

THE LITERARY AND PHILOSOPHICAL
SOCIETY OF NEWCASTLE UPON TYNE
FOUNDED 1793



VIRES ACQUIRIT EUNDO

TWO HUNDRED AND TWENTY EIGHTH
ANNUAL REPORT
WITH STATEMENT OF ACCOUNTS
NEWCASTLE UPON TYNE 2021

THE LITERARY AND PHILOSOPHICAL
SOCIETY OF NEWCASTLE UPON TYNE
23 Westgate Road
Newcastle upon Tyne
NE1 1SE

Registered Charity Number: 1120948
Registered Company Number: 6220953
Telephone: 0191 232 0192
VAT: GB 177 5737 19
www.litandphil.org.uk

THE LITERARY & PHILOSOPHICAL SOCIETY OF NEWCASTLE UPON TYNE
(A company limited by guarantee)

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THE LITERARY & PHILOSOPHICAL SOCIETY OF NEWCASTLE UPON TYNE
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS BOARD AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020

Board

Robin Campbell, Chair of the Board
Dr. Katherine I. Baxter
Jeremy P.T. Bell
Val Boyle (retired 14 October 2020)
Margaret Bozic (retired 14 October 2020)
Chris Calver
Hazel Fleming
Andrew Harvey
Julie Hope (resigned 5 March 2020)
Richard Sharp (retired 14 October 2020)
Anthony M. Susman (retired 14 October 2020)
Judy Carrick (appointed 14 October 2020)
Mary J. Durkin (appointed 14 October 2020)
Paul Gailiunas (appointed 14 October 2020)
Patricia A. Lowery (appointed 14 October 2020)
Katharine C. Morley (appointed 14 October 2020)

Company registered number

06220953

Charity registered number

1120948

Registered office

23 Westgate Road
Newcastle upon Tyne
NE1 1SE

Honorary President

Alexander Armstrong

Accountants

Ryecroft Glenton
Chartered Accountants
32 Portland Terrace
Newcastle upon Tyne
NE2 1QP

Bankers

Lloyds
102 Grey Street
Newcastle upon Tyne
NE99 1SL

THE LITERARY & PHILOSOPHICAL SOCIETY OF NEWCASTLE UPON TYNE
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS BOARD AND
ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Solicitors

Muckle LLP
32 Gallowgate
Newcastle upon Tyne, NE1 4BF

Hay & Kilner
30 Cloth Market
Newcastle upon Tyne, NE1 1EE

Stockbrokers

Brewin Dolphin
Time Central
Gallowgate
Newcastle upon Tyne
NE1 4SR

Staff

Librarian - Kay Easson, M.A. (Hons), Dip. Lib., M.C.L.I.P
Music Librarian - James Smith, B.Sc (Hons)
Systems Librarian - Carole A. McGivern, B.A. (Hons), Dip.Lib.

Assistants

Karen Burns
Shima Banks, H.N.D (Assistant and Graphic Designer)
Caroline Grove, B.A. (Hons)
Alison Gunning
Christine Parmley
Laura Wills, B.A. (Hons)
Jeff Watson B.A. (Hons), M.A.

Financial Controller

Simon Alderson, B.A. (Hons), M.A., FMAAT

Marketing Manager

Marianne Abbott, M.A. (Hons)

Caretakers

Jim Gilmour
Phil Stewart

Cleaners

Jane McDowell
Nick Banks
Deborah Robinson

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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

The chairman presents his statement for the year.

2020 has been a year like no other. In March the Board took the very difficult decision to close the library and halt all activities, only for the government to mandate closure a few days later.

This year has also tested our resilience. The outbreak of Covid-19 at the start of 2020 presented unprecedented challenges. This is an ongoing crisis and with your continued support I am confident that we will survive this challenge as we have challenges in the past.

The Society's finances remain fundamentally sound as most of our income is derived from subscriptions. I believe that our independence will allow us to prosper long after the pandemic is over.

My thanks go out to the staff and volunteers, who have gone above and beyond the call of duty in this most difficult year.

Robin Campbell
Chairman
Date: 15 June 2021

THE LITERARY & PHILOSOPHICAL SOCIETY OF NEWCASTLE UPON TYNE

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their annual report together with the financial statements of the charitable company for the period from 1 January 2020 to 31 December 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the charitable company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

OBJECTIVES AND ACTIVITIES

• POLICIES AND OBJECTIVES

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit (available on the Charity Commission's website) and in particular to supplementary public benefit guidance on fee charging charities when reviewing the aims and objectives of the Society, and in planning future activities. The ongoing provision and development of a public reference library, as well as the provision of a wide range of educational activities including lectures, readings and workshops, provide clear and demonstrable public benefit in line with the Society's objects. More details of how our activities provide public benefit are included throughout this report.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

• ACTIVITIES UNDERTAKEN TO ACHIEVE OBJECTIVES

The Society achieves its educational objectives principally by the maintenance and development of a library of books, periodicals, printed and recorded music. It also promotes the study of a broad range of subjects by providing classes, workshops and lectures throughout the year. In addition, other cultural activities such as literary readings, concerts and performances form part of the regular programme of events.

ACHIEVEMENTS AND PERFORMANCE

• REVIEW OF ACTIVITIES

STAFF

From when the library closed on 20th March, due to the coronavirus pandemic, the Society was able to participate in the Government's Job Retention Scheme, whereby staff could be furloughed and the Society could reclaim a percentage of their salary. The Board was clear in its commitment to pay staff 100% of their salaries throughout the pandemic. Initially the desk and cleaning staff, the Systems Librarian as well as the Music Librarian were furloughed. From the point when flexible furlough was permitted, the Society made use of this in order to reopen the library in July and again in December after the second lockdown.

The period between the end of March and the end of the year was a very trying, testing and unsettling time for staff and the Society owes them a huge debt of thanks for their patience and resilience, whether working from home, carrying out duties in the library, or remaining furloughed.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENTS AND PERFORMANCE (continued)

VOLUNTEERS

The year began as usual with volunteers undertaking tasks such as helping at events, serving in the coffee hatch, welcoming visitors and leading guided tours.

