

Suffolk Libraries

SUFFOLK'S LIBRARIES IPS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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 TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2019

Board members

Tony Brown, Chair
Sylvia Knights, Vice Chair
Jonathan Ogden
Maureen Garratt Simpson, Honorary Secretary
Sue Buck
Colin Rockall
Sarah Wilson
Bruce Leeke, Chief Executive
Sally Irvine (appointed 25 September 2018)
Alison Laysaun (co-opted 20 December 2018)

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, 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 2019

The chairman presents his statement for the period.

Chairman's introduction

Ever since Suffolk Libraries came into existence a key priority of the Board has been to engender a spirit of confidence and independence. One of my colleagues recently described this as being an organisation that is 'innovative and permissive.'

This spirit of confidence expresses itself in our commitment to growth, which stands in stark contrast to the stories of resignation and managed decline which we hear from many other parts of the country, including close neighbours.

Thanks to the great energy and creativity of our staff and volunteers we have seen an increase of nearly 50% in the number of events and activities delivered in our libraries over the past three years. This report illustrates the quality of our events, and the variety of ways in which our libraries support the needs of the communities we serve.

We reported on the agreement we have reached with Suffolk County Council for a guaranteed fixed sum to cover the remaining years of our contract. The certainty provided by this deal is welcome, but we know that while our income is fixed, the costs of running the business will grow in each of the next four years. We are also confronting the prospect of having to re-tender to provide the service beyond the end of our current contract in 2022. This will take place at a time when the government's sustained assault on local authority finances will have bitten even deeper.

So, we are placing an ever-greater emphasis on building a sustainable and competitive business. And we conceive of sustainability in both financial and political terms. We know our customers value their libraries, and the frontline staff and volunteers they engage with extremely highly. One aspect of our growth mentality is our determination that a greater number of people in the county should share in the benefits we offer. Commercially and politically we need to increase the number of people who understand and value what we do.

Our plans for growth are spearheaded by Bruce Leeke who has been our Chief Executive since February 2018. Bruce led a reorganisation of the leadership team which has reflected our ambitious priorities in at least two important ways.

Firstly, we have agreed to invest in the capacity and expertise we need to challenge current perceptions of what a library can offer, and to develop new relationships and services which respond to local need. This will lead to activities designed to make Suffolk Libraries and what we offer far more visible to communities across the county.

And secondly, we have fulfilled our commitment to providing genuine opportunities for talented colleagues to grow within Suffolk Libraries. Some 20-plus individuals have been rewarded with moves up into more responsible positions within the service.

So, this report presents an account of another year of hard work and considerable progress. On behalf of the Board I would like to extend congratulations and thanks to all our staff, volunteers, the County Council, and the many other partners whose contributions are documented here.

Tony Brown
Chairman



Date:

29/8/19

SUFFOLK'S LIBRARIES IPS LIMITED

BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

Our objects 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 well-being;
- (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

Our 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.

During 2018/19 a restructure of the central team took place. The aim of this change was to increase capacity and resources focused on delivering the four strategic pillars. This approach saw the drafting of a new underpinning strategy, with supporting tactics developed, that is designed to achieve the pillars and ultimately the vision.

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.

The business plan objectives for 2018/19 to achieve the charity's aims and objectives are:

1. To develop a new strategy that enables the organisation to deliver its vision by achieving the strategic pillars.
2. To create an organisational structure that supports the delivery of the new vision and that is more externally focused.
3. To agree a set of organisational values that reflect the culture that the organisation will adopt to deliver the vision.
4. To build a 'people plan' that aims to make the organisation the best possible place to work and volunteer by empowering its people to achieve their potential. This approach will be founded on the 'leader leader' model advocated by David Marquet.
5. To communicate, internally and externally, how the delivery of the vision can 'make life better' for the

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**BOARD MEMBERS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019**

- people of Suffolk.
6. To develop relationships and partnerships to enable us to expand our reach and increase future financial sustainability.
 7. To undertake a project designed to measure the social impact of several key services.
 8. To work in partnership with Suffolk County Council to improve the estate through strategic use of Community Infrastructure Levy and Section 106 funding.
 9. To develop innovative ways to engage customers and better understand their needs.
 10. To ensure that the organisation has the appropriate governance mechanisms in place by undertaking a review.

**BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

Achievements summary

2018/19 provided an opportunity to take stock, sharpen the focus of the organisation and prepare for future challenges. The new contract signed with Suffolk County Council (SCC) in August 2017, and running until July 2022, provided an opportunity for the organisation to take a longer-term strategic view.

Our future approach is founded on the fact that the role of libraries continues to change and evolve but broader public perception remains constant. To ensure the broadest range of customers understand what is on offer the organisation is committed to redefining the way the people of Suffolk see their libraries.

As Suffolk Libraries matures as an organisation it continues to have a significant and growing social impact on Suffolk society. The role of libraries in connecting people to experiences, content, information, advice and services that make them happier and healthier is not a context that libraries are generally understood in. Suffolk Libraries believes that it can 'make life better' for the people of the county and has spent a large part of 2018/19 planning ways in which it can engage a wider audience with this key message.

The starting point of this journey is understanding each customer better and as a result knowing how to connect them to what they need. The diagram below highlights key parts of the library eco-system. Within each of the circles in the diagram are thousands of opportunities for an individual to find something that 'makes life better'. Finding a way to help each individual navigate this eco-system is the key to the organisation's future success.



This report will provide an account of the year's achievements and initiatives delivered in partnership with Suffolk Libraries' members and partners. They include:

- The opening of the new library in Eye that created a surge of visits and new library card holders.
- The launch of the new eLibrary service PressReader which had exceptional take up by customers with 145,000 uses and 5,500 unique users in its first seven months.

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BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

- The transformation of the organisation's approach to volunteers culminating in the most volunteering days ever at 4,771.
- The launch and growth of the Building Libraries on Creativity (BLOC) Arts Council funded project that engaged 1,422 young people in transformational arts activities.
- Agreeing a new set of organisational values.
- Delivering a £282,000 surplus that will allow an investment in key projects in 2019/20.
- Introducing and shaping the new strategy to key internal stakeholders through the delivery of over 60 roadshows to staff and volunteers.
- The opening of the Coffee House in Bury St Edmunds Library.
- The launch and development of Pride & Periods as a response to period poverty in the county. Twelve libraries in Suffolk launched the scheme in 2018/19.

Priority projects for the year

- The development of a new strategy for 2018-2022.
- The creation of new organisational values.
- The commissioning of a project to establish, monitor and measure the social impact of three key services.

Meeting local need through community reach

The organisation's reach and its social impact is hugely increased by community groups. The ability to meet very specific local needs is one of the key benefits of the Suffolk Libraries structure. As is the case every year, there have been a huge number of community-led initiatives including code and Lego clubs, activities to support people who are lonely and excluded, iPad classes for the digitally excluded and culture and entertainment to suit every taste. The enormous diversity of experiences, activities and services inspired by community groups is informed by their local knowledge, talent and contacts. All of these are described in more detail later in this report.

Delivering the core offer

Service delivery

The restructure of the central team in 2018/19 created the service delivery department. This change was designed to create a renewed focus on the quality of the customer offer. This will enable the organisation to retain existing customers and at the same time attract new ones through exceptional customer service and clear signposting of the library offer.

The new structure came into effect in October 2018 and the period leading to the end of March 2019 focused on the development of a departmental strategy and consolidating the new team. The strategy was finalised in December 2018 and work started on the following key areas of focus between January and March 2019:

- A new customer service standard.
- Mystery shopping experiences to drive quality standards.
- Reworking of the core offer for libraries.
- Opportunities for unrestricted income.

Customer service

The customer service satisfaction rating increased by 2% to 96.6%, based on 2,476 responses. The team processed 3,792 public stock title suggestions, up 1% on the previous year. The customer service team solved 13,069 tickets, 5% down on 2017/18. This is in line with a 5% drop in tickets opened by customers. 49.2% of tickets are closed within eight hours of being opened, 69.0% within 24 hours.

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BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

Early years redevelopment

In 2018/19 the new early years Bookstart offer was created and launched. It had been several years since library staff had the opportunity to undertake early years literacy training, so a new package was created with input from experienced library staff and assistance from BookTrust. This package focuses on early years language, reading and motor skills development. In a new approach from the organisation the new offer also specifically looks to positively influence maternal mental health. Towards the end of the 2018/19 period around 50 staff undertook the training with the intention to roll this out further in 2019/20.

