

**Company registered in England and Wales, limited by guarantee,  
number 08430250**

**Registered charity, number 1151935**

# **FRIENDS OF JESMOND LIBRARY**

**Trustees' Report and Financial Statements  
for the year ended 31 March 2021**

# FRIENDS OF JESMOND LIBRARY

## **Trustees' Report and Financial Statements for the year ended 31 March 2021**

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## **FRIENDS OF JESMOND LIBRARY**

### **Reference and administrative details of the charity and its trustees,**

### **for the year ended 31 March 2021**

#### **Trustees and Directors**

Sarah Elizabeth Langley Breakey (appointed 11/10/14, retired and immediately re-appointed for a three year term, 17/10/20)

Christopher John Lawrey Clarke (appointed 05/03/13, retired and immediately re-appointed for a three year term, 13/10/18)

Jeremy Christopher Hardy (appointed 24/09/16, retired and immediately re-appointed for a three year term, 13/10/18)

Gerard Francis Keating (appointed 28/07/18, retired and immediately re-appointed for a three year term, 17/10/20)

Johann Paul Luft (appointed 07/07/13, retired and immediately re-appointed for a three year term, 17/10/20)

Felicity Ann Mendelson (appointed 07/07/13, retired and immediately re-appointed for a three year term, 13/10/18)

Sarah Anne Barbour Mercer (appointed 07/07/13, retired and immediately re-appointed for a three year term 12/10/19; Chair since 28/07/18)

Susan Rea (appointed 03/09/16, retired and immediately re-appointed for a three year term, 13/10/18)

Catherine Ellen Bernadette Walker (appointed 07/07/13, retired and immediately re-appointed for a three year term, 12/10/19; elected Vice Chair on 03/08/19)

Richard John Watson (appointed 28/07/18, retired and immediately re-appointed for a three year term, 12/10/19)

Nicola Willingham (appointed 07/07/13, retired and immediately re-appointed for a three year term, 12/10/19)

Wendy Young (appointed 28/07/18, retired and immediately re-appointed for a three year term, 17/10/20)

**Company registered number**

08430250

**Charity registered number**

1151935

**Registered office**

Jesmond Library, St George's Terrace, Jesmond, Newcastle upon Tyne, NE2 2DL

**Telephone number**

0191 281 2385

**Emails**

[enquiries@jesmondlibrary.org](mailto:enquiries@jesmondlibrary.org) , [finance@jesmondlibrary.org](mailto:finance@jesmondlibrary.org) and [events@jesmondlibrary.org](mailto:events@jesmondlibrary.org)

**Website and Facebook site**

[www.jesmondlibrary.org](http://www.jesmondlibrary.org) and [www.facebook.com/JesmondLibrary](https://www.facebook.com/JesmondLibrary)

**Company secretary**

Christopher J L Clarke

**Independent examiner of the Financial Statements**

Geoffrey R Carter

**Bankers**

Barclays Bank plc, Gosforth High Street Branch, 59 High Street, Gosforth, Newcastle upon Tyne NE3 4AA

## **FRIENDS OF JESMOND LIBRARY**

### **Trustees' report for the year ended 31 March 2021**

The trustees, who are also directors of the charitable company for the purposes of the Companies Act 2006, present their annual report together with the financial statements of the Friends of Jesmond Library (the charitable company) for the year ended 31 March 2021.

This has been an extraordinary year, starting on 1 April 2020 with the library building completely closed, continuing with a stop-start series of partial re-openings and closures, and ending on 31 March 2021 with only a "Click and Collect" library service and a much-reduced online events programme. Quite apart from a drastic effect on the public services provided by the library, the COVID crisis completely changed the finances of the company's operations. More detail is provided in the rest of this report.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011, and Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2019).

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

#### **a. Constitution**

The Friends of Jesmond Library is a charitable company, limited by guarantee. It was incorporated on 5 March 2013, with registered company number 08430250. It is also a registered charity, with charity number

1151935. The company's articles of association were amended by Special Resolution on 8 May 2013.

The objects of the company as stated in the amended articles are:

1. To advance the education of the public by the promotion of the use of a public lending library service for the benefit of the residents of Newcastle upon Tyne City (the area of benefit);
2. To promote the benefit of the inhabitants of the area of benefit without distinction of sex, sexual orientation, age, disability, nationality, race or of political, religious or other opinions, by associating together the said inhabitants and the statutory authorities, voluntary and other organisations in a common effort to advance education and to provide facilities in the interests of social welfare for recreation and leisure-time occupation with the object of improving conditions of life for the said inhabitants;
3. To promote such other charitable purposes as may from time to time be determined.

#### **b. Method of appointment or election of members and trustees**

The articles of association define the company structure, which includes both members and directors. The directors are also known as trustees for the purposes of the Charities Act.

*In day-to-day operations the charitable company also uses the term "member" in a financial context (eg "Founder Member") and in the context of borrowing books (people registered to borrow books are also commonly known as members of the library) but neither of these usages of the word "member" carries any relevance to the structure of the company. At present the only "members" of the company, in the sense used in the articles of association, are the trustee/directors.*

Under article 32 of the company's rules all the directors were required to retire from office at the conclusion of the first Annual General Meeting, which was held on 11 October 2014. Since then one third of the directors must resign from office each year, by rotation (unless there are sufficient casual resignations). Directors who resign are eligible for re-appointment. The Charity Commission has recommended that trustees should not normally stand for more than three, three-year terms, unless a specific reason is stated in this Annual Report. (Reasons for setting aside the Charity Commission recommendation might include the special expertise or experience of a particular long-serving trustee.) The implications of this advice will be considered by the Board in due course.

