



SUFFOLK'S LIBRARIES IPS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

SUFFOLK'S LIBRARIES IPS LIMITED

CONTENTS

	Page
Reference and administrative details of the Society, its Directors and advisers	1
Chairman's statement	2 - 3
Board members' report	4 - 5
Independent auditors' report on the financial statements	15 - 17
Statement of financial activities	18
Balance sheet	19
Statement of cash flows	20
Notes to the financial statements	21 - 42

The following pages do not form part of the statutory financial statements:

Detailed breakdown of donations

SUFFOLK'S LIBRARIES IPS LIMITED

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SOCIETY, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2020**

Board members	Tony Brown, Chair Sylvia Knights, Vice Chair Sue Buck Bruce Leeke, Chief Executive Sally Irvine Alison Leyshon (co-opted) Sarah Wilson Colin Rockall Maureen Garratt Simpson, Honorary Secretary Kathy Oliver (co-opted) (appointed 12 March 2020)
Company registered number	IP031542
Registered office	Ipswich County Library Northgate Street Ipswich Suffolk IP1 3DE
Chief executive officer	Bruce Leeke
Independent auditors	Larking Gowen LLP Chartered Accountants 1 Claydon Business Park Great Blakenham Ipswich Suffolk IP6 0NL
Bankers	Santander Bootle Merseyside L30 4GB Cambridge & Counties Bank Charnwood Court New Walk Leicester LE1 6TE
Solicitors	Birketts 24-26 Museum Street Ipswich Suffolk IP1 1HZ

SUFFOLK'S LIBRARIES IPS LIMITED

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

The chairman presents his statement for the year.

Chair's introduction - making life better in trying times

This document formally reports on the performance of Suffolk Libraries in the 12 months to March 2020. As well as our audited accounts – once again many thanks to our scrupulous auditors at MHA Larking Gowen – you will be able to read a wealth of detail on the inspiring contributions Suffolk Libraries make to the quality of life in our county. I would like to put on record the Board's thanks to our staff, volunteers, partners and customers for delivering another year of progress and growth. Suffolk Libraries continues to lead our sector in terms of confidence and innovation.

However, it would seem odd to be drafting this introduction in May 2020 without making any reference to the exceptional circumstances we find ourselves in now. As it happens, although our lives have changed in (oh so) many ways in recent months, the sense of purpose which has guided Suffolk Libraries has remained completely consistent.

In 2018/19 Suffolk Libraries committed to **improving the lives of our customers and communities**. Since the Suffolk Libraries brand came into existence in 2012/13 we have received sky-high customer satisfaction scores, and we constantly monitor our performance to ensure we are continuing to exceed our customers' expectations and provide outstanding value to the communities we serve, and the institutions which support us.

At last year's AGM Bruce Leeke, our Chief Executive, announced the headline results of a social impact analysis commissioned from Moore Kingston Smith (MKS), a firm which specialises in evaluating Social Return on Investment (SROI). I would like to highlight some of the results of that survey, which have helped us to focus our priorities over the past 18 months.

The analysis focused on the impact of three of our core activities - Top Time (activity clubs for older people); Open Space (informal and inclusive drop-in sessions focused on wellbeing); and Baby Bounce/Tot Rock (song and play sessions for young children and their carers).

The researchers held group discussions and interviews with participants in these activities, and members of their families. A total of 37 material [i.e. positive] outcomes were identified:

'This demonstrates the depth and breadth of the impact that these interventions are generating. And it should be recognised that Suffolk Libraries is creating social value not only for their direct service users but also in some cases for family members.'

The report concluded:

'Suffolk Libraries is responding to the concerning social issues of loneliness and isolation;' and that 'all groups experienced material change as a result of these programmes.'

An important element of the MKS evaluation is that researchers are able to allocate a financial value to the impact of services relative to the cost of providing those services. In the case of the three activities studied last year MKS calculated that each **£1 spent by Suffolk Libraries generated £8 worth of social value**. MKS is reluctant to compare findings from studies of different sectors where many variables can affect the outcomes. However, MKS told us:

'What we can be really clear about is that the result is a great one initially for Suffolk Libraries. To give you some idea, the usual batch of SROI ratios in our work to date can often be in the range of a £5 or £6 social value return for every £1 invested. Results of £2 or £3 are still very positive.'

SUFFOLK'S LIBRARIES IPS LIMITED

CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

To repeat, our activities are generating a ratio of £8 to £1! So, we have a clear indication that just three of our regular, countywide activities are delivering exceptionally high social value (In fact, the MKS analysis identifies the value to the NHS alone at £284k).

I would like to balance this analysis with evidence that **we are making life better for customers**, using their own words. Since the lockdown began, we have rolled out an impressive programme of online events and digital resources. I would like to thank staff throughout the County for the incredible energy and creativity they have shown in keeping the community inspired, informed and entertained during this period. Here is a tiny selection of the social media feedback the libraries have received, which gives a flavour of the warmth and gratitude that Suffolk Libraries staff have inspired across the County, and beyond.

'Lovely to see you and your aliens this morning. You've cheered up my day.'

'Absolutely brilliant you are one amazing entertainer.'

'Thanks for posting your beautiful picture. I am missing the sea at the moment.'

'This is lovely and thank you from your watchers in London.'

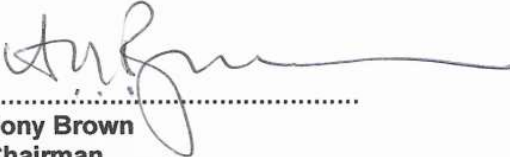
'Another amazing library activity.'

'Keep it up. You're keeping the young ones in such high spirits. Thank you again xx.'

'From Australia – thank you for this great session!'

'Hi from over here. Library keeping me sane.'

Who knows where we will be by the time you read this? What I can say is that the Suffolk Libraries team at all levels and in all branches will be working as hard as ever **to make life better for their customers and their communities**.



.....
Tony Brown
Chairman
Date: 27 August 2020

SUFFOLK'S LIBRARIES IPS LIMITED

BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

Objectives and activities

The objects of the organisation are to:

- (a) promote and enable reading, learning and the sharing of knowledge through free access to book borrowing, electronic and other information services;
- (b) make other educational, cultural and entertainment materials available for hire;
- (c) encourage access to informal adult learning, skills training and employment opportunities;
- (d) facilitate activities to improve wellbeing;
- (e) provide welcoming accessible environments where social inclusion and community development can safely prosper in response to changing demographic, socio-economic and educational needs of the people in the area of benefit;
- (f) build partnerships of shared interest between public, private and voluntary sectors at the heart of communities.

The vision that shaped our activities

The vision is to enrich everyone's quality of life. Suffolk Libraries aims to provide safe, fun and inspiring spaces that stimulate creativity, expand knowledge, foster a sense of community and connect people.

To ensure that the organisation has the strongest focus on achieving its vision four strategic pillars have been devised. These are:

- delivering the core offer
- developing new partnerships and services to attract new customers and increase income
- inspiring existing stakeholders and promoting our brand and services to more people
- establishing, measuring and monitoring our social impact

In shaping our objectives for the period and planning our activities, the Directors have considered the Charity Commission's guidance on public benefit, including the guidance on fee charging. The organisation relies on grants and the income from fees and charges to cover its operating costs. In setting the level of fees, charges to cover its operating costs. In setting the level of fees, charges and concessions, the Directors give careful consideration to the accessibility of Suffolk Libraries for those on low incomes.

Suffolk Libraries focused its energy on achieving its vision through the delivery of its four strategic pillars. To increase focus on these pillars the organisation established five organisational perspectives designed to focus and shape the delivery of key priorities. These perspectives are people, customer experience, infrastructure, brand and income.

