

MARX MEMORIAL LIBRARY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	H Bains M Davis A Field J Foster A Gordon J Hendy M Mayo B De La Motte J Mowatt J Rosen C Webbe J White R Clarke R Hayes R Kelly A Sheikh
Charity number	270309
Principal address	37A Clerkenwell Green London United Kingdom EC1R 0DU
Independent examiner	Arnold Hill & Co LLP Craven House 16 Northumberland Avenue London WC2N 5AP
Bankers	The Co-Operative Bank PLC 1 Islington High Street London United Kingdom N1 9TR
Investment advisors	CCLA Investment Management Limited Senator House 85 Queen Victoria Street London EC4V 4ET

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their report and financial statements for the year ended 31 December 2021.

The accounts have been prepared in accordance with the accounting policies and comply with the Charity's constitution, the Charities Act 2011 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Our purpose

The Marx Memorial Library ("MML") is a registered charity devoted to the "advancement of education, learning and knowledge by the provision, acquisition and maintenance of a library of books, periodicals, manuscripts, artefacts, electronic material and other media relating to all aspects of the science of Marxism and of the history of Socialism and the trade union and working-class movements for all persons desiring to make bona fide use thereof for the said object".

The Trustees believe that:

- MML provides a unique space for the study of our rich and radical labour movement heritage and the powerful stimulus provided by Marxist thinking.
- MML provides the resources necessary for the provision of education in the science of Marxism and the history of socialism.
- MML has through these educational resources the potential to make a significant contribution to current intellectual and cultural debate to enrich civil society.
- MML's members are crucial to its future success as we seek to raise its profile, generate income, keep up-to-speed with the latest developments in Marxist and socialist thinking and make the collection more accessible to a wider audience.

Our objectives and challenges

In the past five years the MML has made strides gaining grant funding for project work, broadening its education offer, including hosting two major international conferences -boosting visitor numbers, embarking on the professional management of collections, reviewing governance structures, adding to investments, and working more closely within the labour movement.

- Improve the space and resource facilities for members and visitors in accessing MML's collections to advantage so as to develop activities with partner organisations in the field of education.
- Sustain and grow activity and membership levels from their current levels, continue to balance the books, examining income and cost with a view to move towards break-even and financial sustainability.

Trustees

The Trustees are full members of the committee, or board of management, known as the General Committee (GC). Members of the General Committee serve for a four-year term of office, with a quarter of the committee retiring every year. The retiring members may apply for re-election. The election is open to the membership in an annual ballot, which takes place at the AGM.

Contracts with trustees

No trustees receive remuneration for services to MML as employees and the General Committee is committed to observing all guidance from the Charity Commission in this respect. There were no other contracts or agreements subsiding during or at the year end of the financial period in which a Trustee of the Charity is, or was, materially interested and which is, or was, significant in relation to the business of the Charity.

Public benefit test

The charity trustees have complied with their duty to have due regard to the guidance on public benefit published by the Commission in exercising their powers or duties and confirm that all activities are conducted for charitable purposes to benefit the public.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Charity structures, governance and administration

All decisions are made through the General Committee, which as charity trustee have control of the Library and its properties and funds, meeting around 6 times per year.

The General Committee elects a Chair, Vice-Chair, Secretary and Treasurer at the first meeting held after the AGM and may choose to appoint sub-committees from amongst its ranks and others.

The General Committee may co-opt any Library member to fill a vacancy arising during the year. Co-opted Trustees are selected to represent a broad mix of skills and interests.

The trustees who served during the year and up to the date of signature of the financial statements were:

H Bains
M Davis
A Field
J Foster
A Gordon
J Hendy
M Mayo
B De La Motte
J Mowatt
J Rosen
C Webbe
J White
R Clarke
R Hayes
R Kelly
A Sheikh

Strategic plan

The Strategic Plan approved by the Trustees in September 2019 aims to summarise the Marx Memorial Library's main areas of work in the coming five-year period 2019-24. It highlights priorities and is designed to aid decision-making, track progress and facilitate the appropriate allocation of resources.

The various sub-committees of the MML are responsible for drawing up supplementary action plans for their areas of work, and monitoring progress throughout the year.