There are currently no bodies that are automatically entitled to nominate directors to the Board, and the Board currently has no plans for changing this. Potential new director/trustees will be identified from time to time amongst the volunteers and supporters of the charitable company, bearing in mind the range of skills and experience available amongst the existing trustees and the qualities which the potential new trustee(s) can bring to the Board.

### **c. Policies and practices adopted for the induction and training of trustees**

The charitable company has so far focussed on recruiting and training volunteers to staff the library. Training centres on the wide range of skills needed for operational purposes. All new trustees are subject to an induction process, including familiarity with Charity Commission guidance on the role and responsibilities of trustees. The company benefits from the wide range of pre-existing skills available amongst the trustees.

### **d. Organisational structure and decision making**

The Board of Directors is responsible for making all strategic decisions and overseeing their implementation. Until the outbreak of the COVID pandemic all board meetings were held in person, and were open not only to trustees but also to members of a loosely defined wider group, known as the Advisory Group, established to involve a wider range of skills in the governance of the company. Over the last year board meetings moved online, to Zoom, and members of the Advisory Group only attended when a specific input was required.

The board of director/trustees determines the composition of the Advisory Group, which before the pandemic comprised Julia Black, Peter Breakey, Anne Burton, Biddy Casselden, John Cook, Pamela Denham, Tina Gough, Carol Morley, Kay Punshon, Lizzie Rowan and Navi Sharma. The composition of the Advisory Group is to be reconsidered in the near future.

On formal matters before the board (of which there have been relatively few to date) only the trustees are eligible to vote. The board normally meets every six weeks, on a Saturday morning.

The board has also established a number of free-standing specialist groups, to involve a wider range of interests and skills in the operation and management of the library. All key matters discussed in the groups are brought to the board for formal decision making. Current groups include the Finance and Building Group, the Book Buying Group and the Marketing Group. During the coronavirus crisis a COVID group has been established to consider compliance with Public Health guidelines and their

effect on library operations. Members of the groups include trustees, members of the advisory group, and other volunteers. The “Green” volunteers also meet regularly.

A number of the trustees, advisory group members and other volunteers have taken on specific roles within the organisation, once again subject to the overall oversight of the board. These roles include:

Sarah Mercer: Chair, Thursday evening lectures and the library web-site;

Catherine Walker: Vice-Chair;

Chris Clarke: Treasurer and Company Secretary, and organises the “Wellbeing for Life” programme with Pamela Denham and others;

Felicity Mendelson: Book buying and operational library management issues, minutes at Board Meetings, and supporting volunteer training, including liaison with Newcastle University;

Sue Rea: The recruitment, training and management of the volunteers, especially in ensuring adequate cover whenever the building is open, supported by Anne Sweetman, and liaison with Newcastle University regarding student volunteers;

Paul Luft and John Cook: Building issues;

Julia Black: Building maintenance contracts;

Anne Burton: Fundraising, and the on-line newsletters which have been a feature of the last year;

Sarah Breakey: The children’s area, and displays. Sarah is supported in the organisation of children’s activities by Joan Aarvold and others;

Pamela Denham: Wellbeing for Life, regular monthly meetings for older people, and liaison with the Elders Council of Newcastle;

Paul Rea (Red Square Design): Posters and publicity;

Jeremy Hardy: Publicity/marketing matters;

Richard Watson: The General Data Protection Regulation;

Navi Sharma: The Library Management System.

#### **e. Risk Management and Reserves Policy**

The trustees have assessed the major risks to which the charitable company is exposed, such as potential problems with the building, over-

reliance on certain key individuals, and potential difficulties in maintaining the commitment of volunteers and financial supporters once the initial “honeymoon period” is over. Measures are being put in place to minimise these risks, which will continue to be kept under review over coming years. The risk of having to close or partially the building for a long period (as is currently the case) has been addressed as part of the Reserves Policy (see below).

To minimise the potential risks for volunteers, the trustees’ policy is not to open the building to the public unless at least two volunteers are present. (This does not apply for private room bookings and events). The library volunteers must not accept responsibility for children aged under 10, who are using the library, who must remain in the care of a parent, teacher or responsible adult at all times. Over that age, children are allowed in the library on their own. During the coronavirus period the company is taking careful note of all Government advice, relevant to safeguarding the health and wellbeing of library volunteers and users.

In managing the building the Friends aim at best practice, and have continued or improved on many of the routines set up originally by the council.

During the period covered by this report the company had public liability insurance cover of £10 million. Our own insurance also includes accidental damage to the large windows in the main room. Other aspects of building insurance are covered by the Council, under the terms of our lease.

Before the pandemic the company had introduced explicit terms and conditions for room hire, which clarified the responsibilities of people hiring rooms. This was intended to minimise the risk of any incident occurring, especially when the building is not otherwise open to the public. Room hire has ceased during the pandemic.

Up until last year the first priority of the company’s policy for its financial reserves was that there should always be enough funding in reserve to continue to pay our running costs for at least six months, if for some reason our income suddenly fell or we were forced to close the building. At the end of 2019/20, with the closure of the building on Government advice, the existence of this reserve became vital to the company’s secure future. It was therefore decided, at least until the present crisis is over, that we should maintain an Operating Reserve covering twelve months normal, general running costs. Over the coming year the extent to which our reserves are eroded will be carefully monitored, as will Government advice on when it will be safe to fully re-open the building.

