



SUFFOLK'S LIBRARIES IPS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

SUFFOLK'S LIBRARIES IPS LIMITED

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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 2021**

Board members Tony Brown, Chair
 Sylvia Knights, Vice Chair
 Maureen Garratt Simpson, Honorary Secretary
 Bruce Leeke, Chief Executive
 Sue Buck (resigned 1 August 2020)
 Sarah Wilson (resigned 1 August 2020)
 Sally Irvine (resigned 1 August 2020)
 Alison Leyshon (co-opted)
 Debra Reay (appointed 1 August 2020)
 Derrick Haley (appointed 1 August 2020)
 Elizabeth Ditton (appointed 1 August 2020)
 Georgie Quinn (appointed 1 December 2020)
 Kathy Oliver
 Kevin Rodger (appointed 1 December 2020)
 Rebecca Leek (appointed 1 August 2020)
 Sheila Fox (appointed 1 August 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

Solicitors Prettys
 Elm House
 25 Elm Street
 Ipswich
 Suffolk
 IP1 2AD

SUFFOLK'S LIBRARIES IPS LIMITED

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

The chairman presents his statement for the year.

Chair's introduction

Any review of the 12 months to March 2021 is sure to provoke some sombre thoughts. Colleagues, customers and our families and friends have endured losses and deprivations, and I would like to open this report by expressing my sorrow and sympathy to all our friends who have suffered during these extraordinary months.

Having said this, I believe we – the Suffolk Libraries family – have had a lot to celebrate over this year. The pandemic has highlighted ever more clearly the exceptional qualities of our people, and the unparalleled value the library service delivers to our communities.

The evidence is to be found in the volume and variety of the online activities and events which colleagues created and sustained through long periods of library closure; the great engagement with these activities by customers near and far; and the moving expressions of appreciation we have received from so many participants.

In my report on 2016/17 I wrote:

'One of the themes which dominated our discussions in 2016/17 was the insight that libraries are about people (as distinct, say, from being about books). As the scope and number of community-based activities have grown over the past few years, we have shown that libraries are the ideal – and sometimes now the only – places where individuals and groups can gather in a safe and supportive environment to enjoy an almost limitless variety of social, recreational, and educational pursuits.'

I would not have predicted that the lack of access to these safe and supportive environments would serve to underline the truth of the insight that libraries are about people. But it did. As you know we have built on this thought so that our commitment now has evolved to Making Lives Better for the people we serve.

In order to achieve this during a prolonged period of lockdown we have relied on the resourcefulness, creativity and motivation of our frontline staff. Innovative use of the internet and social media has enabled us to stay engaged with so many customers – both established and new.

Perhaps the most impactful and personal initiative Suffolk Libraries has taken to make lives better has been our Lifeline service. Frontline staff have made contact directly with customers in their communities who might be at risk of isolation or ill-health during lockdown. We undertook an evaluation of this service in the early months of 2021.

The research outlined the extraordinary impact of the calls and particularly their ability to create material change for people by delivering the following outcomes:

- Increased feelings of being cared about, valued and of belonging to the community
- Reduced feelings of loneliness
- Improved mood and reduced anxiety
- Escape from the tough reality leading to increased feelings of respite, improved coping skills and more positive mental health
- Improved feelings of being connected to the library and its wider community

You can read more here: <https://www.suffolklibraries.co.uk/about/news/new-research-highlights-the-social-impact-of-suffolk-libraries-lifeline-telephone-service>

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**CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

As Bruce Leeke said in announcing these findings:

'everyone who made calls as part of Lifeline should feel immensely proud of their role in making life better - and what's even better is it's just one of so many ways that we help, support and inspire people. Indeed one of our other huge successes during lockdown was the 2,500 plus live streamed online sessions we ran that engaged an average of 2,400 people every single day for three months! There were also numerous local projects that made a significant difference to people's lives.'

I have heard from a number of staff involved in the Lifeline project that they have found it immensely moving and motivating to receive such heartfelt gratitude from the people they have contacted.

As well as the heroic efforts of frontline staff I would like to give credit to Bruce and his team for the unflagging energy and commitment they have shown over the past year. I would like also to acknowledge the consistent support we have had from our partners at Suffolk County Council, and the Arts Council England. Their commitment has allowed us to provide reassurance and continuity to our staff which I believe they have appreciated, recognising that people in so many sectors have lacked this security.

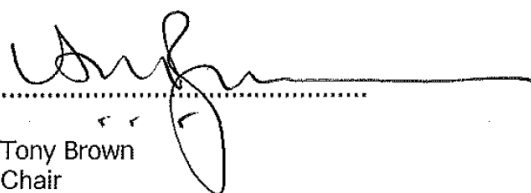
I am grateful to Mandy Wilkinson and her team for managing our finances prudently in highly unpredictable times; and to our friends at Larking Gowen for developing with us an innovative approach to the auditing process.

The Board continues to place a high value on the role that Community Groups play locally, and we have been encouraged by the excellent turnout we have achieved at our virtual Community Group meetings.

I would also like to express appreciation on behalf of Suffolk Libraries to Dr Sally Irvine (Aldeburgh), Sarah Wilson (Felixstowe), and Sue Buck (Long Melford) for the contributions they made as Board members prior to the 2020 AGM at which they stepped down.

As we creep back to a hoped-for normality I am confident we have well thought-out plans, and a highly motivated team across the county – and beyond in our increasingly valued prison libraries.

