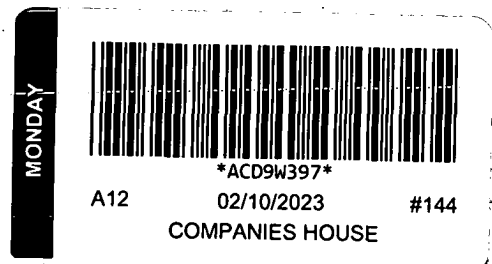


COMPANY REGISTRATION NUMBER: 09822597  
CHARITY REGISTRATION NUMBER: 1170092

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

**WESTCOTTS (SW) LLP**

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



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# **Libraries Unlimited South West**

**Company Limited by Guarantee**

## **Financial Statements**

**Year ended 31 March 2023**

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# **Libraries Unlimited South West**

## **Company Limited by Guarantee**

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

**Year ended 31 March 2023**

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#### **Reference and administrative details**

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

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

#### **Trustees**

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

**Chair:** Will Harvey

**Deputy Chair:** Marie Chadwick

**Trustees:** Morgen Witzel  
Andrew Prince  
Tom Glanville (resigned 29<sup>th</sup> March 2023)  
George Lossius  
Alex Kittow  
Crystal Carter  
Chloe Reynolds  
Zoe Woodbridge  
Sue Simmons  
Lynn Morris

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

**Registered Charity No.** 1170092

**Registered Company No.** 09822597

**Chief Executive** Alex Kittow

# **Libraries Unlimited South West**

## **Company Limited by Guarantee**

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

**Year ended 31 March 2023**

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#### **Key Management Personnel**

Head of Library Service and Customer Experience	Tabitha Witherick
Director of Finance & Operations	Karen Best (resigned 11 <sup>th</sup> July 2022)
Chief Finance Officer	Jo Hodgson (appointed 20 <sup>th</sup> June 2022) (resigned 6 <sup>th</sup> January 2023)
	Tom Glanville (appointed 3 <sup>rd</sup> July 2023)
Head of Commercial & Innovation	Steve Turner

#### **Bankers:**

Barclays Bank plc  
Exeter, Devon  
EX1 1LX

#### **Solicitors:**

Kitsons Solicitors  
Torquay, Devon  
TQ2 7FA

#### **Auditors:**

Westcotts (appointed 16<sup>th</sup> March 2023)  
47 Boutport Street  
Barnstaple  
Devon  
EX31 1SQ

PKF Francis Clark (resigned 5<sup>th</sup> May 2023)  
Torquay, Devon  
TQ2 7FF

# **Libraries Unlimited South West**

## **Company Limited by Guarantee**

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

#### **Year ended 31 March 2023**

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

This report satisfies the legal requirements for:

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

#### **OUR MISSION**

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

#### **OUR CORE PURPOSES**

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

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

#### **LEGAL OBJECTS**

The Charity has been established for public benefit to:

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

# **Libraries Unlimited South West**

## **Company Limited by Guarantee**

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

**Year ended 31 March 2023**

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#### **PUBLIC BENEFIT**

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

#### **STRATEGIC AIMS**

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

- People
- Community
- Diversification
- Environment
- Infrastructure

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

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

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

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

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

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

# **Libraries Unlimited South West**

## **Company Limited by Guarantee**

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

#### **Year ended 31 March 2023**

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

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

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

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

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

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

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

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

# Libraries Unlimited South West

## Company Limited by Guarantee

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

Year ended 31 March 2023

#### FINANCIAL REVIEW

##### Financial Performance — Headline Indicators

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

##### Financial Performance — Income and Surplus

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

- Proactive staff vacancy and cost management throughout the period.

##### Balance sheet position and cash flows

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

##### Reserves Policy

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

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

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

# **Libraries Unlimited South West**

## **Company Limited by Guarantee**

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

#### **Year ended 31 March 2023**

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

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

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

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

##### **Main risks**

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

##### ***Future prospects***

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

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

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# **Libraries Unlimited South West**

## **Company Limited by Guarantee**

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

#### **Year ended 31 March 2023**

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

#### **STRUCTURE AND GOVERNANCE**

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

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

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

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

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

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

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

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

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

# **Libraries Unlimited South West**

## **Company Limited by Guarantee**

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

**Year ended 31 March 2023**

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#### **Committees**

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

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

Terms of reference exist for each committee.

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

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

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

#### **Gender Pay Gap**

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

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

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

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

# **Libraries Unlimited South West**

## **Company Limited by Guarantee**

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

**Year ended 31 March 2023**

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#### **Employment of Disabled People**

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

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

#### **Trustees' responsibilities statement**

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

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

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

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

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

#### **Auditor**

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

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

#### **APPOINTMENT OF AUDITORS**

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

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# **Libraries Unlimited South West**

## **Company Limited by Guarantee**

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

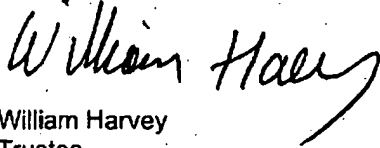
**Year ended 31 March 2023**

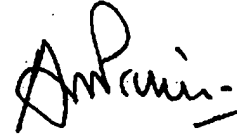
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#### **Small company provisions**