Sub-committees have specific areas of responsibility on: Education, Collections, Volunteers, Publications, Buildings, Resilience and Finance, they report to the General Committee of trustees.

The Archivist and Library Manager, as the senior member of staff, is responsible for overseeing the implementation of this plan at the MML.

The Strategic Plan will be reviewed annually by the MML General Committee of trustees following the Annual General Meeting.

Mission: "The advancement of education, learning and knowledge in the science of Marxism and of the history of Socialism and the trade union and working-class movements".

Vision: The MML as a research centre, with a world-class, relevant archive and library collection, and education provider engaging diverse audiences effectively in current debates on Marxism, the history of socialism and the working-class movement.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Strategic Goals:

Collections: Develop, maintain and provide a unique research resource in the form of our library and archive.
Education: Deliver a relevant, engaging education programme on and off-site in the form of classes, lectures and workshops to greater numbers and diverse audiences.
Engagement and outreach: Effectively engage audiences in our collections and education work through publication and exhibition, online and in print, special events, tours of our building and conferences.
Sustainability: Develop strong governance, staffing, volunteer and finance frameworks to ensure the MML's mission is achievable in the long-term.
The Building: Redevelop Marx House to transform MML's ability to store collections, enable access, host events and activities and generate income.

Risk management

The Charity has identified the main risks it faces. Trustee and Professional Liability Insurance has been obtained and all current insurance is up to date and fit for purpose. A draft risk log and policy has been prepared and is operational. The charity has adopted a safeguarding policy for preventing and reducing harm to children and vulnerable adults (either temporarily or permanently for a variety of reasons when they are in contact with our staff, workers, volunteers, members, or other students).

Funds

The funds of the organisation are structured thus:

- Unrestricted Funds are monies received by MML that do not have conditions of use attached to them but where itemised budget headings apply.
- Designated Funds are made up of monies set aside by trustees to be used only for development purposes.
- Restricted Funds must be spent on specified areas of activity by conditions imposed by outside individuals or organisations.

Fundraising disclosures

The following extra information is supplied under section 13 of the Charities (Protection and Social Investment) Act 2016 on MML's fundraising practices and those acting on its behalf:

- No professional fundraisers or commercial participators carried out any fundraising activities for MML.
- The charity has not subscribed to any fundraising standards or schemes.
- There are no failures by the charity, or by any person acting on its behalf, to comply with regulations for fundraising standards or schemes.

Therefore, the charity has not needed to monitor the fundraising activities of any person acting on its behalf and no complaints were received by the charity about fundraising activity. Should the charity ever embark on such public fundraising, it would do all it can to protect vulnerable people and other members of the public from behaviour which is an unreasonable intrusion on a person's privacy, is unreasonably persistent, or places undue pressure on a person to give money, or other property.

MML 2021 report of work

Introduction

In 2021 the pandemic continued to have a major impact on our work. While we were able to remain open by appointment only for the majority of the year, this also meant a continued focus on digital outputs, work on restoring the building and bolstering our financial resilience.

Staff

Meirian Jump was on maternity leave from February and covered by Sarah Crompton (February 2021-Jan 2022) and Joseph Dance (February-October 2021). The Archivist/Librarian and Melanie Hufkie-Baxter our Administrator and Library Assistant worked throughout the pandemic on a variety of tasks.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Volunteers

The MML's volunteer programme continues in strength, albeit remotely for the majority of the year. Zoom meetings every 6-8 weeks meant the team kept in touch. Volunteers continued to be at the heart of MML's operations working on the administration of our membership programme, online rare book sales, virtual tours, on-site cataloguing and digitization projects.

Collections

Notable accessions include the Simcha pocket watch; one of twelve watch cases believed to have been struck in the 1860s to mark the meeting in London of the International Association of Working Men (The First International) when the eight-hour day had been proclaimed as the Association's objective, the archives of Robert Williamson, Solly Kaye and Alick West, in addition to an accrual to the Spanish Collection; the papers of the Friends of the International Brigades.

Policy development in line with our ambitions to acquire archive accreditation meant further work on a digitization and a digital preservation strategy.

