

LIBRARIES CONNECTED
(Formerly Society of Chief Librarians)
(LIMITED BY GUARANTEE)

Trustees' Report and Financial Statements
for the year ending 31 March 2025

Company Number: 07559747

Charity Number: 1176482

LIBRARIES CONNECTED
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Trustees' Report for the year ended 31 March 2025

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Schedule of the Board of Trustees	Edward Jewell	President
	Ayub Khan MBE	Past President
	Paraic McKenna	Honorary Treasurer
	Anthony Hopkins BEM	Trustee
	Benjamin Holden	Trustee
	Diana Edmonds	Trustee
	Emma Noyce	Trustee (since stepped down Jun 2025)
	Francesca Hill	Trustee
	Kathryn Harrison	Trustee (since stepped down Jun 2025)
	Peter Gaw	Trustee
	Sarah Garbacz	Trustee
	Kelly Saini Badwal	Trustee
	Russell Allen	Trustee
Key Management Personnel	Chief Executive Officer:	Isobel Hunter MBE
	Company Secretary:	Isobel Hunter MBE
Registered Office	Mailbox 1201 Maggie O'Neill Business & Training Centre 433 Liverpool Road Huyton Liverpool L36 8HT	
Auditor	Sayer Vincent LLP 110 Golden Lane London EC1Y 0TG	
Bankers	Royal Bank of Scotland 13-15 London Road Southend-on-Sea SS1 1PR	
Company Number	07559747	
Charity Number	1176482	

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MESSAGE FROM THE CHIEF EXECUTIVE

This year has been another period of rapid change and development for Libraries Connected. The local government funding crisis has shown no signs of easing, and for many of our members, it has simply become “business as usual.” In response, we’ve continued to provide tailored support to the services most affected and produced practical guidance for those planning major changes.

In such challenging times, it’s more important than ever that our members have opportunities to connect, learn, share experiences and develop their skills. This year’s programme of events - including our regular webinars, Innovation Gathering, and flagship annual seminar - has once again highlighted the value of our role as both catalyst and connector.

The general election brought a new government, a new libraries minister, and a wave of new policies, priorities, and initiatives for the sector. To ensure our members can seize these opportunities, we’ve invested in strengthening our policy and public affairs function. This has led to the creation of a new team, a more strategic approach and a sharper focus on policy goals.

While the climate for public libraries remains challenging, I continue to be inspired and moved by the incredible work being delivered by libraries across the country. Some of the most powerful examples have come through our own major projects - such as Know Your Neighbourhood, Microgrants, and Culture Nature England - which have made a significant impact on both the sector and the communities they serve.

Finally, I would like to extend my sincere thanks to our funders - particularly Arts Council England - and to our dedicated team of staff and trustees for their steadfast support, commitment and belief in the power of public libraries.

Isobel Hunter MBE

Chief Executive, Libraries Connected

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MESSAGE FROM THE PRESIDENT

It has been a year of both challenge and inspiration for Libraries Connected. While my diary has been full of meetings, visits and events, it is often the quieter moments; conversations in staff rooms, chats with library users, reflections shared over tea, that have offered the deepest insights.

Funding, of course, remains a pressing concern. Across the country, library services are navigating a crisis shaped by wider pressures on local government. Yet amid these constraints, I've seen extraordinary creativity and resilience. Libraries Connected has responded by advocating for bold, long-term solutions and by investing in a new research and advocacy team to strengthen our evidence base and amplify the sector's voice.

Our regional development work has been a particular highlight. The team has supported all nine English regions to build capacity, unlock new funding, and deliver impactful projects. From health impact research in the West Midlands to advocacy support in Yorkshire and Humber, this work demonstrates the power of regional collaboration. The Revue Library project in Blackpool, showing an estimated £1.4 million in annual wellbeing value, is just one example of the transformative potential of local libraries.

This year has also brought powerful reminders of our cultural and civic role. From the response to the Spellow Hub fire to the launch of the Poverty Proofing Libraries project, we've seen again how libraries serve as vital, inclusive spArts Council Englands, open to all, rooted in trust, and shaped by the communities they serve.

As we look ahead to the National Year of Reading in 2026, we have a unique opportunity to reassert the importance of reading, literacy, and free access for all.

Thank you for your continued support.

Ed Jewell

President, Libraries Connected

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Annual Report

The trustees present their report and the audited financial statements for the year ended date. Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the charity's trust deed / governing document and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

PUBLIC BENEFIT, MISSION AND VALUES

Libraries Connected is an independent charity that supports, promotes and represents public library services in England, Wales, Northern Ireland, and the Crown Dependencies. Our work builds on 20 years' experience as the Society of Chief Librarians and today our audience extends beyond heads of public library services to all library workers. We generate income from membership subscriptions, commissioned services, events and grants, including from Arts Council England (ACE) as we are the Investment Principles Support Organisation (IPSO) for public libraries.

Public libraries help tackle some of society's biggest challenges by providing vital community infrastructure, access to culture, literacy and the written word, learning opportunities, and essential digital resources for modern life. Across the areas we serve there are 176 individual library services with around 3,000 library branches serving over 61 million people. Each has a unique local offer that reflects the needs of its communities, but by connecting and working together libraries can act with greater collective impact.

Our vision is an inclusive, modern, sustainable and high-quality public library service at the heart of every community in the UK. We believe modern public libraries should be the cornerstone of the community and should deliver a diverse spectrum of local needs around information, learning, literacy, employment and digital skills, health, culture and leisure.

Our 2023-2027 strategy has four core areas of action:

- Drive innovation at scale.
- Grow and empower through skills and diversity.
- Connect to realise ambitions.
- Engage and influence others to utilise sector potential.

Five principles underpin all our work. Through everything we do we seek to:

- Support climate responsibility and sustainability.
- Promote equality, diversity and inclusion.
- Harness connection and collaboration.
- Support sustainable financial models.
- Operate at national and regional scale.

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PROJECTS AND PROGRAMMES

The projects led by the team this year have seen us work with new funders and new partners. Most of the projects have allowed library services to deliver on outcomes in a way that meets local needs, which has generated some dynamic and innovative ways of reaching audiences. Many of the projects have focused on addressing disadvantage and promoting wellbeing.

The **Know Your Neighbourhood** project, funded by DCMS and delivered in partnership with ARTS COUNCIL ENGLAND, aims to increase volunteering and tackle loneliness in 27 disadvantaged areas across England. The libraries element of the project has reached a total of 15,911 beneficiaries, 298% of their target. In November we hosted a conference on behalf of the three Know your Neighbourhood partners which reached 169 people in total. Additional online training and sharing events engaged 470 people.

E-lending in public libraries, funded by ARTS COUNCIL ENGLAND, worked with 16 publishers – including Canongate, Faber and Hachette - and 28 library services to pilot a range of more flexible licences on a list of around 250 titles. A final report was published in February, combining the findings from the pilot and borrower surveys. The project finale event held in February to launch the report reached 81 people in person and online.

The **Microgrants** programme, funded by Arts Council England, awards grants of £1k-5k to support small-scale projects or the early stages of larger initiatives. So far it has funded 27 projects from 67 submissions. The launch webinar was attended by 180 people and the learning events so far have reached 126 people.

