

Charity Registration Number SC040300

Company Registration Number SC348650

**AGENCY FOR THE LEGAL DEPOSIT LIBRARIES
(A Company Limited by Guarantee)**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2021



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AGENCY FOR THE LEGAL DEPOSIT LIBRARIES

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AGENCY FOR THE LEGAL DEPOSIT LIBRARIES
(A Company Limited by Guarantee)

COMPANY INFORMATION

The Board of Directors

John Scally
Richard Ovenden
Helen Shenton
Pedr ap Llwyd
Jessica Gardner

Company Secretary

Brian Muir

ALDL Manager

Brian Muir

Registered Office

George IV Bridge
Edinburgh
EH1 1EW

Principal Office

21 Marnin Way
Edinburgh
EH12 9GD

Auditor

Chiene + Tait LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Bankers

Nat West
Government Banking Service
Premier Place
London
EC2M 4BA

Solicitors

CMS Cameron McKenna LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EN

Company Number

SC348650

Charity Number

SC040300

**AGENCY FOR THE LEGAL DEPOSIT LIBRARIES (ALDL)
(A Company Limited by Guarantee)**

DIRECTORS' REPORT

For the year ended 31 March 2021

OBJECTIVES AND ACTIVITIES

The ALDL exists to help satisfy the provisions of the Legal Deposit Libraries Act 2003, and Copyright and Related Rights Act 2000 (Ireland) as its principal purpose is to act on behalf of the Legal Deposit Libraries (LDLs) to identify, obtain and forward UK and Irish publications to the LDLs for the continued development and preservation of the national collections of the UK and Ireland. This in turn, facilitates the ability of the LDLs to make these collections available and accessible to the public on a reference basis and to support educational, cultural and social development on an individual, organisational, regional and national basis.

To achieve this, the ALDL works in association with its customers, UK and Irish publishers, distributors and the British Library (BL) to develop efficient processes for the identification, claiming and receipt of legal deposit print materials.

With the introduction of the non-print legal deposit regulations on 6 April 2013, the ALDL took on a combined role for the physical receipt, processing, recording and redistribution of printed materials and for supporting transition arrangements from print to non-print deposit. The ALDL provides each of the legal deposit libraries with circa 83,000 published titles per annum and liaises with the British Library to manage non-print transition arrangements. This equates to the physical processing of 7,750 items per week, in addition to publisher relations, and data management with a team of eight staff.

Strategies to achieve the objectives

The strategic priority for the ALDL is to support the LDLs in maximising the identification and receipt of print material under the Legal Deposit Libraries (2003) Act, and Copyright and Related Rights Act 2000 (Ireland). The ALDL Manager and staff have developed a suite of services to meet the requirements set out in an agreed Schedule of Services and for reporting achievements against KPIs.

The ALDL Business Plan and budget is determined annually by the ALDL Strategy group, with the collaboration of the ALDL Manager and under the guidance and formal sign-off of the ALDL Board.

The ALDL Manager reports on a day to day basis to a nominated member of the ALDL Strategy Group, currently the Associate Director of Collections Management at the National Library of Scotland (NLS). The ALDL Manager supplies information on a regular and agreed basis to the Strategy and Operations Groups.

Significant areas of activity

The ALDL continues to work to the Schedule of Services accepted by the ALDL Board at its meeting on 14 July 2017 and reviewed annually by the Strategy Group.

The Covid 19 shutdown has caused significant disruption in the last year, the ALDL has resumed its onsite operations and deliveries to LDLs and has worked with the ALDL Strategy on a recovery plan to get core activities up and running and clear backlogs.

The ALDL has worked with the Transport provider, Customs Agent and LDLs to implement new procedures for deliveries to Dublin post Brexit and the first deliveries have successfully taken place.

The ALDL continues to support the BL in identifying potential publishers and publications for transition to a non-print deposit arrangement, whilst pursuing the 'long tail' of print publishers.

ACHIEVEMENTS AND PERFORMANCE

Review of activities undertaken in the period and performance against objectives set

The Covid 19 shutdown has had a notable impact on print receipt levels. Print deposits volumes (50,000 items to each legal deposit library during the 2020-2021 operating year) have seen a reduction of 41% from 2019-20 receipts. This reduction reflects the slowing rate of transition since moving major (volume based) publishers to NPLD.