Following the acquisition of dataloggers at the end of 2020, for the first time we have been able to log and store information on environmental conditions in all of our archive storerooms, vital to the long term preservation of our library collections.

We welcomed two sixth form groups to the library for archive workshops in the autumn on the Russian Revolution and Economics.

In 2021 we prepared for the loan of Marx's cigar case in our collection for exhibition at the Deutsches Historisches Museum, Berlin in 2022.

Online initiatives

MML's education programme was delivered entirely online in 2021 through a combination of zoom lectures and classes, and online courses administered on the Moodle platform.

Our repertoire of online courses was developed; the education committee launched new courses on historical materialism and on women, work and trade unions.

Our school workshop programme on the biography of black International Brigader Charlie Hutchison with Newham College was delivered online in collaboration with Wadham College, Oxford in January 2021.

The Virtual Tour programme was rolled out; monthly guided tours through our 3D scan meant visitors from around the world were able to experience our historic building, collections and displays. We introduced short tailored tours for May Day and Open House.

For a second year running rare second-hand books and print on demand posters from our collections were made available for sale online.

The MML now monitors digital engagement including hits on the website and social media interaction.

User and visitor statistics (2020 in brackets)

- Research enquiries: 220 (292)
- Readers: 49 (64)
- General visitors/browse shelves: 3 (75)
- Numbers on tours: 61 (virtual) – 22 (in person)(45)
- On-site events 0 (199); on-line events 1972 (1599)
- Numbers on student and school visits: 27 (50)
- Participants in online courses: 97 (190)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Courses, lectures, events and activities

Online courses:

- Labour Value & Exploitation
- Trade Unions, Class & Power
- Capitalism, Crisis & Imperialism
- An Introduction to Marxism
- Making our own History – Marx's Historical Materialism
- Women, Work & Trade Unions

Lectures and special events:

- Book launch: Sylvia Pankhurst Natural Born Rebel
- Book launch: Making our Own History
- Disaster planning for Archivists and Librarians
- Trade Unions & the Fight Against Unemployment (public & private sectors)
- Coronavirus and the Economic Crash
- The Betrayal of the Miners: 'Black Friday' 15 April 1915
- 100th anniversary of the NUWCM
- Book launch: In conversation with Helen Jackson
- Democracy, Neo-liberalism and Britain's Centralised State
- 'Risen from the Ruins': Internationalist lessons from the GDR
- Marking 150th Anniversary of the Paris Commune
- State power, transitions and social revolution, a series of three lectures
- Historical Memory and the Fight Against Fascism
- Was Mao a Marxist?
- 50th Anniversary of 1971 TUC and the Continuing Struggle
- The Economy After Covid – a series of three lectures
- Marxism and Science
- Food, Farming and the Future – a series of three lectures
- Roundtable: Democracy, Neo-liberalism and Britain's Centralised State

Projects

- The Unite the union history project is making good progress. Volume i was printed in 2021 and launched at the Unite Policy Conference. Volumes ii, iii, iv are currently with the publisher. Work on oral history research to supplement the final two volumes v and vi.
- Building work: A new security alarm was installed, the staff office was reconfigured with new storage and work spaces and measures taken to upgrade signage, emergency lighting and smoke detectors in line with recommendations of our 2020 Fire Risk Assessment. Finally, we replaced our heating pump in November 2021.
- Patrons Scheme: this scheme launched in 2020 continues to grow and we now have over 30 Patrons donating £250 per year to support core funding. Patrons are invited to special events twice a year, receive a badge and are listed on the website and in Theory & Struggle.
- Our summer annual membership drive launched in 2020 was another success; we gained over 100 members in a ten-week period in the Spring.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Publications

- Theory & Struggle 2021 with a focus on COVID 19, its economic, political and social aftermath and trade union struggles included articles from Andrew Murray, Carolyn Jones, John McDonnell, Jenny Clegg and Michael Roberts. The review section covered books marking the centenary of the founding of the Communist Party of Great Britain in 2020, two volumes published by the MML ourselves and Robert Henderson's 'The Spark that Lit the Revolution: Lenin in London and the Politics that Changed the World'.
- Our regular column in the Morning Star 'Full Marx' featured articles on imperialism and identity politics and is set to return again in 2022.