Soon after lockdown, our regular volunteers were asked if they might be willing to help with a proposed home delivery scheme for members who would not initially be able to visit the library when it partially reopened. The response was positive and by July when the Society was able to actually offer this service, 10 volunteers had come forward. Although the demand was not great, regular deliveries were made to some 8 members who otherwise would not have been able to borrow books.

The first monthly newsletter aimed specifically for volunteers was produced by Pat Lowery in December.

THE MEMBERSHIP

The number on the roll at 31st December 2020 was 1,754 of whom 1,390 were Ordinary members. At the same time last year the figures were 2,038 and 1,525.

Of the Ordinary members 233 were Family members compared with 242 in 2019. Family members represent 466 adults and 97 children. The total number of members entitled to borrow books stands at 1,965.

Members who died during the year and who have been on the roll for more than 25 years were:

Madeleine Carter (1980)
Ronald Davidson (1977)
Raymond P Grace (1980)
Leon Kitchen (1979)
A.W. (Bill) Purdue (1973)
Dr. P Rushton (1992)
Professor Richard Terry (1994)
Ronald Veitch (1985)

The Board of Trustees wish to express its gratitude to members for their loyalty to the Society during a very difficult period.

THE LIBRARY

During 2020, 247 volumes were added to the Permanent Library, 183 to the Music section (including scores), 3 to the "H" section (popular non-fiction), 13 to the Children's and Young Adult section and 173 to the Fiction section, making a total of 619 books added to the library.

To help compensate for a lack of reading materials during lockdown, a subscription was taken out for the Naxos Spoken Word Library. Thanks to a subsidy from the Independent Libraries Association, the Society was able to offer members a free 3 month subscription to Press Reader, an online resource of newspapers and magazines.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENTS AND PERFORMANCE (continued)

BOOKBINDING

In the first three months of 2020 we were able to send 68 volumes to the in house bindery for repair or restoration and 45 volumes were returned to us.

Thanks are due to Mr T. Gradon who oversees the group and Ms M. Haddad who assists him. They are also due to Mr P. Gailunas and Mr C. Calver who give their time to advise and encourage participants.

The greatest thanks are of course due to our volunteers, who give their time freely, and without whom the collection would be in a much poorer condition. At the time of writing it is not clear when we will be able to safely reopen the bindery, but we hope it will not be too much longer before we are able to welcome our volunteer bookbinders once more.

GRAMOPHONE LIBRARY

During the year 1,825 compact discs were borrowed. Of those 168 were jazz, 34 folk and 106 spoken word.

12 long playing records and 30 DVDs were also borrowed.

At the end of the year membership of the Gramophone section was 210 of whom 180 were book members of the Society.

We continued our Naxos Music Library streaming service to Gramophone members. Those members listened to 25,700 pieces of music.

MUSIC EVENTS AND EDUCATION

As with all other events, Covid-19 severely impacted the concert programme and as a result there were only 6 live events in the building. 357 people attended a range of concerts from Bluegrass to contemporary four-handed piano pieces.

Due to restrictions, the Society's role in the Newcastle Festival of Jazz and Improvised Music, the Northumbrian Pipers and the William Shield Festival all had to be paused.

The Society developed online concerts for the first time and thanks are due to Mr Andrew Harvey for his assistance in the production of these. 2368 people viewed these concerts during 2020. The focus was on supporting local musicians with links to the Society to ensure that the relationship continued and that support was provided.

Thanks are due to Dr. Paul Edis, who has led and developed our young jazz band the Early Birds, as he has relocated to London. The jazz scene in Newcastle is richer due to his work.

SELECTED CONCERT HIGHLIGHTS

Trio Northumbria : Chrissie Slater (viola) Gemma Kost (Cello) John Garner (violin) Performed: Johann Sebastian Bach, Goldberg Variations (arr. Dmitry Sitkovetsky). Ernst von Dohnanyi, Serenade in C Major for String Trio, Op.10.

Cobalt Duo: Kate Halsall (piano) and Fumiko Miyachi (Piano) performed: Colin McPhee, Balinese Ceremonial Music. David Lang, After Gravity. Linda Caitlin Smith, Velvet. Fumiko Miyachi, FS2.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENTS AND PERFORMANCE (continued)

LECTURES, EVENTS AND OTHER EDUCATIONAL ACTIVITIES

Before lockdown, events did go ahead as normal including:

3 January	Phantoms @ the Phil: ghost stories read by Gail-Nina Anderson, Sean O'Brien and Kris Johnson
15 & 16 January	Going South: a tale of true heroic failure. A Back of the Attic/Carole Wears production
23 January	Women in STEM: Angela Geering and Dr. Paula S. Salgado. Battle of the Bugs.
5 February	Kelvin Wilson: Lit Faces - Early Portrait Photography in Tynemouth and North Shields.
11 February	Mike Thornton: Behind the Scenes - the Norman Cornish Sketchbooks.
17 February	Mike Hope: Art Deco Architecture - the Interwar Years.
5 March	John Urquhart: Global Warming - Thinking the Unthinkable.
7 March	Kate Fox: Where There's Muck, There's Bras: the true stories of some of the north of England's amazing women.
12 March	Tom Holland: Dominion - the making of the Western Mind.

YOUNG WRITERS' AWARDS

It was very fortunate that the Young Writers' Awards 2019-2020 could be presented on 11 March, shortly before lockdown. Sponsored by the Pen & Palette Club, the Awards for fiction, non-fiction and poetry were given by Ann Cleaves and a special award for best overall piece of work was presented by the Pen & Palette Club's Professor Kelsey Thornton. This was presented to Mina Corso from Gosforth East Middle School for her poem "The Soldier". Eight schools as well as students in education other than at school participated, and a total of 83 entries were received.