Children and young people

Summer 2018 saw approximately 450 young people participate in the service's third year of offering the arts and reading programme *ImagiNation*. This has been a worthwhile programme, but its funding came to an end in 2018/19 so the plan for 2019/20 is to incorporate it within the Building Libraries on Creativity (BLOC) offer with a view to continuing a strong art and reading offer across the summer.

Summer Reading Challenge

The Summer Reading Challenge saw around 7,500 young people taking part. This was a drop in the number of participants for the first time in six years. A combination of a surprisingly hot summer and the theme (Beano) perhaps not resonating with young children contributed to the reduction in participants. However, there was still significant benefit to children across Suffolk with approximately 78,000 books read by children across the summer. Many young people also took part as volunteers, helping children with their reading and to progress in the challenge. The organisation will be building on the lessons learned to hopefully see participation rise again in 2019.

Mobile Libraries

The three mobile libraries continue to provide a much-valued service to rural communities in Suffolk, making over 500 stops every month. The service attracted around 30,000 visits during 2018/19 and issued over 90,000 physical books.

Developing new partnerships and services to attract new customers and increase income

Press Reader

In August 2018 Suffolk Libraries introduced a new digital newspaper and magazine product, PressReader. PressReader provides customers with free access to full digital editions of key newspaper and magazine titles from around the world, with over 7,000 titles available.

Like other eLibrary services, library members are able to access the content from anywhere. Nearly all major national UK newspapers are available and a wide range of top title UK magazines, covering a broad range of subjects and audiences. Major newspapers and magazines from around the world are also included in their original language. Between August 2018 and March 2019 PressReader had over 145,000 uses and approximately 5,500 people are accessing the service per month.

Super Happy Sunday

On 27 January 2019 Suffolk Libraries piloted Super Happy Sunday, a county-wide event intended to promote the wealth of content and activities on offer from libraries to help maintain general happiness and wellbeing. 37 libraries took part and at least 945 customers enjoyed activities across the county.

Universal Credit

The year saw the roll out of Universal Credit full service to communities across Suffolk. Although Suffolk Libraries holds no formal responsibility for assisting claimants, libraries play a key role in helping citizens gain access to IT and the internet to register and manage their claims and benefits. The Content and Product Development Team worked closely with Department of Work and Pensions colleagues to ensure that library staff and customers have access to up to date and reliable information and support regarding Universal Credit.

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BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

Macmillan Cancer Support

The Content and Product Development Team worked with colleagues from Macmillan Cancer Support to explore ways of working together to provide information and support for people living with cancer and their families/carers.

A selection of Macmillan's comprehensive information booklets are now stocked in larger libraries and Suffolk Libraries took the innovative approach of making digital copies available via the eBook service. The Information for Living Librarian also worked with Macmillan to curate an up to date and authoritative collection of books and other resources from Bury St Edmunds, Ipswich and Lowestoft Libraries. Suffolk Libraries also worked with Macmillan to develop and trial self-support groups in libraries.

Business development and new partnerships

Business Development is a new team created to increase unrestricted income for Suffolk Libraries and to drive initiatives to make the organisation more self-sustaining.

The business development strategy is focused on creating value adding services and income streams that increase the sustainability of the organisation whilst simultaneously improving the customer offer. The organisation has positioned itself as a professional, high quality and socially conscious partner and aims to be the first choice for local and national companies looking to genuinely engage with communities across Suffolk.

In addition to developing new sources of income Suffolk Libraries retains a keen focus on maximising revenue from existing activities like room hire and book sales.

The following income-generating initiatives were agreed between October 2018 and March 2019:

- A partnership with Babergh/Mid Suffolk District Council to host Visitor Information Points (VIP's) in Stowmarket, Long Melford and Eye libraries. The charge to host these points will be negotiated on an annual basis.
- After a successful pilot, a deal has been negotiated with Babergh/Mid Suffolk District Council to offer a Customer Access Point at Hadleigh Library and the Suffolk Libraries Local session at Shotley. Customer Access Points have Babergh/Mid Suffolk staff members on-site to help members of the public with any council-related issues.
- The Coffee House opened a new café at Bury St Edmunds Library in March 2019.
- NatWest Bank hire space to provide a customer access offer in Stowmarket, Felixstowe and Haverhill libraries. This contract involves a member of NatWest staff spending half a day in these libraries every two weeks.
- In addition to these agreements, there have already been many positive discussions with local and national companies which are expected to progress in 2019/20.

Fundraising

Our fundraising activity is carried out by our core staff team and Suffolk Libraries does not employ professional telephone or street fundraisers or commercial participators to carry out our fundraising activities.

Suffolk Libraries complies with all relevant statutory regulations, including the Charities Act 2011, the Data Protection Act 1998 and Electronic Communications regulations 2003. We always seek to act in ways that are legal, open, honest and respectful – striving for best practice in fundraising by complying with a range of codes of practice, including complying with the principles of the Fundraising Regulator. We have a donations acceptance policy that deals with any ethical concerns. We are careful to monitor our fundraising activities and provide supporters with help and information via our website, by email, phone or post.

During 2018/19 the organisation developed its first ever fundraising strategy. This was developed in consultation with staff, volunteers and other key stakeholders. The final strategy is designed to make fundraising an organisation-wide priority with activities delivered locally to benefit the sustainability of the organisation. All funds raised will be reinvested back into meeting specific needs across Suffolk communities.

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BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

Several fundraising initiatives have already been developed which will take place during 2019/20. These include:

- Suffolk Libraries Day – 12 October 2019.
- Suffolk Libraries Book Journey Challenge – this is linked to Suffolk Libraries Day.

Re-selling Suffolk Libraries self-service product

Suffolk Libraries is the only library service in the world that has designed its own self-service system and it has been working in partnership with software suppliers Dootrix to produce the system. Interest has been high through 2018/19, with presentations to more than 30 library services.

Inspiring existing stakeholders and promoting our brand and services to more people

Outward focus and changing perceptions

Suffolk Libraries created a new Digital and Marketing Team in October 2018 in order to better promote the broad range of services it offers, its impact on the people of Suffolk and change perceptions of the library service.

Telling the story

Towards the end of the year the Digital and Marketing Team reached out to customers to capture a suite of case studies that will help demonstrate how Suffolk Libraries is 'making life better'. These will be used on the website and social media to promote the library service and help people understand its impact.

Engaging existing customers and reaching new audiences

During 2018/19 the Digital and Marketing Team identified several key marketing events or campaigns throughout 2019/20 to help people understand Suffolk Libraries' offer, engage key audiences and increase library use. Planning for the first of these campaigns - 'Children's Month' – in April 2019 was well underway in March 2019.

Better signposting and creating sub-brands

As part of the effort to promote Suffolk Libraries' impact, the organisation has started to create 'sub-brands' to help customers better identify the broad range of its services. During the year work began on packaging pre-school activities into a single entity with its own name, logo and marketing materials. In 2019/20 the Digital and Marketing Team will also create new sub-brands and marketing materials for areas such as its older people's offer and its digital services (such as eBook and eAudio lending).

Suffolk Libraries in the media

During the year the organisation continued to develop relationships with the local media, achieving excellent coverage. This includes building links with other organisations which promote local news and activities and advising libraries as to how to best promote their local events and activities. The Suffolk Libraries Digital and Marketing Team issued over 130 news releases in 2018/19.

Media coverage highlights included:

- The announcement of Suffolk Libraries becoming a National Portfolio Organisation and the launch of the BLOC programme.
- A feature on the board games library at Ipswich County Library and how it helps to tackle loneliness.
- The rise in eLibrary loans and Suffolk Libraries reaching half a million digital loans.
- The partnership with Mid Suffolk and Babergh District Councils.
- The launch of the Pride & Periods project.
- Suffolk Libraries plans to attract more visitors with a feature on Bruce Leeke's vision for the organisation.
- Harry Potter Book Night.
- The opening of the new Eye Library.
- BBC Look East coverage of a Gainsborough Library organised trip to BT to learn about STEM subjects.
- Skulduggery and Slaughter crime festivals.

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BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

Website

The website saw a 3% increase in visits, with 1,155,433 visits in total. The web team made design, copy and service engine optimisation improvements in targeted areas, such as the health and wellbeing section of the site, which saw 19,982 visits, a 229% increase from the previous year. There was a focus on the reliability and speed of the website and optimising performance for mobile usage. 49.7% of website sessions were made on a mobile phone or tablet during 2018/19. This is expected to increase to over 50% for the first time in 2019/20.

As part of the organisation's strategy, the web team has worked on making content more engaging and the branding more consistent. This has included a new approach to building landing pages by using large, full bleed images and the corporate font.