Financial report for the year ended 31 December 2021

The charity is mid-way in delivering the Strategic plan set out in 2019,

1.1 Strategic Goals

1.1.1 Collections: Develop, maintain and provide a unique research resource in the form of our library and archive.

1.1.2 Education: Deliver a relevant, engaging education programme on and off-site in the form of classes, lectures and workshops to greater numbers and diverse audiences.

1.1.3 Engagement and outreach: Effectively engage audiences in our collections and education work through publication and exhibition - on-line and in print -, special events, tours of our building and conferences.

1.1.4 Sustainability: Develop strong governance, staffing, volunteer and finance frameworks to ensure the MML's mission is achievable in the long-term

1.1.5 The building: Redevelop Marx House to transform MML's ability to store collections, enable access, host events and activities and generate income

In terms of sustainability, the following objectives were adopted to further the strategic goals

- Ensure MML's membership offer is clear and attractive with the aim of boosting membership numbers and retention.
- Attract new affiliates and enhance income generation
- Develop a network of donors using database. This may involve reviewing Friends Scheme and exploring a Patrons' Scheme
- Plan two targeted appeals per year (e.g., for filming equipment, for archival storage solutions) with the aim of raising £5,000 p.a. for project funds
- Incorporate a fundraising feasibility study as part of Heritage Lottery Bid
- Review volunteer restructure and associated policies early 2020
- Optimise the use of trustee expertise
- Ensure staff trained and retained
- Ensure office and finance systems are fit for purpose

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

The budget for 2021 set out some challenging targets for all areas of the charity's goals and specific objectives.

The steps taken in 2020 to improve financial controls were further improved in 2021. Quarterly financial management accounts compiled by the accountants Arnold Hill made available to the Trustees. The monitoring of actual income and expenditure against the budgets, ensuring that the Charity maintained control of its projected trajectory.

Impact of Covid 19 restricted and limited a number of income generation opportunities identified in the budget. The opening of the library for research, book sales, visitors, in class courses, lectures and book launches all reduced. The digital experience initiated in 2020, was enhanced to replace the regular income streams with varied results.

On line courses proved to be particularly successful and generated £5,909 with an additional £2,617 from classes and lectures.

The virtual tours brought in £325, which is expected to continue to grow in 2022 and introduce the charity to a whole new audience.

Despite the restriction to the normal marketing and sales of new and old books, there was significant income from these activities. The targets being exceeded for sale of new books with sale of old books obtaining 50% of the budget for 2021.

The regular income streams for lettings, research, royalties remained stable. The income received from Unite the union for the History project remained key for the Charity operations. The project delivered by eminent trustees is invaluable for the sustainability plan.

Investments were increased thanks to very generous bequeaths from the estate of Dr Geoffrey Barlow, facilitated by his son Keith Barlow and daughter Lindsey Coldwell and a very welcome donation from Eddy Adams. Under the Charity agreed rule 80% of the bequeath received was invested by the Trustees in ethical investments. This will provide additional long-term income and adds to the strategic sustainability goal of the charity. Quarterly reports of investments with projected performance are provided to the Trustees. All investments are managed on the Charity's behalf by CCLA and in 2021 were valued at:

Opening value: £2,334,143
Invested in 2021: £140,834
Capital return: £140,707
Closing value: £2,615,685

Income received by the charity from investments: £66,727 against the projected budget of £61,500

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

The staff team went through a change in the leadership with the Archivist and Manager Meirian Jump on maternity leave. Sarah Crompton and Joseph Dance recruited on job share for most of this period did remarkably well in advancing the charity's objectives. Melanie Hufkie-Baxter provided the necessary continuity in administration and anchorage to ensure smooth operations and financial controls. There was a marginal corresponding increase in the staff costs due to the changes.

The eleven wonderful volunteers have sustained MML through a very difficult year, navigating around building works and working through a period when the heating system showed its age and required tender loving care. The input by Chris Reeves, Simon Renton and the chair of MML Alex Gordon in resolving some of the issues by being on site were all worthy of commendation.