During the last two years we have started to draw up a planned maintenance programme, covering at least the next five years, which will assist us in further developing our Reserves Policy. Basic essential repairs are funded from within our normal income, but the second priority of the company's reserves policy is to fund longer term building improvements whose costs need to be funded over several years. A notable example of this is the replacement of all the windows in the main room of the library, whose metal frames have become seriously corroded, and whose heat insulation qualities do not meet modern standards of energy efficiency. Some of our reserves are restricted to this purpose, as a result of a specific fundraising campaign which began towards the end of 2019. Reserves kept for major building improvements and longer term planned maintenance form the company's Building Fund.

The company also maintains a Wellbeing Reserve Fund, which holds grants and income related to the Wellbeing for Life programme, run jointly by the Friends and the Elders Council of Newcastle.

### **Review of Activities**

In setting objectives and planning activities the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, and to the objects of the charitable company (pages 5/6).

### **Public Lending Library Services**

#### **a. Library operations**

At the time of writing this report the library is only open on a limited basis, as a result of the coronavirus crisis.

Up until Tuesday 17 March 2020 the library was open for borrowing books on three days a week. From this date the library remained fully closed until Thursday 14 May 2020, when a "Click and Collect" service opened for much reduced hours, located in the library porch. Users had no access to the library building itself.

On 4 August 2020 the library started a phased re-opening process, with the People's Network public access computers opening on 4 August and a limited number of people being able to browse the bookshelves from 18 August. A new cleaning regime had been introduced, along with face masks, social distancing and other hygiene practices in line with Government guidelines. On 5 November the library was compelled to close again, with only the "Click and Collect" service remaining.

On 3 December limited access for browsing and computer use started again, but this only lasted a month, as on 2 January 2021 the building closed again, in line with new Government advice, with “Click and Collect” maintained. This continued to be the case until after the end of the financial year.

During the whole year, even when limited browsing was allowed, opening hours were much reduced compared with previous years. For much of the year the hours were from 2:00 to 4:00 pm, three afternoons a week. During the “Click and Collect” periods an average of just under 10 users per day were recorded (although some people dropping off returned books may not have been recorded); for the 44 days when limited browsing was allowed the average attendance was just over 17.4 users per day. Altogether, over the full year, 1,824 visitors to the library were recorded, much less than the figures of 22,000 or more recorded in previous years.

On 31 March 2021, 3,520 people or organisations were registered to borrow books from Jesmond Library, compared with 3,464 in March 2020. Between 1 April 2020 and 31 March 2021, 1,977 book issues were recorded, an average of 38 per week. This compares with 9,029 in 2019/20 and 10,038 in 2018/19. There is clear evidence that newly acquired books are the most popular with borrowers, but in the last year browsing the stocks of older books was restricted and displays of new books had greater prominence.

In 2020/21 we bought 162 new books and 9 2<sup>nd</sup> hand books (mainly from the nearby Oxfam book shop). We also accepted 220 donated books, although we had been offered far more than this.

The most borrowed author in the year was James Patterson. Second and third were Jacqueline Wilson and Ian Rankin. However, the most-borrowed book was by none of these authors: it was the non-fiction volume: “Becoming” by Michelle Obama. As in the previous year, very popular for children were the Alien Adventures series.

In total, at the end of 2020/21 we had 10,483 books and other items on the shelves. During the lockdown we stopped our previous practice of buying newspapers and accepting donations of magazines, as customers would have been unable to sit and read them. On the other hand, in February 2021 we instituted a popular “swap shop” for jig saws, accepting donations of about 65 jig saws, which customers were able to swap for jig saws of their own. Roughly 3 - 5 jig saws were borrowed or returned on most days when the library was open.

While the numbers of library users was much reduced in 2020/21, compared with “normal” years, those people who did use our “Click and Collect” or browsing services were generally very pleased that a service of some sort had been retained.

## **b. Volunteers**

The charitable company directly employs no paid staff, and is wholly dependent on the unstinting efforts of volunteers for the operation of the library service and all other activities which take place in the building. During 2020/21 the need for volunteers was much reduced by lockdowns and restrictions on the services that we were able to provide. Nevertheless our volunteer coordinator has estimated that our volunteers worked a total of 1,143 hours during the year. If we assume a very approximate “value” of £10.50 per hour this would be equivalent to a total “value” of just over £12,000.

Lockdown restrictions made it very difficult to train new volunteers during most of 2020/21, and we relied particularly heavily on our most experienced volunteers. Some regular volunteers were affected by the need to self-isolate. We were also unable to organise the volunteer socials and other meetings which make the experience of volunteering more enjoyable. At the same time the extra (and changing) public health requirements and occasional operational difficulties presented many extra challenges to volunteers, and the trustees are extremely grateful to all those who kept our services running through a very difficult year.

## **Education and Social Welfare**

### **c. Events and room hire**

Up until the outbreak of the COVID pandemic Jesmond Library had become known in the local area as a major “Community Hub” and information centre for Jesmond and the adjacent areas. However, events and meetings were one of the major casualties of the pandemic. The only room hire income received during the year came from late payments carried over from before the pandemic.

With great ingenuity a small group of volunteers and supporters maintained an excellent series of online meetings during most of the year, largely using “Zoom”. This included the Spanish Conversation and Current Affairs Discussion Groups, Thursday evening talks, and the Wellbeing for Life programme. Most of these were effectively free to participants, but nonetheless they generated significant sums in terms of donations (some through JustGiving) and goodwill.