SUFFOLK'S LIBRARIES IPS LIMITED

**BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

The table below captures the organisations key priorities for 2019/20:

	Delivering the core offer	Developing new partnerships and services	Inspiring existing stakeholders and promoting our brand	Establishing, measuring and monitoring our social impact
People	Create and establish library offer standards	Establish a partnership with a retailer to enhance customer service	Embed the 'making life better' approach across the organisation	Map specific needs across Suffolk against those that the organisation meets
Customer Experience	Establish customer service standards	Source funding to develop a more personalised approach to the customer	Establish and live the values consistently	Produce a report highlighting the social impact of key services
Infrastructure	Improve signposting to key products and services across all sites	Refurbish at least three sites by working with SCC to release developer funding	Pilot new approaches to space management across four sites	Analyse existing data to enable more effective communication with customers
Brand	Complete a brand review	Create distinct sub-brands that clarify the offer	Develop up to six 'focal points' during the year designed to drive footfall	Capture a number of case studies that showcase social impact and tell our story
Income	Create one new revenue generating partnership that enhances the existing customer offer	Launch three new initiatives or services that add value for the customer and organisation	Deliver Suffolk Libraries Day and establish regular giving through the website	Put a financial value on key socially impactful services

Achievements and performance

There were many achievements in 2019/20 as Suffolk Libraries looked to build on its hugely successful first seven years of life. The summary below directly reflects the twenty key priorities that the organisation set itself in 2019/20 as referenced in the business plan objectives on the previous page.

Library standards

Suffolk Libraries created a new set of library standards in 2019/20. These are designed to outline clearly the 'core offer' which is what Suffolk County Council contract the organisation to deliver. Additionally, the new standards include extra activities that are delivered outside of the contract with Suffolk County Council, benefitting the people of Suffolk and their wellbeing. Training has been developed to ensure that all Suffolk Libraries colleagues are aware what parts of the offer need to be delivered in what setting. This programme will continue to be rolled out in 2020/21.

SUFFOLK'S LIBRARIES IPS LIMITED

BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

Embedding the 'Making Life Better' strategy

The organisation's new strategy 'Making Life Better' represents a significant shift in the way Suffolk Libraries sees itself and the impact it has on communities across Suffolk. This change needed to be communicated to colleagues so that everyone shares the same sense of purpose and direction. This focus on clarity and alignment was driven by regular internal communications, the development of customer case studies and embedded through initiatives like the 'Making Your Life Better' staff engagement programme. This programme used the Gallup 12 methodology which is designed to enhance staff engagement and increase organisational productivity and performance.

Mapping emotional needs to support positive wellbeing

The underpinning concept behind the 'Making Life Better' strategy is that much of what Suffolk Libraries does meets basic emotional needs and by doing this the organisation supports positive wellbeing. To better understand how the organisation does this it has embarked on the process of mapping which emotional needs are met by which service with most meeting many of the twelve basic emotional needs. The diversity of what is on offer makes it challenging to create a model that is digestible and accessible for customers. Work continued throughout the year and the results are due to be available in June 2020.

Customer service standard

2019/20 saw a strong focus on customer service. Customer service standards have been developed that add clarity and consistency to the organisations approach. Alongside the standards, a comprehensive training programme has been developed and this will be supported by mystery shopping of the physical library experience and customer service over the telephone. The purpose of mystery shopping is to enable the organisation to regularly check how it is delivering for the customer versus its own standards.

The 'Happy Place' concept

Creating a stronger, more intuitive relationship with customers in the future will require personalisation designed to meet basic emotional needs and further support positive wellbeing. £25k of funding was gained from the NESTA Foundation as part of its 'Tech to Connect Challenge' to support the development of the 'Happy Place' concept. The funding was awarded to develop a prototype of an application that matches an individual's unmet emotional needs to activities, experiences and events that are offered in the community. The project lasted for five months and involved partners from Suffolk Mind and the University of Suffolk. The outcome saw the 'Happy Place' prototype pitted against nine other organisations looking to reduce social isolation. Unfortunately, the Suffolk Libraries concept was not selected as one of the top three which would have released further funding. The search for funding to build on this promising idea continues in 2020/21.

Organisational values

The values have been at the forefront of staff communications and now feature prominently as part of the organisation's new approach to 'on-boarding' for new recruits. They are a major part of the new 'check in' system that replaced the old appraisal process and are a key backdrop to the staff engagement programme referenced earlier. Values are also the backbone of the customer services standard. They will be further refined as a result of the brand identity work that took place during 2019/20.

Impact report and social value

Suffolk Libraries has known for some time that many of its activities, events and experiences have a significant impact on the lives of people across Suffolk. With over 14,000 activities, events and experiences held in 2019/20 attended by over 200,000 it was fundamental for the organisation to demonstrate this impact, both to its key partner at Suffolk County Council and potential funders. The organisation commissioned Moore Kingston Smith, a respected national accountancy practice, to undertake research to highlight the social impact of just three of its activities Wordplay, Open Space and Top Time. Some of the key findings included:

- Suffolk Libraries is successfully responding to the social issues of loneliness and isolation that affect many different groups of people in their communities

SUFFOLK'S LIBRARIES IPS LIMITED

BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

- For every £1 invested into Suffolk Libraries programmes, £8.04 is returned in social value created. This is an impressive level of return and indicates that Suffolk Libraries is creating substantial impact in its local community for a wide range of stakeholders
- All stakeholder groups identified are experiencing material change as a result of Suffolk Libraries programmes. With 37 different material changes identified the research shone a light on the significant impact libraries have on society
- The state, in this case the NHS, is a key stakeholder and a total of £284,000 worth of social value is created for the NHS; Social value can be defined as the additional benefit organisations provide to not only themselves, but also to society and the economy

The results of this research created local and national media coverage and highlighted the pivotal role of libraries in supporting communities. The results also provide strong evidence of how Suffolk Libraries meet basic emotional needs proving the organisation's belief that this will be a key focus in the future. In 2020/21 the organisation intends to expand its mapping of social value and impact across more of the service.

Look and feel of physical spaces

To try to better engage and retain customers Suffolk Libraries embarked upon a project to pilot new approaches to presenting a small number of its physical sites. Much of this work dovetailed with brand review and brand identity work that is outlined below. New signage displays and graphic décor will be trialled in five pilot sites in 2020/21 as a result of work undertaken in 2019/20. The concept behind much of this work is to create a more coherent and accessible customer journey by joining up the look and feel of a space with customer service.

Refurbishments

A number of refurbishments of Suffolk Libraries spaces were successfully completed in 2019/20:

- Thurston Library had a new children's area designed and created.
- Aldeburgh Library had its entrance and reception desk completely re-modelled.
- Chantry Library was redecorated as part of a wider refurbishment of the space.
- Great Cornard Library had a new entrance created to make it more accessible for customers.
- Long Melford Library and Clare Library both benefitted from new furniture and carpeting. Both also had their children's areas refreshed.
- Framlingham was also remodelled to make better use of the space.
- Suffolk County Council started a project to create a new roof for Lowestoft Library.

All projects conducted are contingent on funding from local Community Groups as well as Section 106 funding and as ever Suffolk Libraries is hugely grateful for the support of its many volunteers.

Personalisation and data

Working closely with Suffolk County Council the organisation took part in a procurement exercise for its library management system. The outcome was the renewal of contracts with Civica for the Spydus system. This was made more cost-effective by the organisation's membership of the SPINE procurement consortium with other regional library services. Alongside this, the organisation purchased Spydus Business Information which will enable better interrogation of data and aid the strategic ambition to develop a more personalised service.

Brand review and brand personality

A brand review was completed which resulted in the creation of a new and highly distinctive visual brand. This will become the fulcrum for further work designed to develop the organisation's brand personality. This work is crucial to support the continued engagement of existing customers, to help Suffolk Libraries reach

SUFFOLK'S LIBRARIES IPS LIMITED

BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

out to new audiences and establish its identity as an independent organisation. This work is conjoined with the look and feel of sites and the ongoing work on refining the organisational values.

Building customer engagement through focal points

As part of its drive to engage new customers Suffolk Libraries created a number of marketing focal points throughout the year. These included Suffolk Libraries Day, Children's Month and Jumpstart January.

Children's Month coincided with a 2% increase in children's loans during the first quarter of 2019/20 and a 10% increase in visits to children's content on the website. Jumpstart January helped establish Suffolk Libraries credentials as an organisation that can support enhanced wellbeing. The organisation hosted 26 events across libraries with Wellbeing Suffolk.