The downturn in operations due to Covid restrictions, were used as an opportunity by the GC to bring forward some of the repair and renovations originally scheduled for 2022-23. The investment of £13,798 to improve the building infrastructure was three times the set budget for repair and maintenance of £4,000. There are further improvements approved by the Trustees and the budget for 2022 will be calibrated to reflect these business needs. The investment has generated an increase in depreciation of £24,770

The direct revenue from membership in 2021 has surpassed the budgeted target of £14,000 to £16,979. This welcome increase created a corresponding rise in expenditure associated with the much valued and highly acclaimed journal Theory & Struggle.

EOY 2021

Summary

Bank Accounts: £160,049
Current Assets: £14,636
Fixed Assets: £178,133
Non-Current Assets: £2,615,685
Total Assets: £2,968,503

Conclusion

The charity has retained sufficient funds for liquidity.
The charity is confident of continuing as a going concern as it emerges from the restrictions of covid 19 and gradually returns to normal operations. The charity will continue to monitor the situation and take additional steps as necessary to mitigate risk.

Terms and conditions review

The affiliation promotion and process will be reviewed during 2022 with a targeted campaign.
Terms for the contractual obligation with Liverpool University Press for Theory & Struggle production and distribution will be negotiated early 2022.
Other income receivable from hall hire will be reviewed to reflect local competitive charges.

Insurance

Building insurance renewable and payable via Marx House Limited.
Contents and other insurances: the charity ensures that all its contents, staff and public liabilities are insured and transparent. The expenditure attributed to insurances reflect these combined costs.

The trustees' report was approved by the Board of Trustees.

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H Bains

Trustee

Dated:

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF MARX MEMORIAL LIBRARY**

I report to the trustees on my examination of the financial statements of Marx Memorial Library (the charity) for the year ended 31 December 2021.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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

Arnold Hill & Co LLP

Craven House
16 Northumberland Avenue
London
WC2N 5AP

Dated:

**STATEMENT OF FINANCIAL ACTIVITIES
 INCLUDING INCOME AND EXPENDITURE ACCOUNT
 FOR THE YEAR ENDED 31 DECEMBER 2021**

Current financial year

		Unrestricted funds general 2021	Unrestricted funds designated 2021	Restricted funds 2021	Total 2021	Total 2020
	Notes	£	£	£	£	£
<u>Income and endowments from:</u>						
Donations and legacies	3	190,901	-	-	190,901	30,120
Charitable activities	4	8,654	-	-	8,654	8,825
Activities for generating funds	5	32,370	-	-	32,370	28,238
Investments	6	66,727	-	-	66,727	62,757
Other income	7	9,882	-	22,600	32,482	57,661
Total income		308,534	-	22,600	331,134	187,601
<u>Expenditure on:</u>						
Raising funds	8	1,747	-	-	1,747	6,748
Charitable activities	9	172,097	-	-	172,097	150,676
Total resources expended		173,844	-	-	173,844	157,424
Net gains/(losses) on investments	13	315,353	-	-	315,353	196,426
Net movement in funds		450,043	-	22,600	472,643	226,603
Net movement in funds		450,043	-	22,600	472,643	226,603
Fund balances at 1 January 2021		2,222,388	158,430	101,338	2,482,156	2,255,553
Fund balances at 31 December 2021		2,672,431	158,430	123,938	2,954,799	2,482,156

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

All income and expenditure derive from continuing activities.

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

Prior financial year

		Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	3	30,120	-	-	30,120
Charitable activities	4	8,825	-	-	8,825
Activities for generating funds	5	28,238	-	-	28,238
Investments	6	62,757	-	-	62,757
Other income	7	19,461	-	38,200	57,661
Total income		149,401	-	38,200	187,601
<u>Expenditure on:</u>					
Raising funds	8	6,748	-	-	6,748
Charitable activities	9	150,676	-	-	150,676
Total resources expended		157,424	-	-	157,424
Net gains/(losses) on investments	13	196,426	-	-	196,426
Net movement in funds		188,403	-	38,200	226,603
Fund balances at 1 January 2020		2,033,985	158,430	63,138	2,255,553
Fund balances at 31 December 2020		2,222,388	158,430	101,338	2,482,156

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

All income and expenditure derive from continuing activities.