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

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

  
William Harvey  
Trustee

  
Andrew Prince  
Trustee

# **Libraries Unlimited South West**

## **Company Limited by Guarantee**

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

**Year ended 31 March 2023**

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#### **Opinion**

We have audited the financial statements of Libraries Unlimited South West (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

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

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

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

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

# **Libraries Unlimited South West**

## **Company Limited by Guarantee**

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

**Year ended 31 March 2023**

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#### **Other information**

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

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

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

# **Libraries Unlimited South West**

## **Company Limited by Guarantee**

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

**Year ended 31 March 2023**

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#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

## **Libraries Unlimited South West**

### **Company Limited by Guarantee**

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

**Year ended 31 March 2023**

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

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

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

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

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

*Westcotts (SW) LLP*

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

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# Libraries Unlimited South West

## Company Limited by Guarantee

### Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2023

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

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

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

# Libraries Unlimited South West

## Company Limited by Guarantee

### Statement of Financial Position

31 March 2023

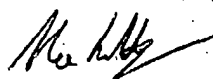
	Note	2023 £000	2022 £000
<b>Fixed assets</b>			
Intangible assets	17	4	5
Tangible fixed assets	18	263	251
Investments	19	190	190
		<u>457</u>	<u>446</u>
<b>Current assets</b>			
Debtors	20	500	1,003
Cash at bank and in hand		3,155	3,488
		<u>3,655</u>	<u>4,491</u>
<b>Creditors: amounts falling due within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

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

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



Andrew Prince  
Trustee



Alex Kittow  
Trustee

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

# **Libraries Unlimited South West**

## **Company Limited by Guarantee**

### **Statement of Cash Flows**

**Year ended 31 March 2023**

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

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

# **Libraries Unlimited South West**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements**

**Year ended 31 March 2023**

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#### **1. General information**

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

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

#### **3. Accounting policies**

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

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

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

##### **Going concern**

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

##### **Consolidation**

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

##### **Fund accounting**

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

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

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

# **Libraries Unlimited South West**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements** *(continued)*

**Year ended 31 March 2023**

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#### **3. Accounting policies** *(continued)*

##### **Incoming resources**

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

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

##### **Resources expended**

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

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

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

# **Libraries Unlimited South West**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements *(continued)***

**Year ended 31 March 2023**

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#### **3. Accounting policies *(continued)***

##### **Operating leases**

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

##### **Intangible assets**

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

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

##### **Amortisation**

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

Software - 3 to 4 years

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

##### **Tangible assets**

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

##### **Depreciation**

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

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

# **Libraries Unlimited South West**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements *(continued)***

**Year ended 31 March 2023**

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#### **3. Accounting policies *(continued)***

##### **Investment property**

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

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

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

##### **Financial instruments**

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

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

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

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

##### **Defined contribution plans**

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

# Libraries Unlimited South West

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

#### 3. Accounting policies *(continued)*

##### Defined contribution plans *(continued)*

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

#### 4. Limited by guarantee

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

#### 5. Donations and legacies

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

# Libraries Unlimited South West

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

#### 6. Charitable activities

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

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

#### 7. Other trading activities

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

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

# Libraries Unlimited South West

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

#### 8. Investment Income

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

#### 9. Costs of other trading activities

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

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

#### 10. Expenditure on charitable activities by fund type

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

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

#### 11. Expenditure on charitable activities by activity type

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

# Libraries Unlimited South West

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

#### 12. Analysis of support costs

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

#### 13. Net gains on investments

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

#### 14. Net (expenditure)/income

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

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

#### 15. Staff costs

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

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

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

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

# **Libraries Unlimited South West**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements *(continued)***

#### **Year ended 31 March 2023**

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#### **16. Trustee remuneration and expenses**

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

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

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

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

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

#### **17. Intangible assets**

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

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# Libraries Unlimited South West

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2023

#### 18. Tangible fixed assets

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

#### 19. Investments

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

All investments shown above are held at valuation.

#### Investment properties

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

# Libraries Unlimited South West

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

#### 20. Debtors

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

#### 21. Creditors: amounts falling due within one year

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

#### 22. Deferred income

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

# **Libraries Unlimited South West**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements** *(continued)*

**Year ended 31 March 2023**

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#### **23. Pensions and other post retirement benefits**

The Organisation participates in three pension schemes:

##### **Defined Benefit Scheme**

###### **Devon County Council**

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

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

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

###### **Torbay Council**

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

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

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

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

##### **Defined Contribution Scheme**

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

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# Libraries Unlimited South West

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2023

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

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

#### 24. Analysis of charitable funds

##### Unrestricted funds

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

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

# Libraries Unlimited South West

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

#### 24. Analysis of charitable funds *(continued)*

##### Restricted funds

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

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

##### Designated funds

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

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

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

# Libraries Unlimited South West

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2023

#### 25. Analysis of net assets between funds

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

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

#### 26. Agency arrangements

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

#### 27. Analysis of changes in net debt

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

# **Libraries Unlimited South West**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements *(continued)***

**Year ended 31 March 2023**

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#### **28. Operating lease commitments**

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

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

#### **29. Related parties**

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