The 2020 Jesmond Community Festival had become an early casualty of the first lockdown, so it was particularly welcome that Joan Aarvold and her team of helpers managed to organise an excellent Toffee-apple-themed Teddy Bear Trail during the autumn, to provide families and others with a lockdown diversion.

#### **d. The People's Network computers**

The council left its "People's Network" public use computers in the building when they handed over the building. These are still maintained by the council and, prior to the lockdown, were very well used by members of the public. During 2020/21 the public access computers have only been in use when the library has been available for browsing (and for a brief extra period in August 2020). Even when the computers were open for public use, social distancing rules reduced the number available.

#### **e. The building**

Jesmond Library is a much-loved and architecturally distinguished modern building, unusual in being a Grade 2 Listed Building designed and built in the 1960's. Some of the architecturally valuable features of the building, notably the huge windows and glass doors, provide particular challenges in terms of building maintenance.

During 2019/20 we carried out a pilot project for replacing sections of the glazing in the main room with a modern and better insulated equivalent. The pilot project was a success, and during 2020/21 we were able to raise funding and implement a second phase of window replacement. At least one further phase is planned in 2021/22.

#### **f. Publicity and communications**

During the lockdown we decided to replace our printed newsletter with an online version, which was much easier to distribute safely. This helped maintain contact with both library users and volunteers during a very difficult year.

Our Facebook page, Tweets and Blogs are well-received by those of our users who make use of social media. The number of "page likes" recorded by our Facebook site went up from 764 on 31 March 2020 to 866 on 1 April 2021. The most popular items on our Facebook page during last year were both library announcements in May 2020, one launching the Book Collection and Delivery Service (1,000 people reached) and one explaining the library's Creative Writing Challenge (900 people reached). Also very popular were announcements about the Teddy Bear Trail.

## **g. Links with other community-managed libraries**

In our first year the Friends of Jesmond Library benefitted hugely from advice from some of the earliest community-managed libraries, and for this reason the Friends have always been happy to give advice and support to more recent entries to the field. The Friends of Jesmond Library is actively involved in the establishment of the Community Managed Libraries Peer Group Network, of which Chris Clarke is a Board Member. The Network played a particularly useful role in helping to circulate official advice to libraries, during the pandemic, and in ensuring that the role of community managed libraries was understood.

## **h. Library Survey**

During the early part of 2021 the Friends of Jesmond Library carried out a survey of library users. The results of the survey emphasised the appreciation felt for the volunteers' efforts to maintain a library service of some sort during most of the year. Survey respondents also spoke highly of the welcoming atmosphere, and the friendly and helpful staff.

*"Libraries are invaluable. Having the ability to choose from so many books without having to buy them is just marvellous... Having the opportunity to continue to read during this "lockdown/stay at home" period is a life saver. I think my mental health would be at rock bottom now if I did not have the chance to borrow your books."*

The survey also asked what people were particularly looking forward to, as the lockdown eases. The most commonly mentioned thing was browsing the bookshelves, with others mentioning the library's groups, classes and talks.

*"Physically meeting people, getting up to date information about events in the area, choosing books."*

*"Just getting back to browsing the shelves, bring grandchildren to the excellent children's area and take part in any other events and classes available."*

## **Financial Review**

### **a. Going Concern**

When it first re-opened, the charitable company enjoyed an immediate financial input from residents of Jesmond, from charitable bodies (notably, but not only, the Catherine Cookson Trust), and from the North and South Jesmond Ward Committees of the Council. This enabled the company to build up sufficient reserves during its first few months to be confident of

remaining a going concern for at least the next few years, and probably much more. Our early optimism has proved to be well founded, despite the impact of the coronavirus crisis, and these accounts are therefore prepared on the basis that we are still a “going concern”.

## **b. Reserves Policy**

The trustees consider the reserves of the company to be more than adequate to meet its immediate working capital needs. Total funds as at 31 March 2021 were £116,032.93, an increase of £22,481.25 over the previous year. This partly reflects a successful fundraising campaign to fund another phase of window replacement, and partly Government grants which helped us through the COVID crisis and ensure that we are in a strong situation to resume a full programme of activities as soon as we can.

The company’s Reserves Policy has been in place since 2014/15, when an Operating Reserve Fund and a Building Improvement Fund were established. These two designated funds stand alongside the pre-existing Wellbeing Fund, which supports a programme of activities for older people, jointly run with the Elders Council of Newcastle. The funding for the Wellbeing for Life programme comes from grants and donations given specifically for that purpose. The funding reserved for the Wellbeing programme increased from £216 on 31 March 2020 to £359 on 31 March 2021, with limited expenditure on Zoom meetings and publicity more than offset by donations.

Up until the end of 2019/20 the policy of the trustees was that unrestricted reserves should not fall below a level equivalent to six months’ routine, general expenditure (about £13,000 at the end of 2019/20). However, with the greatly increased uncertainty resulting from the coronavirus crisis, the trustees considered it prudent to increase the Operating Reserve from six to a full twelve months general running costs, and we intend to retain £26,000 for this purpose for the foreseeable future.

On 31 March 2021 the Building Improvement Fund had increased to £73,867.90, compared with £51,350.77 on 31 March 2020. The purposes of the Building Fund are to finance capital items, such as the purchase of books and new furniture, which are paid for over several years, and to pay for major building refurbishment items, which will not recur every year. In the coming year we plan to complete at least one further phase of window replacement in the main room of the library, purchase further new books and install LED light fittings in the main room. While we will continue our

fundraising efforts, to contribute to the cost of these items, significant contributions from the Building Fund will also be required.