Customer insight

Suffolk Libraries created a Systems and Data Analyst role in order to meet the organisation's strategic objectives of personalising content and services and better reporting its social impact. The Digital and Marketing Team has created a new library management system (LMS) reporting database to speed up report production and worked on a one-off project with the University of Suffolk to analyse LMS and demographic data to gain insight into usage and non-usage. It is in the process of setting up a new suite of business information reporting products to further enhance reporting.

Establishing, measuring and monitoring our social impact

Social impact measurement project commissioned

Understanding the full breadth of the organisation's social impact and its financial value is a key strategic imperative. Establishing, measuring and monitoring the real 'change evolution' created by library services is a complex process. Therefore, measuring social impact is a specialist area that many organisations lack the skill to successfully navigate. Social impact measurement is important as it makes it easier for partners and funders to understand the real value of Suffolk Libraries as a partner.

In 2018/19 Suffolk Libraries engaged a specialist consultancy to lead a project to help the organisation measure its social impact in the future. Suffolk Libraries will work with this consultancy in early 2019/20 to evaluate the impact of three key projects. Once the organisation has evaluated its impact on early years literacy, peer to peer support for those with mental health challenges and social isolation amongst older people, it will be well positioned to develop a framework that measures a broader spectrum of its activities in the future.

People

'The People Plan'

In 2018/19 Suffolk Libraries has focused on developing a new approach to engaging its people. By building a 'people plan' the organisation aims to make itself the best possible place to work and volunteer by empowering people to achieve their potential. The key outcomes of getting this approach right are increased motivation, better customer service, enhanced staff loyalty, improved staff wellbeing and a shared sense of purpose.

The organisation has committed itself to creating exceptional leaders at every level who champion the culture, live the values and encourage high performance. Therefore, the practical focus of 'The People Plan' is to:

- attract and recruit the right talent through an innovative and open approach to recruitment.
- develop people to fulfil their potential and meet career aspirations by the provision of development opportunities within every part of the organisation.
- promote and enhance a healthy and supportive working environment.
- retain and reward staff.

In 2018/19 the organisation started implementing a recruitment and onboarding module through its employee self-service and payroll system. For job applicants, this process will act as a window into Suffolk Libraries, the culture and the way the organisation works. A new staff handbook has also been created and Suffolk Libraries has started including organisational values in its recruitment of employees and volunteers.

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BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

To enable Suffolk Libraries to develop its people to fulfil their potential the HR Team have been working on several transformational projects. Examples include the development of a talent management framework and work has also started on an induction programme and training plan for new staff.

The past year has seen a specific focus on promoting a culture of health and wellbeing amongst staff and volunteers. The first step was the initiation of a Wellbeing Audit with the help of Suffolk Mind. The results from this audit will also form a benchmark against a database of year on year internal results and norms.

At the beginning of the year, the organisation signed the 'Time to Change Pledge' which helps to demonstrate an ongoing commitment to supporting wellbeing and reducing stigma around mental health in the workplace.

A team of Workplace Wellbeing Champions are presently helping to embed positive changes to mental health stigma and healthy living by running a range of initiatives to improve wellbeing amongst fellow employees.

In 2018/19 the organisation adopted a flexible reward strategy with the aim of improving employees' understanding of its benefits. By increasing awareness of benefits, reviewing staff rewards and putting an emphasis on showing appreciation through open communication, the organisation has improved the way it engages with staff in the past year.

Absence management over the year

There were 1,261 working days lost due to sickness absence or injury during 2018/19. This is equivalent to 3.22 days per employee a year and below the national average. Members of the HR Team have continued to work closely with managers across the service to review sickness absence on a regular basis and to support them in applying the absence management policy.

Training

In the past year 578 staff and volunteers have attended 53 different workshops which ranged from core activities, health and safety, wellbeing, arts development and leadership.

Executive Library Managers

The restructure of the central team put a clear focus on supporting people across the organisation and allowing them to reach their potential. Following extensive consultation, it was clear that frontline library managers would benefit from more regular support and that those tasked with managing them were stretched quite thinly.

To meet these challenges and to offer future development opportunities the Executive Library Manager (ELM) role was created. The recruitment process saw eleven library managers progress into these more senior leadership roles. The ELMs continue to manage their own libraries but also manage other public, mobile and prison library managers. The intention was to create a structure that enhanced support, communication and career development opportunities.

This structure went live in October 2018 and feedback from managers has been that they feel more supported and understood which has resulted in a renewed vigour at a local level. ELMs have also been working with key members of the Senior Leadership Team on developing and delivering specific parts of the organisational strategy.

Volunteering

Suffolk Libraries transformed its approach to volunteering during 2018/19. In October 2018, a full-time Volunteer Engagement Manager was recruited to provide the focus and capacity required to manage, support, engage and value volunteers.

A volunteer management database was introduced as a key foundation of the new approach, and this has been populated with details of all Suffolk Libraries volunteers. Previously, there was no central record which made it difficult to provide support, communicate or recognise achievement. The new system has enabled Suffolk Libraries to:

- Launch a regular volunteer newsletter which is circulated via the system.

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BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

- Inform volunteers about training opportunities
- Maintain accurate records of volunteers, ensuring that they have undergone the appropriate checks and training
- Invite volunteers to regular volunteer 'thank you' events throughout the county.

A volunteer working group has also been established where the Volunteer Engagement Manager meets with volunteers and consults with them on key issues.

Suffolk Libraries is also planning a relaunch of the volunteer awards during 2019/20 which will see new awards categories introduced and a special Suffolk Libraries People's Champions awards ceremony take place.

The number of volunteering 'days' during 2018/19 increased to 4,771, up from 4,566 the previous year. Hopefully the new approach towards volunteering will see this figure increase further in subsequent years.

Internal Communications

The Digital and Marketing team redesigned the intranet, making it more easily accessible to staff and easier to navigate. The team also started publishing a monthly email staff newsletter to communicate important updates.

Senior Manager Pay

Suffolk Libraries has terms and conditions for senior managers which enables the attraction, retention and engagement of senior managers to further the aspirations and development of Suffolk Libraries.

There is a consistent and transparent job evaluation of each post to set pay and conditions by using a role profile. The panel consists of representation from UNISON, HR and the Chief Executive.

Due to the responsibility and confidential nature of the role a personal contract is used to add extra detail and security. The contract covers all the required areas of Suffolk Libraries employment contract as well as payment in lieu of notice, confidentiality, intellectual property and the post-termination restrictions.

New and innovative projects delivering social impact

Arts Council England National Portfolio Organisation: BLOC

April 2018 saw the launch year of the Arts Council National Portfolio Organisation (NPO) funded BLOC (Building Libraries on Creativity) Programme. The first year proved to be a busy period of activity. The BLOC programme focuses on getting more young people into libraries using the arts as a catalyst. Much of year one focused on getting libraries and frontline colleagues ready for the challenge and the programme began with a wide-ranging arts leadership programme for 24 staff.

Following this was a period of artistic incubation where ten artists spent a week in libraries taking inspiration from the service to create work and build potential projects for libraries. This was made possible by the recruitment of the Arts Programmes Coordinator, an experienced arts specialist who led staff and artists through this period of exciting yet challenging change.

Although the initial intention was to roll the year one programme to three libraries, the excitement of staff and ambition of Suffolk Libraries saw eight libraries come on board. The second part of year one saw activity starting to get off the ground in these libraries and large numbers of young people were engaged in arts activities.

Through seven large scale projects, 1,422 young people engaged in high quality artistic activity in the second part of 2018/19. The programme also commissioned external companies to bring theatre productions to young people which brought an additional 250 young people into libraries. A joint arts foundation degree project with *Suffolk One* created an inspiring project for over 30 young people to create and exhibit their work.

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The final part of the year one programme was the creation of a youth council which would help drive the programme so that young people's voices were heard. So far, the programme has 33 young people engaged with governance activities with the intention to develop this in year two. These young people have helped to drive the diversity agenda for the organisation, particularly around LGBTQ with plans to expand this remit in 2019/20.

Existing projects that have expanded their social impact

New Chapters/SAGES

The New Chapters service has gone from strength-to-strength in 2018/19 and its role in the mental health and wellbeing partnership, SAGES, has seen great success. New Chapters is the Suffolk Libraries brand for mental health and wellbeing and during the year the service built on existing initiatives and created new ones. The New Chapters web pages were updated in 2018/19 leading to more visits.

