

GLADSTONE'S LIBRARY

GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 December 2020

CHARITY REGISTRATION NO. 701399

COMPANY REGISTRATION NO. 02363642

GLADSTONE'S LIBRARY

Legal and Administrative Information

Trustees	Damian Barr Freddie Baveystock Gregory Cameron David Cannadine Zia Chaudhry Jean Ellis (appointed 20 October 2020) Virginia Davies Patrick Derham Scott Evenbeck Caroline Gladstone Charles Gladstone Louisiana Lush Anthony Hall Tamara Harvey Alison Henshaw Martyn Percy Juliet Shield Julie Smith Phil Sykes Llyr Williams Linda Woodhead
Charity number	701399
Company number	02363642
Registered office	Church Lane Hawarden Deeside Flintshire CH5 3DF
Auditor	Mitchell Charlesworth LLP 24 Nicholas Street Chester CH1 2AU

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Trustees' Report (including Directors' Report) For the year ended 31 December 2020

The Trustees, the majority of whom are also directors for the purposes of company law, present their annual report and the financial statements of the charity and the group for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Warden's Introduction to the Annual Report 2020

The Covid-19 coronavirus pandemic 2020 caused the most significant disruption to the day to day running of the Library since its foundation in 1894. It was an extraordinary year. As an introduction to the 2020 Annual Report, I am providing a narrative of meetings and events of the year as a 'prologue' to the official report. It was a year that went from hope to despair and back to hope again. Quite frankly, the financial report and other outcomes cannot be understood without this narrative.

January 2020

At the start of January 2020, the prospects for the year looked good. More people had stayed at the Library than ever before. In 2019, the Library had a successful year in terms of numbers visiting; our conference facilities were providing an increasing percentage of our income, our catering facilities were profitable, our bedrooms were booking well (over 90% occupancy) and the reading rooms were busy – even over-busy. We were hopeful of another full and successful year in 2020. We started well. Good numbers came to stay and our mini literary weekend, Hearth, was very successful. We assumed 2020 would be as successful as 2019. There was no reason to think this success would not continue.

We were thinking big and planning a £6 million project to create an impressive new building, designed by the prize-winning architects, Caruso St John, that would give us a new and larger lecture hall, new catering facilities, and an exhibition space. At the same time, we were in the process of planning the conversion of a bookstore into a self-contained accommodation block with six double bedrooms. All of this consumed our energy and we were very much focused on the future which seemed full of promise and marked a major step up in what we could offer. Major fundraising events were planned in the USA (New York and Washington) and the talk and planning was of this exciting future and the rather more difficult task of raising funds to enable it to happen.

As the first two months of 2020 rolled through, we heard increasingly alarming reports of a novel coronavirus of unknown origin in China. Cases had first been identified in Wuhan, China, in December 2019. On 12 January 2020, Chinese authorities shared the sequence of a novel coronavirus, a severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). Since then, the disease caused by SARS-CoV-2 has been named coronavirus disease 2019 (COVID-19). By the end of February 2020, the virus had spread rapidly within China but also to 28 other countries, including southern parts of Europe by 24 January. It was no longer a faraway concern. Public Health England had moved the risk level from 'very low' to 'low' on 22 January. Clearly, the UK government did not believe that this was going to be a devastating global pandemic.

The Trustees' meeting in London on January 23 showed no trace of concern about COVID-19. Although the UK had 9 confirmed cases by that time, it was still, officially thought of as a 'low risk'. The meeting had no inkling of the devastation that was about to come. Throughout February, the virus became more serious in Europe and, inevitably, in the UK with a surge in numbers in mid-March.

March 2020

On Wednesday 18 March, a hastily arranged meeting of local Trustees decided that the Library should shut immediately. Already at the Library people had cancelled visits and groups had decided to postpone their gatherings. Staff were reluctant to work closely together as it would breach the government's public health messages. There were a number of views about how we should proceed. Many staff thought the closure would be short-lived and that we would be back within a month or so. Peter Francis and the local Trustees thought it would be a long closure to perhaps September 2020. At this early stage, the Library made 10 staff redundant (two voluntary redundancies and eight part-time workers) and it was agreed to close until September 2020. Twenty-three staff were put on 'furlough' and it was agreed (and they were informed in writing) that we would pay 100% (80% government money, 20% library) until the end of April and thereafter only the 80% government contribution. In fact, at that stage, only Peter Francis and Sarah Robertson remained employed.

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April 2020

Alison Henshaw at the Management Committee Meeting on 7 April defined the role of Trustees during the pandemic: "Our goal is to protect Gladstone's Library - including our staff team, volunteers and Trustees - and to ensure that we stay true to our stated objectives, keep our building safe, secure and, as far as we possibly can, make plans and decisions now that will aid our recovery when the time comes for us to re-open and welcome our customers and Friends again." The meeting focused on our financial resilience. An initial appeal for funds to help the Library through this period of closure raised £11,500. It was predicted by Sarah Robertson that by the end of June there would be a deficit of £13,444. There was a substantial sum in restricted funds and previously allocated funds and it was agreed that where possible we would seek permission from the donors to use these to support the Library throughout this period. The meeting felt appropriately serious and the sense of looking at survival rather than growth was salutary. This was the first time that a Library meeting had been held by Zoom, something we have now become very used to.

May 2020

The Management Committee met on 4 May and already the decision to close until September 2020 seemed over-optimistic. Gregory Cameron suggested we consider shutting for a year. The main concern remained financial especially if the prediction of a closure of a year or more was correct. On the plus side, the closure has allowed us to install new boilers thanks to the generosity of the Gladstone family. This would have been almost impossible to achieve if the Library was open. By the June meeting of the Management Committee, 4 June, the Chancellor of the Exchequer was indicating that firms would have to contribute to the furlough. This would have been impossible for the Library and the decision was to start consultation to make 18 members of staff redundant and it was agreed that redundancy notices would be sent out on 22 June.

July 2020

The Trustees' Summer Meeting and AGM was decisive in setting the course for our COVID strategy. It was both realistic facing up to the loss of employment and optimistic as a strategy of recovery in 2021 was outlined.

The Trustees supported the decision to proceed with 19 redundancies (29 redundancies in total with 10 of those at the very start of lockdown). These redundancies had become necessary to ensure the future viability of the Library; only 5 members of staff were still on the payroll. The surviving skeleton staff's task was to ensure that the Library would be ready to re-open in 2021. The notice period for all those facing redundancy began on 24th July. Most of the notice pay was paid through the government's furlough scheme. We tried to go the extra mile to ensure those being made redundant were treated with respect and kindness. The 5 remaining members of staff were Louisa Yates (library), Annette Lewis (fundraising), Liz Newmarch (HR and admin) Sarah Robertson (finance) and myself. Annette and Louisa remained on furlough.

Our financial position by July had become clearer as £381,000 in reallocated funds had been identified that could legitimately be used to make significant alterations to the Library building and also to enhance our digital offer. Four new en-suite bedrooms, new WCs on the ground floor, changes to the entrance and reception area plus refurbishment of the dining room – all these projects enabled greater social distancing and enhanced the Library's facilities. The investment in digital equipment is crucial to the Library's future courses, lectures and event which are going to be increasingly online or hybrid in form (some in the room and others online).

This period of closure would also provide time to review governance issues. The Library will become a Charitable Incorporated Organisation which will clarify, modernise and simplify our governance. Llyr Williams will oversee the steps required to achieve this.

Unexpectedly, the Trustees also had to consider the Library's response to the Black Lives Matter movement. On an Antifa website, the statue of Gladstone in the Library's grounds was cited as one of 20 that should be toppled because of their association with the slave trade. John Gladstone, the father of William, was a slave owner and received a huge sum of compensation at the time of abolition. William Gladstone was 'tainted' because he had spoken in favour of compensation in his first speech in the House of Commons. As it transpired, the statue was safe and no one tried to topple it. A crowd of about 50 local supporters of Gladstone together with a large police presence gathered to protect it at 5:00pm on 16 June – the time and date given for its proposed toppling. How the Library should respond to these historical claims is now very much on the Trustees' agenda. On the one hand, the Trustees express a firm support for racial equality (Black Lives Matter) and on the other, a belief that William Gladstone was a liberal humanitarian. In the Library's collections (history, politics, religion and literature), slavery is well covered and provides a resource for scholarly investigation. The ethos of the Library is clearly and consciously inclusive; nevertheless, how to respond effectively to this challenge is going to be important for the future of the Library.

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It was decided, following the summer meeting of the Trustees, that future meetings of the Management Committee would be enhanced by including 4 additional Trustees and renamed the Covid Recovery Group. The first meeting of the newly formed Covid Recovery Group (CRG) took place on 28 July.