**AGENCY FOR THE LEGAL DEPOSIT LIBRARIES (ALDL)
(A Company Limited by Guarantee)**

DIRECTORS' REPORT (continued)

For the year ended 31 March 2021

FINANCIAL REVIEW

Principal funding sources and how used in line with objectives

The ALDL continues to be funded on an equal basis from each of the LDLs. In June 2020, the Board also agreed to draw down £13,200 from unrestricted reserves to fund additional costs associated with the Covid 19 recovery. The ALDL Board plan to agree a budget of £582,211 for the operating year 2021/22.

All LDLs are invoiced on a quarterly basis in advance. The Library of Trinity College, Dublin, is invoiced at zero VAT as they pay VAT at source.

Investment policy

The ALDL holds no investments.

Reserves policy

Reserves are needed to bridge the funding gaps between spending on the ALDL activities, the receiving of payments from funders and other bodies in respect of that work. Reserves are also held to cover contingencies and potential events which may disrupt the normal operational activities. The Board agreed to utilise a proportion of reserves to facilitate the costs of implementation of the Options Appraisal outcome.

The directors have reviewed the reserves policy in line with the normal practice for charitable organisations. They have determined that the minimum level of unrestricted reserves should be three months average expenditure to meet the cash flow needs and cover the ongoing liabilities of the ALDL. Based on expected resources which would be expended during a normal year of operating activities, three months average expenditure would amount to approximately £136,000.

Unrestricted reserves at 31 March 2021 amounted to £473,858 including £147,703 represented by fixed assets. The free reserves of the charity are therefore £326,155. The directors are aware of the level of unrestricted reserves and are content that these should be retained to facilitate the funding of specific project activities and systems development.

The ALDL is jointly funded by the 5 UK legal deposit libraries each of whom continue to look to maximise the value from the services provided by the ALDL and reduce costs where possible.

Principal risks and uncertainties

Covid-19 continues to pose a significant amount of uncertainty. The ALDL Manager and the ALDL Strategy Group have worked jointly on a response plan and will continue to work closely on the recovery as things get back to normal operation.

The effect of Non Print Legal Deposit on ALDL operations is significant, and there is constant pressure to deliver print throughput against reducing commitment and funding. Representation within the Legal Deposit governance framework enables the ALDL to receive and contribute to the joint understanding of the impact of both print and non-print receipts.

Although the short term disruption with the delivery to Dublin has been resolved, Brexit remains a risk and the ALDL continues to work with Trinity College Dublin and publishers to find suitable deposit arrangements.

PLANS FOR FUTURE PERIODS

Aims and objectives for future

The ALDL will continue to offer a single point of claim and deposit for UK and Ireland printed materials on behalf of the legal deposit libraries. In addition, the ALDL will offer support to the LDLs and the British Library as they continue to implement the Legal Deposit Libraries (Non-Print Works) Regulations 2013. In support of its primary objective, that is, to identify, request, receive and distribute available UK print output, the ALDL accesses the British Library receipt and claim file (R&C) as its primary source of data.

AGENCY FOR THE LEGAL DEPOSIT LIBRARIES (ALDL)
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DIRECTORS' REPORT (continued)

For the year ended 31 March 2021

Aims and objectives for future (continued)

The ALDL will continue in its primary role as the central point of contact for all UK print materials whilst developing management information in support of NPLD. The 2021-2022 business plan identifies the major issues for the period being: Recovery from the Covid 19 Shutdown, ALDL Website upgrade project, Publisher engagement following relocation, increased staff time devoted to NPLD transition activities and increased work identifying and claiming publications from the 'long tail' of smaller publishers.

The business plan and budget will be reviewed at mid-year, and adjusted accordingly with the Strategy Group's and the Board's approval.

Activities planned to achieve them

The Business plan provides details of the activities, responsibilities, success measures and completion dates for the year's objectives. These are gathered into five broad areas: management and staffing, Vubis software upgrade project, the Schedule of Services and KPIs, the acquisition and supply of printed publications, and communications.

