

Suffolk Libraries

Suffolk's Libraries IPS Limited

**(A charitable Industrial and Provident Society
Registered under the Industrial and Provident Societies Act 1965)**

Annual Report and Financial Statements

The Year ended 31 March 2014

Society Registration Number IP031542

Suffolk's Libraries IPS Limited

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Suffolk's Libraries IPS Limited

Reference and Administrative Information

Society Name: Suffolk's Libraries IPS Limited

Society Registration Number: IP031542

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Suffolk's Libraries IPS Limited

Annual Report

Report of the Directors for the year ended 31 March 2014

The Directors are pleased to present their report together with the financial statements of the Society for the year ended 31 March 2014 which are also prepared to meet the requirements for a Directors' report and accounts for Industrial & Provident Societies Act purposes.

The financial statements comply with the Industrial & Provident Societies Act 1965 and the Statement of Recommended Practice — Accounting and Reporting by Charities (SORP 2005).

Chairman's introduction

Suffolk Libraries serves a population of 730,000 through a branch network in 44 locations across the county. In 2011, changes in policy and funding led to a threat of closure to 33 of the county's libraries. This was met with expressions of horror and resistance by the public and the media, leading to a consultation which resulted in a radical, innovative way forward for the County's library service.

An Interim Board was formed, and its members worked with Council officers and advisors to create a solution which would save the County over 25% of the 2011 budget, while rescuing the 33 threatened locations from closure. The adopted structure created a member-led legal entity which has some of the characteristics of a cooperative, and benefits from some of the financial advantages of a charity.

This entity – Suffolk's Libraries Industrial and Provident Society – employing and managed by professional practitioners, now contracts with the County to deliver a comprehensive library service, at a substantially reduced cost.

2013/14

By the time of the Annual General Meeting in 2013, 36 of the individual branches had formed Friends groups – also known as Community groups – and been formally established as Members of the new entity. Inevitably some very strong supporters of the library service were uncomfortable with the new arrangements.

But it is pleasing that the vast majority of our supporters in the community were prepared to endorse the new structure, and we are thrilled to be able to confirm that the Board has approved the applications of all the outstanding library groups, so that we now have a structure which reflects the diverse communities in which all 44 of our libraries are located.

At last year's AGM a new Board was elected – the start of a steep learning curve for most of us. This Board is made up of enthusiastic supporters of the library service with a wide range of professional experience. Among our earliest tasks was the recruitment of two important new posts – Managers in the areas of Business and Performance, and Innovation and Development. We were also quickly engaged in the negotiation of our service specification and budget for 2014/15, and here I would like to acknowledge the very constructive relationship which has quickly developed with our partners in the County Council.

Towards the end of 2014 we undertook a Customer Survey. It is to the great credit of frontline staff, and the central management team, that 93% of customers who responded feel that the service is as good – or better – than before all the changes took place. Detailed feedback from customers shows just how highly our service is valued, and I have never seen such consistently glowing comments for any other organisation in any sector.

Operationally, this has been a challenging year. In order to embed significant financial savings, we have 'transitioned' the management of finance, HR, and much of our IT function in house. I would like to pay tribute to the small, resourceful team of specialists who have held the business together while introducing a whole set of new systems and procedures in these areas.

Suffolk's Libraries IPS Limited

As you will see elsewhere in this report, significant new initiatives have been undertaken in areas including pay and reward, staffing strategy, business and partnership development, and in building shared understandings of the roles and relationships of Member groups and the countywide organisation. An important new programme of professional development is about to get under way to equip leaders across the organisation to manage the change to the more creative, entrepreneurial culture which our new independence demands of us.

There is already evidence of energy and inventiveness across the county as Community groups have offered a busy programme of events, and raised substantial amounts of money to support enhancements in local libraries. Both local and countywide initiatives have been supported by a vigorous PR programme, which has raised our profile within the county and nationwide.

We believe we are pioneering a successful model for a modern library service. We know we have maintained – and in some ways improved – our service to the community. And we have built on the value of our service at a time when many other counties have been unable to sustain the quality and professionalism which our staff are delivering.

We rely for the success of this model on the active engagement and support of our Community groups, as well as our staff. So, on behalf of the Board, I thank you for your support over the past year, and urge you to continue to play an active part in the development of this valued and vibrant service.

