Book Club, Leeds Big Bookend, The Carriageworks, Leeds Libraries, Millm CIC, Headingley Lit Festival, Strix Magazine, Leeds Church Institute and Chapel FM. The partnership and festival were established following discussions at the time of 250th Anniversary of the Library in 2018.

The second Leeds Lit Fest took place between Wednesday 3 and Sunday 7 March. Over 100 events were held at more than thirty venues across the city during the festival, with the Library directly involved in the programming of half of the festival content and being the venue for nearly twenty events. The significant expansion of the festival for its second year was made possible through the securing of grants from Leeds Inspired, Arts Council England, and the Leeds Philosophical and Literary Society, with the Library being heavily involved in the securing of the grants due to it being responsible for the financial and administrative management of the festival.

The festival was launched at Leeds Minster with a night of poetry performed by writers from Peepal Tree Press. Headline events for the festival included talks by Stuart Maconie, Jenny Éclair, Gavin Esler and AC Grayling. Diane Cook, author of the Booker Prize shortlisted *The New Wilderness*, was writer in residence. Alongside the headline events, the festival programmed over twenty events in a variety of community settings, including a series of writer workshops and a number of unconventional events aimed at broadening out the appeal of the festival to a non-traditional literature festival audience. With the festival being committed to presenting a broad range of literary-inspired events, the Library hosted a performance by Nunkie Theatre and a musically accompanied silent film screening performed by Jonny Best.

Partnerships

Over recent years the Library has developed a strong reputation for its partnership working to deliver a programme of outreach that enables the Library to fulfil its charitable purpose. With the Library in lockdown for two extended periods and social distancing measures impacting on the Library's ability to deliver activities during the second half of the year, it would be easy to say that the only tangible partnership work the Library undertook during the course of 2020 was with in connection with the Leeds Lit Fest. This however was not the case.

The Library is one of the founding members of the Independent Libraries Association (ILA), a group of around thirty institutions that are neither local authority operated nor aligned with and managed by an educational establishment or University. As a mutual support network ILA members had a number of online meetings and discussions during the year, sharing ideas and approaches on how best to work during the lockdowns. This network on several occasions provided a sounding board to talk through different approaches to reopening library services, communicating with members and looking at the development of new online resources. In many ways the pandemic provided the clearest justification for the existence of the ILA since its inception. We look forward to hosting the Association's annual conference in 2021 after its postponement in 2020.

The Library also worked closely with officers at Leeds City Council from the Arts, Venues and Events Service, with Anne Wishart from the Arts Development team attending a Trustee meeting to listen to trustees' discussions and give an update on the Council's response to the Covid-19 crisis from an arts and heritage perspective. This was the first time a Council officer had attended a Trustee meeting in this way and we look forward to repeating the exercise in future.

In addition, the Library had regular dialogue with a number of grant-giving bodies including Arts Council England, the Art Fund, Leeds Inspired, National Lottery and Heritage Fund. The Heritage Fund provided consistent support for the Library both in terms of funding and in giving timely, constructive and realistic advice on proposed and potential plans for the Library, so enabling us to improve our planning for the future.

Finally, the Library started to work with Jenny Tribolet, a locally based artist, who worked with the Library team to develop various pieces of window art in the main entrance window. The introduction of artwork makes a substantial improvement to the presentation of the Library which had at times been undermined by our own modest efforts to dress a small window space with limited resources.

Going concern: Effect of Covid-19

As reported last year, the impact of the Covid-19 pandemic gives rise to a material uncertainty about the future of the Library as a going concern. The trustees have assessed whether the Library is a going concern by considering projections of the Library's income and expenditure and cash flows. They have also monitored the movement of its investment portfolio.

The accounts report that the Library made a small loss in the year to 31 December 2020. This was a significantly better outcome than anticipated and reflects the award of two significant grants from the Heritage Fund which totalled £118,200, funding from the Government's Coronavirus Job Retention Scheme towards the salaries of furloughed staff, and support from Leeds City Council for businesses forced to close as a result of the pandemic. However, trustees currently anticipate a bigger loss for the 2021 financial year which is directly attributable to the effect of Covid-19 and particularly the requirement to close the Library between January and April 2021. The trustees consider that the Library can meet this deficit from its unrestricted funds without unduly impairing those reserves. They plan for the Library to return to a balanced income and expenditure position in 2022. On this basis they consider that the charity remains a going concern. In the light of this assessment they have determined the disclosure needed to assess the impact of uncertainties that exist at this time.

