

LIBRARIES UNLIMITED SOUTH WEST

England & Wales · Charity number 1170092

Details

Status Registered

Legal form Charitable company

Company number [09822597](#)

Registered 2016-11-09

Register [View on the Charity Commission register](#)

Contact

Address Libraries Unlimited
Exeter Library
Castle Street
Exeter
EX4 3PQ

Phone 01884 824546

Email info@librariesunlimited.org.uk

Website www.librariesunlimited.org.uk

Activities

Objects: THE CHARITY HAS BEEN ESTABLISHED FOR PUBLIC BENEFIT TO:1)PROMOTE THE ADVANCEMENT OF EDUCATION BY THE ESTABLISHMENT AND/OR MAINTENANCE OF A LIBRARY AND/OR LIBRARY SERVICE; AND/OR2)WITHOUT PREJUDICE TO THE GENERALITY OF THE ABOVE, ESTABLISH AND/OR MAINTAIN A LIBRARY AND/OR LIBRARY SERVICE IN AND THROUGHOUT DEVON, INCLUDING, BUT NOT LIMITED TO, RURAL COMMUNITIES AND WITH A PARTICULAR FOCUS ON CHILDREN AND YOUNG PEOPLE; AND/OR3)PROVIDE OR ASSIST IN THE PROVISION OF COMMUNITY FACILITIES REFERRED TO AS “COMMUNITY HUBS” TO BE AVAILABLE TO ALL SECTIONS OF THE COMMUNITY WITHOUT DISTINCTION, INCLUDING USE FOR MEETINGS, LEARNING, READING, SHARING AND/OR FOR OTHER EDUCATIONAL AND/OR RECREATIONAL OR LEISURE TIME ACTIVITIES PROVIDED IN THE INTERESTS OF SOCIAL WELFARE, WITH THE OBJECT OF IMPROVING THE CONDITIONS OF LIFE FOR ALL THOSE WHO USE THE FACILITIES; AND/OR4)PROMOTE THE ADVANCEMENT OF EDUCATION OF THE ARTS BY THE ESTABLISHMENT AND MAINTENANCE OF A MUSEUM AND/OR ART GALLERY; AND/OR5)DEVELOP THE CAPACITY AND SKILLS OF THE MEMBERS OF THE LOCAL COMMUNITY, AND PARTICULARLY CHILDREN AND YOUNG PEOPLE, WHO ARE SOCIALLY OR ECONOMICALLY DISADVANTAGED IN SUCH A WAY THAT THEY ARE BETTER ABLE TO IDENTIFY, AND HELP MEET, THEIR NEEDS AND TO PARTICIPATE MORE FULLY IN SOCIETY; AND/OR6)PURSUE SUCH OTHER CHARITABLE PURPOSES CONSISTENT WITH THE ABOVE AS THE TRUSTEES, IN THEIR ABSOLUTE DISCRETION, SHALL DETERMINE (TOGETHER THE “OBJECTS”).

Activities: Promoting and encouraging a love of reading. Providing free access to information. Inspiring people of all ages to learn, imagine, create, succeed. Guiding and supporting people to explore and connect to the wider world. Offering a welcoming space to meet, socialise, learn, read and enjoy new experiences. Supporting the health and wellbeing of individuals and local communities.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, Education/training, Arts/culture/heritage/science, Economic/community Development/employment, Recreation
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** LOCAL
- Devon

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£9,415,501	£9,668,874	£3,223,782	360
2024-03-31	£9,542,154	£9,462,065	£3,472,154	371
2023-03-31	£8,502,619	£9,002,652	£3,392,065	383
2022-03-31	£8,900,000	£8,299,000	£3,892,000	359
2021-03-31	£9,535,000	£7,186,000	£3,280,000	373

Trustees

Name	Role	Appointed
Alan Jeffrey Nash		2023-03-08
Alexander John Kittow		2019-06-04
Crystal Ja-Nae Carter		2020-10-20
Emma Louise Prudden		2025-10-22
Eve Courtney Butler		2023-03-08
James Anthony-Edwards		2025-10-22
Katie Villa		2024-06-06
Lynn Elspeth Morris		2022-05-24
Marie Bernadette Chadwick		2020-10-20
Morgen Witzel		2018-02-23
Pamela Joy Morrison		2025-09-16
Professor Marwa Tourky		2023-10-19
Steven Williams		2024-06-06

LIBRARIES UNLIMITED SOUTH WEST

England & Wales - Charity number 1170092

Accounts

Company registration number: 09822597

Charity registration number: 1170092

Libraries Unlimited South West

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2025



WESTCOTTS

CHARTERED ACCOUNTANTS
& BUSINESS ADVISERS

TUESDAY



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COMPANIES HOUSE

Libraries Unlimited South West

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Libraries Unlimited South West

Reference and Administrative Details

Libraries Unlimited South West (commonly referred to as "Libraries Unlimited") is a Registered Charity and Company Limited by guarantee and does not have any share capital. Its governing document is the Articles of Association which was updated and approved by members on the 21 May 2020 and 20 October 2020.

The company was incorporated on 13 October 2015, commenced trading on 1 April 2016 and registered as a charity on 9 November 2016.

Chair Marie Chadwick

Deputy Chair Morgen Witzel (appointed November 2024)

Trustees:

- Eve Ashton
- Crystal Carter
- Marie Chadwick
- James Anthony-Edwards (appointed 22 October 2025)
- Alex Kittow
- George Lossius (resigned 6 June 2024)
- Lynn Morris
- Joy Morrison (appointed 16 September 2025)
- Alan Nash
- Andrew Prince (resigned 16 September 2025)
- Emma Prudden (appointed 22 October 2025)
- Sue Simmons (resigned 5 March 2025)
- Marwa Tourky
- Katie Villa (appointed 6 June 2024)
- Steven Williams (appointed 6 June 2024)
- Morgen Witzel

Libraries Unlimited South West

Reference and Administrative Details

Chief Executive	Alex Kittow
Key Management Personnel	Head of Library Service and Customer Experience - Kate Turner Chief Finance Officer - Tom Glanville Chief Operating Officer - Steve Turner Chief People Officer - Beth Reynolds
Charity Registration Number	1170092
Company Registration Number	09822597
Principal Office	The charity is incorporated in England and Wales. Exeter Library Castle Street Exeter Devon EX4 3PQ
Auditor	Westcotts (SW) LLP 47 Boutport Street Barnstaple Devon EX31 1SQ
Solicitors:	Kitson Boyce Solicitors Ashleigh Way Language Business Park Plympton Plymouth PL7 5JX
Bankers	Barclays Bank Plc Exeter Devon EX1 1LX

Libraries Unlimited South West

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2025.

This report satisfies the legal requirements for:

- A Directors' Report for a charitable company
- A Trustees' Annual Report under the Charities Act 2011.

OUR MISSION

"To bring ideas, imagination, creativity and knowledge to enrich lives and build thriving communities."

OUR CORE PURPOSES

The Charity's core purposes set out how we achieve our vision:

- Promoting a love of reading;
- Providing free access to resources and information;
- Inspiring everyone to learn, create and realise their potential;
- Enabling everyone to explore and connect to the wider world;
- Offering welcoming spaces;
- Supporting the health and wellbeing of individuals and communities.

LEGAL OBJECTS

The Charity has been established for public benefit to:

- Promote the advancement of education by the establishment and/or maintenance of a library and/or library service
- Establish and/or maintain a library and/or library service in and throughout Devon, including, but not limited to, rural communities and with a particular focus on children and young people
- Provide or assist in the provision of community facilities referred to as "Community Hubs" to be available to all sections of the community without distinction, including use for meetings, learning, reading, sharing and/or for other educational and/or recreational or leisure time activities provided in the interests of social welfare, with the object of improving the conditions of life for all those who use the facilities; and/or
- Promote the advancement of education of the arts by the establishment and maintenance of a museum and/or art gallery
- Develop the capacity and skills of the members of the local community, and particularly children and young people, who are socially or economically disadvantaged in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society;
- Pursue such other charitable purposes consistent with the above.

PUBLIC BENEFIT

The trustees have ensured that the charity's activities are to the public benefit and they have had regard to the Charity Commission's guidance on public benefit.

Libraries Unlimited South West

Trustees' Report

STRATEGIC REPORT

STRATEGIC AIMS

In delivering its overall charitable purposes, Libraries Unlimited established five strategic pillars to drive activities and assess its effectiveness. These are as follows:

- People
- Community
- Diversification
- Environment
- Infrastructure

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Core Library Services

The Charity has five-year contracts with Devon County Council and Torbay Council for the provision of library and information services to residents, businesses and visitors to Devon. The Councils have the ability to extend these contracts for a further five years subject to effective performance. In both cases the option to extend was taken by the Councils. We work in collaboration with the Councils to support their statutory duties under the Public Libraries and Museums Act 1964 and specifically to ensure that local services:

- Serve both adults and children
- Work in partnership with other groups, organisations and agencies
- Are available to everyone and meet any special needs or requirements of members of the local community
- Encourage participation and full use of the services, and
- Provide value for money.

We deliver this service through 54 static libraries across Devon's communities. Libraries Unlimited and the Councils are committed to maintaining the current provision of physical libraries, along with the number of hours that libraries are open to the public and supported by paid library professionals. We offer a home delivery service to customers that are unable to access other services.

In 2024-25, Devon County Council reduced the amount of funding for the Library Service contract as part of wider cost saving measures taken by the council. Like all charities, we faced a tough economic environment and while inflationary pressures cooled towards the end of the financial year, costs remained high at a time when core funding is being reduced.

The Trustees have focused intensely on these funding challenges, acknowledging that the cut in funding would require them to support a larger deficit from the Charity's reserves in the run up to the end of our current contract with Devon County Council. The Trustees approved a budget for 2024-25 with an unrestricted deficit of £496k and are pleased to report that with strong financial management the Charity has ended the year ahead of this position. We have limited the size of our unrestricted deficit, delivered savings on our expenditure and increased our income in areas such as room hire, donations and events. We are grateful to have such an accomplished group of staff, managers and leaders to take us through these challenging economic times.

Despite the challenging economic picture, we continue to focus and develop our service and whilst physical borrowing remained consistent at 1.6m in 2024-25 (1.6m 2023-24), digital borrowing increased by 40%. Customers continued to use other resources such as accessing ICT and enjoying learning and social activities with visits to Libraries increasing from 2.3m in 2023-24 to 2.6m in 2024-25.

Libraries Unlimited South West

Trustees' Report

Customers logged in to over 220k wi-fi sessions in our libraries during 2024-25, an increase of 18k (9%) compared with 2023-24.

At Libraries Unlimited our purpose is to build lives and enrich communities and as such it is extremely encouraging to see attendance at events increase from 232k in 2023-24 to 260k in 2024-25. We organised 14k events in 2024-25 compared with 12.4k in 2023-24.

The Charity was re-appointed as a National Portfolio Organisation (NPO) with Arts Council England for another 2 years (up to 2027) and continued to develop and deliver various arts and culture events throughout our libraries during the year.

Our Libraries for Life campaign ran throughout the winter, offering everything from free hot drinks, a warm place to sit and a friendly face, to clothing rails, budgeting and cooking advice with access to community fridges combatting food waste. Our warm welcoming spaces were clearly offering extra value and that shows in our statistics.

Key Operating Indicators (April to March)

	2024-25	2023-24	2022-23
Library Visits	2,662,099	2,287,562	2,234,457
Physical loans	1,495,935	1,605,273	1,625,905
Volunteer Hours	34,735	24,304	21,492
Computer & Wi-Fi sessions	381,998	364,431	328,747
Attendance at events	260,095	232,215	190,834
Active borrowers	129,200	136,649	131,663

In addition to the above, we have also seen other significant statistics as follows:

- A 21% increase in total e-Audiobook downloads up to over 350,000.
- eBook downloads went up 3% to over 261,000.
- A 89% rise in ePress downloads (newspapers and magazines) downloads to over 572,000.
- Public computer sessions: 161,141.
- Volunteer hours up by 10,000 to over 34,700 - a rise of 43%.
- More than 10,000 children took part in our Summer Reading Challenge.

Libraries Unlimited South West

Trustees' Report

FINANCIAL REVIEW

Financial Performance - Headline Indicators

	2024-25	2023-24	2022-23
Total income	£9,415,000	£9,542,000	£8,504,000
Total surplus / (deficit)	(£248,000)	£80,000	(£500,000)
Net surplus margin	n/a	0.8%	n/a
Net increase / (decrease) in cash	(£457,000)	£114,000	(£332,000)
Current ratio	3.05	2.88	5.08
Unrestricted reserves	£2,930,000	£3,241,000	£3,208,000

Financial Performance - Income and Surplus

The Statement of Financial Activities shows that the Charity generated a net decrease in funds of £248k (2023/24: net increase of £80,000) on an annual income of £9,415,000 (2023/24: £9,542,000). The budgeted deficit for 2024/25 was £496,000. The result for 2024-25 was better than budget due to the following factors:

- Proactive staff vacancy and cost management throughout the period.
- Greater than forecast investment income.
- The surplus generated on restricted funds where the costs will follow in the new financial year.

Balance sheet position and cash flows

The Charity is primarily a service provider organisation that does not hold property. As a result, balance sheet strength is driven by an excess of current assets over current liabilities. The cash position, £2.8m as at 31 March 2025 (2024: £3.3m), remains strong and payments under local authority service contracts and the Arts Council England funding for NPO will continue to be received quarterly in advance. In addition, the Charity is debt free which eliminates any interest rate risk from UK monetary policy.

Reserves Policy

During the year the trustees adopted a new reserves policy following a review of the existing policy.

The Charity needs to provide resilience and stability to its services. The reserves policy has been set to support us in delivering our mission by ensuring that our work is protected from the risk of disruption at short notice due to a lack of funds, whilst at the same time ensuring that we do not retain income for any longer than required.

We have calculated the appropriate free reserves range for our organisation is £1.1m to £1.3m. The Board of Trustees consider that this target range provides sufficient flexibility in the context of operational requirements, the consideration of the need for the charity to have resilience against risk and for an organisation of our size and complexity.

At 31 March 2025, unrestricted reserves amounted to £2.9m (2024: £3.2m) of which free reserves totalled £1.9M (2024: £2.2m). The Trustees acknowledge that the current level of reserves is in excess of the reserves policy. In 2025-26 Devon County Council have cut core funding for the Library Service by a further £300k. In addition, the changes to Employers' National Insurance that came into effect from April 25 are forecast to cost the Charity an additional £200k which has not been supported by a funding increase from either of our commissioning Councils. As such, the Trustees expect to be deploying the Charity's reserves supporting the current funding gap while negotiations continue with Devon County Council.

Libraries Unlimited South West

Trustees' Report

The Trustees will continue to review the reserves policy on an ongoing basis.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees are responsible for the identification, mitigation and management of risk and have established a formal risk management framework to assess business risk and to implement risk management strategies. Trustees have determined that the Charity should be risk aware not risk averse, recognising that it will need to take risks in order to innovate and improve services to beneficiaries.

A risk register is maintained by the Charity. Risks are scored on a multiplier of impact and probability and are reported quarterly to the Finance and Audit Committee and the full Board. Principal risks at the balance sheet date and actions taken or planned to mitigate them are as follows:

Main risks

1. Ongoing negotiations with Devon County Council regarding an extension of the current Library Service contract following the announcement of Local Government Reorganisation.

- Strong collaborative relationships with relevant commissioners
- Business and financial planning

2. Further reductions in service contract fees, plus contract renewals and pricing in the context of public sector austerity and funding for local authorities

- Business and financial planning
- Review of potential alternative income streams
- Strong collaborative relationships with relevant commissioners

3. Continued economic uncertainty and the potential impact on staffing, supply chain and future contracts and funding

- Engagement with relevant commissioners
- Strengthen and diversify supply chain

Future prospects

Trustees are currently focused on securing an extension to the Charity's service contract with Devon County Council. This contract currently expires in March 2026. There was an expectation that this contract would be put out for tender in advance of expiry, but as a result of the announcement of Local Government Reorganisation, the Trustees are currently in negotiations with Devon County Council over the terms of an extension to the current contract.

Devon County Council (DCC) Cabinet held a meeting in October where they agreed, in principle to the extension of the current term for Libraries by two years, to cover the period from the 1st April 2026 to 31st March 2028, with a further one year if required. This will be formally discussed and agreed at the DCC Cabinet meeting on the 12th November 2025. DCC has also agreed to carry out a full public consultation starting in late November 2025 which will help to shape the future of the Library service in Devon and Libraries Unlimited and its staff, customers and supporters will be fully involved in this process.

The Trustees are confident that our strong relationship with Devon County Council and the performance of the Charity in delivering the service contract over the last 10 years places us in a strong position to complete and deliver into the future. Our contract with Torbay Council runs until March 2028.

Libraries Unlimited South West

Trustees' Report

The charity continues to widen its customer base within the wider cultural and business sectors. It has secured grant funding until March 2027 in relation to its successful bid to become a National Portfolio Organisation of Arts Council England which will be used to enhance the arts and cultural offer across Devon.

Additionally, the Charity was also grateful to receive £200k from the Clore Duffield Foundation which, along with fantastic support from local companies, will be used to renovate the children's library in Exeter during 2025-26.

After the end of the financial year the Charity secured National Lottery funding totalling £1.5M over 5 years for the Together for Tomorrow programme of supporting local communities in Devon to tackle climate change. This is indicative of the Charity's continued and growing success in securing funding to deliver community focused projects across the county.

The charity is also well positioned to play an active role in the economic and social development of local communities. It will continue to demonstrate the impact of providing existing services as well as piloting new offerings and channels. With a wide geographic reach, the charity can be proactive in supporting community regeneration, disadvantaged families, local businesses and those adversely impacted by the pandemic and resultant lockdown restrictions. Our five-year strategy lays out our ambitions and how we will measure our progress against specific goals.

STRUCTURE AND GOVERNANCE

Membership and control

Libraries Unlimited South West is a membership organisation. The liability of any member is limited to a sum not exceeding £1. Membership classes are as follows:

- Staff Membership Group - any member of staff employed by the Charity is entitled to apply.
- Community Membership Group - any Library Friends Group is entitled to apply.
- Trustee Membership Group - all appointed Trustees shall be members of the Charity.

Staff and Community members each control 33% of voting rights at General Meeting, with Trustees controlling the remaining 34%.

The Board of Trustees

The Board of Trustees oversees the management of the Charity and comprises:

- Up to two Staff Trustees;
- Up to two Community Trustees;
- Chief Executive, ex officio;
- Up to seven Independent Trustees.

Staff Trustees are appointed for a fixed term of three years by a majority vote of the employees of the Charity. Community Trustees are similarly appointed for a fixed term of three years on a majority vote of the Friends' Groups. Independent Trustees are also appointed for a fixed term of three years, expiring at the end of the AGM in the third year following their appointment, by ordinary resolution.

As part of induction and training all new Trustees meet with the Chair, senior managers and HR Manager and have a programme of site visits to understand the charity's culture, operations and processes. A Trustee Handbook is maintained by all Trustees and contains information on the Charity Articles of Association, key operations and summary business plan. It also provides advice on governance framework within the organisation, including the duties of Trustees and arrangements to avoid conflicts of interest.

Libraries Unlimited South West

Trustees' Report

Committees

The Board of Trustees have the following committees in place for the efficient conduct of business:

- Finance and Audit
- People and Operations
- Business Development
- Trustee Nominations
- Fundraising Committee

Terms of reference exist for each committee.

Remuneration of Senior Management

The Chief Executive and staff trustees (two in the reporting period) were paid during the year by virtue of their employment. No other trustees were paid during the reporting period.

Senior management salary levels are currently determined through a combination of role and responsibilities, coupled with an assessment of the local market for specific sectors. Salary levels are considered and approved by the People and Operations Committee. Senior managers are employed on standard terms and conditions in relation to annual leave, pension contributions and expenses as applied to members of staff. The cost of salaries paid to senior managers is included in Note 12.

Gender Pay Gap

As an organisation with more than 250 employees, we are legally required to comply with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 and publish Gender Pay Gap reporting information on an annual basis. This requires us to report on two genders only, which we recognise does not reflect everyone's lived experience of gender but is the legal obligation. However, as part of our diversity data, we ask people to provide their gender identity, so we have looked at this in addition to our legal duty, but the numbers are very small and further analysis is not possible therefore without potentially revealing identities. We still hope to be able to develop this further in future years.

As at 5th April 2024, our median gender pay gap was 0.0% (5.8% as at 5th April 2023) and is less than the ONS 2023 national average of 14.3%. Compared to other Library Services' figures from 2023 (2024's has not been published yet), our GPG is better. Our mean gender pay gap was 16.87% which shows no change from last year.

Whilst we have seen an improvement in our Median GPG and no change in the Mean GPG this year, we continue to be aware that some of the factors affecting our Gender Pay Gap as set out above are deeply ingrained and are wider societal issues. This is never intended as an excuse but is a recognition that it will take time to bring about change and that this will be challenging. Since 1997, there has been a steady decrease in the overall pay gap nationally, which is positive but unfortunately gradual. As an organisation, we remain committed to our ambition to ensure Gender Pay Gaps are eliminated and will play our role in that, focussing on doing what we can to push forward that change. We set out a number of actions we proposed to take in October 2021 when reporting on our April 2021 figures, and we continue to work towards those.

Libraries Unlimited South West

Trustees' Report

We will continue to work on encouraging more men into frontline roles, women into senior roles in all areas of the organisation especially traditionally male dominated sectors, and men to utilise flexible working and family friendly policies such as Shared Parental Leave. However, it is also important to recognise that these actions will be part of a large cultural shift that is required, both within the organisation and as a wider society, so we recognise that this is a direction of travel that we are very committed to, rather than actions that will automatically result in change immediately.

Employment of Disabled People

The Charity is committed to ensuring that its staff base is reflective of the communities it serves. The Charity has high levels of part-time working and will always consider workplace adjustments and job carving techniques to help employees manage long term health conditions.

We are mindful of any reasonable adjustments required to ensure disabled job candidates are not disadvantaged at recruitment interviews and assessment centres.

TRUSTEE RESPONSIBILITIES

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice and applicable law. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of Libraries Unlimited South West and of the surplus or deficit of Libraries Unlimited South West for that period. In preparing these statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe methods and principles in the Charities SORP (FRS 102)
- 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 financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation.

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of Libraries Unlimited South West and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and 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 corporate and financial information included in Libraries Unlimited South West's website. Legislation in England and Wales governing the preparation and dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

Libraries Unlimited South West

Trustees' Report

STATEMENT OF DISCLOSURE TO THE AUDITORS

So far as the Trustees are aware:

- There is no relevant audit information of which Libraries Unlimited South West's auditors are unaware, and
- We have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that auditors are aware of that information.

APPOINTMENT OF AUDITORS

The re-appointment of Westcotts (SW) LLP as auditors to Libraries Unlimited South West will be proposed at the Annual General Meeting.

Statement of trustees' responsibilities

The trustees (who are also the directors of Libraries Unlimited South West for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and 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, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Libraries Unlimited South West

Trustees' Report

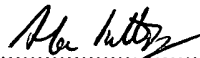
Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 18-12-25 and signed on its behalf by:



Marie Chadwick
Chair and Trustee



Alex Kittow
Chief Executive Officer and Trustee

Libraries Unlimited South West

Independent Auditor's Report to the Members of Libraries Unlimited South West

Opinion

We have audited the financial statements of Libraries Unlimited South West (the 'charity') for the year ended 31 March 2025, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 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.

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 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 the provisions available for small entities, in the circumstances set out in note to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Libraries Unlimited South West

Independent Auditor's Report to the Members of Libraries Unlimited South West

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities (set out on page 11), the trustees 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor responsibilities for the audit of the financial statements

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

Libraries Unlimited South West

Independent Auditor's Report to the Members of Libraries Unlimited South West

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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:

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees 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 and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Libraries Unlimited South West

Independent Auditor's Report to the Members of Libraries Unlimited South West

Catherine Williams

Catherine Williams FCA DChA (Senior Statutory Auditor)

For and on behalf of
Westcotts (SW) LLP
47 Boutport Street
Barnstaple
Devon
EX31 1SQ

Date: *22nd December 2025*

Libraries Unlimited South West

Statement of Financial Activities for the Year Ended 31 March 2025 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £ 000	Restricted funds £ 000	Total 2025 £ 000	Total 2024 £ 000
Income and Endowments from:					
Donations and legacies	3	56	883	939	703
Charitable activities	4	7,734	1	7,735	8,103
Other trading activities	5	548	14	562	532
Investment income	6	171	-	171	204
Other income	7	8	-	8	-
Total income		<u>8,517</u>	<u>898</u>	<u>9,415</u>	<u>9,542</u>
Expenditure on:					
Raising funds	8	(41)	(6)	(47)	(49)
Charitable activities	9	<u>(8,792)</u>	<u>(829)</u>	<u>(9,621)</u>	<u>(9,413)</u>
Total expenditure		(8,833)	(835)	(9,668)	(9,462)
Gains/(losses) on investment property revaluation		<u>5</u>	<u>-</u>	<u>5</u>	<u>-</u>
Net (expenditure)/income		<u>(311)</u>	<u>63</u>	<u>(248)</u>	<u>80</u>
Net movement in funds		(311)	63	(248)	80
Reconciliation of funds					
Total funds brought forward		<u>3,241</u>	<u>231</u>	<u>3,472</u>	<u>3,392</u>
Total funds carried forward	22	<u><u>2,930</u></u>	<u><u>294</u></u>	<u><u>3,224</u></u>	<u><u>3,472</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2025 and 2024 are shown in note 22.