If you have any thoughts about how we can spread the benefits of library membership more widely throughout Suffolk, please forward suggestions to your local manager, or to Bruce, or any other Board member.



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Tony Brown
Chair

Date: 26 August 2021

SUFFOLK'S LIBRARIES IPS LIMITED

BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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:

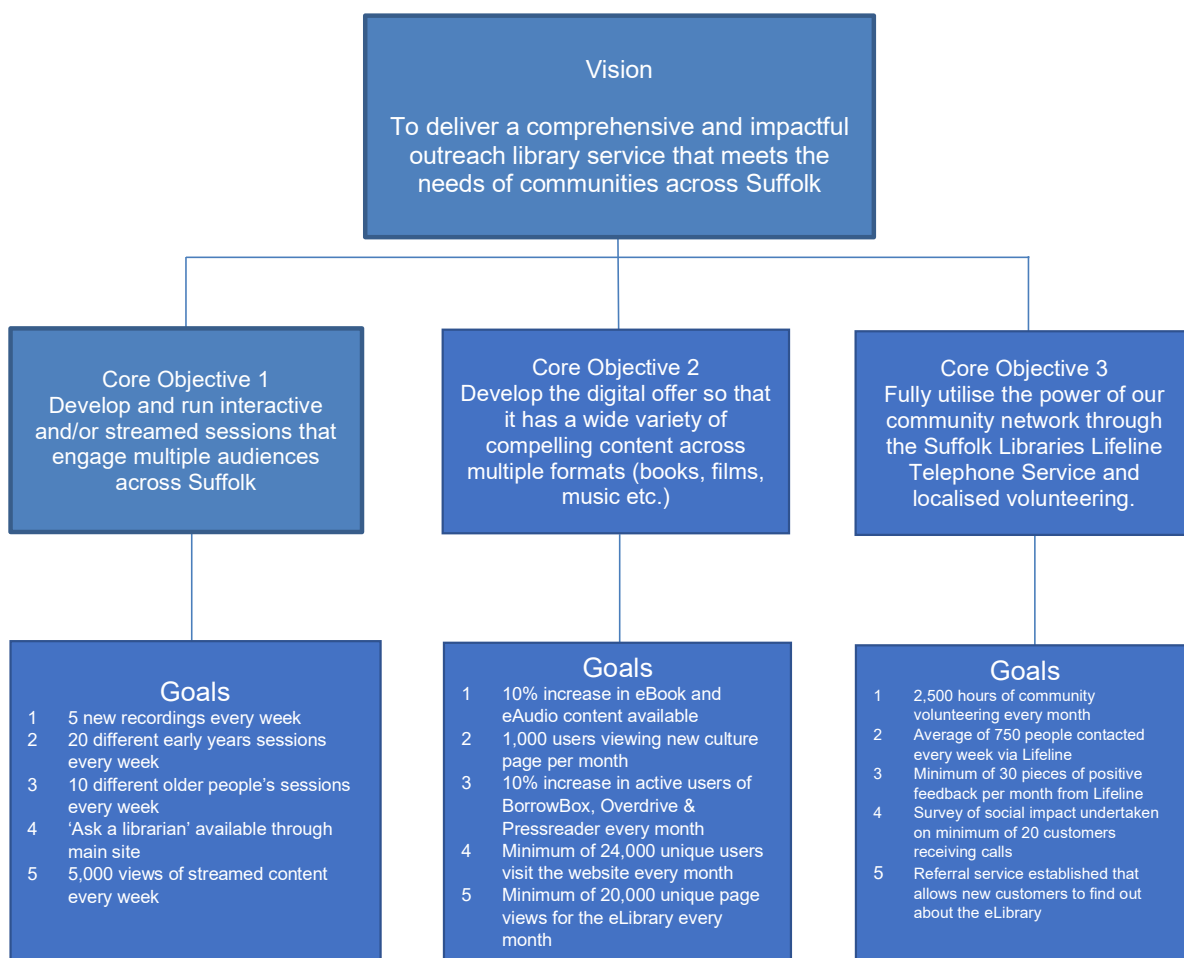
- delivering the core offer
- developing new partnerships and services to attract new customers and increase income
- inspiring existing stakeholders and promoting our brand and services to more people
- establishing, measuring and monitoring our social impact

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 and concessions, the Directors give careful consideration to the accessibility of Suffolk Libraries for those on low incomes.

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The business plan objectives for 2020/21 to achieve the charity's aims and objectives:

With the delivery of physical services suspended, as a result of the global pandemic, for large parts of the year the charity was forced to create an emergency plan that put a strong focus on the delivery of remote services. The table below captures the organisations key priorities for 2020/21:



Achievements and performance

There were some outstanding achievements in 2020/21 given the severe limitations presented by the global pandemic. The summary below directly reflects the three objectives the organisation set itself in 2020/21, as referenced in the emergency business plan objectives on the previous page. There have also been other opportunities to develop additional services which are also referenced here. These reflect ongoing work to achieve the organisations four strategic pillars referenced on page 2.

Develop and run interactive and/or streamed sessions that engage multiple audiences across Suffolk

During the year, libraries delivered 5,806 filmed activities that were uploaded or streamed to Facebook, including 1,963 Wordplay sessions and 1,043 craft sessions. During the first lockdown, there were an average of 2,495 daily engagements with library Facebook pages.

Develop the digital offer so that it has a wide variety of compelling content across multiple formats (books, films, music etc.)

Digital services have seen a significant increase in use during the year. Pressreader (online magazines and newspapers) saw a 144% increase in issues read (1,133,719) and a 63% increase in users (5,906). eBooks saw 99% increase in issues (260,821) while eAudio saw a 57% increase in issues (163,486).