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	14		178,133		197,830
Investments	15		2,615,685		2,159,498
			<u>2,793,818</u>		<u>2,357,328</u>
Current assets					
Debtors	17		14,636		15,097
Cash at bank and in hand			160,049		134,391
			<u>174,685</u>		<u>149,488</u>
Creditors: amounts falling due within one year	18		(13,704)		(24,660)
Net current assets			<u>160,981</u>		<u>124,828</u>
Total assets less current liabilities			<u>2,954,799</u>		<u>2,482,156</u>
Income funds					
Restricted funds	19		123,938		101,338
<u>Unrestricted funds</u>					
Designated funds	20		158,430		158,430
General unrestricted funds			1,901,043		1,224,397
Revaluation reserve			771,388		997,991
			<u>2,830,861</u>		<u>2,380,818</u>
			<u>2,954,799</u>		<u>2,482,156</u>

The financial statements were approved by the Trustees on

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H Bains
Trustee

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Marx Memorial Library is a registered charity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Articles of Association, the Charities Act 2011 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 charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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 financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and 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, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The trustees continue to monitor the impact of COVID-19 and potential implications on future operations. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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 financial statements.

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

1.4 Income

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies **(Continued)**

Income has been recognised gross on the basis of entitlement, certainty and measurement.

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except in so far as they are incapable of financial measurement. Income under deed of covenant or gift aid is included in the accounts gross.

Investment income is recognised on a receivable basis.

1.5 Expenditure

Support costs are allocated to the one charitable activity of the charity.

Expenditure is recognised on an accruals basis, inclusive of value added tax.

Costs of generating funds are those costs incurred in attracting voluntary income, in particular grant funding and the costs of maintaining the charity's profile within the sector.

Governance costs include those costs incurred in the governance of the charity's assets and are primarily associated with constitutional and statutory requirements.

1.6 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 a reducing balance basis, as follows:

Improvement to premises	33% per annum
Office equipment	33% per annum

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.

The Marx Memorial Library holds and conserves a number of collections made up of books, journals, newspapers, magazines, databases, maps, manuscripts and much more. In accordance with FRS 102 and SORP (FRS 102) assets acquired in the past have been capitalised at cost, where known. Donated items acquired in the past have not been capitalised, since reliable estimates of cost or valuation are not available at a cost commensurate with the benefit to the users of the accounts. The trustees consider the heritage assets to have indefinite lives and are therefore not depreciated. Heritage assets are reviewed at each reporting date for any impairment due to physical deterioration, breakage or other factors.

Future material additions to the collection will be capitalised and recognised in the balance sheet under heritage assets at their cost or valuation. Small items with values below the Library's capitalisation threshold of £250 are expensed when the expenditure is incurred.

1.7 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.8 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).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 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.

1.10 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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 funds general 2021 £	Unrestricted funds general 2020 £
Donations and gifts	190,901	30,120
Donations and gifts		
Grants	-	4,690
Donations	190,901	25,430
	<u>190,901</u>	<u>30,120</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

4 Charitable activities

	2021	2020
	£	£
Educational services	8,654	8,825
	<u>8,654</u>	<u>8,825</u>
Analysis by fund		
Unrestricted funds - general	8,654	8,825
	<u>8,654</u>	<u>8,825</u>

5 Activities for generating funds

	Unrestricted funds general 2021	Unrestricted funds general 2020
	£	£
Non-charitable trading activities	32,370	28,238
	<u>32,370</u>	<u>28,238</u>

6 Investments

	Unrestricted funds general 2021	Unrestricted funds general 2020
	£	£
Income receivable	66,727	62,757
	<u>66,727</u>	<u>62,757</u>

7 Other income

	Unrestricted funds general 2021	Restricted funds 2021	Total 2021	Unrestricted funds general 2020	Restricted funds 2020	Total 2020
	£	£	£	£	£	£
Other income	9,882	22,600	32,482	19,461	38,200	57,661
	<u>9,882</u>	<u>22,600</u>	<u>32,482</u>	<u>19,461</u>	<u>38,200</u>	<u>57,661</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

8 Raising funds

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
<u>Fundraising and publicity</u>		
Seeking donations, grants and legacies	1,747	6,748
	<u>1,747</u>	<u>6,748</u>