Libraries Unlimited South West

(Registration number: 09822597)
Balance Sheet as at 31 March 2025

	Note	2025 £ 000	2024 £ 000
Fixed assets			
Intangible assets	15	179	233
Tangible assets	16	597	595
Investments	17	195	190
		<u>971</u>	<u>1,018</u>
Current assets			
Debtors	18	533	488
Cash at bank and in hand	19	2,813	3,270
		<u>3,346</u>	<u>3,758</u>
Creditors: Amounts falling due within one year	20	<u>(1,093)</u>	<u>(1,303)</u>
Net current assets		<u>2,253</u>	<u>2,455</u>
Net assets		<u>3,224</u>	<u>3,472</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		294	231
Unrestricted income funds			
General Funds		<u>2,930</u>	<u>3,241</u>
Total funds	22	<u>3,224</u>	<u>3,472</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 17 to 39 were approved by the trustees, and authorised for issue on 18.12.25 and signed on their behalf by:



Marie Chadwick
Chair and Trustee



Alex Kittow
Chief Executive Officer and Trustee

The notes on pages 20 to 39 form an integral part of these financial statements.

Libraries Unlimited South West

Statement of Cash Flows for the Year Ended 31 March 2025

	Note	2025 £ 000	2024 £ 000
Cash flows from operating activities			
Net cash (expenditure)/income		(248)	80
Adjustments to cash flows from non-cash items			
Depreciation	8	227	172
Amortisation	8	54	19
Investment income	6	(152)	(189)
Profit on disposal of tangible fixed assets		(8)	-
Revaluation of investments		(5)	-
		<u>(132)</u>	<u>82</u>
Working capital adjustments			
(Increase)/decrease in debtors	18	(45)	12
(Decrease)/increase in creditors	20	(184)	506
(Decrease)/increase in deferred income		(26)	77
		<u>(387)</u>	<u>677</u>
Net cash flows from operating activities			
Cash flows from investing activities			
Interest receivable and similar income	6	152	189
Purchase of intangible fixed assets	15	-	(248)
Purchase of tangible fixed assets	16	(230)	(503)
Sale of tangible fixed assets		8	-
		<u>(70)</u>	<u>(562)</u>
Net cash flows from investing activities			
Net (decrease)/increase in cash and cash equivalents		(457)	115
Cash and cash equivalents at 1 April		<u>3,270</u>	<u>3,155</u>
Cash and cash equivalents at 31 March		<u>2,813</u>	<u>3,270</u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 20 to 39 form an integral part of these financial statements.

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2025

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Libraries Unlimited South West 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 notes. The financial statements have been prepared in sterling which is the functional currency of the charity.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Statement of compliance

The financial statements have been prepared in accordance with 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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Consolidation

Libraries Unlimited South West Limited has a subsidiary company (Libraries Unlimited Enterprises Limited). The subsidiary has never traded and therefore consolidated accounts have not been prepared on the basis that the subsidiary is wholly immaterial to the group.

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2025

Income and endowments

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2025

Charitable activities

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

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Goodwill

Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life on a straight line basis as follows:

Software	3 to 4 years
Goodwill	10 years

Tangible fixed assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Fixed assets costing £1,000 or more are capitalised at cost.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Building Improvements	5 to 10 years (or length of lease if shorter)
-----------------------	-----------------------------------------------

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2025

ICT Hardware	3 to 4 years
Motor Vehicles	3 years
Operational Equipment	3 to 5 years
Fixture, Fittings and Equipment	3 to 7 years

Investment properties

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2025

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

3 Income from donations and legacies

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2025 £ 000
Donations			
Donations	50	16	66
Grants			
British Library Grants	-	1	1
Art Council England	-	250	250
Other	6	616	622
	<u>56</u>	<u>883</u>	<u>939</u>

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2025

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2024 £ 000
Donations			
Donations	43	9	52
Legacies	1	5	6
Grants			
British Library Grants	-	5	5
Art Council England	-	263	263
Other	2	375	377
	<u>46</u>	<u>657</u>	<u>703</u>

4 . Income from charitable activities

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2025 £ 000
Local Authority contracts	7,384	-	7,384
Service user payments & collection fees	158	-	158
Printing & Photocopying income	121	-	121
Other income	6	1	7
Membership and subscriptions	65	-	65
	<u>7,734</u>	<u>1</u>	<u>7,735</u>

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2024 £ 000
Local Authority contracts	7,687	100	7,787
Service user payments & collection fees	151	-	151
Printing & Photocopying income	104	-	104
Other income	2	-	2
Membership and subscriptions	59	-	59
	<u>8,003</u>	<u>100</u>	<u>8,103</u>

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2025

5 Income from other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2025 £ 000
Retail income	88	8	96
Other trading income	15	6	21
Room hire	445	-	445
	<u>548</u>	<u>14</u>	<u>562</u>

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2024 £ 000
Retail income	79	14	93
Other trading income	18	-	18
Catering	1	-	1
Room hire	420	-	420
	<u>518</u>	<u>14</u>	<u>532</u>

6 Investment income

	Unrestricted funds £ 000	Total 2025 £ 000
Bank interest receivable	153	153
Income from investment property	18	18
	<u>171</u>	<u>171</u>

	Unrestricted funds £ 000	Total 2024 £ 000
Bank interest receivable	189	189
Income from investment property	15	15
	<u>204</u>	<u>204</u>

7 Other income

	Unrestricted funds £ 000	Total 2025 £ 000
Gains on sale of tangible fixed assets for charity's own use	8	8

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2025

8 Expenditure on raising funds

a) Costs of trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2025 £ 000
Costs of other trading activities	<u>20</u>	<u>6</u>	<u>26</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Total 2024 £ 000
Costs of other trading activities	<u>36</u>	<u>2</u>	<u>38</u>

b) Investment management costs

	Unrestricted funds £ 000	Total 2025 £ 000
Property management fees	<u>21</u>	<u>21</u>
	Unrestricted funds £ 000	Total 2024 £ 000
Property management fees	<u>11</u>	<u>11</u>

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2025

9 Expenditure on charitable activities

	Note	Unrestricted funds £ 000	Restricted funds £ 000	Total 2025 £ 000
Charitable activities		8,644	526	9,170
Allocated support costs	10	148	303	451
		<u>8,792</u>	<u>829</u>	<u>9,621</u>

	Note	Unrestricted funds £ 000	Restricted funds £ 000	Total 2024 £ 000
Charitable activities		8,616	329	8,945
Allocated support costs	10	280	188	468
		<u>8,896</u>	<u>517</u>	<u>9,413</u>

10 Analysis of support costs

Support costs allocated to charitable activities

	Total 2025 £ 000	Total 2024 £ 000
Communications and IT	89	116
General office	37	99
Auditors remuneration	16	8
Other support costs	309	245
	<u>451</u>	<u>468</u>

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2025

11 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2025 £ 000	2024 £ 000
Profit on disposal of tangible fixed assets	(8)	-
Depreciation of tangible fixed assets	227	172
Depreciation of intangible fixed assets	<u>54</u>	<u>3</u>

12 Trustees remuneration and expenses

None of the trustees are remunerated for their services as trustees, but the Chief Executive was paid in respect of their employment with the charity (as permitted by the Memorandum & Articles of Association)

The remuneration of the Chief Executive was between £90,000 and £100,000 (2024: £80,000 & £90,000) including employer pension contributions. Two other employees earned between £60,000 and £70,000 including employer pension contributions.

During the reporting period, the charity paid expenses totalling £2,568 to six trustees (2024: £870 to three trustees) primarily in relation to travel and subsistence.

The key management personnel comprise the Trustees in their roles as Trustees, Chief Executive and four Heads of Service covering the following areas; Library Service and Customer Experience, Finance, Operations and People. The aggregate employee benefits payable to key management personnel for the reporting period was £389,978 (2024: £354,000).

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2025

13 Staff costs

The aggregate payroll costs were as follows:

	2025 £ 000	2024 £ 000
Staff costs during the year were:		
Wages and salaries	5,489	5,271
Social security costs	390	340
Pension costs	368	354
	<u>6,247</u>	<u>5,965</u>

The average head count of employees during the year was 360 (2024: 371). The average number of full-time equivalent employees during the year is analysed as follows:

	2025 No	2024 No
Library staff	125	129
Management, service, development and support services	56	50
	<u>181</u>	<u>179</u>

14 Auditors' remuneration

	2025 £ 000	2024 £ 000
Auditors remuneration	<u>16</u>	<u>8</u>

15 Intangible fixed assets

	Goodwill £ 000	Software £ 000	Total £ 000
Cost			
At 1 April 2024	<u>126</u>	<u>196</u>	<u>322</u>
At 31 March 2025	<u>126</u>	<u>196</u>	<u>322</u>
Amortisation			
At 1 April 2024	9	80	89
Charge for the year	<u>13</u>	<u>41</u>	<u>54</u>
At 31 March 2025	<u>22</u>	<u>121</u>	<u>143</u>
Net book value			
At 31 March 2025	<u>104</u>	<u>75</u>	<u>179</u>
At 31 March 2024	<u>116</u>	<u>116</u>	<u>233</u>

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2025

16 Tangible fixed assets

	Building improvements £ 000	Fixtures and Fittings £ 000	Motor vehicles £ 000	Equipment £ 000	Furniture £ 000	Total £ 000
Cost						
At 1 April 2024	-	19	35	753	257	1,065
Additions	64	-	-	165	1	230
Disposals	-	-	(35)	-	-	(35)
At 31 March 2025	<u>64</u>	<u>19</u>	<u>-</u>	<u>918</u>	<u>258</u>	<u>1,259</u>
Depreciation						
At 1 April 2024	-	19	35	254	162	470
Charge for the year	7	-	-	162	58	227
Eliminated on disposals	-	-	(35)	-	-	(35)
At 31 March 2025	<u>7</u>	<u>19</u>	<u>-</u>	<u>416</u>	<u>220</u>	<u>662</u>
Net book value						
At 31 March 2025	<u>57</u>	<u>-</u>	<u>-</u>	<u>502</u>	<u>38</u>	<u>597</u>
At 31 March 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>499</u>	<u>95</u>	<u>595</u>

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2025

17 Fixed asset investments

Investment properties

	Investment property £ 000
Cost or Valuation	
At 1 April 2024	190
Revaluation	5
At 31 March 2025	195
Provision	
At 31 March 2025	-
Net book value	
At 31 March 2025	195
At 31 March 2024	190

All investments shown above are held at valuation.

The investment property was revalued 31 May 2024 by an independent valuer, Luscombe Maye.

18 Debtors

	2025 £ 000	2024 £ 000
Trade debtors	98	136
Prepayments	268	267
Accrued income	130	34
Other debtors	37	51
	<u>533</u>	<u>488</u>

19 Cash and cash equivalents

	2025 £ 000	2024 £ 000
Cash at bank	<u>2,813</u>	<u>3,270</u>

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2025

20 Creditors: amounts falling due within one year

	2025 £ 000	2024 £ 000
Trade creditors	268	450
Other taxation and social security	442	397
Other creditors	88	53
Accruals	201	284
Deferred income	94	119
	<u>1,093</u>	<u>1,303</u>
	2025 £ 000	2024 £ 000
Deferred income		
As at 1 April 2024	119	42
Amount released to incoming resources	(119)	(42)
Amount deferred in the year	94	119
Deferred income at year end	<u>94</u>	<u>119</u>

21 Pension and other post retirement benefits

The Organisation participates in three pension schemes:

Defined benefit pension schemes

Devon County Council

Staff that transferred under TUPE to Libraries Unlimited on 1 April 2016 are entitled to participate in the local Government Pension Scheme (LGPS) as administered by Devon County Council. Libraries Unlimited participates in this scheme on a closed admission basis, and staff participation is limited to contributing employees at 1 April 2016. The LGPS is a contribution based funded defined benefit scheme that currently provides retirement benefits based on career average revalued salary and length of service in employment.

Subject to certain conditions, which Libraries Unlimited has fully complied with in 2024/25, Devon County Council acts as guarantor to the pension scheme. Under this arrangement Libraries Unlimited's liability is capped at the payments actually made under triennial revaluation and the funding risk remains with Devon County Council. Pension costs are therefore accounted for as in a defined contribution scheme.

Employer contribution rates into this scheme amount to 12% of pensionable pay in 2024/25, with employee contributions ranging from 5.5% to 12.5% dependant on salary.

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2025

Torbay Council

Staff that transferred under TUPE to Libraries Unlimited on 1 April 2018 are entitled to participate in the Local Government Pension Scheme (LGPS) as administered by Torbay Council. Libraries Unlimited participates in this scheme on a closed admission basis, and staff participation is a contribution based funded defined benefit scheme that currently provides retirement benefits based on career average, revalued salary and length of service in employment.

Subject to certain conditions, which Libraries Unlimited has fully complied with in 2024/25, Torbay Council acts as guarantor to the Pension Scheme. Under this arrangement Libraries Unlimited's liability is capped at the payments actually made under triennial revaluation, and the funding risk remains with Torbay Council. Pension costs are therefore accounted for as in a defined contribution scheme.

Employer contribution rates into this scheme amount to 12% of pensionable pay in 2024/25, with employee contributions ranging from 5.5% to 12.5% dependant on salary.

At 31 March 2025, an average of 116 (108 as at 31 March 2024) employees (2024:129 employees) participated in the scheme and employer's costs charged to the Statement of Financial Activities, amounted to £179k (2024: £194k).

Defined Contribution Scheme

Devon staff that commenced employment after 31 March 2016 and Torbay staff that commenced employment after 31 March 2018 participate in the Flexible Retirement Plan administered by TPT Retirement Solutions (formerly the Pensions Trust). This is a defined contribution pension scheme. Under this scheme, the employer matches employees' contributions up to 6% of pensionable pay.

At 31 March 2025, an average of 201 (204 as at 31 March 2025) employees (2024:181 employees) participated in the scheme and employer's costs charged to the Statement of Financial Activities amounted to £189k (2024: £160k).

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2025

22 Funds

	Balance at 1 April 2024 £ 000	Incoming resources £ 000	Resources expended £ 000	Transfers £ 000	Other recognised gains/ (losses) £ 000	Balance at 31 March 2025 £ 000
Unrestricted funds						
<i>General</i>						
General Funds	3,241	8,517	(8,833)	-	-	2,925
Property Revaluation	-	-	-	-	5	5
	<u>3,241</u>	<u>8,517</u>	<u>(8,833)</u>	<u>-</u>	<u>5</u>	<u>2,930</u>
Restricted funds						
British Library	3	1	(2)	-	-	2
Arts Council	77	256	(283)	-	-	50
Other	71	112	(153)	1	-	32
Reminiscence Project (Crediton)	8	12	(14)	-	-	6
Libraries On Funding	1	-	-	(1)	-	-
Torridge - Know Your Neighbourhood	29	35	(54)	-	-	10
Workhubs (Work Club Funding)	12	27	(23)	1	-	17
Workhubs (Multiply)	1	-	-	(1)	-	-
She Started It	5	11	(14)	-	-	2
Decarbonisation Projects	23	45	(33)	-	-	35
Health and Well Being - Funded Projects	-	20	(2)	-	-	18
Teignbridge Business Support	-	144	(115)	-	-	29
Library Improvement Fund	-	136	(136)	-	-	-
Exeter Library - Refurbishment of the Children's Library	-	100	(7)	-	-	93
	<u>231</u>	<u>898</u>	<u>(835)</u>	<u>-</u>	<u>-</u>	<u>294</u>
Total funds	<u>3,472</u>	<u>9,415</u>	<u>(9,668)</u>	<u>-</u>	<u>5</u>	<u>3,224</u>

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2025

	Balance at 1 April 2023 £ 000	Incoming resources £ 000	Resources expended £ 000	Transfers £ 000	Balance at 31 March 2024 £ 000
Unrestricted funds					
<i>General</i>					
General Funds	2,308	8,771	(8,943)	1,105	3,241
<i>Designated</i>					
Property development	250	-	-	(250)	-
Infrastructure	500	-	-	(500)	-
Project development	150	-	-	(150)	-
	<u>900</u>	<u>-</u>	<u>-</u>	<u>(900)</u>	<u>-</u>
Total unrestricted funds	<u>3,208</u>	<u>8,771</u>	<u>(8,943)</u>	<u>205</u>	<u>3,241</u>
Restricted funds					
British Library	54	8	(59)	-	3
Arts Council	35	263	(219)	(2)	77
Good Things Foundation	6	-	(6)	-	-
Other	89	105	(123)	-	71
Purchase of Kiosks (DCC Funding)	-	100	-	(100)	-
Reminiscence Project (Crediton)	-	14	(6)	-	8
Libraries On Funding	-	106	(2)	(103)	1
Torrige - Know Your Neighbourhood	-	35	(6)	-	29
Workhubs (Work Club Funding)	-	37	(25)	-	12
Workhubs (Multiply)	-	17	(16)	-	1
She Started It	-	10	(5)	-	5
Decarbonisation Projects	-	75	(52)	-	23
	<u>184</u>	<u>771</u>	<u>(519)</u>	<u>(205)</u>	<u>231</u>
Total funds	<u>3,392</u>	<u>9,542</u>	<u>(9,462)</u>	<u>-</u>	<u>3,472</u>

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2025

Purpose of restricted funds

Art's Council - funding as an NPO in respect of Creative Communities. This is the programme of cultural activity in our libraries supported by the Arts Council England (ACE) National Portfolio Organisation (NPO) funding and Exeter City Council. It brings together a wide range of creative events to communities across Devon and Torbay.

Reminiscence Project (Crediton) - awarded by the National Lottery Heritage Fund to fund to establish and deliver at least 5 monthly reminiscence groups and deliver of an outreach and collections engagement programme.

Torrige (Know Your Neighbourhood) - a package of funding from the Department for Culture, Media and Sport (DCMS), designed to widen participation in volunteering and tackle loneliness in 27 disadvantaged areas across England. Our participation is coordinated via Libraries Connected.

Workhubs - joint venture with Devon County Council to establish refugee-friendly work clubs in libraries across Devon.

Decarbonisation Projects - funding from West Devon and South Hams to develop decarbonisation plans with businesses, helping them to innovate and achieve clean growth as part of the UK Shared Prosperity Fund's local business investment priority.

Health and Well Being Funded Projects - funding from Devon County Council to pilot an innovative project, showcasing Devon's accessible outdoor trails through an autism friendly leaflet for children and families. The leaflet will use a map of Devon to highlight key spots, narrated using Libraries Unlimited 'Secret Book Quest' characters that children will be familiar with. Funding from University Hospitals Plymouth NHS Trust to support Cancer focused Community Outreach in Devon.

Teignbridge Business Support - funding via the UK Shared Prosperity Fund to help deliver the Business Support for Clean Growth and Diversity project in Teignbridge.

Library Improvement Fund - funding from the Library Improvement Fund via Devon County Council to improve specific areas within Libraries Unlimited - digital creation spaces within libraries, hybrid digital hardware (laptops and chrome books), super-connected spaces (improved office spaces with upgraded AV equipment) and a creative media suite.

Exeter Library Refurbishment - funding from the main funder, the Clore Duffield Foundation, and other funders including The Clare Milne Trust, Morrisons and the Baily Thomas Charitable Fund to support the complete refurbishment of the children's library in Exeter library.

Friends Groups - To support individual libraries to enhance their community.

Other - this includes a number of smaller grants expended during the year and does include initiatives around warm spaces, growing communities and locality Funding (small grants given by individual councillors, this enables them to use their local knowledge to support local projects being run through our libraries).

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2025

23 Analysis of net assets between funds

	Unrestricted funds £ 000	Restricted funds £ 000	Total funds at 31 March 2025 £ 000
Intangible fixed assets	179	-	179
Tangible fixed assets	597	-	597
Fixed asset investments	195	-	195
Current assets	3,052	294	3,346
Current liabilities	(1,093)	-	(1,093)
Total net assets	2,930	294	3,224

	Unrestricted funds £ 000	Restricted funds £ 000	Total funds at 31 March 2024 £ 000
Intangible fixed assets	233	-	233
Tangible fixed assets	595	-	595
Fixed asset investments	190	-	190
Current assets	3,527	231	3,758
Current liabilities	(1,303)	-	(1,303)
Total net assets	3,241	231	3,472

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2025

24 Agency arrangements

The Charity receives grant income from Devon County Council and Torbay Council as agent in respect of the purchase of books and other resources. In the accounting year ended 31 March 2025 the charity received £623,589 (2024: £597,614) and disbursed £647,758 (2024: £614,435) from the fund. An amount of £46,775 (2024: £51,388) is included within debtors and £nil (2024: £Nil) is included in creditors relating to these funds.

25 Obligations under leases and hire purchase contracts

Operating lease commitments

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

	2025 £ 000	2024 £ 000
Other		
Within one year	126	137
Between one and five years	54	172
After five years	2	117
	<u>181</u>	<u>427</u>

26 Related party transactions

There were no related party transactions in the year.

27 Non-adjusting events after the financial period

In October 2025, Devon County Council agreed, in principle to the extension of the current agreement with the charity for two years, covering the period from 1st April 2026 to 31st March 2028, with a further year if required. A public consultation will be undertaken by Devon County Council with the involvement of the charity to help shape the future of the library service.

LIBRARIES UNLIMITED SOUTH WEST

England & Wales - Charity number 1170092

Accounts

Company registration number: 09822597

Charity registration number: 1170092

Libraries Unlimited South West

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2024



WESTCOTTS

CHARTERED ACCOUNTANTS
& BUSINESS ADVISERS

Libraries Unlimited South West

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Libraries Unlimited South West

Reference and Administrative Details

Libraries Unlimited South West (commonly referred to as "Libraries Unlimited") is a Registered Charity and Company Limited by guarantee and does not have any share capital. Its governing document is the Articles of Association which was updated and approved by members on the 21 May 2020 and 20 October 2020.

The company was incorporated on 13 October 2015, commenced trading on 1 April 2016 and registered as a charity on 9 November 2016.

Chair	Marie Chadwick Will Harvey (resigned 16 September 2023)
Deputy Chair	Andrew Prince Marie Chadwick
Trustees:	Eve Ashton (appointed 8 March 2024) Crystal Carter Marie Chadwick Alex Kittow Will Harvey (resigned 16 September 2023) George Lossius (resigned 6 June 2024) Lynn Morris Alan Nash (appointed 8 March 2024) Andrew Prince Chloe Reynolds (resigned 19 October 2023) Sue Simmons Marwa Tourky (appointed 19 October 2023) Morgen Witzel Zoe Woodbridge (resigned 19 October 2023)

Libraries Unlimited South West

Reference and Administrative Details

Chief Executive	Alex Kittow
Key Management Personnel	Chief Finance Officer - Tom Glanville (appointed 3 July 2023) Chief Operating Officer (previously Head of Commercial & Innovation) - Steve Turner Head of Library Service and Customer Experience - Kate Turner (appointed 13 December 2023), Tabitha Witherick (resigned 31 August 2023) Chief People Officer - Beth Reynolds (appointed 10 July 2023)
Charity Registration Number	1170092
Company Registration Number	09822597
Principal Office	The charity is incorporated in England and Wales. Exeter Library Castle Street Exeter Devon EX4 3PQ
Auditor	Westcotts (SW) LLP 47 Boutport Street Barnstaple Devon EX31 1SQ
Solicitors:	Kitstons Solicitors Torquay Devon TQ2 7FA
Bankers	Barclays Bank Plc Exeter Devon EX1 1LX

Libraries Unlimited South West

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2024.

This report satisfies the legal requirements for:

- a Directors' Report for a charitable company
- a Trustees' Annual Report under the Charities Act 2011.

OUR MISSION

"To bring ideas, imagination, creativity and knowledge to enrich lives and build thriving communities."

OUR CORE PURPOSES

The Charity's core purposes set out how we achieve our vision:

- Promoting a love of reading;
- Providing free access to resources and information;
- Inspiring everyone to learn, create and realise their potential;
- Enabling everyone to explore and connect to the wider world;
- Offering welcoming spaces;
- Supporting the health and wellbeing of individuals and communities.

LEGAL OBJECTS

The Charity has been established for public benefit to:

- promote the advancement of education by the establishment and/or maintenance of a library and/or library service
- establish and/or maintain a library and/or library service in and throughout Devon, including, but not limited to, rural communities and with a particular focus on children and young people
- provide or assist in the provision of community facilities referred to as "Community Hubs" to be available to all sections of the community without distinction, including use for meetings, learning, reading, sharing and/or for other educational and/or recreational or leisure time activities provided in the interests of social welfare, with the object of improving the conditions of life for all those who use the facilities; and/or
- promote the advancement of education of the arts by the establishment and maintenance of a museum and/or art gallery
- develop the capacity and skills of the members of the local community, and particularly children and young people, who are socially or economically disadvantaged in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society;
- pursue such other charitable purposes consistent with the above.

PUBLIC BENEFIT

The trustees have ensured that the charity's activities are to the public benefit and they have had regard to the Charity Commission's guidance on public benefit.