EXHIBITIONS

Holly Thompson, an undergraduate from Durham University, completed her art history placement, curating an exhibition entitled The Cult of Couture: the story of French Fashion in the 18th and 19th centuries told through art.

CLASSES AND GROUPS

Once again the Society's rooms were put to good use from January to mid-March for classes such as Latin, Drawing, Creative Writing, Hieroglyphs, as well as the Society's Book Group.

TOURS AND VISITORS

During the first three months of the year the Lit & Phil had visitors from across the UK as well as France, Norway, Sweden, Finland, Portugal, Australia Honduras and the United States.

Several of our regular guided tours took place, led by the Society's volunteers. Organisations such as Newcastle College and the Newcastle Disability Forum requested tours, and we were able to offer "Haunted Lit & Phil" tours before the first lockdown.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENTS AND PERFORMANCE (continued)

MARKETING

Although the Society was required to close its doors for large parts of 2020, marketing continued uninterrupted throughout the year and considerable progress was made in a number of areas. Digital communication with the membership became of primary importance, and the first line for dissemination of information and services. As well as a reinvigorated email campaign programme, our newly established blog, literary podcasts, digital music events and content-rich social media platforms played a vital role in sustaining engagement and encouraging loyalty at a time when we could offer no (or very limited) physical services nor the staff to operate them. Considerable self-taught development work was done on the website, which not only saved the Society much in terms of outlay to suppliers, but most importantly enabled us to operate an e-commerce platform in time to generate much-needed extra income from Christmas merchandise and membership offers in the latter part of the year.

A large amount of proactively generated press coverage was secured in 2020, helping to raise the profile of the library both regionally and nationally, secure donations and membership at a time when the arts and culture sector was in crisis. This included broadcast interviews on BBC Newcastle and BBC Radio 4, feature and news articles in The Journal and Chronicle, and longer features in regional arts and entertainment magazines, websites and e-newsletters.

Collaboration was key in 2020: we strengthened the bonds within our network of freelance artists, science and arts organisations and the media by mutual co-promotion of events and news, a virtual concert collaboration and even an article in the Common Room of the Great North Newsletter. At a time when the economy was in a state of crisis, we also successfully secured advertising in our Summer Magazine. The re-designed Magazine was written and issued in July, and, alongside the email campaigns heralded a new era in terms of brand positioning and representation.

Although a highly challenging time, 2020 has offered the opportunity to accelerate much of our digital and brand positioning work and open up new avenues which we will endeavour to nurture and build as we move out of global crisis and into the 'new normal'.

THE BUILDING

A defibrillator was installed in the library and staff were given training in its use in January. During the first lockdown the Society's Caretakers undertook the painting of the back stairs to the Reference Room as well as the area outside the Reference Room. The main library floor was polished.

LOOKING BACK

Papers read at the Society's monthly meeting in 1820 included:

April 4 - An account was read of the Origin, History and present State, of the Charitable Establishments in Great Britain for the Relief of Merchant Seamen, in particular reference to the Trinity-house of this town, by Mr. Philip Hesleton.

June 6 - An essay was read on the effects produced on the different classes of society, by an increase or decrease of the price of corn, by Mr. Henry Atkinson.

July 4 - Mr. Henry Edmondston read some observations on the newly-discovered islands in the South Atlantic, named New Shetland; together with remarks on Voyages of Discovery in general, and on the probably result of Lieutenant Parry's expedition.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENTS AND PERFORMANCE (continued)

DONATIONS

Donations of books, periodicals and recorded music were gratefully received from the following:

Pat Ainsley, Ian Ashbridge, Shima Banks, Alan Bill, Bloodaxe Books, Carol Brougham, Dr Katherine Butler, Chris Calver, Peter Carter, Paul Connolly, Paul Cordes, David Dobbin, Sam Dolbear and Hannah Proctor, Irene Dunn, Paul Evans, Hazel Fleming, Rose Frain, Louise Freeman, Paul Gailunas, Robert C.G. Gamble, Malcolm George, Tom Grove, Barbara Hazeldine, A. Henfrey, Philip G Horey, Keith Jewitt, Peter Jones, Susan Killick, Dermot Killingley, John Long, Prof. Stephen Martin, Judith Menes, Mr Monson, Joyce Parvin, Hilary Potter, Ted Potts, Dr Barbara Ravelhofer, In memoriam Layton and Christine Ring, W. Ring, Richard Sharp, Smokestack Books, J. Stephenson, Michael Turner, Susan Walton, Jamie Warde-Aldam, Wesley Historical Society Bulletin, Laura Wills, Richard Yates.

• INVESTMENT POLICY AND PERFORMANCE

There are no restrictions on the Charity's power to invest. The investment strategy is set by the Trustees, taking into account regular financial advice from professional advisors and any demand for funds. Factors considered include income requirements, risk profile and the advisor's view of market prospects in the medium term. The overall policy requires funds to be invested in low and medium risk investments with a long term aim of obtaining capital appreciation that exceeds inflation. Our Society's brokers currently have the Society's holdings invested across a range of fund types.

FINANCIAL REVIEW

• OVERVIEW

The single feature that overrides everything in 2020 is obviously the effects of the pandemic. The lockdowns seen over the year mean that the library has barely been open since March 2020, which has meant large drops in everything except membership subscriptions and gift aid.

There proved to be a single government scheme available to the library, which was the Coronavirus Job Retention Scheme. We have used, and continue to use, this scheme as far as we can. This brought in a much needed £60,022 in the year. However, as useful as this is, the people who have enabled the Society to survive virtually unscathed during the pandemic are the members. Subscription income has held up very well, and combined with the usual control on expenditure has meant the Society broke even in the day to day activity for the year.

The surplus of £63,929 is made up of £24,075 in investment revaluations and £39,957 in legacies, a total of £64,032. Taking this off the overall surplus gives us a day to day trading deficit of £103, a definite positive in the circumstances, and also demonstrating the importance of the job retention scheme grants. This has protected our reserves and gives the Society a cushion in the current year as the government schemes wind down and we reopen the Library and re-start activities.