Across digital content and resources there was an overall increase in use of 95%. However, the levels of growth vary widely between formats, as do the actual numbers.

Digital	2019/20	2020/21	% change
eBooks	131,379	260,821	99%
eNewspapers/magazines	464,646	1,133,719	144%
eAudio	104,112	163,486	57%
Film streaming	3,553	11,068	212%
Music streaming	222,795	239,822	8%
Total	926,485	1,808,916	95%

A *Select and Collect* service was set up to safeguard customers and provide access to physical books during the breaks in lockdown. The service received 7,343 orders after June 2020.

Fully utilise the power of our community network through the Suffolk Libraries Lifeline Telephone Service and localised volunteering

Lifeline, supported by Suffolk County Council and the East of England Co-op, was created as a response to the first lockdown to help lonely and vulnerable library customers. Between March 2020 and July 2020 library staff made over 6,700 calls to 'check in' on people and have a chat. The reach of the library services' network enabled staff to focus on older people and those who are particularly isolated or vulnerable. The service has continued during subsequent lockdowns and has made over 10,700 calls.

Independent research outlined the extraordinary impact of the calls and particularly their ability to create material change for people by delivering the following outcomes:

- Increased feelings of being cared about, valued and of belonging to the community.
- Reduced feelings of loneliness.
- Improved mood and reduced anxiety.
- Escape from the tough reality leading to increased feelings of respite, improved coping skills and more positive mental health.
- Improved feelings of being connected to the library and its wider community.

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The return on investment of over £4 for every £1 spent shows that Lifeline created significant social value. This is a way of calculating 'value' not in its narrow (financial) sense but in its true sense, recognising the importance of social, environmental and economic wellbeing across communities and lives. It also shows the wider value of libraries and how they have adapted to meet the needs of people across Suffolk.

Suffolk Libraries staff shared many examples of the calls made demonstrating how just a simple conversation can improve someone's wellbeing:

"I am still calling a regular customer of 93 who has greatly benefited from our calls. It really makes you acutely aware how much human contact is essential for wellbeing. I do think not being able to go out and have some human interaction has really had a detrimental effect on her mental wellbeing. We have great chats and she really looks forward to me calling and she knows my voice well. I have managed to sort her out a weekly rickshaw shop as she can't make it to the food shops very easily."

Building on the success of Lifeline, Suffolk Libraries has recently launched a new telephone befriending service, Phone a Friend, to reach out to even more vulnerable people across Suffolk. These regular phone calls connect an isolated person with a volunteer who will form an ongoing relationship with them. Where the Lifeline service was designed to provide short term support during lockdown, Phone a Friend is about a longer term, supportive relationship.

This service will eventually be integrated with the Home Library Service which, prior to the pandemic, was making 2,000 visits a year to the homes of the lonely and vulnerable.

During the first lockdown, 62 library staff contributed a total of 1,530 hours of community volunteering. This covered a range of tasks including helping with telephone support services (other than Suffolk Lifeline), providing practical help to vulnerable people (such as delivering shopping) and making face masks.

'Device to your Door' and jobseekers phonenumber

To bolster the commitment to reach as many people as possible during national lockdowns, Suffolk Libraries successfully bid for funding from Suffolk County Council's *Contain Outbreak Management Fund*. This enabled the purchase of 100 laptops and 100 Wi-Fi dongles for loaning to customers, particularly those who are digitally excluded. This new service, called *Device to Your Door*, launched in February 2020 and its aim was to use staff and volunteers to deliver these devices to people's homes for 48 hour loan periods. Since its launch the service has been increasingly valued by customers, and partners such as DWP have been working to actively promote it. This service will continue to evolve during 2021/22.

Complementing this, and in keeping with the commitment to extending services during lockdown, another new service, a job seekers phone line, was created. Frontline colleagues from a range of libraries put themselves forward to work with customers over the phone to deliver the support for job seeking usually delivered in libraries. This included guidance on navigating the Universal Credit gateway and signposting to other services.

Mental health and wellbeing services

The New Chapters service became a crucial support mechanism for customers and staff throughout 2020/21. To enable Suffolk Libraries staff to keep the community happy, healthy and together during the pandemic a programme of wellbeing resources and activities was developed:

- The *Jumpstart January* programme of physical activities was delivered digitally using a range of local, specialist professionals.
- Following the success of *Jumpstart January*, a series of further sessions based on feedback from participants were put in place - 91% of attendee survey respondents said they had increased their physical activity as a result of the classes.
- The pivoting of the *Me, Myself and Baby* programme to become a digital service for new mums and dads. This service created a programme of digital coffee mornings to discuss a range of wellbeing topics and feedback has shown how impactful this has been.

- Commissioning several professionally produced wellbeing videos for customers alongside content created specifically for the Suffolk Libraries YouTube channel.
- Continuing to deliver a range of mental health and wellbeing training for staff.
- Regenerating the *Wellbeing Champions* programme and recruiting new colleagues to create content to promote how to stay happy and healthy while at home.
- Creating wellbeing packs for all staff at Christmas 2020.

Workplace wellbeing webinar

The importance of wellbeing support for the business community was recognised over this most challenging of times. A free webinar was arranged and delivered, in partnership with East of England Co-Op, to provide advice and information about promoting positive wellbeing amongst employees in Suffolk and beyond.