The Trustees' summer meeting and the subsequent meeting of the CRG focused on recovery; key elements were structural changes to the building. Peter Francis had arranged that a grant of £100k from Garfield Weston intended for the conversion of Stephen Gladstone Hall (from bookstore to bedrooms) should be used together with £200,000 from the Thorold Bequest and £13,000 from the Moondance Foundation to make improvements and adjustments to the Library. Improvements were:

1. New ground floor unisex WCs (a total of 9 compared to 2 women's and 3 men's prior to the proposed improvements)
2. Conversion of 4 standard bedrooms to en-suite bedrooms
3. Reconfiguring the entrance area and removal of a dangerous step

All three aspects of the plan are important in responding to Covid and are changes the Library has wanted to do for a long time. The enforced closure gave us the time and inclination to undertake it. The work would be carried out by Ainsley Gomon Architects (AGA) of Hawarden. Listed building consent and planning permission were applied for. Simon Venables, the lead architect of AGA, waived his fee for this preliminary work.

The funding would also allow for the refurbishment of the dining room and a change from cafeteria style to table service. This change was also driven by the requirements of the pandemic and the necessity of enhancing social distancing. A food committee, headed by our two restaurant consultant Trustees, Caroline Gladstone and Juliet Shield, would also focus on this refurbishment of the dining room and on our food and beverage offer.

Alison Henshaw as Chair stressed that the priority and focus of the CRG and indeed all Trustees was on preparing our building and our 'refreshed' offer for opening safely and with the ability to trade effectively.

August 2020

The CRG met on 17 August and the architects' drawings were presented to the meeting and positively received. The long wait for Flintshire CC and Cadw to approve the plans would take a long time (4 ½ months).

August marked a turning point for the Library's financial fortunes. Our application for emergency funding from the National Lottery Heritage Fund (NLHF) had been successful and we had received £100k. This provided considerable relief and meant that we did not have to use a loan from Lloyd's Bank.

Throughout this period and indeed the whole pandemic, Louisa Yates came off furlough one day per week to keep the Library's social media going and to plan the opening of the reading rooms. Annette Lewis also worked one day per week on fundraising and the NLHF grant of £100k bore testimony to her skill as a fundraiser.

September 2020

A grant of £30k had been obtained from Business Wales to support the Library's recovery. The estimated cost of the proposed building work was anticipated by the QS to be between £245k and £275k. It was anticipated that the Library would re-open in April 2021 – another confident assertion that would later prove wrong.

October 2020

At the October CRG meeting, it was reported that money given by generous supporters and Trustees had reached £25,626 including Gift Aid.

Taking advantage of the closure and the fruits of fundraising, the Trustees agreed to emergency roof work of approximately £30,000 on the Warden's Lodge and the Library Annex – these repairs had been long overdue.

Talks in conjunction with Liverpool John Moore's University on the Library's response to Black Lives Matter had been helpful and were to be on-going. There was a determination to make a positive response to BLM but there was as yet no clear course of action.

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November 2020

The Library was still planning to open at the end of March in time for Easter in early April. It was deemed important that we aimed purposefully to open on Monday 29 March, 2021. Although the Library had built up a good war chest to survive the pandemic, it was thought by Sarah Robertson and Peter Francis that a further £200k was needed to ensure we would survive the next two years.

November saw the launch of a new fundraising idea to raise £100k from supporters. The idea was to get 1,000 people to sponsor 1,000 shelves for £100 each in the Library's main reading room. The names would be collected in a book of thanksgiving and printed on boards adjacent to the shelves. The idea was entirely the brainchild of Helen Francis, the Warden's wife, and was enthusiastically supported by the CRG.

It was also reported that Flintshire had granted planning permission for the works designed to make the Library building more Covid secure. It was still necessary for the listed building consent to be signed off by Flintshire CC and Cadw before work could commence.

Money bequeathed by Father John Thorold had again helped to save the Library. Altogether Thorold money has supported the Library by about £700k over the last 20 years. It was agreed that the Library annex would be renamed the Thorold Wing.

Work had continued on the Gladstone Bag – The Bag – that is the name given to the Library's intranet. This will be a repository of recorded talks and videos freely available to Friends. It also contains staff information and is a useful extension to the website. It is hoped in due course to have a Trustee section.

In an attempt to find a positive path to re-opening, it was decided by the CRG that the Library would reopen two months after the end of furlough as providing a way of both protecting the finances of the Library and giving it time to prepare and train new staff.

December 2020

December saw work starting on the repair of the flat roofs of the Library annex and Warden's Lodge and the appointment of contractor, Spatial, to undertake the internal building work in the new year. It was expected that Flintshire CC and Cadw would give listed building consent in early January. At this stage, we were still expecting to re-open in the spring or early summer after the completion of the building work.

The year ended full of hope and expectation not least as we had managed to achieve financial security. A grant of £120,000 from the Wolfson Foundation and £149,000 from the Welsh Government's Cultural Recovery Fund together with the Library's own fundraising through the sponsor-a-shelf scheme meant that we now had reserves of over £1.3million and even with modest occupancy targets could see that trading was viable through to the end of 2022. The increased funds also enabled us to make significant improvements to the buildings and facilities – a new fire alarm system, for instance, in the new year. Many projects that we would be unable to achieve when open and busy we have been addressing and completing (fire alarms, new boilers, CCTV, computer and telecommunication system changes, structural alterations and improvements to the building, changes in governance and questions of diversity and the historical legacy of slavery have all been addressed) during the enforced closure. 2020 has not been a fallow year but one of planning and activity that has been steered by the small staff of 5 and the active support of Trustees.

There was plenty of reason to look forward to 2021 with hope.

January 2021 and beyond

Early 2021 reminded Gladstone's Library of the main lesson of the pandemic that as soon as a decision has been made about opening again, it is proved wrong. The start of 2021 saw a surge in new cases with North Wales being especially hard hit by the virus and lockdown reimposed. It was clear that the hoped for re-opening in the spring was now impossible.

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The Chancellor's furlough scheme was extended until the end of September in his spring budget. There were signs of hope with the arrival of vaccines and the speedy administration of them. This has brought renewed hope. Searching for a feasible date to re-open, the Trustees agreed on 1 September, 2021. By then all adults will have been offered a vaccination and with social distancing, it should be possible to open and trade with some degree of confidence. The Library's process of recruitment and training is proceeding on the basis of a September opening. We are even planning a small-scale version of our literary festival, Gladfest, in September. This, as one Trustee eloquently put it, is a down-payment of hope.

By Easter 2021, the Shelf Scheme had passed its goal of £100,000 - an extraordinary achievement and testimony to the support of our friends and users. The improvements to the building continue to progress, funds have accumulated and issues of Gladstone's legacy have been addressed positively.

There is hope.

That hope would have been elusive without the help and support of Sarah Robertson who has so ably managed our finances through this difficult period and produced numerous financial projections, and Elizabeth Newmarch, who has been in charge of HR and Health and Safety throughout. Sarah and Elizabeth worked their normal hours throughout the pandemic but Annette Lewis and Louisa Yates worked one day per week out of furlough to look after our social media accounts (Louisa) and fundraising and grant writing (Annette). It is proposed that they work their normal hours from 1st June.

Peter Francis – April 5 2021

1. Objectives and Activities

1.1 Memorandum of Association

In Gladstone's Library's Memorandum of Association, the objects for which the Charity is established are clearly stated:

- a) The promotion of religion and education and the promotion of divine learning in connection with the Church of England and the Church of Wales as historical branches of the Catholic Church and in conformity to the living spirit of the Church of England and the Church in Wales.
- b) The advancement of education for the public benefit by the maintenance and development of Gladstone's Library's collections, the encouragement of research, writing and debate on Gladstone's core subjects:

Theology and Spirituality
History and Current Affairs
Contemporary and Classical Literary Culture.

1.2 Mission Document – By Way of Definition

The statements printed below were produced in 2010 by Freddie Baveystock in conjunction with staff, Trustees and users of Gladstone's Library as a defining statement, or set of words, to guide the development and future direction of Gladstone's Library.

Gladstone's Library is...

A residential library and meeting place dedicated to dialogue, debate and learning for open-minded individuals and groups who are looking to explore pressing questions and to pursue study and research in an age of distraction and easy solutions.

We help people engage more deeply in the questions that concern them.

We are committed to maintaining Gladstone's legacy of engagement with political, social, moral and spiritual questions.

We do not seek to provide the answers.

We offer resources for people to pursue those questions for themselves – through individual study as well as group debate.

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Moreover . . . we are one of a kind.

*We offer a comfortable, sociable and stimulating environment in which to pursue live questions.
We provide the resources for creative study including renowned collections of religious, historical, cultural, and political materials.*

We believe that the mind works best when the body is well catered for.

We enable our guests to enjoy solitude as well as social interaction.

We like everyone to leave having encountered something they weren't expecting – a book, an idea or a person, for example.

Moreover... We have an evolving programme of events that keeps us connected with a wide network of writers and thinkers – and makes us worth revisiting.

These are the values we seek to embody:

Welcoming: Friendly people in a comfortable environment; happy to accommodate special requests; open to long or short visits, groups and individuals; making our riches available to the widest audience possible.

Intelligent: Voracious readers; thoughtful about where we can make a difference.

Open-minded: Unafraid to explore ideas; hungry for new avenues of enquiry; engaged with contemporary questions and exploration of the connections between them; liberal in values and attitude; respectfully accommodating different points of view.