Restricted funds have not had much activity in 2020 beyond annual depreciation costs, although some funds were finished before the national lockdown in March 2020.

Looking to 2021, COVID-19 is still with us and this is factored into all planning. The financial plan for 2021 will be to continue to protect the library and its finances with continuing control on expenditure. As reopening continues and events can be safely held, the Library will hopefully return to something resembling normal in 2021.

THE LITERARY & PHILOSOPHICAL SOCIETY OF NEWCASTLE UPON TYNE

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

● GOING CONCERN

After making appropriate enquiries, and considering the current and potential future impact of the COVID-19 pandemic, the trustees are satisfied the Society, having maintained its reserves during 2020, has a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

● RESERVES POLICY

Charity Commission guidance states that the holding of a general reserve indefinitely must be justified. It notes that this general reserve does not include such things as tangible fixed assets, investments, restricted or endowment funds.

It is the decision of the board that the level of free reserves i.e. excluding tangible fixed assets, investments, restricted and endowment funds, as noted above, should be in the region of £60,000 in order to cover unexpected losses in income, unforeseen emergencies and short term deficits in cash budgets. This amount is subject to regular board review to determine whether the levels are still appropriate. At the year end the level of free reserves stood at £138,312.

● PRINCIPAL FUNDING

The Charity's principal funding comes from the members' subscriptions which are allocated to general costs. Other sources of funding are commercial income from merchandising, room rentals and events. Extra costs are met by donation wherever possible, and from grants for specific events.

STRUCTURE, GOVERNANCE AND MANAGEMENT

● CONSTITUTION

The Literary & Philosophical Society of Newcastle upon Tyne is registered as a charitable company limited by guarantee, registered number 6220953. It was constituted by a Memorandum of Association dated 20th April 2007 and is governed by Articles of Association adopted on 25th May 2016. It is also a registered charity, number 1120948.

The object of the Society is the advancement of the education of the inhabitants of Newcastle upon Tyne and the surrounding neighbourhood by promoting the study of language, literature, philosophy, science, history, music and the fine arts by the following means:

- (a) by providing and maintaining a library for the use of the said inhabitants;
- (b) by providing university extension and other educational lectures and classes for the said inhabitants;
- (c) by raising funds by charging subscriptions to its Members and otherwise, such funds to be applied exclusively for the purposes of the Society;
- (d) by such other charitable means as the Society may think fit.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

● METHODS OF APPOINTMENT OR ELECTION OF TRUSTEES

The Society is managed by a Board of Trustees, of whom up to twelve are elected by the members of the Society and up to a further three may be co-opted by the Board. The Board meets monthly. The Trustees who have served during 2020 and since the end of that year end are as set out on page one. The Board has set up a number of Committees, which may include specialist co-optees, and which report to the Board.

● RISK MANAGEMENT

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

PLANS FOR FUTURE PERIODS

At the end of 2020 there was still much uncertainty as to when the wider world would be able to open up fully and the Lit & Phil would be able to offer full access to members and the public, as well as offer its wide-ranging programme of events in the building. Some online musical events had been arranged during the year, and plans were in hand to organise online lectures and other events from early 2021. Provisional dates had also been set for physical events to take place but several could not go ahead because of the third lockdown and ongoing restrictions.

The Board has committed to agreeing a strategy for 2021 and beyond, and will meet in the new year in order to discuss and formulate this. Key areas could include fundraising, physical access and refurbishment, increasing membership and developing benefits for members, partnerships, events and marketing.

MEMBERS' LIABILITY

The Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up.

THE LITERARY & PHILOSOPHICAL SOCIETY OF NEWCASTLE UPON TYNE

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial . 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 then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Approved by order of the members of the board of Trustees on 15 June 2021 and signed on their behalf by:

Robin Campbell
(Chair of the Board)

THE LITERARY & PHILOSOPHICAL SOCIETY OF NEWCASTLE UPON TYNE

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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Independent examiner's report to the Trustees of The Literary & Philosophical Society of Newcastle upon Tyne ('the charitable company')

I report to the charity Trustees on my examination of the accounts of the charitable company for the year ended 31 December 2020.

Responsibilities and basis of report

As the Trustees of the charitable company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the charitable company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charitable company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company and the charitable company's Trustees as a body, for my work or for this report.

Signed:

Dated: 15 June 2021

Detlev Anderson

FCA

Ryecroft Glenton
Chartered Accountants
32 Portland Terrace
Newcastle upon Tyne
NE2 1QP

THE LITERARY & PHILOSOPHICAL SOCIETY OF NEWCASTLE UPON TYNE
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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Endowment funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income and endowments from:						
Donations and legacies	3	-	3,397	67,474	70,871	69,281
Charitable activities	4	-	-	262,005	262,005	298,606
Other trading activities	5	-	-	12,800	12,800	49,638
Investments	6	-	-	16,533	16,533	21,499
Other income	7	-	-	64,542	64,542	376
Total income and endowments		-	3,397	423,354	426,751	439,400
Expenditure on:						
Raising funds	8,9	-	-	28,276	28,276	29,385
Charitable activities	10	-	27,933	357,171	385,104	417,161
Total expenditure		-	27,933	385,447	413,380	446,546
Net gains on investments		-	-	24,075	24,075	115,070
Net (expenditure)/income		-	(24,536)	61,982	37,446	107,924
Transfers between funds	22	-	(1,947)	1,947	-	-
Net movement in funds		-	(26,483)	63,929	37,446	107,924
Reconciliation of funds:						
Total funds brought forward		13,000	202,808	985,386	1,201,194	1,093,270
Net movement in funds		-	(26,483)	63,929	37,446	107,924
Total funds carried forward		13,000	176,325	1,049,315	1,238,640	1,201,194

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 17 to 39 form part of these financial statements.

