Libraries Unlimited South West

Registered in England and Wales - Company number: 09822597

Registered Office:

Exeter Library
Castle Street
EXETER
Devon
EX4 3PQ

FRANCIS CLARK LLP trading as PKF Francis Clark
Sigma House
Oak View Close
Edginswell Park
Torquay
TQ2 7FF

Dear Sirs

Financial Statements of Libraries Unlimited South West for the year ended 31 March 2022

This representation letter is provided in connection with your audit of the financial statements of Libraries Unlimited South West ("the charitable company"), for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether these financial statements give a true and fair view of the results and financial position of in accordance with The Companies Act 2006, UK Generally Accepted Accounting Practice and the Statement of Recommended Practice 'Accounting and Reporting by Charities' [Charities SORP (FRS 102)].

The representations made in this letter are in accordance with the definitions set out in the Appendix to this letter.

We confirm that:

Financial statements

1. We have fulfilled our responsibilities as trustees, as set out in the terms of the audit engagement letter dated 3 March 2022, for preparing financial statements in accordance with The Companies Act 2006, United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Accounting and Reporting by Charities' [Charities SORP (FRS 102)], which give a true and fair view of the state of the charitable company's affairs as at the end of its financial year and of the charitable company's income and expenditure for the year then ended and for making accurate representations to you.

2. Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

3. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.

4. We have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements to you and these have been disclosed in accordance with UK Generally Accepted Accounting Practice.

5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with UK Generally Accepted Accounting Practice.

6. All events since the balance sheet date which require disclosure or which would materially affect the amounts in the financial statements have been adjusted or disclosed in the financial statements.

7. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter, together with our reasons for not correcting them.

8. Having considered our expectations and intentions for the next twelve months, and the availability of unrestricted funds, the charitable company is a going concern.

9. We confirm that the Charity has complied with section 10 of the Business Transfer Agreement with Devon County Council.

10. We confirm that the Charity has complied with the agreement with Torbay Council.

11. We confirm that the balance of the DCC Book Fund at 31 March 2022 is a debtor totalling £136,999. We confirm that this amount is due to the Charity from DCC.

12. We confirm that the balance of the Torbay Council Book Fund is a debtor of £7,461. We confirm that this amount is due to the Charity from Torbay Council.

Information provided

13. We have made available to you all accounting and other records, including minutes of all trustees' and management meetings, and other information relevant for the purposes of your audit. We have provided all additional information that you have requested for the purposes of your audit and given unrestricted access to persons within the charitable company from whom you determined it necessary to obtain audit evidence or request information.

14. All transactions have been properly recorded in the accounting records and are reflected in the financial statements.

15. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.

16. We have disclosed to you all information in relation to fraud or suspected fraud of which we are aware and that affects the charitable company and involves management, employees who have significant roles in internal control, or others where the fraud could have a material effect on the financial statements.

17. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the charitable company's financial statements communicated by employees, former employees, analysts, regulators or others.

18. We confirm that we are not aware of any possible or actual instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements, except as explained to you. We confirm that the company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.

19. We confirm that the charitable company has satisfactory title to all assets, and there are no liens or encumbrances on the assets except for those disclosed in the financial statements.

20. We confirm that there are no liabilities, contingent liabilities or guarantees to third parties other than those disclosed in the financial statements. We confirm that the charitable company has not contracted for any capital, or other, expenditure, other than as disclosed in the financial statements.

21. We confirm that the charitable company has at no time during the year entered into any arrangement, transaction or agreement to provide credit facilities (including loans, quasi loans, or credit transactions) for trustees, nor to guarantee or provide security for such matters, except as disclosed in the financial statements.

22. We confirm that we are aware that a related party of the charitable company is a person or organisation which either (directly or indirectly) controls, has joint control of, or significantly influences the charitable company or vice versa and as a result will include trustees, other key management, close family and other business interests of the previous. We confirm that we have disclosed to you the identity of all related parties and all the related party relationships and transactions of which we are aware.

23. We confirm that all income and expenses have been fully recorded and correctly classified in the correct fund.

24. We confirm that all grants, donations and other income, including those subject to special terms and conditions or received for restricted purposes, have been notified to you. There have been no breaches of terms or conditions during the period regarding the application of such income.