9 Charitable activities

	2021 £	2020 £
Staff costs	72,612	59,798
Depreciation and impairment	24,170	10,195
Library running costs	65,002	61,311
Share of governance costs	10,313	19,372
	<u>172,097</u>	<u>150,676</u>

10 Governance costs

	2021 £	2020 £
Accountancy fees	10,164	18,973
Bank charges	149	399
	<u>10,313</u>	<u>19,372</u>
Analysed between		
Charitable activities	<u>10,313</u>	<u>19,372</u>

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year for their services as trustees, but 1 of them was reimbursed a total of £577 for expenses in 2020.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

12 Employees

The average monthly number of employees during the year was:

	2021	2020
	Number	Number
	4	2
	<u>4</u>	<u>2</u>
Wages and salaries	67,684	52,764
Social security costs	1,949	3,752
Other pension costs	2,979	3,282
	<u>72,612</u>	<u>59,798</u>

There were no employees whose annual remuneration was £60,000 or more.

13 Net gains/(losses) on investments

	Unrestricted funds general 2021	Unrestricted funds general 2020
	£	£
Revaluation of investments	315,353	196,426
	<u>315,353</u>	<u>196,426</u>

14 Tangible fixed assets

	Improvement to premises	Office equipment	Heritage assets	Total
	£	£	£	£
Cost				
At 1 January 2021	358,770	75,305	129,629	563,704
Additions	4,005	468	-	4,473
	<u>362,775</u>	<u>75,773</u>	<u>129,629</u>	<u>568,177</u>
At 31 December 2021				
Depreciation and impairment				
At 1 January 2021	293,433	72,441	-	365,874
Depreciation charged in the year	23,111	1,059	-	24,170
	<u>316,544</u>	<u>73,500</u>	<u>-</u>	<u>390,044</u>
At 31 December 2021				
Carrying amount				
At 31 December 2021	<u>46,231</u>	<u>2,273</u>	<u>129,629</u>	<u>178,133</u>
At 31 December 2020	<u>65,337</u>	<u>2,864</u>	<u>129,629</u>	<u>197,830</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

14 Tangible fixed assets **(Continued)**

The Library, Land and Buildings are held on a 51 year lease which terminates in 2047, and are ultimately owned by Marx House Limited, a company incorporated in the UK. Each party buys their own insurance, MHL as landlord to cover the superstructure of Marx House, MML as tenant to cover the contents. MML has agreed to pay MHL's insurance cost in addition to the previous notional rent of £300 per year. MHL's insurance costs in 2018 were £1,845, so the parties agreed that should that be £2,200 rounded up, therefore the real rental charge for the Marx Memorial Library occupying Marx House is £2,200 each year.

15 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2021	2,159,498
Additions	1,155,971
Valuation changes	315,353
At 31 December 2021	3,630,822
Impairment	
At 1 January 2021	-
Disposals	1,015,137
At 31 December 2021	1,015,137
Carrying amount	
At 31 December 2021	2,615,685
At 31 December 2020	2,159,498

Fixed asset investments revalued

Investments are revalued quarterly to their fair value using the bid price.

	2021 £	2020 £
16 Financial instruments		
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	2,615,685	2,159,498

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

17 Debtors	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	13,246	9,117
Prepayments and accrued income	1,390	5,980
	<u>14,636</u>	<u>15,097</u>
	<u><u>14,636</u></u>	<u><u>15,097</u></u>
18 Creditors: amounts falling due within one year	2021	2020
	£	£
Other taxation and social security	1,406	2,476
Trade creditors	4,007	14,248
Other creditors	456	93
Accruals and deferred income	7,835	7,843
	<u>13,704</u>	<u>24,660</u>
	<u><u>13,704</u></u>	<u><u>24,660</u></u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds		Balance at 31 December 2021 £
	Balance at 1 January 2020 £	Incoming resources1 £	Balance at January 2021 £	Incoming resources £	
1917 Russian Revolution	262	-	262	-	262
Tolpuddle projects	1,012	-	1,012	-	1,012
Spanish digitising project	6,350	-	6,350	-	6,350
Marx 200 project	3,691	-	3,691	-	3,691
UNITE History project	21,823	38,200	60,023	22,600	82,623
Flood remedial and conservation works	30,000	-	30,000	-	30,000
	<u>63,138</u>	<u>38,200</u>	<u>101,338</u>	<u>22,600</u>	<u>123,938</u>

The 1917 Russian Revolution fund received from the Heritage Lottery Fund enabled a Marx Memorial Library website and travelling exhibition on the Russian Revolution (1917-1922), its impact on World War 1 and the European Labour Movement.