Storytelling through the eyes of the customer

The organisation has put a strong focus on storytelling. To enable it to do this effectively and support its drive to show that it 'Makes Life Better' for customers it has started to capture more case studies of how it improves people's lives. These are hosted on the website and showcased through videos and social media posts. Four videos and posts based on customer stories attracted a total of 17,800 views across Facebook and YouTube.

New commercial partnerships

The organisation continued its strong focus on income diversification. A new partnership was struck with regional coffee provider Coffeelink with a new concession appearing at the County Library in January 2020. Strong relationships continue to be developed with key partners like Barclays, Imagine That Publishing, East of England Co-operative and Christie's Care.

Prison libraries in Suffolk and across England

Suffolk Libraries continues to expand its work in prison libraries and towards the end of 2019/20 agreed to take on four new sites. This means that Suffolk Libraries now operates three prison libraries in Suffolk and seven elsewhere in England.

Second-hand book sales

A project to review and transform the organisation's approach to selling second-hand library stock has begun. Centralised online sales via Amazon are now raising significant, regular income. The organisation also explored how to make the most of physical sales of second-hand books in libraries and in bulk. This project will continue to develop in 2020/21.

Suffolk Libraries Day

The first ever Suffolk Libraries Day was held in 2019/20 and was a real success. The day generated a surplus of just over £14,000 and raised awareness of the Suffolk Libraries offer to new audiences. The weekend itself saw an increase of over 5,000 people visiting libraries against a normal weekend. The Book Journey that took place in the week leading up to the day engaged a large number of corporate partners and helped to build new relationships.

Fundraising

The Extra Scheme was reviewed during 2019/20 and after positive feedback from current donors it was decided to set up a new supporter scheme. This has led to a greater level of engagement with donors. This new approach is being supported by text and online giving that form the backbone of the organisation's refreshed approach to fundraising as a charity that is delivering for beneficiaries across Suffolk.

Increase in borrowing

General trends in the use of content and resources have continued, with ongoing growth in the use of digital content services (up by 65%) and a lessening of the decline in physical lending, which was set to be stable before the closure of library buildings in late March but finally came in with a decrease of 4%. Overall, across all formats the use of content and resources increased by 8.5% during the year.

SUFFOLK'S LIBRARIES IPS LIMITED

BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

Library performance highlights

The final month of the reporting year was severely affected by the coronavirus crisis. Libraries were closed on 20th March 2020 due to the lockdown but visits to physical library sites were significantly down during the weeks prior to that as people followed advice to stay indoors. Despite this, there were some notable successes during the year.

Events and activities in libraries have been a key area of success over the last few years, and once more there was an increase in participation in this area. There were 204,424 attendees at 14,576 events and activities during the year, compared to 200,737 attendees at 14,290 events and activities during the previous year, despite the challenges during March 2020.

There has also been an encouraging increase in the amount of volunteering undertaken in libraries; 5,216 days of volunteering compared to 4,771 days the previous year, an increase of 9.33%. This is an excellent reflection of the work that Suffolk Libraries has undertaken to improve the volunteering offer over the last 18 months.

Despite physical book issues being down by 4.72% (from 2,607,268 to 2,484,222), it is likely that they would have been at a similar level to the previous year had it not been for the impact of coronavirus.

Digital services are another area of success. The new Pressreader service, which features online newspapers and magazines, has seen nearly half a million downloads. The Overdrive e-Book and e-Audio book service saw an increase in issues from 162,431 to 188,814 and the Borrowbox service for e-Audio books saw an increase in issues from 30,223 to 47,677.

Plans for future periods

During and after the pandemic Suffolk Libraries faces the challenge of how to continue to deliver the most powerful elements of its service in a way that is tailored to the needs of each individual customer. To do this the offer must be flexible, multi-layered and in many cases personalised at the point of delivery.

The organisation also recognises that how it delivers its service in the short term may change as Government guidelines change. With these key principles in mind Suffolk Libraries will create a multi-layered service designed to meet the ever changing pandemic and post-pandemic world.

These layers will be designed to meet different customer needs as the outside world changes. The layers will be designed to create the same sense of belonging that traditional services delivered in physical spaces once did. They will seek to meet basic human needs and continue to support a sense of belonging that leads to enhanced wellbeing and ultimately a better life.

Many of the new ways of working developed during the first few weeks of lockdown. They will be retained as the starting point of developing these layers. The new layers can be loosely broken down as follows:

- **Suffolk Libraries Spaces:** Any physical service that is directly delivered via one of Suffolk Libraries spaces i.e. physical book loans, public access PC's etc.
- **Suffolk Libraries Help and Advice:** Information and advice that is delivered via physical sites, the website and elsewhere i.e. help with Universal Credit, food vouchers etc.
- **Suffolk Libraries Home:** Any physical service that is directly delivered to the home to meet a community need i.e. Home Library Service, Lifeline Telephone Service etc.
- **Suffolk Libraries Interactive:** Any live event, activity or experience delivered physically in one of Suffolk Libraries spaces or virtually via social media or the website i.e. Top Time, Wordplay, BLOC etc.

SUFFOLK'S LIBRARIES IPS LIMITED

BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

- **Suffolk Libraries Digital:** Any content available to view or borrow online i.e. Overdrive, BorrowBox, Freegal, PressReader, podcasts etc.
- **Suffolk Libraries Community Connect:** Any outreach service designed to be accessible to several users on any one day i.e. Locals, Mobile Libraries etc.

The new normal means delivering the same service but in many different layers. Our four key pillars are still a vital point of focus and clarity:

- **Delivering the core offer to everyone:** By delivering the service in different ways Suffolk Libraries will continue to deliver the 'core offer' and meet the terms of its contract with Suffolk County Council
- **Developing new partnerships and personalised services to attract new customers and increase income:** The new layers naturally require Suffolk Libraries to create a more personalised service by offering more ways for customers to access its service. Some of these will also offer the opportunity to generate income
- **Inspiring existing stakeholders and promoting our brand and services to more people:** Suffolk Libraries will need to ensure existing and new customers are aware of the new layered offer and this will require clear and consistent communication with audiences across the county. The organisations digital presence will play a key role in driving customer engagement
- **Establishing, measuring and monitoring our social impact:** It has never been more important to highlight the impact of the new ways of working. New services like the 'Lifeline' telephone service are already having a huge impact on people's lives. Suffolk Libraries will devise ways to measure the impact of the new layers it has created

This is less of a shift in what Suffolk Libraries does but more a shift in how it is delivered and often where a service is accessed. To communicate and successfully integrate the layered approach above the following principles need to be clear:

- some services may exist in more than one layer i.e. the same book could be available through Spaces, Home, Digital and Community Connect – the book doesn't change, just the way it is accessed
- the website and social media are pivotal to the future of the service and are the gateways to retaining customer loyalty and generating new customers
- every layer (outside of the virtual ones) should be able to be switched off and on as required to enable the service to operate whatever the external environment
- new services like 'click and collect' and home delivery may need to be developed to meet customer demand and need

To help existing and new customers imagine how the service will operate Suffolk Libraries will be undertaking a public awareness campaign to showcase what is on offer and how it can now be accessed. This campaign will also be supported by the new Suffolk Libraries website. Although these are challenging times, they also offer a huge opportunity to have an even greater impact on even more people's lives. Despite the coronavirus, Suffolk Libraries really can 'Make Life Better' for more people in Suffolk.

Financial review

Suffolk Libraries presented a budget for 2019/20 with an expected deficit of £124K, as per the annual accounts the deficit was reduced to £28K.

During the financial year Suffolk Libraries laid the foundations of future income diversification. It is hoped that new initiatives like Suffolk Libraries Day, business to business conference brand 'Hive' and the new supporter scheme will grow in the future. There was also a significant investment in building the organisations public profile designed to support the drive for unrestricted income.