25. We confirm that we are not aware of any matters of material significance that should be reported to the Charity Commission.

We confirm that to the best of our knowledge and belief that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourselves that we can properly make each of the above representations to you.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

William Haer ..... [Trustee]

Glanville ..... [Trustee]

01/12/22 ..... [Date]

Appendix A to the Board Representation Letter of Libraries Unlimited South West: Definitions

Financial Statements

A complete set of financial statements comprises:

- a balance sheet as at the end of the year/period;
- a statement of financial activities for the year/period;
- a cashflow statement for the year/period; and
- notes, comprising a summary of significant accounting policies and other explanatory information.

Material Matters

Material omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Management

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".

Libraries Unlimited South West

Trustees' Report and Financial Statements

For the Year Ended 31 March 2022

Charity Number: 1170092
Company Number: 09822597

Libraries Unlimited South West

Report and Financial Statements

Year Ended 31 March 2022

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Libraries Unlimited South West

Reference and Administrative Details

Year Ended 31 March 2022

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

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

Trustees

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

Chair:	Will Harvey
Deputy Chair:	Marie Chadwick
Trustees:	Richard Watts (resigned 9th March 2022) Morgen Witzel Andrew Prince Tom Glanville George Lossius Alex Kittow Crystal Carter Chloe Reynolds Zoe Woodbridge Alasdair Anderson (resigned 2nd July 2021) Sue Simmons (appointed 24th November 2021) Lynn Morris (appointed 24th May 2022)
Principal and Registered Office:	Exeter Library, Castle Street, Exeter, Devon, EX4 3PQ
Registered Charity No.	1170092
Registered Company No.	09822597
Chief Executive	Alex Kittow
Key Management Personnel	Head of Library Service and Customer Experience — Tabitha Witherick Director of Finance & Operations — Jo Hodgson (appointed 20 June 2022) Karen Best (resigned 8 July 2022) Head of Commercial & Innovation — Steve Turner
Bankers:	Barclays Bank plc Exeter, Devon EX1 1LX
Solicitors:	Kitsons Solicitors Torquay, Devon TQ2 7FA
Auditors:	PKF Francis Clark Torquay, Devon TQ2 7FF

Libraries Unlimited South West

Trustees' Report

Year Ended 31 March 2022

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

This report satisfies the legal requirements for:

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

OUR VISION

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

OUR CORE PURPOSES

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

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

LEGAL OBJECTS

The Charity has been established for public benefit to:

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

PUBLIC BENEFIT

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

Libraries Unlimited South West

Trustees' Report

Year Ended 31 March 2022

STRATEGIC REPORT

STRATEGIC AIMS

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

- People
- Community
- Diversification
- Environment
- Infrastructure

ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Core Library Services

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

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

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

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

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

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

Other key developments in the period included:

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

Key Operating Indicators (April 2021 — March 2022)

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

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

FINANCIAL REVIEW

Financial Performance — Headline Indicators

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

Financial Performance — Income and Surplus

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

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

Balance sheet position and cash flows

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

Reserves Policy

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

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

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

Risks from Covid

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

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

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

Other risks

4. Potential reductions in service contract fees, plus contract renewals and pricing in the context of public sector austerity and funding for local authorities
   - Business and financial planning
   - Review of potential alternative income streams
   - Strong collaborative relationships with relevant commissioners

5. Continued uncertainty around Brexit and potential impact on staffing, supply chain and future contracts and funding
   - Engagement with relevant commissioners
   - Strengthen and diversify supply chain

Future prospects

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

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

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

Libraries Unlimited South West

Trustees' Report

Year Ended 31 March 2022

STRUCTURE AND GOVERNANCE

Membership and control

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

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

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

The Board of Trustees

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

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

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

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

Committees

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

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

Terms of reference exist for each committee.