Tolpuddle Project - After bound volumes of The Dorsetshire County Chronicle and Somersetshire Gazette were discovered in MML's basement stores a restricted fund project was opened up, with significant individual but also many trade union donations after it became clear that these rare journals effectively documented the story of the Tolpuddle Martyrs. The poor condition challenged effective use but funds for conservation and display were raised to enable public use without stressing our own finances.

Spanish Digitising Project - Thanks to a grant from The National Archives Cataloguing Grants Scheme, involving the Heritage Lottery Fund, in association with the grant funder Pilgrim Trust, MML was enabled to re-organise, classify and catalogue the wide-ranging material within its Spanish Collection, especially the archives of the International Brigade. This provided for the employment of a professional archivist for the period of 11 months to February 2018.

Marx 200 - To mark the 200th birth of Karl Marx in 1818, MML organised a 200-strong Eventbrite ticketed conference on Saturday 5 May 2018 at the School of Oriental and African Studies in London, UK). This was achieved with the support of outside funders and ticket income. A small surplus has been reserved for the development of a book and a film.

Unite History Project - in conjunction with the Executive Council of Unite the union, a project directed by an Editorial Committee of Mary Davis, John Foster, Meirian Jump, Marj Mayo, Jim Mowatt, Graham Stevenson and Adrian Weir has been set up to develop awareness and interest of the union's history — and that of its predecessor unions. A key part of the project's work will be to produce six volumes of the history of the Transport & General Workers' Union (TGWU/T&G) in time for the centenary anniversary of that union's foundation.

Flood remedial and conservation works - A restricted fund of monies raised through an appeal to pay for remedial work on the MML's roof and memorial garden, in addition to a range of collection care initiatives to better preserve MML's library and archive in the aftermath of the flood of September 2019.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds		Movement in funds		
	Balance at 1 January 2020	Incoming resources ¹	Balance at January 2021	Incoming resources	Balance at 31 December 2021
	£	£	£	£	£
Capital Reserve	102,564	-	102,564	-	102,564
Library Development	55,866	-	55,866	-	55,866
	<u>158,430</u>	<u>-</u>	<u>158,430</u>	<u>-</u>	<u>158,430</u>

A library development designated fund was initially established during 2014 from some relatively small, but very welcome, donations from a variety of sources. This was supplemented during 2014 by the remains of a large inheritance of £174,937 gifted to MML provided by the estate of Jonathan Carritt.

£120,000 of this was immediately ploughed back into shares in a new CCLA ethical fund account, providing income in the longer term. The residue of the designated fund was used to provide for expenditure on the development of income generating activities, and saving costs. The Fund remains available as a designated account for trustees to use at their discretion. It has been determined to place the bulk of bequests coming in during 2018 to purchase further shares in the ethical fund, which can serve as a readily accessible reserve fund for the charity. The charity invested £150,000 in ethical funds in April 2020.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

21 Analysis of net assets between funds

	Unrestricted funds		Unrestricted funds		Designated funds		Designated funds		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£	£	£	£	£
Fund balances at 31 December 2021 are represented by:										
Tangible assets	178,133	-	-	-	178,133	127,834	-	-	69,996	197,830
Investments	2,615,685	-	-	-	2,615,685	2,159,498	-	-	-	2,159,498
Current assets/(liabilities)	160,981	-	-	-	160,981	124,828	-	-	-	124,828
	<u>2,954,799</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,954,799</u>	<u>2,412,160</u>	<u>-</u>	<u>-</u>	<u>69,996</u>	<u>2,482,156</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

22 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

23 Analysis of changes in net funds

The charity had no debt during the year.