BLOC

While the national lockdowns throughout 2020/21 saw all face-to-face creative activity stop in its tracks, the team undertook a rapid reimagining of the programme and achieved several successes throughout the year:

- Delivering a digital version of the *Unfinished Business: the fight for women's rights* exhibition, in partnership with the British Library, including several high profile interviews.
- The kickstarting of the *Free Speech* podcast series with several interesting speakers taking part.
- Changing the artist LABs from face-to-face experiences to a digital offering with two digital labs were successfully delivered.
- Delivery of the *Super Awesome Digital Disco* for families in partnership with Dance East.
- The creation of the Accessibility and Diversity Board and the appointment of accessibility champions from frontline staff.
- The recruitment of two young trustees for the Suffolk Libraries Board.
- Drawing together the creative offerings across Suffolk and creating a 'one stop shop' for this information through the Suffolk Libraries' website. Following this, the team secured an additional £77k from Arts Council England in early March 2021 to further develop this work.
- Securing £25k from Suffolk County Council to lead on a project to develop creative pathways for mental health crisis recovery.

However, two pieces of activity have really stood out in terms of how impactful and transformative they have been:

- Libraries in a Year: commissioning artist Sandy Horsely to visit libraries and draw the everyday experiences in the spaces. This culminated in a beautiful and emotive digital exhibition of this work in early 2021.
- Being part of the countywide *Summer in a Box* programme where Suffolk Libraries contributed a range of resources to build creativity boxes for children who are in most need of support.

From 'Happy Place' to Discover More

Further work was undertaken on developing the 'Happy Place' digital platform. User testing and desktop research showed that the name 'Happy Place' did not engage potential customers. After a series of workshops, it was decided that the product would be renamed Discover More. A business plan was subsequently developed and shared with potential funders. During the last quarter of the year development of the front end and backend started with good progress being made. It is hoped a test site will be available from mid-2021.

Look and feel of physical spaces

Updated internal and external signage was piloted in six libraries, using updated graphics and branding. The aim is to create a consistent look and feel across libraries. The next stage of rollout will take place from April 2021.

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Refurbishments and new libraries

Felixstowe Library has seen the refurbishment of its children's area, facilitated by multiple funders and spearheaded by the Friends of Felixstowe Library. Lowestoft Library has had the roof refurbished. Newmarket Library is being given a makeover with a new lift being installed, public toilets being made more accessible and staff areas being revitalised. Mildenhall Library is moving into a new home within The Hub at Mildenhall in June of 2021, this is the culmination of an exciting project which draws together many local amenities under one roof. Saxmundham Library is very close to moving back into its new building.

Prison libraries in Suffolk and across England

In April 2020, Suffolk Libraries added four new prisons to its portfolio: HMP Littlehey (Cambridgeshire), HMP Onley (Warwickshire), HMP Foston Hall (Derbyshire) and HMP Sudbury (Derbyshire). During 2020/21 all prison libraries followed an *exceptional delivery model* as set out by the Ministry of Justice whereby libraries closed and colleagues were asked to provide services in a different way to the inmates. This required a lot of creativity and working differently from the prison teams but they rose to the challenge and ensured inmates were well provided for during long stays locked down on wings:

- A wing book service to get a range of interesting reading material out to inmates locked down.
- Cell distraction packs including mindfulness activities such as adult colouring.
- In-cell workout packs to enable inmates to stay healthy while locked down.
- Weekly puzzles and quizzes.

Fundraising and Suffolk Libraries Day

Suffolk Libraries held its second annual Suffolk Libraries Day fundraising event in March 2021. National restrictions meant that much of the fundraising took place online; building upon the digital skills learned by staff over the preceding year. Most events were free to attend, with optional donations from customers being encouraged. The online Book Festival built upon the *DiscoverReads* initiative set up during lockdown, and over 1,800 people from across the globe attended one of the author sessions with well over 3,000 people attending in total. The online quiz sold out and was well received, as was the countywide *scarecrow trail* with over one hundred scarecrows appearing on an interactive map. Local libraries and community groups staged a wide range of unique local fundraising activities. In total, just over £10,000 was raised by staff and volunteers.

Plans for future periods

As society emerges from the pandemic there is a real opportunity to take a fresh, transformative approach to the way vital local services are delivered and integrated with key national policy initiatives. Libraries can be the glue that connects communities, local public sector infrastructure and nationally led programmes across preventative health, digital inclusion, economic and social development and so much more.

'Levelling up' should not just be about geographical boundaries but should start with a people-centred focus – and the very real needs they have: to improve their opportunities, their health and wellbeing and their economic situation. 2021/22 is about continuing to take an Asset Based Community Development approach. Suffolk Libraries has been doing this for several years by leveraging its established and trusted community assets, like its libraries, to kickstart hyper-local placemaking.

This is how Suffolk Libraries can play a fundamental role in recovery and 'levelling up' its communities. The charity will continue to work with multiple local partners and the community to develop solutions to some of Suffolk's biggest problems. In 2021/22 the organisation will seek additional funding to develop ways to make libraries the *First Place* for recovery and ultimately 'building back better'. The plan will include creating enhanced services to meet key community needs and enable wider opportunities in the following areas:

- Business support and innovation.
- Education and literacy.
- Jobs, training and financial support.
- Health and wellbeing.

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- Protecting the environment.