Surprising: Having more to us than meets the eye; maintaining the pace of innovation.

Diverse: Celebrating difference and inclusion; giving people space to be themselves.

Ethical: Defining value in social terms; pursuing progressive standards; caring for the environment.

In summary . . .

We are proudly Gladstonian, as these are the self-same liberal values he lived, breathed and bequeathed us.

The Trustees have given due regard to the Charity Commission's guidance on public benefit and believe that the aims, objectives and services provided by the charity are compliant.

Gladstone's Library responds to these aims and objectives in the following ways:

2. Achievements and Performance

The start of 2020 echoed the success of 2019 which, in terms of numbers, had been our most successful year. The success, however, was cut short by the Covid-19 pandemic and on 18 March, 2020, the Library closed. The details of this extraordinary year are in the prologue to this report. An UK Government scheme allowed the Library to put the majority of staff on furlough which effectively paid their wages for a number of months. The scheme required employers to contribute an increasing amount from May and the Trustees took the hard decision of having to make 29 employees redundant. They did this to protect the future of the business. This left only 5 employees working hard to ensure the Library will reopen in September 2021.

2.1 Library Collections

Our usual Annual Report, filled with figures and data, looks very different this year. This year's report stands as a diary of work done and decisions taken, and is divided between work that took place pre-pandemic, our response to the pandemic, and work that has been achieved while Louisa has either worked or been flexibly furloughed. For much of her working time, Louisa has been working as cover for marketing, including social media, website copy maintenance and online event management. Even so, some major Reading Room administrative projects have been completed in 2020.

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2.1.1 Archives.

Processing: At the time of closure, the Jim Cotter archive was close to completion before the team moved on to Eric James and the much larger British Crime Writing Archive. The Carnegie funded project to digitise Gladstone's papers and books was suspended at the start of the year as we sought new staff and did not begin again because of the pandemic. It will recommence in the Autumn of 2021. The Sea of Faith project was well underway with Professor Elaine Graham from the University of Chester applying for seed funding to assess the next steps. This and all other projects will recommence in Autumn 2021.

Archive Requests (in person and remote)	2016	2017	2018	2019	2020
Glynne Gladstone Archive	212	101	293	230	43
Stephen Glynne Church Notes	10	14	2	13	6
St Deiniol Archive	7	2	0	1	0
Other (SOF, Allchin)	-	53	0	46	50

2.1.2 Collection Review

From Jan-Mar 2020, Louisa Yates and Lena Schiell were moving oversized titles from Stephen Gladstone Hall to the 'duplicate' high-shelving in the main Reading Rooms. Lena Schiell had negotiated a new contract with Revival Books to take copies that fail to pass our weeding criteria. This would generate a small but immediate income from titles which had failed to be re-homed elsewhere and improved on our existing agreement with Betterworld Books.

The 're-homing' process, where de-accessioned books were offered to the public, had been reasonably successful. Those books that were taken went almost exclusively to other cultural institutions such as cathedral or museum libraries, or to researchers and scholars for use in their teaching or research. This is an excellent outcome for a collection sustained through charitable and other public funds. It was, however, extremely laborious and was under review to see if it could be made more efficient.

2.1.3 Reading Room Membership and Visits

In the three months in which the Library was open in 2020, there were 179 new reader applications and 39 renewals. 2020 had promised to be another very busy year as the Room Use figures for January-March 2020 indicate:

Month	R+	Readers	Residents	Glimpse	Total	A w G	A wo G
January	194	375	383	266	1,218	44	30.7
February	195	295	412	306	1,208	42	32.2
March	192	202	203	123	720	40	27.6
TOTAL	581	872	998	695	3,146	42	30.5

Annual figures for comparison:

	2014	2015	2016	2017	2018	2019	2020
R+	936	1,372	1,774	2,762	2,242	2,151	481
Readers	1,052	1,961	1,937	2,166	2,159	3,132	872
Residents	3,419	3,179	4,035	5,005	4,568	4,449	998
Glimpse	2,522	2,787	3,091	3,301	3,385	3,800	695
Total	7,929	9,299	10,395	13,234	12,354	13,532	3046
A w G	24	28	31	38	36	40	42
A wo G	16	19	22	31	27	27.5	27.5

During closure, Louisa Yates has managed to rethink and develop a number of key projects and continued to answer enquiries relating to the collections.

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Redevelopment of ReaderPLUS: The pandemic closure revealed the fundraising vulnerabilities of the ReaderPLUS category. Many donors cancelled their donations when their access to the Reading Rooms was withdrawn. Many of these donors were minimal givers – while we welcome donors of any kind, we consistently see donations of a few pounds per year associated with ReaderPLUS. This is the only kind of 'transactional' giving found in the Library's fundraising processes and Louisa Yates and Elizabeth Newmarch developed an alternative: ReaderPLUS will be withdrawn and only Readers will have access to the Reading Rooms. This means that all access to the Reading Rooms is completely free of charge, with only an application form to complete.

Friends can now be marketed as a truly global giving system. No matter where in the world, anyone who admires any aspect of Gladstone's Library (not just the Reading Rooms) can give support through financial donations.

Intranet/Gladstone Bag: In her short period back in work, Louisa Yates worked with ICG to launch the Gladstone Bag. This is an 'intranet' or members-only area which allows users to access tiered content. The Bag is divided into several sections: Friends, Readers, Event Customers, Digital Gladstone, Writers in Residence and a Staff Information area. The Friends section now hosts the complete Gladstone's Library Digital Archive which can hold all audio and video recordings of events and will be linked to the Reading Room catalogue.

In 2020, the Bag was only open for staff, Readers, and Friends but in the future, it will allow individuals to maintain a ticket 'wallet', holding all their past and future tickets. This solves a significant drain on our marketing resources in that it brings an end to significant numbers of emails claiming that e-tickets haven't arrived.

Health and Safety: The Reading Room and festival risk assessments were fully reviewed and re-written in September 2020.

Stephen Gladstone Hall: Though the aim remains to clear the space and maintain only a collection within the main building, this project is currently on pause. The extra time is welcome as some particularly challenging collections are currently stored there. Their re-homing or – as a last resort – destruction will be a lengthy process.

Library Services: Plans are underway to re-arrange both the public and staff parts of Library Services. A single public-access terminal will remain, attached to a new microfilm reader and scanner. The rest will permit the use of laptops and tablets. The staff area will be re-organised to offer a better workspace.

Signing-in: The paper signing-in sheet is no longer fit for purpose or Covid-secure and will be replaced with an upright barcode scanner and new Reader cards.

As with previous years, we were on course for a very busy year – as busy as 2019 when the figures are compared. The figures in March run only until the 18th. From the 14th-18th, we offered only eight desks due to social distancing.

2.1.4 Staff and Volunteers

Training and Professional Development: For much of her working time, Louisa has been working as cover for marketing, including social media, website copy maintenance and online event management.

A major project was the completion and review of the Reading Room staff manual. This took approximately twenty-one days in total, spread across six weeks in September-December 2020. The full manual, alongside a training guide that links specific manual entries to specific training information, now resides on the staff information pages of the Gladstone Bag.

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Louisa attended several free workshops and training days including 'Producing Outstanding Digital Resources' (National Archives, September 2020) and 'Copyright and Online Resources' (Naomi Korn Associates, October 2020). She also participated in an AHRC Town Hall which is seeking to scope a project encouraging libraries to play a greater role in the production of research (RLUK, March 2021).

2.1.5 Outreach and Public Engagement

Louisa is once again an ILA committee member and is currently leading the organisation of the 2021 conference which will be hosted by The Leeds Library in a dual in-person and online format. She also offered consultancy advice to the Portico Library regarding the development of the Portico Prize.

Despite being closed, Gladstone's Library has remained a committed presence in the independent library sector as we all face a challenging year. We have offered a great deal of support to our fellow libraries and we remain an example of best practice across the board.

Volunteers: Our long-standing volunteers are currently on hiatus. Given the demographic, we do not yet know if they will be able or willing to return. The volunteer policy and volunteer management has been reviewed ahead of re-opening. Louisa has identified major long-running projects that will suit the recruitment and development of a new volunteer team alongside a new team of staff.

Placements: Our successful partnership with Movida, where we host a Swiss intern in librarianship once a year, is on indefinite hold due to Covid-19 and Brexit. From the Swiss side, it may be that they can negotiate visa exemptions and we wait to hear in the future. Our placements with Glyndwr and Liverpool Universities, where humanities students spend time working with Reading Room staff may well come back online. Had we been open in 2020, the universities would have been willing to place students, and we hope to place students for 2022.

A very different year, with some very hard moments but looking back it had some genuine positives and offered the Reading Rooms an opportunity to reflect and reset.

2.2 Achievements and Performance: Programme

2.2.1 Theology and Spirituality

There were no courses in theology and spirituality from January – March 2020.

2.2.2 Use of Chapel

Attendance at Monday – Friday morning chapel services increased this year to an average of 7 per day from January - March. A simple contemporary and inclusive Eucharist focusing on current topical themes and the celebration of nineteenth and twentieth century saints of all religions and none is proving popular and accessible and strikingly different to worship in parishes.