### **c. Principal Funding**

The first financial priority of the trustees is to raise enough in monthly income to cover basic, general running costs (such as utility bills, insurance, stationery, and building and equipment maintenance). This was extremely difficult to achieve during the last year, when our normal income from events, room hire and sales of coffee etc fell almost to zero, but the support of our regular Standing Order donors was magnificent and the lockdown enabled us to reduce some elements of our normal running costs, so that our deficit on general income and expenditure throughout the year was only £178.76.

### **Plans for the Future**

The first priority for the coming year must be to return the services provided by the library to the levels achieved before the COVID crisis. After that the trustees have two main aims for the future. First is to maintain and improve the range of services available to the local public, both by continuing to purchase new books and by continuing the ambitious events programme. Second is to continue to invest in the fabric of the building, furniture and fittings, restoring it to the best condition in which it will have been since it first opened, and at the same time sensitively bringing it up to date by improving heat insulation and fitting more efficient modern equipment.

### **Statement of Trustees' Responsibilities**

The trustees (who are also directors of Friends of Jesmond Library for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and best practice advice. 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities SORP (FRS 102);

- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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.

### **Provision of information to the independent examiner**

Each of the persons who are trustees at the time when this trustees' report is approved have confirmed that:

- so far as each trustee is aware, there is no relevant financial information of which the charitable company's independent examiner is unaware; and
- each trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable company's independent examiner in connection with preparing his report and to establish that the charitable company's independent examiner is aware of that information.

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the trustees on 14 August 2021 and signed on their behalf by:

**Sarah Barbour Mercer, Chair**

**Independent examiner's report to the trustees of the Friends of Jesmond Library**

I report to the charity trustees on my examination of the accounts of the Friends of Jesmond Library for the year ended 31 March 2021, as set out on pages 18 to 28.

#### Responsibilities and basis of my report

The charity's trustees, who are also the directors of the company for the purposes of company law, are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006.

Having satisfied myself that the accounts of the company are not required to be audited for this year under Part 16 of the Companies Act 2006 and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011. 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

I have completed my examination. I confirm that no material matters have come to my attention which gives me cause to believe that:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 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
- the accounts have not been prepared in accordance with the Charities Statement of Recommended Practice (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.

(signed)

**Geoffrey R Carter**

59 Queens Terrace, Jesmond, Newcastle upon Tyne NE2 2PL

14 August 2021

## **FRIENDS OF JESMOND LIBRARY**

### **Statement of Financial Activities**

#### **Income and Expenditure Account**

**for the year ended 31 March 2021**, compared with the year ended 31 March 2020

	<b>Not e</b>	<b>Total Funds 2020/21 £</b>	<b>Total Funds 2019/20 £</b>

<b>Income</b>			
Incoming resources from generated funds:			
Voluntary receipts	2	15,963.62	18,618.02
Grants received	2	77,063.71	19,788.00
Receipts from fundraising activities	3	59.20	1,777.21
Investment income	4	528.05	498.20
Receipts from charitable activities	5	731.76	19,998.37
<b>Total Incoming Resources</b>		<b>94,346.34</b>	<b>60,679.80</b>
<b>Expenditure</b>			
Fundraising costs	6	281.00	997.13
Charitable activities	7	64,531.31	42,158.31
Governance costs	8	13.00	13.00
Depreciation	9	7,039.78	7,333.63
<b>Total Resources Expended</b>		<b>71,865.09</b>	<b>50,502.07</b>
<b>Net Income for the year</b>	10	<b>22,481.25</b>	<b>10,177.73</b>

The notes on pages 20 to 28 form part of these financial statements.

## **FRIENDS OF JESMOND LIBRARY**

### **Balance Sheet**

**as at 31 March 2021**, compared with 31 March 2020

	<b>Not e</b>	<b>31/03/2021 £</b>	<b>31/03/2020 £</b>
<b>Fixed assets</b>	9		

Equipment		329.89	1,122.99
IT equipment		788.60	740.49
Library management system		0.00	0.00
Furniture		3,156.98	4,996.38
Book stock		6,433.67	7,794.29
<b>Total fixed assets</b>		<b>10,709.14</b>	<b>14,654.15</b>
<b>Current assets</b>			
Recoverable Gift Aid	12	487.55	1,110.39
Cash at bank	13	104,806.21	77,759.54
Petty cash		30.03	27.60
<b>Total current assets</b>		<b>105,323.79</b>	<b>78,897.53</b>
<b>Total assets</b>		<b>116,032.93</b>	<b>93,551.68</b>
<b>Represented by</b>		<b>31 March 2021</b>	<b>31 March 2020</b>
Balance brought forward		93,551.68	83,373.95
Net income for the year		22,481.25	10,177.73
<b>Total funds</b>	14	<b>116,032.93</b>	<b>93,551.68</b>

For the year ending 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the Financial Reporting Standard applicable to charities in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The financial statements were approved by the trustees on 14 August 2021 and signed on their behalf by Sarah Barbour Mercer (Chair).

### **Sarah Barbour Mercer, Chair**

The notes on pages 20 to 28 form part of these financial statements.

### **FRIENDS OF JESMOND LIBRARY**

## **Notes to the Financial Statements for the year ended 31 March 2021**

### **1. Accounting Policies**

#### **1.1 Basis of preparation of Financial Statements**

The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities: SORP 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)."

The trustees have considered the charitable company's current and future prospects and are satisfied that the company can continue to pay its liabilities as they fall due, for a period of well over twelve months from the date of approval of these financial statements, and is therefore a "going concern".