Alongside this focus on recovery and to make Suffolk's libraries the *First Place* for positive, life changing interventions and material change the charity continues to focus on its four strategic pillars as it moves through 2021/22:

- **Delivering the core offer to everyone:** Suffolk Libraries developed several different ways of delivering services during 2020/21. The charity is focused on establishing these during 2021/22 as well as re-establishing its most successful traditional services. This 'hybrid' approach will be key to delivering the 'core offer' to customers and meeting the terms of its contract with Suffolk County Council.
- **Developing new partnerships and personalised services to attract new customers and increase income:** Suffolk Libraries will build on strong existing partnerships, like its work with Barclays. It will invest in areas of potential revenue growth. It will also strive to further personalise its customer offer by implementing Patron Point (software that personalises marketing and customer communications) and Discover More in 2021/22.
- **Inspiring existing stakeholders and promoting our brand and services to more people:** Suffolk Libraries will continue to grow its digital offer to ensure new customers that were first engaged during the various lockdowns are retained. 2020/21 will also see a strong focus on engaging marketing and comms, with 'the Big Catch Up' campaign planned for late June when society is due to have restrictions removed.
- **Establishing, measuring and monitoring our social impact:** Suffolk Libraries will continue to devise ways to better measure its impact and provide a strong evidence base for continued investment in libraries. It will maintain its focus on lobbying key stakeholders locally, regionally and nationally.

Financial review

Suffolk Libraries presented a budget for 2020/21 with an expected deficit of £208K. As per the annual accounts this deficit was turned into a surplus of £752K.

This positive outcome has only been possible due to the government's Covid-19 support grants to the leisure industry which includes libraries. Without this support Suffolk Libraries would have reported a deficit of £122K.

Managing the impact of Covid-19 and recovering from its initial impacts is seen as a two year programme for the organisation. Funding received in 2020/21 will be designated to support recovery activity and reserves will be drawn on to mitigate the anticipated reduction of regular income in 2021/22.

A break-even result is forecast for the year ending 31 March 2022. This includes Restart Grants available to assist businesses to get back on their feet, of which Suffolk Libraries were awarded £366K across 44 properties.

Suffolk County Council have continued to support Suffolk Libraries by honouring the fixed contract sum agreed until July 2022. We are in the process of negotiating a contract extension to July 2024. At the time of approval of these financial statements, these negotiations are in an advanced state and the Directors are confident that the contract will shortly be approved without major variation.

Going Concern

The Directors undertake an assessment each year into the financial position of the organisation as a going concern, covering no less than 12 months from the balance sheet date. This review has considered the results for this financial year, the strength of the balance sheet, and the projected financial health of the organisation in 2021/22 and 2022/23, including contract status with Suffolk County Council, as detailed in note 2.2. The ability to maintain Suffolk Libraries as a going concern in the short term, with the capacity to adapt to the new environment of the post-coronavirus world has been significantly increased due to the support of the Government Business Support Scheme.

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After their assessment, the Directors are confident that the Society continues to operate as a going concern.

Investment Powers and Policy

Suffolk Libraries holds no investments outside of its normal banking partner Santander.

The investment policy of Suffolk Libraries allows for investments to be made provided they meet the principles laid down the policy.

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 months essential running costs, this is estimated at £950K.

Total Funds as at 31st March 2021 are £1.633 million (31st March 2020 - £880K), of this £365K (31st March 2020 - £267K) are restricted and designated funds, available for specific projects only. Unrestricted reserves of £1.268 million (31st March 2020 - £613K) are available for running costs, an increase of £655K year on year.

Considering the continued uncertainty on the pandemic and its financial impact for Suffolk Libraries, the trustees consider the excess of £316k over reserves target to be prudent, with funds earmarked to support recovery activity.

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:

Name:	Role:	Date Appointed/Retired:
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
Maureen Garrett-Simpson	Honorary Secretary	Appointed 29 September 2016
Bruce Leeke	Chief Executive	Appointed 29 January 2018
Sue Buck	Board Member	Appointed 12 September 2013
		Resigned 29 September 2016
		Co-opted 27 April 2017
		Reappointed 28 September 2017
		Resigned August 2020
Sarah Wilson	Board Member	Co-opted 27 October 2016
		Appointed 28 September 2017
		Resigned August 2020
Sally Irvine	Board Member	Appointed 25 September 2018
		Resigned August 2020
Alison Leyshon	Board Member	Co-opted 20 December 2018
Debra Reay	Board Member	Appointed 08/2020

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Derrick Haley	Board Member	Appointed 08/2020
Elizabeth Ditton	Board Member	Appointed 08/2020
Georgie Quinn	Board Member	Appointed 12/2020
Kathy Oliver	Board Member	Appointed 02/2020
Kevin Rodger	Board Member	Appointed 12/2020
Rebecca Leek	Board Member	Appointed 08/2020
Sheila Fox	Board Member	Appointed 08/2020

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 2021 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.

Related parties

None of the Directors receive remuneration or other benefit from their work with Suffolk Libraries except for the Chief Executive who is an employee and details of their remuneration is set out in note 14. 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 14.

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; and
- 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

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and safety, management of public access and safeguarding. As previously stated the Reserves policy was reviewed on 31 March 2016 and forms part of the Financial Regulations which were also reviewed and accepted at this meeting.

Directors' responsibilities in relation to the financial statements

The Society's Directors (who are also the trustees of the Society for the purposes of Charity law) are responsible for preparing a Directors' annual report and 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 affairs of the Society and of the incoming resources and application of resources, including the income and expenditure for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the Society's auditors are unaware; and
- the Directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

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

SUFFOLK'S LIBRARIES IPS LIMITED

BOARD MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Approved by order of the members of the board of Directors and signed on their behalf by:



Bruce Leeke
Chief Executive

Date: 26 August 2021

SUFFOLK'S LIBRARIES IPS LIMITED

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

Opinion

Our have audited the financial statements of Suffolk's Libraries IPS Limited (the 'Society') for the year ended 31 March 2021 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 2021 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

Our conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. are responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. Our 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. Our believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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.