The Chapel is a space that can be used for other events. Other groups who use the chapel regularly include yoga, mindfulness and the local Baha'i community. It is also used as a place of quiet contemplation throughout the day by residents and day visitors. The chapel is often chosen as a venue for lectures and conferences and provides comfortable seating, excellent acoustics and a reliable sound system.

2.2.3 Arts and Literary Culture

Before closure in March, the Library was able to host its winter mini literary festival, Hearth, and again this proved successful and numbers were at capacity.

2.2.4 History and Politics

There were no events planned before closure in 2020.

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2.2.5 Achievements and Performance: Visitors

For the seventh year running, Gladstone's Library achieved a Certificate of Excellence on Trip Advisor and was welcomed into Trip Advisor's Hall of Fame, a significant honour.

The bednights from January to March promised another record year if the Library had not closed on 18 March because of the pandemic.

The data for 2020 is too limited to be able to make any serious attempt at analyzing trend and types of visitor.

In 2021, we will be using new software with our booking system which will allow us to capture more detailed demographic information from visitors as well as their purpose of visiting the Library.

2.2.6 Achievements and Performance: Marketing

We had welcomed Julia Kelly as our new Marketing Manager and she had started to settle down well when the Library was forced to close. Understandably, she had not undertaken any detailed analysis of users and of social media in her first three months in the post.

3. Development

3.1 Citizen Gladstone Project

At the Trustees meeting in January 2020, the talk was still of creating a new building designed by Caruso St John, comprising an exhibition, a large lecture room for 100 people and new dining facilities. An additional project was also planned which was to turn the Stephen Gladstone Hall bookstore into a six bedroom residential unit. The intention was to apply to the National Heritage Lottery Fund in the summer of 2020 and to move forward with the development of Stephen Gladstone Hall for which funding had been secured. There remained a significant shortfall of money for the main project and how to fill that gap – approximately £1 million - dominated the meeting. This programme of expansion was called the Citizen Gladstone Project. Both projects were abandoned and if possible funds were reallocated during the pandemic.

Bednights	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
JAN	584	616	547	469	507	580	492	609	772	592	631	767
FEB	515	587	541	631	543	541	490	686	673	631	704	839
MARCH	586	709	540	663	588	601	562	743	794	739	815	755
APRIL	671	836	661	687	552	714	649	671	763	779	817	
MAY	482	693	649	655	703	704	755	786	734	755	797	
JUNE	556	657	650	663	632	564	606	729	688	698	682	
JULY	755	797	705	797	858	683	832	744	801	762	864	
AUG	787	764	769	807	935	861	827	832	865	830	906	
SEPT	718	607	678	768	627	741	772	674	766	719	768	
OCT	617	453	595	645	660	649	743	689	713	816	800	
NOV	672	450	580	652	560	571	751	610	664	787	761	
DEC	370	246	256	337	254	277	347	388	398	430	404	
TOTAL	7,313	7,415	7,171	7,774	7,419	7,486	7,826	8,161	8,631	8,538	8,949	
Inc/dec yr on yr	12%	1%	-3%	8%	-5%	1%	5%	4%	6%	-1%	5%	

GLADSTONE'S LIBRARY

Trustees' Report (including Directors' Report) For the year ended 31 December 2020

3.2 Survival Plan and Fundraising

After the Library closed in March 2020, the talk quickly moved from expansion and the creation of new buildings to survival. It was clear that the Library did not have sufficient reserves to see it through an extensive lockdown let alone to embark on the creation of new buildings.

Peter Francis and Annette Lewis, Development Manager, who because of furlough restrictions was working only 1 day per week, set about finding sufficient funds to not only help the Library survive this crisis but use the closure as an opportunity to rectify aspects of the building that could not be addressed when the Library is open and functioning. It seemed likely that social distancing which has been a required response to the pandemic will be required for a significant amount of time after the Library reopens.

Together with the Trustees, we realised that all our bedrooms should have their own bathrooms in order to comply with social distancing requirements. We realised that the area by the front door and reception area was congested and we decided to make changes to alleviate that. The number of toilets on the ground floor was inadequate and that too was something we needed to address. In terms of repairs, two flat roofs, one over the annex bookstore and the other over the Lodge's kitchen and library garages were in need of urgent repair. As well as these material changes, we believed that after re-opening the numbers returning to stay might take some time to rebuild and we needed to have sufficient funds to ensure the Library would survive a consequent downturn in business when it reopens. Plans for alterations to the building were drawn up.

Ainsley Gommon Architects (AGA) were employed to produce plans for four en-suite bedrooms, improvements to access for the area adjacent to reception, and increasing the number of WCs on the ground floor. AGA consulted with Flintshire County Council planning and conservation services; eventually after long bureaucratic delays by Flintshire CC, the plans were approved and work started in January 2021.

3.3 Stephen Gladstone Hall

The proposed six bedroom study centre that was to be created out of the former Stephen Gladstone Hall bookstore was a victim of Covid. The project has been shelved and funds raised redirected for survival and changes to the Library building in response to the pandemic.

3.4 Friends of Gladstone's Library

During the Library's closure, Friends were invited to a number of on-line discussions with Peter Francis to keep them up to date. The Friends proved generously supportive of the Library during closure and have been quick to respond to calls for financial help especially the Sponsor-a-Shelf campaign.

3.5 U.S. Friends of Gladstone's Library

The Annual Meeting of the US Friends was held by zoom on April 16th, 2020. A grant application for \$140,800 was approved. Further meetings were held on June 9th and September 30th. At both meetings, Peter Francis provided an update on the Library's plans. The Board approved two grant applications for a total of \$30,000 towards general operating costs.

The US Friends pilgrimage planned for July 2021 is to be put back to July 2022 (Tuesday 5 July for five nights).

The Autumn mailing to US Friends included details of the Sponsor-a-Shelf campaign. By the end of 2020, just over \$6,800 had been received with more expected in the New Year.

GLADSTONE'S LIBRARY

Trustees' Report (including Directors' Report) For the year ended 31 December 2020

4. Operations

Behind the retention of Trip Advisor's Certificate of Excellence and entry to Trip Advisor's Hall of Fame in 2020 as well as the continued four star classification from Visit Wales lies the commitment of the staff and a constant concern to improve and develop Gladstone's Library.

4.1 Kitchen

Once again our Level 5 food hygiene rating was retained following a food safety inspection.

4.2 Housekeeping

During the first months of 2020 before lockdown and closure, we continued to work to an average of over 90% single occupancy and maintain an efficient and respected team of housekeepers. Reviews of the Library frequently praise the cleanliness and attractiveness of the Library's bedrooms and public rooms.

4.3 Conferencing

The increase in conference bookings that was evident in 2019 continued at the start of 2020. The question of how the pandemic and the need for social distancing will impact this upward trend when the Library re-opens is unknown.

4.4 Maintenance

The main buildings need constant minor repairs which are often beyond the skills of our one handyman. During the closure of the building, we intend to repair many of the issues that cannot be addressed when we are full and busy.

5. Financial Review

5.1 Gladstone's Library showed solid growth prior to the closure in March with bednights up 10% on 2019 and single occupancy at 96%. Conference income was also up 40% on the same period. When the library closed in March 2020 all expenditure was reviewed and the cost base reduced as much as possible to protect our reserves. This resulted in a £447k reduction in our costs whilst our revenue increased by £202k due to fundraising and grant applications compared to 2019.

This generated an overall surplus of £635,872 compared to £167,847 in 2019. This is after our investment portfolios showed a loss of £56,561 compared to a surplus of £125,186 in 2019.

5.2 Reserves

At the 2020 year-end, the unrestricted reserves were equivalent to 9 months expenditure of a typical trading month when we reopen.

The reserves policy of the charity is to hold unrestricted, free reserves equivalent to nine months expenditure of a typical trading year. The Trustees designate unrestricted reserves in respect of known forthcoming projects or liabilities. Details of the charity's designated reserves can be seen in note 23 of these accounts. After taking into account the designated reserves identified by the charity, the remaining level of free, unrestricted reserves fell short of the charity's policy. The Trustees are aware of this and will aim to work towards achieving the required level over future periods.

GLADSTONE'S LIBRARY

Trustees' Report (including Directors' Report) For the year ended 31 December 2020

6. Structure, Governance and Management

6.1 The Board of Trustees and Directors of the Company

The Board of Trustees of Gladstone's Library meets twice per annum, once at Gladstone's Library in early July for the AGM, Trustees' meeting and Founder's Day events. A further meeting is held in London in January or February. As at 31 December 2020, the following were Trustees of Gladstone's Library:

Damian Barr	
Freddie Baveystock	
Gregory Cameron	
David Cannadine	
Zia Chaudhry	
Toria Collins	(Appointed 18 th March 2020)
Virginia Davies	
Patrick Derham	
Jean Ellis	(Appointed 20 th October 2020)
Scott Evenbeck	
Caroline Gladstone	
Charles Gladstone	(President of Gladstone's Library)
Anthony Hall	
Tamara Harvey	
Alison Henshaw	(Chairperson of Trustees)
Louisiana Lush	
Martyn Percy	
Juliet Shield	
Julie Smith	
Phil Sykes	
Llyr Williams	
Linda Woodhead	

The following remain Directors of the Company and Trustees of the Library:

Gregory Cameron	
Anthony Hall	
Alison Henshaw	(Chairperson of Trustees)
Llyr Williams	
Toria Collins	(Appointed 18 th March 2020)

Peter Francis remains Company Secretary and Warden of Gladstone's Library.