Black British Ballet is a touring exhibition tracing the history of Black British ballet from the 1940s to the present day and is funded by a £245,500 grant from The National Lottery Heritage Fund. In total, 29 library services are scheduled to host the exhibition and supporting activities run by Oxygen Arts. From October to the end of this year, 12 libraries have hosted the exhibition and activities, while 44 library staff have attended online training and sharing sessions.

Culture Nature England, funded by Natural England, connects people with nature and raises awareness of protected sites through creative wellbeing activities in libraries. We operated a grant structure similar to the Microgrant model, receiving 43 applications with 25 library services awarded a total of £123,101. Thirty-two individual libraries were involved in the project, delivering a wide range of projects including library gardens, using tech to make nature accessible, and guided walks around local protected sites. In excess of 400 activities were organised. Audiences reached included families, children, refugees and the Roma community. Overall audience participation numbers ranged from 2,800 to 3,400 based on the 262 activities recorded in the tracker survey, while 152 library staff took part in learning opportunities. The Countryside and Community Research Institute (CCRI) was appointed to conduct the ternal evaluation of the programme.

Funded by a grant of £49,770 from Arts Council England, **Poverty Proofing© Libraries** is a partnership between Libraries Connected and charity Children North-East, whose unique Poverty Proofing© methodology will identify barriers preventing low-income families from accessing libraries. Gateshead Libraries was the first authority to take part in the process and their consultation

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has now concluded with a report being presented to the library service prior to being shared with the steering group. In Gateshead there were 353 public consultations. Consultations also took place with 17 staff and 16 community settings. Following an application process, Cornwall and Oldham libraries were selected to participate in the process in 2025/26.

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COMMERCIAL

UKVI Contracts

This year our contract with Sopra Steria to provide face to face elements of the UK Visa process in libraries came to an end as their contract with Home Office concluded. Over the 7 years of the contract the partnership has:

- generated over £11m to the libraries involved
- in the later years of the contract brought in £2.5m per year to 14 library services contributing over £1m per year to these libraries after costs.
- contributed £100k per year to Libraries Connected budgets
- delivered this valuable and sensitive service to over ½ million people in a comfortable, safe space with access and links to broader services and support.

It has been excellent learning for Libraries Connected and the library sector in developing a model through which national services can be delivered locally through libraries. We would like to thank all the library services who played a part in the development and delivery of this contract in demonstrating the power of the library sector to deliver at a large commercial scale.

While Sopra Steria were not successful with retendering of the service, the experience of Libraries Connected and the library sector enabled us to negotiate with the new provider – TLS Contact – to become one of their delivery partners.

We signed a contract with TLS Contact to do this in May 2024 and began delivery through 8 library services in October 2024. The service is now up and running and delivering over 10,000 appointments per month through these libraries, reaching a level equivalent to around £2m annually to these libraries by the end of the financial year.

The Skills Network

We signed an MOU with The Skills Network to collaborate on securing skills and learning commissions through devolved responsibility for Adult Skills Funding, and exploring other areas to work together to improve digital access to learning.

By the end of the financial year we had bids to 4 combined agencies with 41 library services submitted or in the pipeline.

DWP

While not a commercial discussion at present the team has been working with DWP to strengthen the connections between libraries and DWP services on a local level, with a clear focus on positive impacts of collaboration – increasing access to benefits, ensuring coordinated activities and events between libraries and jobcentres and exploring opportunities locally to support people into positions of earning or learning.

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MEMBERSHIP ENGAGEMENT

This year, we continued to expand our professional development and networking opportunities for library staff. In partnership with ASCEL, we updated the “Children’s Library Workforce” course, which relaunched in September as *Supporting Children and Young People in Libraries*. Across all our e-learning courses, we recorded 2,336 enrolments and 1,745 module completions.

Our popular webinar programme attracted a live audience of 2,522, with an additional 2,867 views on our YouTube channel to date. These sessions continue to be a valuable resource for ongoing learning and sector engagement.

Our flagship Annual Seminar, themed *The Power of Partnership*, was held in 2024 at Chesford Grange Hotel near Warwick. The event brought together 190 attendees from 76 library services. In March, we hosted our Innovation Gathering for library managers and professional development staff at The Studio in Birmingham, with 77 participants representing 39 services.

Our online networks remained a vital source of peer support and knowledge sharing. The Library Innovator’s Community saw 362 messages and 815 comments posted, while the Heads of Service Network was even more active, with 325 messages and 1,209 comments over the year.

A major milestone was the launch of our new member platform, designed to streamline event bookings, share news and opportunities, and provide access to a member address book. The platform also includes network and forum features to support future community building.

We continued to publish our weekly bulletin for senior managers - now distributed via the new platform - which reached over 500 subscribers by year-end, with an average open rate of 63%. Our public-facing *Libraries Connected* newsletter also grew steadily, ending the year with 4,382 subscribers and an average open rate of 32%.

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UNIVERSAL LIBRARY OFFERS

This year, our primary focus has been a comprehensive review and reset of the Universal Library Offers (ULOs), ensuring they continue to reflect the evolving needs and expectations of the sector. The process began with each ULO group revisiting and workshoping their core principles. These discussions have led to plans for a restructured approach to group meetings, which will take effect from September 2025.

The reset will introduce two strategic meetings for all ULO leads annually, fostering greater collaboration across the offers. It will also embed equity, diversity and inclusion (EDI) and environmental sustainability as core themes in all future projects.

Alongside this strategic work, each ULO group has delivered key projects over the year:

- **Culture Offer** – Supported the funding and national programming of the *Black British Ballet* tour.
- **Health Offer** – Advanced partnerships with the NHS app and Health Ambassadors to promote wellbeing through libraries.
- **Information and Digital Offer** – Developed a new collaboration with The Good Things Foundation to enhance digital inclusion.
- **Reading Offer** – Commissioned research into library loans, with the tender process now underway.

These initiatives reflect our commitment to ensuring the ULOs remain dynamic, relevant and impactful across the public library network.

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REGIONAL DEVELOPMENT

The Regional Development team has strengthened its support to our nine regional networks in England, helping them increase their sustainability, resilience and capacity to deliver large scale regional projects. A highlight this year was an away day for regional leads, which focused on unlocking new funding opportunities through Combined Authorities, using the UK Government's Contract Finder platform. The session explored live regional tenders, mapped strategic priorities, and identified key national bodies for future engagement. These insights, combined with findings from the Regional Leads survey, will shape the team's priorities for the second year of the project - focusing activity on regions with the strongest funding potential rather than distributing effort evenly across all nine.

The team supported two successful Invitations to Tender with a combined value of £60,000. In the South East, Shared Intelligence was appointed to evaluate the social and economic value of library services supporting older people and mental health. The findings will be published during Libraries Week in October 2025. In Yorkshire and Humber, Rise Associates were commissioned to deliver advocacy support focused on skills development and engagement with strategic regional partners. Their final report is expected in summer 2025.