#### **1.2 Turnover**

Turnover comprises revenue recognised by the charitable company in respect of goods and services supplied during the year. The charitable company is not registered for Value Added Tax.

#### **1.3 Company status**

The charitable company is a company limited by guarantee. In the event of the company being wound up, the liability of the director/trustees of the company in respect of the guarantee is limited to £10.

#### **1.4 Fund accounting**

Designated funds are funds set aside by the company for specific purposes. At the present time the three funds designated by the company are the Wellbeing Fund, the Operating Reserve Fund and the Building Improvement Fund. The purposes of these funds were summarised on page 14 of this report. All remaining income and expenditure is contained in the General Fund, which is therefore where the vast majority of day-to-day income and expenditure is allocated.

#### **1.5 Incoming resources**

All incoming resources are included in the Income and Expenditure Account.

Voluntary income is primarily received as donations and grants. All monetary donations are included in full in the statement of financial

activities when received, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition would be deferred until the pre-condition has been met.

Gifts in kind for use by the charity are valued at the estimated cost which would have been incurred by the charity, if they had been purchased. This method has been applied to second hand books donated by well-wishers to the library, whenever the books concerned have been added to our book stock. (Space on the shelves in Jesmond Library is limited, and some donated books, for which we do not have room, have been in turn donated to Oxfam or other local groups.) Books left in the library by the city council have not been given a value.

Investment income at present comprises only bank interest. The income is recognised when received.

### **1.6 Resources expended**

Expenditure is allocated to the activity to which it relates.

Governance costs are those costs associated with the constitutional and statutory requirements of the charitable company, principally an annual payment to Companies House.

## **2. Voluntary receipts and grants received**

Two main categories of donation were received from library users during the year. Regular Subscribers provided monthly or annual donations, of £20 a year or £2 a month, or more, normally by Standing Order, totalling £10,569 over the year (compared with £10,327 the year before); and there were a number of Miscellaneous Donations, totalling £3,458 (compared with £6,600 the year before). It can be seen that our income from Standing Orders actually increased slightly over a year in which our trading was heavily affected by the pandemic restrictions, while other miscellaneous income reduced substantially, as no fundraising events could be held. With the exception of a donation of £1,000 from the RFF Gibson Trust much of the miscellaneous income which we did receive was related to our online events programme, including donations made by members of the Current Affairs Discussion Group and the Spanish Conversation Group.

The Friends of Jesmond Library is registered with the Fundraising Regulator, and supports the principles that it promotes.

Gift Aid is being claimed on all eligible donations, although not all the relevant reimbursements from HMRC were claimed or received during the

year 2020/21. In any event, the table below includes all recoverable Gift Aid that we are eligible to claim, even when a claim had not yet been submitted. HMRC also pay a very small amount of interest when paying Gift Aid claims, to cover the period between the eligible donation being made and the Gift Aid being paid. The company also uses the Gift Aid Small Donations Scheme in order to increase the value to us of small miscellaneous donations.

The company has arrangements for supporters to donate money through JustGiving, which became particularly convenient during the pandemic. This generated £1,502 for the Friends during 2020/21, but also cost £216 in payments to contribute to JustGiving costs in that period. As with other miscellaneous donations, many JustGiving donations were related to online events. We also have an arrangement with Easyfundraising, which during 2020/21 generated £104 from commissions on internet shopping.

£77,064 was received in grants during 2020/21, compared with £19,788 the year before. The main reason for this increase was the Government's grants scheme for businesses forced to close or partially close by the pandemic restrictions, from which the City Council awarded us grants totalling £40,976 in 2020/21. In addition we received grants totalling £34,922 towards the window replacement programme, from the Catherine Cookson, Barbour and Sir James Knott Trusts, the National Lottery, and the Foyle Foundation. We received an unrestricted £1,000 from the Percy Hedley 1990 Charitable Trust, and £166 from Waitrose Community Matters. We are very grateful to all these organisations, and to the RFF Gibson Trust, whose gift was described as a donation (see above). The value of books donated by well-wishers and added to the library stock during 2020/21 was approximately £330.

<b>Voluntary receipts and grants included in the Income and Expenditure account</b>	<b>General Fund 2020/21</b> £	<b>Wellbeing Fund 2020/21</b> £	<b>Building Fund 2020/21</b> £	<b>Total Funds 2020/21</b> £	<b>Total Funds 2019/20</b> £
Regular Subscriber donations (including related Gift Aid)	10,569.14			10,569.14	10,327.14
Miscellaneous donations	1,829.13	312.50	1,316.73	3,458.36	6,599.94

Interest on Gift Aid	0.09			0.09	2.66
JustGiving	1,436.86	24.08	40.90	1,501.84	1,126.83
Easyfundraising	104.19			104.19	90.45
Grants received			77,063.71	77,063.71	19,788.00
Value of Donated Books	330.00			330.00	471.00
<b>Total Voluntary Receipts and Grants Received</b>	<b>14,269.41</b>	<b>336.58</b>	<b>78,421.34</b>	<b>93,027.33</b>	<b>38,406.02</b>

### **3. Receipts from fundraising activities**

The main fundraising activities which normally raise money for the library are sales, including the sale of books which are surplus to requirements and of bought-in stock, cards, book marks, fridge magnets, teddy bears and walks leaflets, and the sale of coffee, tea and hot chocolate from the coffee machine. Small charges are also made for the display of small advertisements. All the proceeds of these activities are allocated to the General Fund. However very little activity of this type was able to take place in 2020/21.