SUFFOLK'S LIBRARIES IPS LIMITED

BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

Suffolk County Council have continued to support Suffolk Libraries by honouring the fixed contract sum agreed until July 2022. Contract negotiations have not formally commenced for the period after July 2022, but preparations are underway.

The financial impact of the closure of library buildings due to the coronavirus epidemic in March 2020 was mitigated by Suffolk County Council guaranteeing the contract sum would be paid. This security enabled all staff to be retained with none furloughed. There is likely to be a small loss of income from a reduction in library fees and charges and in cancelled room hire bookings.

Going Concern

The Directors undertake an assessment each year into the financial position of the organisation as a going concern. This review considers the results for this financial year, the strength of the balance sheet, and the projected financial health of the organisation in 2020/21.

After this assessment, the Directors are confident that the Society continues to operate as a going concern. The ability for Suffolk Libraries to continue in operation for the foreseeable future, with the ability to adapt to the new environment of the post-coronavirus world, has been reinforced due to the support of the Government Business Support Scheme.

See accounts note 2.2 for further details.

Investment Powers and Policy

Due to the sudden impact of the coronavirus pandemic all investments on 45-day deposit have been recalled into the current account. An assessment will be made as to future investments once the current economic outlook becomes more stable.

Reserves Policy

Reserves are needed to enable the day to day running of the company during periods of uncertainty. It is the aim of Suffolk Libraries to maintain an unrestricted reserve of two month's essential running costs. This is estimated at £950K.

Total Funds as at 31st March 2020 are £880K (31st March 2019 £909K) - of this restricted funds, available for specific projects only, of £207K are held (31st March 2019 £188K) and a further £60k are carried as unrestricted fixed assets, leaving unrestricted reserves available for running costs of £612k (31st March 2019 £653K), a decrease of £48K.

The gap between current and stated reserves policy is £338K - it is not expected that this gap will be narrowed during the coming financial year.

Structure, governance and management

Directors

The Directors of the Society are its trustees for the purpose of charity law. The Directors and Officers serving during the period were as follows:

Tony Brown	Chair	Appointed 12 September 2013
		Reappointed 10 September 2015
		Reappointed 25 September 2018
Sylvia Knights	Vice Chair	Appointed 15 February 2012
		Reappointed 11 September 2014
		Reappointed 28 September 2017

SUFFOLK'S LIBRARIES IPS LIMITED

BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

Maureen Garrett-Simpson	Honorary Secretary	Appointed 29 September 2016
Bruce Leeke	Chief Executive	Appointed 29 January 2018
Sue Buck		Appointed 12 September 2013
		Retired 29 September 2016
		Co-opted 27 April 2017
		Reappointed 28 September 2017
Sarah Wilson		Co-opted 27 October 2016
		Appointed 28 September 2017
Colin Rockall		Co-opted 29 May 2014
		Appointed 11 September 2014
		Reappointed 28 September 2017
Sally Irvine		Appointed 25 September 2018
Alison Leyshon		Co-opted 20 December 2018
Kathy Oliver		Co-opted 12 March 2020

Suffolk Libraries IPS Limited is a Registered Society governed by its Rules dated 7 August 2013. It is an exempt charity, regulated by the Financial Conduct Authority. Members are local community groups or local councils who are committed to supporting their local library and Suffolk Libraries as a whole. On 31 March 2020 there were 44 members representing libraries out of a possible 44 libraries.

Appointment of Directors

As set out in the Rules the Chair of the Directors is elected by the Board of Directors. Seven Directors are elected annually by the members of the organisation attending the Annual General Meeting and serve for a period of three years. The Directors have the power to co-opt up to five further Directors.

The Chief Executive is an ex-officio member of the Board, and an employee.

All members are circulated with invitations to nominate Directors prior to the AGM advising them of the retiring Directors and requesting nominations for the AGM. When considering co-opting Directors, the Board has regard to the requirement for any specialist skills needed.

Trustee induction and training

New Directors undergo a briefing on their legal obligations under charity and other relevant law, the Charity Commission guidance on public benefit, content of the Society's rules, the committees and decision-making processes, the business plan and recent financial performance of Suffolk Libraries. During their induction, they will meet key employees and other Directors. Directors are encouraged to attend appropriate events held by community groups where these will facilitate the undertaking of their role.

Board

The Board of Directors, which can have up to 13 members, administers the Society. The board and its sub-committees, covering governance, finance and audit and staffing meet regularly. The Chief Executive appointed by the Directors manages the day-to-day operations of Suffolk Libraries. To facilitate effective operations, the Chief Executive and senior staff have delegated authority, within terms of delegation approved by the Directors, for operational matters including finance, employment and operational matters.

SUFFOLK'S LIBRARIES IPS LIMITED

BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

Related parties

The Chief Executive is an employee and a Director. Their remuneration is detailed in note 13. None of the other Directors receive remuneration or other benefits for their work with Suffolk Libraries. Any connection between a Director or senior manager of Suffolk Libraries with a supplier or contractor must be disclosed to the full Board of Directors and details of such relationships in the current year are set out in note 28.

Risk management

It is the responsibility of the Directors is to have a risk management strategy which comprises:

- an annual review of the risks the Society may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan;
- the implementation of procedures designed to minimise any potential impact on the Society should those risks materialise.

This work that has been carried out has identified that financial sustainability is the major financial risk for the Society. A key element in the management of financial risk is via a reviewed reserves policy and the retention of sufficient working capital. Attention has also been focused on non-financial risks arising from fire, health and safety, management of public access and safeguarding. As previously stated the Reserves policy was reviewed in 2019 and forms part of the Financial Regulations which were also reviewed and accepted at this meeting.

Statement of Trustees' responsibilities

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

The law applicable to Registered Societies in England and Wales requires the Society's Directors to prepare financial statements for each period which give a true and fair view of the state of the affairs of the Society and of the incoming resources and application of resources, including the income and expenditure for the period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Society and to enable them to ensure that the financial statements comply with the Co-Operative and Community benefit Society Act 2014, Charity law and the provisions of the rules. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SUFFOLK'S LIBRARIES IPS LIMITED

**BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Society's auditors are unaware, and
- that Directors has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Society's auditors are aware of that information.

Auditors

Larking Gowen LLP have expressed their willingness to be reappointed auditors at the forthcoming Annual General Meeting.

By order of the Directors:

Signed



Bruce Leeke, Chief Executive
Date: 27 August 2020

SUFFOLK'S LIBRARIES IPS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUFFOLK'S LIBRARIES IPS LIMITED

Opinion

We have audited the financial statements of Suffolk's Libraries IPS Limited (the 'Society') for the year ended 31 March 2020 which comprise the Statement of financial activities, the Balance sheet, the 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Society's affairs as at 31 March 2020 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 Co-operative and Community Benefit Societies Act 2014.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Society's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

SUFFOLK'S LIBRARIES IPS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUFFOLK'S LIBRARIES IPS LIMITED (CONTINUED)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the society has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the society's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the Directors (who are also the trustees of the Society 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 Directors' 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 Directors' are responsible for assessing the Society'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 Directors' either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

SUFFOLK'S LIBRARIES IPS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUFFOLK'S LIBRARIES IPS LIMITED
(CONTINUED)**

Auditors' 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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the Society's members, as a body, in accordance with the Co-operative and Community Benefit Society Act 2014. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an Auditors' 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 Society and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

MHA Larking Gowen

Larking Gowen LLP

Chartered Accountants
Statutory Auditors

Ipswich

3 September 2020

Larking Gowen LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

SUFFOLK'S LIBRARIES IPS LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	4	62,356	137,534	199,890	110,707
Charitable activities	5	5,942,474	1,432,750	7,375,224	7,100,651
Investments	8	10,912	-	10,912	9,791
Total income		6,015,742	1,570,284	7,586,026	7,221,149
Expenditure on:					
Charitable activities		6,078,286	1,536,108	7,614,394	6,914,153
Total expenditure		6,078,286	1,536,108	7,614,394	6,914,153
Net (expenditure)/income		(62,544)	34,176	(28,368)	306,996
Transfers between funds	20	14,856	(14,856)	-	-
Net movement in funds		(47,688)	19,320	(28,368)	306,996
Reconciliation of funds:					
Total funds brought forward		721,035	188,315	909,350	602,354
Net movement in funds		(47,688)	19,320	(28,368)	306,996
Total funds carried forward		673,347	207,635	880,982	909,350

The financial statements were approved by the Board members on 27 August 2020 and signed on their behalf, by:



Maureen Garratt Simpson
Honorary Secretary



Sylvia Knights
Chair of Finance and Audit Committee



Bruce Leeke
Chief Executive

The notes on pages 21 to 42 form part of these financial statements.