The team also worked with the Yorkshire and Humber region to expand a local Community Managed Libraries (CML) webinar into a national event, in collaboration with the CML Peer Network. Held in December, the webinar was well attended and praised for combining regional insight with national relevance.

Projects funded by a grant of £90,000 from the Combined Regions (TCR) across all nine regions were either completed or nearing completion this year. Highlights included a North East staff conference (attended by over 60 participants, including Libraries Connected President Ed Jewell), marketing support for London Libraries' ReadOn app, and a health impact research project using the Evidence of Value of Libraries (EVOLs) tool in the West Midlands.

In April, the TCR Board expressed satisfaction with progress and approved the final report. The initial investment over 17 months leveraged an additional £41,000 from regional precepts and £131,000 in in-kind support - including £77,000 of the Regional Development team's time - bringing the total project value to £209,000.

Additional activity included supporting the North East in discussions to extend the *Ann Cleeves Reading for Wellbeing* project in collaboration with The Queen's Reading Room, and helping the North East Reading ULO group develop follow-up equity, diversity and inclusion stock work with Dr Darren Chetty from University College London.

The Revoe Library EVOLs project launched in January, supported by £20,000 in funding shared between Libraries Connected, Blackpool Libraries and InsightEcon. Despite being open only three days a week and serving some of the UK's most deprived wards, Revoe Library has shown early estimated annual health and wellbeing value of £1.4 million - providing powerful evidence of the community impact of small, frontline libraries.

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NATIONAL NETWORKS

Wales

In 2024–25, SCL Cymru continued to collaborate on the provision of digital resources through the Libraries Wales website. Supported by over £900,000 in funding from the Welsh Government, announced in May 2024, this shared platform aims to expand the range of materials available at local libraries by enabling resource sharing across library services. Once fully implemented, the platform will also support future developments such as the introduction of a single Welsh library card, further enhancing accessibility and integration across the network.

In May 2024, SCL Cymru partnered with The Reading Agency and the Books Council of Wales to launch the Reading Well for dementia scheme. This initiative marked a significant milestone as it became the first Reading Well scheme to include an original Welsh-language title, reflecting a commitment to linguistic inclusivity and cultural relevance in health and wellbeing resources.

Additionally, SCL Cymru led the procurement and transition to a new shared Library Management System, which officially launched in December 2024. Funded by a grant from the Welsh Government, the system has been adopted by 20 out of the 22 local authorities in Wales. This move represents a major step forward in streamlining library operations and improving user experience across the country.

Northern Ireland

2024/25 was a very busy and successful year for Libraries NI with refurbishments in Ballynahinch and Waterside libraries. Three libraries—Killyleagh, Bessbrook, and Ballymoney—were retrofitted to the Passivhaus standard, with Ballymoney Library achieving runner-up status in the physical category of the EDGE2025 Awards. A new, larger library in Fivemiletown was celebrated with the inaugural Fivemiletown Cultural Heritage Festival, 'Tracks from the Past'. In March, Her Majesty The Queen visited Banbridge Library to celebrate books, reading, and library services.

During 2024/25, The Executive Office (TEO) launched Free Period Products in Libraries. Users were surveyed to feed into the evaluation of the initiative, and up to £250,000 funding has been secured to deliver the project in 2025/26.

A dedicated Book Club and Reading Corner was launched in collaboration with the Macmillan Cancer Support and Information Centre. A monthly reading group was set up to help patients mitigate social isolation. Since 2013, Libraries NI staff have raised £128,000 through Macmillan Coffee Mornings.

COPNI, The Open University Ireland, and Libraries NI delivered Changing Attitudes to Ageing events in Omagh and Derry Central libraries, attended by over 170 people.

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MARKETING AND COMMUNICATIONS

Our media profile continued to grow this year, with coverage in the Bookseller, Arts Professional, The Times, The Daily Mail and The Guardian, and broadcast interviews on Sky News, ITV's Good Morning Britain, BBC Radio 5 Live and various local radio stations. We also worked closely with the BBC Data Unit on its story on library closures and deprivation, which led to widespread coverage across BBC platforms. The communications team supported library services to secure local coverage, particularly around Know Your Neighbourhood, Microgrants and the Libraries Connected Awards. This resulted in around 20 pieces of local media coverage.

In November, we launched our new website. The new design is more accessible, engaging and easier to navigate, with new resources, events and news sections. The brand was refreshed at the same time, resulting in a cleaner, more contemporary look with a new suite of photographs to better represent modern library services and their users. Since launching the number of views, users and engagement time have all increased.

Following the rapid drop in use of Twitter/X, we have invested more time in other platforms. LinkedIn and BlueSky in particular have grown significantly and are now major channel for communication with members and the wider sector. We joined Bluesky in September 2024 and quickly gained a large following, which currently stands at around 7,000.

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POLICY AND PUBLIC AFFAIRS

This year marked a significant step forward in our policy and public affairs work. In preparation for the general election in July, we developed a set of key policy asks to raise the profile of libraries among parliamentary candidates and to guide our engagement with the incoming government. This work informed a major consultancy review of our policy and public affairs function, which provided clear recommendations for its future development.

A new Minister for Libraries, Sir Chris Bryant, was appointed in July 2025. Libraries Connected met with him alongside sector partners, including ASCEL, CILIP and Arts Council England. Briefings and proposals were submitted both prior to and following the meeting. Subsequently, following changes to ministerial portfolios within the Department for Culture, Media and Sport (DCMS), Baroness Twycross assumed responsibility for libraries from 1 April 2025.

This year has also seen a marked increase in collaboration and partnership working across the sector in the areas of influencing and public affairs. We worked closely with CILIP and ASCEL on a number of political briefings and partnered with CILIP to deliver the Libraries Change Lives Parliamentary reception.

In addition, we submitted responses to a range of consultations and calls for evidence, including parliamentary inquiries into local government finance and digital inclusion, as well as submissions to the Independent Commission on Community and Cohesion and the Independent Commission on Neighbourhoods.

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FUTURE PLANS

Next year will be another period of rapid change and development. A new Policy, External Affairs and Research (PEAR) team will be created to take forward the recommendations of our policy and public affairs review, and lead our work across several critical policy areas, including digital inclusion, local government reorganisation, devolution, neighbourhoods and early years. We will also implement the recommendations of the governance review, begin work on a new strategy and develop our bid for the next period of IPSO investment from ARTS COUNCIL ENGLAND.

Another major new strand of work will be the Workforce Development and Skills programme, which will focus on equipping the public library workforce with the skills and knowledge needed to meet future challenges. This programme will support the development of stronger, more resilient library services across the country.

We will also embark on a number of high-profile collaborations. These include Our Freedom, a joint programme with Future Arts Centres to help libraries commemorate the 80th anniversaries of VE Day and VJ Day, and a major partnership with the Women's Prize.

Our popular events programme - including the Annual Seminar, Innovators' Gathering, and regular webinars - will continue to offer valuable professional development and networking opportunities for library staff at all levels.