The new *Move It* project, involves loaning sports equipment through six libraries. Loan figures for *Move It* increased during each quarter in 2018/19. It has been such a success that the project was awarded an additional £1,000 for more equipment which will be spent in partnership with the *Fit Villages* scheme.

Another new project was the *Pride & Periods* scheme which was launched as a response to period poverty in the county. In partnership with the East of England Co-Op and two national organisations, 12 libraries in Suffolk launched the scheme in 2018/19. The service is a free, no-questions-asked service to help women and girls combat period poverty. The intention is to build on this work in 2019/20 with 12 additional libraries joining the scheme.

The organisation's commitment to offering the *Books on Prescription* service has seen diversification with reading lists released for survivors of bereavement by suicide, lists developed with a women's addiction charity and Suffolk LGBTQ network which will be launched officially in 2019/20. Borrowing against the adult mental health *Books on Prescription* reading lists almost doubled in the period.

The SAGES partnership moved into year two of the three-year contract in 2018/19. The programme has seen growth, particularly in the *Open Space* model. There was an increase in the number of groups with a total of seven running at the end of 2018/19. In addition to this, two new types of Open Space group were developed: a young person's group for Chantry Library and a Learning Disability and Autism group for Lowestoft.

Open Space groups continue to see good attendance, with increases for newer groups and consistency in others. The McPin evaluation which has been ongoing throughout the year released its midway report at the end of 2018 and showed that Open Space is already demonstrating excellent outcomes for participants including value for money.

Prisons

The prison education framework contract was changed in 2018 with prison libraries brought into line with the wider education contracts by the Ministry of Justice. This meant that non-local authority library services were at risk of losing their prison library contracts, including Suffolk Libraries. After some uncertainty, it was agreed with the new provider that Suffolk Libraries would continue to run the service based on the organisation's expertise and track record.

In addition, an exciting opportunity for the organisation arose when the new education provider (a national organisation) invited Suffolk Libraries to take on an additional three prison libraries outside of the county. Between January and April 2019, HMP Whatton, HMP Ranby and HMP Bedford were prepared for service transfer including the TUPEing of 11 members of staff. Suffolk Libraries is committed to the good its prison libraries do for communities and was therefore excited to double its prison portfolio. This has been a great opportunity for Suffolk Libraries to test its delivery potential beyond its borders and generate unrestricted income. The ambitions would be to grow this service area in 2019/20.

SUFFOLK'S LIBRARIES IPS LIMITED

BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

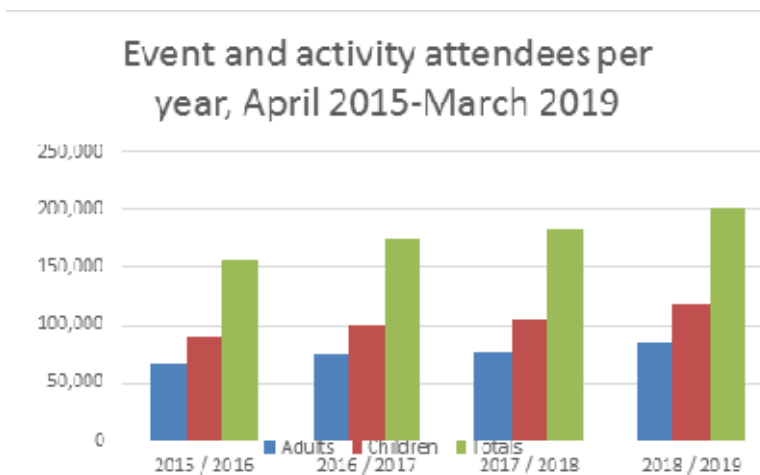
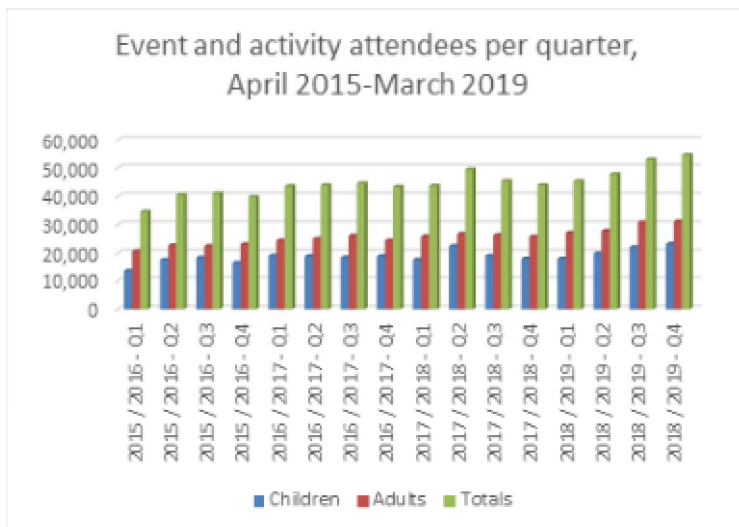
Children's Centres

The Suffolk Libraries contract with Children's Centres launched in 2018/19 and involved a fresh approach to working together for better outcomes for parents and children in the county. All 44 libraries have now transitioned into early years information hubs for parents to access quality, reliable information relating to their babies and children. There has been increased partnership working between the two services, driving new people into library spaces.

Performance

Events and activities

One of the benefits of being an independent organisation is that staff have had greater autonomy in organising events and activities. The introduction of library community groups has also generated new ideas for events and activities, as well as increased the capacity to deliver them. As a result, this has been a major area of growth for Suffolk Libraries as the two tables below showing the attendee totals for events and activities demonstrate:



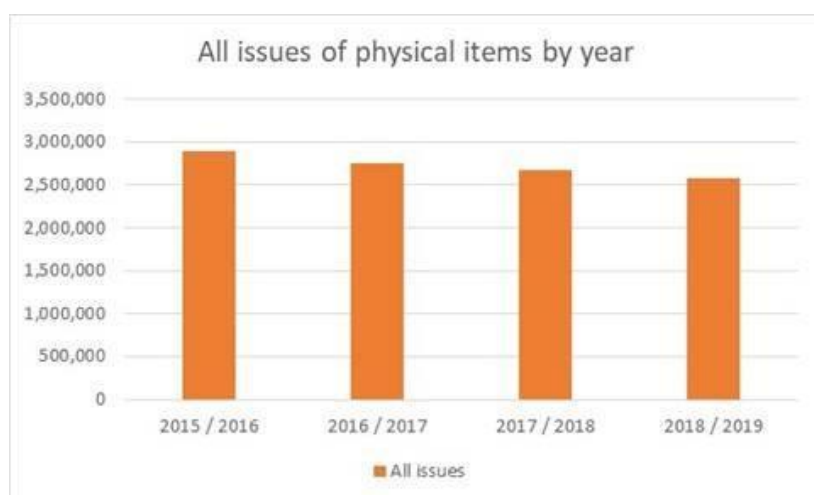
Throughout the period, attendee figures have increased from 155,876 in 2015/16 to 200,740 in 2018/19.

SUFFOLK'S LIBRARIES IPS LIMITED

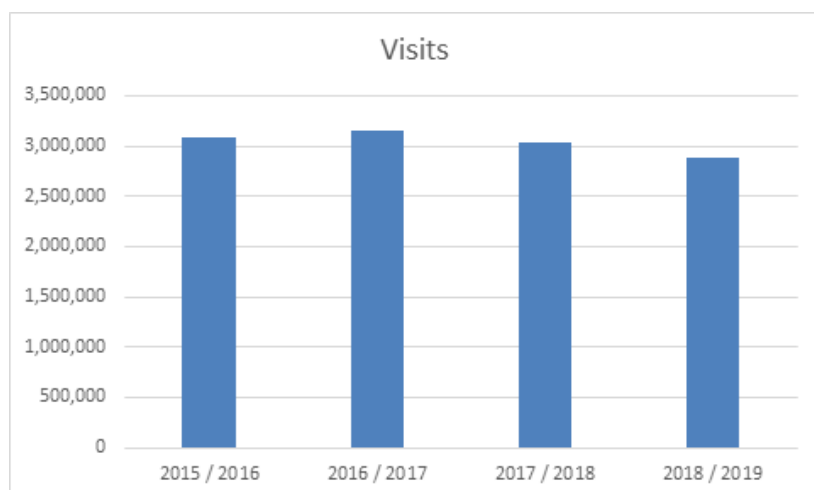
BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

Visitors and book issues

There has been a downward trend in book issues and library visits nationally. In Suffolk, the drop has been more gradual and the focus over the next few years will be on countering this through the development of the Suffolk Libraries brand and improved marketing and promotion. Physical book borrowing in 2018/19 has also been impacted by the closure of the Literacy Books and Reading Team for schools (LBART) at the end of 2017/18. LBART issues made up nearly 2% of total physical book issues.