Libraries Unlimited South West

Trustees' Report

STRATEGIC REPORT

STRATEGIC AIMS

In delivering its overall charitable purposes, Libraries Unlimited established five strategic pillars to drive activities and assess its effectiveness. These are as follows:

- People
- Community
- Diversification
- Environment
- Infrastructure

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Core Library Services

The Charity has contracts with Devon County Council and Torbay Council for the provision of library and information services to residents, businesses and visitors to Devon and Torbay. The Councils have the ability to extend these contracts or to renew as part of a tender process subject to effective performance. We work in collaboration with the Councils to support their statutory duties under the Public Libraries and Museums Act 1964 and specifically to ensure that local services:

- serve both adults and children
- work in partnership with other groups, organisations and agencies
- are available to everyone and meet any special needs or requirements of members of the local community
- encourage participation and full use of the services, and
- provide value for money.

We deliver this service through 54 static libraries across Devon's communities. Libraries Unlimited and the Councils are committed to maintaining the current provision of physical libraries, along with the number of hours that libraries are open to the public and supported by paid library professionals. In addition to static libraries, during the year we provided four mobile libraries that served rural areas. Following a public consultation undertaken by Devon County Council the provision of a mobile library service was ceased during the year. We offer a home delivery service to customers that are unable to access other services.

In line with the rest of the country, it has been a challenging year with rising costs and significant pressures on our organisation and staff. We have had to negotiate significant increases in the energy bills for our buildings and rises in other expenses due to inflation.

The Trustees have focused intensely on these funding challenges, and are pleased to report that with strong financial management the Charity has ended the year in a satisfactory position. We have limited the size of our unrestricted deficit, delivered savings on our expenditure, reduced the impact of changes to our funding income and increased our income in areas such as room hire, donations and events. We are grateful to have such an accomplished group of staff, managers and leaders to take us through these globally challenging economic times.

Libraries Unlimited South West

Trustees' Report

Despite the challenging economic picture, we continue to focus and develop our service and whilst physical borrowing remained consistent at 1.5M in 2023-24 (1.5M 2022-23), digital borrowing increased by 28%. Customers continued to use other resources such as accessing ICT and enjoying learning and social activities with visits to Libraries increasing from 2.2M in 2022-23 to 2.3m in 2023-24. Customers logged in to our free WiFi 161,000 (sessions) in 2023-24. Our new WiFi printing facility, which was launched in every library in 2022-23, has added yet another useful offering to help with daily living, enabling people to print easily and quickly from their laptops or phones via a digital portal from wherever they are, pick up their documents and take them home. The Secret Book Quest continues to bring a love of reading to children, with over 2,000 signing up per year over the last 2 years. The initiative has been so successful, Libraries Unlimited is now marketing it to other library services around the country.

At Libraries Unlimited our purpose is to build lives and enrich communities and as such it is extremely encouraging to see attendance at events more than double from 190k in 2022-23 to 425k in 2023-24.

The Charity was re-appointed as a National Portfolio Organisation (NPO) with Arts Council England for another 3 years (up to 2026) and continued to develop and deliver various arts and culture events throughout our libraries during the year.

Our Libraries for Life campaign ran throughout the winter, offering everything from free hot drinks, a warm place to sit and a friendly face, to clothing rails, budgeting and cooking advice with access to community fridges combatting food waste. Our warm welcoming spaces were clearly offering extra value and that shows in our statistics.

Key Operating Indicators (April to March)

	2023-24	2022-23
Library Visits	2,287,562	2,234,457
Book loans	1,527,238	1,534,610
Computer & Wi-Fi sessions	364,431	328,747
Attendance at events	425,346	190,834
Active borrowers	136,649	131,663

In addition to the above, we have also seen other significant statistics as follows:

- A 28% increase in total e-Audiobook downloads up to nearly 292,000.
- Total audiobooks borrowed: 24,477.
- Large print loans: 53,310.
- WiFi sessions increased by 23% in the year to nearly 165,000.
- eBook downloads went up 6% to over 253,000.
- A 24% rise in ePress downloads (newspapers and magazines) downloads to over 302,000.
- Public computer sessions: 161,309.
- Volunteer hours up over 24,000 - a rise of 13%.
- More than 13,000 children took part in our Summer Reading Challenge - a 25% increase on last year.

Libraries Unlimited South West

Trustees' Report

FINANCIAL REVIEW

Financial Performance — Headline Indicators

	2023-24	2022-23
Total income	£9,542,000	£8,504,000
Total surplus / (deficit)	£80,000	(£500,000)
Net surplus margin	0.8%	n/a
Net increase / (decrease) in cash	£115,000	(£332,000)
Current ratio	2.88	5.08
Unrestricted reserves	£3,241,000	£3,208,000

Financial Performance — Income and Surplus

The Statement of Financial Activities shows that the Charity generated a net increase in funds of £80k (2022/23: net decrease of £500,000) on an annual income of £9,542,000 (2022/23: £8,504,000). The budgeted deficit for 2023/24 was £255,000. The result for 2023-24 was better than budget due to the following factors:

- Proactive staff vacancy and cost management throughout the period.
- Greater than forecast investment income.
- The surplus generated on restricted funds where the costs will follow in the new financial year.

Balance sheet position and cash flows

The Charity is primarily a service provider organisation that does not hold property. As a result, balance sheet strength is driven by an excess of current assets over current liabilities. The cash position, £3.3m as at 31 March 2024 (2023: £3.2m), remains strong and payments under local authority service contracts and the Arts Council England funding for NPO will continue to be received quarterly in advance. In addition, the Charity is debt free which eliminates any interest rate risk from UK monetary policy.

Reserves Policy

During the year the trustees adopted a new reserves policy following a review of the existing policy.

The Charity needs to provide resilience and stability to its services. The reserves policy has been set to support us in delivering our mission by ensuring that our work is protected from the risk of disruption at short notice due to a lack of funds, whilst at the same time ensuring that we do not retain income for any longer than required.

We have calculated the appropriate free reserves range for our organisation is £1.1m to £1.3m. The Board of Trustees consider that this target range provides sufficient flexibility in the context of operational requirements, the consideration of the need for the charity to have resilience against risk and for an organisation of our size and complexity.

At 31 March 2024, unrestricted reserves amounted to £3.2m (2023: £3.2m) of which free reserves totalled £2.2m (2023: £2.7m). The Trustees acknowledge that the current level of reserves is in excess of the reserves policy. In 2024-25 the service fee from Devon County Council was cut by £200k with a further cut expected in 2025-26. We currently have forecast deficits for the next two years of £500k and expect to use £1m+ of those reserves to plug the funding gap over the next two years.

The Trustees will continue to review the reserves policy on an ongoing basis.

Libraries Unlimited South West

Trustees' Report

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees are responsible for the identification, mitigation and management of risk and have established a formal risk management framework to assess business risk and to implement risk management strategies. Trustees have determined that the Charity should be risk aware not risk averse, recognising that it will need to take risks in order to innovate and improve services to beneficiaries.

A risk register is maintained by the Charity. Risks are scored on a multiplier of impact and probability and are reported quarterly to the Finance and Audit Committee and the full Board. Principal risks at the balance sheet date and actions taken or planned to mitigate them are as follows:

Main risks

1. Further reductions in service contract fees, plus contract renewals and pricing in the context of public sector austerity and funding for local authorities
 - Business and financial planning
 - Review of potential alternative income streams
 - Strong collaborative relationships with relevant commissioners
2. Continued economic uncertainty and the potential impact on staffing, supply chain and future contracts and funding
 - Engagement with relevant commissioners
 - Strengthen and diversify supply chain

Future prospects

Trustees believe the charity is well positioned to be a leading provider of library and information services. It has a contract with Devon County Council until March 2026 and the contract with Torbay Council provides certainty of funding until March 2028 after a 5-year contract extension was agreed and signed in December 2022. Trustees are also exploring the possibilities of delivering complementary services from libraries which will help to strengthen footfall and broaden income generation opportunities further.

The charity continues to widen its customer base within the wider cultural and business sectors. It has secured grant funding until March 2026 in relation to its successful bid to become a National Portfolio Organisation of Arts Council England which will be used to enhance the arts and cultural offer across Devon. Similarly, it has secured grant funding until March 2024 in relation to the expansion of business support services across Devon with funding from the British Library.

The charity is also well positioned to play an active role in the economic and social development of local communities. It will continue to demonstrate the impact of providing existing services as well as piloting new offerings and channels. With a wide geographic reach, the charity can be proactive in supporting community regeneration, disadvantaged families, local businesses and those adversely impacted by the pandemic and resultant lockdown restrictions. Our five-year strategy lays out our ambitions and how we will measure our progress against specific goals.

STRUCTURE AND GOVERNANCE

Membership and control

Libraries Unlimited South West is a membership organisation. The liability of any member is limited to a sum not exceeding £1. Membership classes are as follows:

- Staff Membership Group - any member of staff employed by the Charity is entitled to apply.

Libraries Unlimited South West

Trustees' Report

- Community Membership Group - any Library Friends Group is entitled to apply.
- Trustee Membership Group - all appointed Trustees shall be members of the Charity.

Staff and Community members each control 33% of voting rights at General Meeting, with Trustees controlling the remaining 34%.

The Board of Trustees

The Board of Trustees oversees the management of the Charity and comprises:

- up to two Staff Trustees;
- up to two Community Trustees;
- Chief Executive, ex officio;
- up to seven Independent Trustees.

Staff Trustees are appointed for a fixed term of three years by a majority vote of the employees of the Charity. Community Trustees are similarly appointed for a fixed term of three years on a majority vote of the Friends' Groups. Independent Trustees are also appointed for a fixed term of three years, expiring at the end of the AGM in the third year following their appointment, by ordinary resolution.

As part of induction and training all new Trustees meet with the Chair, senior managers and HR Manager and have a programme of site visits to understand the charity's culture, operations and processes. A Trustee Handbook is maintained by all Trustees and contains information on the Charity Articles of Association, key operations and summary business plan. It also provides advice on governance framework within the organisation, including the duties of Trustees and arrangements to avoid conflicts of interest.

Committees

The Board of Trustees have the following committees in place for the efficient conduct of business:

- Finance and Audit
- People and Operations
- Business Innovations and Partnerships
- Trustee Nominations.
- Fundraising Committee

Terms of reference exist for each committee.

Remuneration of Senior Management

The Chief Executive and staff trustees (two in the reporting period) were paid during the year by virtue of their employment. No other trustees were paid during the reporting period.

Senior management salary levels are currently determined through a combination of role and responsibilities, coupled with an assessment of the local market for specific sectors. Salary levels are considered and approved by the People and Operations Committee. Senior managers are employed on standard terms and conditions in relation to annual leave, pension contributions and expenses as applied to members of staff. The cost of salaries paid to senior managers is included in Note 11.

Gender Pay Gap

Libraries Unlimited South West

Trustees' Report

As an organisation with more than 250 employees, we are legally required to comply with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 and publish Gender Pay Gap reporting information on an annual basis. This requires us to report on two genders only, which we recognise does not reflect everyone's lived experience of gender but is the legal obligation. However, as part of our diversity data, we ask people to provide their gender identity, so we have looked at this in addition to our legal duty, but the numbers are very small and further analysis is not possible therefore without potentially revealing identities. We still hope to be able to develop this further in future years.

As at 5th April 2023, our median gender pay gap was 5.8% (8.5% as at 5th April 2022) and our mean gender pay gap was 16.87% (16.34% as at 5th April 2022).

It is disappointing to see that we continue to have a Gender Pay Gap, particularly as this is largely driven by the same factors that we have identified as issues in past years. However, it is positive to see that our Median Gender Pay Gap has slightly reduced since 2022.

We continue to work towards becoming a Real Living Wage employer, by putting all of our employees onto the 2023 Real Living Wage rate of £10.90 per hour, a 10% increase for some of our lowest paid staff compared to their 2022-23 rates.

Addressing our GPG is something that we remain committed to continually working on, focussing on creating greater diversity in our staff across the whole organisation to better represent the communities we work in. Whilst we are frustrated to not have made further progress yet, we also recognise that some of the factors affecting our Gender Pay Gap are deeply ingrained and also wider societal issues. This is never intended as an excuse but is a recognition that it will take time to bring about change, and that it is not something we are therefore going to give up on if we find it takes a while to make that change. As an organisation, however, we are not giving up on our ambition to ensure Gender Pay Gaps are eliminated and we are committed to playing a role in that, focussing on doing what we can to push forward that change.

Employment of Disabled People

The Charity is committed to ensuring that its staff base is reflective of the communities it serves. The Charity has high levels of part-time working and will always consider workplace adjustments and job carving techniques to help employees manage long term health conditions.

We are mindful of any reasonable adjustments required to ensure disabled job candidates are not disadvantaged at recruitment interviews and assessment centres.

Statement of trustees' responsibilities

The trustees (who are also the directors of Libraries Unlimited South West for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;

Libraries Unlimited South West

Trustees' Report

- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 16 September 2024 and signed on its behalf by:



Marie Chadwick
Chairman and Trustee



Alex Kittow
Chief Executive Officer and Trustee

Libraries Unlimited South West

Independent Auditor's Report to the Members of Libraries Unlimited South West

Opinion

We have audited the financial statements of Libraries Unlimited South West (the 'charity') for the year ended 31 March 2024, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 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.

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 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 the provisions available for small entities, in the circumstances set out in note to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Libraries Unlimited South West

Independent Auditor's Report to the Members of Libraries Unlimited South West

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities (set out on page 9 and 10), the trustees 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor responsibilities for the audit of the financial statements

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

Libraries Unlimited South West

Independent Auditor's Report to the Members of Libraries Unlimited South West

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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 identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the trustees and other management. We communicated identified laws and regulations throughout our team, and remained alert to any indications of non-compliance throughout the audit.
- The charity is subject to laws and regulations that govern the preparation of the financial statements, including financial reporting legislation, and other companies legislation. The company is also subject to other laws and regulations where the consequences of non-compliance could have a material impact on the amounts or disclosures within the financial statements, including employment, anti-bribery, anti-money laundering and certain aspects of companies legislation.
- Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Libraries Unlimited South West

Independent Auditor's Report to the Members of Libraries Unlimited South West

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees 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 and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Catherine Williams FCA DChA (Senior Statutory Auditor)

For and on behalf of
Westcotts (SW) LLP
47 Boutport Street
Barnstaple
Devon
EX31 1SQ

Date: 2nd October 2024

Libraries Unlimited South West

Statement of Financial Activities for the Year Ended 31 March 2024 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £ 000	Designated funds £ 000	Restricted funds £ 000	Total 2024 £ 000	Total 2023 £ 000
Income and Endowments from:						
Donations and legacies	3	46	-	657	703	608
Charitable activities	4	8,003	-	100	8,103	7,449
Other trading activities	5	518	-	14	532	393
Investment income	6	204	-	-	204	54
Total income		8,771	-	771	9,542	8,504
Expenditure on:						
Raising funds	7	(47)	-	(2)	(49)	(153)
Charitable activities	8	(8,896)	-	(517)	(9,413)	(8,851)
Total expenditure		(8,943)	-	(519)	(9,462)	(9,004)
Net (expenditure)/income		(172)	-	252	80	(500)
Transfers between funds		1,105	(900)	(205)	-	-
Net movement in funds		933	(900)	47	80	(500)
Reconciliation of funds						
Total funds brought forward		2,308	900	184	3,392	3,892
Total funds carried forward	21	3,241	-	231	3,472	3,392

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2023 is shown in note 21.


Libraries Unlimited South West

(Registration number: 09822597)
Balance Sheet as at 31 March 2024

	Note	2024 £ 000	2023 £ 000
Fixed assets			
Intangible assets	14	233	4
Tangible assets	15	595	263
Investments	16	190	190
		<u>1,018</u>	<u>457</u>
Current assets			
Debtors	17	488	500
Cash at bank and in hand	18	3,270	3,155
		3,758	3,655
Creditors: Amounts falling due within one year	19	<u>(1,303)</u>	<u>(720)</u>
Net current assets		<u>2,455</u>	<u>2,935</u>
Net assets		<u>3,472</u>	<u>3,392</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		231	184
Unrestricted income funds			
Designated Funds		-	900
General Funds		3,241	2,308
Total unrestricted funds		<u>3,241</u>	<u>3,208</u>
Total funds	21	<u>3,472</u>	<u>3,392</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 15 to 37 were approved by the trustees, and authorised for issue on 16 September 2024 and signed on their behalf by:


.....
Marie Chadwick
Chairman and Trustee


.....
Alex Kittow
Chief Executive Officer and Trustee

The notes on pages 18 to 37 form an integral part of these financial statements.

Libraries Unlimited South West

Statement of Cash Flows for the Year Ended 31 March 2024

	Note	2024 £ 000	2023 £ 000
Cash flows from operating activities			
Net cash income/(expenditure)		80	(500)
Adjustments to cash flows from non-cash items			
Depreciation	7	172	173
Amortisation	7	19	1
		<u>271</u>	<u>(326)</u>
Working capital adjustments			
Decrease in debtors	17	12	503
Increase/(decrease) in creditors	19	506	(289)
Increase/(decrease) in deferred income		77	(35)
Net cash flows from operating activities		<u>866</u>	<u>(147)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets	14	(248)	-
Purchase of tangible fixed assets	15	(503)	(185)
Net cash flows from investing activities		<u>(751)</u>	<u>(185)</u>
Net increase/(decrease) in cash and cash equivalents		115	(332)
Cash and cash equivalents at 1 April		<u>3,155</u>	<u>3,488</u>
Cash and cash equivalents at 31 March		<u><u>3,270</u></u>	<u><u>3,155</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 18 to 37 form an integral part of these financial statements.

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2024

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Libraries Unlimited South West 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 notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Statement of compliance

The financial statements have been prepared in accordance with 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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Consolidation

Libraries Unlimited South West Limited has a subsidiary company (Libraries Unlimited Enterprises Limited). The subsidiary has never traded and therefore consolidated accounts have not been prepared on the basis that the subsidiary is wholly immaterial to the group.

Income and endowments

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

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2024

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

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

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2024

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Goodwill

Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets earned at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

Tangible fixed assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Fixed assets costing £1,000 or more are capitalised at cost.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life on a straight line basis as follows:

Software	3 to 4 years
Goodwill	10 years

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Building Improvements	5 to 10 years (or length of lease if shorter)
ICT Hardware	3 to 4 years
Motor Vehicles	3 years
Operational Equipment	3 to 5 years
Fixture, Fittings and Equipment	3 to 7 years

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2024

Investment properties

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2024

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

3 Income from donations and legacies

	Unrestricted funds General £ 000	Restricted funds £ 000	Total 2024 £ 000
Donations			
Donations	43	9	52
Legacies	1	5	6
Grants			
British Library Grants	-	5	5
Art Council England	-	263	263
Other	2	375	377
	<u>46</u>	<u>657</u>	<u>703</u>

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2024

	Unrestricted funds General £ 000	Restricted funds £ 000	Total 2023 £ 000
Donations			
Donations	111	4	115
Grants			
British Library Grants	-	20	20
Art Council England	-	186	186
Other	-	287	287
	<u>111</u>	<u>497</u>	<u>608</u>

4 Income from charitable activities

	Unrestricted funds General £ 000	Restricted funds £ 000	Total 2024 £ 000
Local Authority contracts	7,687	100	7,787
Service user payments & collection fees	151	-	151
Printing & Photocopying income	104	-	104
Other income	2	-	2
Membership and subscriptions	59	-	59
	<u>8,003</u>	<u>100</u>	<u>8,103</u>
	Unrestricted funds General £ 000	Restricted funds £ 000	Total 2023 £ 000
Local Authority contracts	7,166	-	7,166
Service user payments & collection fees	188	-	188
Printing & Photocopying income	77	-	77
Other income	18	-	18
	<u>7,449</u>	<u>-</u>	<u>7,449</u>

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2024

5 Income from other trading activities

	Unrestricted funds General £ 000	Restricted funds £ 000	Total 2024 £ 000
Retail income	79	14	93
Other trading income	18	-	18
Catering	1	-	1
Room hire	420	-	420
	<u>518</u>	<u>14</u>	<u>532</u>
	Unrestricted funds General £ 000	Restricted funds £ 000	Total 2023 £ 000
Retail income	26	12	38
Other trading income	13	-	13
Catering	7	-	7
Room hire	335	-	335
	<u>381</u>	<u>12</u>	<u>393</u>

6 Investment income

	Unrestricted funds General £ 000	Total 2024 £ 000
Bank interest receivable	189	189
Income from investment property	15	15
	<u>204</u>	<u>204</u>
	Unrestricted funds General £ 000	Total 2023 £ 000
Bank interest receivable	36	36
Income from investment property	18	18
	<u>54</u>	<u>54</u>

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2024

7 Expenditure on raising funds

a) Costs of trading activities

	Unrestricted funds General £ 000	Restricted funds £ 000	Total 2024 £ 000
Costs of other trading activities	36	2	38
	<u>36</u>	<u>2</u>	<u>38</u>
	Unrestricted funds General £ 000	Restricted funds £ 000	Total 2023 £ 000
Costs of other trading activities	139	3	142
	<u>139</u>	<u>3</u>	<u>142</u>

b) Investment management costs

	Unrestricted funds General £ 000	Total 2024 £ 000
Property management fees	11	11
	<u>11</u>	<u>11</u>
	Unrestricted funds General £ 000	Total 2023 £ 000
Property management fees	11	11
	<u>11</u>	<u>11</u>

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2024

8 Expenditure on charitable activities

	Note	Unrestricted funds General £ 000	Restricted funds £ 000	Total 2024 £ 000
Charitable activities		8,616	329	8,945
Allocated support costs	9	<u>280</u>	<u>188</u>	<u>468</u>
		<u>8,896</u>	<u>517</u>	<u>9,413</u>
	Note	Unrestricted funds General £ 000	Restricted funds £ 000	Total 2023 £ 000
Charitable activities		7,757	532	8,289
Allocated support costs	9	<u>234</u>	<u>328</u>	<u>562</u>
		<u>7,992</u>	<u>860</u>	<u>8,851</u>

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2024

9 Analysis of support costs

Support costs allocated to charitable activities

	Total 2024 £ 000	Total 2023 £ 000
Communications and IT	116	130
General office	99	254
Auditors remuneration	8	35
Other support costs	<u>245</u>	<u>143</u>
	<u>468</u>	<u>562</u>

10 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	2024 £ 000	2023 £ 000
Depreciation of tangible fixed assets	172	172
Depreciation of intangible fixed assets	<u>3</u>	<u>2</u>

11 Trustees remuneration and expenses

None of the trustees are remunerated for their services as trustees, but the Chief Executive and two staff trustees were paid in respect of their employment with the charity (as permitted by the Memorandum & Articles of Association)

The remuneration of the Chief Executive was between £80,000 and £90,000 (2023: £80,000 & £90,000) including pension contributions. No other employees earned more than £60,000.

In the year ended 31 March 2024, two staff trustees were paid between £20,000 and £30,000 each. In the previous year two staff trustees were paid between £20 000 and £30 000.

During the reporting period, the charity paid expenses totalling £870 to six trustees (2023: £903 to three trustees) primarily in relation to travel and subsistence.

The key management personnel comprise the Trustees in their roles as Trustees, Chief Executive and four Heads of Service covering the following areas; Service delivery, Finance, People & Operations and Commercial & Innovation. The aggregate employee benefits payable to key management personnel for the reporting period was £354,000 (2023: £315,000). During 2023 the CFO was only in place for 6 months.

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2024

12 Staff costs

The aggregate payroll costs were as follows:

	2024	2023
	£ 000	£ 000
Staff costs during the year were:		
Wages and salaries	5,271	4,948
Social security costs	340	329
Pension costs	354	356
	<u>5,965</u>	<u>5,633</u>

The average head count of employees during the year was 371 (2023: 383). The average number of full-time equivalent employees during the year is analysed as follows:

	2024	2023
	No	No
Library staff	129	129
Management, service, development and support services	50	57
	<u>179</u>	<u>186</u>

13 Auditors' remuneration

	2024	2023
	£ 000	£ 000
Auditors remuneration	<u>8</u>	<u>35</u>

14 Intangible fixed assets

	Goodwill	Software	Total
	£ 000	£ 000	£ 000
Cost			
At 1 April 2023	-	73	73
Additions	<u>126</u>	<u>123</u>	<u>248</u>
At 31 March 2024	<u>126</u>	<u>196</u>	<u>322</u>
Amortisation			
At 1 April 2023	-	70	70
Charge for the year	<u>9</u>	<u>10</u>	<u>19</u>
At 31 March 2024	<u>9</u>	<u>80</u>	<u>89</u>
Net book value			
At 31 March 2024	<u>116</u>	<u>116</u>	<u>233</u>
At 31 March 2023	<u>-</u>	<u>4</u>	<u>4</u>

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2024

15 Tangible fixed assets

	Fixtures and Fittings £ 000	Motor vehicles £ 000	Equipment £ 000	Furniture £ 000	Total £ 000
Cost					
At 1 April 2023	19	35	293	214	561
Additions	-	-	460	43	503
At 31 March 2024	<u>19</u>	<u>35</u>	<u>753</u>	<u>257</u>	<u>1,065</u>
Depreciation					
At 1 April 2023	19	14	163	103	298
Charge for the year	-	21	91	59	172
At 31 March 2024	<u>19</u>	<u>35</u>	<u>254</u>	<u>162</u>	<u>470</u>
Net book value					
At 31 March 2024	<u>-</u>	<u>-</u>	<u>499</u>	<u>95</u>	<u>595</u>
At 31 March 2023	<u>-</u>	<u>21</u>	<u>131</u>	<u>111</u>	<u>263</u>

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2024

16 Fixed asset investments

Investment properties

	Investment property £ 000
Cost or Valuation	
At 1 April 2023	190
Provision	
At 31 March 2024	-
Net book value	
At 31 March 2024	190
At 31 March 2023	190

All investments shown above are held at valuation.