The Library has identified a number of uncertainties, both financial and non-financial, that may affect it as a result of the Covid-19 pandemic and has taken steps to mitigate these and ensure, so far as is possible, the future of the Library. Key measures are set out below.

Health and Safety

As part of the planning for reopening the Library on 12 April the existing risk assessment was reviewed and updated to ensure that the Library could reopen safely for both staff and members. Among the measures implemented were limits on the number of members allowed in the Library at any one time; reducing opening hours; a registration process for members visiting the Library; the provision of PPE for staff; and enhanced cleaning particularly of vulnerable surfaces. These measures are kept under review and adjusted in the light of experience and changing Government guidance.

Income and expenditure

In drawing up the Library budget for the current year we have recognised the likely impact of reduced rental income, lower income from membership subscriptions, and loss of income from investments, events and activities. The overall effect of this is significantly to reduce our overall income. To offset this we have kept tight control on planned expenditure and continue to review and renegotiate contracts both for professional services and for support and maintenance services to ensure best value. At the same time we are continuing to invest modestly to improve membership facilities and services particularly through developing our digital services for members. We have received funding for two posts through the Kickstart scheme which will have a particular focus on improving the Library's digital offer both internally and externally. Finally, we continue to seek funding support which will contribute to meeting the Library's operational costs.

However, as stated above, despite these measures the Library's budget projects a deficit of some £85,000 in 2021. We will, of course, work hard to reduce this during the year but plan to meet any residual deficit from reserves. These have been built up prudently over a number of years to enable the Library to withstand short-term crises and currently stand at nearly £600,000. While the use of reserves to meet deficits is not a sustainable long-term strategy trustees consider that it is appropriate to use them for this purpose in response to the impact of Covid-19. They aim to achieve a balanced outturn in 2022. More broadly the Library is developing a longer-term financial strategy intended to ensure its financial sustainability. This includes looking to identify new income streams, taking forward a fund-raising campaign, reviewing our membership structure to make it more widely attractive, and increasing income from events and other activities.

Accessing funding support

The Library has continued to take advantage of support through the Coronavirus Job Retention Scheme which has allowed staff to be flexibly furloughed over recent months. We have also continued to benefit from Council support to affected businesses, including a grant of £12,000 to support re-opening. The Library has also been awarded a grant of £27,200 from the Heritage Fund's Cultural Recovery Fund to help support its reopening. We will continue to apply to statutory and non-statutory bodies for grants for events and other aspects of our work which, if successful, will contribute to the Library's operational costs.

Finally the Library has secured a £50,000 loan under the Coronavirus Bounce Back Loan scheme which can be used during the year should it be required.

Financial Assurance

Trustees, and the Library's Resources Committee, routinely review the Library's financial performance at their meetings, focussing on the income and expenditure position and on projected cashflow to identify any points where finances may be under pressure. They consider and approve plans for tackling any emerging concern.

Use of investments

The Library's investment portfolio, which represents its unrestricted reserves, was valued at £587,967 on 31 March 2021 and is sufficient to meet the Library's budgeted expenditure for the current year. While investment values may fluctuate during the year trustees are confident that they will be adequate to cover the projected financial deficit for the current year and that it is reasonable to use them for that purpose in the current exceptional circumstances.

The Leeds Library

Trustees' Report

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 2020.

The financial statements have been prepared in accordance with the Companies Act 2006, the Statement of Recommended Practice: Accounting and Reporting by Charities and applicable accounting standards.

Objectives and activities

Purpose of the Charity as set out in its governing document

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 confirm that 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.

Strategic aims

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

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

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

to be a home for lovers of books, writing and creativity, the Library's mission can be encapsulated within two areas: Supporting our Foundations and Raising our Roof. One area is more inward-facing, the other chiefly external.