STRUCTURE, GOVERNANCE, AND MANAGEMENT

Governing document

The company is a Scottish charity limited by guarantee and does not have share capital. It is approved as a Scottish charity by the Inland Revenue and the Office of Scottish Charity Regulator (OSCR). The company is constituted by its Memorandum and Articles of Association dated September 2008.

Recruitment and appointment of Directors

There are five directors of the Agency for the Legal Deposit Libraries ("ALDL"). There are five customers who are the Legal Deposit Libraries ("LDL") of the United Kingdom. These are the National Library of Scotland; the National Library of Wales; Cambridge University Library; the Bodleian Library, Oxford and Library of Trinity College.

Each LDL is entitled to appoint a representative as a director of the Board of the ALDL.

The Charity has induction procedures for new directors comprising familiarisation meetings with existing directors, a tour of operating facilities, and an induction pack containing key documents, including statutory formation documents, published and management accounts and budgets, Board meeting minutes, and OSCR published guidance for Trustees.

Organisational structure and how decisions are made

The Board reviewed governance of the ALDL, approving the formation of a Strategy Group and an Operations Group, replacing the former User Group. Terms of Reference for the Strategy group were reviewed and updated at the Board meeting on 26 June 2018.

The ALDL Manager provides updates to the Strategy Group in accordance with the requirements stated in the Schedule of Services.

The Board of the ALDL currently meets a minimum of 3 times each year. The Board is headed by a Chair, currently Dr John Scally of the National Library of Scotland.

The Chair calls and manages the required Board meetings and ensures that all minutes and papers are circulated in good time.

AGENCY FOR THE LEGAL DEPOSIT LIBRARIES (ALDL)
(A Company Limited by Guarantee)

DIRECTORS' REPORT

For the year ended 31 March 2021

Key management personnel and remuneration policy

The directors consider the board of directors, who are also the trustees, the Strategy group, and the ALDL Manager as the key management personnel of ALDL as they are in charge of directing and controlling, running and operating the charity on a day to day basis. All directors give of their time freely and no director received remuneration nor expenses in the year.

The remuneration of the ALDL Manager is defined through the agreed pay and grading scheme adopted by ALDL in August 2015. Each role, including that of ALDL Manager, was subject to a Job Evaluation and Grading Support (JEGS) evaluation and scoring exercise, resulting in a pay point being attributed to the role within an overall pay scheme. This process replicated the Pay and Grading review undertaken by NLS in 2014/15 and pay points were aligned to NLS equivalents, and continue to be so aligned.

Related parties

The ALDL is legally owned by its five members, the National Library of Scotland, the Bodleian Library, Oxford, the Cambridge University Library, the National Library of Wales, and the Library of Trinity College, Dublin. Other related party information is set out above under "Recruitment and appointment of directors".

Reference and administrative details

Information about the charity is set out on page 1.

Statement of Directors' responsibilities

The directors are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs to 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 (FRS102);
- Make adjustments and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping proper and adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

In so far as the directors are aware:

- There is no relevant audit information of which the charitable company's auditors is unaware; and
- The directors 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.

Small company exemptions

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

AGENCY FOR THE LEGAL DEPOSIT LIBRARIES (ALDL)
(A Company Limited by Guarantee)

DIRECTORS' REPORT

For the year ended 31 March 2021

Auditor

The auditor Chiene + Tait LLP will be proposed for reappointment in accordance with section 487(2) of the Companies Act 2006.

Approved by the Board on 22 June 2021 2021 and signed on its behalf by:



.....
John Scally
Director

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS
OF THE AGENCY FOR THE LEGAL DEPOSIT LIBRARIES**



Opinion on financial statements

We have audited the financial statements of the Agency for the Legal Deposit Libraries for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 charitable company's affairs as at 31 March 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 directors' 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

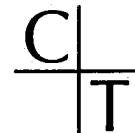
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF THE AGENCY FOR THE LEGAL DEPOSIT LIBRARIES (Continued)



Matters on which we are required to report by exception (Continued)

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities set out on page 5 the Directors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 Directors are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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.