THE LITERARY & PHILOSOPHICAL SOCIETY OF NEWCASTLE UPON TYNE
(A company limited by guarantee)
REGISTERED NUMBER: 06220953

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	16		183,889		196,096
Investments	17		877,071		861,197
			1,060,960		1,057,293
Current assets					
Stocks	18	4,656		4,776	
Debtors	19	51,522		45,923	
Cash at bank and in hand		167,010		136,029	
		223,188		186,728	
Creditors: amounts falling due within one year	20	(45,508)		(42,827)	
Net current assets			177,680		143,901
Total net assets			1,238,640		1,201,194

THE LITERARY & PHILOSOPHICAL SOCIETY OF NEWCASTLE UPON TYNE

(A company limited by guarantee)
REGISTERED NUMBER: 06220953

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

	Note	2020 £	2020 £	2019 £	2019 £
Charity funds					
Endowment funds	22		13,000		13,000
Restricted funds	22		176,325		202,808
Unrestricted funds	22		1,049,315		985,386
Total funds			1,238,640		1,201,194

The charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 15 June 2021 and signed on their behalf by:

Robin Campbell
(Chair of the Board)

The notes on pages 17 to 39 form part of these financial statements.

THE LITERARY & PHILOSOPHICAL SOCIETY OF NEWCASTLE UPON TYNE

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

The Literary and Philosophical Society is a private company limited by guarantee incorporated in England and Wales, registration number 06220953 and charity number 1120948. The address of the registered office which is also the principal place of business is 23 Westgate Road, Newcastle upon Tyne, NE1 1SE.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The Literary & Philosophical Society of Newcastle upon Tyne 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.

2.2 Going concern

At the year end the Society had net current assets of £177,680 and 2020 was, in the context of the COVID-19 pandemic, a reasonable year for the Society. The financial plan for 2021 takes the pandemic into account and is to maintain the controls on expenditure, the use of CVJRS where applicable, and to maximise income as the Library re-opens. . Thus, despite the coronavirus pandemic the Trustees have a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting is appropriate in preparing the annual financial statements.

2.3 Income

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

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the charitable company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the charitable company, can be reliably measured.

Government grants - Coronavirus job retention scheme grants are recognised on a straight line basis over the furlough period for each relevant employee.

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

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

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.4 Expenditure

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

Staff related expenditure has been allocated on the basis of time spent.

Printing, postage, stationery, telephone and sundries have been allocated based on estimated usage.

Expenditure on raising funds includes all expenditure incurred by the charitable company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charitable company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

The Premises	- 10-50 years
Pianos	- 12 years
Mobile shelving	- 10 years
Security tagging	- 10 years
Office equipment	- 3 years
Catalogue computerisation	- 3 years
Stair lift	- 5 years

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.7 Heritage assets

In the absence of a professional valuation the policy is not to reinstate any value for the original cost of the library premises wholly written off, but to capitalise any cost, whenever considered appropriate, expenditure incurred from 1967 and onwards upon work of reconstruction or fundamental repairs to the building.

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

Investments held as fixed assets are shown at cost less provision for impairment.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.10 Debtors

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

2.11 Cash at bank and in hand

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

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.13 Financial instruments

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.14 Books and compact discs

These are not valued in the accounts as they are not held for resale. The cost of additional books and CDs are charged within the Statement of Financial Activities in the year of purchase.

2.15 Group accounts

The financial statements present information about the charitable company as an individual undertaking and not about its group. The charitable company and its subsidiary undertaking comprise a small-sized group. The charitable company has therefore taken advantage of the exemptions provided by section 399 of the Companies Act 2006 not to prepare group accounts.

2.16 Pensions

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

2.17 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Donations	3,397	27,517	30,914
Legacies	-	39,957	39,957
Total 2020	3,397	67,474	70,871

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3. Income from donations and legacies (continued)

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Donations	20,400	28,469	48,869
Legacies	-	20,412	20,412
Total 2019	20,400	48,881	69,281

4. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £
Income from charitable activities - Provision of library services	262,005	262,005

	Unrestricted funds 2019 £	Total funds 2019 £
Income from charitable activities - Direct costs - Provision of library services	298,606	298,606

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Trading income	12,800	12,800

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5. Income from other trading activities (continued)

Income from non charitable trading activities (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Trading income	<u>49,638</u>	<u>49,638</u>

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Income from local listed investments	16,504	16,504
Other interest received	29	29
	<u>16,533</u>	<u>16,533</u>

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Income from local listed investments	21,443	21,443
Other interest received	56	56
	<u>21,499</u>	<u>21,499</u>

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NOTES TO THE FINANCIAL STATEMENTS
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7. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £
Commissions received	120	120
Other incoming resources	4,400	4,400
Coronavirus Job Retention Scheme Grants	60,022	60,022
	<u>64,542</u>	<u>64,542</u>

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Commissions received	<u>376</u>	<u>376</u>

8. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2020 £	Total funds 2020 £
Fundraising wages and salaries	15,354	15,354
Fundraising NI	914	914
Fundraising pension costs	274	274
	<u>16,542</u>	<u>16,542</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

8. Expenditure on raising funds (continued)

Costs of raising voluntary income (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Fundraising wages and salaries	13,984	13,984
Fundraising NI	817	817
Fundraising pension costs	189	189
	<u>14,990</u>	<u>14,990</u>

Other trading expenses

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Trading expenditure	<u>5,968</u>	<u>5,968</u>

Other trading expenses (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Trading expenditure	<u>8,366</u>	<u>8,366</u>

9. Investment management costs

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Portfolio management fees	<u>5,766</u>	<u>5,766</u>

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NOTES TO THE FINANCIAL STATEMENTS
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9. Investment management costs (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Portfolio management fees	<u>6,029</u>	<u>6,029</u>

10. Analysis of expenditure on charitable activities

Summary by fund type

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Direct costs - Provision of library services	<u>27,933</u>	<u>357,171</u>	<u>385,104</u>