SUFFOLK'S LIBRARIES IPS LIMITED
REGISTERED NUMBER: IP031542

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	17	73,464	93,286
Current assets			
Debtors	18	2,253,541	325,700
Cash at bank and in hand		951,473	2,845,139
		<u>3,205,014</u>	<u>3,170,839</u>
Creditors: amounts falling due within one year	19	(2,397,496)	(2,354,775)
Net current assets		<u>807,518</u>	<u>816,064</u>
Total net assets		<u><u>880,982</u></u>	<u><u>909,350</u></u>
Charity funds			
Restricted funds	20	207,609	188,315
Unrestricted funds	20	673,373	721,035
Total funds		<u><u>880,982</u></u>	<u><u>909,350</u></u>

The financial statements were approved and authorised for issue by the Directors and signed on their behalf by:



Maureen Garratt Simpson
Honorary Secretary



Sylvia Knights
Chair of Finance and Audit Committee



Bruce Leeke
Chief Executive

Date: 27 August 2020

The notes on pages 21 to 42 form part of these financial statements.

SUFFOLK'S LIBRARIES IPS LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	22	(1,869,495)	2,169,537
		<hr/>	<hr/>
Cash flows from investing activities			
Purchase of tangible fixed assets		(24,171)	(100,366)
		<hr/>	<hr/>
Net cash used in investing activities		(24,171)	(100,366)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(1,893,666)	2,069,171
Cash and cash equivalents at the beginning of the year		2,845,139	775,968
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	23	<u>951,473</u>	<u>2,845,139</u>

The notes on pages 21 to 42 form part of these financial statements

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. General information

Suffolk's Libraries IPS Limited is a Society registered in England and Wales, registration number IP031542. The registered office is Ipswich County Library, Northgate Street, Ipswich, Suffolk, IP1 3DE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Co-operative and Community Benefit Societies Act 2014.

Suffolk's Libraries IPS Limited 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.

The financial statements are presented in Sterling (£) and rounded to the nearest £.

2.2 Going concern

The main library services contract with Suffolk County Council runs to 31 July 2022, at which point the contract may be retendered.

In March 2020, the impact of Covid-19 was felt by the organisation with the closure of the libraries. However, all major income contracts have continued, with funding continuing to be received whilst the libraries are closed. The directors have prepared detailed financial forecasts for the next twelve months, updated from original budgets to take accounts of revised expectations in light of the Covid-19 pandemic. These forecasts show that the charity has sufficient reserves and cash headroom for the period. Based on this information the Directors have concluded that the society has adequate resources to continue in operational existence for the foreseeable future, being not less than 12 months from the date of approval of these financial statements. They therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the Society and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Directors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Society for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.4 Income

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

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donated services or facilities are recognised when the Society has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Society of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised. Please refer to the Board members' report for more information about their contribution.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Society which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the Society and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the Society and compliance with constitutional and statutory requirements.

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Suffolk County Council has an obligation to provide a library service to the people of Suffolk. Under the terms of the contract the society has the right to use the necessary assets, including the lending stock and relevant software and licences. Fixed assets, such as fixtures and fittings and properties are utilised under the terms of the contract with Suffolk County Council. On termination of the contract Suffolk Libraries IPS Ltd are obliged to hand back all assets for the consideration of £1 which are required to run the service to the same standard as prior to termination of the contract, this includes assets which have been donated or purchased out of donations. The Society does not legally own these assets, have any rights or obligations over them or receive any monetary benefit directly from their use. These assets are therefore not capitalised within the financial statements of the society.

Assets purchased to maintain the running of the service at the current standard are taken as costs during the year they are purchased. Assets purchased to extend the Society's services are capitalised.

Depreciation periods are determined having regard to the period of the relevant funding contract. The current libraries contract ends in August 2022.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Society assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Leasehold improvements	- over the period until contract renewal - currently July 2022
Fixtures and fittings	- 33% Straight line
Computer equipment	- 33% Straight line

2.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Society; this is normally upon notification of the interest paid or payable by the Bank.

2.8 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Society anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.12 Financial instruments

The Society only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Taxation

The Society is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Society is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.14 Pensions

The society operates two pension schemes for the benefit of its employees.

A number of employees are members of the Local Government Pension Scheme ("LGPS"), the Suffolk Pension Fund. This is a multi-employer defined benefit scheme funded by contributions from employee and employer. The draft results of the 31 March 2016 valuation indicate that scheme liabilities attributable to the Society were funded by assets at a level of 131%. Employer contributions for the three years to 31 March 2023 were proposed at a multiple of salary that is projected to amount to £247,980 in 2020/21.

Should the provider of library services change then either the new provider or Suffolk County Council will inherit those liabilities in respect of the LGPS, as determined by an actuary. The Society is therefore unable to reliably estimate future liabilities in respect of the LGPS and the scheme is accounted for as if it were a defined contribution scheme, with the pension charge representing the amounts payable by the Society to the fund in respect of the year.

Other employees have the option to join the group stakeholder pension scheme operated by Aviva plc. This is a defined contribution scheme. Employees joining this scheme contract directly with the insurance company. The pension charge included within the financial statements represents the amounts payable by the society to the funds in respect of the year.

Pension costs are allocated between activities and funds based on the employees that the costs relate to.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Society makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Accruals

The Directors make judgements when calculating accruals, for expenditure when amounts are estimated. The Directors base their estimation on the information in hand at the year end.

Provisions

The Directors make judgements when determining provisions. The estimations are made based on the detailed projections that are produced based on the expected future expense.

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

4. Income from donations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Group contributions cash donations	-	135,007	135,007
Fundraising by staff	14,089	-	14,089
Libraries extra	-	2,527	2,527
Donations	48,267	-	48,267
Total 2020	62,356	137,534	199,890
	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Group contributions cash donations	-	69,264	69,264
Fundraising by staff	6,274	-	6,274
Libraries extra	-	5,523	5,523
Donations	29,646	-	29,646
<i>Total 2019</i>	<i>35,920</i>	<i>74,787</i>	<i>110,707</i>

5. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Libraries service contract income	4,934,548	-	4,934,548
Contract stock budget income	-	988,242	988,242
Grants received	-	86,973	86,973
Other library income (note 6)	420,615	4,486	425,101
Professional services (note 7)	450,713	351,000	801,713
Collection fees	136,598	2,049	138,647
Total 2020	5,942,474	1,432,750	7,375,224

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

5. Income from charitable activities (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Libraries service contract income	4,934,548	-	4,934,548
Contract stock budget income	-	988,242	988,242
Grants received	-	18,530	18,530
Other library income	447,735	4,474	452,209
Professional services	165,644	351,000	516,644
Collection fees	190,478	-	190,478
<i>Total 2019</i>	<u>5,738,405</u>	<u>1,362,246</u>	<u>7,100,651</u>

6. Other library income

	2020 £	2019 £
LBarT	-	355
Stock unit	2,076	4,474
Hosted office space and other income	229,869	241,148
Room and equipment hire	170,427	151,436
Children services	17,500	50,000
Central offices	5,229	4,796
	<u>425,101</u>	<u>452,209</u>

7. Professional services

	2020 £	2019 £
Prisons library service	437,364	154,210
Mental health project	351,000	351,000
Professional services - central	13,349	11,434
	<u>801,713</u>	<u>516,644</u>

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

8. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Investment income	10,912	10,912	9,791

9. Analysis of resources expended by expenditure type

	Direct £	Support £	Governance £	Total funds £
Library	5,155,018	1,557,131	22,069	6,734,218
Prisons library service	387,574	109,244	7,060	503,878
Mental health project	154,430	-	-	154,430
NPO - arts bid	174,318	-	-	174,318
Children centers	5,416	1,527	27	6,970
Grant funded	14,441	-	-	14,441
NESTA	26,139	-	-	26,139
Total 2020	5,917,336	1,667,902	29,156	7,614,394

Included within direct library expenditure is £62,208 for the extension at Aldeburgh Library which was funded by the Friends' group and expensed in accordance with the tangible fixed asset accounting policy (see 2.6).