Our 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. Our design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: health and safety; employment law and compliance with company and charity law and regulations.

The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management about any actual and potential litigations and claims against the company;
- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities 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.

SUFFOLK'S LIBRARIES IPS LIMITED

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

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.

Larking Gowen LLP

Larking Gowen LLP

Chartered Accountants Statutory
Auditors Ipswich

Date: 16 September 2021

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 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	891,910	59,067	950,977	199,890
Charitable activities	4	5,803,818	1,455,788	7,259,606	7,375,224
Investments	7	3,055	-	3,055	10,912
Total income		6,698,783	1,514,855	8,213,638	7,586,026
Expenditure on:					
Charitable activities		6,051,350	1,410,518	7,461,868	7,614,394
Total expenditure		6,051,350	1,410,518	7,461,868	7,614,394
Net income/(expenditure)					
Transfers between funds	19	647,433 6,479	104,337 (6,479)	751,770 -	(28,368) -
Net movement in funds		653,912	97,858	751,770	(28,368)
Reconciliation of funds:					
Total funds brought forward		673,373	207,609	880,982	909,350
Net movement in funds		653,912	97,858	751,770	(28,368)
Total funds carried forward		1,327,285	305,467	1,632,752	880,982

The financial statements were approved by the Board members on 26 August 2021 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 22 to 42 form part of these financial statements.

SUFFOLK'S LIBRARIES IPS LIMITED
REGISTERED NUMBER: IP031542

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	16	43,560	73,464
Current assets			
Debtors	17	2,163,523	2,253,541
Cash at bank and in hand		1,678,968	951,473
		<u>3,842,491</u>	<u>3,205,014</u>
Creditors: amounts falling due within one year	18	(2,253,299)	(2,397,496)
Net current assets		<u>1,589,192</u>	<u>807,518</u>
Total net assets		<u><u>1,632,752</u></u>	<u><u>880,982</u></u>
Charity funds			
Restricted funds	19	305,467	207,609
Unrestricted funds	19	1,327,285	673,373
Total funds		<u><u>1,632,752</u></u>	<u><u>880,982</u></u>

The financial statements were approved and authorised for issue by the Directors on 26 August 2021 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 22 to 42 form part of these financial statements.

SUFFOLK'S LIBRARIES IPS LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	21	744,435	(1,869,495)
Cash flows from investing activities			
Purchase of tangible fixed assets		(16,940)	(24,171)
Net cash used in investing activities		(16,940)	(24,171)
Change in cash and cash equivalents in the year		727,495	(1,893,666)
Cash and cash equivalents at the beginning of the year		951,473	2,845,139
Cash and cash equivalents at the end of the year	22	<u>1,678,968</u>	<u>951,473</u>

The notes on pages 22 to 42 form part of these financial statements

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 2019), 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 library service throughout Suffolk has been supported through the pandemic by the county's local authorities. The Society was eligible for Covid 19 Leisure support grants, amounting to £859k during 2021/22. This cash support has covered the loss of income experienced through the year and ensured that no staff were furloughed. In the 2021/22 financial year the Society also received restart grants of £366k from the government. Projections covering 12 months through to September 2022 and beyond show that the Society is financially sound for the foreseeable future.

The main library services contract with Suffolk County Council runs to 31 July 2022 and the Society is in the process of negotiating a contract extension to July 2024. At the time of approval of these financial statements, negotiations are in an advanced state and the Directors are confident that the contract will shortly be approved without major variation. However, as renewal is not yet certain, they have forecast cash for the event of non-renewal. Taking into account potential cost savings and the sound current state of reserves, this projection again shows that after the possible cessation of the SCC contract the Society would have liquid reserves sufficient to continue to operate to further its charitable aims beyond July 2022 through to September 2022, albeit at a much reduced level of activity.

For the reasons above, the Directors consider the Society to be a going concern and therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

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.

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.

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.5 Expenditure (continued)

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Society's objectives, as well as any associated support costs.

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.

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 2024.

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.
Fixtures and fittings	- 33% Straight line
Computer equipment	- 33% Straight line

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

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.

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 2021

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 £256,258 in 2021/22.

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.

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

3. Income from donations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Group contributions cash donations	-	59,067	59,067
Fundraising by staff	811	-	811
Covid-19 support grants	873,492	-	873,492
Donations	16,882	-	16,882
Libraries Extra	725	-	725
Total 2021	891,910	59,067	950,977
	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Group contributions cash donations	-	135,007	135,007
Fundraising by staff	14,089	-	14,089
Donations	48,267	-	48,267
Libraries Extra	-	2,527	2,527
<i>Total 2020</i>	<i>62,356</i>	<i>137,534</i>	<i>199,890</i>

4. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Libraries service contract income	4,934,548	-	4,934,548
Contract stock budget income	-	988,242	988,242
NPO - arts project	-	176,033	176,033
Grants received	-	113,455	113,455
Other library income (note 5)	189,346	3,058	192,404
Professional services (note 6)	642,669	175,000	817,669
Collection fees	37,255	-	37,255
Total 2021	5,803,818	1,455,788	7,259,606

