

# **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 21<sup>st</sup> May 2020 and 20<sup>th</sup> 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:

<b>Chair:</b>	Will Harvey	
<b>Deputy Chair:</b>	Sue Simmons (resigned 9 September 2020) Marie Chadwick (appointed 20 October 2020)	
<b>Trustees:</b>	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)	
<b>Principal and Registered Office:</b>	Exeter Library, Castle Street, Exeter, Devon, EX4 3PQ	
<b>Registered Charity No.</b>	1170092	
<b>Registered Company No.</b>	09822597	
<b>Chief Executive</b>	Alex Kittow	
<b>Key Management Personnel</b>	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
<b>Bankers:</b>	Barclays Bank plc Exeter, Devon EX1 1LX	
<b>Solicitors:</b>	Kitsons Solicitors Torquay, Devon TQ2 7FA	
<b>Auditors:</b>	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

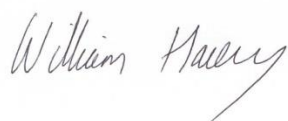
So far as the Trustees are aware:

- 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:

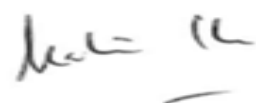
- Reviewed the charity's approach to income recognition in respect of its major sources of funding and reviewed a sample of contracts to ensure that income was recorded in the correct period;
- Reviewed the charity's approach to cut-off in respect of expenditure and looked into expenditure around the 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

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

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

		Unrestricted Funds 2020 £000	Restricted Funds 2020 £000	Total Funds 2020 £000
	Notes			
<b>INCOME FROM:</b>				
Donations and legacies		51	-	51
Charitable activities	4	7,664	208	7,872
Trading activities	5	446	-	446
<b>Total income</b>		<b>8,161</b>	<b>208</b>	<b>8,369</b>
<b>EXPENDITURE ON:</b>				
Charitable activities	6	(7,670)	(208)	(7,878)
Trading activities	7	(119)	-	(119)
<b>Total expenditure</b>		<b>(7,789)</b>	<b>(208)</b>	<b>(7,997)</b>
<b>Net income / (expenditure)</b>		<b>372</b>	<b>-</b>	<b>372</b>
Transfers between funds		-	-	-
<b>Net movement in funds</b>		<b>372</b>	<b>-</b>	<b>372</b>
<b>Reconciliation of funds</b>				
Total funds brought forward		559	-	559
<b>Total funds carried forward</b>		<b>931</b>	<b>-</b>	<b>931</b>

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
<b>Fixed Assets</b>			
Intangible assets	10	2	9
Tangible fixed assets	11	89	69
		<u>91</u>	<u>78</u>
<b>Current assets</b>			
Debtors	12	1,193	655
Cash at bank and in hand	13	2,977	1,128
		<u>4,170</u>	<u>1,783</u>
<b>Total Current Assets</b>			
		4,170	1,783
<b>Liabilities</b>			
Creditors - Amounts falling due within one year	14	(981)	(930)
		<u>3,189</u>	<u>853</u>
<b>Net current assets</b>			
		3,189	853
<b>Total Net Assets</b>		<u>3,280</u>	<u>931</u>
<b>Funded by:</b>			
<b>Unrestricted funds</b>			
General Funds		1,597	931
Designated Funds		900	-
<b>Restricted funds</b>	16	783	-
		<u>3,280</u>	<u>931</u>
<b>Total funds</b>		<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
<b>Reconciliation of net movement in funds to net cash flow from operating activities:</b>			
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)
<b>Net cash generated from operating activities</b>		<b>1,905</b>	<b>57</b>
<b>Cash flows from investing activities</b>			
Acquisitions of tangible fixed assets	11	(54)	(70)
Acquisitions of intangible fixed assets	10	(2)	-
<b>Cash (used in) investing activities</b>		<b>(56)</b>	<b>(70)</b>
<b>Increase in cash and cash equivalents in the reporting period</b>		<b>1,849</b>	<b>(13)</b>
Cash and cash equivalents at the beginning of the reporting period		1,128	1,141
<b>Cash and cash equivalents at the end of the reporting period</b>	13	<b>2,977</b>	<b>1,128</b>

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
<b>Total</b>	<b>8,243</b>	<b>1,112</b>	<b>9,355</b>	<b>7,872</b>

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
<b>Total</b>	<b>1,126</b>	<b>1,112</b>	<b>2,238</b>	<b>208</b>