6.1.1 Gender Balance of the Board

New Trustees are appointed by the Board. Any member of the Board can suggest potential members to the Chair or the Warden. Membership has to be agreed by a majority of the Board having been discussed at the Management Committee or a full meeting of the Trustees. There is no interference by any external body. Careful consideration is given to the balance of the Board ensuring all core subjects are covered and the necessary expertise in hospitality, law, accountancy, business, local knowledge are all represented. Of the current twenty-one Trustees, eight are local (living within a twenty-five mile radius of the Library) and eight are from the academic / education sector. The Board is mindful to address its lack of diversity. Gender balance has been improved dramatically in recent years with 10 out of 22 Trustees now women. However, a more diverse age profile and representation of ethnicities other than white British or American needs addressing.

GLADSTONE'S LIBRARY

Trustees' Report (including Directors' Report) For the year ended 31 December 2020

6.1.2 The Management Committee / Covid-19 Recovery Group

The Board selects a group of Trustees to act as a Management Committee that also includes the Warden and Finance Manager. The role of the Committee is to keep a closer watch on the business aspects of the Library and receive weekly financial information. The Management Committee meets at least three times per annum and includes the Directors of Gladstone Library Services Ltd. The following are members of the Committee:

Jean Ellis
Anthony Hall
Alison Henshaw (Chairperson of Trustees)
Llyr Williams
Peter Francis (Warden)
Sarah Robertson (Finance Manager)

During the second half of 2020, it was decided to augment the Management Committee with four additional Trustees and rename it the Covid Recovery Group. The additional members were:

Patrick Derham
Charlie Gladstone
Tamara Harvey
Louisiana Lush

From March to December, the Management Committee/ Covid Recovery Group met monthly to help steer the Library through the pandemic.

6.1.3 Gladstone's Library Services Limited

A separate sister company, Gladstone's Library Services Ltd, has responsibility for all financial activities that are not core to the charitable purposes of Gladstone's Library. The directors of Gladstone's Library Services Ltd are:

Peter Francis
Sarah Robertson
Llyr Williams

6.2 Gladstone's Library Staff

As at 31 December 2020, Gladstone's Library had five members of staff:

Peter Francis	Warden
Sarah Robertson	Finance Manager
Annette Lewis	Development Manager
Louisa Yates	Director of Collections and Research
Elizabeth Newmarch	Management Assistant / HR

GLADSTONE'S LIBRARY

Trustees' Report (including Directors' Report) For the year ended 31 December 2020

7. Reference and Administrative Details

Registered Charity Name	Gladstone's Library
Charity number	701399
Company registration number	2363642
Registered office	Gladstone's Library Church Lane Hawarden Flintshire CH5 3DF
Auditor	Mitchell Charlesworth 24 Nicholas Street Chester CH1 2AU
Bankers	Lloyds TSB Plc P.O. Box 251 Foregate Street Chester CH1 1XP

7.1 Trustees' Annual Report

The Trustees, three of whom are also directors for the purposes of company law, present their annual report and the financial statements of the charity for the year ended 31st December 2020.

7.2 Foundation

Gladstone's Library was founded by William Ewart Gladstone (1809-1898), arguably Britain's greatest Prime Minister, in 1889. It is the only Prime Ministerial Library in the UK and is unique in being a residential library with 26 bedrooms. The present Grade 1 listed building was opened in 1902 as the National Memorial to Gladstone. The Library was created around Gladstone's original donation of 28,000 books. It houses a world-renowned collection of theology and nineteenth century studies. The collection is up to date and now boasts more than 200,000 items.

7.3 Governance

Gladstone's Library is a charity (Registered Charity Number: 701399) and, as such, is run by a Warden (Peter Francis) who reports to the Trustees. The Library is also a company registered in England and Wales as a Company Limited by Guarantee (Number 2363642). At present, six of the Trustees are directors of the company for the purposes of the Companies Act. The Trustees are a body of not less than five and not more than twenty-four members. The Trustees meet twice a year - for the Founder's Day meeting of the Trustees which includes the AGM of the Company and for the London meeting in January or February. The Chairman may call other meetings of the Trustees or whenever he is summoned to do so by two or more Trustees. The Management Committee is delegated by the Trustees to act on their behalf. All acts and decisions taken under such delegated powers shall be reported to the Trustees and confirmed by them. The Management Committee meets at least three times each year. The Warden holds weekly staff management meetings.

7.4 Risk

Gladstone's Library monitors its risk register on an ongoing basis. This forms part of the work plan of the Board.

GLADSTONE'S LIBRARY

Trustees' Report (including Directors' Report) For the year ended 31 December 2020

7.5 Auditors

Having expressed a willingness to continue in office, a resolution for the appointment of Mitchell Charlesworth LLP will be proposed at the forthcoming Annual General Meeting.

8. Trustees' Responsibilities

Those Trustees who are directors of Gladstone's Library are, for the purposes of company law, responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable legal and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accountancy Practice).

Company law requires the directors to prepare financial statements for each financial year that give a true and fair 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 directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that financial statements comply with the Companies Act 2006. The Trustees are 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.

In so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Registered Office:
Gladstone's Library
Church Lane
Hawarden
Deeside
Flintshire
CH5 3DF

Signed by order of the Trustees:

The Revd P. B. Francis
Company Secretary

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GLADSTONE'S LIBRARY

Independent Auditor's Report To the Members of Gladstone's Library

Opinion

We have audited the financial statements of Gladstone's Library (the 'charity') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Group Statement of Financial Activities, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

GLADSTONE'S LIBRARY

Independent Auditor's Report (continued) To the Members of Gladstone's Library

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the accounts in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

GLADSTONE'S LIBRARY

Independent Auditor's Report (continued) To the Members of Gladstone's Library

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

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

Identifying and assessing potential risks related to irregularities

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

- the nature of the industry and sector, control environment and business performance;
- the charity's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and trustees of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charity's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of performing the above, we identified income recognition and override of controls as the key audit matters related to the potential risk of fraud.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and directors concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

GLADSTONE'S LIBRARY

Independent Auditor's Report (continued) To the Members of Gladstone's Library

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Robert Hall (Senior Statutory Auditor)
for and on behalf of Mitchell Charlesworth LLP

Chartered Accountants
Statutory Auditor

_____ 2021

24 Nicholas Street
Chester
CH1 2AU

GLADSTONE'S LIBRARY

Group statement of Financial Activities (including Income and Expenditure Account) For the year ended 31 December 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Income from:					
Donations and legacies	3	312,716	127,729	440,445	378,438
Grant income	3	120,000	572,749	692,749	-
Charitable activities	4	102,253	-	102,253	511,467
Investments	5	33,869	451	34,320	46,639
Trading company income	14	77,478	-	77,478	291,988
Total income		646,316	700,929	1,347,245	1,228,532
Expenditure on:					
Raising funds	6	36,698	1,411	38,109	65,163
Charitable activities	7	442,134	142,757	584,891	1,005,320
Investment costs	11	1,531	6,263	7,794	7,431
Trading company expenses	14	24,018	-	24,018	107,957
Total resources expended		504,381	150,431	654,812	1,185,871
Net (losses)/gains on investments	12	(21,828)	(34,733)	(56,561)	125,186
Net incoming resources before transfers		120,107	515,765	635,872	167,847
Gross transfers between funds	13	25,750	(25,750)	-	-
Net income for the year/Net movement in funds		145,857	490,015	635,872	167,847
Total funds brought forward		665,508	1,168,854	1,834,362	1,666,515
Total funds carried forward		811,365	1,658,869	2,470,234	1,834,362

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

GLADSTONE'S LIBRARY

Group statement of Financial Activities (including Income and Expenditure Account) For the year ended 31 December 2020

Comparative information in respect of the preceding period is as follows:

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Income from:				
Donations and legacies	3	99,240	279,198	378,438
Charitable activities	4	511,467	-	511,467
Investments	5	35,713	10,926	46,639
Trading company income	14	291,988	-	291,988
Total income		938,408	290,124	1,228,532
Expenditure on:				
Raising funds	6	58,534	6,629	65,163
Charitable activities	7	812,986	192,334	1,005,320
Investment costs	11	1,643	5,788	7,431
Trading company expenses	14	107,957	-	107,957
Total resources expended		981,120	204,751	1,185,871
Net gains/(losses) on investments	12	28,345	96,841	125,186
Net (outgoing)/incoming resources before transfers		(14,367)	182,214	167,847
Gross transfers between funds	13	(26,000)	26,000	-
Net (expenditure/income for the year/Net movement in funds)		(40,367)	208,214	167,847
Total funds brought forward		705,875	960,640	1,666,515
Total funds carried forward		665,508	1,168,854	1,834,362

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

GLADSTONE'S LIBRARY

Group Balance Sheet As at 31 December 2020

	Notes	£	2020 £	£	2019 £
Fixed assets					
Intangible assets	15		6,786		-
Tangible assets	16		192,798		177,200
Investments	17		1,124,308		1,187,376
			<u>1,323,892</u>		<u>1,364,576</u>
Current assets					
Stocks	19	3,504		4,818	
Debtors	20	7,474		49,068	
Cash at bank and in hand		<u>1,462,077</u>		<u>610,834</u>	
		1,473,055		664,720	
Creditors: amounts falling due within one year	21	<u>(326,713)</u>		<u>(194,934)</u>	
Net current assets			<u>1,146,342</u>		<u>469,786</u>
Total assets less current liabilities			<u>2,470,234</u>		<u>1,834,362</u>
Income funds					
Restricted funds	22		1,658,869		1,168,854
Unrestricted funds	23		<u>811,365</u>		<u>665,508</u>
			<u>2,470,234</u>		<u>1,834,362</u>

The accounts were approved by the Trustees on _____ 2021.