In addition, we will begin to implement the findings from the recent review of the ULOs and support Arts Council England in the launch and rollout of the Libraries Development Framework, helping to embed quality and impact across the public library network. Meanwhile, the Regional Development team's priorities for the coming year will include key reports on social value and advocacy, with a focus on sharing their findings across all regions. In addition, the team will continue to pursue opportunities to secure regional funding for libraries through Combined Authority tenders. These activities will support the broader aim of strengthening the strategic and financial position of libraries within regional structures.

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MESSAGE FROM THE TREASURER

The financial performance of Libraries Connected was very robust in the period from 2024/2025 and, indeed, remains encouraging for 2025/26.

The Charity is substantially supported by ACE, supporting public library services to reflect the ACE Investment Principles. I should like to add my thanks to those of the President and the CEO for its continued support.

At the year-end in 2025, unrestricted income was £1,168k, an increase of £78k from the previous year. Restricted income, at £1,547k, was £773k higher the previous year and reflected the anticipated timing differences in funding for the Know Your Neighbourhood programme which at £948k was £426k higher than 2023/24. Income during 2024/25 also included Micro-Grants of £209k from ACE and £167k associated with the Black British Ballet programme.

Unrestricted expenditure at the year-end in 2025 was £1,045k, higher than that of the previous year (£794k) and once again, reflecting timing differences in the delivery of some core programmes as well as the phasing of both National and Regional programmes. Restricted expenditure at £1,629k was also higher than 2023/24 (£1,376k) reflecting the passing on of the funds mentioned previously.

Net unrestricted income for the year was £123k, lower than 2023/24 (£295k): this reduced level reflects the intention of the organisation to strengthen its policy & public affairs function. Restricted activities reflected net outgoings of £83k (outgoings of £603k in 2023/24). These positions were fully anticipated by the Board.

Unrestricted General Funds, which exclude funds associated with Regional Networks or other Designated Funds, amounted to £751k at the end of the period compared to £1,055k from the previous year following planned investment in organisational development.

Paraic McKenna
Trustee and Honorary Treasurer

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Libraries Connected Strategy 2023-27

The Charity delivers its objectives through the execution of its Strategic Plan 2023-27. This Plan sets out key projects and priorities, including a focus on creating a more diverse library workforce, building an even more evidence-based view on the impact of libraries and developing a stronger voice for the sector as it works with local and national government.

Financial review

The charity has had a positive year. Our key sources of income are:

- Arts Council England IPSO funding – this was secured for a further year following relocation of the office outside of London, and we have been notified that there will be a further year's extension to this. This funding provides a significant level of unrestricted income which allows us to deliver and develop core services in England. The impact of this development also flows through into delivery in the other nations we work with – Wales, Northern Ireland – and the Crown Dependencies.
- Arts Council England Project funding – our primary project this year has been the Know Your Neighbourhood DCMS funded project granted through Arts Council England which has supported the delivery of 26 projects in 27 library services to tackle isolation and increase volunteering.
- Commercial Income – Our primary commercial income is from the UKVI services – this provides funding to support the service delivery as well as capacity to explore and develop new commercial offers for our members. While the previous contract did not continue, we were able to negotiate a role with the new supplier and this income has continued in excess of our targets.
- Membership income – this is an important income stream both in terms of providing core funding to directly support our offers to members, but in terms of maintaining a relationship with the sector and giving us the credibility to platform our members voices and interests. This has held up despite the challenges of local authority funding.
- Activities and Events – including our flagship annual seminar this is a combination of delegate fees and sponsorship to provide opportunities for our members to learn and share experiences and create connections. While restrictions on training budgets could have impacted this we have been able to rebalance the income with a higher proportion of sponsorship and new sponsored bursary places for members unable to fund their own place.

All these funding sources have remained within planned targets and this has supported the charity to deliver its key objectives.

Looking forward the key financial risks are around:

- Local authority funding position limiting income in membership fees and events

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- Commercial income targets being missed due to key staff dependencies and challenges in recruitment. We do expect to have additional staff in post this financial year however, and we expect overperformance against other targets to balance this out.
- Future Arts Council England funding being reduced from 27/28 onwards, though we do have confirmation of some extension into that year.

There are no pension liabilities – we have a third party defined contribution scheme.

Reserves Policy

We are a complex organisation with responsibilities to a growing number of staff, our members, and in addition to this stakeholders across a number of areas – sector partners, funders, commissioners and subcontracted members. We have carried out a detailed two stage exercise looking at firstly how we can respond in the event of the loss of the most vulnerable income streams, and secondly what we would need to do to responsibly close the organisation in the case we could not sustainably stabilise the organisation following that. Based on this our reserves policy combines:

- funds to stabilise the income streams identified as highest risk (and highest exposure to Local Government funding challenges)
- funds to responsibly wind up the charity based on commitments to staff, consultants, external partners and sponsors, and other commitments.

This comes to £775k ±10%, and our free reserves stand at £751k.

Note that the reduction in available unrestricted funds from previous years was planned in order to bring the amount held closer to policy levels. To do this a number of capacity building initiatives responding to sector needs were approved by the Trustee Board, with funds being designated for their use. These initiatives currently include:

- Developing the commercial offer to the sector
- Strengthening our work in workforce development
- Investing in fundraising capacity

This programme will be closely managed by the board and its subcommittees.

Going concern (Pending agreement at FSC and Board)

The Trustees have considered going concern and have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. It has secured ACE funding for its core activities for the next two years and continues to meet criteria. The Board also notes that Unrestricted Reserves are in line with the level set out in its Reserves Policy.

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Investment activities

Under the Memorandum and Articles of Association, the Charity has the power to make investments as the Trustees see fit. Investments are made when required to further the aims and objectives of the Charity. The Charity does not currently hold any investments other than cash on deposit with The Royal Bank of Scotland.

Risk management

The Board maintains a Corporate Risk Register which is reviewed at every Board meeting. The risks relate to the delivery of Libraries Connected's business plan and major programmes as well as to Libraries Connected's reputation, corporate partnerships and to its members. This Register is informed by more detailed project registers and operational data. The Register sets out risks, their likelihood and impacts and mitigation measures. The Board's Finance and Remuneration Sub-committee and Commercial Projects Sub-committee review risks associated with their responsibilities in more detail. Libraries Connected remains dependent on funding from ACE and is, therefore, working to broaden its funding base through corporate partnerships and national / regional procurement. Local Government continues to face significant funding pressure and Libraries Connected notes the impact this has on its members. Libraries Connected aims to mitigate these pressures through close engagement and tailored support programmes. Internal risks are mitigated through project management and governance processes as well as through the implementation of internal finance and operational controls.

Fundraising activities

During the year, the Charity has engaged Amplify-Impact to support us with identification of potential funders and partners and strengthening our proposition into a fundraising strategy with an associated delivery plan. Amplify-Impact are also supporting Libraries Connected with bid writing support.

In addition to this Libraries Connected has also supported fundraising activity using existing staff, including the Commercial Manager recruited in November 2024, as well as members of the Senior Leadership Team in the course of their duties.

During the year, no complaints about fundraising activity were received by the Charity or by a person acting on its behalf for the purposes of fundraising.