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:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Companies Act 2006 and Health and Safety Regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS
OF THE AGENCY FOR THE LEGAL DEPOSIT LIBRARIES (Continued)**



We focused on laws and regulations that could give rise to a material misstatement in the company's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of key management personnel and the directors;
- review of minutes of board meetings throughout the period;
- review of legal correspondence or invoices, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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.

Use of our report

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Directors, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charitable company's Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members as a body, and its Directors as a body, for our audit work, for this report, or for the opinions we have formed.

JEREMY CHITTLEBURGH BSC CA (Senior Statutory Auditor)

For and on behalf of

CHIENE + TAIT LLP

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh EH3 6NL

22 June 2021

2021

Chiene + Tait LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

AGENCY FOR THE LEGAL DEPOSIT LIBRARIES
(A Company Limited by Guarantee)

STATEMENT of FINANCIAL ACTIVITIES

(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2021

	Notes	Total 2021 £	Total 2020 £
Income			
Income from charitable activities	3	569,665	560,260
Investment income			
- Bank interest		58	1,848
Total income		569,723	562,108
Expenditure			
Charitable activities	4	540,789	578,802
Total expenditure		540,789	578,802
Net expenditure for the year		28,934	(16,694)
Transfers in the year	9	-	-
Net movement in funds		28,934	(16,694)
Reconciliation of funds			
Fund balances brought forward at 1 April	9	444,924	461,618
Fund balances carried forward at 31 March	9	473,858	444,924
		=====	=====

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

All income and expenditure derive from continuing activities.

The notes on pages 13 to 19 form part of these financial statements.

AGENCY FOR THE LEGAL DEPOSIT LIBRARIES
(A Company Limited by Guarantee)

BALANCE SHEET

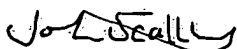
For the year ended 31 March 2021

	Notes	2021 £	2020 £
Fixed Assets			
Tangible assets	6	147,703	169,411
Current Assets			
Debtors	7	42,949	45,259
Cash at bank		333,257	282,295
		<u>376,206</u>	<u>327,554</u>
Creditors: Amounts falling due within one year	8	(50,051)	(52,041)
Net Current Assets		<u>326,155</u>	<u>275,513</u>
Net Assets		<u>473,858</u>	<u>444,924</u>
		=====	=====
Funds			
Unrestricted funds	9	473,858	444,924
		<u>473,858</u>	<u>444,924</u>
		=====	=====

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual financial statements required by the Companies Act 2006 and are for circulation to members of the company.

22 June 2021

Approved by the Board on 2021 and signed on its behalf by:



.....
 John Scally
 Director

Company No. SC348650

The notes on pages 13 to 19 form part of these financial statements.

AGENCY FOR THE LEGAL DEPOSIT LIBRARIES
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS

For the year ended 31 March 2021

	Notes	2021 £	2020 £
Cash provided by/(used in) operating activities	14	52,224	(17,182)
Cash flows from investing activities			
Bank interest income		58	1,847
Purchase of fixed assets		(1,322)	(16,298)
Cash used in investing activities		(1,264)	(14,451)
Increase/(decrease) in cash and cash equivalents in the year		50,962	(31,633)
Cash and cash equivalents at the beginning of the year		282,295	313,928
Cash and cash equivalents at the end of the year		333,257	282,295

ANALYSIS OF CHANGES IN NET DEBT

	2020 £	Cash- Flows £	2021 £
Cash and cash equivalents	282,295	50,962	333,257
Total net debt	282,295	50,962	333,257

The notes on pages 13 to 19 form part of these financial statements.

AGENCY FOR THE LEGAL DEPOSIT LIBRARIES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

1. Company information

The Agency for the Legal Deposit Libraries is a company limited by guarantee incorporated and domiciled in Scotland with registered company number SC348650. The registered office is George IV Bridge, Edinburgh, EH1 1EN, and principal place of business is Unit 21 Marnin Way, Edinburgh, EH12 9GD. The financial statements have been presented in Pounds Sterling as this is the functional and presentational currency of the company.

2. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Agency for the Legal Deposit Libraries meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going concern

The directors of the company are of the opinion that the company can meet its obligations as they fall due for the foreseeable future and have prepared the financial statements on a going concern basis. The directors are therefore satisfied that no material uncertainties exist in respect of going concern.

The requirement for the legal deposit of publications exists in statute (Legal Deposit Libraries Act 2003). There is no suggestion this will be removed or that the Agency will be wound up. Consequently budgets will continue to be funded by the five libraries on the back of the approval of an expenditure budget at the beginning of the year.

Significant judgements and estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As 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. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 6 for carrying amounts of tangible assets.

**AGENCY FOR THE LEGAL DEPOSIT LIBRARIES
(A Company Limited by Guarantee)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2021

2. Accounting policies (continued)

Taxation

The company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

VAT

The company became VAT registered during the year to 31 March 2010 and accordingly all expenditure is accounted for net of VAT.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Expenditure is recognised when the company has entered into a legal or constructive obligation. Expenditure is allocated to the function to which it relates. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Support costs are those costs incurred directly in support of the expenditure on the objects of the company.

Included within Support costs are Governance costs, which are those incurred in connection with setting and monitoring the strategic direction of the company and compliance with constitutional and statutory requirements.

Operating leases

Rentals paid under operating leases are charged to the income and expenditure account as incurred.

Tangible fixed assets

All fixed assets are included at cost. A full year of depreciation is charged in the year of acquisition other than in relation to Tenant's Improvements where depreciation is charged over the lease term from commencement of the lease. Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Tenant's improvements	10 years straight line
Fixtures & Fittings	10 years straight line
Plant & Machinery	5-10 years straight line
IT Equipment	4-7 years straight line

Debtors

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

Cash at bank and in hand

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

Creditors

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

AGENCY FOR THE LEGAL DEPOSIT LIBRARIES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2021

2. Accounting policies (continued)

Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Pension costs

The company contributes to a group pension plan. The annual contributions payable are charged to the income and expenditure account.

Fund accounting

Unrestricted funds are funds which can be used in accordance with the charitable objects at the discretion of the directors.

Designated funds are funds which have been retained by the directors for specific purposes.

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
3. Income		

The following income was receivable from the Legal Deposit Libraries for services rendered in the year.

Bodleian Library, Oxford	113,933	112,052
Cambridge University Library	113,933	112,052
National Library of Wales	113,933	112,052
National Library of Scotland	113,933	112,052
Library of Trinity College, Dublin	113,933	112,052
	-----	-----
	569,665	560,260
	=====	=====

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
4. Expenditure		

Staffing costs	255,720	234,237
Rent	27,235	26,831
Infrastructure and overheads	146,518	157,352
Transport hire	84,186	132,777
Legal and IT consultancy	-	1,006
Depreciation	23,030	22,699
	-----	-----
	536,689	574,902
	-----	-----
Governance costs - Audit fees	4,100	3,900
	-----	-----
Total expenditure	540,789	578,802
	=====	=====

During the year, included under 'infrastructure and overheads' are support services provided by the National Library of Scotland. The total cost of these services was £44,137 (2020: £44,137).

AGENCY FOR THE LEGAL DEPOSIT LIBRARIES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2021

5. Analysis of staff costs and numbers, Director remuneration and expenses, and the cost of key management personnel

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Wages and salaries	205,188	194,757
Social security costs	18,263	17,408
Personal pension contributions	16,371	15,489
	-----	-----
	239,822	227,654
Temporary agency staff costs	15,898	6,583
	-----	-----
	255,720	234,237
	=====	=====

None of the Directors received any remuneration, nor had expenses reimbursed, during either year. No (2020: £Nil) employee's emoluments, excluding employer pension contributions, were above £60,000.

The key management personnel of the charitable company comprise the Directors and the Head of Agency. The total employee benefits of the key management personnel of the charitable company during the year were £45,420 (2020: £44,084).

The average number of employees during the year was 8 (2020: 8).