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

	<i>Direct</i> 2019 £	<i>Support</i> 2019 £	<i>Governance</i> 2019 £	<i>Total funds</i> 2019 £
Library	4,810,726	1,432,320	17,942	6,260,988
Let's Talk	47,588	-	-	47,588
Prisons library service	167,079	45,759	573	213,411
Mental health project	164,591	-	-	164,591
NPO - arts bid	150,320	-	-	150,320
Children centers	34,238	9,377	117	43,732
Grant funded	31,632	-	-	31,632
Depreciation	1,416	475	-	1,891
<i>Total 2019</i>	<u>5,407,590</u>	<u>1,487,931</u>	<u>18,632</u>	<u>6,914,153</u>

10. Support costs

	2020 £	2019 £
Wages and salaries	1,229,013	1,160,040
Property costs	3,934	13,050
Insurance	38,924	34,879
Travel and subsistence	27,388	28,053
Bank, interest and charges	3,046	2,167
IT, HR and accountancy	154,289	149,295
Consultancy fees	35,728	39,803
Stock	8,269	5,868
Other	125,986	22,622
Supplies, printing and telephone	41,325	31,679
Depreciation	-	475
	<u>1,667,902</u>	<u>1,487,931</u>

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

11. Governance costs

	2020	<i>2019</i>
	£	£
Auditor fees	8,250	<i>8,000</i>
Legal fees	17,015	<i>1,658</i>
Board expenses	4,141	<i>8,974</i>
	29,406	<i>18,632</i>

12. Auditors' remuneration

	2020	<i>2019</i>
	£	£
Fees payable to the Society's auditor for the audit of the Society's annual accounts	7,100	<i>6,900</i>
Fees payable to the Society's auditor in respect of: All non-audit services not included above	1,150	<i>1,100</i>

13. Staff costs

	2020	<i>2019</i>
	£	£
Wages and salaries	4,053,721	<i>3,765,290</i>
Social security costs	208,191	<i>191,685</i>
Pension costs	318,818	<i>301,033</i>
	4,580,730	<i>4,258,008</i>

The average number of persons employed by the Society during the year was as follows:

	2020	<i>2019</i>
	No.	No.
Frontline staff	333	<i>323</i>
Administration and support	16	<i>16</i>
Management	13	<i>13</i>
	362	<i>352</i>

During the year a total of £Nil (*2019 - £843*) was paid in redundancy and termination payments.

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

13. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020 No.	2019 No.
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-

Aggregate key management personnel remuneration (including employer pension contributions) was £491,904 (2019 - £515,642).

During the year retirement benefits were accruing to 1 Board member (2019 - 1) in respect of defined contribution pension schemes.

14. Board members' remuneration and expenses

Remuneration of £82,928 (2019 - £71,400) and pension contributions of £4,976 (2019 - £4,284) were paid in respect of Bruce Leeke's services as Chief Executive. The Chief Executive is an ex officio Board member as required by the society's rules. No other Board member was remunerated.

During the year ended 31 March 2020, 5 (2019 - 6) Board members received reimbursement of expenses amounting to £2,450 (2019 - £3,601).

15. Acting as agent

During the period the society collected fees on behalf of, and paid over to, Suffolk County Council totaling £138,647 (2019 - £190,480). This is not included within the Statement of Financial Activities.

The society received £138,647 (2019 - £190,480) as collection fees for undertaking this process.

During the period the society received Section 106 money from Suffolk County Council totaling £91,587 (2019 - £52,826). The society uses this money on behalf of Suffolk County Council to enhance the libraries. This is not included within the Statement of Financial Activities, and the unspent year end balance of £957 (2019 - £1,019) is held within other creditors.

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

16. Share capital

Organisation name	Date of acceptance
Friends of Glemsford Library	19/12/2012
Friends of Thurston Library	24/01/2013
Wickham Market Partnership	26/02/2013
Needham Market Town Council	26/02/2013
The Friends of Long Melford Library	26/02/2013
Leiston Cum Sizewell Town Council	26/02/2013
Bungay Community Library	15/04/2013
Sudbury Town Council	26/03/2013
The Aldeburgh Library Foundation	26/03/2013
Friends of Mildenhall Library	26/03/2013
Friends of Southwold Library	15/04/2013
Friends of Ipswich County Library	15/04/2013
Friends of Lowestoft Library	15/04/2013
Friends of Brandon Library	02/05/2013
Stradbroke Courthouse & Library Trust CIO	29/05/2013
Friends of Ixworth Library (FOIL)	29/05/2013
Friends of Library in Kessingland (FOLK)	29/05/2013
Saxmundham Library Friends	29/05/2013
Friends of Woodbridge Library (FOWL)	29/05/2013
Debenham Library Foundation	29/05/2013
Framlingham Town Council	08/07/2013
Voices for Gainsborough Community Library	08/07/2013
Friends of Oulton Broad Library	08/07/2013
Friends of Stowmarket Library	08/07/2013
Friends of Haverhill Library	08/07/2013
The Friends of Lavenham Library	15/07/2013
The Kesgrave Community Library	21/08/2013
Elmswell Library Friends	21/08/2013
The Friends of Halesworth County Library	21/08/2013
Friends of Newmarket Library	21/08/2013
Friends of Lakenheath Library	21/08/2013
Friends of Felixstowe Library	21/08/2013
Beccles Library Community Trust	21/08/2013
Eye Library Friends	21/08/2013
Hadleigh Library Friends Group	21/08/2013
Broomhill Library Friends	21/08/2013
Kedington Library Friends	28/11/2013
The Friends of Capel St. Mary Library	30/01/2014
The Friends of Stoke Library	20/03/2014
The Friends of Clare	20/03/2014
Rosehill Library Friends	20/03/2014
Friends of Chantry Library	29/05/2014
The Friends of Great Cornard Community Library	31/07/2014
Friends of Bury Library	31/07/2014

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

Each group has a £1.00 share, with the share-holders fund being £44.

Individual members of the society must support its objects and complete an application for no more than one share.

The shares of the society are of the nominal value of £1 and are issued to members on admission. They are not transferable, except in the case of an unincorporated organisation or partnership members (and then only in the case of a change of nominee(s) and only to the new nominee(s)). They are not available for withdrawal, carry no rights to interest, dividend or bonus, and are forfeited on cancellation or cessation of membership for whatever reason.

At the year end the society had 44 members (*2019: 44 members*).

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

17. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Asset in the course of construction £	Total £
Cost or valuation					
At 1 April 2019	-	4,250	39,318	64,240	107,808
Additions	-	-	3,708	20,463	24,171
Transfers between classes	84,703	-	-	(84,703)	-
At 31 March 2020	<u>84,703</u>	<u>4,250</u>	<u>43,026</u>	<u>-</u>	<u>131,979</u>
Depreciation					
At 1 April 2019	-	1,416	13,106	-	14,522
Charge for the year	28,235	1,417	14,341	-	43,993
At 31 March 2020	<u>28,235</u>	<u>2,833</u>	<u>27,447</u>	<u>-</u>	<u>58,515</u>
Net book value					
At 31 March 2020	<u>56,468</u>	<u>1,417</u>	<u>15,579</u>	<u>-</u>	<u>73,464</u>
At 31 March 2019	<u>-</u>	<u>2,834</u>	<u>26,212</u>	<u>64,240</u>	<u>93,286</u>

18. Debtors

	2020 £	2019 £
Trade debtors	2,115,176	194,674
Other debtors	21,218	1,720
Prepayments and accrued income	117,147	129,306
	<u>2,253,541</u>	<u>325,700</u>

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

19. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	157,625	118,095
Other taxation and social security	305,963	306,318
Other creditors	93,052	64,240
Accruals and deferred income	1,840,856	1,866,122
	<u>2,397,496</u>	<u>2,354,775</u>

Included within accruals and deferred income is the advance payment for the main libraries contract totaling £1,480,697 (2019 - £1,480,697).