The investment property was revalued in April 2022 by an independent valuer, Luscombe Maye. The value of the property was based on market value, the Trustees have confirmed the valuation remains appropriate as at 31 March 2024.

17 Debtors

	2024 £ 000	2023 £ 000
Trade debtors	136	72
Prepayments	267	259
Accrued income	34	85
Other debtors	51	84
	<u>488</u>	<u>500</u>

18 Cash and cash equivalents

	2024 £ 000	2023 £ 000
Cash at bank	<u>3,270</u>	<u>3,155</u>

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2024

19 Creditors: amounts falling due within one year

	2024	2023
	£ 000	£ 000
Trade creditors	450	182
Other taxation and social security	397	296
Other creditors	53	56
Accruals	284	144
Deferred income	119	42
	<u>1,303</u>	<u>720</u>
	2024	2023
	£ 000	£ 000
Deferred income		
As at 1 April 2023	42	77
Amount released to incoming resources	(42)	(77)
Amount deferred in the year	119	42
Deferred income at year end	<u>119</u>	<u>42</u>

20 Pension and other post retirement benefits

The Organisation participates in three pension schemes:

Defined benefit pension schemes

Devon County Council

Staff that transferred under TUPE to Libraries Unlimited on 1 April 2016 are entitled to participate in the local Government Pension Scheme (LGPS) as administered by Devon County Council. Libraries Unlimited participates in this scheme on a closed admission basis, and staff participation is limited to contributing employees at 1 April 2016. The LGPS is a contribution based funded defined benefit scheme that currently provides retirement benefits based on career average revalued salary and length of service in employment.

Subject to certain conditions, which Libraries Unlimited has fully complied with in 2023/24, Devon County Council acts as guarantor to the pension scheme. Under this arrangement Libraries Unlimited's liability is capped at the payments actually made under triennial revaluation and the funding risk remains with Devon County Council. Pension costs are therefore accounted for as in a defined contribution scheme.

Employer contribution rates into this scheme amount to 12% of pensionable pay in 2023/24, with employee contributions ranging from 5.5% to 12.5% dependant on salary.

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2024

Torbay Council

Staff that transferred under TUPE to Libraries Unlimited on 1 April 2018 are entitled to participate in the Local Government Pension Scheme (LGPS) as administered by Torbay Council. Libraries Unlimited participates in this scheme on a closed admission basis, and staff participation is a contribution based funded defined benefit scheme that currently provides retirement benefits based on career average, revalued salary and length of service in employment.

Subject to certain conditions, which Libraries Unlimited has fully complied with in 2023/24, Torbay Council acts as guarantor to the Pension Scheme. Under this arrangement Libraries Unlimited's liability is capped at the payments actually made under triennial revaluation, and the funding risk remains with Torbay Council. Pension costs are therefore accounted for as in a defined contribution scheme.

Employer contribution rates into this scheme amount to 12% of pensionable pay in 2023/24, with employee contributions ranging from 5.5% to 12.5% dependant on salary.

At 31 March 2024, 129 employees (2023: 151 employees) participated in the scheme and employer's costs charged to the Statement of Financial Activities, amounted to £194k (2023: £209k).

Defined Contribution Scheme

Devon staff that commenced employment after 31 March 2016 and Torbay staff that commenced employment after 31 March 2018 participate in the Flexible Retirement Plan administered by TPT Retirement Solutions (formerly the Pensions Trust). This is a defined contribution pension scheme. Under this scheme, the employer matches employees' contributions up to 6% of pensionable pay.

At 31 March 2024, 181 employees (2023: 216 employees) participated in the scheme and employer's costs charged to the Statement of Financial Activities amounted to £160k (2023: £145k).

21 Funds

	Balance at 1 April 2023 £ 000	Incoming resources £ 000	Resources expended £ 000	Transfers £ 000	Balance at 31 March 2024 £ 000
Unrestricted funds					
General					
General Funds	2,308	8,771	(8,943)	1,105	3,241
Designated					
Property development	250	-	-	(250)	-
Infrastructure	500	-	-	(500)	-
Project development	150	-	-	(150)	-
	<u>900</u>	<u>-</u>	<u>-</u>	<u>(900)</u>	<u>-</u>
Total unrestricted funds	<u>3,208</u>	<u>8,771</u>	<u>(8,943)</u>	<u>205</u>	<u>3,241</u>

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2024

	Balance at 1 April 2023 £ 000	Incoming resources £ 000	Resources expended £ 000	Transfers £ 000	Balance at 31 March 2024 £ 000
Restricted funds					
British Library	54	8	(59)	-	3
Arts Council	35	263	(219)	(2)	77
Good Things Foundation	6	-	(6)	-	-
Other	89	105	(123)	-	71
Purchase of Kiosks (DCC Funding)	-	100	-	(100)	-
Reminiscence Project (Crediton)	-	14	(6)	-	8
Libraries On Funding	-	106	(2)	(103)	1
Torrige - Know Your Neighbourhood	-	35	(6)	-	29
Workhubs (Work Club Funding)	-	37	(25)	-	12
Workhubs (Multiply)	-	17	(16)	-	1
She Started It	-	10	(5)	-	5
Decarbonisation Projects	-	75	(52)	-	23
	<u>184</u>	<u>771</u>	<u>(519)</u>	<u>(205)</u>	<u>231</u>
Total funds	<u>3,392</u>	<u>9,542</u>	<u>(9,462)</u>	<u>-</u>	<u>3,472</u>
	Balance at 1 April 2022 £ 000	Incoming resources £ 000	Resources expended £ 000		Balance at 31 March 2023 £ 000
Unrestricted funds					
General					
General Funds	2,454	7,995	(8,141)		2,308
Designated					
Property development	250	-	-		250
Infrastructure	500	-	-		500
Project development	150	-	-		150
	<u>900</u>	<u>-</u>	<u>-</u>		<u>900</u>
Total unrestricted funds	<u>3,354</u>	<u>7,995</u>	<u>(8,141)</u>		<u>3,208</u>

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2024

	Balance at 1 April 2022 £ 000	Incoming resources £ 000	Resources expended £ 000	Balance at 31 March 2023 £ 000
Restricted funds				
British Library	347	20	(313)	54
Arts Council	49	198	(211)	35
Good Things Foundation	21	-	(15)	6
Other	121	291	(323)	89
	<u>538</u>	<u>509</u>	<u>(863)</u>	<u>184</u>
Total funds	<u>3,892</u>	<u>8,504</u>	<u>(9,004)</u>	<u>3,392</u>

Designated Funds

The purpose of the designated funds was to support property development, primarily focused on purchasing new buildings, to explore new business initiatives, including potential strategic partnerships and to focus on upgrading and replacing infrastructure, for example self-service kiosks and IT equipment.

In line with the trustees new reserves policy the funds previously designated have been transferred back to general funds during 2024.

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2024

Purpose of restricted funds

Art's Council - funding as an NPO in respect of Creative Communities. This is the programme of cultural activity in our libraries supported by the Arts Council England (ACE) National Portfolio Organisation (NPO) funding and Exeter City Council. It brings together a wide range of creative events to communities across Devon and Torbay.

Purchase of kiosks - this is a contribution from Devon County Council towards the installation of new customer kiosks in all libraries across Devon. It has been transferred to unrestricted funds at the year-end as the restriction on the funds has been lifted due to the outright purchase of the kiosks.

Reminiscence Project (Crediton) - awarded by the National Lottery Heritage Fund to fund to establish and deliver at least 5 monthly reminiscence groups and deliver of an outreach and collections engagement programme.

Libraries On Funding - ACE has awarded the British Library a grant to run a grant programme enabling local library services to upgrade their website and local digital presence, to enhance library service buy in and public benefit, and to contribute to the national impact and sustainability of the proposal. Libraries Unlimited has used this funding to establish a new online system for room bookings and also set up a new website for the Secret Book Quest. It has been transferred to unrestricted funds at the year-end as the restriction on the funds has been lifted due to the outright purchase of the necessary assets.

Torrige (Know Your Neighbourhood) - a package of funding from the Department for Culture, Media and Sport (DCMS), designed to widen participation in volunteering and tackle loneliness in 27 disadvantaged areas across England. Our participation is coordinated via Libraries Connected.

Workhubs - joint venture with Devon County Council to establish refugee-friendly work clubs in libraries across Devon.

Decarbonisation Projects - funding from West Devon and South Hams to develop decarbonisation plans with businesses, helping them to innovate and achieve clean growth as part of the UK Shared Prosperity Fund's local business investment priority

Friends Groups - To support individual libraries to enhance their community.

Other - this includes a number of smaller grants expended during the year and does include initiatives around warm spaces, growing communities and locality Funding (small grants given by individual councillors, this enables them to use their local knowledge to support local projects being run through our libraries).

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2024

22 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total funds at 31 March
	General	Designated	funds	2024
	£ 000	£ 000	£ 000	£ 000
Intangible fixed assets	233	-	-	233
Tangible fixed assets	595	-	-	595
Fixed asset investments	190	-	-	190
Current assets	3,527	900	231	3,758
Current liabilities	(1,303)	-	-	(1,303)
Total net assets	3,241	900	231	3,472

	Unrestricted funds		Restricted funds	Total funds at 31 March
	General	Designated	funds	2023
	£ 000	£ 000	£ 000	£ 000
Intangible fixed assets	4	-	-	4
Tangible fixed assets	263	-	-	263
Fixed asset investments	190	-	-	190
Current assets	2,571	900	184	3,655
Current liabilities	(720)	-	-	(720)
Total net assets	2,308	900	184	3,392

Libraries Unlimited South West

Notes to the Financial Statements for the Year Ended 31 March 2024

23 Agency arrangements

The Charity receives grant income from Devon County Council and Torbay Council as agent in respect of the purchase of books and other resources. In the accounting year ended 31 March 2024 the charity received £597,614 (2023: £645,700) and disbursed £614,435 (2023: £589,804) from the fund. An amount of £51,388 (2023: £84,704) is included within debtors and £nil (2023: £11,600) is included in creditors relating to these funds

24 Obligations under leases and hire purchase contracts

Operating lease commitments

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

	2024	2023
	£ 000	£ 000
Other		
Within one year	137	89
Between one and five years	172	191
After five years	117	136
	<u>427</u>	<u>416</u>

25 Related party transactions

There were no related party transactions in the year.

LIBRARIES UNLIMITED SOUTH WEST

England & Wales - Charity number 1170092

Accounts

COMPANY REGISTRATION NUMBER: 09822597
CHARITY REGISTRATION NUMBER: 1170092

**Libraries Unlimited South West
Company Limited by Guarantee
Financial Statements
31 March 2023**

WESTCOTTS (SW) LLP

Chartered Accountants & Statutory Auditors
47 Boutport Street
Barnstaple
Devon
EX31 1SQ

Libraries Unlimited South West

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2023

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Libraries Unlimited South West

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2023

Reference and administrative details

Libraries Unlimited South West (commonly referred to as "Libraries Unlimited") is a Registered Charity and Company Limited by guarantee and does not have any share capital. Its governing document is the Articles of Association which was updated and approved by members on the 21st May 2020 and 20th October 2020.

The company was incorporated on 13 October 2015, commenced trading on 1 April 2016 and registered as a charity on 9 November 2016.

Trustees

The Trustees of the Charity who served during the period were:

Chair:	Will Harvey
Deputy Chair:	Marie Chadwick
Trustees:	Morgen Witzel Andrew Prince Tom Glanville (resigned 29 th March 2023) George Lossius Alex Kittow Crystal Carter Chloë Reynolds Zoe Woodbridge Sue Simmons Lynn Morris
Principal and Registered Office:	Exeter Library, Castle Street, Exeter, Devon, EX4 3PQ
Registered Charity No.	1170092
Registered Company No.	09822597
Chief Executive	Alex Kittow

Libraries Unlimited South West

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2023

Key Management Personnel	Head of Library Service and Customer Experience	Tabitha Witherick
	Director of Finance & Operations	Karen Best (resigned 11 th July 2022)
	Chief Finance Officer	Jo Hodgson (appointed 20 th June 2022) (resigned 6 th January 2023)
	Head of Commercial & Innovation	Tom Glanville (appointed 3 rd July 2023) Steve Turner
Bankers:	Barclays Bank plc Exeter, Devon EX1 1LX	
Solicitors:	Kitsons Solicitors Torquay, Devon TQ2 7FA	
Auditors:	Westcotts (appointed 16 th March 2023) 47 Boutport Street Barnstaple Devon EX31 1SQ	
	PKF Francis Clark (resigned 5 th May 2023) Torquay, Devon TQ2 7FF	

Libraries Unlimited South West

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

The Trustees, who are also directors for the purposes of company law, present their annual report and audited financial statements for the year ended 31 March 2023.

This report satisfies the legal requirements for:

- a Directors' Report for a charitable company
- a Strategic Report under the Companies Act 2006
- a Trustees' Annual Report under the Charities Act 2011.

OUR MISSION

"To bring ideas, imagination, creativity and knowledge to enrich lives and build thriving communities."

OUR CORE PURPOSES

The Charity's core purposes set out how we achieve our vision:

- Promoting a love of reading;
- Providing free access to resources and information;
- Inspiring everyone to learn, create and realise their potential;
- Enabling everyone to explore and connect to the wider world;
- Offering welcoming spaces;
- Supporting the health and wellbeing of individuals and communities.

LEGAL OBJECTS

The Charity has been established for public benefit to:

- promote the advancement of education by the establishment and/or maintenance of a library and/or library service
- establish and/or maintain a library and/or library service in and throughout Devon, including, but not limited to, rural communities and with a particular focus on children and young people
- provide or assist in the provision of community facilities referred to as "Community Hubs" to be available to all sections of the community without distinction, including use for meetings, learning, reading, sharing and/or for other educational and/or recreational or leisure time activities provided in the interests of social welfare, with the object of improving the conditions of life for all those who use the facilities; and/or
- promote the advancement of education of the arts by the establishment and maintenance of a museum and/or art gallery
- develop the capacity and skills of the members of the local community, and particularly children and young people, who are socially or economically disadvantaged in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society;
- pursue such other charitable purposes consistent with the above.

Libraries Unlimited South West

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

PUBLIC BENEFIT

The trustees have ensured that the charity's activities are to the public benefit and they have had regard to the Charity Commission's guidance on public benefit.

STRATEGIC AIMS

In delivering its overall charitable purposes, Libraries Unlimited established five strategic pillars to drive activities and assess its effectiveness. These are as follows:

- People
- Community
- Diversification
- Environment
- Infrastructure

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Core Library Services

The Charity has five-year contracts with Devon County Council and Torbay Council for the provision of library and information services to residents, businesses and visitors to Devon. The Councils have the ability to extend these contracts for a further five years subject to effective performance. We work in collaboration with the Councils to support their statutory duties under the Public Libraries and Museums Act 1964 and specifically to ensure that local services:

- serve both adults and children
- work in partnership with other groups, organisations and agencies
- are available to everyone and meet any special needs or requirements of members of the local community
- encourage participation and full use of the services, and
- provide value for money.

We deliver this service through 54 static libraries across Devon's communities. Libraries Unlimited and the Councils are committed to maintaining the current provision of physical libraries, along with the number of hours that libraries are open to the public and supported by paid library professionals. In addition to static libraries, we provide four mobile libraries that serve rural areas and offer a home delivery service to customers that are unable to access other services. Devon County Council recently discussed the future of the mobile libraries at a recent meeting but no further information is available at this time.

In line with the rest of the country, it has been a challenging year with rising costs and significant pressures on our organisation and staff. We have had to negotiate significant increases in the energy bills for our buildings and rises in other expenses due to inflation.

Libraries Unlimited South West

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

The Trustees have focused intensely on these funding challenges, and are pleased to report that with strong financial management the Charity has ended the year in a satisfactory position. We have limited the size of our deficit, delivered savings on our expenditure, reduced the impact of changes to our funding income and increased our income in areas such as room hire, donations and events. We are grateful to have such an accomplished group of staff, managers and leaders to take us through these globally challenging economic times.

Despite the challenging economic picture, we continue to focus and develop our service and we are delighted that borrowing numbers are up, from 1.3M in 2021-22 to 1.5M in 2022-23. Customers continued to use other resources such as accessing ICT and enjoying learning and social activities with visits to Libraries increasing from 1.5M to 2.2M in 2022-23. Customers logging in to our free WiFi took a leap from 124,700 to 164,826 sessions. Our new WiFi printing facility, which has just been launched in every library, will add yet another useful offering to help with daily living, enabling people to print easily and quickly from their laptops or phones via a digital portal from wherever they are, pick up their documents and take them home. The Secret Book Quest continued to bring a love of reading to children, with over 3,500 signing up again this year. The initiative has been so successful, Libraries Unlimited is now marketing it to other library services around the country.

The Charity was re-appointed as a National Portfolio Organisation (NPO) with Arts Council England for another 3 years (up to 2026) and continued to develop and deliver various arts and culture events throughout our libraries during the year.

Our Libraries for Life campaign ran throughout the winter, offering everything from free hot drinks, a warm place to sit and a friendly face, to clothing rails, budgeting and cooking advice with access to community fridges combatting food waste. Our warm welcoming spaces were clearly offering extra value and that shows in our statistics.

2022 also saw one of our most ambitious art projects. The Reading Tree sculpture took shape in the disused Gap store on Exeter High Street. Over a number of weeks, curious shoppers dropped in to watch artist James Lake sculpt the giant tree out of cardboard, and join in with its creation. The tree is now a firm favourite in the heart of Barnstaple Library, providing a meeting space for further creative workshops.

Key Operating Indicators (April to March)

	2022-23	2021-22
Library Visits	2,234,457	1,544,000
Book loans	1,534,610	1,317,039
Computer & Wi-Fi sessions	328,747	240,000
Attendance at events	190,834	123,400
Active borrowers	131,663	112,935

All of the key operating indicators have shown an increase on the previous year.

Libraries Unlimited South West

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

FINANCIAL REVIEW

Financial Performance — Headline Indicators

	2022-23	2021-22
Total income	£8,504,000	£8,900,000
Total deficit / surplus	(£500,000)	£612,000
Net surplus margin	n/a	6.9%
Net decrease / increase in cash	(£332,000)	£511,000
Current ratio	5.08	4.30
Unrestricted reserves	£3,208,000	£3,354,000

Financial Performance — Income and Surplus

The Statement of Financial Activities shows that the Charity generated a net deficit in funds of £500k (2022: net increase of £612,000) on an annual income of £8,504,000 (2022: £8,900,000). The budgeted deficit for 2023 was £645,000. The deficit for 2022-23 was lower than budget due to the following factors:

- Proactive staff vacancy and cost management throughout the period.

Balance sheet position and cash flows

The Charity is primarily a service provider organisation that does not hold property. As a result, balance sheet strength is driven by an excess of current assets over current liabilities. The cash position, £3.2m as at 31 March 2023 (2022: £3.5m), remains strong and payments under local authority service contracts and the Arts Council England funding for NPO will continue to be received quarterly in advance. In addition, the Charity is debt free which eliminates any interest rate risk from UK monetary policy.

Reserves Policy

The charity needs unrestricted reserves to protect against uncertainty and change in the external environment and to provide investment into service development and new initiatives that deliver our charitable purpose.

As a new charity that inherited no reserves on inception, Trustees recognise that reserves will need to be incrementally built over the medium term. For this reporting period, we have recognised restricted reserves totalling £0.2m (2022: £0.5m). These predominantly relate to funds awarded by the British Library, Arts Council England and other funders.

The Trustees agreed a temporary increase in the level of unrestricted reserves held to 18% of total income as a result of the COVID Pandemic. This is still in place and, based on the income reported in these accounts, this would result in unrestricted reserves of around £1.5m (2022: £1.6m).

Libraries Unlimited South West

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

At 31 March 2023, unrestricted reserves amounted to £3.2m (2022: £3.4m). The Trustees acknowledge that the current level of reserves is in excess of the temporary reserves policy. Of the unrestricted reserves, £0.9m (2022: £0.9m) has been designated to support future recovery and development plans across property acquisition, project delivery and infrastructure improvements. The remaining £2.3m (2022: £2.5m) of general unrestricted reserves has been retained to ensure the financial sustainability of the organisation in light of the effect of continuing high inflation on expenditure as well as pressure on our service fee leading us to forecast deficit budgets for 2023-24 and 2024-25. The Trustees will revisit the temporary reserves policy and allocation of designated funds on an ongoing basis.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees are responsible for the identification, mitigation and management of risk and have established a formal risk management framework to assess business risk and to implement risk management strategies. Trustees have determined that the Charity should be risk aware not risk averse, recognising that it will need to take risks in order to innovate and improve services to beneficiaries.

A risk register is maintained by the Charity. Risks are scored on a multiplier of impact and probability and are reported quarterly to the Finance and Audit Committee and the full Board. Principal risks at the balance sheet date and actions taken or planned to mitigate them are as follows:

Main risks

1. Potential reductions in service contract fees, plus contract renewals and pricing in the context of public sector austerity and funding for local authorities
 - Business and financial planning
 - Review of potential alternative income streams
 - Strong collaborative relationships with relevant commissioners
2. Continued uncertainty around Brexit and potential impact on staffing, supply chain and future contracts and funding
 - Engagement with relevant commissioners
 - Strengthen and diversify supply chain

Future prospects

Trustees believe the charity is well positioned to be a leading provider of library and information services. It has a contract with Devon County Council until March 2026 and the contract with Torbay Council provides certainty of funding until March 2028 after a 5-year contract extension was agreed and signed in December 2022. Trustees are also exploring the possibilities of delivering complementary services from libraries which will help to strengthen footfall and broaden income generation opportunities further.

The charity continues to widen its customer base within the wider cultural and business sectors. It has secured grant funding until March 2023 in relation to its successful bid to become a National Portfolio Organisation of Arts Council England which will be used to enhance the arts and cultural offer across Devon. An application was submitted in May 2022 to continue as an NPO beyond March 2023 and this funding has now been secured for a further 3 years up to 2026. Similarly, it has secured grant funding until March 2024 in relation to the expansion of business support services across Devon with funding from the British Library.

Libraries Unlimited South West

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

The charity is also well positioned to play an active role in the economic and social recovery of local communities following the Covid pandemic. It will continue to demonstrate the impact of providing existing services as well as piloting new offerings and channels. With a wide geographic reach, the charity can be proactive in supporting community regeneration, disadvantaged families, local businesses and others adversely impacted by the pandemic and resultant lockdown restrictions. The new five-year strategy lays out our ambitions and how we will measure our progress against specific goals.

STRUCTURE AND GOVERNANCE

Membership and control

Libraries Unlimited South West is a membership organisation. The liability of any member is limited to a sum not exceeding £1. Membership classes are as follows:

- Staff Membership Group — any member of staff employed by the Charity is entitled to apply.
- Community Membership Group — any Library Friends Group is entitled to apply.
- Trustee Membership Group — all appointed Trustees shall be members of the Charity.

Staff and Community members each control 33% of voting rights at General Meeting, with Trustees controlling the remaining 34%.

The Board of Trustees

The Board of Trustees oversees the management of the Charity and comprises:

- up to two Staff Trustees;
- up to two Community Trustees;
- Chief Executive, ex officio;
- up to seven Independent Trustees.

Staff Trustees are appointed for a fixed term of three years by a majority vote of the employees of the Charity. Community Trustees are similarly appointed for a fixed term of three years on a majority vote of the Friends' Groups. Independent Trustees are also appointed for a fixed term of three years, expiring at the end of the AGM in the third year following their appointment, by ordinary resolution.

As part of induction and training all new Trustees meet with the Chair, senior managers and HR Manager and have a programme of site visits to understand the charity's culture, operations and processes. A Trustee Handbook is maintained by all Trustees and contains information on the Charity Articles of Association, key operations and summary business plan. It also provides advice on governance framework within the organisation, including the duties of Trustees and arrangements to avoid conflicts of interest.

Libraries Unlimited South West

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Committees

The Board of Trustees have the following committees in place for the efficient conduct of business:

- Finance and Audit
- People and Operations
- Business Innovations and Partnerships
- Trustee Nominations.

Terms of reference exist for each committee

Remuneration of Senior Management

The Chief Executive and staff trustees (two in the reporting period) were paid during the year by virtue of their employment. No other trustees were paid during the reporting period.

Senior management salary levels are currently determined through a combination of role and responsibilities, coupled with an assessment of the local market for specific sectors. Salary levels are considered and approved by the People and Operations Committee. Senior managers are employed on standard terms and conditions in relation to annual leave, pension contributions and expenses as applied to members of staff. The cost of salaries paid to senior managers is included in Note 16.

Gender Pay Gap

As an organisation with more than 250 employees, we are legally required to comply with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 and publish Gender Pay Gap (GPG) reporting information on an annual basis.