	<b>Total Funds 2020/21</b> £	<b>Total Funds 2019/20</b> £
Shop Income, including books etc	59.20	704.91
Coffee and tea	0.00	1,015.80
Display of Small Advertisements	0.00	56.50
<b>Total receipts from fundraising activities</b>	<b>59.20</b>	<b>1,777.21</b>

### **4. Investment income**

£528.05 was received in investment income during 2020/21, £304.81 from a 60 day notice account with the United Trust Bank, £193.21 from a 100 day notice account with the United Trust Bank, and £30.03 from an

Active Saver account with Barclays. The total was slightly more than the figure from the previous year (£498.20), despite a general fall in interest rates, as a result of the increase in our cash reserves.

## **5. Receipts from charitable activities**

Receipts generated from the library's activities normally include room hire fees, income generated from events organised by the library, income from the printer/photocopier, and smaller categories such as library fines and hire charges for DVD's. However, very little activity of this type was able to take place in 2020/21.

	<b>Total Funds 2020/21 £</b>	<b>Total Funds 2019/20 £</b>
Room hire income	438.46	9,694.02
Event income	0.00	7,725.00
Book reservations	0.00	2.50
Library fines	0.00	317.00
Printing and photocopying	237.50	1,868.85
DVD hire charges	0.00	13.50
Lost books, DVD's etc	0.00	33.50
Teddy Bear Trail	0.00	263.00
Writing competition	21.00	81.00
Miscellaneous income	34.80	0.00
<b>Total receipts from charitable activities</b>	<b>731.76</b>	<b>19,998.37</b>

## **6. Fundraising costs**

This includes fees payable to JustGiving, an annual fee to the Fundraising Regulator, the costs of purchasing items for re-sale, and supplies for the coffee machine.

	<b>Total Funds 2020/ 21 £</b>	<b>Total Funds 2019/2 0 £</b>
Fundraising costs (including annual fee to Fundraising Regulator and cost of printing fundraising leaflets)	50.00	57.32
Payments to JustGiving	216.00	216.00
Goods for re-sale (including books and cards)	15.00	372.10

Supplies for the coffee machine	0.00	351.71
<b>Total fundraising costs</b>	<b>281.00</b>	<b>997.13</b>

## **7. Charitable activities**

This category includes all the revenue expenditure associated with running the library and its building. It does not include expenditure on capital items, such as books, furniture or equipment, which are treated as assets that can be expected to last several years. These appear in the Balance Sheet as capital items, and are depreciated over the anticipated life of the asset concerned (see note 9). However, expenditure on window replacement is treated as revenue expenditure, as it does not create a capital asset owned by the library (as it constitutes an improvement to a Council-owned building.)

	<b>General Fund 2020/21</b> £	<b>Wellbeing Fund 2020/21</b> £	<b>Total Funds 2020/21</b> £	<b>Total Funds 2019/20</b> £
Gifts/grants given			0.00	58.00
Volunteer recruitment			0.00	21.96
Volunteer expenses			0.00	0.80
Room hire for Wellbeing events			0.00	220.00
Travel costs for Wellbeing events		18.70	18.70	246.90
Refreshments at events			0.00	1,076.83
Event expenses			0.00	128.44
Refunds	103.82		103.82	22.40
Electricity	886.68		886.68	2,107.20
Gas	700.53		700.53	1,201.93
Water	578.00		578.00	360.00
Refuse disposal	419.16		419.16	388.44
Insurances	855.13		855.13	905.19
Suez Communities Trust scheme			0.00	22,615.00
Windows Phase 2	34,446.75		34,446.75	0.00
Windows Phase 3	17,163.37		17,163.37	0.00
Other Building Refurbishment	760.00		760.00	0.00
General repairs and maintenance	1,392.26		1,392.26	2,329.68
Regular cleaning	1,492.50		1,492.50	2,448.50
Security and alarms	1,445.3		1,445.3	1,127.1

	6		6	0
Carpet Cleaning	475.00		475.00	0.00
Telephone and Email	508.15		508.15	494.35
TV licence	157.50		157.50	154.50
PRS/PPL Licences			0.00	39.35
Postage	17.29		17.29	14.64
Other administrative items	296.99		296.99	141.37
Competition prizes	40.00		40.00	15.00
Stationery (including book jackets)	33.48		33.48	240.23
Newspapers and magazines	56.34		56.34	1,393.49
Subscriptions (including Which?)	83.40		83.40	83.40
Printing and photocopying	134.42		134.42	338.12
Website	111.00		111.00	214.00
Publicity and posters	45.60	175.00	220.60	1,929.00
IT running costs	979.88		979.88	635.99
Library Management System	1,152.00		1,152.00	1,152.00
Bank charges	3.00		3.00	12.50
Licences			0.00	42.00
<b>Total charitable activity costs</b>	<b>64,337.61</b>	<b>193.70</b>	<b>64,531.31</b>	<b>42,158.31</b>

## **8. Governance costs**

In both 2019/20 and 2020/21 Governance costs amounted to £13.00, for the Annual Return to Companies House.

## **9. Depreciation of tangible fixed assets**

The costs of purchasing furniture, IT and other equipment, and books, are treated as capital expenditure and appear in the Balance Sheet. They are depreciated over 4-5 years, in order to write off the total costs of their acquisition over their expected useful lives. (IT and other equipment, and the Library Management System, are depreciated over 4 years; furniture and books over 5 years.)