During the year, Libraries Connected raised funds directly from the public via the Crowdfunder platform, to support a project which funded provision of a mobile library to Ukraine. In total, this raised £11k from 229 supporters. Contact with the public was indirect through the Crowdfunder platform and therefore Libraries Connected did not make any direct contact with the public or with vulnerable people in relation to funding or supporting its work.

LIBRARIES CONNECTED

(LIMITED BY GUARANTEE)

Trustees' Report for the year ended 31 March 2025

Income was secured within the year for grant funded projects with the following funders:

- Arts Council England
- Natural England
- Blackpool Researching Together
- Share the Vision
- Future Arts
- Women's Prize Trust

Related parties

A register of interests has been established for Trustees, management and staff to declare any interests including as Trustees of other organisations. There are no related party transactions to declare.

LIBRARIES CONNECTED

(LIMITED BY GUARANTEE)

Trustees' Report for the year ended 31 March 2025

REPORT ON GOVERNANCE

The organisation is an unincorporated charity registered as a charity on date in England and Wales.

The charity is constituted under Articles of Association dated 2017.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note xx to the accounts.

During 2024/5 our board had 13 members: nine heads of library service appointed from our membership (including the president) and four external trustees. The member trustees are selected to represent geographical spread, variation in types of library service, including urban and rural, and the skills and experience the members can bring to the board. Our external trustees bring in additional skills and different perspectives. The Board is supported by our Advisory Committee which represents the views of our members through the member networks and ULO networks, ensuring their voice is at the heart of all our work.

Libraries Connected was appointed by ACE in Autumn 2022 as an Investment Principles Support Organisation (IPSO). This means that the Charity will support public library services in England to reflect the ACE Investment Principles (Ambition and Quality, Dynamism, Environmental Responsibility, Inclusivity and Relevance) in their work.

During the year, NCVO was engaged to conduct a Governance Review as part of our wider organisational development programme. The process is making a comprehensive review of our governance processes, culture and structures and has included consultation with Trustees, staff and members. The review will be completed in summer 2025, with recommendations for the Trustees to consider and take forward over the following 12 months

Trustee Selection, Induction and Training

Trustees are recruited and selected through a governance sub-committee of the board and their appointment subject to board agreement.

All new Trustees are provided with a comprehensive induction to Libraries Connected, which includes copies of the Memorandum and Articles of Association, the current Strategic Plan, staffing structure, annual budget and a copy of the latest audited Financial Statements. The Trustees received details of their obligations under both Charity and Company Law. Trustees also have access to training and resources from the National Council for Voluntary Organisations (NCVO). The schedule of Board meetings ensures time is set aside to focus on the review, development and implementation of governance.

LIBRARIES CONNECTED

(LIMITED BY GUARANTEE)

Trustees' Report for the year ended 31 March 2025

Decision Making

The board is accountable for the activities of the charity and meets quarterly to agree direction and decisions.

Day to day activities of the charity are delegated to Isobel Hunter, Chief Executive through a Schedule of Delegation agreed by the trustee board.

Pay awards are considered annually as part of the work of the Finance Sub-Committee of the board. This is done through wider comparators, changes in cost of living, consideration of the full staff pay and benefits offer in the context of the financial position of the charity. This is then recommended to the full trustee board for approval.

Remuneration Policy

All staff, including the Chief Executive, are paid to agreed salary levels which are subject to external benchmark. This remuneration policy is reviewed and approved by the Finance Subcommittee and the trustee board.

The performance of all staff is subject to a formal appraisal process against previously agreed measures, and this is discussed at an annual appraisal meeting.

Auditors

Sayer Vincent LLP were appointed as Auditor to Libraries Connected during 2022. They have expressed their willingness to remain in office and will be deemed reappointed for the next financial year.

Statement of the responsibilities of the Trustees

The Trustees, who are also Directors of Libraries Connected for the purposes of company law, are responsible for preparing the Trustee's Annual Report and the Financial Statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Principles). Company Law requires the Trustees to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and the application of resources, including the income and expenditure, of the Charity for the 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 Charities Statements of Recommended Practice (SoRP).
- Make judgements and estimates that are reasonable and prudent.

LIBRARIES CONNECTED

(LIMITED BY GUARANTEE)

Trustees' Report for the year ended 31 March 2025

- Prepare the Financial Statements on the going concern basis unless it is inappropriate to assume that Libraries Connected will continue in operation.
- State whether applicable UK Accounting Standards and SoRP have been followed, subject to any material departures disclosed and explained in the financial statements.

The Trustees are responsible for keeping adequate financial records that disclose with reasonable accuracy at any time the financial position of Libraries Connected and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of Libraries Connected and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' annual report has been approved by the trustees on 25 September 2025 and signed on their behalf by

Edward Jewell

Trustee and President

LIBRARIES CONNECTED

(LIMITED BY GUARANTEE)

Independent auditor's report to the members of Libraries Connected

Opinion

We have audited the financial statements of Libraries Connected (the 'charitable company') 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 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 charitable company'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
- 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 charitable company 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 Libraries Connected'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.

Independent auditor's report to the members of Libraries Connected

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual 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 directors 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 trustees' annual report and from the requirement to prepare a strategic report.

Independent auditor's report to the members of Libraries Connected

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 are set out below.

Capability of the audit in detecting irregularities

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

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;

LIBRARIES CONNECTED

(LIMITED BY GUARANTEE)

Independent auditor's report to the members of Libraries Connected

- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, 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.

LIBRARIES CONNECTED

(LIMITED BY GUARANTEE)

Independent auditor's report to the members of Libraries Connected

Use of our report

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

Noelia Serrano (Senior statutory auditor)

Date: 30 October 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

Libraries Connected

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2025

	Note	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Income from:							
Charitable activities	2	509,740	1,546,528	2,056,268	509,200	772,992	1,282,192
Other income activities	3	621,079	–	621,079	545,266	–	545,266
Investment income		36,848	–	36,848	34,734	–	34,734
Total income		1,167,667	1,546,528	2,714,195	1,089,200	772,992	1,862,192
Expenditure on:							
Raising funds		72,993	–	72,993	23,900	–	23,900
Charitable activities							
Services to improve the public library	4	971,768	1,629,404	2,601,172	770,363	1,375,898	2,146,261
Total expenditure		1,044,761	1,629,404	2,674,165	794,263	1,375,898	2,170,161
Net income/(expenditure) for the year	7	122,907	(82,876)	40,031	294,936	(602,906)	(307,970)
Transfers between funds	17	(32,227)	32,227	–	(5,335)	5,335	–
Net movement in funds		90,680	(50,649)	40,031	289,601	(597,571)	(307,970)
Reconciliation of funds:							
Total funds brought forward	17	1,557,818	663,170	2,220,988	1,268,217	1,260,741	2,528,958
Total funds carried forward		1,648,498	612,521	2,261,019	1,557,818	663,170	2,220,988

All of the above results are derived from continuing activities. Movements in funds are disclosed in Note 17 to the financial statements.