Key elements of both criteria are as follows:

Supporting our Foundations

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

Raising the Roof

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

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

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

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

Activities of Public Benefit

As a charity, the Library is required to demonstrate how its work benefits the public as well as its members. This is a responsibility that the trustees are mindful of and keen to ensure is fulfilled. However the impact of the Covid-19 crisis meant that the ability of the Library consistently to engage people in the resources and collections of the Library and to make its collections available for academic study was difficult to achieve in the ways in which we have used in the past. Visits to the Library, tours and events for the wider public were not practical for much of the year. Nor were we able to open the Library for national and local events such as Heritage Open Days and Leeds Light Night as we have in the past.

However, in March the Leeds Lit Fest, which was led by the Library, delivered twenty high quality literature events in community settings throughout the city with all tickets for the audience being on a pay what you feel basis which meant that the Library actively engaged with all parts of the city as never before. The programme of work that took place in community settings was made possible through grant support from Leeds Inspired, and partly underwritten by the Library. As a result hundreds of people in the city attended literature events on their own door step. Without the work of the Library, this initiative would not have happened.

Moving forward the Library has been quick to recognise that our traditional means of providing members of the public with access to our collections may not be as easy to organise in future. Tours of the Library will be more complicated to undertake due to the restrictions of social distancing measures and the opening of the Library for a couple of hours on a Thursday evening will be more of a challenge and have less impact with fewer people expected to visit the city centre in the future. The solution to these challenges has been identified as embracing digital technology through the live streaming of events, talks, projects and work to the homes of residents not just in Leeds but further afield. The use of digital technology is also a way in which tours of the Library can continue in the future. These are more likely to be undertaken on a self-led basis with visitors using iPads and tablets to guide themselves into different spaces in smaller groups. Much of this work will bear fruit from 2021 onwards.

More generally, as reported elsewhere, we continue to increase the reach of our social media presence ensuring that people across the city and more widely are aware of the Library and what it has to offer.

Finally, we look forward to resuming the presentation of the Word of the Day outside the entrance to the Library, an initiative that continues to bring enjoyment to visitors to the city centre.

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 and 29 June 2019. These may be amended by the Members of the Charity at a General Meeting.

The Members of the Charity are those persons who have subscribed to the Memorandum of Association and such other persons or 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 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 Hon. Treasurer. At the end of each year, one third of the non-Treasurer Trustees retire. Each of the non-Treasurer trustees is eligible to serve for two consecutive 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 may not be trustees).

The trustees may appoint sub-committees consisting of at least two trustees for the purpose of making any enquiry or supervising or performing a function or duty. There are currently six Sub-Committees; Books and Collections Committee, Buildings (formerly House) Committee, Outreach and Partnership Committee, Research Committee, Membership Committee and Resources Committee (the Resources Committee replaces the former Staffing and Volunteering and Finance and Risk Committees).

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 the members 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.

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

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

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

Financial instruments

Objectives and policies

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

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance. Further details regarding liquidity risk can be found in the statement of accounting policies in the financial statements.

Trustees' Report

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:

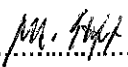
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed 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 17 May 2021 and signed on its behalf by:


.....
Martin Staniforth
Chair

The Leeds Library

Treasurer's Report for the Year Ended 31 December 2020

Financially as in other ways the year was dominated by Covid-19. While total income was up from £424,009 in 2019 to £469,782, a rise of 11%, the composition of this income has changed significantly between the two years because of the effect of Covid-19. Investment income, which includes rents, investment interest and dividends, dropped 29 per cent from £258,361 in 2019 to £182,404, primarily as a result of reduced rental income - this fell by £70,240 from £238,674 in 2019 to £168,434 in 2020. In 2019 investment income contributed 61% of total income but in 2020 it contributed only 39% of total income. Membership subscriptions also fell slightly to £115,673 (2019 £117,575).

However, these reductions were offset by a significant increase of £132,445, or 520%, in donations and legacies, to £157,909 compared to £25,464 in 2019. This reflects funds claimed from the Government's Coronavirus Job Retention Scheme, grants from the Heritage Fund, and business support from Leeds City Council.

Expenditure for the year was £476,374 (2019 £481,038), a reduction of 1%. Staff costs reduced from £256,579 in 2019, to £238,364, primarily because of staff vacancies, and other expenditure was tightly controlled, allowing for modest investment in new services for members.