As at 5th April 2022, our median gender pay gap was 8.5% (2.2% as at 5th April 2021) and our mean gender pay gap was 16.34% (16% as at 5th April 2021).

Whilst we are frustrated to not have made further progress yet, we also recognise that some of the factors affecting our Gender Pay Gap are deeply ingrained and also wider societal issues. This is not intended as an excuse but is a recognition that it will take time to bring about change. As an organisation, however, we are not giving up on our ambition to ensure Gender Pay Gaps are eliminated and we are committed to playing a role in that, focussing on doing what we can to push forward that change. We set out a number of actions we proposed to take in October 2021 when reporting on our April 2020 figures, and we have made some positive steps already, including starting work towards becoming a Real Living Wage employer. Although, this will have had some positive effect on our April 2022 Gender Pay Gap figures, the full effect will not be represented until our April 2023 figures as our relief staff salary increases were not made effective until after 5th April 2022.

We will continue to work on encouraging more men into frontline roles, women into senior roles in all areas of the organisation especially traditionally male dominated sectors, and men to utilise flexible working and family friendly policies such as Shared Parental Leave. However, it is also important to recognise that these actions will be part of a large cultural shift that is required, both within the organisation and as a wider society, so we recognise that this is a direction of travel that we are very committed to, rather than actions that will automatically result in change within the following year.

Libraries Unlimited South West

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Employment of Disabled People

The Charity is committed to ensuring that its staff base is reflective of the communities it serves. The Charity has high levels of part-time working and will always consider workplace adjustments and job carving techniques to help employees manage long term health conditions.

We are mindful of any reasonable adjustments required to ensure disabled job candidates are not disadvantaged at recruitment interviews and assessment centres.

Trustees' responsibilities statement

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

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

APPOINTMENT OF AUDITORS

The re-appointment of Westcotts as auditors to Libraries Unlimited South West will be proposed at the Annual General Meeting.

Libraries Unlimited South West

Company Limited by Guarantee

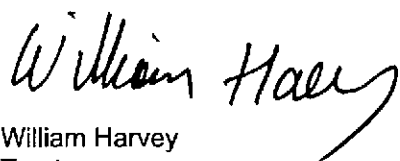
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

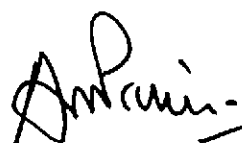
Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 15 September 2023 and signed on behalf of the board of trustees by:



William Harvey
Trustee



Andrew Prince
Trustee

Libraries Unlimited South West

Company Limited by Guarantee

Independent Auditor's Report to the Members of Libraries Unlimited South West

Year ended 31 March 2023

Opinion

We have audited the financial statements of Libraries Unlimited South West (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, 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 FRS 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 charity's affairs as at 31 March 2023 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;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Libraries Unlimited South West

Company Limited by Guarantee

Independent Auditor's Report to the Members of Libraries Unlimited South West *(continued)*

Year ended 31 March 2023

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

Opinions 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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

Libraries Unlimited South West

Company Limited by Guarantee

Independent Auditor's Report to the Members of Libraries Unlimited South West *(continued)*

Year ended 31 March 2023

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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 identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the trustees and other management. We communicated identified laws and regulations throughout our team, and remained alert to any indications of non-compliance throughout the audit.
- The charity is subject to laws and regulations that govern the preparation of the financial statements, including financial reporting legislation, and other companies legislation. The company is also subject to other laws and regulations where the consequences of non-compliance could have a material impact on the amounts or disclosures within the financial statements, including employment, anti-bribery, anti-money laundering and certain aspects of companies legislation.
- Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Libraries Unlimited South West

Company Limited by Guarantee

Independent Auditor's Report to the Members of Libraries Unlimited South West *(continued)*

Year ended 31 March 2023

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Catherine Williams FCA DChA
(Senior Statutory Auditor)
For and on behalf of
Westcotts (SW) LLP
Chartered Accountants & Statutory Auditors
47 Boutport Street
Barnstaple
Devon
EX31 1SQ

Libraries Unlimited South West

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2023

		2023			2022	
	Note	Unrestricted funds £000	Designated funds £000	Restricted funds £000	Total funds £000	Total funds £000
Income and endowments						
Donations and legacies	5	111	–	497	608	963
Charitable activities	6	7,449	–	–	7,449	7,669
Other trading activities	7	382	–	12	393	268
Investment income	8	54	–	–	54	–
Total income		<u>7,996</u>	<u>–</u>	<u>509</u>	<u>8,504</u>	<u>8,900</u>
Expenditure						
Expenditure on raising funds:						
Costs of other trading activities	9	150	–	3	153	123
Expenditure on charitable activities	10,11	<u>7,992</u>	<u>–</u>	<u>860</u>	<u>8,851</u>	<u>8,176</u>
Total expenditure		<u>8,142</u>	<u>–</u>	<u>863</u>	<u>9,004</u>	<u>8,299</u>
Net gains on investments	13	–	–	–	–	11
Net (expenditure)/income and net movement in funds		<u>(146)</u>	<u>–</u>	<u>(354)</u>	<u>(500)</u>	<u>612</u>
Reconciliation of funds						
Total funds brought forward		<u>2,454</u>	<u>900</u>	<u>538</u>	<u>3,892</u>	<u>3,280</u>
Total funds carried forward		<u>2,308</u>	<u>900</u>	<u>184</u>	<u>3,392</u>	<u>3,892</u>

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 19 to 34 form part of these financial statements.

Libraries Unlimited South West

Company Limited by Guarantee

Statement of Financial Position

31 March 2023


	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	17	4	5
Tangible fixed assets	18	263	251
Investments	19	190	190
		<u>457</u>	<u>446</u>
Current assets			
Debtors	20	500	1,003
Cash at bank and in hand		3,155	3,488
		<u>3,655</u>	<u>4,491</u>
Creditors: amounts falling due within one year	21	720	1,045
Net current assets		<u>2,935</u>	<u>3,446</u>
Total assets less current liabilities		<u>3,392</u>	<u>3,892</u>
Net assets		<u>3,392</u>	<u>3,892</u>
Funds of the charity			
Restricted funds		184	538
Unrestricted funds		2,308	2,454
Designated funds		900	900
Total charity funds	24	<u>3,392</u>	<u>3,892</u>

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

These financial statements were approved by the board of trustees and authorised for issue on 15 September 2023, and are signed on behalf of the board by:



Andrew Prince
Trustee



Alex Kittow
Trustee

The notes on pages 19 to 34 form part of these financial statements.

Libraries Unlimited South West

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 March 2023

	2023	2022
	£000	£000
Cash flows from operating activities		
Net (expenditure)/income	(500)	612
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	173	71
Amortisation of intangible assets	1	2
Net gains on investments	–	(11)
<i>Changes in:</i>		
Trade and other debtors	502	190
Trade and other creditors	(323)	64
Cash generated from operations	<u>(147)</u>	<u>928</u>
Net cash (used in)/from operating activities	<u>(147)</u>	<u>928</u>
Cash flows from investing activities		
Purchase of tangible assets	(185)	(233)
Purchase of intangible assets	–	(5)
Purchases of other investments	–	(179)
Net cash used in investing activities	<u>(185)</u>	<u>(417)</u>
Net (decrease)/increase in cash and cash equivalents	(332)	511
Cash and cash equivalents at beginning of year	<u>3,488</u>	<u>2,977</u>
Cash and cash equivalents at end of year	<u>3,156</u>	<u>3,488</u>

The notes on pages 19 to 34 form part of these financial statements.

Libraries Unlimited South West

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2023

1. General Information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Exeter Library, Castle Street, Exeter, EX4 3PQ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity. All amounts in the financial statements have been rounded to the nearest £1,000.

Going concern

There are no material uncertainties about the charity's ability to continue.

Consolidation

Libraries Unlimited South West Limited has a subsidiary company (Libraries Unlimited Enterprises Limited). The subsidiary has never traded and therefore consolidated accounts have not been prepared on the basis that the subsidiary is wholly immaterial to the group.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Libraries Unlimited South West

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Libraries Unlimited South West

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Software - 3 to 4 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Fixed assets costing £1,000 or more are capitalised at cost.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset on a straight line basis as follows:

Building improvements - 5 to 10 years (or length of lease if shorter)
ICT Hardware - 3 to 4 years
Motor vehicles - 3 years
Operational Equipment - 3 to 5 years
Fixtures, fittings and equipment - 3 to 7 years

Libraries Unlimited South West

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in income or expenditure.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Libraries Unlimited South West

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Defined contribution plans *(continued)*

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

The charity is a company limited by guarantee. The members of the charity are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

5. Donations and legacies

	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2023 £000
Donations			
Donations	111	4	115
Grants			
British Library Grants	–	20	20
Arts Council England	–	186	186
Good Things Foundation	–	–	–
Covid support	–	–	–
Other	–	287	287
	<u>111</u>	<u>497</u>	<u>608</u>
	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2022 £000
Donations			
Donations	115	–	115
Grants			
Grants	–	–	–
Arts Council England	–	218	218
Good Things Foundation	–	23	23
Covid support	403	–	403
Other	–	204	204
	<u>518</u>	<u>445</u>	<u>963</u>

Libraries Unlimited South West

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

6. Charitable activities

	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2023 £000
Local Authority contracts	7,166	–	7,166
Service user payments & collection fees	188	–	188
Other income	18	–	18
Printing & Photocopying income	77	–	77
	<u>7,449</u>	<u>–</u>	<u>7,449</u>

	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2022 £000
Local Authority contracts	7,323	102	7,425
Service user payments & collection fees	207	–	207
Other income	37	–	37
Printing & Photocopying income	–	–	–
	<u>7,567</u>	<u>102</u>	<u>7,669</u>

7. Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2023 £000
Retail income	26	12	37
Room hire	335	–	335
Catering	8	–	8
Other trading income	13	–	13
	<u>382</u>	<u>12</u>	<u>393</u>

	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2022 £000
Retail income	–	–	–
Room hire	233	–	233
Catering	30	–	30
Other trading income	5	–	5
	<u>268</u>	<u>–</u>	<u>268</u>

Libraries Unlimited South West

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

8. Investment income

	Unrestricted Funds £000	Total Funds 2023 £000	Unrestricted Funds £000	Total Funds 2022 £000
Bank interest receivable	36	36	–	–
Income from investment property	18	18	–	–
	<u>54</u>	<u>54</u>	<u>–</u>	<u>–</u>

9. Costs of other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2023 £000
Costs of other trading activities	150	3	153

	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2022 £000
Costs of other trading activities	123	–	123

10. Expenditure on charitable activities by fund type

	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2023 £000
Charitable Activities	7,756	532	8,288
Support costs	236	328	563
	<u>7,992</u>	<u>860</u>	<u>8,851</u>

	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2022 £000
Charitable Activities	6,698	792	7,490
Support costs	686	–	686
	<u>7,384</u>	<u>792</u>	<u>8,176</u>

11. Expenditure on charitable activities by activity type

	Activities undertaken directly £000	Support costs £000	Total funds 2023 £000	Total fund 2022 £000
Charitable Activities	<u>8,288</u>	<u>563</u>	<u>8,851</u>	<u>8,176</u>

Libraries Unlimited South West

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

12. Analysis of support costs

	Charitable activities £000	Total 2023 £000	Total 2022 £000
Communications and IT	130	130	193
General office	253	253	133
Finance costs	–	–	38
Other support costs	145	145	294
Auditors remuneration	35	35	28
	<u>563</u>	<u>563</u>	<u>686</u>

13. Net gains on investments

	Unrestricted Funds £000	Total Funds 2023 £000	Unrestricted Funds £000	Total Funds 2022 £000
Gains/(losses) on investment property	–	–	11	11

14. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2023 £000	2022 £000
Amortisation of intangible assets	1	2
Depreciation of tangible fixed assets	<u>173</u>	<u>71</u>

15. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023 £000	2022 £000
Wages and salaries	4,948	4,586
Social security costs	329	292
Employer contributions to pension plans	356	353
	<u>5,633</u>	<u>5,231</u>

The average head count of employees during the year was 383 (2022: 359). The average number of full-time equivalent employees during the year is analysed as follows:

	2023 No.	2022 No.
Library staff	129	140
Management, service, development and support services	<u>57</u>	<u>41</u>
	<u>186</u>	<u>181</u>

Libraries Unlimited South West

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

16. Trustee remuneration and expenses

None of the trustees are remunerated for their services as trustees, but the chief Executive and two staff trustees were paid in respect of their employment with the charity (as permitted by the Memorandum & Articles of Association)

The remuneration of the chief executive was between £80,000 and £90,000 (2022: £70,000 & £80,000) including pension contributions. No other employees earned more than £60,000.

In the year ended 31 March 2023, two staff trustees were paid between £20,000 and £30,000 each. In the previous year two staff trustees were paid between £20,000 and £30,000.

During the reporting period, the charity paid expenses totalling £903 to three trustees (2022: £815 to five trustees) primarily in relation to travel and subsistence.

The key management personnel comprise the Trustees in their roles as Trustees, Chief Executive and three Heads of Service covering the following areas; Service delivery, Finance & Operations and Commercial & Innovation. The aggregate employee benefits payable to key management personnel for the reporting period was £315,000 (2022: £445,000). There has been a significant reduction in these costs in the year due to the fact that in 2022 there was a Head of IT, not in 2023 and the CFO has only been in post for 6 months of 2023.

17. Intangible assets

	Software £000
Cost	
At 1 April 2022 and 31 March 2023	74
Amortisation	
At 1 April 2022	69
Charge for the year	1
At 31 March 2023	70
Carrying amount	
At 31 March 2023	4
At 31 March 2022	5

Libraries Unlimited South West

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

18. Tangible fixed assets

	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Equipment £000	Total £000
Cost					
At 1 April 2022	193	19	35	129	376
Additions	100	–	–	85	185
At 31 March 2023	<u>293</u>	<u>19</u>	<u>35</u>	<u>214</u>	<u>561</u>
Depreciation					
At 1 April 2022	86	19	2	18	125
Charge for the year	76	–	12	85	173
At 31 March 2023	<u>162</u>	<u>19</u>	<u>14</u>	<u>103</u>	<u>298</u>
Carrying amount					
At 31 March 2023	<u>131</u>	<u>–</u>	<u>21</u>	<u>111</u>	<u>263</u>
At 31 March 2022	<u>107</u>	<u>–</u>	<u>33</u>	<u>111</u>	<u>251</u>

19. Investments

	Investment properties £000
Cost or valuation	
At 1 April 2022 and 31 March 2023	<u>190</u>
Impairment	
At 1 April 2022 and 31 March 2023	
Carrying amount	
At 31 March 2023	<u>190</u>
At 31 March 2022	<u>190</u>

All investments shown above are held at valuation.

Investment properties

The investment property was revalued in April 2022 by an independent valuer, Luscombe Maye. The value of the property was based on market value, the Trustees have confirmed the valuation remains appropriate as at 31 March 2023.

Libraries Unlimited South West

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

20. Debtors

	2023	2022
	£000	£000
Trade debtors	72	122
Prepayments and accrued income	343	593
Other debtors	85	288
	<u>500</u>	<u>1,003</u>

21. Creditors: amounts falling due within one year

	2023	2022
	£000	£000
Trade creditors	182	229
Accruals and deferred income	186	632
Social security and other taxes	296	122
Other creditors	56	62
	<u>720</u>	<u>1,045</u>

22. Deferred income

	2023	2022
	£000	£000
At 1 April 2022	77	295
Amount released to income	(77)	(295)
Amount deferred in year	42	77
At 31 March 2023	<u>42</u>	<u>77</u>

Libraries Unlimited South West

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

23. Pensions and other post retirement benefits

The Organisation participates in three pension schemes:

Defined Benefit Scheme

Devon County Council

Staff that transferred under TUPE to Libraries Unlimited on 1 April 2016 are entitled to participate in the local Government Pension Scheme (LGPS) as administered by Devon County Council. Libraries Unlimited participates in this scheme on a closed admission basis, and staff participation is limited to contributing employees at 1 April 2016. The LGPS is a contribution based funded defined benefit scheme that currently provides retirement benefits based on career average revalued salary and length of service in employment.

Subject to certain conditions, which Libraries Unlimited has fully complied with in 2022/23, Devon County Council acts as guarantor to the pension scheme. Under this arrangement Libraries Unlimited's liability is capped at the payments actually made under triennial revaluation, and the funding risk remains with Devon County Council. Pension costs are therefore accounted for as in a defined contribution scheme.

Employer contribution rates into this scheme amount to 12% of pensionable pay in 2022/23, with employee contributions ranging from 5.5% to 12.5% dependant on salary.

Torbay Council

Staff that transferred under TUPE to Libraries Unlimited on 1 April 2018 are entitled to participate in the Local Government Pension Scheme (LGPS) as administered by Torbay Council. Libraries Unlimited participates in this scheme on a closed admission basis, and staff participation is limited to contributing employees at 1 April 2018. The LGPS is a contribution based funded defined benefit scheme that currently provides retirement benefits based on career average, revalued salary and length of service in employment.

Subject to certain conditions, which Libraries Unlimited has fully complied with in 2022/23, Torbay Council acts as guarantor to the Pension Scheme. Under this arrangement Libraries Unlimited's liability is capped at the payments actually made under triennial revaluation, and the funding risk remains with Torbay Council. Pension costs are therefore accounted for as in a defined contribution scheme.

Employer contribution rates into this scheme amount to 12% of pensionable pay in 2022/23, with employee contributions ranging from 5.5% to 12.5% dependant on salary. Overall

At 31 March 2023, 151 employees (2022: 148 employees) participated in the scheme and employer's costs charged to the Statement of Financial Activities, amounted to £209k (2022: £235k).

Defined Contribution Scheme

Devon staff that commenced employment after 31 March 2016 and Torbay staff that commenced employment after 31 March 2018 participate in the Flexible Retirement Plan administered by TPT Retirement Solutions (formerly the Pensions Trust). This is a defined contribution pension scheme. Under this scheme, the employer matches employees' contributions up to 6% of pensionable pay.

Libraries Unlimited South West

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

23. Pensions and other post retirement benefits *(continued)*

At 31 March 2023, 216 employees (2022: 166 employees) participated in the scheme and employer's costs charged to the Statement of Financial Activities amounted to £145k (2022: £118k).

24. Analysis of charitable funds

Unrestricted funds

	At 1 April 2022 £000	Income £000	Expenditure £000	Gains and losses £000	At 31 March 2023 £000
General funds	2,454	7,996	(8,142)	—	2,308

	At 1 April 2021 £000	Income £000	Expenditure £000	Gains and losses £000	At 31 March 2022 £000
General funds	1,597	8,353	(7,507)	11	2,454

Libraries Unlimited South West

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

24. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 April 2022	Income	Expenditure	Gains and losses	At 31 March 2023
	£000	£000	£000	£000	£000
British Library	347	21	(314)	–	54
Arts Council	49	197	(211)	–	35
Good Things Foundation	21	–	(15)	–	6
Kickstart	–	–	–	–	–
Other	121	291	(323)	–	89
	<u>538</u>	<u>509</u>	<u>(863)</u>	<u>–</u>	<u>184</u>

	At 1 April 2021	Income	Expenditure	Gains and losses	At 31 March 2022
	£000	£000	£000	£000	£000
British Library	616	–	(269)	–	347
Arts Council	53	218	(222)	–	49
Good Things Foundation	25	23	(27)	–	21
Kickstart	–	52	(52)	–	–
Other	89	254	(222)	–	121
	<u>783</u>	<u>547</u>	<u>(792)</u>	<u>–</u>	<u>538</u>

Designated funds

	At 1 April 2022	Income	Expenditure	Gains and losses	At 31 March 2023
	£000	£000	£000	£000	£000
Property development	250	–	–	–	250
Infrastructure	500	–	–	–	500
Project development	150	–	–	–	150
	<u>900</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>900</u>

	At 1 April 2021	Income	Expenditure	Gains and losses	At 31 March 2022
	£000	£000	£000	£000	£000
Property development	250	–	–	–	250
Infrastructure	500	–	–	–	500
Project development	150	–	–	–	150
	<u>900</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>900</u>

The purpose of the designated funds is to support property development, primarily focused on purchasing new buildings, to explore new business initiatives, including potential strategic partnerships and to focus on upgrading and replacing infrastructure, for example self-service kiosks and IT equipment.

Libraries Unlimited South West

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

25. Analysis of net assets between funds

	Unrestricted Funds £000	Restricted Funds £000	Designated Funds £000	Total Funds 2023 £000
Intangible assets	4	–	–	4
Tangible fixed assets	263	–	–	263
Investments	190	–	–	190
Current assets	2,571	184	900	3,655
Creditors less than 1 year	(720)	–	–	(720)
Net assets	2,308	184	900	3,392

	Unrestricted Funds £000	Restricted Funds £000	Designated Funds £000	Total Funds 2022 £000
Intangible assets	5	–	–	5
Tangible fixed assets	251	–	–	251
Investments	190	–	–	190
Current assets	3,053	538	900	4,491
Creditors less than 1 year	(1,045)	–	–	(1,045)
Net assets	2,454	538	900	3,892

26. Agency arrangements

The Charity receives grant income from Devon County Council and Torbay Council as agent in respect of the purchase of books and other resources. In the accounting year ended 31 March 2023 the charity received £645,700 (2022: £671,000) and disbursed £589,804 (2022: £774,000) from the fund. An amount of £84,704 (2022: £144,000) is included within debtors and £11,600 (2022: £15,000) is included in creditors relating to these funds.

27. Analysis of changes in net debt

	At 1 Apr 2022 £000	Cash flows £000	At 31 Mar 2023 £000
Cash at bank and in hand	3,488	(333)	3,155

Libraries Unlimited South West

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

28. Operating lease commitments

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

	2023	2022
	£000	£000
Not later than 1 year	89	92
Later than 1 year and not later than 5 years	191	162
Later than 5 years	136	5
	<u>416</u>	<u>259</u>

29. Related parties

During the year, the charity did not enter into any related party transactions (2022: None).

LIBRARIES UNLIMITED SOUTH WEST

England & Wales - Charity number 1170092

Accounts

Libraries Unlimited South West

Trustees' Report and Financial Statements For the Year Ended 31 March 2022

**Charity Number: 1170092
Company Number: 09822597**

Libraries Unlimited South West

Report and Financial Statements

Year Ended 31 March 2022

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Libraries Unlimited South West

Reference and Administrative Details

Year Ended 31 March 2022

Libraries Unlimited South West (commonly referred to as "Libraries Unlimited") is a Registered Charity and Company Limited by guarantee and does not have any share capital. Its governing document is the Articles of Association which was updated and approved by members on the 21st May 2020 and 20th October 2020.

The company was incorporated on 13 October 2015, commenced trading on 1 April 2016 and registered as a charity on 9 November 2016.

Trustees

The Trustees of the Charity who served during the period were:

Chair:	Will Harvey
Deputy Chair:	Marie Chadwick
Trustees:	Richard Watts (resigned 9th March 2022) Morgen Witzel Andrew Prince Tom Glanville George Lossius Alex Kittow Crystal Carter Chloe Reynolds Zoe Woodbridge Alasdair Anderson (resigned 2nd July 2021) Sue Simmons (appointed 24th November 2021) Lynn Morris (appointed 24th May 2022)

Principal and Registered Office: Exeter Library, Castle Street, Exeter, Devon, EX4 3PQ

Registered Charity No. 1170092

Registered Company No. 09822597

Chief Executive Alex Kittow

Key Management Personnel	Head of Library Service and Customer Experience	Tabitha Witherick
	Director of Finance & Operations	Jo Hodgson (appointed 20 June 2022) Karen Best (resigned 8 July 2022)
	Head of Commercial & Innovation	Steve Turner

Bankers: Barclays Bank plc
Exeter, Devon
EX1 1LX

Solicitors: Kitsons Solicitors
Torquay, Devon
TQ2 7FA

Auditors: PKF Francis Clark
Torquay, Devon
TQ2 7FF

Libraries Unlimited South West

Trustees' Report

Year Ended 31 March 2022

The Trustees, who are also directors for the purposes of company law, present their annual report and audited financial statements for the year ended 31 March 2022.

This report satisfies the legal requirements for:

- a Directors' Report for a charitable company
- a Strategic Report under the Companies Act 2006
- a Trustees' Annual Report under the Charities Act 2011

OUR VISION

"To bring ideas, imagination, creativity and knowledge to enrich lives and build thriving communities."

OUR CORE PURPOSES

The Charity's core purposes set out how we achieve our vision:

- Promoting a love of reading;
- Providing free access to resources and information;
- Inspiring everyone to learn, create and realise their potential;
- Enabling everyone to explore and connect to the wider world;
- Offering welcoming spaces;
- Supporting the health and wellbeing of individuals and communities.

LEGAL OBJECTS

The Charity has been established for public benefit to:

- promote the advancement of education by the establishment and/or maintenance of a library and/or library service
- establish and/or maintain a library and/or library service in and throughout Devon, including, but not limited to, rural communities and with a particular focus on children and young people
- provide or assist in the provision of community facilities referred to as "Community Hubs" to be available to all sections of the community without distinction, including use for meetings, learning, reading, sharing and/or for other educational and/or recreational or leisure time activities provided in the interests of social welfare, with the object of improving the conditions of life for all those who use the facilities; and/or
- promote the advancement of education of the arts by the establishment and maintenance of a museum and/or art gallery
- develop the capacity and skills of the members of the local community, and particularly children and young people, who are socially or economically disadvantaged in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society;
- pursue such other charitable purposes consistent with the above.