Visits continued to fluctuate with a drop recorded in 2018/19. This trend is driven by a reduction in physical transactions with digital borrowing growing significantly to more than offset the negative trend. Additionally, the way that customers use the library is changing with more people staying onsite for longer to take advantage of events and activities rather than coming and going to make physical transactions. This trend is directly supported by the enormous increase in attendance at events and activities over the past four years.

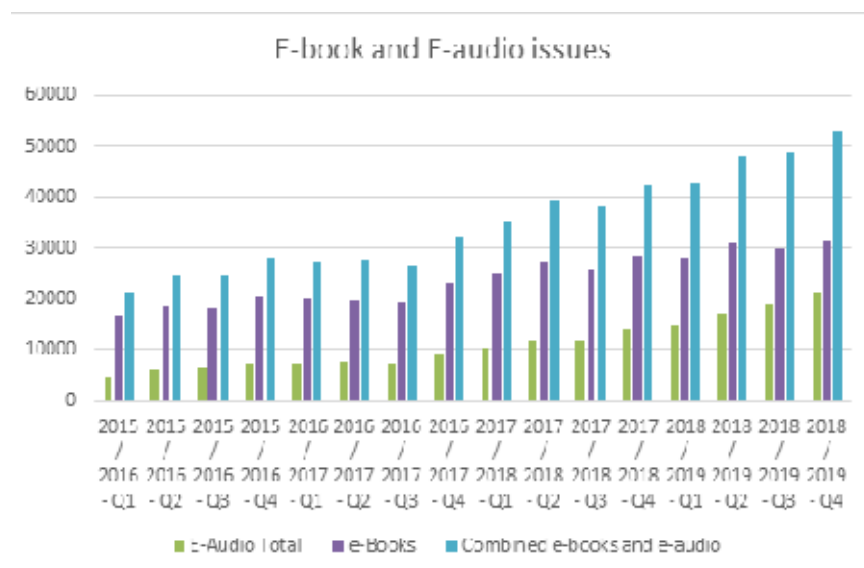


eBook and eAudio issues

Although issues of physical books declined in 2018/19, issues of e-books and e-audio books have been significantly increasing over the last four years, as the chart below highlights.

SUFFOLK'S LIBRARIES IPS LIMITED

BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2019



Community groups and meeting local need

Community group engagement

Suffolk Libraries held seven community forums during 2018/19. These events enable trustees and members of different library community groups to meet with each other and Suffolk Libraries staff, discuss key issues and find out about important information. In March 2018 the Communities and Performance Team also held four smaller scale 'local' community meetings to provide a more informal environment for different community groups to meet up, network and discuss issues. Feedback from the meetings was extremely positive with people appreciating the informal, friendly atmosphere and the opportunity to meet up with other groups. In total, there were around 150 attendees at the 11 meetings.

Summary of community group activities

Library community groups – or 'friends' groups' as they are often known – are a vital element of the library service in Suffolk. They play a key role in helping to organise and run events and activities in libraries, and they raise funds to make enhancements and improvements to their library. This is an overview of the work that some of the groups have undertaken during 2018/19, much of which addresses very specific local needs.

Aldeburgh Library Foundation continued their successful income generation work which mostly centres around the delivery of adult learning courses. They have also developed plans to reconfigure and improve the entrance to the library, funded by the money they have raised. This project is scheduled to take place during 2019/20.

Elmswell Library Friends (ELF) ran three fundraising events in 2018/19. These included an Australian wine evening, and a Portuguese wine evening, with themed wine and food. Both events attracted around 50 people. ELF also teamed up with Thurston Library to run a shared fundraising coach trip to London in November.

The Friends of Felixstowe Library was officially launched on 7 April 2018 with 251 people joining the group. The group has had a busy year which has included:

- Two donated book sales at which the friends group provided refreshments.
- Two screenings of 'Life on the Deben', hosted by the friends and featuring an introduction from one of the producers of the film.
- A quiz night with fish and chips in October, which raised £600.
- A successful first AGM, attended by 41 people and featuring a performance from Felixstowe children's choir.

SUFFOLK'S LIBRARIES IPS LIMITED

BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The group have been working towards refurbishing and updating the old café area. They have purchased new carpet tiles, window blinds and have been asking local councillors about funds for new chairs.

Voices for Gainsborough Community Library have enabled the library to hold a wide range of activities, thanks to the income that they generate, most notably through the volunteer-run Voices café. Particular highlights have included family coach trips in the summer holidays, Fun Palace events in October, a talent show in December, family music day in January and the girls group visited the Stemettes event at BT. (*Stemettes is a social enterprise which encourages girls aged between 5–22 years old to pursue careers in Science, Technology, Engineering and Maths*).

The Friends of Haverhill Library have supported the library in several ways throughout the year by paying for events and activities to take place. Highlights included:

- The Wonderful Beast production of the play 'Orla and the Sun' and a Beach Bonkers event.
- Organising and supporting many other events/activities, including author visits.
- Purchasing various resources including materials for children's and adult's crafts and prizes for competitions and six new Chromebook laptops for use by groups and clubs at the library.

Kesgrave Library Friends. It has been another busy year for Kesgrave Library Friends. Highlights include successfully bidding for three grants which have been used to purchase a new Suffolk Loves display stand, enabling staff to continue their outreach work through weekly story time sessions and a local school visit. A grant from SPARKS also helped fund the activities provided during the Summer Reading Challenge. Events included, a Christmas Fayre and a Paw Patrol Summer Reading Challenge launch party which were both well attended. The group also contribute to the cost of providing the library's very popular Sunday crafts as well as refreshments for staff and customers attending library activities.

The Friends of Kessingland Library have raised money through various activities, most notably being their quiz nights, of which there were five during the year. They have used the money raised to buy various resources for the library, including a leaflet display holder, a new jigsaw and jigsaw holder, adult colouring books and pencils, paints for children's activities and a teapot. The group also runs a monthly baking group and a weekly Scrabble group.

The Friends of Lakenheath Library (FOLK) have been active in supporting library activities and raising money to make enhancements and improvements to the library. They had a stall at the Lakenheath Fete in August and in September they helped at the Summer Reading Challenge presentation and provided gifts to winners of a creative competition. In October they worked in partnership with Brandon Library to hold a stall at 'Pumpkin Fest' in Brandon and held another hugely popular Halloween Spooktacular. In January 2019, FOLK helped supported the library in hosting a visit from the local Beavers group. The group have also secured a £1,000 grant through the Tesco 'Bags of Help' scheme to purchase new furniture.

The Friends of Lowestoft Library supported the annual photography competition by underwriting the cost of the calendars and raised funds from several events including a successful Murder Mystery evening, a number of book sales, two craft fairs and a big Christmas cake sale. Their purchases for the library included giant games for Saturday fun sessions and other activities and tools for the caretakers to help keep the building maintained. The group also paid for a visit from Santa, two visits from Beach Bonkers and sensory equipment for children with autism and other sensory disabilities.

The Friends of Newmarket Library funded a performance in June by Graffiti Classics as part of Theatre Royal, Bury St Edmunds' Once Upon a Festival. The free performance was well attended and very popular with families.

The Friends of Oulton Broad Library continue to support family activities at the library using the proceeds from raffles and the sales of donated books. They have provided thank you book tokens for the young Summer Reading Challenge volunteers, prizes for the Lego club and refreshments for Bookstart activities.

SUFFOLK'S LIBRARIES IPS LIMITED

BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The Friends of Southwold Library had a very successful year with 42 social and fundraising events raising over £7,000. This has allowed them to pay for various activities and resources including:

- Additional resources for the Summer Reading Challenge and equipment for the Lego clubs.
- Children's holiday activities including gnome tepee making, 'Mini Monsters' and balloon modelling.
- Additional talking books and new furniture
- Harry Potter Book Night activities.
- The annual 'Slaughter in Southwold' Crime Writers Festival.
- The library wifi and half of the library's newspaper bill.

The Friends of Woodbridge Library continue to work on presenting a varied programme of events to reach out to the community and help fundraise for the library. A highlight was the library's first fashion show in October which saw many of the independent shops in Woodbridge taking part in a sold-out event that raised over £1,000 and attracted many new visitors. Lunchtime concerts also continue to be a great success with a variety of music and poetry being presented to capacity audiences. Fundraising has also helped the library to purchase additional mobile shelving and chairs on trolleys which are more easily stored and set up.