	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Direct costs - Provision of library services	<u>35,146</u>	<u>382,015</u>	<u>417,161</u>

11. Analysis of expenditure by activities

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Direct costs - Provision of library services	<u>202,298</u>	<u>182,806</u>	<u>385,104</u>

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FOR THE YEAR ENDED 31 DECEMBER 2020

11. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Direct costs - Provision of library services	225,383	191,778	417,161

Analysis of direct costs

	Activities 2020 £	Total funds 2020 £
Staff costs	170,658	170,658
Books and periodicals	15,217	15,217
Gramophone costs	2,203	2,203
Lectures and meetings	13,029	13,029
Binding	1,191	1,191
	<u>202,298</u>	<u>202,298</u>

	<i>Activities 2019 £</i>	<i>Total funds 2019 £</i>
Staff costs	159,910	159,910
Books and periodicals	25,030	25,030
Gramophone costs	1,708	1,708
Lectures and meetings	35,044	35,044
Binding	3,691	3,691
	<u>225,383</u>	<u>225,383</u>

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11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2020 £	Total funds 2020 £
Staff costs	61,640	61,640
Depreciation	26,200	26,200
Upkeep of premises	61,672	61,672
Printing, postage, stationery, telephone and sundries	21,231	21,231
Bank charges and interest	3,043	3,043
Professional expenses	2,250	2,250
Governance costs	6,194	6,194
Licences	576	576
	<u>182,806</u>	<u>182,806</u>

	<i>Activities 2019 £</i>	<i>Total funds 2019 £</i>
Staff costs	63,014	63,014
Depreciation	25,459	25,459
Upkeep of premises	69,954	69,954
Printing, postage, stationery, telephone and sundries	18,104	18,104
Bank charges and interest	3,846	3,846
Professional expenses	5,543	5,543
Governance costs	5,527	5,527
Licences	331	331
	<u>191,778</u>	<u>191,778</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

12. Independent examiner's remuneration

	2020 £	2019 £
Fees payable to the charitable company's independent examiner for the independent examination of the charitable company's annual accounts	915	800
Fees payable to the charitable company's independent examiner in respect of:		
Accountancy services	2,285	2,000

13. Staff costs

	2020 £	2019 £
Wages and salaries	233,463	222,905
Social security costs	9,221	9,261
Contribution to defined contribution pension schemes	6,156	5,748
	248,840	237,914

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

	2020 No.	2019 No.
Library services (including 8 (2019: 8) part time and cashier	12	12
Caretaking (part time)	2	2
Cleaning (part time)	3	3
	17	17

No employee received remuneration amounting to more than £60,000 in either year.

The total remuneration and benefits for key management personnel for the year, including employer's national insurance contributions, totalled £76,171 (2019: £70,965).

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 December 2020, no Trustee expenses have been incurred (2019 - £NIL).

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NOTES TO THE FINANCIAL STATEMENTS
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15. Net (losses)/gains on investments

	2020 £	2019 £
(Losses)/gains on disposal of share investment assets	(4,003)	24,697
Gains on revaluations of share investment assets	28,078	90,373
	24,075	115,070

16. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2020	356,277	247,073	603,350
Additions	11,718	2,275	13,993
At 31 December 2020	367,995	249,348	617,343
Depreciation			
At 1 January 2020	171,888	235,366	407,254
Charge for the year	20,647	5,553	26,200
At 31 December 2020	192,535	240,919	433,454
Net book value			
At 31 December 2020	175,460	8,429	183,889
At 31 December 2019	184,389	11,707	196,096

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Tangible fixed assets (continued)

Heritage assets

The original cost of the Library building has been written off. The Library including the book and art collections have been valued for insurance purposes at £11,273,202 (2019 : £11,385,247).

The Society owns an extensive book collection and the library which is a listed building. The building and the book collection have been gifted to the Society to be held in perpetuity in accordance with the Trust Deed. The original cost of these assets and the costs of improvement until 1967 have not been included in the balance sheet because, in the opinion of the Trustees, the cost of professionally valuing these assets to include a value in the financial statements outweighs the benefits to the users of the financial statements.

17. Fixed asset investments

	Investments in subsidiary companies £	Listed investments £	Cash held for investment £	Total £
Cost or valuation				
At 1 January 2020	1	840,509	20,687	861,197
Additions	-	157,829	-	157,829
Disposals	-	(177,672)	7,639	(170,033)
Revaluations	-	28,078	-	28,078
At 31 December 2020	1	848,744	28,326	877,071
Net book value				
At 31 December 2020	1	848,744	28,326	877,071
<i>At 31 December 2019</i>	<i>1</i>	<i>840,509</i>	<i>20,687</i>	<i>861,197</i>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

17. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the charitable company:

Name	Company number	Registered office or principal place of business	Principal activity
The Literary & Philosophical Trading Company Limited	0899174	23 Westgate Road, Newcastle upon Tyne, NE1 1SE	To provide a cafe service in order to raise funds for the parent charitable company

Class of shares	Holding
Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Net assets £
The Literary & Philosophical Trading Company Limited	2,723	(2,723)	1

18. Stocks

	2020 £	2019 £
Finished goods and goods for resale	4,656	4,776

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

19. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	6,571	5,109
Other debtors	3,869	6,619
Prepayments and accrued income	29,471	22,372
Tax recoverable	11,611	11,823
	<u>51,522</u>	<u>45,923</u>

20. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	27,799	27,406
Other taxation and social security	7,162	3,204
Accruals and deferred income	10,547	12,217
	<u>45,508</u>	<u>42,827</u>

21. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>848,744</u>	<u>840,509</u>

Financial assets measured at fair value through income and expenditure comprise listed securities which are stated at market value.