	<b>Equipm ent £</b>	<b>IT Equipm ent £</b>	<b>Library manage ment system £</b>	<b>Furnit ure £</b>	<b>Book Stock £</b>	<b>Total £</b>
<b>Cost of purchase</b>						
Assets acquired before 1 April 2020	12,749.37	3,478.95	4,422.60	15,982.31	25,381.23	62,014.46
Additions during 2020/21	213.99	567.80	0.00	0.00	2,312.98	3,094.77
<b>Total assets at 31 March 2021</b>	<b>12,963.36</b>	<b>4,046.75</b>	<b>4,422.60</b>	<b>15,982.31</b>	<b>27,694.21</b>	<b>65,109.23</b>

<b>Accumulated depreciation</b>						
Depreciation brought forward from 31 March 2020	11,626.38	2,738.46	4,422.60	10,985.93	17,586.94	47,360.31
Depreciation during 2020/21	1,007.09	519.69	0.00	1,839.40	3,673.60	7,039.78
<b>Total depreciation at 31 March 2021</b>	<b>12,633.47</b>	<b>3,258.15</b>	<b>4,422.60</b>	<b>12,825.33</b>	<b>21,260.54</b>	<b>54,400.09</b>
<b>Net book value at 31 March 2021</b>	<b>329.89</b>	<b>788.60</b>	<b>0.00</b>	<b>3,156.98</b>	<b>6,433.67</b>	<b>10,709.14</b>

The valuations of book stock given in the above table are based on a more detailed calculation which distinguishes between new, second hand and donated books, as follows:

	<b>2020/21</b>		<b>2019/20</b>		Comments
	<b>Number of books</b>	<b>Value £</b>	<b>Number of books</b>	<b>Value £</b>	
Donations	220	330.00	314	471.00	Estimated at £1.50 each
2 <sup>nd</sup> hand books	9	14.43	32	81.11	
New books	162	1,968.55	371	3,232.67	
<b>Total</b>	<b>391</b>	<b>2,312.98</b>	<b>717</b>	<b>3,784.78</b>	

## **10. Income and Expenditure by Fund**

The table below shows how the Total Funds 2020/21 column in the Income and Expenditure Account on page 18 can be sub-divided between funds.

<b>Income and Expenditure</b>	<b>General Fund</b>	<b>Designated Funds</b>			<b>Total Funds 2020/21</b>
		<b>Wellbeing for Life Fund</b>	<b>Operating Reserve Fund</b>	<b>Building Improvement Fund</b>	
	£	£	£	£	£
<b>Income</b>					
Voluntary receipts	14,269.41	336.58		78,421.34	93,027.33
Receipts from fundraising activities	59.20				59.20
Investment income	528.05				528.05
Receipts from charitable activities	731.76				731.76
<b>Total Incoming Resources</b>	<b>15,588.42</b>	<b>336.58</b>	<b>0.00</b>	<b>78,421.34</b>	<b>94,346.34</b>
<b>Expenditure</b>					
Fundraising costs	281.00				281.00

Charitable activities	64,337.61	193.70			64,531.31
Governance costs	13.00				13.00
Depreciation	7,039.78				7,039.78
<b>Total Resources Expended</b>	<b>71,671.39</b>	<b>193.70</b>	<b>0.00</b>	<b>0.00</b>	<b>71,865.09</b>
<b>Net Income (Loss) for the year, before transfers</b>	<b>(56,082.97)</b>	<b>142.88</b>	<b>0.00</b>	<b>78,421.34</b>	<b>22,481.25</b>

## **11. Transfers**

Between 1 April 2020 and 31 March 2021 the Building Improvement Fund was drawn on to carry out window replacement in the main library room, fund book purchases, pay for a number of "one off" purchases linked to COVID precautions (including signage, carpet cleaning and facilities to accept cashless payments) and to fund the purchase of a new paper shredder.

To cover these items a total of £55,904.21 was transferred from the Building Fund to the General Fund.

	<b>General Fund £</b>	<b>Wellbeing Fund £</b>	<b>Operating Reserve £</b>	<b>Building Fund £</b>	<b>Total Funds 2020/21 £</b>
Net Income (Loss) for the year, before transfers	(56,082.97)	142.88		78,421.34	22,481.25
Transfers from the Building Fund to the General Fund	55,904.21			(55,904.21)	0.00
Net Income (Loss) for the year, after transfers	(178.76)	142.88	0.00	22,517.13	22,481.25

## **12. Recoverable Gift Aid**

Recoverable Gift Aid is Gift Aid to which we are entitled, but which has not yet been reclaimed from HMRC.

## **13. Cash at bank**

Cash held in bank accounts can be subdivided as follows:

	<b>Net asset</b>	<b>Net asset</b>
--	------------------	------------------

	value at 31 March 2021 £	value at 31 March 2020 £
<b>Bank accounts</b>		
Barclays current account	9,943.98	3,525.36
Barclays active saver account	52,064.12	41,934.09
United Trust Bank 60 day notice account	22,531.13	22,226.32
United Trust Bank 100 day notice account	20,266.98	10,073.77
<b>Total in bank accounts</b>	<b>104,806.21</b>	<b>77,759.54</b>

#### **14. Reconciliation of Funds**

The funds carried forward at the end of the 2020/21 financial year are held as follows. Funds held at the end of 2019/20 are given for comparison:

	31/03/21 £	31/03/20 £
General Fund	15,805.64	15,984.40
Wellbeing Fund	359.39	216.51
Operating Reserve Fund	26,000.00	26,000.00
Building Improvement Fund	73,867.90	51,350.77
<b>Total funds carried forward</b>	<b>116,032.93</b>	<b>93,551.68</b>