Libraries Connected

Balance sheet

Company no. 07559747

As at 31 March 2025

	Note	£	2025 £	£	2024 £
Fixed assets:					
Tangible assets	12		27,322		8,714
			<u>27,322</u>		<u>8,714</u>
Current assets:					
Debtors	13	586,135		1,151,577	
Cash at bank and in hand		1,975,344		1,915,218	
		<u>2,561,479</u>		<u>3,066,795</u>	
Liabilities:					
Creditors: amounts falling due within one year	14	(327,781)		(854,521)	
		<u>(327,781)</u>		<u>(854,521)</u>	
Net current assets			<u>2,233,698</u>		<u>2,212,275</u>
Total net assets			<u><u>2,261,019</u></u>		<u><u>2,220,988</u></u>
The funds of the charity:	17a				
Restricted income funds			612,521		663,170
Unrestricted income funds:					
General funds		751,465		1,054,995	
Designated Regional funds		507,032		502,823	
Designated Development funds		<u>390,000</u>		<u>-</u>	
Total unrestricted funds			<u>1,648,498</u>		<u>1,557,818</u>
Total charity funds			<u><u>2,261,019</u></u>		<u><u>2,220,988</u></u>

Approved by the trustees on 25 September 2025 and signed on their behalf by

Edward Jewell
Trustee and President

Libraries Connected

Statement of cash flows

For the year ended 31 March 2025

	2025 £	£	2024 £	£
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	40,031		(307,970)	
Depreciation charges	6,263		3,208	
Interest income	(36,848)		(34,733)	
Decrease/(Increase) in debtors	565,442		(29,569)	
(Decrease) in creditors	(526,739)		(94,512)	
Net cash provided/(used in) by operating activities		48,148		(463,575)
Cash flows from investing activities:				
Purchase of fixed assets	(24,870)		(7,992)	
Loss on disposal of fixed assets	–		7,105	
Net cash (used in) investing activities		(24,870)		(887)
Cash flows from financing activities:				
Interest received	36,848		34,734	
Net cash provided by financing activities		36,848		34,734
Change in cash and cash equivalents in the year		60,126		(429,729)
Cash and cash equivalents at the beginning of the year		1,915,218		2,344,946
Cash and cash equivalents at the end of the year		1,975,344		1,915,218

1 Accounting policies

(a) General information and basis of preparation

Libraries Connected is a registered charity (Charity number 1176482) and a company (Company number: 07559747) limited by guarantee, incorporated in England and Wales. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member. The address of the registered office is Maggie O'Neill Business and Training Centre, 433 Liverpool Road, Huyton, Liverpool L36 8HT. The nature of the charity's operations and principal activities are to provide core services of information advice and support to all members in England and Wales.

The charity is a public benefit entity as defined by FRS 102. 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) effective from 1 January 2019, the Companies Act 2006 and the Company's Memorandum and Articles of Association.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

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

Going Concern

The trustees have considered going concern and have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. We have met criteria for the third year of Arts Council funding, and understand that a fourth year has been granted to all recipients, which will take us to March 2027. In addition we have been diversifying our funding beyond this core grant and have exceeded our reserves target significantly. The trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

(b) Fund accounting

The charity maintains various types of funds as follows.

Unrestricted funds

Unrestricted funds represent income which is expendable at the discretion of the Trustees in the furtherance of the objects of the charity.

Designated funds

Regional funds: represent those funds held on behalf of regions.

Development funds: represent amounts to support growth and develop the organisation.

Restricted funds

Restricted income represent income that can be spent wholly and exclusively on the project in line with the funding contract.

1 Accounting policies (continued)

(c) Incoming resources from other trading activities

Incoming resources from other trading activities relates to membership subscriptions for services provided by the organisation. They are included in the year in which they are receivable, which is when the charity becomes entitled to the resource and the amount can be quantified with reasonable accuracy. These are valued at the estimated value to the charity of the services received.

(d) Incoming resources from charitable activities

Incoming resources from charitable activities relates to performance related grants, mostly received from Arts Council England. Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, as it is probable that income will be received.

Deferred income represents amounts received for future periods and is released to incoming resources in the period in which it is earned. Investment income is included in the SOFA in the year in which it is receivable.

(e) Resources expended and basis of allocation of costs

Expenditure is recognised on an accrual basis as a liability is incurred, inclusive of VAT which cannot be recovered. Grants payable are charged in the year they become payable. Grants are available to qualifying persons upon submission of a relevant and reasonable application. Consideration of such application is made on an individual basis at meetings of management who decide upon the most deserving recipients. Grants payable should be recognised when the commitment is made which might be different to when the grant is payable.

Other resources expended are allocated directly to the activity where the cost relates to the activity.

Support costs have been allocated between charitable activities. Costs that are not wholly attributable to an expenditure category have been apportioned to each activity on an estimate of staff time.

(f) Costs of raising funds

Costs of raising funds comprise costs incurred in the pursuit of the charitable objects of the charity. Those costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs.

(g) Costs of generating voluntary funds

Costs of charitable activities comprise costs incurred in the pursuit of the charitable objects of the charity. Those costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs.

1 Accounting policies (continued)

(h) Charitable activities

Costs of charitable activities comprise costs incurred in the pursuit of the charitable objects of the charity. Those costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs.

(i) Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity such as cost of board meetings, statutory compliance and costs linked to strategic management of the charity.

(j) Cash and Cash equivalent

Cash and cash equivalents comprise cash at bank and in hand and deposits held by the banks.

(k) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Fixed assets costing more than £1000 are capitalised and included on the balance sheet at cost.

Fixed assets are depreciated on a reducing balance basis so as to write off the cost, less anticipated residual value, over their anticipated useful lives, subject to annual review, as follows:

Fixtures & Fittings	33.30%
Computer equipment	33.30%

(l) Financial instruments

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

(m) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(n) Pension cost

The charity contributes to a stakeholder pension scheme by employees or contributes towards employee's personal pension schemes. The cost of the contributions is charged to the Statement of Financial Activities (SOFA) when the cost is incurred.

(o) Critical accounting estimates and areas of judgement

In the view of the Trustees, applying the accounting policies, no judgements were required that have a significant effect on the amounts recognised in the financial statements, or assumptions made carry a significant risk of material adjustment in the next financial year.