Tony Brown

Chair Suffolk Libraries IPS Ltd Board

Suffolk's Libraries IPS Limited

Annual Report (Continued)

Our objects and activities

The objects of the Society 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

- We have welcoming and committed staff and volunteers who are dedicated to helping people find the services they need.
- Our service is about expanding horizons and helping people have a voice in how our services will be delivered now and in the future.

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 public benefit and fee charging. The Society relies on contract income 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 2013/14 to achieve the charity's aims and objectives were:

1. To deliver on the SCC contract, meeting contractual requirements, supporting the councils priorities and being a valued contractor
2. Develop a strategy for a sustainable Library Service which is modern, provides high levels of customer satisfaction and reaches out to the populations of Suffolk
3. Manage our resources effectively and increase income
4. Provide library services which are valued and well used, increasing activities and helping staff to embrace an entrepreneurial culture
5. Generate a sustainable membership base for the Society
6. To have employees and volunteers that feel valued, are skilled and well managed
7. To build a profile with a clear and separate identity, valued and respected.

To deliver these the Society developed and adopted a comprehensive Business Plan which spans 2013-2016. This plan has directed the activities of the Society for the year, and is regularly reported on at Board meetings.

Suffolk's Libraries IPS Limited

Annual Report (Continued)

Achievements and performance

Notable areas of success during the year included:

There was a successful and very well attended first AGM for the Society in September 2013 at Kesgrave, with the election of seven new Directors, with many of the costs covered by sponsorship. The speaker was Lord Phillips of Sudbury and over 100 people were present, representing the 32 members and the Society's partners.

The first elected Board of Directors had an early and comprehensive induction programme which included a CLORE foundation facilitated away-day, induction packs and presentations by the Society's staff. At their first formal meeting they elected the Chair and Vice-Chair of the Board. A Directors handbook, developed using Board feedback, has also been created during the year to help future Directors as a governance pack.

During the year to March 2014 the Society's membership increased to 41 which meant that there were only 3 more applications from groups needed before the Society had full membership. Two of these are now Members. The Board, local managers and the Community Libraries team have all contributed to this achievement. They also all work consistently to support all the members throughout the year, and have developed guidance and support for groups to help them run their affairs.

There were a number of successful member events during the year across Suffolk, and the Communities Team ran a member survey to identify what areas of support are needed and how the members would like to communicate with each other. The Communities Team also worked with the Board Governance Committee to develop a Membership Strategy.

In November 2013, the Society carried out its first customer survey and it had over 1,500 responses which showed a clear support for the Society's stewardship of the service, and high satisfaction with the library services being provided.

The library service showed its commitment to innovation and new technologies by introducing new digital library services, under the banner of **Get Connected**, including increased eBook choices, audio book downloads and free music downloads and streaming. Suffolk is only the second library service to provide this in the UK. The Get Connected programme also extended to include the lending of eBook readers, and it won a national award for digital innovation in February 2014 (the EDGE award), which was accepted by the IT manager and the Innovation and Development Manager. 31 libraries also now provide free Wi-Fi to their customers.

Society staff were consulted during the year on a new Pay and Reward Scheme which was developed and ready for introduction on the 1st April 2014. The Society took up the opportunity to develop its own scheme, after consultation with legal advisors on a recent European ruling on TUPE. The new scheme will provide universal benefits, and introduce a reward and recognition scheme to recognise excellence and achievement. This is part of the Society's ongoing programme to recognise great customer service, develop new skills and motivate staff to be more entrepreneurial.

During the year, the Society transferred its payroll, HR, finance and email services out of Customer Service Direct and by the end of March 2014 was managing all of this in-house, providing swifter resolution of issues, at a much cheaper cost.

All staff computers were replaced by the end of March 2014. The IT manager also worked throughout the year to design and plan for a refresh of public computers, working with SCC and with Google to test out innovative solutions. This will happen now in 2014.

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Annual Report (Continued)

Libraries held the most successful Summer Reading Challenge ever, with 7,700 children taking part. There were also very successful events in libraries to celebrate World Book Night, World

Book day and National Libraries day. There is more detail of the overall picture for library activities in the Member section of this report.