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NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds						
Designated funds						
Lit and Phil Legacy Fund	101,644	37,457	-	-	(3,596)	135,505
The Core Fund	781,079	-	(5,766)	-	27,671	802,984
The Young Writers Award fund	-	2,000	(2,000)	-	-	-
Books on Tyne	-	1,074	(224)	-	-	850
	<u>882,723</u>	<u>40,531</u>	<u>(7,990)</u>	<u>-</u>	<u>24,075</u>	<u>939,339</u>
General funds						
General Funds	<u>102,663</u>	<u>382,823</u>	<u>(377,457)</u>	<u>1,947</u>	<u>-</u>	<u>109,976</u>
Total Unrestricted funds	<u>985,386</u>	<u>423,354</u>	<u>(385,447)</u>	<u>1,947</u>	<u>24,075</u>	<u>1,049,315</u>
Endowment funds						
Alan Meikle Book Fund	3,000	-	-	-	-	3,000
Charles Parish Lecture Fund	10,000	-	-	-	-	10,000
	<u>13,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Restricted funds						
Development Appeal Fund	78,802	-	(3,292)	-	-	75,510
Book Sponsorship fund	-	3,397	(3,397)	-	-	-
Margaret Anne Dalton Legacy	16,448	-	-	-	-	16,448
Music Librarian's fund	7,326	-	-	-	-	7,326
Charles Parish Lecture fund	2,594	-	-	-	-	2,594
Northern Rock Foundation	7,526	-	(5,579)	(1,947)	-	-
Disabled Access Fund	79,345	-	(11,335)	-	-	68,010
Appeal fund	10,767	-	(4,330)	-	-	6,437
	<u>202,808</u>	<u>3,397</u>	<u>(27,933)</u>	<u>(1,947)</u>	<u>-</u>	<u>176,325</u>
Total of funds	<u>1,201,194</u>	<u>426,751</u>	<u>(413,380)</u>	<u>-</u>	<u>24,075</u>	<u>1,238,640</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Unrestricted funds						
Designated funds						
Lit and Phil Legacy Fund	73,934	15,412	-	(6,831)	19,129	101,644
The Core Fund	698,040	-	(6,029)	(6,873)	95,941	781,079
The Young Writers Award fund	250	1,500	(3,300)	1,550	-	-
Books on Tyne	-	1,883	(2,349)	466	-	-
	<u>772,224</u>	<u>18,795</u>	<u>(11,678)</u>	<u>(11,688)</u>	<u>115,070</u>	<u>882,723</u>
General funds						
General Funds	<u>90,492</u>	<u>400,205</u>	<u>(399,722)</u>	<u>11,688</u>	<u>-</u>	<u>102,663</u>
Total Unrestricted funds	<u>862,716</u>	<u>419,000</u>	<u>(411,400)</u>	<u>-</u>	<u>115,070</u>	<u>985,386</u>
Endowment funds						
Alan Meikle Book Fund	3,000	-	-	-	-	3,000
Charles Parish Lecture Fund	10,000	-	-	-	-	10,000
	<u>13,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

22. Statement of funds (continued)

Statement of funds - prior year (continued)

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Restricted funds						
Development Appeal Fund	82,094	-	(3,292)	-	-	78,802
Members Book Fund	-	3,400	(3,400)	-	-	-
Margaret Anne Dalton Legacy	16,728	-	(280)	-	-	16,448
Music Librarian's fund	1,631	7,000	(1,305)	-	-	7,326
Charles Parish Lecture fund	2,594	-	-	-	-	2,594
Northern Rock Foundation	8,037	-	(511)	-	-	7,526
Colin Ibbotson Bookbinding Legacy	694	-	(694)	-	-	-
Disabled Access Fund	90,680	-	(11,335)	-	-	79,345
Community Fund grant	-	10,000	(10,000)	-	-	-
Appeal fund	15,096	-	(4,329)	-	-	10,767
	<u>217,554</u>	<u>20,400</u>	<u>(35,146)</u>	<u>-</u>	<u>-</u>	<u>202,808</u>
Total of funds	<u>1,093,270</u>	<u>439,400</u>	<u>(446,546)</u>	<u>-</u>	<u>115,070</u>	<u>1,201,194</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

FUND DESCRIPTIONS:

The Development Appeal Fund has been fully utilised, the remaining balance shown above is fully represented by tangible fixed assets.

The Members' Book Fund was established to allow members to donate towards the purchase of books in specific subjects or genres.

The Margaret Anne Dalton Legacy is to be used to purchase books on music and on birds.

The Charles Parish Lecture Fund has been established from a gift made by Mrs Ann Parsons, Mrs Janet Fitzsimmons and Miss Margaret Norwell in memory of the late Charles Parish to establish a biennial lecture on the subject of some aspect of the western civilisation.

The original grant received from the Northern Rock Foundation is now spent. A further award of £25,000 was received from Northern Rock Foundation in 2015 towards the Creative Journeys Project. This is a two year project commencing in 2016 to engage disadvantaged young people from Newcastle upon Tyne with the Lit & Phil, its library and activities.

The Colin Ibbotson bookbinding fund was established with a legacy from Mr C Ibbotson to fund the purchase of bookbinding materials and equipment.

The Disabled access fund was established to hold donations for the access works to the library building.

The Appeal Fund holds the funds raised by the current ongoing appeal, which will be used to enable the Society to secure its future by a number of means. These include updating and repairing the fabric of the library building, overhauling physical access in line with current regulations and enabling the Society to increase its revenue streams.

The Newcastle Cultural Investment Fund grant (Community Fund grant) was for the purpose of a community based project called A Lit & Phil Carol, working with young people and older people from disadvantaged areas in Newcastle upon Tyne.

The Alan Meikle Book Fund was established to provide income for the purchase of books.

The Lit and Phil legacy fund was designated by the trustees to hold general legacies over £5,000, the proceeds of the future sale of Bolbec Hall and any other donations to the fund. The fund is designed to increase in size and the income from it will go to supplement the Society's general funds.

The Core Fund was set up to hold income from the sale of Bolbec Hall, as well as large legacies and other donations to provide an endowment to safeguard the future of the Society.