After taking account of gains on investments of £1,688 the overall outturn was a small deficit of £4,904 compared to a deficit of £17,844 in 2019, a substantially better result than had been projected.

Reserves Policy

The policy of the trustees is to maintain an appropriate level of free reserves in order that due regard can be given to the contingencies surrounding the Library's operation and, in particular to the risks of a reduction in rental from one or both of the ground floor retail units. The Building Maintenance reserve of £100,000 and the Book Restoration fund for £150,000 were established during 2017 as designated reserves, both these designated reserve funds 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 2020 were £576,640 (2019 £580,600).

Income and Expenditure

The trustees' strategic priority was to balance the Library's income and expenditure for the year ended 31 December 2020. The Library's income for 2020 was 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 have used these incoming funds to deliver the aims and objectives of the Library. In particular this year they invested in a range of services to enable members to have access to books and other materials while the Library was closed while also maintaining spending on conservation and repair work for the historic book stock and continuing to expand the modern book stock in accordance with member recommendations. Contractual commitments for the protection and surveying of the historic assets and stock were continued.

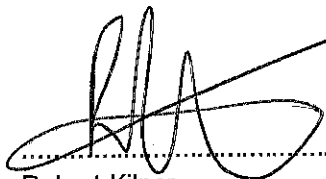
Investment Strategy and Performance

The trustees' investment strategy is to obtain a balance between capital growth and investment return and this is reviewed biannually with help from 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 2020 increased slightly to £8,478 (2019 £6,541). The investments generated dividend income of £13,964, a reduction from the previous year (2019 £19,661), reflecting the effect of Covid-19 on companies' willingness and ability to make dividend payments. After a turbulent year on the markets the value of the Library investments at 31 December 2020 was only slightly lower than in the previous year at £576,640 (2019 £580,600).

Coronavirus Statement

The trustees draw attention to note 26 in the notes to the Financial Statements relating to Covid-19 and their assessment that the charity continues to be a going concern. As set out in that note, trustees consider that they have taken all practical steps to mitigate the effects of the pandemic on the charity's finances. Current projections suggest that as a result of the pandemic, the Library will make a loss in the current financial year but trustees consider that the projected deficit can be covered by reserves without significant impairment to them. The trustees, and the Resources Committee, will maintain a close watch on the financial position as it evolves through the year, and will take any further measures they deem necessary to safeguard the charity's financial position. The Library will prepare a budget for 2022 aimed at bringing income and expenditure into balance.



Robert Kilner
Treasurer

Date: 17 May 2021

Opinion

We have audited the financial statements of The Leeds Library (the 'charity') for the year ended 31 December 2020, 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 2020 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 2020, 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.

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 15), 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.

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the Charity and sector. Control environment and charities performance including the design of the remuneration policies.
- Enquiry of the trustees about their own identification and assessment of the risks of irregularities and whether such irregularities may occur as a result of fraud or error.
- Documentation available of the policies and procedure relating to ; -
 - Identifying, evaluating and complying with laws and regulations and whether the trustees are aware of any instances of non-compliance.
 - Detecting and responding to the risk of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - Internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.

As a result of these procedures we considered the opportunities and incentives that may exist within the charity for fraud and identified the greatest potential for fraud in the areas in which the trustees and management is required to exercise significant judgement, such as the disclosure of adjusting items. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a direct effect on the determination of the material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006, Charities SORP and pensions and tax legislation. In addition we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty. These include the competition and anti-bribery laws, data protection, employment and health and safety regulations.

Audit response to risks identified

As a result of performing the above we did not identify anything that required disclosure or resulted in an adjustment of a key audit matter, related to the potential risk of fraud.

In addition to the above our procedures to respond to risks identified included the following:

- discussions with those charge with governance and reviewing trustee minutes; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We remained alert to any indications of fraud or non-compliance with laws and regulations through the audit.

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

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.

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.