Remuneration of Senior Management

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

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

Gender Pay Gap

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

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

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

Employment of Disabled People

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

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

Libraries Unlimited South West

Trustees' Report

Year Ended 31 March 2022

TRUSTEE RESPONSIBILITIES

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

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

- select suitable accounting policies and apply them consistently;
- observe methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in Libraries Unlimited South West's website. Legislation in England and Wales governing the preparation and dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE TO THE AUDITORS

So far as the Trustees are aware:

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

APPOINTMENT OF AUDITORS

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

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

William Harvey
Will Harvey

Tom Glanville

Libraries Unlimited South West

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

Year Ended 31 March 2022

Opinion
We have audited the financial statements of Libraries Unlimited South West (the "Charity") for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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

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

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

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

We have nothing to report in this regard.

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).

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

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

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

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

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

Date: .....

Libraries Unlimited South West

Statement of Financial Activities (Incorporating Income & Expenditure Account)

Year Ended 31 March 2022

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

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

Libraries Unlimited South West

Statement of Financial Activities (Incorporating Income & Expenditure Account)

Year Ended 31 March 2021

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

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

Libraries Unlimited South West

Balance Sheet

31 March 2022

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

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

Alexander Kittow

Thomas Glanville

Company Registration Number: 09822597

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

Libraries Unlimited South West

Statement of Cash Flows

31 March 2022

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

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

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2022

1 Accounting Policies

a) Basis of Preparation

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

b) Measurement Convention

Libraries Unlimited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated. The presentation currency is UK Pound and all amounts in the financial statements have been rounded to the nearest £1,000.

c) Going Concern

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

d) Fund accounting

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

e) Critical accounting judgements and key sources of estimation uncertainty

In application of the charitable company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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

f) Income

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

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.

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.

1 **Accounting Policies (continued)**

r) **Pension costs**

The Charity participates in the following pension schemes:

- Flexible Retirement Scheme administered by the Pensions Trust. This is a personal pension defined contribution scheme. Employer contributions to this scheme are expensed in the Statement of Financial Activities and there is no actuarial risk to the Charity within this scheme. This scheme is offered to all new employees from 1 April 2016.

- Local Government Pension Scheme (LGPS). The LGPS is a contribution based funded defined benefit scheme that currently provides retirement benefits based on career average revalued salary and length of service in employment. Subject to certain conditions, which Libraries Unlimited has fully complied with in 2020/21, Devon County Council and Torbay Council act as guarantors to the Pension Scheme. Under this arrangement Libraries Unlimited's liability is capped at the payments actually made under triennial revaluation, and the funding risk remains with Devon County Council and Torbay Council. Pension costs are therefore accounted for as in a defined contribution scheme.

s) **Provisions**

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

2. Company and Group Consolidated Financial Statements

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

3. Charitable Status

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

The charitable company was incorporated in England and Wales.

4. Income from Charitable Activities

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

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

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

5. Income from trading activities

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

All income from trading activities relates to unrestricted funds.

6. Analysis of expenditure on charitable activities

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

7. Analysis of expenditure on trading activities

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

8. Analysis of support costs

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

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

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

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

The number of employees (headcount) was:

	2022 Number	2021 Number
Total	**359**	373

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

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

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

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

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

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

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

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

10. Intangible Assets

Year Ended 31 March 2022

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

Year Ended 31 March 2021

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

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2022

11. Tangible Fixed Assets

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

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

12. Investment property

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

The investment property was revalued in April 2022 by an independent valuer, Luscombe Maye. The value of the property was based on market value.

13. Debtors: Due within one year

	2022 £000	2021 £000
Trade debtors	**122**	301
VAT	**144**	44
Prepayments	**234**	270
Accrued income	**359**	523
Other debtors	**144**	55
	1,003	1,193

14. Cash at Bank and in Hand

	2022 £000	2021 £000
Cash at bank	**3,476**	2,965
Cash in hand	**12**	12
	3,488	2,977

15. Creditors: Due within one year

	2022 £000	2021 £000
Trade creditors	**230**	420
Other taxes and social security	**122**	116
Other creditors	**61**	57
Accruals	**555**	158
Deferred income	**77**	230
	1,045	981

Libraries Unlimited South West

Notes and Accounting Policies

Year Ended 31 March 2022

16. Deferred Income

	2022 £000	2021 £000
Balance as at 1 April 2021	230	148
Amount deferred in year		
- contract and grant income received in advance	62	214
- agency arrangements	15	16
Amount released in year	(230)	(148)
Balance as at 31 March 2022	**77**	230