PUBLIC BENEFIT

The trustees have ensured that the charity's activities are to the public benefit, and they have had regard to the Charity Commission's guidance on public benefit.

Libraries Unlimited South West

Trustees' Report

Year Ended 31 March 2022

STRATEGIC REPORT

STRATEGIC AIMS

In delivering its overall charitable purposes, Libraries Unlimited established five strategic pillars to drive activities and assess its effectiveness. These are as follows:

- People
- Community
- Diversification
- Environment
- Infrastructure

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Core Library Services

The Charity has five-year contracts with Devon County Council and Torbay Council for the provision of library and information services to residents, businesses and visitors to Devon. The Councils have the ability to extend these contracts for a further five years subject to effective performance. We work in collaboration with the Councils to support their statutory duties under the Public Libraries and Museums Act 1964 and specifically to ensure that local services:

- serve both adults and children
- work in partnership with other groups, organisations and agencies
- are available to everyone and meet any special needs or requirements of members of the local community
- encourage participation and full use of the services, and
- provide value for money.

We deliver this service through 54 static libraries across Devon's communities. Libraries Unlimited and the Councils are committed to maintaining the current provision of physical libraries, along with the number of hours that libraries are open to the public and supported by paid library professionals. In addition to static libraries, we provide four mobile libraries that serve rural areas and offer a home delivery service to customers that are unable to access other services.

We have continued to remain open and provide services to customers despite the major impact of the Coronavirus pandemic which resulted in further national lockdowns during this reporting period. Significant activities included:

- Keeping physical and mobile libraries open whenever Government restrictions allowed, often ahead of the national trend
- Compliance with Government legislation and guidance in relation to Covid-secure spaces, Test and Trace, stock quarantining and homeworking with a key focus on staff and customer safety
- Expansion and development of online offerings and events as well as new services such as Choose & Collect and phone calls to vulnerable customers to keep provision available when physical browsing was not permitted.

The outcome of these activities is that we still had over 1.5 million visits to libraries in 2021/22 with customers continuing to borrow books and resources, accessing ICT and enjoying learning and social activities.

Libraries Unlimited South West

Trustees' Report

Year Ended 31 March 2022

Other key developments in the period included:

- BIPC (Business & IP Centre) Devon through additional funding from the British Library, providing support to business owners, entrepreneurs and inventors
- Development of various arts and culture events as part of being a National Portfolio Organisation (NPO) with funding from Arts Council England
- Establishment of Work:hubs at Newton Abbot and Teignmouth libraries.

Key Operating Indicators (April 2021 — March 2022)

Library Visits	1,544,000
Book loans	1,317,039
Computer & Wi-Fi hours	240,000
Attendance at events	123,400
Active borrowers	112,935

All of the key operating indicators have shown an increase on the previous year due to recovering from the impact of the Covid pandemic throughout the financial year.

FINANCIAL REVIEW

Financial Performance — Headline Indicators

Total income	£8,900,000
Total surplus	£601,000
Net surplus margin	6.9%
Cash flow from operating activities	£928,000
Current ratio	4.3
Unrestricted reserves	£3,354,000

Financial Performance — Income and Surplus

The Statement of Financial Activities shows that the Charity generated a net increase in funds of £612,000 on an annual income of £8,900,000. The budgeted loss for the period under review was £(511,000). The surplus for the period was significantly above budget due to the following factors:

- Receipt of non-recurrent Covid support grants from District Councils to offset the loss of traditional income streams during the pandemic
- Receipt of additional service contract income received from Devon County Council
- Proactive staff vacancy and cost management throughout the period.

Balance sheet position and cash flows

The Charity is primarily a service provider organisation that does not hold property. As a result, balance sheet strength is driven by an excess of current assets over current liabilities. The cash position, £3.49m at 31 March 2022, remains strong and payments under local authority service contracts and the Arts Council England funding for NPO will continue to be received quarterly in advance. In addition, the Charity is debt free which eliminates any interest rate risk from UK monetary policy.

Libraries Unlimited South West

Trustees' Report

Year Ended 31 March 2022

Reserves Policy

The charity needs unrestricted reserves to protect against uncertainty and change in the external environment and to provide investment into service development and new initiatives that deliver our charitable purpose.

As a new charity that inherited no reserves on inception, Trustees recognise that reserves will need to be incrementally built over the medium term. For this reporting period, we have recognised restricted reserves totalling £0.5m. These predominantly relate to funds awarded by the British Library, Arts Council England and other funders.

Due to the ongoing impacts of the Covid pandemic, Trustees agreed a temporary increase in the level of unrestricted reserves held to 18% of total income. Based on the income reported in these accounts, this would result in unrestricted reserves of around £1.6m.

At 31 March 2022, unrestricted reserves amounted to £3.4m. The Trustees acknowledge that the current level of reserves is in excess of the temporary reserves policy. Of the unrestricted reserves, £0.9m has been designated to support future recovery and development plans across property acquisition, project delivery and infrastructure improvements. The remaining £2.5m of general unrestricted reserves has been retained to ensure the financial sustainability of the organisation in light of the ongoing impact of the Covid pandemic and the national economic recovery post Covid and Brexit. The Trustees will revisit the temporary reserves policy and allocation of designated funds on an ongoing basis.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees are responsible for the identification, mitigation and management of risk and have established a formal risk management framework to assess business risk and to implement risk management strategies. Trustees have determined that the Charity should be risk aware not risk averse, recognising that it will need to take risks in order to innovate and improve services to beneficiaries.

A risk register is maintained by the Charity. Risks are scored on a multiplier of impact and probability and are reported quarterly to the Finance and Audit Committee and the full Board. Principal risks at the balance sheet date and actions taken or planned to mitigate them are as follows:

Risks from Covid

1. Strategic risk associated with retention and return of customers beyond the removal of Covid restrictions
 - Regular communications through multiple channels
 - Active marketing campaign to bring customers back into library buildings
 - Re-instatement of key services such as events and room hire

2. Financial risk of potential reductions in charitable and trading income due to Covid if restrictions were re-introduced by the Government
 - Financial modelling and monitoring
 - Application for Covid related grant schemes

Libraries Unlimited South West

Trustees' Report

Year Ended 31 March 2022

3. Operational risks due to Covid including health and safety, staff capacity due to high levels of sickness and/or self-isolation, re-introduction of restricted access to library buildings and social distancing measures
 - Ongoing risk assessments, provision of PPE and changed layouts in library buildings
 - Staff working from home or on changed work patterns with clear communications and wellbeing support for staff
 - Engagement with and guidance from relevant commissioners, Libraries Connected and the Department for Digital, Culture, Media and Sport (DCMS)
 - Regular building checks during closure

Other risks

4. Potential reductions in service contract fees, plus contract renewals and pricing in the context of public sector austerity and funding for local authorities
 - Business and financial planning
 - Review of potential alternative income streams
 - Strong collaborative relationships with relevant commissioners
5. Continued uncertainty around Brexit and potential impact on staffing, supply chain and future contracts and funding
 - Engagement with relevant commissioners
 - Strengthen and diversify supply chain

Future prospects

Trustees believe the charity is well positioned to be a leading provider of library and information services. It has a contract with Devon County Council until March 2026 and the contract with Torbay Council provides certainty of funding until March 2023 with a 5 year contract extension agreed with the terms being finalised. Trustees are also exploring the possibilities of delivering complementary services from libraries which will help to strengthen footfall and broaden income generation opportunities further.

The charity continues to widen its customer base within the wider cultural and business sectors. It has secured grant funding until March 2023 in relation to its successful bid to become a National Portfolio Organisation of Arts Council England which will be used to enhance the arts and cultural offer across Devon. An application was submitted in May 2022 to continue as an NPO beyond March 2023. Similarly, it has secured grant funding until March 2024 in relation to the expansion of business support services across Devon with funding from the British Library.

The charity is also well positioned to play an active role in the economic and social recovery of local communities following the Covid pandemic. It will continue to demonstrate the impact of providing existing services as well as piloting new offerings and channels. With a wide geographic reach, the charity can be proactive in supporting community regeneration, disadvantaged families, local businesses and others adversely impacted by the pandemic and resultant lockdown restrictions. The new five year strategy lays out our ambitions and how we will measure our progress against specific goals.

Libraries Unlimited South West

Trustees' Report

Year Ended 31 March 2022

STRUCTURE AND GOVERNANCE

Membership and control

Libraries Unlimited South West is a membership organisation. The liability of any member is limited to a sum not exceeding £1. Membership classes are as follows:

- Staff Membership Group — any member of staff employed by the Charity is entitled to apply.
- Community Membership Group — any Library Friends Group is entitled to apply.
- Trustee Membership Group — all appointed Trustees shall be members of the Charity.

Staff and Community members each control 33% of voting rights at General Meeting, with Trustees controlling the remaining 34%.

The Board of Trustees

The Board of Trustees oversees the management of the Charity and comprises:

- up to two Staff Trustees;
- up to two Community Trustees;
- Chief Executive, ex officio;
- up to seven Independent Trustees.

Staff Trustees are appointed for a fixed term of three years by a majority vote of the employees of the Charity. Community Trustees are similarly appointed for a fixed term of three years on a majority vote of the Friends' Groups. Independent Trustees are also appointed for a fixed term of three years, expiring at the end of the AGM in the third year following their appointment, by ordinary resolution.

As part of induction and training all new Trustees meet with the Chair, senior managers and HR Manager and have a programme of site visits to understand the charity's culture, operations and processes. A Trustee Handbook is maintained by all Trustees and contains information on the Charity Articles of Association, key operations and summary business plan. It also provides advice on governance framework within the organisation, including the duties of Trustees and arrangements to avoid conflicts of interest.

Committees

The Board of Trustees have the following committees in place for the efficient conduct of business:

- Finance and Audit
- People and Operations
- Business Innovations and Partnerships
- Trustee Nominations

Terms of reference exist for each committee.

Libraries Unlimited South West

Trustees' Report

Year Ended 31 March 2022

Remuneration of Senior Management

The Chief Executive and staff trustees (two in the reporting period) were paid during the year by virtue of their employment. No other trustees were paid during the reporting period.

Senior management salary levels are currently determined through a combination of role and responsibilities, coupled with an assessment of the local market for specific sectors. Salary levels are considered and approved by the People and Operations Committee. Senior managers are employed on standard terms and conditions in relation to annual leave, pension contributions and expenses as applied to members of staff. The cost of salaries paid to senior managers is included in Note 9.

Gender Pay Gap

As an organisation with more than 250 employees, we are legally required to comply with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 and publish Gender Pay Gap (GPG) reporting information on an annual basis.

As at 5th April 2021, our median gender pay gap was 2.2% and our mean gender pay gap was 16%. The Mean Gap has increased since 2020 by 1.3% but the Median Gap has reduced by 1.9%.

We recognise that we can go further to address the gender pay gap at all levels of our organisation in order to better represent the communities that we serve. We are committed to equality and diversity and to being a fair, open and honest employer, and we will continue to identify ways in which we can minimise the gender pay gap.

Employment of Disabled People

The Charity is committed to ensuring that its staff base is reflective of the communities it serves. The Charity has high levels of part-time working and will always consider workplace adjustments and job carving techniques to help employees manage long term health conditions.

We are mindful of any reasonable adjustments required to ensure disabled job candidates are not disadvantaged at recruitment interviews and assessment centres.

Libraries Unlimited South West

Trustees' Report

Year Ended 31 March 2022

TRUSTEE RESPONSIBILITIES

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice and applicable law. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of Libraries Unlimited South West and of the surplus or deficit of Libraries Unlimited South West for that period. In preparing these statements the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe methods and principles in the Charities SORP (FRS 102);
- 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation.

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of Libraries Unlimited South West and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and 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 corporate and financial information included in Libraries Unlimited South West's website. Legislation in England and Wales governing the preparation and dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE TO THE AUDITORS

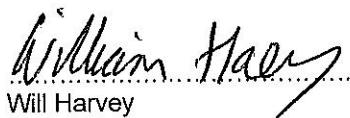
So far as the Trustees are aware:

- there is no relevant audit information of which Libraries Unlimited South West's auditors are unaware, and
- we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that auditors are aware of that information.

APPOINTMENT OF AUDITORS

The re-appointment of PKF Francis Clark as auditors to Libraries Unlimited South West will be proposed at the Annual General Meeting.

The report was approved by the Trustees on 11/10/22 and signed on their behalf by:


Will Harvey


Tom Glanville

Libraries Unlimited South West

Independent Auditor's Report to the Members of Libraries Unlimited South West

Year Ended 31 March 2022

Opinion

We have audited the financial statements of Libraries Unlimited South West (the "Charity") for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, 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 Charity's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Libraries Unlimited South West

Independent Auditor's Report to the Members of Libraries Unlimited South West

Year Ended 31 March 2022

Opinions 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 trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have 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 Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report including the Strategic Report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the entity and the industry in which it operates to identify the key laws and regulations affecting the entity. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily the Companies Act 2006, the Charities Act 2011 and with the Statement of Recommended Practice (SORP).

Libraries Unlimited South West

Independent Auditor's Report to the Members of Libraries Unlimited South West

Year Ended 31 March 2022

We discussed with management how the compliance with these laws and regulations is monitored and discussed the policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the entity complies with laws and regulations. As part of our planning procedures, we assessed the implications of any non-compliance with laws and regulations for the entity's ability to continue trading and the risk of material misstatement to the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included the following:

- Enquiries of management and those charged with governance regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements;
- A review of legal and professional costs to identify any work in relation to possible non-compliance;
- A review of board minutes.

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud, and established that there were none. We also evaluated the risk of fraud through management override. We determined that the principal risks in this regard were in relation to incorrect cut-off in respect of income and expenditure. In response to this identified risk, as part of our audit work we:

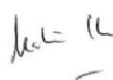
- Reviewed the charity's approach to income recognition in respect of its major sources of funding and reviewed a sample of contracts to ensure that income was recorded in the correct period;
- Reviewed the charity's approach to cut-off in respect of expenditure and looked into expenditure around the year end to ensure that expenditure was recorded in the correct period;
- Reviewed estimates and judgements made in the preparation of the accounts for any indication of bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. 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, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's members 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 Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.


Martin Hobbs BSc ACA (Senior Statutory Auditor)
PKF FRANCIS CLARK
Chartered Accountants and Statutory Auditor
Sigma House
Oak View Close
Torquay

Date: .21 December 2022

Libraries Unlimited South West

Statement of Financial Activities (Incorporating Income & Expenditure Account)

Year Ended 31 March 2022

	Notes	Unrestricted Funds General 2022 £000	Designated 2022 £000	Restricted Funds 2022 £000	Total Funds 2022 £000
INCOME FROM:					
Donations and legacies		115	-	-	115
Charitable activities	4	7,970	-	547	8,517
Trading activities	5	268	-	-	268
Total income		8,353	-	547	8,900
EXPENDITURE ON:					
Charitable activities	6	7,384	-	792	8,176
Trading activities	7	123	-	-	123
Total expenditure		7,507	-	792	8,299
Net income / (expenditure)		846	-	(245)	601
Transfers between funds		-	-	-	-
Gains/(loss) on revaluation		11	-	-	11
Net movement in funds		857	-	(245)	612
Reconciliation of funds					
Total funds brought forward		1,597	900	783	3,280
Total funds carried forward		2,454	900	538	3,892

The notes on pages 18 to 31 form part of the financial statements.

Libraries Unlimited South West

Statement of Financial Activities (Incorporating Income & Expenditure Account)

Year Ended 31 March 2021

		Unrestricted Funds		Restricted	Total
		General	Designated	Funds	Funds
		2021	2021	2021	2021
		£000	£000	£000	£000
	Notes				
INCOME FROM:					
Donations and legacies		29	-	-	29
Charitable activities	4	8,243	-	1,112	9,355
Trading activities	5	151	-	-	151
Total income		8,423	-	1,112	9,535
EXPENDITURE ON:					
Charitable activities	6	(6,728)	-	(329)	(7,057)
Trading activities	7	(129)	-	-	(129)
Total expenditure		(6,857)	-	(329)	(7,186)
Net income / (expenditure)		1,566	-	783	2,349
Transfers between funds		(900)	900	-	-
Net movement in funds		666	900	783	2,349
Reconciliation of funds					
Total funds brought forward		931	-	-	931
Total funds carried forward		1,597	900	783	3,280

The notes on pages 18 to 31 form part of the financial statements.

Libraries Unlimited South West

Balance Sheet

31 March 2022

	Notes	2022 £000	2021 £000
Fixed Assets			
Intangible assets	10	5	2
Tangible fixed assets	11	251	89
Investment property	12	190	-
		<u>446</u>	<u>91</u>
Current assets			
Debtors	13	1,003	1,193
Cash at bank and in hand	14	3,488	2,977
		<u>4,491</u>	<u>4,170</u>
Total Current Assets			
		<u>4,491</u>	<u>4,170</u>
Liabilities			
Creditors - Amounts falling due within one year	15	(1,045)	(981)
		<u>3,446</u>	<u>3,189</u>
Net current assets			
		<u>3,446</u>	<u>3,189</u>
Total Net Assets		<u>3,892</u>	<u>3,280</u>
Funded by:			
Unrestricted funds			
General Funds		2,454	1,597
Designated Funds		900	900
Restricted funds	17	538	783
		<u>3,892</u>	<u>3,280</u>
Total funds		<u>3,892</u>	<u>3,280</u>

Approved by the Board of Trustees on ...11/10/2022... and signed on its behalf by


.....
Alexander Kittow


.....
Thomas Glanville

Company Registration Number: 09822597

The notes on pages 18 to 31 form part of the financial statements.

Libraries Unlimited South West

Statement of Cash Flows

31 March 2022

	Notes	2022 £000	2021 £000
Reconciliation of net movement in funds to net cash flow from operating activities:			
Net income		601	2,349
Adjustments to cash flows from non-cash items:			
Depreciation and amortisation	10, 11	73	43
Decrease / (Increase) in debtors		190	(538)
Increase in creditors		64	51
Net cash generated from operating activities		928	1,905
Cash flows from investing activities			
Acquisitions of tangible fixed assets	11	(233)	(54)
Acquisitions of intangible fixed assets	10	(5)	(2)
Acquisitions of investment property	12	(179)	-
Cash (used in) investing activities		(417)	(56)
Increase in cash and cash equivalents in the reporting period		511	1,849
Cash and cash equivalents at the beginning of the reporting period		2,977	1,128
Cash and cash equivalents at the end of the reporting period	14	3,488	2,977

The notes on pages 18 to 31 form part of the financial statements.

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2022

1 Accounting Policies

a) Basis of Preparation

The financial statements have been prepared in accordance with the Companies Act 2006 (as amended), the Charities Act 2011 and with the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102 (FRS 102).

b) Measurement Convention

Libraries Unlimited 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. The presentation currency is UK Pound and all amounts in the financial statements have been rounded to the nearest £1,000.

c) Going Concern

After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue its activities for the foreseeable future. The Board therefore continues to adopt the going concern basis in preparing the financial statements.

d) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are receipts which the donor has specified are to be solely used for particular areas of the Charity's work.

e) Critical accounting judgements and key sources of estimation uncertainty

In application of the charitable company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

There are no critical judgements or estimates other than those disclosed within Provisions for Liabilities.

f) Income

Income from service contracts, grants and donations is recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2022

1 Accounting Policies (continued)

g) Deferred income

Deferred income is classified within "Creditors falling due within one year" and includes:

- Contract income and grants received in advance and potentially refundable.
- Balances on activities that are undertaken on an Agent basis, most notably management of the Library Resources Fund that is managed on behalf of Devon County Council and Torbay Council, and transactions are not recognised in the Charity's Statement of Financial Activities.

h) Revenue grants and donations

Revenue grants are credited to the Statement of Financial Activities over the period in which the related expenditure is incurred.

i) Capital grants

Capital grants and associated spending is treated as a Restricted Fund Activity.

Where capital grants are retained by the Charity to support direct capital expenditure, grants are transferred to restricted funds over the shorter of the expected economic life of the assets acquired or the service contract which the asset uniquely supports.

Where capital grants are passported to other organisations, the grant is fully discharged at the point of defrayal and associated capital expenditure is not recognised within the Charity's Balance Sheet.

j) Expenditure and cost recognition

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

k) Exceptional items

One-off charges or credits that have a material impact on the Charity's financial results are disclosed as "exceptional items". These are disclosed separately to provide further understanding of the underlying financial position of the Charity.

l) Taxation

Libraries Unlimited is a registered charity and is exempt from Corporation Tax.

For VAT purposes, the Charity operates the standard method of partial exemption and irrecoverable VAT is recognised as an expense when the tax point of the relevant expenditure is reached.

m) Lease accounting

Rents payable under operating leases are charged on a straight-line basis over the terms of the lease. The Charity does not currently procure services under finance lease arrangements.

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2022

1 Accounting Policies (continued)

n) Intangible assets, amortisation and impairment

Intangible assets have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets costing £1,000 or more are capitalised at cost and are depreciated over their useful economic lives on a straight line basis as follows:

Software	3 to 4 years
----------	--------------

Impairment reviews are undertaken on an annual basis. Where the net realisable value of the asset is less than the current carrying value, the difference is fully expensed in the Statement of Financial Activities.

o) Tangible fixed assets, depreciation and impairment

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their useful economic lives on a straight line basis as follows:

Building improvements	5 to 10 years (or length of lease if shorter)
ICT Hardware	3 to 4 years
Operational Equipment	3 to 5 years
Fixtures, fittings and equipment	3 to 7 years

Impairment reviews are undertaken on an annual basis. Where the net realisable value of the asset is less than the current carrying value, the difference is fully expensed in the Statement of Financial Activities.

p) Impairment of Trade and other Accounts Receivable

The Charity makes an estimate of the receivable value of trade and the account receivables. When assessing any impairment, management consider factors including the ageing profile of the debt, financial status of the debtor and historical experience.

q) Financial Instruments

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

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2022

1 Accounting Policies (continued)

r) Pension costs

The Charity participates in the following pension schemes:

- Flexible Retirement Scheme administered by the Pensions Trust. This is a personal pension defined contribution scheme. Employer contributions to this scheme are expensed in the Statement of Financial Activities and there is no actuarial risk to the Charity within this scheme. This scheme is offered to all new employees from 1 April 2016.
- Local Government Pension Scheme (LGPS). The LGPS is a contribution based funded defined benefit scheme that currently provides retirement benefits based on career average revalued salary and length of service in employment. Subject to certain conditions, which Libraries Unlimited has fully complied with in 2020/21, Devon County Council and Torbay Council act as guarantors to the Pension Scheme. Under this arrangement Libraries Unlimited's liability is capped at the payments actually made under triennial revaluation, and the funding risk remains with Devon County Council and Torbay Council. Pension costs are therefore accounted for as in a defined contribution scheme.

s) Provisions

Provisions are recognised in the Statement of Financial Activities where the Charity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation.

2. Company and Group Consolidated Financial Statements

The Charity (Libraries Unlimited South West) has a subsidiary company (Libraries Unlimited Enterprises Unlimited). The subsidiary has never traded, and the company and group accounts are therefore the same. Two Independent Trustees of Libraries Unlimited South West are the directors of the subsidiary.

3. Charitable Status

The charity is a company limited by guarantee and is registered with the Charity Commission for England and Wales. The members of the company are the trustees named on page 2 as well as the additional classes detailed within the Membership and Control section of the Trustees' Report. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The charitable company was incorporated in England and Wales.

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2022

4. Income from Charitable Activities

	General Funds 2022 £000	Restricted Funds 2022 £000	Total Funds 2022 £000	Total Funds 2021 £000
Local Authority contracts	7,323	102	7,425	7,044
Service user payments and associated collection fees	207	-	207	60
Grants from Government & other public bodies	403	445	848	2,238
Other	37	-	37	13
Total	7,970	547	8,517	9,355

Included within grant income from charitable activities are the following amounts received from Government and other Public Authorities.

	General Funds 2022 £000	Restricted Funds 2022 £000	Total Funds 2022 £000	Total Funds 2021 £000
British Library	-	-	-	704
Arts Council England	-	218	218	218
Awards for all	-	-	-	10
Exeter City Council	-	-	-	22
Good things foundation	-	23	23	37
Covid support	403	-	403	1,126
Other	-	204	204	121
Total	403	445	848	2,238

5. Income from trading activities

	2022 £000	2021 £000
Room hire and associated services	233	136
Catering	30	8
Other	5	7
Total	268	151

All income from trading activities relates to unrestricted funds.

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2022

6. Analysis of expenditure on charitable activities

	2022 £000	2021 £000
Staff expenses	5,231	4,882
Premises related	1,318	983
Fleet management and transport services	102	83
Equipment and product services	766	685
Support costs (note 8)	759	424
Total	8,176	7,057

7. Analysis of expenditure on trading activities

	2022 £000	2021 £000
Staff expenses	95	87
Premises related	8	36
Equipment and product services	18	5
Support costs (note 8)	2	1
Total	123	129

8. Analysis of support costs

	Charitable £000	Trading £000	Total Funds 2022 £000	Total Funds 2021 £000
Finance	138	1	139	157
Human Resources	103	-	103	46
Marketing & PR	193	-	193	50
Office services	30	-	30	15
Other	295	1	296	157
Total	759	2	761	425

Auditor's remuneration totalled £18,000 (2021: £10,750) for the statutory audit and £9,500 (2021: £2,000) for other accountancy services.