Infrastructure and Technology

Systems

2018/19 was another busy year for the IT Team. The key project was the migration from the county council network to a dedicated cloud-based one. The migration of the 44 library sites was phased to ensure that any impact on service was minimal during this complex infrastructural change. Additional services such as Netloan also required a custom hosted server solution to allow continued use.

In January 2019 Peter Baker retired from Suffolk Libraries after successfully delivering the migration away from SCC's Network. Ian Youngs was appointed as IT Manager to replace Peter.

SPINE

Building on the long-standing arrangement with Cambridgeshire Libraries, the SPINE cross-border lending facility was expanded in October 2018 to include Peterborough Libraries. This brings an even greater choice of stock and content for Suffolk Libraries customers.

In January 2019 the process for the re-procurement of the library management system (LMS) began, with the various SPINE partners working to develop an agreed brief for the procurement process and specification of system requirements, working together to find an outcome that best meets the partners' needs in terms of value for money, enabling organisational aspirations going forward and serving the needs and expectations of library staff and customers.

Safety

Suffolk Libraries continues to make progress towards making libraries safer places for users of any age or background as well as staff and volunteers. This is a challenge as there are 44 libraries along with those staff who drive mobile libraries or work in prisons.

As always there are issues with anti-social behaviour issues in some libraries. This can be a serious concern because of the detrimental effect on staff wellbeing and the library experience for other users. This is clearly not just an issue for libraries and Suffolk Libraries continues to take any incidents seriously and is working with the relevant partner organisations to tackle the issue.

Recorded safety incidents continue to reduce (78 during the year) and are relatively minor in most cases. A part time qualified Health and Safety Adviser has been appointed to provide additional resource and has instituted a programme of Health and Safety audits which act as a focus for individual training for managers who are responsible for safety in their building. He is also involved in providing in-house training and developing further courses to add to our training programme.

SUFFOLK'S LIBRARIES IPS LIMITED

BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

Equalities

Suffolk Libraries continues to take its commitment to equality and diversity seriously. This year the Equal Opportunities Policy for employees has been revised along with the Equality, Diversity and Inclusion Policy. It was felt that the latter policy needed strengthening in the current social climate of increased intolerance and polarisation and, to ensure libraries remain places where everyone, regardless of who they are, are made welcome and treated with respect.

Wherever possible, Suffolk Libraries tries to improve access and facilities for users with mobility problems. The new library in Eye is fully accessible and plans have been submitted for a new level entrance at Great Cornard. Lowestoft Library unfortunately suffered from access problems due to lift and automatic door failures which have now been resolved.

Financial review

Suffolk Libraries budgeted a surplus of £70k in 2018/19 for core activities, as per the Annual Accounts a surplus of £307k has been achieved which is £237k above budget.

Suffolk County Council offered Suffolk Libraries a fixed contract price from 2018 to 2022, this stability has enabled Suffolk Libraries to plan and to search out and invest in new income generation projects to increase financial stability in the future.

The IT migration mentioned above was completed earlier than expected in 2018/19 which has resulted in reduced expenditure and increased flexibility in responding to staff and customers IT problems.

The streamlining of core costs started in 2017/18 and was completed in 2018/19. This has continued to provide savings and contributed to the better than expected results. In future years keeping employees above the living wage will have an impact on how budgets are set.

The surplus generated in 2018/19 is to be utilised in 2019/20 which has a budgeted deficit of £123k. Suffolk Libraries has an ambitious programme of income generation in 2019/20 with initial internal investment aiming to drive new revenue growth into the future.

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 of this financial year and the projected financial health of the organisation in 2019/20 and following periods and the strength of the balance sheet.

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

Investment powers and policy

The funds which are surplus to the day to day requirements of the organisation are currently in an interest-bearing 45-day notice deposit account. During 2019/20 advice on additional investments will be sought to ensure that all funds available are being as productive as possible, whilst keeping risks low.

Reserves policy

Reserves are needed to ensure the smooth running of the organisation in periods of unplanned expenditure and any shortfall in income in future years. The policy is to build up reserves to cover two months essential operating costs (salaries, utilities, rent, rates) this is estimated at £900k.

During the year, £60,000 was ear marked towards Ipswich Library refurbishment, as described in note 18.

SUFFOLK'S LIBRARIES IPS LIMITED

**BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

Total funds held as at 31st March 2019 are £909k (31st March 2018 £602k), being split between un-restricted (available) funds of £721k (2018 - £433k) and restricted funds (specific project only) of £188k (2018 – 169k).

Reserves freely available, being unrestricted funds excluding designated funds and fixed assets amounted to £657k.

Suffolk Libraries have reduced the gap between target reserves and actual reserves and this now stands at £243k. Based on current projections, we do not expect the gap to decrease further in the short term.

Key priorities in 2019/20

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

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

SUFFOLK'S LIBRARIES IPS LIMITED

BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

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
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

Suffolk Libraries IPS Limited is a Registered Society governed by its Rules dated 7 August 2013, which were updated on 10 January 2019. 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 2019 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,

SUFFOLK'S LIBRARIES IPS LIMITED

BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

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 9. 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 9.

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.

The 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 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.

SUFFOLK'S LIBRARIES IPS LIMITED

**BOARD MEMBERS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019**

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.

By order of the Directors:

Signed



Bruce Leeke, Chief Executive

Date : 29/8/19

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 2019 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 2019 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 Board members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board members 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

Other information

The Board members 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 the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the information given in the Board members' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Board members' responsibilities statement, the Board members (who are also the directors 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 Board members 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 Board members 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 Board members 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

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Societies 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

Date: *10 September 2019*

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 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:					
Donations and legacies	2	32,578	78,129	110,707	100,919
Charitable activities	4	5,736,161	1,364,490	7,100,651	7,250,742
Investments	3	9,791	-	9,791	6,279
Total income		<u>5,778,530</u>	<u>1,442,619</u>	<u>7,221,149</u>	<u>7,357,940</u>
Expenditure on:					
Charitable activities	9	5,490,538	1,423,615	6,914,153	7,143,308
Total expenditure		<u>5,490,538</u>	<u>1,423,615</u>	<u>6,914,153</u>	<u>7,143,308</u>
Net income before other recognised gains and losses		287,992	19,004	306,996	214,632
Net movement in funds		287,992	19,004	306,996	214,632
Reconciliation of funds:					
Total funds brought forward		433,043	169,311	602,354	387,722
Total funds carried forward		<u><u>721,035</u></u>	<u><u>188,315</u></u>	<u><u>909,350</u></u>	<u><u>602,354</u></u>

The financial statements were approved by the Board members on 29/8/19 and signed on their behalf, by:

Maureen Garratt Simpson
Honorary Secretary



Bruce Leeke
Chief Executive



Sylvia Knights
Chair of Finance and Audit Committee



S.M. KNIGHTS

The notes on pages 30 to 47 form part of these financial statements.

SUFFOLK'S LIBRARIES IPS LIMITED
REGISTERED NUMBER: IP031542

BALANCE SHEET
AS AT 31 MARCH 2019

	Note	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	14		93,286		-
Current assets					
Debtors	15	325,700		2,187,238	
Cash at bank and in hand		2,845,139		775,968	
		3,170,839		2,963,206	
Creditors: amounts falling due within one year	16	(2,354,775)		(2,360,852)	
Net current assets			816,064		602,354
Net assets			909,350		602,354
Charity Funds					
Restricted funds	18		188,315		169,311
Unrestricted funds:					
Share capital	16	44		44	
Unrestricted funds	18	720,991		432,999	
Total unrestricted funds			721,035		433,043
Shareholders' and Charity's funds			909,350		602,354

The Board members acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Board members on 29/8/19 and signed on their behalf, by:

Maureen Garratt Simpson
Honorary Secretary

Bruce Leeke
Chief Executive

Sylvia Knights
Chair of Finance and Audit Committee

S.M. KNIGHTS

The notes on pages 30 to 47 form part of these financial statements.

SUFFOLK'S LIBRARIES IPS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	<u>2,169,537</u>	<u>(1,612,710)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(100,366)</u>	<u>-</u>
Net cash used in investing activities		<u>(100,366)</u>	<u>-</u>
Change in cash and cash equivalents in the year		2,069,171	(1,612,710)
Cash and cash equivalents brought forward		<u>775,968</u>	<u>2,388,678</u>
Cash and cash equivalents carried forward	21	<u><u>2,845,139</u></u>	<u><u>775,968</u></u>

The notes on pages 30 to 47 form part of these financial statements.