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

4. Income from charitable activities (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
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	420,615	4,486	425,101
Professional services	450,713	351,000	801,713
Collection fees	136,598	2,049	138,647
<i>Total 2020</i>	<i>5,942,474</i>	<i>1,432,750</i>	<i>7,375,224</i>

5. Other library income

	2021 £	2020 £
Stock unit	3,058	2,076
Hosted office space and other income	71,151	229,869
Prisons	60,000	-
In-house projects	48,578	-
Room and equipment hire	6,739	170,427
Children services	-	17,500
Central offices	2,878	5,229
	192,404	425,101

6. Professional services

	2021 £	2020 £
Prisons library service	620,619	437,364
Mental health project	351,034	351,000
Professional services - central	22,050	13,349
	993,703	801,713

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Investment income	3,055	3,055	10,912

8. Analysis of resources expended by expenditure type

	Direct 2021 £	Support 2021 £	Governance 2021 £	Total funds £
Library	4,745,165	1,415,097	11,804	6,172,066
Prisons library service	620,619	171,698	7,207	799,524
Mental health project	162,590	-	-	162,590
NPO - arts project	169,367	-	-	169,367
Grant funded	50,626	-	-	50,626
In-house projects	-	107,695	-	107,695
Total 2021	5,748,367	1,694,490	19,011	7,461,868

	<i>Direct 2020 £</i>	<i>Support 2020 £</i>	<i>Governance 2020 £</i>	<i>Total funds 2020 £</i>
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 project	174,318	-	-	174,318
Children centers	5,416	1,527	27	6,970
Grant funded	14,441	-	-	14,441
NESTA	26,139	-	-	26,139
<i>Total 2020</i>	5,917,336	1,667,902	29,156	7,614,394

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9. Support costs

	2021 £	2020 £
Wages and salaries	1,251,791	1,229,013
Property costs	(9,530)	3,934
Insurance	22,275	38,924
Agency staff costs	14,000	-
Staff development	19,907	-
Travel and subsistence	4,487	27,388
Bank, interest and charges	1,744	3,046
IT, HR and accountancy	203,171	154,289
Consultancy fees	41,269	35,728
Stock	20,854	8,269
Other	94,687	125,986
Supplies, printing and telephone	29,835	41,325
	<u>1,694,490</u>	<u>1,667,902</u>

10. Governance costs

	2021 £	2020 £
Legal fees	7,608	17,015
Auditor fees	8,500	8,250
Board expenses	2,903	4,141
	<u>19,011</u>	<u>29,406</u>

11. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Society's auditor for the audit of the Society's annual accounts	7,300	7,100
Fees payable to the Society's auditor in respect of: All non-audit services not included above	<u>1,200</u>	<u>1,150</u>

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. Staff costs

	2021	<i>2020</i>
	£	£
Wages and salaries	4,160,014	4,053,721
Social security costs	217,540	208,191
Pension costs	332,815	318,818
	4,710,369	4,580,730

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

	2021	<i>2020</i>
	No.	No.
Frontline staff	334	333
Administration and support	20	16
Management	11	13
	365	362

During the year a total of £15,684 (*2020 - £Nil*) was paid in redundancy and termination payments.

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

	2021	<i>2020</i>
	No.	No.
In the band £80,001 - £90,000	1	1

Aggregate key management personnel remuneration (including employer pension contributions) was £578,384 (*2020 - £491,904*).

During the year retirement benefits were accruing to 1 Board member (*2020 - 1*) in respect of defined contribution pension schemes.

13. Board members' remuneration and expenses

Remuneration of £80,111 (*2020 - £82,928*) and pension contributions of £4,817 (*2020 - £4,976*) 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 2021, 3 (*2020 - 5*) Board members received reimbursement of expenses amounting to £333 (*2020 - £2,450*).

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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14. Acting as agent

During the period the society collected fees on behalf of, and paid over to, Suffolk County Council totaling £37,255 (2020 - £138,647). This is not included within the Statement of Financial Activities.

The society received £37,255 (2020 - £138,647) as collection fees for undertaking this process.

During the period the society received Section 106 money from Suffolk County Council totaling £52,826 (2020 - £91,587). 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 £1,216 (2020 - £957) is held within other creditors.

SUFFOLK'S LIBRARIES IPS LIMITED

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15. 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

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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 (*2020: 44 members*).

16. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2020	84,703	4,250	43,026	131,979
Additions	-	8,390	8,550	16,940
At 31 March 2021	<u>84,703</u>	<u>12,640</u>	<u>51,576</u>	<u>148,919</u>
Depreciation				
At 1 April 2020	28,235	2,833	27,447	58,515
Charge for the year	29,471	1,417	15,956	46,844
At 31 March 2021	<u>57,706</u>	<u>4,250</u>	<u>43,403</u>	<u>105,359</u>
Net book value				
At 31 March 2021	<u>26,997</u>	<u>8,390</u>	<u>8,173</u>	<u>43,560</u>
<i>At 31 March 2020</i>	<u>56,468</u>	<u>1,417</u>	<u>15,579</u>	<u>73,464</u>

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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17. Debtors

	2021 £	2020 £
Trade debtors	1,991,692	2,115,176
Other debtors	929	21,218
Prepayments and accrued income	170,902	117,147
	<u>2,163,523</u>	<u>2,253,541</u>

18. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	99,138	157,625
Other taxation and social security	314,835	305,963
Other creditors	86,652	93,052
Accruals and deferred income	1,752,674	1,840,856
	<u>2,253,299</u>	<u>2,397,496</u>

Included within accruals and deferred income is the advance payment for the main libraries contract totaling £1,480,697 (2020 - £1,480,697).