.....
Julie Konczyk BFP FCA FCCA (Senior Statutory Auditor)
For and on behalf of Farrar Smith

Farrar Smith
Chartered Accountants & registered auditors
2 Woodside Mews
Clayton Wood Close
West Park
Leeds
LS16 6QE

Date: 17 May 2021

The Leeds Library

Statement of Financial Activities for the Year Ended 31 December 2020
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2020 £	Total 2019 £
Income and Endowment from:				
Donations and legacies	3	157,909	157,909	25,464
Charitable activities	4	117,433	117,433	128,148
Investment income	5	182,404	182,404	258,361
Other income	6	12,036	12,036	12,036
Total income		<u>469,782</u>	<u>469,782</u>	<u>424,009</u>
Expenditure on:				
Charitable activities	7	(476,374)	(476,374)	(481,038)
Total expenditure		<u>(476,374)</u>	<u>(476,374)</u>	<u>(481,038)</u>
Gains/losses on investment assets		1,688	1,688	39,185
Net (expenditure)/income		<u>(4,904)</u>	<u>(4,904)</u>	<u>(17,844)</u>
Net movement in funds		<u>(4,904)</u>	<u>(4,904)</u>	<u>(17,844)</u>
Reconciliation of funds				
Total funds brought forward		<u>7,108,651</u>	<u>7,108,651</u>	<u>7,126,495</u>
Total funds carried forward		<u>7,103,747</u>	<u>7,103,747</u>	<u>7,108,651</u>

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

Balance Sheet as at 31 December 2020


	Note	2020 £	2019 £
Fixed assets			
Intangible assets	14	-	-
Tangible assets	15	67,559	68,239
Heritage assets	16	6,401,000	6,401,000
Investments	17	568,162	573,440
		<u>7,036,721</u>	<u>7,042,679</u>
Current assets			
Debtors	18	54,479	69,798
Cash at bank and in hand	19	123,801	49,481
		<u>178,280</u>	<u>119,279</u>
Creditors: Amounts falling due within one year	20	<u>(62,087)</u>	<u>(53,307)</u>
Net current assets		116,193	65,972
Total assets less current liabilities		7,152,914	7,108,651
Creditors: Amounts falling due after more than one year	21	<u>(49,167)</u>	<u>-</u>
Net assets		<u>7,103,747</u>	<u>7,108,651</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>7,103,747</u>	<u>7,108,651</u>
Total funds	22	<u>7,103,747</u>	<u>7,108,651</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 22 to 36 were approved by the trustees, and authorised for issue on 17 May 2021 and signed on their behalf by:


.....
Martin Staniforth
Chair

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 2020 there were 1,044 members (2019: 1,200).

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 17 May 2021.

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.

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	Total
	£	2020	2019
		£	£
Donations and legacies:			
General donations and grants	157,909	157,909	25,464
	<u>157,909</u>	<u>157,909</u>	<u>25,464</u>

4 Income from charitable activities

	Unrestricted funds		
	General	Total	Total
	£	2020	2019
		£	£
250th Merchandise	-	-	396
250th book	180	180	810
Membership fees	115,673	115,673	117,575
Sales of donated goods	1,580	1,580	9,367
	<u>117,433</u>	<u>117,433</u>	<u>128,148</u>

5 Investment income

	Unrestricted funds		
	General	Total 2020	Total 2019
	£	£	£
Other income from fixed asset investments	13,970	13,970	19,687
Income from rents	168,434	168,434	238,674
	<u>182,404</u>	<u>182,404</u>	<u>258,361</u>

6 Other income

	Unrestricted funds		
	General	Total 2020	Total 2019
	£	£	£
Thoresby society	12,036	12,036	12,036
	<u>12,036</u>	<u>12,036</u>	<u>12,036</u>

7 Expenditure on charitable activities

		Unrestricted funds		
	Note	General	Total 2020	Total 2019
		£	£	£
Operation as a library		225,631	225,631	241,406
Listed building maintenance		56,409	56,409	59,104
Governance costs	8	194,334	194,334	180,528
		<u>476,374</u>	<u>476,374</u>	<u>481,038</u>

£476,374 (2019: £481,038) of the above expenditure was attributable to unrestricted funds and £Nil (2019: £Nil) to restricted funds.