### 5. Income from trading activities

	2021 £000	2020 £000
Room hire and associated services	136	395
Catering	8	37
Other	7	14
<b>Total</b>	<b>151</b>	<b>446</b>

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
<b>Total</b>	<b>7,057</b>	<b>7,878</b>

### 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
<b>Total</b>	<b>129</b>	<b>119</b>

### 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
<b>Total</b>	<b>424</b>	<b>1</b>	<b>425</b>	<b>346</b>

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 £000	2020 £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
<b>Total</b>	<b>4,960</b>	<b>5,443</b>

The number of employees (headcount) was:

	2021 Number	2020 Number
<b>Total</b>	<b>373</b>	<b>376</b>

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

	2021 Number	2020 Number
Library staff	139	126
Relief staff for libraries	8	18
Management, service development and support services	40	48
<b>Total</b>	<b>187</b>	<b>192</b>

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

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

#### Year Ended 31 March 2020

<b>Cost</b>	<b>Software £000</b>	<b>Total £000</b>
At 1 April 2019	67	67
<b>At 31 March 2020</b>	<b>67</b>	<b>67</b>
<b>Amortisation</b>		
At 1 April 2019	(36)	(36)
Charge for the period	(22)	(22)
<b>At 31 March 2020</b>	<b>(58)</b>	<b>(58)</b>
Net book value:		
<b>At 31 March 2020</b>	<b>9</b>	<b>9</b>
At 31 March 2019	31	31

# Libraries Unlimited South West

## Notes and Accounting Policies

Year Ended 31 March 2021

### 11. Tangible Fixed Assets

<b>Year Ended 31 March 2021</b>	<b>Fixtures, fittings &amp; equipment</b>	<b>ICT</b>	<b>Motor vehicles</b>	<b>Furniture</b>	<b>Total</b>
<b>Cost</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 April 2020	19	70	-	-	89
Additions	-	24	15	15	54
<b>At 31 March 2021</b>	<b>19</b>	<b>94</b>	<b>15</b>	<b>15</b>	<b>143</b>
<b>Depreciation</b>					
At 1 April 2020	(7)	(13)	-	-	(20)
Charge for the period	(6)	(26)	-	(2)	(34)
<b>At 31 March 2021</b>	<b>(13)</b>	<b>(39)</b>	<b>-</b>	<b>(2)</b>	<b>(54)</b>
Net book value:					
<b>At 31 March 2021</b>	<b>6</b>	<b>55</b>	<b>15</b>	<b>13</b>	<b>89</b>
At 31 March 2020	12	57	-	-	69

<b>Year Ended 31 March 2020</b>	<b>Fixtures, fittings &amp; equipment</b>	<b>ICT</b>	<b>Total</b>
<b>Cost</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 April 2019	19	-	19
Additions	-	70	70
<b>At 31 March 2020</b>	<b>19</b>	<b>70</b>	<b>89</b>
<b>Depreciation</b>			
At 1 April 2019	(1)	-	(1)
Charge for the period	(6)	(13)	(19)
<b>At 31 March 2020</b>	<b>(7)</b>	<b>(13)</b>	<b>(20)</b>
Net book value:			
<b>At 31 March 2020</b>	<b>12</b>	<b>57</b>	<b>69</b>
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)
<b>Balance as at 31 March 2021</b>	<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      £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
<b>Total restricted funds</b>	<b>-</b>	<b>1,112</b>	<b>(329)</b>	<b>-</b>	<b>783</b>

#### Year Ended 31 March 2020

	Balance at 01/04/19 £000	Income Expenditure £000      £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)	-	-
<b>Total restricted funds</b>	<b>-</b>	<b>208</b>	<b>(208)</b>	<b>-</b>	<b>-</b>

#### Designated Funds

#### Year Ended 31 March 2021

	Balance at 01/04/20 £000	Income Expenditure £000      £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
<b>Total designated funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>900</b>	<b>900</b>

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:

	<b>Unrestricted Funds</b>		<b>Restricted Funds</b>	<b>Total Funds</b>
	<b>General</b>	<b>Designated</b>	<b>Funds</b>	<b>Funds</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Intangible Fixed Assets	2	-	-	2
Tangible Fixed Assets	89	-	-	89
Current Assets	2,487	900	783	4,170
Current Liabilities	(981)	-	-	(981)
<b>Total Net Assets</b>	<b>1,597</b>	<b>900</b>	<b>783</b>	<b>3,280</b>

Fund balances at 31 March 2020 were all unrestricted.

### 18. Operating Lease Commitments

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
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
	<b>370</b>	<b>416</b>

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.