The Young Writers Awards Designated Fund was set up to enable young people from across the North East to develop their creative writing skills.

Books on Tyne - This fund enables the Society to run Newcastle's annual book festival in conjunction with Newcastle Libraries.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

23. Summary of funds

Summary of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Designated funds	882,723	40,531	(7,990)	-	24,075	939,339
General funds	102,663	382,823	(377,457)	1,947	-	109,976
Endowment funds	13,000	-	-	-	-	13,000
Restricted funds	202,808	3,397	(27,933)	(1,947)	-	176,325
	<u>1,201,194</u>	<u>426,751</u>	<u>(413,380)</u>	<u>-</u>	<u>24,075</u>	<u>1,238,640</u>

Summary of funds - prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Designated funds	772,224	18,795	(11,678)	(11,688)	115,070	882,723
General funds	90,492	400,205	(399,722)	11,688	-	102,663
Endowment funds	13,000	-	-	-	-	13,000
Restricted funds	217,554	20,400	(35,146)	-	-	202,808
	<u>1,093,270</u>	<u>439,400</u>	<u>(446,546)</u>	<u>-</u>	<u>115,070</u>	<u>1,201,194</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

24. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Endowment funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	149,957	33,932	183,889
Fixed asset investments	-	-	877,071	877,071
Current assets	13,000	26,368	183,820	223,188
Creditors due within one year	-	-	(45,508)	(45,508)
Total	<u>13,000</u>	<u>176,325</u>	<u>1,049,315</u>	<u>1,238,640</u>

Analysis of net assets between funds - prior period

	Endowment funds 2019 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	168,914	27,182	196,096
Fixed asset investments	-	-	861,197	861,197
Current assets	13,000	33,894	139,834	186,728
Creditors due within one year	-	-	(42,827)	(42,827)
Total	<u>13,000</u>	<u>202,808</u>	<u>985,386</u>	<u>1,201,194</u>

25. Pension commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £6,156 (2019 - £5,748). Contributions totalling £nil (2019 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

26. Related party transactions

During the year the subsidiary company donated £1,565 (2019: £7,749) of profits to the charity.

THE LITERARY & PHILOSOPHICAL SOCIETY OF NEWCASTLE UPON TYNE
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INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2020 £	2019 £	2019 £
Income				
Subscriptions	212,503		224,753	
Gift aid	43,670		47,311	
Arts and events income	5,832		26,542	
Income from listed investments	16,504		21,443	
Bank interest received	29		56	
Commissions	120		376	
Donations	30,914		48,869	
Legacies	39,957		20,412	
Catering receipts	2,461		9,893	
Room hire	7,938		25,882	
Sales of merchandise etc.	2,401		13,863	
Coronavirus Job Retention Scheme Grants	60,022		-	
Arup rebilling	4,400		-	
		426,751		439,400
Gains on investments				
Gains on investments	24,075		115,070	
		24,075		115,070
Gross income in the reporting period		450,826		554,470
Less:				
Charitable expenditure				
Books, periodicals, records and book repairs	18,611		30,429	
Lectures and meeting costs	13,029		35,044	
Staff costs	242,684		232,166	
Pension costs	6,156		5,748	
Repairs and renewals	5,725		10,603	
Cleaning	4,478		5,056	
Heat and light	20,725		25,449	
Rates and water	8,427		8,336	
Insurance	12,587		12,100	
Telephone costs	4,693		4,329	
Postage, printing and stationery	14,057		13,158	
Advertising	3,358		1,494	
Sundry expenses	1,202		1,117	
Telecom and computing equipment	9,730		8,410	
Licences	576		331	
Bank interest and charges	3,043		3,846	
Accountancy fees	4,115		3,533	

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INCOME AND EXPENDITURE ACCOUNT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2020 £	2019 £	2019 £
Land and building depreciation	20,647		19,476	
Fixtures, fittings and equipment depreciation	5,553		5,983	
Professional fees	2,250		5,543	
Portfolio management fees	5,766		6,029	
		407,412		438,180
Trading cost of sales				
Catering costs	465		2,647	
Merchandise costs	1,390		2,577	
Other costs	4,113		3,142	
		5,968		8,366
Total expenditure		413,380		446,546
Net income before taxation for the reporting period		37,446		107,924
Tax payable				
		-		-
Net income for the reporting period		37,446		107,924
Surplus for the reporting period		37,446		107,924
Deficit brought forward at 1 January 2020		1,201,194		1,093,270
Surplus carried forward at 31 December 2020		1,238,640		1,201,194

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APPENDIX 1 - ANALYSIS OF EXPENDITURE ON BOOKS
YEAR ENDED 31 DECEMBER 2020

	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>
	£	£	£	£	£	£	£
Permanent Library	7,752	6,633	7,513	9,358	12,360	10,056	5,756
Music	1,183	916	2,273	1,970	1,506	1,708	2,203
H Section	76	87	113	132	45	45	23
Fiction	1,228	1,873	1,961	1,848	1,572	1,708	795
Children's Books	195	393	243	220	159	193	51
Periodicals	9,925	7,816	8,460	9,262	9,175	10,399	8,342
	<u>20,359</u>	<u>17,718</u>	<u>20,563</u>	<u>22,790</u>	<u>24,817</u>	<u>24,109</u>	<u>17,170</u>

ANALYSIS OF CIRCULATION
BOOKS ON LOAN

The figures shown are those of average number of books on loan at any one time during the year.

	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>
Permanent Library	1,069	1,036	1,035	1,111	1,048	984	449
Music	34	28	27	26	35	24	13
H Section	82	68	61	61	47	46	18
Fiction	953	899	883	890	921	901	508
Children's Books	82	83	104	95	97	100	32
Periodicals	15	14	15	13	12	9	9
	<u>2,235</u>	<u>2,128</u>	<u>2,125</u>	<u>2,196</u>	<u>2,160</u>	<u>2,064</u>	<u>1,029</u>

The total number of books issued during the year was 12,245.