

Company registration number: 09822597

Charity registration number: 1170092

# Libraries Unlimited South West

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2024



## **Libraries Unlimited South West**

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## **Libraries Unlimited South West**

### **Reference and Administrative Details**

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

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

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

## **Libraries Unlimited South West**

### **Reference and Administrative Details**

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

## **Libraries Unlimited South West**

### **Trustees' Report**

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

This report satisfies the legal requirements for:

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

### **OUR MISSION**

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

### **OUR CORE PURPOSES**

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

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

### **LEGAL OBJECTS**

The Charity has been established for public benefit to:

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

### **PUBLIC BENEFIT**

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

## **Libraries Unlimited South West**

### **Trustees' Report**

#### **STRATEGIC REPORT**

##### **STRATEGIC AIMS**

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

- People
- Community
- Diversification
- Environment
- Infrastructure

##### **ACTIVITIES AND ACHIEVEMENTS IN THE YEAR**

###### **Core Library Services**

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

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

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

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

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

## Libraries Unlimited South West

### Trustees' Report

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

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

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

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

#### Key Operating Indicators (April to March)

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

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

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

## Libraries Unlimited South West

### Trustees' Report

#### FINANCIAL REVIEW

##### Financial Performance — Headline Indicators

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

##### Financial Performance — Income and Surplus

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

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

##### Balance sheet position and cash flows

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

##### Reserves Policy

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

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

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

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

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



## **Libraries Unlimited South West**

### **Trustees' Report**

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

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

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

##### **Main risks**

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

##### **Future prospects**

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

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

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

#### **STRUCTURE AND GOVERNANCE**

##### **Membership and control**

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

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

## **Libraries Unlimited South West**

### **Trustees' Report**

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

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

#### **The Board of Trustees**

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

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

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

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

#### **Committees**

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

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

Terms of reference exist for each committee.

#### **Remuneration of Senior Management**

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

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

#### **Gender Pay Gap**

## **Libraries Unlimited South West**

### **Trustees' Report**

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

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

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

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

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

### **Employment of Disabled People**

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

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

### **Statement of trustees' responsibilities**

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

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

- select suitable accounting policies and apply them consistently;

## **Libraries Unlimited South West**

### **Trustees' Report**

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

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

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

#### **Disclosure of information to auditor**

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

#### **Small companies provision statement**

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

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

  
.....  
Marie Chadwick  
Chairman and Trustee  
.....  
Alex Kittow  
Chief Executive Officer and Trustee

## **Libraries Unlimited South West**

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

#### **Opinion**

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

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

## **Libraries Unlimited South West**

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

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

We have nothing to report in this regard.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

#### **Matters on which we are required to report by exception**

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

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

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

#### **Responsibilities of trustees**

As explained more fully in the Statement of trustees' responsibilities (set out on page 9 and 10), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor responsibilities for the audit of the financial statements**

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

## **Libraries Unlimited South West**

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

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

## **Libraries Unlimited South West**

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

#### **Use of our report**

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



Catherine Williams FCA DChA (Senior Statutory Auditor)

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

Date: 2<sup>nd</sup> October 2024



## Libraries Unlimited South West

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

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

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

# Libraries Unlimited South West

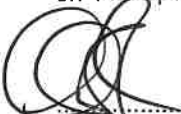
(Registration number: 09822597)

## Balance Sheet as at 31 March 2024

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

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

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

  
Marie Chadwick  
Chairman and Trustee

  
Alex Kittow  
Chief Executive Officer and Trustee

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

## Libraries Unlimited South West

### Statement of Cash Flows for the Year Ended 31 March 2024

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

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

## **Libraries Unlimited South West**

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

#### **1 Charity status**

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

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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

##### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

##### **Basis of preparation**

Libraries Unlimited South West meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Going concern**

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

##### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

##### **Consolidation**

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

##### **Income and endowments**

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

## **Libraries Unlimited South West**

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

#### ***Donations and legacies***

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

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

#### ***Grants receivable***

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

#### ***Deferred income***

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

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

#### ***Investment income***

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

#### ***Expenditure***

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

#### ***Charitable activities***

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

## **Libraries Unlimited South West**

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

#### ***Operating leases***

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

#### **Support costs**

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

#### **Goodwill**

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

#### **Intangible assets**

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

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

#### **Tangible fixed assets**

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

#### **Amortisation**

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

Software	3 to 4 years
Goodwill	10 years

#### **Depreciation and amortisation**

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

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

## **Libraries Unlimited South West**

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

#### **Investment properties**

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

#### **Cash and cash equivalents**

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

#### **Fund structure**

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

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

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

#### **Defined contribution plans**

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

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

#### **Financial instruments**

##### ***Classification***

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

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

## Libraries Unlimited South West

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

#### **Recognition and measurement**

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

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

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

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

#### **Investments**

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

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

### **3 Income from donations and legacies**

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



## Libraries Unlimited South West

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

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

#### 4 Income from charitable activities

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

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

## Libraries Unlimited South West

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

#### 5 Income from other trading activities

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

#### 6 Investment income

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

## Libraries Unlimited South West

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

#### 7 Expenditure on raising funds

##### a) Costs of trading activities

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

##### b) Investment management costs

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

## Libraries Unlimited South West

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

#### 8 Expenditure on charitable activities

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

## Libraries Unlimited South West

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

#### 9 Analysis of support costs

##### Support costs allocated to charitable activities

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

#### 10 Net incoming/outgoing resources

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

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

#### 11 Trustees remuneration and expenses

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

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

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

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

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

## Libraries Unlimited South West

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

#### 12 Staff costs

The aggregate payroll costs were as follows:

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

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

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

#### 13 Auditors' remuneration

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

#### 14 Intangible fixed assets

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

## Libraries Unlimited South West

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

#### 15 Tangible fixed assets

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

## Libraries Unlimited South West

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

#### 16 Fixed asset investments

##### Investment properties

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

All investments shown above are held at valuation.

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

#### 17 Debtors

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

#### 18 Cash and cash equivalents

	2024 £ 000	2023 £ 000
Cash at bank	3,270	3,155



## Libraries Unlimited South West

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

#### 19 Creditors: amounts falling due within one year

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

#### 20 Pension and other post retirement benefits

The Organisation participates in three pension schemes:

##### Defined benefit pension schemes

##### Devon County Council

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

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

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

## Libraries Unlimited South West

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

#### Torbay Council

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

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

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

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

#### Defined Contribution Scheme

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

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

#### 21 Funds

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

## Libraries Unlimited South West

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

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

## Libraries Unlimited South West

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

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

#### Designated Funds

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

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

## Libraries Unlimited South West

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

#### Purpose of restricted funds

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

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

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

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

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

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

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

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

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

## Libraries Unlimited South West

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

#### 22 Analysis of net assets between funds

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

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

## Libraries Unlimited South West

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

#### 23 Agency arrangements

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

#### 24 Obligations under leases and hire purchase contracts

##### Operating lease commitments

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

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

#### 25 Related party transactions

There were no related party transactions in the year.