	2021 £	2020 £
Deferred income at 1 April 2020	1,484,260	1,491,883
Resources deferred during the year	1,509,610	1,484,260
Amounts released from previous periods	(1,484,260)	(1,491,883)
	<u>1,509,610</u>	<u>1,484,260</u>

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

19. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Unrestricted funds					
Designated funds					
Ipswich Refurbishment Fund	60,000	-	-	-	60,000
General funds					
General fund	613,329	6,698,783	(6,051,350)	6,479	1,267,241
Share capital	44	-	-	-	44
	<u>613,373</u>	<u>6,698,783</u>	<u>(6,051,350)</u>	<u>6,479</u>	<u>1,267,285</u>
Total Unrestricted funds	<u>673,373</u>	<u>6,698,783</u>	<u>(6,051,350)</u>	<u>6,479</u>	<u>1,327,285</u>
Restricted funds					
Stock Fund	33,684	991,300	(915,479)	-	109,505
Friends Group	-	59,067	(59,067)	-	-
Mental Health Fund	69,752	175,000	(162,590)	-	82,162
NPO	29,145	167,484	(153,885)	-	42,744
NPO fixed assets	12,632	8,549	(15,482)	-	5,699
Phone a Friend	-	3,251	(3,251)	-	-
Local Libraries Rushmere	-	6,410	-	-	6,410
Suffolk Libraries Extra	6,479	-	-	(6,479)	-
Freddy's Fund	2,634	-	-	-	2,634
Other Restricted Funds	8,837	4,094	(5,476)	-	7,455
Perinatal	44,446	5,000	(24,728)	-	24,718
Mid Suffolk Ipad	-	20,800	(9,516)	-	11,284
Reading Sparks	-	7,250	(104)	-	7,146
Device to your Door	-	66,650	(60,940)	-	5,710
	<u>207,609</u>	<u>1,514,855</u>	<u>(1,410,518)</u>	<u>(6,479)</u>	<u>305,467</u>
Total of funds	<u>880,982</u>	<u>8,213,638</u>	<u>(7,461,868)</u>	<u>-</u>	<u>1,632,752</u>

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

19. Statement of funds (continued)

Purpose of unrestricted funds

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

General fund - 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 (Wellbeing 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. 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.

Phone a Friend - This service is carried out by employees of Suffolk Libraries during the year 20/21 so that when customers were unable to visit the library they could still keep in contact with them. The grant covered the costs of the phones and the cost of the sim card contracts were shared with the Mental Health Project, run by Suffolk Libraries on behalf of Suffolk County Council.

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.

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.

Locality Funding - Locality funding are various small grants given by individual councillors, this enables them to use their local knowledge to support local projects.

Mid-Suffolk Ipad - This is a project to enable iPads to be lent out to Suffolk Library Customers, complete with SIM card to enable them to gain access to the internet at home. The main purpose of this project is to assist education, job seeking and other internet required day to day tasks for those families without an internet connection.

Reading Sparks - This project is funded by the Reading Agency, the aim of the project is to encourage reading and literacy in young people in addition to creating aspirations in the field of STEM through the

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

19. Statement of funds (continued)

delivery of creative projects.

Device to your Door - This project is funded by Suffolk County Council and it is to enable the purchase of PCs and dongle for internet access and for those devices to be delivered to the door and then to be picked up again 48 hours later. The aim of the project is to reduce the digital divide in homes without internet access at home or the equipment needed to carry out online essential tasks, such as benefit applications and job searches.

Designated Funds

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

Purpose of transfers

The Libraries Extra fund is donations from library members of which have no depicted specific use, therefore it was agreed with the members to transfer the balance to unrestricted funds.

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

19. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Balance at 31 March 2020</i>
	£	£	£	£	£
Unrestricted funds					
Designated funds					
Ipswich Refurbishment Fund	60,000	-	-	-	60,000
General funds					
General fund	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
Phone a Friend	110	-	(110)	-	-
Local Libraries Rushmere	1,669	2,500	(9,532)	5,363	-
Suffolk Libraries Extra	5,593	2,527	(1,641)	-	6,479
Freddy's 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 2021**

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	37,861	5,699	43,560
Current assets	3,517,375	325,116	3,842,491
Creditors due within one year	(2,227,951)	(25,348)	(2,253,299)
Total	<u>1,327,285</u>	<u>305,467</u>	<u>1,632,752</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
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>

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

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	751,770	(28,368)
Adjustments for:		
Depreciation charges	46,844	43,993
Decrease/(increase) in debtors	90,018	(1,927,841)
Increase/(decrease) in creditors	(144,197)	42,721
Net cash provided by/(used in) operating activities	<u>744,435</u>	<u>(1,869,495)</u>

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

22. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	1,678,968	951,473
Total cash and cash equivalents	1,678,968	951,473

23. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	951,473	727,495	1,678,968
	951,473	727,495	1,678,968

24. 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 £332,815 (2020 - £318,818) 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 are contingent on future events.

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

25. Operating lease commitments

At 31 March 2021 the Society had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	<i>2020</i>
	£	£
Not later than 1 year	96,211	99,667
Later than 1 year and not later than 5 years	199,027	185,551
Later than 5 years	151,295	163,771
	446,533	448,989

The operating lease commitments disclosed include commitments both before and after July 2024. 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 2024 are £231,576 (2020 - £212,079, based on contract end date of July 2022).