Libraries Connected

Notes to the financial statements

For the year ended 31 March 2025

2 Income from charitable activities

	Unrestricted £	Restricted £	Regional designated funds £	2025 Total £	Unrestricted £	Restricted £	Regional designated funds £	2024 Total £
Arts Council Grants	509,200	1,350,857	–	1,860,057	509,200	772,992	–	1,282,192
Other Grants	–	164,751	–	164,751	–	–	–	–
Other Income	–	19,876	–	19,876	–	–	–	–
Donations	540	11,044	–	11,584	–	–	–	–
	509,740	1,546,528	–	2,056,268	509,200	772,992	–	1,282,192

3 Income from other income activities

	Unrestricted £	Restricted £	Regional designated funds £	2025 Total £	Unrestricted £	Restricted £	Regional designated funds £	2024 Total £
Seminar	143,173	–	–	143,173	105,585	–	–	105,585
Regional network	–	–	114,323	114,323	–	–	115,271	115,271
Programme	164,712	–	–	164,712	103,337	–	–	103,337
Subscription	96,651	–	–	96,651	92,109	–	–	92,109
UK visa and immigration	102,220	–	–	102,220	128,964	–	–	128,964
	506,756	–	114,323	621,079	429,995	–	115,271	545,266

4 Resources expended on charitable activities

	Unrestricted £	Restricted £	Regional £	2025 Total £	Unrestricted £	Restricted £	Regional £	2024 Total £
<i>Cost of charitable activities:</i>								
Direct staff costs	479,511	227,959	–	707,470	409,866	129,984	–	539,849
Core objectives	181,185	1,357,474	–	1,538,659	131,313	1,182,768	–	1,314,081
Member services	70,635	–	–	70,635	85,867	–	–	85,867
Overheads	48,775	43,971	–	92,746	17,042	63,146	–	80,188
Support and governance costs (note 6)	75,285	–	–	75,285	83,701	–	–	83,701
Regional network programme	–	–	110,114	110,114	–	–	32,262	32,262
Depreciation/Amortisation	6,263	–	–	6,263	3,208	–	–	3,208
Loss on Fixed Asset Disposals	–	–	–	–	7,105	–	–	7,105
	861,654	1,629,404	110,114	2,601,172	738,101	1,375,898	32,262	2,146,261

5 Charitable activities

	Direct staff costs £	Other direct costs £	Support & Governance £	2025 Total £	Direct staff costs £	Other direct costs £	Support & Governance £	2024 Total £
Cost of charitable activities	707,470	1,818,417	75,285	2,601,172	539,849	1,522,711	83,701	2,146,261

6 Support and governance costs

	Support £	Governance £	2025 Total £	Support £	Governance £	2024 Total £
Governance Development	–	13,327	13,327	–	–	–
Accountancy	21,756	–	21,756	22,985	–	22,985
Human Resources	1,087	–	1,087	8,037	–	8,037
Legal & Professional	375	–	375	5,115	–	5,115
Financial reporting (payroll)	–	–	–	–	–	–
Audit fees	–	16,820	16,820	–	15,900	15,900
Meeting cost	3,400	18,520	21,920	–	31,664	31,664
	26,618	48,667	75,285	36,137	47,564	83,701

Support costs are allocated to activities based on an assessment of the time spent by staff on each activity.

7 Net income/(expenditure) for the year

This is stated after charging:

	2025 £	2024 £
Depreciation	6,263	3,208
Loss on disposal of Fixed Assets	–	2,601
Auditor's remuneration (excluding VAT):		
Auditor's fee	13,720	9,900
Under accrual from prior year	3,100	4,000
	3,100	4,000

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

Staff costs were as follows:

	2025 £	2024 £
Salaries and wages	675,404	493,304
Social security costs	67,912	47,029
Pension costs	32,146	23,416
	775,462	563,749

The following number of employees received employee benefits (excluding employer pension costs and employer's

	2025 No.	2024 No.
£60,000 – £69,999	2	2
£70,000 – £79,999	–	1
£80,000 – £90,000	1	–

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £253,291 (2024: £239,133).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2024: £nil). No charity trustee received payment for professional or other services supplied to the charity (2024: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £13,014 (2024: £17,628) incurred by 12 (2024: 10) members relating to attendance at meetings of the trustees.

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 16 (2024: 13).

	2025 No.	2024 No.
Chief Executive	1.0	1.0
Communications Manager	1.0	1.0
Membership Manager	1.0	1.0
Regional Development Manager	2.0	1.5
Finance Coordinator	1.0	–
Programme Director	1.0	1.0
Commercial Director	1.0	1.0
Project Manager	3.0	1.5
Administrative	5.0	5.0
	16.0	13.0

10 Related party transactions

A register of interests has been established for Trustees and management staff to declare any interests including as Trustees of other organisations.

Mark Freeman is a Trustee for Share the Vision, which provides Libraries Connected with funding towards a project manager post for the Universal Library Offers.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

11 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

12 Tangible fixed assets

	Computer equipment £	Fixtures and fittings £	Total £
Cost			
At the start of the year	23,150	2,704	25,854
Additions in year	24,870	–	24,870
Disposals in year	–	–	–
At the end of the year	48,020	2,704	50,724
Depreciation			
At the start of the year	14,436	2,704	17,140
Charge for the year	6,263	–	6,263
Disposals in year	–	–	–
At the end of the year	20,699	2,704	23,403
Net book value			
At the end of the year	27,322	–	27,322
At the start of the year	8,714	–	8,714

All of the above assets are used for charitable purposes.

13 Debtors

	2025 £	2024 £
Trade debtors	185,346	864,577
Other debtors	243,385	156,683
Accrued income	157,404	130,317
	586,135	1,151,577

Notes to the financial statements

For the year ended 31 March 2025

14 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	72,930	237,849
Accruals	40,567	42,608
Deferred income (note 15)	102,745	103,076
Other creditors	111,539	470,987
	327,781	854,521

15 Deferred income

Deferred income comprises invoices issued in financial year for a seminar which are to take place in June 2024, Membership fees and Regional precepts for 2024, Sponsorship for awards at annual conference in June and room hire for UKVI.

	2025 £	2024 £
Balance at the beginning of the year	103,076	69,408
Amount released to income in the year	(103,076)	(69,408)
Amount deferred in the year	102,745	103,076
	102,745	103,076

16a Analysis of net assets between funds (current year)

	Unrestricted £	Regional Designated £	Restricted £	Total funds £
Tangible fixed assets	27,322	–	–	27,322
Current assets	1,441,926	507,032	612,521	2,561,479
Creditors: amount falling within one year	(327,781)	–	–	(327,781)
	1,141,466	507,032	612,521	2,261,019

16b Analysis of net assets between funds (prior year) restated

	Unrestricted £	Regional Designated £	Restricted £	Total funds £
Tangible fixed assets	8,714	–	–	8,714
Current assets	1,900,802	502,823	663,170	3,066,795
Creditors: amount falling within one year	(854,521)	–	–	(854,521)
	1,054,995	502,823	663,170	2,220,988

Libraries Connected

Notes to the financial statements

For the year ended 31 March 2025

17a Movements in funds (current year)