8 Analysis of governance and support costs

Support costs allocated to charitable activities

	Staff costs £	Other support costs £	Total 2020 £	Total 2019 £
Operation as a library	171,621	54,010	225,631	241,406
Listed building maintenance	42,906	13,503	56,409	59,104
	<u>214,527</u>	<u>67,513</u>	<u>282,040</u>	<u>300,510</u>

Analysis of charitable activities other support costs

	Unrestricted funds			Total 2020 £	Total 2019 £
	Library £	Building £	Governance £		
Premises	11,740	3,355	1,677	16,772	20,763
Postage and printing	8,918	2,548	1,274	12,740	16,373
Finance costs	596	171	85	852	1,137
General insurance	9,000	2,571	1,286	12,857	11,588
Miscellaneous	7,031	2,009	1,005	10,045	4,633
Depreciation	9,973	2,849	1,425	14,247	13,004
Amortisation	-	-	-	-	2,092
	<u>47,258</u>	<u>13,503</u>	<u>6,752</u>	<u>67,513</u>	<u>69,590</u>

Governance costs

	Unrestricted funds		Total 2019 £
	General £	Total 2020 £	
Wages and salaries	20,413	20,413	22,054
Staff NIC (Employers)	1,289	1,289	1,393
Staff pensions (defined contribution) – pension scheme 1	2,135	2,135	2,211
Auditor's remuneration	5,530	5,530	5,670
Management fees	5,400	5,400	5,377
Legal and professional fees	6,575	6,575	13,800
Binding and conservation	12,117	12,117	23,603
Books, publications, DVD's etc	20,358	20,358	21,766
Staff training	364	364	3,246
Catering supplies	1,593	1,593	1,991
Staff expenses	459	459	1,598
Storage	10,355	10,355	10,794
Insurance	10,562	10,562	9,519
Repairs and maintenance	35,382	35,382	17,787
Computer software and maintenance costs	16,033	16,033	17,776
Event expenses	44,869	44,869	21,043
Sundry expenses	900	900	900
	<u>194,334</u>	<u>194,334</u>	<u>180,528</u>

9 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	Total 2020 £	Total 2019 £
Audit fees	5,530	5,670

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:

	2020 £	2019 £
Staff costs during the year:		
Wages and salaries	238,364	256,579

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:

	2020 £	2019 £
The average monthly head count was	11	12

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

13 Auditor's remuneration

	2020 £	2019 £
Audit of the financial statements	5,530	5,670

14 Intangible fixed assets

	Website costs £	Total £
Cost		
At 1 January 2020	6,274	6,274
At 31 December 2020	<u>6,274</u>	<u>6,274</u>
Amortisation		
At 1 January 2020	6,274	6,274
Charge for the year	-	-
At 31 December 2020	<u>6,274</u>	<u>6,274</u>
Net book value		
At 31 December 2020	<u>-</u>	<u>-</u>
At 31 December 2019	<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 2020	281,208	281,208
Additions	13,557	13,557
At 31 December 2020	<u>294,765</u>	<u>294,765</u>
Depreciation		
At 1 January 2020	212,969	212,969
Charge for the year	14,237	14,237
At 31 December 2020	<u>227,206</u>	<u>227,206</u>
Net book value		
At 31 December 2020	<u>67,559</u>	<u>67,559</u>
At 31 December 2019	<u>68,239</u>	<u>68,239</u>

The Leeds Library

Notes to the Financial Statements for the Year Ended 31 December 2020

16 Heritage assets

	Buildings £	Books £	Fixtures and fittings £	Total £
Cost				
At 1 January 2020	3,360,000	3,000,000	41,000	6,401,000
At 31 December 2020	3,360,000	3,000,000	41,000	6,401,000
Depreciation				
At 31 December 2020	-	-	-	-
Net book value				
At 31 December 2020	3,360,000	3,000,000	41,000	6,401,000

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 2020 is £8,121,584 (2019: £7,915,755).

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.

17 Fixed asset investments

	2020 £	2019 £
FA investment – listed shares b/fwd	573,440	540,921
FA investment – listed realised gain	2,050	1,266
FA investment – listed unrealised loss/gain	(362)	37,919
FA investment – listed shares additions	148,694	55,105
FA investment – listed shares disposals	(155,660)	(61,771)
	<u>568,162</u>	<u>573,440</u>

Investments on listed equities & convertible loan stock in at market value in the UK is £188,030 (2019: £266,167) and at market value outside of the UK £380,132 (2019: £307,273).