	2020 £	2019 £
Deferred income at 1 April 2019	1,491,883	1,578,529
Resources deferred during the year	1,484,260	1,491,882
Amounts released from previous periods	(1,491,883)	(1,578,528)
	<u>1,484,260</u>	<u>1,491,883</u>

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

20. Statement of funds

Statement of funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Unrestricted funds					
Designated funds					
Ipswich refurbishment fund	60,000	-	-	-	60,000
General funds					
General Funding	660,991	5,953,412	(6,015,930)	14,856	613,329
Donations	-	62,356	(62,356)	-	-
Share capital	44	-	-	-	44
	<u>661,035</u>	<u>6,015,768</u>	<u>(6,078,286)</u>	<u>14,856</u>	<u>613,373</u>
Total Unrestricted funds	<u>721,035</u>	<u>6,015,768</u>	<u>(6,078,286)</u>	<u>14,856</u>	<u>673,373</u>
Restricted funds					
Stock Fund	56,913	992,367	(1,015,596)	-	33,684
Friends Group	3,500	135,007	(138,507)	-	-
Mental Health Fund	59,362	175,000	(154,430)	(10,180)	69,752
NPO	26,010	176,000	(161,687)	(11,178)	29,145
NPO fixed assets	25,263	-	(12,631)	-	12,632
SL Reserves Rosehill	110	-	(110)	-	-
Local Libraries Rushmere	1,669	2,500	(9,532)	5,363	-
Suffolk Libraries Extra	5,593	2,527	(1,641)	-	6,479
Freddys Fund	3,869	-	(1,235)	-	2,634
Other Restricted Funds	6,026	5,694	(2,883)	-	8,837
NESTA Grant	-	25,000	(26,139)	1,139	-
Perinatal	-	56,163	(11,717)	-	44,446
	<u>188,315</u>	<u>1,570,258</u>	<u>(1,536,108)</u>	<u>(14,856)</u>	<u>207,609</u>
Total of funds	<u>909,350</u>	<u>7,586,026</u>	<u>(7,614,394)</u>	<u>-</u>	<u>880,982</u>

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

20. Statement of funds (continued)

Statement of funds - current year (continued)

Purpose of unrestricted funds

Unrestricted funds include the society's share capital of £44 (note 16).

General funding - Funds available for the requirements of Suffolk Libraries IPS Ltd to fund continuing operations.

Purpose of restricted funds

Stock Fund - To purchase books, audio books, CDs, DVDs, periodicals, online subscriptions, and E-readers for use within the libraries of Suffolk.

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

Mental Health Fund (Well Being Grant) - To facilitate and promote access to Mental Health services within Suffolk.

NPO - In 2017 Suffolk Libraries were awarded NPO status and just over £700k by Arts Council England to provide an innovative arts and culture programme to engage young people between 2018 and 2022. National Portfolio Organisations receive regular funding from the Arts Council and represent some of the best arts practice in the World. This is the first year libraries have been included and we are one of only six library services to become an NPO. The money will fund a four year programme of activities across the library service. The main aim is to improve 11-24 year-olds resilience and wellbeing. We also hope to get young people more engaged in the library service and help build their skills and confidence in using digital technology and equipment.

SL Reserves Rosehill - SCC hold a capital expenditure reserve account for SL to make applications to in order to fund improvements in the library buildings or to enhance the library service which would not be possible otherwise. During the year 2017/18 an application was made to build an extension to Rosehill library and to install a public toilet. This project was also part funded by the Children and Young Persons section of SCC as Rosehill Library is also used to run Children Centre activities and the improvements in the library have benefited the library users and the Children Centre users.

Local Libraries Rushmere - Funding by Ipswich Borough Council and Locality funding to enable a temporary library to be run at Rushmere for a period of 2 years.

Suffolk Libraries Extra - a supporter scheme offering individuals and local businesses the chance to make an annual donation to get more involved and enhance the service Suffolk Libraries provides.

Freddys Fund - A donation to Suffolk Libraries to enable individual projects within libraries to assist reader or literacy development.

NESTA - The funding was from a joint scheme run by NESTA on behalf of the DCMS called 'Tech to Connect'. This was a challenge fund which gave 10 organisations £25k to develop a prototype technology to address loneliness and social isolation.

Perinatal - This fund was awarded by Suffolk Community Foundation for a total sum of 56,163 from the Realising Ambitions project, to further their assistance to new mothers. The project is called Me Myself and Baby and is being delivered in co-partnership with Suffolk Mind.

Other - Small grants expended during the year.

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

20. **Statement of funds (continued)**

Statement of funds - current year (continued)

Designated Funds

Ipswich Refurbishment - allocation of funds for future refurbishment works required at Ipswich Library.

Purpose of transfers

The grants available for Local Libraries Rushmere and NESTA were not sufficient to meet the requirements of the project and Suffolk Libraries continued the projects at their own expense in order to reach a satisfactory conclusion. The transfers between unrestricted funds and the Mental Health Project and NPO restricted fund represents the hire charge for the use of library rooms for these projects.

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

20. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Balance at 31 March 2019</i>
	£	£	£	£	£
Unrestricted funds					
Designated funds					
Ipswich refurbishment fund	-	-	-	60,000	60,000
General funds					
General Funding	432,999	5,778,530	(5,490,538)	(60,000)	660,991
Share capital	44	-	-	-	44
	<u>433,043</u>	<u>5,778,530</u>	<u>(5,490,538)</u>	<u>(60,000)</u>	<u>661,035</u>
Total Unrestricted funds	<u>433,043</u>	<u>5,778,530</u>	<u>(5,490,538)</u>	<u>-</u>	<u>721,035</u>
Restricted funds					
Stock Fund	52,365	995,500	(990,952)	-	56,913
Friends Group	-	69,264	(65,764)	-	3,500
Mental Health Fund	48,953	175,000	(164,591)	-	59,362
Let's Talk	37,338	10,250	(47,588)	-	-
NPO	-	176,330	(125,057)	(25,263)	26,010
NPO fixed assets	-	-	-	25,263	25,263
SL Reserves Rosehill	110	-	-	-	110
Local Libraries Rushmere	12,882	-	(11,213)	-	1,669
Suffolk Libraries Extra	3,010	5,523	(2,940)	-	5,593
Freddys Fund	2,500	2,500	(1,131)	-	3,869
Other Restricted Funds	12,153	8,252	(14,379)	-	6,026
	<u>169,311</u>	<u>1,442,619</u>	<u>(1,423,615)</u>	<u>-</u>	<u>188,315</u>
Total of funds	<u><u>602,354</u></u>	<u><u>7,221,149</u></u>	<u><u>(6,914,153)</u></u>	<u><u>-</u></u>	<u><u>909,350</u></u>

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	60,832	12,632	73,464
Current assets	3,008,089	196,925	3,205,014
Creditors due within one year	(2,395,548)	(1,948)	(2,397,496)
Total	<u>673,373</u>	<u>207,609</u>	<u>880,982</u>

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	68,023	25,263	93,286
Current assets	3,116,313	54,526	3,170,839
Creditors due within one year	(2,463,301)	108,526	(2,354,775)
Total	<u>721,035</u>	<u>188,315</u>	<u>909,350</u>

22. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	<i>2019 £</i>
Net income for the period (as per Statement of Financial Activities)	(28,368)	306,996
Adjustments for:		
Depreciation charges	43,993	14,522
Decrease/(increase) in debtors	(1,927,841)	1,861,538
Increase/(decrease) in creditors	42,721	(13,519)
Net cash provided by/(used in) operating activities	<u>(1,869,495)</u>	<u>2,169,537</u>

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

23. Analysis of cash and cash equivalents

	2020	<i>2019</i>
	£	£
Cash in hand	951,473	2,845,139
Total cash and cash equivalents	951,473	<i>2,845,139</i>

24. Analysis of Net Debt

	At 1 April 2019	Cash flows	At 31 March 2020
	£	£	£
Cash at bank and in hand	2,845,139	(1,893,666)	951,473
	2,845,139	(1,893,666)	951,473

25. Contingent liabilities

Certain of the society's employees are members of the Local Government Pension Scheme (LGPS). This is a funded, multi-employer defined-benefit scheme, with assets held in separate trustee-administered funds. The society made contributions of £348,125 (*2019 - £318,251*) during the year in respect of these employees. The society considers itself liable only for the contributions accrued for such employees during the term of the contract with Suffolk County Council, and as such they have been accounted for as an expense in the statement of financial activities in line with the accounting policy of the society. This is consistent with the treatment of a defined contribution scheme.