17. Restricted Funds

Year Ended 31 March 2022

	Balance at 01/04/21 £000	Income £000	Expenditure £000	Transfers In / (Out) £000	Balance 31/03/22 £000
British Library	616	-	(269)	-	**347**
Arts Council England	53	218	(222)	-	**49**
Good things foundation	25	23	(27)	-	**21**
Kickstart	-	52	(52)	-	-
Other	89	254	(222)	-	**121**
Total restricted funds	**783**	**547**	**(792)**	**-**	**538**

Year Ended 31 March 2021

	Balance at 01/04/20 £000	Income £000	Expenditure £000	Transfers In / (Out) £000	Balance 31/03/21 £000
British Library	-	704	(88)	-	616
Arts Council England	-	218	(165)	-	53
Exeter City Council	-	22	(22)	-	-
Awards for all	-	10	(10)	-	-
Good things foundation	-	37	(12)	-	25
Other	-	121	(32)		89
Total restricted funds	**-**	**1,112**	**(329)**	**-**	**783**

Designated Funds

Year Ended 31 March 2022

	Balance at 01/04/21 £000	Income £000	Expenditure £000	Transfers In / (Out) £000	Balance 31/03/22 £000
Property development fund	250	-	-	-	**250**
Project development fund	500	-	-	-	**500**
Infrastructure development fund	150	-	-	-	**150**
Total designated funds	**900**	**-**	**-**	**-**	**900**

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

18. Analysis of Net Assets between Funds

Fund balances at 31 March 2022 are represented by:

	Unrestricted Funds General £000	Unrestricted Funds Designated £000	Restricted Funds £000	Total Funds £000
Intangible Fixed Assets	5	-	-	5
Tangible Fixed Assets	251	-	-	251
Investment property	190	-	-	190
Current Assets	3,053	900	538	4,491
Current Liabilities	(1,045)	-	-	(1,045)
Total Net Assets	**2,454**	**900**	**538**	**3,892**

19. Operating Lease Commitments

	2022 £000	2021 £000
At 31 March 2022, the Charity had total future minimum lease payments as follows:		
In less than 1 year	**92**	122
Within 2-5 years	**162**	218
Over 5 years	**5**	26
	259	370

During the year rent and lease payments totalling £117,000 (2021: £213,000) were recognised as an expense.

20. Pension Arrangements

The Organisation participates in two pension schemes:

Defined Benefit Scheme

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

Subject to certain conditions, which Libraries Unlimited has fully complied with in 2020/21, Devon County Council acts as guarantor to the Pension Scheme. Under this arrangement Libraries Unlimited's liability is capped at the payments actually made under triennial revaluation, and the funding risk remains with Devon County Council. Pension costs are therefore accounted for as in a defined contribution scheme.

Employer contribution rates into this scheme amount to 12% of pensionable pay in 2020/21, with employee contributions ranging from 5.5% to 12.5% dependent on salary.

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

Subject to certain conditions, which Libraries Unlimited has fully complied with in 2020/21, Torbay Council acts as guarantor to the Pension Scheme. Under this arrangement Libraries Unlimited's liability is capped at the payments actually made under triennial revaluation, and the funding risk remains with Torbay Council. Pension costs are therefore accounted for as in a defined contribution scheme.

Employer contribution rates into this scheme amount to 12% of pensionable pay in 2020/21, with employee contributions ranging from 5.5% to 12.5% dependent on salary.

Overall
At 31 March 2022, 148 employees (2021: 183 employees) participated in the scheme and employer's costs charged to the Statement of Financial Activities, amounted to £235,000 (2021: £266,000).

Defined Contribution Scheme

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

At 31 March 2022, 166 employees (2021: 138 employees) participated in the scheme and employer's costs charged to the Statement of Financial Activities amounted to £118,000 (2021: £93,000).

21. Agency Arrangement

The Charity receives grant income from Devon County Council and Torbay Council as agent in respect of the purchase of books and other resources. In the accounting year ending 31 March 2022 the charity received £671,000 (2021: £600,000) and disbursed £774,000 (2021: £717,000) from the fund. An amount of £144,000 (2021: £55,000) is included within debtors and £15,000 (2021: £16,000) is included in creditors relating to these funds.