Alison Henshaw
Chairperson of Trustees

GLADSTONE'S LIBRARY

Company Balance Sheet As at 31 December 2020

	Notes	£	2020 £	£	2019 £
Fixed assets					
Intangible assets	15		6,786		-
Tangible assets	16		192,798		177,200
Investments	17		1,124,309		1,187,377
			<u>1,323,893</u>		<u>1,364,577</u>
Current assets					
Stocks	19	3,504		4,818	
Debtors	20	7,474		49,068	
Cash at bank and in hand		1,462,077		610,834	
			<u>1,473,055</u>	<u>664,720</u>	
Creditors: amounts falling due within one year	21	<u>(326,734)</u>		<u>(194,955)</u>	
Net current assets			<u>1,146,321</u>		<u>469,765</u>
Total assets less current liabilities			<u>2,470,214</u>		<u>1,834,342</u>
Income funds					
Restricted funds	22		1,658,869		1,168,854
Unrestricted funds	23		811,345		665,488
			<u>2,470,214</u>		<u>1,834,342</u>

The accounts were approved by the Trustees on _____ 2021.

Alison Henshaw
Chairperson of Trustees

Company Registration No. 02363642

GLADSTONE'S LIBRARY

Group Statement of Cash Flows For the year ended 31 December 2020

		2020		2019	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	26		795,963		151,967
Investing activities					
Dividends, interest and rents from investments		34,320		46,639	
Purchase of Property, Plant and Equipment		(33,624)		(13,844)	
Purchase of intangible asset		(8,483)		-	
Net proceeds from movement on investments		63,067		(264,325)	
			<u>55,280</u>		<u>(231,530)</u>
Net cash (used in)/generated from investing activities					
			851,243		(79,563)
Change in cash and cash equivalents in the reporting period					
Cash and cash equivalents at beginning of year			<u>610,834</u>		<u>690,397</u>
Cash and cash equivalents at end of the year			<u>1,462,077</u>		<u>610,834</u>

GLADSTONE'S LIBRARY

Notes to the Financial Statements For the year ended 31 December 2020

1. Accounting policies

Charity information

Gladstone's Library is a private company limited by guarantee incorporated in England and Wales. The registered office is Church Lane, Hawarden, Flintshire, CH5 3DF, North Wales.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements and having due regard to the impact of COVID-19, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Basis of consolidation

The consolidated financial statements incorporate those of Gladstone's Library and its subsidiary (i.e. an entity that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiary financial statements are made up to 31 December 2020 and accounting policies used therein are in line with those used by Gladstone's Library.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The group statement of financial activities and statement of cash flows also include the results and cash flows of Gladstone's Library Services Ltd, the subsidiary.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

GLADSTONE'S LIBRARY

Notes to the Financial Statements For the year ended 31 December 2020

1. Accounting policies (*continued*)

1.5 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.6 Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates. Expenditure incurred at the balance sheet date that relates to events taking place after the balance sheet date is carried forward as deferred expenditure.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

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

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

Governance costs are those costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	10% reducing balance
Plant and equipment	10% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/(expenditure) for the year.

GLADSTONE'S LIBRARY

Notes to the Financial Statements For the year ended 31 December 2020

1. Accounting policies (*continued*)

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

GLADSTONE'S LIBRARY

Notes to the Financial Statements For the year ended 31 December 2020

1. Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2. Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3. Donations and legacies	Unrestricted	Restricted	Total
	funds	funds	
	2020	2020	2020
	£	£	£
Donations and gifts	312,716	127,729	440,445
Government grants	120,000	572,749	692,749
	=====	=====	=====
Donations and gifts			
Donations - The Main Library	169,766	-	169,766
Donations - Voluntary	65,140	-	65,140
Donations - The Scholarship Fund	-	48,667	48,667
Donations - The Gladstone Project	-	464	464
Gift Aid - The Main Library	77,810	-	77,810
Carnegie fund donations	-	63,598	63,598
Arts sponsorship	-	15,000	15,000
Exhibition donations	-	-	-
House of Wisdom donations	-	-	-
Other	-	-	-
	=====	=====	=====
	312,716	127,729	440,445
	=====	=====	=====

GLADSTONE'S LIBRARY

Notes to the Financial Statements For the year ended 31 December 2020

3. Donations and legacies (<i>continued</i>)	Unrestricted funds £	Restricted funds £	Total £
Grants receivable for core activities			
Garfield Weston funding	-	100,000	100,000
Wolfson Foundation funding	120,000	-	120,000
Welsh Government Covid funding	-	30,000	30,000
Welsh Government Cultural grant	-	149,000	149,000
CJRS Funding	-	127,513	127,513
Business rates grant	-	10,000	10,000
Moondance Foundation	-	13,000	13,000
National Heritage Funding	-	100,200	100,200
Other	-	43,036	43,036
	120,000	572,749	692,749
	120,000	572,749	692,749

There were no grants receivable for core activities in the previous year.

Comparative information in respect of the preceding period is as follows:

	Unrestricted funds 2019	Restricted funds 2019	Total 2019
Donations and gifts	99,240	279,198	378,438
	99,240	279,198	378,438
	99,240	279,198	378,438
Donations and gifts			
Donations - The Main Library	33,297	-	33,297
Donations - Voluntary	65,507	-	65,507
Donations - The Scholarship Fund	-	136,864	136,864
Donations - The Gladstone Project	-	52,018	52,018
Gift Aid - The Main Library	436	-	436
Carnegie fund donations	-	72,994	72,994
Arts sponsorship	-	15,000	15,000
Exhibition donations	-	3	3
House of Wisdom donations	-	319	319
Other	-	2,000	2,000
	99,240	279,198	378,438
	99,240	279,198	378,438

GLADSTONE'S LIBRARY

Notes to the Financial Statements For the year ended 31 December 2020

4. Charitable activities	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Boarding and tuition fees	102,253	-	102,253

Comparative information in respect of the preceding period is as follows:

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Boarding and tuition fees	511,467	-	511,467

5. Investments	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income from UK listed investments	31,711	5,513	37,224
Cash on special deposit – Main Fund	2,124	-	2,124
Cash on special deposit – Scholarship	-	(5,062)	(5,062)
Bank interest receivable	34	-	34
	<u>33,869</u>	<u>451</u>	<u>34,320</u>

Comparative information in respect of the preceding period is as follows:

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Income from UK listed investments	34,407	9,017	43,424
Cash on special deposit – Main Fund	1,246	-	1,246
Cash on special deposit – Scholarship	-	1,909	1,909
Bank interest receivable	60	-	60
	<u>35,713</u>	<u>10,926</u>	<u>46,639</u>

GLADSTONE'S LIBRARY

Notes to the Financial Statements For the year ended 31 December 2020

6. Raising funds	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
<u>Fundraising and publicity</u>			
Fundraising salaries	27,518	-	27,518
Publicity	9,180	1,411	10,591
	<u>36,698</u>	<u>1,411</u>	<u>38,109</u>

Comparative information in respect of the preceding period is as follows:

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
<u>Fundraising and publicity</u>			
Fundraising salaries	28,426	-	28,426
Publicity	30,108	6,629	36,737
	<u>58,534</u>	<u>6,629</u>	<u>65,163</u>

7. Charitable activities (expenditure)	2020 £	2019 £
Boarding and tuition fees costs		
Depreciation	17,520	18,110
Rates and water	9,007	16,828
Light and heat	31,371	47,544
Repairs and maintenance	14,057	28,229
Insurance	15,958	12,971
Catering and other purchases	4,964	20,759
Course expenses and training	651	6,954
Printing, postage and stationery	2,499	7,336
Purchase of books	3,557	17,805
Carnegie fund project costs	2,203	89,261
Exhibition costs	758	942
	<u>102,545</u>	<u>266,739</u>
Share of support costs	479,896	732,881
Share of governance costs	2,450	5,700
	<u>584,891</u>	<u>1,005,320</u>
Analysis by fund		
Unrestricted funds	442,134	812,986
Restricted funds	<u>142,757</u>	<u>192,334</u>
	<u>584,891</u>	<u>1,005,320</u>

GLADSTONE'S LIBRARY

Notes to the Financial Statements For the year ended 31 December 2020

8. Support costs	Support costs 2020 £	Governance costs 2020 £	Total 2020 £
Library, conference and residential salaries	359,403	-	359,403
Wages and salaries	55,790	-	55,790
Leasing and rental	4,085	-	4,085
Motor and travel expenses	10,303	-	10,303
Consultancy fees	11,962	-	11,962
Telephone	10,826	-	10,826
Computer costs	17,181	-	17,181
Bank charges	4,642	-	4,642
Sundry	5,704	-	5,704
Audit	-	(1,850)	(1,850)
Accountancy	-	4,300	4,300
	<u>479,896</u>	<u>2,450</u>	<u>482,346</u>
Analysed between Charitable activities	<u>479,896</u>	<u>2,450</u>	<u>482,346</u>

Governance costs includes payments to the auditors of £1,200 (2019 - £1,200) for audit fees.