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2022

9. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2022 £000	2021 £000
Wages and salaries	4,681	4,309
Social security costs	292	269
Pension costs – defined benefit schemes (note 20)	235	266
Pension costs – defined contribution schemes (note 20)	118	93
Redundancy and severance costs	-	23
Total	5,326	4,960

The number of employees (headcount) was:

	2022 Number	2021 Number
Total	359	373

The number of FTE equivalent employees during the year, based on a 37 hour week, was:

	2022 Number	2021 Number
Library staff	140	139
Relief staff for libraries	-	8
Management, service development and support services	41	40
Total	181	187

None of the trustees are remunerated for their services as trustees, but the Chief Executive and four staff trustees were paid in respect of their employment with the charity (as permitted by the Memorandum & Articles of Association).

The remuneration of the Chief Executive was between £70,000 and £80,000 (2021: between £70,000 and £80,000), including pension contributions. No other employees earned more than £60,000.

In the year ended 31 March 2022, two staff trustees were paid between £20,000 and £30,000. In the previous year two staff trustee was paid between £10,000 and £20,000 and two were paid between £5,000 and £10,000.

During the reporting period, the charity paid expenses totalling £812 to five trustees (2021: £409 to one trustee) primarily in relation to travel and subsistence.

The key management personnel comprise the Trustees in their roles as Trustees, Chief Executive and four Heads of Service covering the following areas: Service delivery, Finance & Operations, Commercial & Innovation, ICT. The aggregate employee benefits payable to key management personnel for the reporting period was £445,000 (2021: £369,000).

There are no other related party transactions which require disclosure in the accounts.

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2022

10. Intangible Assets

Year Ended 31 March 2022

	Software £000	Total £000
Cost		
At 1 April 2021	69	69
Additions	5	5
	<u>74</u>	<u>74</u>
At 31 March 2022	<u><u>74</u></u>	<u><u>74</u></u>
Amortisation		
At 1 April 2021	(67)	(67)
Charge for the period	(2)	(2)
	<u>(69)</u>	<u>(69)</u>
At 31 March 2022	<u><u>(69)</u></u>	<u><u>(69)</u></u>
Net book value:		
At 31 March 2022	<u><u>5</u></u>	<u><u>5</u></u>
At 31 March 2021	<u><u>2</u></u>	<u><u>2</u></u>

Year Ended 31 March 2021

	Software £000	Total £000
Cost		
At 1 April 2020	67	67
Additions	2	2
	<u>69</u>	<u>69</u>
At 31 March 2021	<u><u>69</u></u>	<u><u>69</u></u>
Amortisation		
At 1 April 2020	(58)	(58)
Charge for the period	(9)	(9)
	<u>(67)</u>	<u>(67)</u>
At 31 March 2021	<u><u>(67)</u></u>	<u><u>(67)</u></u>
Net book value:		
At 31 March 2021	<u><u>2</u></u>	<u><u>2</u></u>
At 31 March 2020	<u><u>9</u></u>	<u><u>9</u></u>

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2022

11. Tangible Fixed Assets

Year Ended 31 March 2022	Fixtures, fittings & equipment	ICT	Motor vehicles	Furniture	Total
	£000	£000	£000	£000	£000
Cost					
At 1 April 2021	19	94	15	15	143
Additions	-	99	20	114	233
At 31 March 2022	19	193	35	129	376
Depreciation					
At 1 April 2021	(13)	(39)	-	(2)	(54)
Charge for the period	(6)	(47)	(2)	(16)	(71)
At 31 March 2022	(19)	(86)	(2)	(18)	(125)
Net book value:					
At 31 March 2022	-	107	33	111	251
At 31 March 2021	6	55	15	13	89
Year Ended 31 March 2021					
Cost					
At 1 April 2020	19	70	-	-	89
Additions	-	24	15	15	54
At 31 March 2021	19	94	15	15	143
Depreciation					
At 1 April 2020	(7)	(13)	-	-	(20)
Charge for the period	(6)	(26)	-	(2)	(34)
At 31 March 2021	(13)	(39)	-	(2)	(54)
Net book value:					
At 31 March 2021	6	55	15	13	89
At 31 March 2020	12	57	-	-	69

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2022

12. Investment property

	Total £000
At 1 April 2021	-
Additions	179
Revaluation	11
At 31 March 2022	190

The investment property was revalued in April 2022 by an independent valuer, Luscombe Maye. The value of the property was based on market value.

13. Debtors: Due within one year

	2022 £000	2021 £000
Trade debtors	122	301
VAT	144	44
Prepayments	234	270
Accrued income	359	523
Other debtors	144	55
	<u>1,003</u>	<u>1,193</u>

14. Cash at Bank and in Hand

	2022 £000	2021 £000
Cash at bank	3,476	2,965
Cash in hand	12	12
	<u>3,488</u>	<u>2,977</u>

15. Creditors: Due within one year

	2022 £000	2021 £000
Trade creditors	230	420
Other taxes and social security	122	116
Other creditors	61	57
Accruals	555	158
Deferred income	77	230
	<u>1,045</u>	<u>981</u>

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2022

16. Deferred Income

	2022 £000	2021 £000
Balance as at 1 April 2021	230	148
Amount deferred in year		
- contract and grant income received in advance	62	214
- agency arrangements	15	16
Amount released in year	(230)	(148)
Balance as at 31 March 2022	77	230

17. Restricted Funds

Year Ended 31 March 2022

	Balance at 01/04/21 £000	Income Expenditure		Transfers In / (Out) £000	Balance 31/03/22 £000
		£000	£000		
British Library	616	-	(269)	-	347
Arts Council England	53	218	(222)	-	49
Good things foundation	25	23	(27)	-	21
Kickstart	-	52	(52)	-	-
Other	89	254	(222)	-	121
Total restricted funds	783	547	(792)	-	538

Year Ended 31 March 2021

	Balance at 01/04/20 £000	Income Expenditure		Transfers In / (Out) £000	Balance 31/03/21 £000
		£000	£000		
British Library	-	704	(88)	-	616
Arts Council England	-	218	(165)	-	53
Exeter City Council	-	22	(22)	-	-
Awards for all	-	10	(10)	-	-
Good things foundation	-	37	(12)	-	25
Other	-	121	(32)	-	89
Total restricted funds	-	1,112	(329)	-	783

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2022

Designated Funds

Year Ended 31 March 2022

	Balance at 01/04/21 £000	Income Expenditure £000		Transfers In / (Out) £000	Balance 31/03/22 £000
Property development fund	250	-	-	-	250
Project development fund	500	-	-	-	500
Infrastructure development fund	150	-	-	-	150
Total designated funds	900	-	-	-	900

The purpose of the designated funds is to support property development, primarily focused on purchasing new buildings; to explore new business initiatives, including potential strategic partnerships; and to focus on upgrading and replacing infrastructure, for example self-service kiosks and IT equipment.

18. Analysis of Net Assets between Funds

Fund balances at 31 March 2022 are represented by:

	Unrestricted Funds		Restricted Funds	Total Funds
	General £000	Designated £000	£000	£000
Intangible Fixed Assets	5	-	-	5
Tangible Fixed Assets	251	-	-	251
Investment property	190	-	-	190
Current Assets	3,053	900	538	4,491
Current Liabilities	(1,045)	-	-	(1,045)
Total Net Assets	2,454	900	538	3,892

19. Operating Lease Commitments

At 31 March 2022, the Charity had total future minimum lease payments as follows:

	2022 £000	2021 £000
In less than 1 year	92	122
Within 2-5 years	162	218
Over 5 years	5	26
	259	370

During the year rent and lease payments totalling £117,000 (2021: £213,000) were recognised as an expense.

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2022

20. Pension Arrangements

The Organisation participates in two pension schemes:

Defined Benefit Scheme

Devon County Council

Staff that transferred under TUPE to Libraries Unlimited on 1 April 2016 are entitled to participate in the Local Government Pension Scheme (LGPS) as administered by Devon County Council. Libraries Unlimited participates in this scheme on a closed admission basis, and staff participation is limited to contributing employees at 1 April 2016. The LGPS is a contribution based funded defined benefit scheme that currently provides retirement benefits based on career average revalued salary and length of service in employment.

Subject to certain conditions, which Libraries Unlimited has fully complied with in 2020/21, Devon County Council acts as guarantor to the Pension Scheme. Under this arrangement Libraries Unlimited's liability is capped at the payments actually made under triennial revaluation, and the funding risk remains with Devon County Council. Pension costs are therefore accounted for as in a defined contribution scheme.

Employer contribution rates into this scheme amount to 12% of pensionable pay in 2020/21, with employee contributions ranging from 5.5% to 12.5% dependent on salary.

Torbay Council

Staff that transferred under TUPE to Libraries Unlimited on 1 April 2018 are entitled to participate in the Local Government Pension Scheme (LGPS) as administered by Torbay Council. Libraries Unlimited participates in this scheme on a closed admission basis, and staff participation is limited to contributing employees at 1 April 2018. The LGPS is a contribution based funded defined benefit scheme that currently provides retirement benefits based on career average revalued salary and length of service in employment.

Subject to certain conditions, which Libraries Unlimited has fully complied with in 2020/21, Torbay Council acts as guarantor to the Pension Scheme. Under this arrangement Libraries Unlimited's liability is capped at the payments actually made under triennial revaluation, and the funding risk remains with Torbay Council. Pension costs are therefore accounted for as in a defined contribution scheme.

Employer contribution rates into this scheme amount to 12% of pensionable pay in 2020/21, with employee contributions ranging from 5.5% to 12.5% dependent on salary.

Overall

At 31 March 2022, 148 employees (2021: 183 employees) participated in the scheme and employer's costs charged to the Statement of Financial Activities, amounted to £235,000 (2021: £266,000).

Defined Contribution Scheme

Devon staff that commenced employment after 31 March 2016 and Torbay staff that commenced employment after 31 March 2018 participate in the Flexible Retirement Plan administered by TPT Retirement Solutions (formerly the Pensions Trust). This is a defined contribution pension scheme. Under this scheme, the employer matches employees' contributions up to 6% of pensionable pay.

At 31 March 2022, 166 employees (2021: 138 employees) participated in the scheme and employer's costs charged to the Statement of Financial Activities amounted to £118,000 (2021: £93,000).

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2022

21. Agency Arrangement

The Charity receives grant income from Devon County Council and Torbay Council as agent in respect of the purchase of books and other resources. In the accounting year ending 31 March 2022 the charity received £671,000 (2021: £600,000) and disbursed £774,000 (2021: £717,000) from the fund. An amount of £144,000 (2021: £55,000) is included within debtors and £15,000 (2021: £16,000) is included in creditors relating to these funds.

LIBRARIES UNLIMITED SOUTH WEST

England & Wales - Charity number 1170092

Accounts

Libraries Unlimited South West

Trustees' Report and Financial Statements For the Year Ended 31 March 2021

**Charity Number: 1170092
Company Number: 09822597**

Libraries Unlimited South West

Report and Financial Statements

Year Ended 31 March 2021

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Libraries Unlimited South West

Reference and Administrative Details

Year Ended 31 March 2021

Libraries Unlimited South West (commonly referred to as "Libraries Unlimited") is a Registered Charity and Company Limited by guarantee and does not have any share capital. Its governing document is the Articles of Association which was updated and approved by members on the 21st May 2020 and 20th October 2020.

The company was incorporated on 13 October 2015, commenced trading on 1 April 2016 and registered as a charity on 9 November 2016.

Trustees

The Trustees of the Charity who served during the period were:

Chair:	Will Harvey	
Deputy Chair:	Sue Simmons (resigned 9 September 2020) Marie Chadwick (appointed 20 October 2020)	
Trustees:	Alasdair Anderson (appointed 25 November 2020, resigned 2 July 2021) Crystal Carter (appointed 20 October 2020) Tom Glanville Alex Kittow George Lossius Emily Macaulay (resigned 9 September 2020) Andrew Prince Chloe Reynolds (appointed 25 November 2020) Richard Watts Morgan Witzel Tabitha Witherick (resigned 13 July 2020) Zoe Woodbridge (appointed 25 November 2020)	
Principal and Registered Office:	Exeter Library, Castle Street, Exeter, Devon, EX4 3PQ	
Registered Charity No.	1170092	
Registered Company No.	09822597	
Chief Executive	Alex Kittow	
Key Management Personnel	Head of Library Service and Customer Experience Director of Finance & Operations Head of Commercial & Innovation	Tabitha Witherick (appointed 10 August 2020) Karen Best Steve Turner
Bankers:	Barclays Bank plc Exeter, Devon EX1 1LX	
Solicitors:	Kitsons Solicitors Torquay, Devon TQ2 7FA	
Auditors:	PKF Francis Clark Torquay, Devon TQ2 7FF	

Libraries Unlimited South West

Trustees' Report

Year Ended 31 March 2021

The Trustees, who are also directors for the purposes of company law, present their annual report and audited financial statements for the year ended 31 March 2021.

This report satisfies the legal requirements for:

- a Directors' Report for a charitable company
- a Strategic Report under the Companies Act 2006
- a Trustees' Annual Report under the Charities Act 2011

OUR VISION

"Bringing ideas, imagination, information and knowledge to people's lives and communities."

OUR MISSION

The Charity's mission sets out how we achieve our vision. The Charity will:

- promote and encourage a love of reading;
- provide free access to information to help people in their everyday lives; support people of all ages to learn, imagine, create, succeed and realise their potential;
- guide and support library users to explore and connect to the wider world;
- offer a welcoming space to meet, socialise, learn, read and enjoy new experiences; support the health and wellbeing of individuals and local communities.

LEGAL OBJECTS

The Charity has been established for public benefit to:

- promote the advancement of education by the establishment and/or maintenance of a library and/or library service
- establish and/or maintain a library and/or library service in and throughout Devon, including, but not limited to, rural communities and with a particular focus on children and young people
- provide or assist in the provision of community facilities referred to as "Community Hubs" to be available to all sections of the community without distinction, including use for meetings, learning, reading, sharing and/or for other educational and/or recreational or leisure time activities provided in the interests of social welfare, with the object of improving the conditions of life for all those who use the facilities; and/or
- promote the advancement of education of the arts by the establishment and maintenance of a museum and/or art gallery
- develop the capacity and skills of the members of the local community, and particularly children and young people, who are socially or economically disadvantaged in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society;
- pursue such other charitable purposes consistent with the above.

PUBLIC BENEFIT

The trustees have ensured that the charity's activities are to the public benefit, and they have had regard to the Charity Commission's guidance on public benefit.

Libraries Unlimited South West

Trustees' Report

Year Ended 31 March 2021

STRATEGIC REPORT

STRATEGIC AIMS

In delivering its overall charitable purposes, Libraries Unlimited established four strategic aims to drive activities and assess its effectiveness. These are as follows:

- Establish as a viable and sustainable organisation (this is considered in the financial review)
- Support local communities
- Improve outcomes
- Widen participation across all communities.

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Core Library Services — supporting local communities

The Charity has five-year contracts with Devon County Council and Torbay Council for the provision of library and information services to residents, businesses and visitors to Devon. The Councils have the ability to extend these contracts for a further five years subject to effective performance. We work in collaboration with the Councils to support their statutory duties under the Public Libraries and Museums Act 1964 and specifically to ensure that local services:

- serve both adults and children
- work in partnership with other groups, organisations and agencies
- are available to everyone and meet any special needs or requirements of members of the local community
- encourage participation and full use of the services, and
- provide value for money.

We deliver this service through 54 static libraries across Devon's communities. Libraries Unlimited and the Councils are committed to maintaining the current provision of physical libraries, along with the number of hours that libraries are open to the public and supported by paid library professionals. In addition to static libraries, we provide four mobile libraries that serve rural areas and offer a home delivery service to customers that are unable to access other services.

We have continued to remain open and provide services to customers despite the major impact of the Coronavirus pandemic which resulted in three national lockdowns during this reporting period. Significant activities included:

- Keeping physical and mobile libraries open whenever Government restrictions allowed, often ahead of the national trend
- Compliance with Government legislation and guidance in relation to Covid-secure spaces, Test and Trace, stock quarantining and homeworking with a key focus on staff and customer safety
- Expansion and development of online offerings and events as well as new services such as Choose & Collect and phone calls to vulnerable customers to keep provision available when physical browsing was not permitted.

The outcome of these activities is that we still had over 400,000 visits to libraries in 2020/21 with customers continuing to borrow books and resources, accessing ICT and enjoying learning and social activities although many of these would have been delivered online rather than in our physical spaces.

Libraries Unlimited South West

Trustees' Report

Year Ended 31 March 2021

Other key developments in the period included:

- Expansion of BIPC (Business & IP Centre) Devon through additional funding from the British Library, providing support to business owners, entrepreneurs and inventors
- Development of various arts and culture events as part of being a National Portfolio Organisation (NPO) with funding from Arts Council England
- Relocation of Bovey Tracey library to brand new premises and refurbishment of the childrens' areas in Honiton and Uffculme libraries.

Key Operating Indicators (April 2020 — March 2021)

Library Visits	432,000
Book loans	495,711
Computer & Wi-Fi hours	100,981
Attendance at events	73,447
Active borrowers	80,800

All of the key operating indicators have shown a decrease on the previous year due to the impact of the Covid pandemic throughout the financial year.

FINANCIAL REVIEW

Financial Performance — Headline Indicators

Total income	£9,535,000
Total surplus	£2,349,000
Net surplus margin	24.6%
Cash flow from operating activities	£1,905,000
Current ratio	4.25
Unrestricted reserves	£2,497,000

Financial Performance — Income and Surplus

The Statement of Financial Activities shows that the Charity generated a net increase in funds of £2,349,000 on an annual income of £9,535,000. The budgeted surplus for the period under review was £129,000. The surplus for the period was significantly above budget due to the following factors:

- Receipt of non-recurrent Covid support grants from District Councils to offset the loss of traditional income streams during the pandemic
- Increase in restricted grant income during the year, in particular the British Library 3-year funding for the expansion of BIPC (Business & IP Centre) Devon which is recognised fully in advance
- Proactive staff vacancy and cost management throughout the period.

Balance sheet position and cash flows

The Charity is primarily a service provider organisation that does not hold property. As a result, balance sheet strength is driven by an excess of current assets over current liabilities. The cash position, £3.0m at 31 March 2021, remains strong and payments under local authority service contracts and the Arts Council England funding for NPO will continue to be received quarterly in advance. In addition, the Charity is debt free which eliminates any interest rate risk from UK monetary policy.

Libraries Unlimited South West

Trustees' Report

Year Ended 31 March 2021

Reserves Policy

The charity needs unrestricted reserves to protect against uncertainty and change in the external environment and to provide investment into service development and new initiatives that deliver our charitable purpose.

As a new charity that inherited no reserves on inception, Trustees recognise that reserves will need to be incrementally built over the medium term. For this reporting period, we have recognised restricted reserves totalling £0.8m. These predominantly relate to funds awarded by the British Library, Arts Council England and other funders.

Due to the ongoing impacts of the Covid pandemic, Trustees agreed a temporary increase in the level of unrestricted reserves held to 18% of total income. Based on the income reported in these accounts, this would result in unrestricted reserves of around £1.7m.

At 31 March 2021, unrestricted reserves amounted to £2.5m. The Trustees acknowledge that the current level of reserves is in excess of the temporary reserves policy. Of the unrestricted reserves, £0.9m has been designated to support future recovery and development plans across property acquisition, project delivery and infrastructure improvements. The remaining £1.6m of general unrestricted reserves has been retained to ensure the financial sustainability of the organisation in light of the ongoing uncertainty around the Covid pandemic and the national economic recovery post Covid and Brexit. The Trustees will revisit the temporary reserves policy and allocation of designated funds on an ongoing basis.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees are responsible for the identification, mitigation and management of risk and have established a formal risk management framework to assess business risk and to implement risk management strategies. Trustees have determined that the Charity should be risk aware not risk averse, recognising that it will need to take risks in order to innovate and improve services to beneficiaries.

A risk register is maintained by the Charity. Risks are scored on a multiplier of impact and probability and are reported quarterly to the Finance and Audit Committee and the full Board. Principal risks at the balance sheet date and actions taken or planned to mitigate them are as follows:

Risks from Covid

1. Strategic risk associated with retention and return of customers beyond the removal of Covid restrictions
 - Regular communications through multiple channels
 - Active marketing campaign to bring customers back into library buildings
 - Re-instatement of key services such as events and room hire
2. Financial risk of potential reductions in charitable and trading income due to Covid if restrictions were re-introduced by the Government
 - Financial modelling and monitoring
 - Application for Covid related grant schemes

Libraries Unlimited South West

Trustees' Report

Year Ended 31 March 2021

3. Operational risks due to Covid including health and safety, staff capacity due to high levels of sickness and/or self-isolation, re-introduction of restricted access to library buildings and social distancing measures
 - Ongoing risk assessments, provision of PPE and changed layouts in library buildings
 - Staff working from home or on changed work patterns with clear communications and wellbeing support for staff
 - Engagement with and guidance from relevant commissioners, Libraries Connected and the Department for Digital, Culture, Media and Sport (DCMS)
 - Regular building checks during closure

Other risks

4. Potential reductions in service contract fees, plus contract renewals and pricing in the context of public sector austerity and funding for local authorities
 - Business and financial planning
 - Review of potential alternative income streams
 - Strong collaborative relationships with relevant commissioners
5. Continued uncertainty around Brexit and potential impact on staffing, supply chain and future contracts and funding
 - Engagement with relevant commissioners
 - Strengthen and diversify supply chain

Future prospects

Trustees believe the charity is well positioned to be a leading provider of library and information services. It has a contract with Devon County Council until March 2026 and the contract with Torbay Council provides certainty of funding until March 2023. Trustees are also exploring the possibilities of delivering complementary services from libraries which will help to strengthen footfall and broaden income generation opportunities further.

The charity has made a strong start in seeking to widen its customer base within the wider cultural and business sectors. It has secured grant funding until March 2022 in relation to its successful bid to become a National Portfolio Organisation of Arts Council England which will be used to enhance the arts and cultural offer across Devon. Similarly, it has recently secured grant funding until March 2024 in relation to the expansion of business support services across Devon with funding from the British Library.

The charity is also well positioned to play an active role in the economic and social recovery of local communities following the Covid pandemic. It will continue to demonstrate the impact of providing existing services as well as piloting new offerings and channels. With a wide geographic reach, the charity can be proactive in supporting community regeneration, disadvantaged families, local businesses and others adversely impacted by the pandemic and resultant lockdown restrictions.

Libraries Unlimited South West

Trustees' Report

Year Ended 31 March 2021

STRUCTURE AND GOVERNANCE

Membership and control

Libraries Unlimited South West is a membership organisation. The liability of any member is limited to a sum not exceeding £1. Membership classes are as follows:

- Staff Membership Group — any member of staff employed by the Charity is entitled to apply.
- Community Membership Group — any Library Friends Group is entitled to apply.
- Trustee Membership Group — all appointed Trustees shall be members of the Charity.

Staff and Community members each control 33% of voting rights at General Meeting, with Trustees controlling the remaining 34%.

The Board of Trustees

The Board of Trustees oversees the management of the Charity and comprises:

- up to two Staff Trustees;
- up to two Community Trustees;
- Chief Executive, ex officio;
- up to seven Independent Trustees.

Staff Trustees are appointed for a fixed term of three years by a majority vote of the employees of the Charity. Community Trustees are similarly appointed for a fixed term of three years on a majority vote of the Friends' Groups. Independent Trustees are also appointed for a fixed term of three years, expiring at the end of the AGM in the third year following their appointment, by ordinary resolution.

As part of induction and training all new Trustees meet with the Chair, senior managers and HR Manager and have a programme of site visits to understand the charity's culture, operations and processes. A Trustee Handbook is maintained by all Trustees and contains information on the Charity Articles of Association, key operations and summary business plan. It also provides advice on governance framework within the organisation, including the duties of Trustees and arrangements to avoid conflicts of interest.

Committees

The Board of Trustees have the following committees in place for the efficient conduct of business:

- Finance and Audit
- People and Operations
- Business Innovations and Partnerships
- Trustee Nominations.

Terms of reference exist for each committee.

Libraries Unlimited South West

Trustees' Report

Year Ended 31 March 2021

Remuneration of Senior Management

The Chief Executive and staff trustees (four in the reporting period) were paid during the year by virtue of their employment. The remuneration relevant to the term of staff trustees is included in key management personnel remuneration. No other trustees were paid during the reporting period.

Senior management salary levels are currently determined through a combination of role and responsibilities, coupled with an assessment of the local market for specific sectors. Salary levels are considered and approved by the People and Operations Committee. Senior managers are employed on standard terms and conditions in relation to annual leave, pension contributions and expenses as applied to members of staff. The cost of salaries paid to senior managers is included in Note 9.

Gender Pay Gap

As an organisation with more than 250 employees, we are legally required to comply with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 and publish Gender Pay Gap (GPG) reporting information on an annual basis. Due to the Covid-19 pandemic, the reporting for 2019/20 was suspended.

As at 5th April 2020, the median gender pay gap was 4% and our mean gender pay gap was 15%. These results are higher than previous years, when in 2018 the median pay gap was 2% and the mean gender pay gap was 9%.