The terms of the contract with Suffolk County Council for the provision of library services state that, should the provider of the library service change, then either the new provider or Suffolk County Council will inherit the historic liabilities relating to LGPS at that time, at an amount to be determined by the terms of the contract and an independent actuary. As a result, the society is unable to reliably estimate the liability (if any) at the period end that relates solely to itself, as both its timing and amount is contingent on future events.

26. Capital commitments

	2020	<i>2019</i>
	£	£
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	-	16,060

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

27. Operating lease commitments

At 31 March 2020 the Society had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	99,667	49,985
Later than 1 year and not later than 5 years	185,551	102,372
Later than 5 years	163,771	172,988
	<u>448,989</u>	<u>325,345</u>

The operating lease commitments disclosed include commitments both before and after July 2022. However, in the event of cessation of the contract with Suffolk County Council, as disclosed in note 2.2 (going concern), the lease obligations would transfer to Suffolk County Council or the entity taking on the library contract. The total lease commitments to July 2022 are £212,079 (2019 - £129,867).

28. Related party transactions

During the year Alison Leyshon, a board member, delivered contract services for the Society on behalf of The FD Centre. During the year, £6,250 was invoiced and £3,750 is outstanding at year end.

29. Post balance sheet events

On the 20 March 2020 the Society closed all its premises, in line with the national lockdown measures announced by the UK government to combat Covid-19. This has had a significant impact on the organisation's operations. During this period of closure the Society has worked to ensure continuing support has been provided to the community where possible.

The reopening of libraries, initially on a limited basis, commenced on 6 July 2020.

SUFFOLK'S LIBRARIES IPS LIMITED

**DETAILED BREAKDOWN OF DONATIONS
FOR THE YEAR ENDED 31 MARCH 2020**

These pages are not part of the financial statements.

Group contributions cash donations	Unrestricted funds	Restricted funds	Total 2019/20	Total 2018/19
	£'s	£'s	£'s	£'s
Aldeburgh Friends Group	-	68,190	68,190	2,123
Beccles Friends Group	-	930	930	7,802
Brandon Friends Group	-	956	956	361
Bungay Friends Group	-	1,578	13,120	13,120
Bury St Edmunds Friends Group	-	279	279	165
Capel Friends Group	-	5,581	5,581	2,092
Clare Friends Group	-	1,950	1,950	-
Chantry Friends Group	-	2,591	2,591	1,539
Elmswell Friends Group	-	1,692	1,692	-
Eye Friends Group	-	218	218	68
Felixstowe Friends Group	-	1,803	1,803	951
Framlingham Friends Group	-	4,307	4,307	-
Gainsborough Friends Group	-	6,304	6,304	3,612
Glemsford Friends Group	-	399	399	363
Great Cornard Friends Group	-	450	450	105
Hadleigh Friends Group	-	33	33	2,489
Halesworth Friends	-	4,253	4,253	137
Haverhill Friends Group	-	683	683	1,606
Ipswich Friends Group	-	1,276	1,276	1,691
Ixworth Friends Group	-	1,686	1,686	13
Kedington Library Friends	-	258	258	-
Kesgrave Friends Group	-	5,946	5,946	1,540
Lakenheath Friends Group	-	1,746	1,746	260
Lavenham Friends Group	-	964	964	783
Leiston - Friends Group	-	1,154	1,154	391
Long Melford Friends Group	-	625	625	1,786
Lowestoft Friends Group	-	1,674	1,674	-
Mildenhall Friends Group	-	824	824	983
Needham Market Friends Group	-	513	513	513
Newmarket Friends Group	-	2,997	3,507	3,507
Oulton Broad Friend Group	-	-	-	1,355
Rosehill Friends Group	-	80	80	338
Saxmundham Friends Group	-	-	-	30
Southwold Friends Group	-	551	522	624
Stoke Friends Group	-	-	-	486
Stowmarket Friends Group	-	1,534	1,534	-

SUFFOLK'S LIBRARIES IPS LIMITED

**DETAILED BREAKDOWN OF DONATIONS
FOR THE YEAR ENDED 31 MARCH 2020**

Stradbroke Friends Group	-	-	-	3,954
Sudbury Friends Group	-	308	309	1,500
Thurston Friends Group	-	10,441	13,941	5,345
Woodbridge Friends Group	-	233	234	7,634
Total group cash donations	-	135,007	135,007	69,264

Donations to library	Unrestricted Funds	Restricted Funds	Total 2019/20	Total 2018/19
Aldeburgh Library	30	-	30	69
Beccles Library	1,325	-	1,325	693
Brandon Library	70	-	70	26
Broomhill Library	124	-	124	9
Bungay Library	246	-	246	1,161
Bury St Edmunds Library	725	-	725	273
Capel St Mary Library	156	-	156	85
Community Libraries	3,906	-	3,906	34
Chantry Library	213	-	213	50
Clare Library	95	-	95	5
Elmswell Library	52	-	52	40
Eye Library	36	-	36	-
Felixstowe Library	337	-	337	164
Framlingham Library	23	-	23	1
Gainsborough Library	339	-	339	193
Gainsborough Sports Council Grant	-	-	-	2,500
Glemsford Library	1,055	-	1,055	1,001
Great Cornard Library	21	-	21	-
Hadleigh Library	350	-	350	316
Halesworth Library	6	-	6	7
Haverhill Library	699	-	699	329
Ipswich Library	1,587	-	1,587	905
Ixworth Library	-	-	-	70
Kedington Library	30	-	30	1
Kesgrave Library	11,610	-	11,610	11,566
Kesslingland Library	1	-	1	1
Lakenheath Library	8	-	8	8
Lavenham Library	239	-	239	38
Leiston Library	21	-	21	3
Library Local Shotley	1,000	-	1,000	4,000
Lowestoft Library	872	-	872	179
Long Melford Library	102	-	102	37

SUFFOLK'S LIBRARIES IPS LIMITED

**DETAILED BREAKDOWN OF DONATIONS
FOR THE YEAR ENDED 31 MARCH 2020**

Mildenhall Library	268	-	268	1
Needham Market Library	140	-	140	15
Newmarket Library	924	-	924	900
NPO General	-	-	-	330
Oulton Broad Library	94	-	94	19
Prisons	700	-	700	-
Rosehill Library	2	-	2	3
Saxmundham Library	4	-	4	-
Southwold Library	321	-	321	769
Stradbroke Library	-	-	-	54
Stoke Community Library	65	-	65	2
Stowmarket Library	236	-	236	206
Sudbury Library	55	-	55	-
Suffolk Libraries HQ	510	-	510	231
The Hub	-	-	-	1
Thurston Library	2,700	-	2,700	2,738
Wickham Market Library	3	-	3	5
Woodbridge Library	218	-	218	99
Stock	-	-	-	512
Gift Aid - HMRC	326	-	326	-
Suffolk Library Day	16,423	-	16,423	-
Library Extra	-	2,527	2,527	5,523
Total donations to library	48,267	2,527	50,794	35,172
Fund raising by staff	14,089	-	14,089	6,274
Total donations	62,356	137,534	199,890	110,707