	Restated At 1 April 2024 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2025 £
Restricted funds:					
Accreditation	-	-	(2,704)	2,704	-
Impact & Eval in the East of England	-	-	-	-	-
Future Funding Phase 2	-	-	(260)	260	-
Marketing the Library	-	-	-	-	-
E-Licensing	16,284	22,483	(47,879)	9,112	-
Coronation	-	-	(185)	185	-
Know Your Neighbourhood	528,378	948,025	(1,052,374)	-	424,029
Peer Mentorship	-	-	-	-	-
Apprenticeships	-	-	-	-	-
Developing Regional Support	-	-	-	-	-
Jubilee	-	-	(300)	300	-
Library & Literacy	-	-	-	-	-
eBook	-	-	-	-	-
Regional Development	86,020	150,000	(130,023)	-	105,997
Relocation	31,086	3,454	(38,773)	4,233	-
Micro-grants	-	208,800	(128,912)	-	79,888
Poverty Proofing the Libraries	-	24,885	(24,885)	-	-
Share the Vision 24-25	-	6,688	(6,041)	-	647
Blackpool EVOLS	-	3,500	(605)	-	2,895
Black British Ballet	-	166,649	(167,584)	-	(935)
RLWC	-	-	(10,701)	10,701	-
UK- Ukraine	-	11,044	(11,706)	662	-
Data Observatory	1,402	1,000	(6,472)	4,070	-
Total restricted funds	663,170	1,546,528	(1,629,404)	32,227	612,521
Unrestricted funds:					
Regional funds	502,823	114,323	(110,114)	-	507,032
PEAR Team	-	-	-	290,000	290,000
Commercial Team	-	-	-	50,000	50,000
Programmes Team	-	-	-	50,000	50,000
General funds	1,054,995	1,053,344	(934,647)	(422,227)	751,465
Total unrestricted funds	1,557,818	1,167,667	(1,044,761)	(32,227)	1,648,498
Total funds	2,220,988	2,714,195	(2,674,165)	-	2,261,019

The narrative to explain the purpose of each fund is given at the foot of the note below.

Libraries Connected

Notes to the financial statements

For the year ended 31 March 2025

17b Movements in funds (prior year)

	At 1 April 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2024 £
Restricted funds:					
Accreditation	8,001	–	(8,001)	–	–
Impact & Eval in the East of England	42,000	3,000	(43,000)	(2,000)	–
Future Funding Phase 2	37,856	–	(30,854)	(7,002)	–
Marketing the Library	5,469	–	–	(5,469)	–
E-Licensing	23,915	37,432	(46,063)	1,000	16,284
Coronation	120,000	15,000	(135,000)	–	–
Know Your Neighbourhood	993,121	522,352	(996,101)	9,006	528,378
Peer Mentorship	1,620	–	(12,420)	10,800	–
Apprenticeships	2,759	5,425	(8,184)	–	–
Developing Regional Support	7,500	–	–	(7,500)	–
Jubilee	27,000	–	(24,000)	(3,000)	–
Library & Literacy	(8,500)	–	–	8,500	–
eBook	–	–	(1,000)	1,000	–
Regional Development	–	150,000	(63,980)	–	86,020
Relocation	–	31,086	–	–	31,086
Data Observatory	–	8,697	(7,295)	–	1,402
Total restricted funds	1,260,741	772,992	(1,375,898)	5,335	663,170
Unrestricted funds:					
Regional funds	426,527	115,271	(32,262)	(6,713)	502,823
General funds	841,690	973,929	(762,001)	1,378	1,054,995
Total unrestricted funds	1,268,217	1,089,200	(794,263)	(5,335)	1,557,818
Total funds	2,528,958	1,862,192	(2,170,161)	–	2,220,988

Purposes of restricted funds

E-Licensing

In February 2023, following a successful bid for funding of £49,830 through Arts Council England, Libraries Connected moved from an eLicensing task and finish group onto project delivery. The eLicensing project completed in February 2024 and demonstrated the impact of new licensing models in increasing the range on offer to library users and strengthening the relationship between libraries and publishers.

Coronation

We were awarded £165,000 (£1,000 for each library service in England) by Arts Council England as part of its work celebrating the coronation of King Charles III. We distributed the funds to library services, which were free to mark the occasion in whatever way they thought would be most relevant for their communities.

Know Your Neighbourhood

We were successful in our bid to manage and distribute £2.5m to library services in 27 disadvantaged areas across England as part of strand 1 of the DCMS Know Your Neighbourhood Fund. The project developed volunteering and tackled loneliness in these areas. An extension was secured into 2025/26 financial year.

Peer Mentorship

Arts Council England grant of £21,600 towards the costs of establishing This is a structured mentoring scheme to help HoS access support tailored to their needs, and ensure that the support is provided by a wide number of HoS and not falling disproportionately on the shoulders of a few. Funds will support the set-up of the scheme with the intention that it can then be managed and sustained through LC's core resources and members' networks.

Apprenticeships

Arts Council England grant of £10,850 towards the costs of establishing a peer network for public libraries to support their work to offer high quality apprenticeships, kickstart opportunities and other employment training schemes.

Developing Regional Support

Programme exploring how to most effectively provide support to our regional groups.

Library & Literacy

Grant from Arts Council England of £20,000 to develop an evidence based report on libraries' role in literacy recovery in partnership with the National Literacy Trust. The funding is part to Libraries Connected, and part shared onwards to the National Literacy Trust – the timing of payments this has resulted in the negative balance carried forward at the year end.

Accreditation for public libraries

Grant of up to £128,456 towards the costs of scoping and developing through co-creation a form of accreditation for the statutory public library network in England, with potential for this to apply across other jurisdictions, and to include proposals for implementation, governance and sustainable administration. The grant was to support the costs of expert contractors, board and steering group meetings, webinars for libraries and project management. The material developed has been passed to Arts Council England who have launched the scheme.

Library Impacts in the East

Grant of up to £30,000 towards the costs of commissioning, supporting and publishing independent research to help measure, manage and evidence the impact of social connections in public libraries in the East of England. This included £55,000 from the libraries in the East of England. We commissioned Creative UEA to carry out the research which was published in June 2023.

Commercial Income Generation Capacity Building phase 2: "Future Funding"

Grant of up to £313,553 towards the costs of delivering the programme developed in the R&D phase 1 project to promote a knowledge base and resources for the public library sector to increase their capacity for income generation through individual service initiatives and participation in national programmes. The funding supported the costs of an expert contractor to deliver and develop the training programme and resources, venue costs, resource production and project management and evaluation. Through management of project costs we were able to offer an additional programme which ran from January to August 2023.

Relocation

A grant of £34,540 was provided from Arts Council England to support our shared ambition to move our registered office out of London.

Purposes of restricted funds (continued)

Marketing the Library

A grant of up to £35,000 towards the costs of commissioning a capacity building programme for public libraries in England to develop their skills and abilities to deliver professional, targeted marketing campaigns that will attract audiences as services emerge from the pandemic. The funding will support the costs of an expert contractor to work with two networks of libraries, digital marketing campaigns, training webinars, training resources and project management and evaluation.

Regional Development

A grant of £150,000 per year for 3 years was secured from Arts Council England. This project aims to strengthen regional networks of libraries across England and support collaborative work including bidding for work through Combined Authorities and other devolved bodies.

Data Observatory

A grant of £9,697 from Arts Council England to enable to the collation of core data on library activity across England for the 22/23 financial year.

Transfers – transfers to/from reserves have occurred during the year as a result of final surplus or deficit balances on completed projects. Where applicable this has been agreed with the grant provider.

Purposes of designated funds

The regional funds are levied by each of our regional networks. The funds are designated for use in each region, on purposes such as staff training, regional programmes, grants to libraries within the region, freelance admin and project management support and match funding for regional project grants.

Other Designated funds are identified to support our growth plans – this is a plan to use some of our free reserves to develop the organisation to further meet the needs of the sector, with a focus on advocacy and research, income generation and skills development.

18 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.