A successful and stimulating Round Table was held in February 2014 at the John Peel centre in Stowmarket to explore with stakeholders from health, care, politics, business, education and the profession the future for Suffolk Libraries in 2020. This has helped to shape the Society's thinking about the future, open up some new conversations with potential partners and inspire ideas for business development.

Two new public access points opened in libraries at Beccles and Woodbridge which enable local citizens to carry out transactions with their district council, get tourist information and advice on housing and benefits. This is likely to lead to further partnerships and the Society is working with these on ways to build on the learning to date.

A new multi-service centre opened at Brandon in September 2013 with a new library, children's centre, police enquiries and district council advice points. This new facility makes creative use of an old building and provides local people with a larger and more modern library. Use has already gone up, with footfall in the building increasing with the extra facilities.

The Society was asked to take part in some national research commissioned by DEFRA on rural library services, which chose eight library services to work with. There were stakeholder interviews, workshops and a national event which the Society attended in Birmingham at the new library. The report has not yet been published; however, the Suffolk library model was highlighted as a good model for others to follow.

Over the year, Suffolk Libraries received an increasing number of requests for advice from other councils, communities and library services on how to successfully transfer out of council control and has since developed a consultancy service which will bring in some income.

The Society's performance regime became more established with a new monthly online form for library managers to complete, providing increased information for performance management, business planning and improved figures to help with contract monitoring. During the year the Council also described the Society as a "valued contractor".

There were a number of good PR stories about the library service, countywide and for local initiatives, in newspapers, radio and magazines. The Society has over 2000 followers on Twitter and over 400 people following the Suffolk Libraries Facebook page. These can swiftly escalate a good story (or an issue) in a way which conventional media cannot.

Towards the end of the year the Society launched a new website to improve the customer experience, help people search more effectively and increase the potential for further business development.

Performance

On 31 March 2014 the Society had 387 staff, with a full time equivalent of approximately 187.

During the year the HR team has worked with managers across the county to help the reduce absence. At the beginning of the year, this was approximately 7 days per FTE. By the end of the year this had reduced to approximately 3 days per FTE. Reducing absence reduces spend on frontline relief budgets so this is an achievement which can be celebrated.

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Annual Report (Continued)

A new appraisal scheme was introduced during the year, designed by staff, and this is now reaching its first year of review. Training was provided at management forums throughout the year to help managers carry out the policy, which include back to work interviews, checking on employee welfare, and referrals to occupational health.

The Council retains ownership of the book-stock (including non-print materials), of computers for both public and staff use and to the buildings. Suffolk Libraries has the duty to steward these assets, and provides figures on their use to the Council for its statutory return to CIPFA on public library performance and spend. The CIPFA figures for 2012/2013 have now been published, and are available. The Society has an agreement with the County Council to publish its figures for borrowing and stock through the CIPFA publication, and not before. Figures for 2013/14 will be available from December 2014.

Mirroring national trends, the borrowing of printed material is on a downward trend, this is balanced, however, by an increase in the lending of e-material. During the latter part of the year, Suffolk Libraries rolled out its successful Get Connected initiative, which has helped to increase the loan of eBooks and particularly promote the visibility of the library service as a modern venue and a place to download free books. Many of the community groups are helping to fund the purchase for loan of ereaders. As mentioned earlier, this initiative won the EDGE Award in the digital innovation category.

Stock purchasing for the year was influenced by trends in use, in publishing and the Society's decision to increase its digital presence. Printed books will be a core feature of the library offer for the foreseeable future, and these will be complemented by a growing number of books, music and audio books for people to download. There is a new team of volunteers who support the professional stock librarians by providing suggestions about titles and writers in the genres that they enjoy. The stock librarians are aiming to continuously increase the range, diversity and formats of titles on offer.

The Stock Team regularly monitors the performance of stock and content and the value the library service gets from the titles purchased. Measures of this include the cost per issue/download and the number of issues per item per year. Analysis shows that the cost per issue for physical items remains fairly static, with an average cost of £0.21 per loan of a printed book. The cost per download for eBooks fluctuates more as the Society increases its investment in this format. Last year the average cost per eBook download was £0.47.

However as the use of the eBooks service continues to increase the overall pattern for cost per download is one of reducing cost.