6. Tangible fixed assets	Tenant's Improve'ts	Fixtures & Fittings £	Plant & Machinery £	IT Equipment £	Total £
Cost					
At 1 April 2020	187,887	27,331	25,428	190,384	431,030
Additions	-	-	-	1,322	1,322
	-----	-----	-----	-----	-----
At 31 March 2021	187,887	27,331	25,428	191,706	432,352
	-----	-----	-----	-----	-----
Depreciation					
At 1 April 2020	33,768	27,331	25,000	175,520	261,619
Charge for the year	18,789	-	428	3,813	23,030
	-----	-----	-----	-----	-----
At 31 March 2021	52,557	27,331	25,428	179,333	284,649
	-----	-----	-----	-----	-----
Net book value					
At 31 March 2021	135,330	-	-	12,373	147,703
	=====	=====	=====	=====	=====
At 31 March 2020	154,119	-	428	14,864	169,411
	=====	=====	=====	=====	=====

AGENCY FOR THE LEGAL DEPOSIT LIBRARIES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2021

7. Debtors	2021	2020
	£	£
Prepayments	42,949	45,259
	=====	=====

The aggregate of financial assets that are measured at amortised cost is £Nil (2020: £Nil).

8. Creditors: amounts falling due within one-year	2021	2020
	£	£
Trade creditors	-	25,257
Other taxation and social security	10,027	14,229
Other creditors and accruals	40,024	12,555
	-----	-----
	50,051	52,041
	=====	=====

The aggregate of financial liabilities measured at amortised cost are £Nil (2020: £25,257).

9. Analysis of reserves

	Opening balance at 1 April 2020	Incoming Resources	Resources expended	Closing balance at 31 March 2021
	£	£	£	£
Unrestricted funds	444,924	569,723	(540,789)	473,858
	-----	-----	-----	-----
Total	444,924	569,723	(540,789)	473,858
	=====	=====	=====	=====

	Opening balance at 1 April 2019	Incoming Resources	Resources expended	Closing balance at 31 March 2020
	£	£	£	£
Unrestricted funds	461,618	562,108	(578,802)	444,924
	-----	-----	-----	-----
Total	461,618	562,108	(578,802)	444,924
	=====	=====	=====	=====

All Funds are available for the general purposes of the charity.

AGENCY FOR THE LEGAL DEPOSIT LIBRARIES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2021

10. Analysis of net assets among funds	Unrestricted Funds £	Total 2021 £
Fixed assets	147,703	147,703
Net current assets	326,155	326,155
	-----	-----
	473,858	473,858
	=====	=====
	Unrestricted Funds £	Total 2020 £
Fixed assets	169,411	169,411
Net current assets	275,513	275,513
	-----	-----
	444,924	444,924
	=====	=====

11. Pension commitments

The company operates a money purchase (defined contribution) pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £16,371 (2020: £15,489).

The amount of total outstanding pension contributions at the end of the year was £Nil (2020: £Nil).

12. Financial commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Within one year	27,906	27,906
Between two and five years	109,297	109,297
After more than 5 years	56,973	84,879
	-----	-----
	194,176	222,082
	=====	=====

During the year lease payments of £27,906 (2020: £27,906) were recognised as an expense.

13. Related parties

Each of the five Legal Deposit Libraries is entitled to appoint a representative as a director of the Board of the ALDL. Income from the Legal Deposit Libraries is shown in note 3. During the year there has been expenditure of £Nil (2020: £62,400) with the National Library of Scotland which provides support services to ALDL as shown in note 4. In addition, the National Library of Scotland recharged to ALDL £223,451 (2020: £212,165) in respect of salary costs and employers' national insurance. Trade creditors include £Nil amount (2020: £17,480) due to the National Library of Scotland at the year end.

AGENCY FOR THE LEGAL DEPOSIT LIBRARIES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2021

14. Reconciliation of net movement in funds to net cash flow from operating activities

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Net movement in funds	28,934	(16,694)
Add back depreciation charge	23,030	22,699
Deduct interest income shown in investing activities	(58)	(1,847)
Decrease in debtors	2,310	4,037
Decrease in creditors	(1,992)	(25,377)
	-----	-----
Net cash provided by/(used in) operating activities	52,224	(17,182)
	=====	=====