18 Debtors

	2020 £	2019 £
Prepayments	18,416	11,235
Accrued income	36,063	58,563
	<u>54,479</u>	<u>69,798</u>

19 Cash and cash equivalents

	2020 £	2019 £
Cash in hand	8,478	6,541
Cash at bank	115,323	42,940
	<u>123,801</u>	<u>49,481</u>

20 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loan	833	-
Other creditors	61	257
Accruals	12,862	18,572
Deferred income	47,331	34,478
	<u>62,087</u>	<u>53,307</u>

There is £19,694 (2019: £25,203) of deferred income that relates to subscriptions received these relate to the next financial period.

21 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank loan (falling due in less than 5 years)	40,004	-
Bank loan (falling due in more than 5 years)	9,163	-
	<u>49,167</u>	<u>-</u>

The bank loan was received under the Bounce Back Loan Scheme (BBLs) and is repayable in equal instalments spread over 60 months at a fixed interest rate of 2.5%. Under the Scheme the first 12 months interest is covered by the UK Government's Business Interruption Payment (BIP) and no loan repayments are required during the period.

22 Funds

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2020 £
Unrestricted funds					
General	6,858,651	470,782	(476,374)	1,688	6,854,747
Designated	250,000	-	-	-	250,000
Total funds	<u>7,108,651</u>	<u>470,782</u>	<u>(476,374)</u>	<u>1,688</u>	<u>7,104,747</u>

	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2019 £
Unrestricted funds					
General	6,876,495	424,009	(481,038)	39,185	6,858,651
Designated	250,000	-	-	-	250,000
Total funds	<u>7,126,495</u>	<u>424,009</u>	<u>(481,038)</u>	<u>39,185</u>	<u>7,108,651</u>

23 Analysis of net assets between funds

	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)
	<u>7,103,747</u>	<u>7,103,747</u>

	Unrestricted funds General 2019 £	Total funds 2019 £
Intangible fixed assets	-	-
Tangible fixed assets	68,239	68,239
Heritage assets	6,401,000	6,401,000
Fixed asset investments	573,440	573,440
Current assets	119,279	119,279
Current liabilities	(53,307)	(53,307)
	<u>7,108,651</u>	<u>7,108,651</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 £12,036 per annum for the use of the premises and the management of their library and archive.

25 APB Ethical Standard – Provisions available to smaller entities

In common with many other charities of our size we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the management accounts.

26 Going concern

The level of economic and financial uncertainty caused by the Covid-19 pandemic gives rise to a material uncertainty about the future of the Library as a going concern. The trustees have assessed whether the Library is a going concern by considering projections of the Library's income and expenditure and cash flows. They have also monitored the movement of its investment portfolio.

The financial statements report a loss for the year to 31 December 2020. The Library's unrestricted funds were adequate to meet this. Looking forward the trustees anticipate a further loss in the current year. However, they consider the Library can meet this deficit from its unrestricted funds without unduly impairing those reserves. They plan for the Library to achieve a balanced income and expenditure position in 2022. On this basis they consider that the charity remains a going concern. In light of this assessment they have determined the disclosure needed to assess the impact of uncertainties that exist at this time.

The Library has identified a number of uncertainties, both financial and non-financial, that may affect it as a result of the Covid-19 pandemic and has taken steps to mitigate these and ensure, so far as it is possible, the future of the Library and these measures are detailed in the annual report:-

1. Implementation of Health and Safety protocols and initiatives to protect the health of all employees and members from potential infection and to protect the Library from the consequences of an outbreak and subsequent lockdown.
2. Measures taken immediately to lessen the impact on the finances of the Library by looking at the scope for increasing the sources of income and decreasing the Library's expenditure.
3. The Library has taken all opportunities to access funding support where available and was awarded two Heritage Fund grants totalling £118,200 during the 2020. The later of these two grants covered some expenditure to March 2021. Therefore £27,638 of the received amount has been deferred into the 2021 year and the final 10% of this grant will also be received in 2021. Since year end a further Heritage Fund grant has been awarded of £27,200 for expenditure to June 2021.
4. The Library is currently working on a longer term financial strategy to ensure its financial sustainability.
5. The Library already holds significant investments which are sufficient to meet a year's expenditure.