Comparative information in respect of the preceding period is as follows:

	Support costs 2019 £	Governance costs 2019 £	Total 2019 £
Library, conference and residential salaries	480,335	-	480,335
Wages and salaries	52,777	-	52,777
Leasing and rental	4,085	-	4,085
Motor and travel expenses	19,868	-	19,868
Consultancy fees	114,787	-	114,787
Telephone	9,180	-	9,180
Computer costs	18,527	-	18,527
Bank charges	9,782	-	9,782
Sundry	23,540	-	23,540
Audit	-	1,200	1,200
Accountancy	-	4,500	4,500
	<u>732,881</u>	<u>5,700</u>	<u>738,581</u>
Analysed between Charitable activities	<u>732,881</u>	<u>5,700</u>	<u>738,581</u>

GLADSTONE'S LIBRARY

Notes to the Financial Statements For the year ended 31 December 2020

9. Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10. Employees

Number of Employees	2020 Number	2019 Number
Number of charitable staff	22	40
	<hr/>	<hr/>
	2020 £	2019 £
Wages and salaries	403,190	513,969
Social security costs	23,546	28,037
Pension costs	15,305	17,495
	<hr/>	<hr/>
	442,041	559,501
	<hr/>	<hr/>

No employee received any remuneration of more than £60,000 during the year (2019 - £60,000).

The number of full-time equivalent staff was 20 (2019 - 25).

11. Investment management costs	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Investment management costs	1,531	6,263	7,794
	<hr/>	<hr/>	<hr/>

Comparative information in respect of the preceding period is as follows:

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Investment management costs	1,643	5,788	7,431
	<hr/>	<hr/>	<hr/>

GLADSTONE'S LIBRARY

Notes to the Financial Statements For the year ended 31 December 2020

12. Net gains/(losses) on investments	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Gain/(loss) on sale of investments	(21,828)	(34,733)	(56,561)

Comparative information in respect of the preceding period is as follows:

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Gain/(loss) on sale of investments	28,345	96,841	125,186

13. Transfer between funds

A transfer of £25,750 (2019 - £26,000) was made during the year from the Scholarship Fund to the Gladstone Project. The transfer was made in order to fund the boarding and tuition fees of scholars.

A transfer of £Nil (2019 - £50,000) was made during the year for the Gladstone Project to the Living Heritage Fund.

14. Trading subsidiary

Gladstone's Library Services Ltd is a wholly owned subsidiary of the charity which runs the café/restaurant services to support Gladstone's Library. Below are the trading results which have been included in the consolidated accounts.

Profit and Loss Account Gladstone's Library Services Ltd	2020 £	2019 £
Turnover	77,478	291,988
Cost of sales	21,281	101,376
Gross profit	56,197	190,612
Administrative expenses	2,737	6,581
Operating profit	53,460	184,031
Donation to Gladstone's Library	53,460	184,031
Profit on ordinary activities	-	-
Tax on profit/(loss) on ordinary activities	-	-
Profit for the financial year	-	-

GLADSTONE'S LIBRARY

Notes to the Financial Statements For the year ended 31 December 2020

15. Intangible fixed assets Group and Company	Software £	Total £	
Cost			
At 1 January 2020	-	-	
Additions	8,483	8,483	
At 31 December 2020	8,483	8,483	
Depreciation			
At 1 January 2020	-	-	
Charge for the year	1,697	1,697	
At 31 December 2020	1,697	1,697	
Net book value			
At 31 December 2020	6,786	6,786	
At 31 December 2019	-	-	
16. Tangible fixed assets Group and Company	Freehold land and buildings £	Plant and equipment £	Total £
Cost			
At 1 January 2020	49,622	417,700	467,322
Additions	12,733	20,891	33,624
At 31 December 2020	62,355	438,591	500,946
Depreciation and impairment			
At 1 January 2020	18,132	271,990	290,122
Depreciation charged in the year	3,008	15,018	18,026
At 31 December 2020	21,140	287,008	308,148
Carrying amount			
At 31 December 2020	41,215	151,583	192,798
At 31 December 2019	31,490	145,710	177,200

The freehold property, and books and manuscripts, were each initially valued at a nominal £1 in 1989. All subsequent additions to books and manuscripts have been written off.

Any additional amounts under 'Freehold land and buildings' are improvements to freehold property. This includes costs to extend the current building.

GLADSTONE'S LIBRARY

Notes to the Financial Statements For the year ended 31 December 2020

17. Fixed asset investments

	Main fund investments £	Scholarship fund investments £	Cash on special deposit - Main fund £	Cash on special deposit - Scholarship fund £	Other investments £	Total £
Cost or valuation						
At 1 January 2020	235,694	829,449	4,150	118,083	1	1,187,377
Additions	22,593	147,594	(22,593)	(147,594)	-	-
Valuation changes	(19,704)	(39,796)	-	-	-	(59,500)
Other movements	-	-	(2,820)	(748)	-	(3,568)
Disposals	(27,552)	(92,786)	27,552	92,786	-	-
	<u>211,031</u>	<u>844,461</u>	<u>6,289</u>	<u>62,527</u>	<u>1</u>	<u>1,124,309</u>
At 31 December 2020	211,031	844,461	6,289	62,527	1	1,124,309
Carrying amount						
At 31 December 2020	<u>211,031</u>	<u>844,461</u>	<u>6,289</u>	<u>62,527</u>	<u>1</u>	<u>1,124,309</u>
At 31 December 2019	<u>235,694</u>	<u>829,449</u>	<u>4,150</u>	<u>118,083</u>	<u>1</u>	<u>1,187,377</u>

100% of the investments are held by Gladstone's Library, therefore none relate to Gladstone's Library Services Ltd.

The investments held by the group are shown at £1,124,308 (2019 - £1,187,376) as the £1 share held in Gladstone's Library Services Ltd has been eliminated on consolidation.

GLADSTONE'S LIBRARY

Notes to the Financial Statements For the year ended 31 December 2020

18. Financial instruments	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured as amortised cost	1,469,551	643,459	1,469,551	643,459
Equity instruments measured at cost less impairment	-	-	-	1
Instruments measured at fair value through profit or loss	1,124,308	1,187,376	1,124,308	1,187,376
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Measured at amortised cost	79,972	106,478	89,689	106,499
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
19. Stock	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Stock	3,504	4,818	3,504	4,818
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
20. Debtors	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	-	32,625	-	32,625
Other debtors	7,474	16,443	7,474	16,443
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	7,474	49,068	7,474	49,068
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
21. Creditors: amounts falling due within one year	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	33,128	42,963	32,288	33,267
Owed to group companies	-	-	2,361	11,217
Other taxation and social security	14,577	30,408	14,577	30,408
Other creditors	179,008	121,563	177,508	120,063
Bank loan	100,000	-	100,000	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	326,713	194,934	326,734	194,955
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

GLADSTONE'S LIBRARY

Notes to the Financial Statements For the year ended 31 December 2020

22. Restricted income funds	Balance at 1 January 2020 £	Movement in funds				Balance at 31 December 2020 £
		Incoming resources £	Resources expended £	Transfers £	Gains & losses £	
Scholarship Fund	846,055	492	(6,263)	(25,750)	(34,733)	779,801
Writers in Residence	61,455	15,000	(1,411)	-	-	75,044
Living Heritage Fund	29,136	464	(7,648)	-	-	21,952
Maartin Merten donations	1,681	-	-	-	-	1,681
Carnegie fund	89,181	63,598	(2,203)	-	-	150,576
Exhibition fund	19,027	-	(758)	-	-	18,269
House of Wisdom donations	319	-	-	-	-	319
Elizabeth Hilton legacy	2,000	-	-	-	-	2,000
COVID grants received	-	572,749	(132,148)	-	-	440,601
Golothan fund	120,000	48,626	-	-	-	168,626
	<u>1,168,854</u>	<u>700,929</u>	<u>(150,431)</u>	<u>(25,750)</u>	<u>(34,733)</u>	<u>1,658,869</u>