We recognise that we can go further to address the gender pay gap at all levels of our organisation in order to better represent the communities that we serve. We are committed to equality and diversity and to being a fair, open and honest employer, and we will continue to identify ways in which we can minimise the gender pay gap.

Employment of Disabled People

The Charity is committed to ensuring that its staff base is reflective of the communities it serves. The Charity has high levels of part-time working and will always consider workplace adjustments and job carving techniques to help employees manage long term health conditions.

We are mindful of any reasonable adjustments required to ensure disabled job candidates are not disadvantaged at recruitment interviews and assessment centres. We also work with disability employment support organisation such as Workfit to develop work placements and volunteering opportunities for disabled students.

Libraries Unlimited South West

Trustees' Report

Year Ended 31 March 2021

TRUSTEE RESPONSIBILITIES

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice and applicable law. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of Libraries Unlimited South West and of the surplus or deficit of Libraries Unlimited South West for that period. In preparing these statements the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe methods and principles in the Charities SORP (FRS 102);
- 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation.

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of Libraries Unlimited South West and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and 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 corporate and financial information included in Libraries Unlimited South West's website. Legislation in England and Wales governing the preparation and dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE TO THE AUDITORS

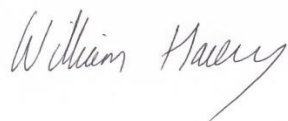
So far as the Trustees are aware:

- there is no relevant audit information of which Libraries Unlimited South West's auditors are unaware, and
- we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that auditors are aware of that information.

APPOINTMENT OF AUDITORS

The re-appointment of PKF Francis Clark as auditors to Libraries Unlimited South West will be proposed at the Annual General Meeting.

The report was approved by the Trustees on 07 September 2021 and signed on their behalf by:



Will Harvey



Tom Glanville

Libraries Unlimited South West

Independent Auditor's Report to the Members of Libraries Unlimited South West

Year Ended 31 March 2021

Opinion

We have audited the financial statements of Libraries Unlimited South West (the "Charity") for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, 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 Charity's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Libraries Unlimited South West

Independent Auditor's Report to the Members of Libraries Unlimited South West

Year Ended 31 March 2021

Opinions 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 trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have 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 Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report including the Strategic Report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the entity and the industry in which it operates to identify the key laws and regulations affecting the entity. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily the Companies Act 2006, the Charities Act 2011 and with the Statement of Recommended Practice (SORP).

Libraries Unlimited South West

Independent Auditor's Report to the Members of Libraries Unlimited South West

Year Ended 31 March 2021

We discussed with management how the compliance with these laws and regulations is monitored and discussed the policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the entity complies with laws and regulations. As part of our planning procedures, we assessed the implications of any non-compliance with laws and regulations for the entity's ability to continue trading and the risk of material misstatement to the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included the following:

- Enquiries of management and those charged with governance regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements;
- A review of legal and professional costs to identify any work in relation to possible non-compliance;
- A review of board minutes.

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud, and established that there were none. We also evaluated the risk of fraud through management override. We determined that the principal risks in this regard were in relation to incorrect cut-off in respect of income and expenditure. In response to this identified risk, as part of our audit work we:

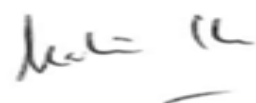
- Reviewed the charity's approach to income recognition in respect of its major sources of funding and reviewed a sample of contracts to ensure that income was recorded in the correct period;
- Reviewed the charity's approach to cut-off in respect of expenditure and looked into expenditure around the year end to ensure that expenditure was recorded in the correct period;
- Reviewed estimates and judgements made in the preparation of the accounts for any indication of bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. 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, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's members 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 Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Martin Hobbs BSc ACA (Senior Statutory Auditor)
PKF FRANCIS CLARK
Chartered Accountants and Statutory Auditor
Sigma House
Oak View Close
Torquay

Date: 13 September 2021

Libraries Unlimited South West

Statement of Financial Activities (Incorporating Income & Expenditure Account)

Year Ended 31 March 2021

		Unrestricted Funds		Restricted	Total
		General	Designated	Funds	Funds
		2021	2021	2021	2021
		£000	£000	£000	£000
	Notes				
INCOME FROM:					
Donations and legacies		29	-	-	29
Charitable activities	4	8,243	-	1,112	9,355
Trading activities	5	151	-	-	151
		<u>8,423</u>	<u>-</u>	<u>1,112</u>	<u>9,535</u>
Total income		8,423	-	1,112	9,535
EXPENDITURE ON:					
Charitable activities	6	(6,728)	-	(329)	(7,057)
Trading activities	7	(129)	-	-	(129)
		<u>(6,857)</u>	<u>-</u>	<u>(329)</u>	<u>(7,186)</u>
Total expenditure		(6,857)	-	(329)	(7,186)
Net income / (expenditure)		1,566	-	783	2,349
Transfers between funds		(900)	900	-	-
		<u>666</u>	<u>900</u>	<u>783</u>	<u>2,349</u>
Net movement in funds		666	900	783	2,349
Reconciliation of funds					
Total funds brought forward		931	-	-	931
		<u>1,597</u>	<u>900</u>	<u>783</u>	<u>3,280</u>
Total funds carried forward		1,597	900	783	3,280

The notes on pages 18 to 30 form part of the financial statements.

Libraries Unlimited South West

Statement of Financial Activities (Incorporating Income & Expenditure Account)

Year Ended 31 March 2020

	Notes	Unrestricted Funds 2020 £000	Restricted Funds 2020 £000	Total Funds 2020 £000
INCOME FROM:				
Donations and legacies		51	-	51
Charitable activities	4	7,664	208	7,872
Trading activities	5	446	-	446
Total income		8,161	208	8,369
EXPENDITURE ON:				
Charitable activities	6	(7,670)	(208)	(7,878)
Trading activities	7	(119)	-	(119)
Total expenditure		(7,789)	(208)	(7,997)
Net income / (expenditure)		372	-	372
Transfers between funds		-	-	-
Net movement in funds		372	-	372
Reconciliation of funds				
Total funds brought forward		559	-	559
Total funds carried forward		931	-	931

The notes on pages 18 to 30 form part of the financial statements.

Libraries Unlimited South West

Balance Sheet

31 March 2021

	Notes	2021 £000	2020 £000
Fixed Assets			
Intangible assets	10	2	9
Tangible fixed assets	11	89	69
		<u>91</u>	<u>78</u>
Current assets			
Debtors	12	1,193	655
Cash at bank and in hand	13	2,977	1,128
		<u>4,170</u>	<u>1,783</u>
Total Current Assets			
		4,170	1,783
Liabilities			
Creditors - Amounts falling due within one year	14	(981)	(930)
		<u>3,189</u>	<u>853</u>
Net current assets			
		3,189	853
Total Net Assets			
		<u>3,280</u>	<u>931</u>
Funded by:			
Unrestricted funds			
General Funds		1,597	931
Designated Funds		900	-
		<u>783</u>	<u>-</u>
Restricted funds			
	16	783	-
		<u>3,280</u>	<u>931</u>
Total funds			
		<u>3,280</u>	<u>931</u>

Approved by the Board of Trustees on 07 September 2021 and signed on its behalf by



Alexander Kittow



Thomas Glanville

Company Registration Number: 09822597

The notes on pages 18 to 30 form part of the financial statements.

Libraries Unlimited South West

Statement of Cash Flows

31 March 2021

	Notes	2021 £000	2020 £000
Reconciliation of net movement in funds to net cash flow from operating activities:			
Net income		2,349	372
Adjustments to cash flows from non-cash items:			
Depreciation and amortisation	10, 11	43	41
(Increase) in debtors		(538)	(237)
Increase / (Decrease) in creditors		51	(119)
Net cash generated from operating activities		1,905	57
Cash flows from investing activities			
Acquisitions of tangible fixed assets	11	(54)	(70)
Acquisitions of intangible fixed assets	10	(2)	-
Cash (used in) investing activities		(56)	(70)
Increase in cash and cash equivalents in the reporting period		1,849	(13)
Cash and cash equivalents at the beginning of the reporting period		1,128	1,141
Cash and cash equivalents at the end of the reporting period	13	2,977	1,128

The notes on pages 18 to 30 form part of the financial statements.

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2021

1 Accounting Policies

a) Basis of Preparation

The financial statements have been prepared in accordance with the Companies Act 2006 (as amended), the Charities Act 2011 and with the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102 (FRS 102).

b) Measurement Convention

Libraries Unlimited 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. The presentation currency is UK Pound and all amounts in the financial statements have been rounded to the nearest £1,000.

c) Going Concern

After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue its activities for the foreseeable future. The Board therefore continues to adopt the going concern basis in preparing the financial statements.

d) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are receipts which the donor has specified are to be solely used for particular areas of the Charity's work.

e) Critical accounting judgements and key sources of estimation uncertainty

In application of the charitable company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

There are no critical judgements or estimates other than those disclosed within Provisions for Liabilities.

f) Income

Income from service contracts, grants and donations is recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2021

1 Accounting Policies (continued)

g) Deferred income

Deferred income is classified within “Creditors falling due within one year” and includes:

- Contract income and grants received in advance and potentially refundable.
- Balances on activities that are undertaken on an Agent basis, most notably management of the Library Resources Fund that is managed on behalf of Devon County Council and Torbay Council, and transactions are not recognised in the Charity’s Statement of Financial Activities.

h) Revenue grants and donations

Revenue grants are credited to the Statement of Financial Activities over the period in which the related expenditure is incurred.

i) Capital grants

Capital grants and associated spending is treated as a Restricted Fund Activity.

Where capital grants are retained by the Charity to support direct capital expenditure, grants are transferred to restricted funds over the shorter of the expected economic life of the assets acquired or the service contract which the asset uniquely supports.

Where capital grants are passported to other organisations, the grant is fully discharged at the point of defrayal and associated capital expenditure is not recognised within the Charity’s Balance Sheet.

j) Expenditure and cost recognition

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

k) Exceptional items

One-off charges or credits that have a material impact on the Charity’s financial results are disclosed as “exceptional items”. These are disclosed separately to provide further understanding of the underlying financial position of the Charity.

l) Taxation

Libraries Unlimited is a registered charity and is exempt from Corporation Tax.

For VAT purposes, the Charity operates the standard method of partial exemption and irrecoverable VAT is recognised as an expense when the tax point of the relevant expenditure is reached.

m) Lease accounting

Rents payable under operating leases are charged on a straight-line basis over the terms of the lease. The Charity does not currently procure services under finance lease arrangements.

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2021

1 Accounting Policies (continued)

n) Intangible assets, amortisation and impairment

Intangible assets have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets costing £1,000 or more are capitalised at cost and are depreciated over their useful economic lives on a straight line basis as follows:

Software	3 to 4 years
----------	--------------

Impairment reviews are undertaken on an annual basis. Where the net realisable value of the asset is less than the current carrying value, the difference is fully expensed in the Statement of Financial Activities.

o) Tangible fixed assets, depreciation and impairment

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their useful economic lives on a straight line basis as follows:

Building improvements	5 to 10 years (or length of lease if shorter)
ICT Hardware	3 to 4 years
Operational Equipment	3 to 5 years
Fixtures, fittings and equipment	3 to 7 years

Impairment reviews are undertaken on an annual basis. Where the net realisable value of the asset is less than the current carrying value, the difference is fully expensed in the Statement of Financial Activities.

p) Impairment of Trade and other Accounts Receivable

The Charity makes an estimate of the receivable value of trade and the account receivables. When assessing any impairment, management consider factors including the ageing profile of the debt, financial status of the debtor and historical experience.

q) Financial Instruments

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

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2021

1 Accounting Policies (continued)

r) Pension costs

The Charity participates in the following pension schemes:

- Flexible Retirement Scheme administered by the Pensions Trust. This is a personal pension defined contribution scheme. Employer contributions to this scheme are expensed in the Statement of Financial Activities and there is no actuarial risk to the Charity within this scheme. This scheme is offered to all new employees from 1 April 2016.
- Local Government Pension Scheme (LGPS). The LGPS is a contribution based funded defined benefit scheme that currently provides retirement benefits based on career average revalued salary and length of service in employment. Subject to certain conditions, which Libraries Unlimited has fully complied with in 2020/21, Devon County Council and Torbay Council act as guarantors to the Pension Scheme. Under this arrangement Libraries Unlimited's liability is capped at the payments actually made under triennial revaluation, and the funding risk remains with Devon County Council and Torbay Council. Pension costs are therefore accounted for as in a defined contribution scheme.

s) Provisions

Provisions are recognised in the Statement of Financial Activities where the Charity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation.

2. Company and Group Consolidated Financial Statements

The Charity (Libraries Unlimited South West) has a subsidiary company (Libraries Unlimited Enterprises Unlimited). The subsidiary has never traded, and the company and group accounts are therefore the same. Two Independent Trustees of Libraries Unlimited South West are the directors of Enterprises Unlimited.

3. Charitable Status

The charity is a company limited by guarantee and is registered with the Charity Commission for England and Wales. The members of the company are the trustees named on page 2 as well as the additional classes detailed within the Membership and Control section of the Trustees' Report. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The charitable company was incorporated in England and Wales.

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2021

4. Income from Charitable Activities

	General Funds 2021 £000	Restricted Funds 2021 £000	Total Funds 2021 £000	Total Funds 2020 £000
Local Authority contracts	7,044	-	7,044	7,232
Service user payments and associated collection fees	60	-	60	385
Grants from Government & other public bodies	1,126	1,112	2,238	208
Other	13	-	13	47
Total	8,243	1,112	9,355	7,872

Included within grant income from charitable activities are the following amounts received from Government and other Public Authorities.

	General Funds 2021 £000	Restricted Funds 2021 £000	Total Funds 2021 £000	Total Funds 2020 £000
British Library	-	704	704	-
Torbay Council	-	-	-	5
Arts Council England	-	218	218	149
Awards for all	-	10	10	-
Exeter City Council	-	22	22	10
Co-op	-	-	-	7
Good things foundation	-	37	37	-
Covid support	1,126	-	1,126	-
Other	-	121	121	37
Total	1,126	1,112	2,238	208

5. Income from trading activities

	2021 £000	2020 £000
Room hire and associated services	136	395
Catering	8	37
Other	7	14
Total	151	446

All income from trading activities relates to unrestricted funds.

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2021

6. Analysis of expenditure on charitable activities

	2021 £000	2020 £000
Staff expenses	4,882	5,452
Premises related	983	1,091
Fleet management and transport services	83	114
Equipment and product services	685	885
Support costs (note 8)	424	336
Total	7,057	7,878

7. Analysis of expenditure on trading activities

	2021 £000	2020 £000
Staff expenses	87	47
Premises related	36	43
Equipment and product services	5	19
Support costs (note 8)	1	10
Total	129	119

8. Analysis of support costs

	Charitable £000	Trading £000	Total Funds 2021 £000	Total Funds 2020 £000
Finance	157	-	157	104
Human Resources	46	-	46	39
Marketing & PR	49	1	50	54
Office services	15	-	15	41
Governance	-	-	-	2
Other	157	-	157	106
Total	424	1	425	346

Auditor's remuneration totalled £10,750 (2020: £13,000) for the statutory audit and £2,000 (2020: £2,000) for other accountancy services.

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2021

9. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2021	2020
	£000	£000
Wages and salaries	4,309	4,468
Social security costs	269	265
Pension costs – defined benefit schemes (note 19)	266	512
Pension costs – defined contribution schemes (note 19)	93	70
Redundancy and severance costs	23	128
Total	4,960	5,443

The number of employees (headcount) was:

	2021	2020
	Number	Number
Total	373	376

The number of FTE equivalent employees during the year, based on a 37 hour week, was:

	2021	2020
	Number	Number
Library staff	139	126
Relief staff for libraries	8	18
Management, service development and support services	40	48
Total	187	192

None of the trustees are remunerated for their services as trustees, but the Chief Executive and four staff trustees were paid in respect of their employment with the charity (as permitted by the Memorandum & Articles of Association).

The remuneration of the Chief Executive was between £70,000 and £80,000 (2020: between £60,000 and £70,000), including pension contributions. No other employees earned more than £60,000.

In the year ended 31 March 2021, two staff trustees were paid between £10,000 and £20,000, and two were paid between £5,000 and £10,000. In the previous year one staff trustee was paid between £40,000 and £50,000 and one was paid between £30,000 and £40,000.

During the reporting period, the charity paid expenses totalling £409 to one Trustee (2020: £5,993 to seven trustees) primarily in relation to travel and subsistence.

The key management personnel comprise the Trustees in their roles as Trustees, Chief Executive and four Heads of Service covering the following areas: Service delivery, Finance & Operations, Commercial & Innovation, ICT. The aggregate employee benefits payable to key management personnel for the reporting period was £369,000 (2020: £382,000).

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2021

10. Intangible Assets

Year Ended 31 March 2021

	Software £000	Total £000
Cost		
At 1 April 2020	67	67
Additions	2	2
	<u>69</u>	<u>69</u>
At 31 March 2021	69	69
Amortisation		
At 1 April 2020	(58)	(58)
Charge for the period	(9)	(9)
	<u>(67)</u>	<u>(67)</u>
At 31 March 2021	(67)	(67)
Net book value:		
At 31 March 2021	2	2
	<u>2</u>	<u>2</u>
At 31 March 2020	9	9
	<u>9</u>	<u>9</u>

Year Ended 31 March 2020

	Software £000	Total £000
Cost		
At 1 April 2019	67	67
	<u>67</u>	<u>67</u>
At 31 March 2020	67	67
Amortisation		
At 1 April 2019	(36)	(36)
Charge for the period	(22)	(22)
	<u>(58)</u>	<u>(58)</u>
At 31 March 2020	(58)	(58)
Net book value:		
At 31 March 2020	9	9
	<u>9</u>	<u>9</u>
At 31 March 2019	31	31
	<u>31</u>	<u>31</u>

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2021

11. Tangible Fixed Assets

Year Ended 31 March 2021	Fixtures, fittings & equipment	ICT	Motor vehicles	Furniture	Total
Cost	£000	£000	£000	£000	£000
At 1 April 2020	19	70	-	-	89
Additions	-	24	15	15	54
At 31 March 2021	19	94	15	15	143
Depreciation					
At 1 April 2020	(7)	(13)	-	-	(20)
Charge for the period	(6)	(26)	-	(2)	(34)
At 31 March 2021	(13)	(39)	-	(2)	(54)
Net book value:					
At 31 March 2021	6	55	15	13	89
At 31 March 2020	12	57	-	-	69
Year Ended 31 March 2020		Fixtures, fittings & equipment		ICT	Total
Cost		£000		£000	£000
At 1 April 2019		19		-	19
Additions		-		70	70
At 31 March 2020		19		70	89
Depreciation					
At 1 April 2019		(1)		-	(1)
Charge for the period		(6)		(13)	(19)
At 31 March 2020		(7)		(13)	(20)
Net book value:					
At 31 March 2020		12		57	69
At 31 March 2019		18		-	18

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2021

12. Debtors: Due within one year

	2021 £000	2020 £000
Trade debtors	301	529
VAT	44	20
Prepayments	270	81
Accrued income	523	25
Other debtors	55	-
	<u>1,193</u>	<u>655</u>

13. Cash at Bank and in Hand

	2021 £000	2020 £000
Cash at bank	2,965	1,116
Cash in hand	12	12
	<u>2,977</u>	<u>1,128</u>

14. Creditors: Due within one year

	2021 £000	2020 £000
Trade creditors	420	338
Other taxes and social security	116	125
Other creditors	57	40
Accruals	158	279
Deferred income	214	68
Sums held under agency arrangements and due to third parties	16	80
	<u>981</u>	<u>930</u>

15. Deferred Income

	2021 £000	2020 £000
Balance as at 1 April 2020	148	141
Amount deferred in year		
- contract and grant income received in advance	214	68
- agency arrangements	16	80
Amount released in year	(148)	(141)
Balance as at 31 March 2021	<u>230</u>	<u>148</u>

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2021

16. Restricted Funds

Year Ended 31 March 2021

	Balance at 01/04/20 £000	Income Expenditure £000		Transfers In / (Out) £000	Balance 31/03/21 £000
British Library	-	704	(88)	-	616
Arts Council England	-	218	(165)	-	53
Exeter City Council	-	22	(22)	-	-
Awards for all	-	10	(10)	-	-
Good things foundation	-	37	(12)	-	25
Other	-	121	(32)	-	89
Total restricted funds	-	1,112	(329)	-	783

Year Ended 31 March 2020

	Balance at 01/04/19 £000	Income Expenditure £000		Transfers In / (Out) £000	Balance 31/03/20 £000
Arts Council England	-	149	(149)	-	-
Exeter City Council	-	10	(10)	-	-
Co-op	-	7	(7)	-	-
Torbay Council	-	5	(5)	-	-
Other	-	37	(37)	-	-
Total restricted funds	-	208	(208)	-	-

Designated Funds

Year Ended 31 March 2021

	Balance at 01/04/20 £000	Income Expenditure £000		Transfers In / (Out) £000	Balance 31/03/21 £000
Property development fund	-	-	-	250	250
Project development fund	-	-	-	500	500
Infrastructure development fund	-	-	-	150	150
Total designated funds	-	-	-	900	900

The purpose of the designated funds is to support property development, primarily focused on purchasing new buildings; to explore new business initiatives, including potential strategic partnerships; and to focus on upgrading and replacing infrastructure, for example self-service kiosks and IT equipment.

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2021

17. Analysis of Net Assets between Funds

Fund balances at 31 March 2021 are represented by:

	Unrestricted Funds		Restricted Funds	Total Funds
	General £000	Designated £000	£000	£000
Intangible Fixed Assets	2	-	-	2
Tangible Fixed Assets	89	-	-	89
Current Assets	2,487	900	783	4,170
Current Liabilities	(981)	-	-	(981)
Total Net Assets	1,597	900	783	3,280

Fund balances at 31 March 2020 were all unrestricted.

18. Operating Lease Commitments

	2021 £000	2020 £000
At 31 March 2021, the Charity had total future minimum lease payments as follows:		
In less than 1 year	122	130
Within 2-5 years	218	242
Over 5 years	26	44
	370	416

During the year rent and lease payments totalling £213,000 (2020: £228,000) were recognised as an expense.

19. Pension Arrangements

The Organisation participates in two pension schemes:

Defined Benefit Scheme

Devon County Council

Staff that transferred under TUPE to Libraries Unlimited on 1 April 2016 are entitled to participate in the Local Government Pension Scheme (LGPS) as administered by Devon County Council. Libraries Unlimited participates in this scheme on a closed admission basis, and staff participation is limited to contributing employees at 1 April 2016. The LGPS is a contribution based funded defined benefit scheme that currently provides retirement benefits based on career average revalued salary and length of service in employment.

Subject to certain conditions, which Libraries Unlimited has fully complied with in 2020/21, Devon County Council acts as guarantor to the Pension Scheme. Under this arrangement Libraries Unlimited's liability is capped at the payments actually made under triennial revaluation, and the funding risk remains with Devon County Council. Pension costs are therefore accounted for as in a defined contribution scheme.

Employer contribution rates into this scheme amount to 12% of pensionable pay in 2020/21, with employee contributions ranging from 5.5% to 12.5% dependent on salary.

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2021

19. Pension Arrangements (continued)

Torbay Council

Staff that transferred under TUPE to Libraries Unlimited on 1 April 2018 are entitled to participate in the Local Government Pension Scheme (LGPS) as administered by Torbay Council. Libraries Unlimited participates in this scheme on a closed admission basis, and staff participation is limited to contributing employees at 1 April 2018. The LGPS is a contribution based funded defined benefit scheme that currently provides retirement benefits based on career average revalued salary and length of service in employment.

Subject to certain conditions, which Libraries Unlimited has fully complied with in 2020/21, Torbay Council acts as guarantor to the Pension Scheme. Under this arrangement Libraries Unlimited's liability is capped at the payments actually made under triennial revaluation, and the funding risk remains with Torbay Council. Pension costs are therefore accounted for as in a defined contribution scheme.

Employer contribution rates into this scheme amount to 12% of pensionable pay in 2020/21, with employee contributions ranging from 5.5% to 12.5% dependent on salary.

Overall

At 31 March 2021, 183 employees (2020: 214 employees) participated in the scheme and employer's costs charged to the Statement of Financial Activities, amounted to £266,000 (2020: £512,000).

Defined Contribution Scheme

Devon staff that commenced employment after 31 March 2016 and Torbay staff that commenced employment after 31 March 2018 participate in the Flexible Retirement Plan administered by TPT Retirement Solutions (formerly the Pensions Trust). This is a defined contribution pension scheme. Under this scheme, the employer matches employees' contributions up to 6% of pensionable pay.

At 31 March 2021, 138 employees (2020: 106 employees) participated in the scheme and employer's costs charged to the Statement of Financial Activities amounted to £93,000 (2020: £70,000).

20. Agency Arrangement

The Charity receives grant income from Devon County Council and Torbay Council as agent in respect of the purchase of books and other resources. In the accounting year ending 31 March 2021 the charity received £600,000 (2020: £679,000) and disbursed £717,000 (2020: £685,000) from the fund. An amount of £55,000 is included within debtors and £16,000 is included within creditors (2020: £78,000 was included in creditors) relating to these funds.