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies

1.1 Basis of preparation of financial statements

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

1.2 Company status

The Society is a company limited by guarantee. The members of the company are the Board members named in note 17. In the event of the Society being wound up, the liability in respect of the guarantee is limited to £1 per member of the Society.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Board members 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 Board members 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 2019

1. Accounting policies (continued)

1.4 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.

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 donated facilities are recognised on the basis of the value of the gift to the Society which is the amount the Society 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.

1.5 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.

1.6 Going concern

The Directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the society to continue as a going concern. The Directors make this assessment in respect of a period of one year from the date of the approval of the financial statements.

Based on this information the Directors have a reasonable expectation that the society has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing the financial statements. The main library services contract with Suffolk County Council runs to 31 July 2022, at which point the contract may be retendered.

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies (continued)

1.7 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.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

1.8 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.

1.9 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.10 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies (continued)

1.11 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.

1.12 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.

1.13 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.

1.14 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 2019

1. Accounting policies (continued)

1.15 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 2020 were proposed at a multiple of salary that is projected to amount to £242,627 in 2019/20.

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.

1.16 Critical accounting estimates and areas of judgement

Estimates and judgements 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 judgement:

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 2019**

2. Income from donations

	Total funds 2019 £	<i>Total funds 2018 £</i>
Group Contributions Cash Donations	69,264	66,871
Group Contributions Services	-	3,512
Fundraising by staff	6,274	6,080
Libraries Extra	5,523	-
Donations	29,646	24,456
	110,707	100,919
	110,707	100,919

3. Investment income

	Total funds 2019 £	<i>As restated Total funds 2018 £</i>
Bank interest	9,791	6,279
	9,791	6,279
	9,791	6,279
<i>Total 2018</i>	<i>6,279</i>	<i>6,279</i>
	<i>6,279</i>	<i>6,279</i>

4. Income from charitable activities

	Total funds 2019 £	<i>Total funds 2018 £</i>
Libraries service contract income	4,934,548	4,984,548
Contract stock budget income	988,242	988,242
Grants received	18,530	153,327
Other library income	452,209	349,991
Professional Services	516,644	554,272
Collection fees	190,478	220,362
	7,100,651	7,250,742
	7,100,651	7,250,742
<i>Total 2018</i>	<i>7,250,742</i>	<i>7,250,742</i>
	<i>7,250,742</i>	<i>7,250,742</i>

The LBaRT services ceased operation as at 31 March 2018. Total income of £152,566 was included in the year ended 31 March 2018.

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

5. Other library income

	2019	2018
	£	£
LBaRT	355	770
Lowestoft cafe	-	4,288
Stock unit	4,474	1,295
Hosted office space and other income	241,148	212,000
Room and equipment hire	151,436	123,757
Children services	50,000	-
Central office	4,796	7,881
	<u>452,209</u>	<u>349,991</u>

6. Professional services analysis

	2019	2018
	£	£
LBaRT	-	151,796
Prisons library service	154,210	161,142
Mental health project	351,000	200,495
Transition project	-	34,516
Professional services - central	11,434	6,323
	<u>516,644</u>	<u>554,272</u>

7. Analysis of resources expended by expenditure type

	Direct	Support	Governance	2019	2018
	£	£	£	£	£
Library	4,835,989	1,432,320	17,942	6,286,251	6,387,224
LBaRT	-	-	-	-	257,326
Let's Talk	47,588	-	-	47,588	31,280
Prisons library service	167,079	45,759	573	213,411	212,793
Mental health project	164,591	-	-	164,591	211,482
Transition	-	-	-	-	43,203
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	-
	<u>5,432,853</u>	<u>1,487,931</u>	<u>18,632</u>	<u>6,939,416</u>	<u>7,143,308</u>

The LBaRT services ceased operation as at 31 March 2018.

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

8. Support costs

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Wages and salaries	1,160,040	1,160,040	1,042,812
Property costs	13,050	13,050	(1,970)
Insurance	34,879	34,879	32,450
Travel and subsistence	28,053	28,053	33,752
Bank interest and charges	2,167	2,167	5,272
IT, HR and accountancy	149,295	149,295	254,170
Consultancy fees	39,803	39,803	4,444
Stock	5,868	5,868	1,800
Other	22,622	22,622	17,944
Supplies, Printing and telephone	31,679	31,679	21,356
Depreciation	475	475	-
	<u>1,487,931</u>	<u>1,487,931</u>	<u>1,412,030</u>

9. Governance costs

	Total funds 2019 £	<i>Total funds 2018 £</i>
Auditor fees	8,000	8,745
Legal fees	1,658	6,992
Board expenses	8,974	8,628
	<u>18,632</u>	<u>24,365</u>

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

10. Net income/(expenditure)

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets:		
- owned by the charity	14,522	-
Auditors' remuneration - audit	6,900	6,695
Auditors' remuneration - non-audit	1,100	1,050
Operating lease rentals	123,257	156,421
	<u>145,779</u>	<u>164,166</u>

During the year, 1 (2018 - 2) Board members received remuneration (including employers' NI and pension contributions) of £83,717 (2018 - £81,830).

During the year no Board members received any benefits in kind (2018 - £NIL).

During the year 6 (2018 - 6) Board members received reimbursement of expenses amounting to £3,601 (2018 - £4,298).

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

11. Staff costs

Staff costs were as follows:

	2019	<i>2018</i>
	£	£
Wages and salaries	3,765,290	3,936,567
Social security costs	191,685	195,831
Other pension costs	301,033	331,827
	<u>4,258,008</u>	<u>4,464,225</u>

During the year a total of £843 (2018 - £208,181) was paid in redundancy and termination payments as part of the ongoing restructuring of the Society, following a full review of services within the larger libraries.

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

	2019	<i>2018</i>
	No.	No.
Frontline staff	323	339
Administration and support	16	10
Management	13	12
	<u>352</u>	<u>361</u>

The number of higher paid employees was:

	2019	<i>2018</i>
	No.	No.
In the band £60,001 - £70,000	0	1
In the band £70,001 - £80,000	1	0

Aggregate Key Management Personnel remuneration (including employer pension contributions) was £431,925 (2018 - 356,478).

During the year retirement benefits were accruing to 1 Board members (2018 - 2) in respect of defined contribution pension schemes.

12. Acting as agent

During the period the society collected fees on behalf of, and paid over to, Suffolk County Council totalling £190,480 (2018 - £217,408). This is not included within the Statement of Financial Activities.

The society received £190,480 (2018 - £217,408) as collection fees for undertaking this process.

During the period the society received Section 106 money from Suffolk County Council totalling £52,826 (2018 - £66,815). 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 £1,019 (2018 - £2,235) is held within other creditors.

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

13. 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 2019**

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 (2018: 44 members).

14. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Asset in the course of construction £	Total £
Cost				
At 1 April 2018	-	-	-	-
Additions	4,250	39,318	64,240	107,808
At 31 March 2019	4,250	39,318	64,240	107,808
Depreciation				
At 1 April 2018	-	-	-	-
Charge for the year	1,416	13,106	-	14,522
At 31 March 2019	1,416	13,106	-	14,522
Net book value				
At 31 March 2019	2,834	26,212	64,240	93,286
<i>At 31 March 2018</i>	-	-	-	-

15. Debtors

	2019 £	2018 £
Trade debtors	194,674	1,973,752
Other debtors	1,720	35,208
Prepayments and accrued income	129,306	178,278
	<u>325,700</u>	<u>2,187,238</u>

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

16. Creditors: Amounts falling due within one year

	2019	<i>2018</i>
	£	£
Trade creditors	118,095	237,886
Other taxation and social security	306,318	304,250
Other creditors	64,240	2,235
Accruals and deferred income	1,866,122	1,816,481
	2,354,775	<i>2,360,852</i>
	2,354,775	<i>2,360,852</i>

Included within accruals and deferred income is the advance payment for the main libraries contract totalling £1,480,697 (*2018 - £1,480,697*).

	£
Deferred income	
Deferred income at 1 April 2018	1,578,529
Resources deferred during the year	1,491,882
Amounts released from previous years	(1,578,528)
	1,491,883
	1,491,883

17. Financial instruments

	2019	<i>As restated 2018</i>
	£	£
Financial assets measured at amortised cost	196,394	<i>2,008,960</i>
	196,394	<i>2,008,960</i>
Financial liabilities measured at amortised cost	470,567	<i>467,135</i>
	470,567	<i>467,135</i>
	470,567	<i>467,135</i>

Financial assets measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

18. Statement of funds

Statement of funds - current year

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2019 £
Designated funds					
Designated Funds - all funds	-	-	-	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>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
Lets 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>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>909,350</u></u>

Purpose of unrestricted funds

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.