Scholarship fund breakdown

		2020		2019	
	%	£	%	£	
Canon Symonds	7.41	57,783	7.41	62,693	
Bishop Moorman	5.26	41,018	5.26	44,502	
Dr McGregor	14.49	112,993	14.49	122,594	
General	7.39	57,627	7.39	62,523	
Tom Jarman	3.82	29,788	3.82	32,319	
Veronica Powles	2.88	22,458	2.88	24,366	
The Lawton	3.63	28,307	3.63	30,712	
The Drew	4.83	37,664	4.83	40,864	
Dr Daisy Ronco	2.24	17,468	2.24	18,952	
Richard Hills	4.67	36,417	4.67	39,511	
Gladstone	0.92	7,174	0.92	7,784	
Ernest Walder	3.22	25,110	3.22	27,243	
Canon Denys Ruddy	7.37	57,471	7.37	62,354	
Father John Thorold	6.16	48,036	6.16	52,117	
Jim Cotter Trust	10.71	83,517	10.71	90,613	
Stantan Memorial	5.35	41,719	5.35	45,264	
Eileen Stamper	9.65	75,251	9.65	81,644	
	<u>100.00</u>	<u>779,801</u>	<u>100.00</u>	<u>846,055</u>	

GLADSTONE'S LIBRARY

Notes to the Financial Statements For the year ended 31 December 2020

22. Restricted income funds (*continued*)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 January 2019 £	Movement in funds			Gains & losses £	Balance at 31 December 2019 £
		Incoming resources £	Resources expended £	Transfers £		
Scholarship Fund	751,211	27,791	(5,788)	(24,000)	96,841	846,055
Writers in Residence	53,084	15,000	(6,629)	-	-	61,455
Living Heritage Fund	29,248	52,019	(102,131)	50,000	-	29,136
Maartin Merten donations	1,681	-	-	-	-	1,681
Carnegie fund	105,450	72,992	(89,261)	-	-	89,181
Exhibition fund	19,966	3	(942)	-	-	19,027
House of Wisdom donations	-	319	-	-	-	319
Elizabeth Hilton legacy	-	2,000	-	-	-	2,000
Golothan fund	-	120,000	-	-	-	120,000
	<u>960,640</u>	<u>290,124</u>	<u>(204,751)</u>	<u>26,000</u>	<u>96,841</u>	<u>1,168,854</u>

Scholarship Fund

Legacy funds invested with stockbrokers to fund scholarship students staying at the library.

Writers in Residence

Sponsorship funds donated to cover the expenses of visiting authors and authors events.

Carnegie Fund

Funding to sponsor the Digitisation project of Gladstone papers.

COVID grants

Funding received to support the business during Coronavirus closure.

Golothan Fund

Funding received to fund a series of lectures at the library.

GLADSTONE'S LIBRARY

Notes to the Financial Statements For the year ended 31 December 2020

23. Unrestricted income funds	Movement in funds					Balance at 31 December 2020 £
	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Transfers £	Gains & losses £	
Designated Funds						
Investment reserve	263,844	33,869	(1,531)	(57,034)	(21,828)	217,320
The Gladstone Project	261,188	21,770	-	-	-	282,958
Wolfson Foundation	-	120,000	-	-	-	120,000
Sponsor a Shelf Funds	-	56,978	-	-	-	56,978
	525,032	232,617	(1,531)	(57,034)	(21,828)	677,256
General Fund	(205,886)	336,221	(478,832)	82,784	-	(265,713)
Trading company reserves	346,362	77,478	(24,018)	-	-	399,822
	665,508	646,316	(504,381)	25,750	(21,828)	811,365

Comparative information in respect of the preceding period is as follows:

	Movement in funds					Balance at 31 December 2019 £
	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Transfers £	Gains & losses £	
Designated Funds						
Investment reserve	213,489	11,653	(13,643)	24,000	28,345	263,844
The Gladstone Project	311,664	645	(1,121)	(50,000)	-	261,188
	525,153	12,298	(14,764)	(26,000)	28,345	525,032
General Fund	18,391	634,122	(858,399)	-	-	(205,886)
Trading company reserves	162,331	291,988	(107,957)	-	-	346,362
	705,875	938,408	(981,120)	(26,000)	28,345	665,508

GLADSTONE'S LIBRARY

Notes to the Financial Statements For the year ended 31 December 2020

23. Unrestricted income funds (*continued*)

Investment reserve

Legacy funds invested with stockbrokers to cover day to day expenditure.

The Gladstone Project

The Gladstone Project was established on the centenary of the founder's death in 1998 in order to raise additional funds necessary to enable the Trustees of Gladstone's Library to satisfy their objectives and to develop Gladstone's Library and its facilities. In 2006 - 2008, an additional fundraising drive began to put into place refurbishment, essential repairs and the continued development of Gladstone's Library. This new fundraising drive attracted grants from Cadw, Heritage Lottery Fund and numerous Trusts as well as individual sponsors. The work supported by these donors concluded in 2008. The ongoing development of the Gladstone's Library continues, and funds and donations for new projects are held in the Gladstone Project and Development Fund bank accounts. The Trustees consider monies held in these funds to be designated for the ongoing development of Gladstone's Library whilst remaining within the total unrestricted funds.

Wolfson Foundation

Funding received to support improvements made following Covid closure.

Sponsor a Shelf

Funding to support day to day activities generated by sponsorship of a shelf in the library by individuals.

Trading company

Income generated from Gladstone Library Services Ltd, generated from Food for Thought and conference income.

24. Company limited by guarantee

The company is limited by guarantee and does not have a share capital. The liability of the directors of the charity is such that it will not exceed £1. Due to the structure of the company, no one has control or significant influence over the entity.

25. Related party transactions

Gladstone's Library Services Ltd is a wholly owned subsidiary of the company. During the year Gladstone's Library Services Ltd donated £53,460 (2019 – £184,031) to the company.

The balance due to Gladstone's Library Services Ltd at the year-end was £2,361 (2019 – £11,217).

Remuneration of key management personnel

The remuneration of key management personnel, including the Warden and Finance Manager, is as follows:

	2020	2019
	£	£
Aggregate compensation	76,272	72,847
	<u> </u>	<u> </u>

GLADSTONE'S LIBRARY

Notes to the Financial Statements For the year ended 31 December 2020

26. Cash generated from operations	2020 £	2019 £
Surplus/(deficit) for the year	692,433	42,661
Adjustments for:		
Depreciation charges	19,724	20,558
(Gain)/loss on disposal of investments	(56,561)	125,186
Dividends, interest and rents from investments	(34,320)	(46,639)
Movements in working capital:		
(Increase)/decrease in stocks	1,314	873
(Increase)/decrease in debtors	41,594	3,978
(Increase)/decrease in creditors	131,779	5,350
Cash generated from operations	795,963	151,967

27. Analysis of net assets between funds

Group	Unrestricted £	Restricted £	Total £
Fund balances at 31 December 2020 are represented by:			
Intangible assets	6,786	-	6,786
Tangible assets	167,804	24,993	192,797
Investments	217,321	906,988	1,124,309
Current assets/(liabilities)	419,454	726,888	1,146,342
	<u>811,365</u>	<u>1,658,869</u>	<u>2,470,234</u>
	=====	=====	=====
Company			
	Unrestricted £	Restricted £	Total £
Fund balances at 31 December 2020 are represented by:			
Intangible assets	6,786	-	6,786
Tangible assets	167,804	24,993	192,797
Investments	217,321	906,988	1,124,309
Current assets/(liabilities)	419,434	726,888	1,146,322
	<u>811,345</u>	<u>1,658,869</u>	<u>2,470,214</u>
	=====	=====	=====

GLADSTONE'S LIBRARY

Notes to the Financial Statements For the year ended 31 December 2020

27. Analysis of net assets between funds (*continued*)

Comparative information in respect of the preceding period is as follows:

Group	Unrestricted £	Restricted £	Total £
Fund balances at 31 December 2019 are represented by:			
Tangible assets	150,004	27,196	177,200
Investments	239,845	947,532	1,187,376
Current assets/(liabilities)	275,659	194,126	469,785
	<u>665,508</u>	<u>1,168,854</u>	<u>1,834,361</u>

Company	Unrestricted £	Restricted £	Total £
Fund balances at 31 December 2019 are represented by:			
Tangible assets	150,004	27,196	177,200
Investments	239,845	947,532	1,187,377
Current assets/(liabilities)	275,639	194,126	469,765
	<u>665,488</u>	<u>1,168,854</u>	<u>1,834,342</u>

28. Analysis of changes in net (debt)/funds

	At 1 January 2020 £	Cash flows £	31 December 2020 £
Cash at bank and in hand	610,834	(851,243)	1,462,077
	<u>610,834</u>	<u>(851,243)</u>	<u>1,462,077</u>