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

18. Statement of funds (continued)

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

Let's Talk - To encourage reading by children.

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.

Other - Small grants expended during the year.

Purpose of transfers

Ipswich Refurbishment - in the year there was a transfer to a designated fund which has been set up to allocate funds for future refurbishment works required at Ipswich Library.

Statement of funds - prior year

	<i>Balance at 1 April 2017</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Balance at 31 March 2018</i>
	£	£	£	£	£
General funds					
General funding	309,713	5,923,422	(5,800,136)	-	432,999
Share capital	44	-	-	-	44
	<u>309,757</u>	<u>5,923,422</u>	<u>(5,800,136)</u>	<u>-</u>	<u>433,043</u>

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

18. Statement of funds (continued)

Restricted funds

Stock Fund	15,830	990,086	(953,551)	-	52,365
Arts Council	10,685	13,473	(24,158)	-	-
Friends Group	-	70,383	(70,383)	-	-
Mental Health Fund	17,415	200,495	(168,957)	-	48,953
Lets Talk	26,943	35,385	(24,990)	-	37,338
SL Reserves Rosehill	-	63,158	(63,048)	-	110
Local Libraries Rushmere	-	13,736	(854)	-	12,882
Suffolk Libraries Extra	-	4,978	(1,968)	-	3,010
Freddys Fund	-	2,500	-	-	2,500
Other Restricted Funds	7,092	40,324	(35,263)	-	12,153
	<u>77,965</u>	<u>1,434,518</u>	<u>(1,343,172)</u>	<u>-</u>	<u>169,311</u>
Total of funds	<u>387,722</u>	<u>7,357,940</u>	<u>(7,143,308)</u>	<u>-</u>	<u>602,354</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
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)
	<u>721,035</u>	<u>188,315</u>	<u>909,350</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Current assets	2,754,322	208,884	2,963,206
Creditors due within one year	(2,321,252)	(39,600)	(2,360,852)
	<u>433,070</u>	<u>169,284</u>	<u>602,354</u>

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	306,996	214,632
Adjustment for:		
Depreciation charges	14,522	-
Decrease/(increase) in debtors	1,861,538	(1,693,640)
Decrease in creditors	(13,519)	(31,659)
Increase/(decrease) in provisions	-	(102,043)
Net cash provided by/(used in) operating activities	2,169,537	(1,612,710)

21. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	2,845,139	775,968
Total	2,845,139	775,968

22. 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 £318,251 (2018 - £293,944) 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.

23. Capital commitments

At 31 March 2019 the Society had capital commitments as follows:

	2019 £	2018 £
Contracted for but not provided in these financial statements	16,060	-

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

24. Operating lease commitments

At 31 March 2019 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2019	<i>2018</i>
	£	£
Amounts payable:		
Within 1 year	49,985	<i>49,076</i>
Between 1 and 5 years	102,372	<i>127,907</i>
After more than 5 years	172,988	<i>185,464</i>
Total	325,345	<i>362,447</i>

SUFFOLK'S LIBRARIES IPS LIMITED

**DETAILED BREAKDOWN OF DONATIONS
FOR THE YEAR ENDED 31 MARCH 2019**

These pages are not part of the financial statements.

Group contributions cash donations	Unrestricted funds	Restricted funds	Total 2018/19	Total 2017/18
	£'s	£'s	£'s	£'s
Aldeburgh Friends Group	-	2,123	2,123	6,029
Beccles Friends Group	-	7,802	7,802	6,268
Brandon Friends Group	-	361	361	-
Broomhill Library Friends	-	-	-	2,503
Bungay Friends Group	-	13,120	13,120	2,463
Bury St Edmunds Friends Group	-	165	165	-
Capel Friends Group	-	2,092	2,092	4,740
Chantry Friends Group	-	1,539	1,539	1,061
Debenham Resource Centre	-	-	-	242
Elmswell Friends Group	-	-	-	239
Eye Friends Group	-	68	68	-
Felixstowe	-	951	951	1,319
Framlingham Friends Group	-	-	-	474
Gainsborough Friends Group	-	3,612	3,612	3,465
Glemsford Friends Group	-	363	363	-
Great Cornard Friends Group	-	105	105	77
Hadleigh Friends Group	-	2,489	2,489	501
Halesworth Friends	-	137	137	10,728
Haverhill Friends Group	-	1,541	1,541	1,683
Ipswich Friends Group	-	1,691	1,691	3,989
Ixworth Friends Group	-	13	13	830
Kesgrave Friends Group	-	1,540	1,540	3,589
Lakenheath Friends Group	-	260	260	-
Lavenham Friends Group	-	783	783	526
Leiston - Friends Group	-	391	391	-
Long Melford Friends Group	-	1,786	1,786	1,686
Lowestoft Friends Group	-	-	-	1,000
Mildenhall Friends Group	-	983	983	5,896
Needham Market Friends Group	-	513	513	1,040
Newmarket Friends Group	-	3,507	3,507	210
Oulton Broad Friend Group	-	1,355	1,355	224
Rosehill Friends Group	-	338	338	1,001
Saxmundham Friends Group	-	30	30	-
Southwold Friends Group	-	624	624	1,639
Stoke Friends Group	-	486	486	211

SUFFOLK'S LIBRARIES IPS LIMITED

**DETAILED BREAKDOWN OF DONATIONS
FOR THE YEAR ENDED 31 MARCH 2019**

Stowmarket Friends Group	-	-	-	1,132
Stradbroke Friends Group	-	3,954	3,954	-
Sudbury Friends Group	-	1,500	1,500	-
Thurston Friends Group	-	5,345	5,345	-
Woodbridge Friends Group	-	7,634	7,634	2,104
Total group cash donations	-	69,264	69,264	66,869

Group contribution library enhancement	Unrestricted funds	Restricted funds	Total 2018/19	Total 2017/18
	£'s	£'s	£'s	£'s
Southwold Friends Group	-	-	-	835
Woodbridge Friends Group	-	-	-	2,678
Total group library enhancement	-	-	-	3,513

Donations to library	Unrestricted Funds	Restricted Funds	Total 2018/19	Total 2017/18
Aldeburgh Library	69	-	69	-
Beccles Library	693	-	693	206
Brandon Library	26	-	26	37
Broomhill Library	9	-	9	1
Bungay Library	1,161	-	1,161	272
Bury St Edmunds Library	273	-	273	173
Capel St Mary Library	85	-	85	-
Community Libraries	34	-	34	-
Chantry Library	50	-	50	2
Clare Library	5	-	5	-
Elmswell Library	40	-	40	-
Felixstowe Library	164	-	164	103
Framlingham Library	1	-	1	-
Gainsborough Library	193	-	193	104
Gainsborough Sports Council Grant	2,500	-	2,500	-
Glemsford Library	1,001	-	1,001	1,000
Hadleigh Library	316	-	316	738
Halesworth Library	7	-	7	-
Haverhill Library	329	-	329	-
Ipswich Library	905	-	905	25
Ixworth Library	70	-	70	-74
Kedington Library	1	-	1	-
Kesgrave Library	11,566	-	11,566	11,505
Kesslingland Library	1	-	1	-
Lakenheath Library	8	-	8	-

SUFFOLK'S LIBRARIES IPS LIMITED

**DETAILED BREAKDOWN OF DONATIONS
FOR THE YEAR ENDED 31 MARCH 2019**

Lavenham Library	38	-	38	1
Leiston Library	3	-	3	-
Library Local Shotley	4,000	-	4,000	-
Lowestoft Library	179	-	179	159
Long Melford Library	37	-	37	-
Mildenhall Library	1	-	1	-
Needham Market Library	15	-	15	-
Newmarket Library	900	-	900	187
NPO General	330	-	330	-
Oulton Broad Library	19	-	19	-
Rosehill Library	3	-	3	1
Southwold Library	769	-	769	2,062
Stradbroke Library	54	-	54	-
Stoke Community Library	2	-	2	1
Stowmarket Library	206	-	206	119
Suffolk Libraries HQ	231	-	231	86
The Hub	1	-	1	-
Thurston Library	2,738	-	2,738	2,745
Wickham Market Library	5	-	5	-
Woodbridge Library	99	-	99	-422
Stock	512	-	512	448
Library Extra	-	5,523	-	4,978
Total donations to library	29,646	5,523	29,646	24,457
Fund raising by staff	6,274	-	6,274	6,080
Total donations	35,920	74,787	110,707	100,919