Usage statistics show that last year the average number of issues per copy of a printed book was 3.61 per year. The equivalent figure for eBook downloads was 6.43. This shows that although there are fewer eBooks than printed books, those in stock are being used much more heavily. The overall pattern for this is one of relative stability for printed books and continued increase for eBooks.

The 1,500 responses in the customer survey carried out during the year demonstrated that 93% said that they had seen no difference in the service or that it had improved since the service was transferred. 92% said library staff were very good or excellent. 86% said that the selection of titles for borrowing and information were good, very good or excellent, and nearly 60% said they visited their library every week, with 28% once a month.

93% of people said that they use their library for borrowing books. The range of services offered was also reflected including 7% of people who use eBooks, 18.7% who use the free internet access, 27% for information and research and 17% taking part in regular activities for themselves or for children.

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Annual Report (Continued)

Comments were recorded, including:

I am writing to let you know that I wish to cancel my library membership as I am no longer resident in Suffolk. I also wanted to thank you for the service you provide. I found Suffolk library service to be so much better than any other I have experienced, including

in my new home area. I particularly appreciated the range of e-books, the quality and variety of books, the pleasant environment of your premises, and the opening hours.

I particularly appreciate the motivation, mission orientation and manner of the staff. Rather than lament the statutory changes they have just got on with it, determined that the library will survive and flourish as a local institution. Hugely appreciated.

There has been a notable increase in the number of people attending the libraries for one-off events. Members are also very active in supporting local libraries here, with tangible support for their staff and for libraries. These are described in more detail in the Member activity section of this report.

While the number of enquiries has decreased over the year as more people research for themselves through the internet, there has been a corresponding increase in the number of people helped to get on-line. Many of these customers are job seekers who are unable to gain internet access easily elsewhere.

There are a growing number of people who come to the libraries to enquire about health and well-being. The Society is contracted by the NHS to provide this service, it is well regarded and has been renewed for another year.

The Summer Reading Challenge 2013, *Creepy House*, proved to be a huge success with the highest number of children signing up and finishing the challenge. Of these, just over a fifth went on to become members of the library.

Member activities throughout the year

The creation of community groups to support libraries has led to a diverse range of activities, events and initiatives being organised by groups in support of the library. 42 of the 44 libraries in Suffolk now have community groups that are members of Suffolk Libraries, whilst the other two are in the process of formalising their membership. Below is a summary of member group activity throughout 2013 / 2014.

Aldeburgh Library Foundation's vision is for a knowledge hub at the heart of the community, in which reading, learning and sharing knowledge can help to shape the town's future well-being. Determined to see their library survive and thrive, Aldeburgh people have responded enthusiastically to the introduction of adult learning programmes. Last year, Aldeburgh Library Foundation provided 37 courses with 375 student enrolments. They also contributed over £12,000 to improving the building's facilities. With 225 subscribing members already, the foundation expects to attract many more with the launch of their new loyalty card this year in partnership with local businesses.

Beccles Library Community Trust (BLCT) was established in July 2013. The Trust has been successful in raising funds through applications to different local charities and businesses for grants. They also established a 100 Club which currently has 93 members. BLCT is looking to increase membership and register as a charity over the coming year. A separate group - The Friends of Beccles Library - has started working in partnership with BLCT to organise regular events including beetle drives and a Dr Who Day. BLCT are proud that their chair, Tony Brown, is also the chair of the Suffolk Libraries board.

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Annual Report (Continued)

Friends of Brandon Library have successfully secured locality budget funding for some Chromebook laptops which have allowed the library to demonstrate new download services and give customers the ability to upload, attach and download files. The group provided help at the opening celebrations of the new library space at the Brandon Centre, inviting local author Alison Bruce to be a guest of honour, and running a book and craft stall. On National Libraries Day, the group held a book sale, and one of the friends assisted with demonstrating the e-book service as part of the libraries' 'Get Connected' event. The group has actively fundraised throughout the year with book and cake sales, tombolas and a Christmas craft stall. They have purchased an a-frame sign to publicise friends group and library activities. They are also raising the profile of Brandon Library through a World War One illustration competition which they have sponsored.

Bungay Community Library's priority for the past year has been to revitalise the children's library, which was in desperate need of new shelving, furniture and redecoration. Varied fundraising efforts included a popular event by performance poet Luke Wright as well as grants from Bungay Town Council and Cllr David Ritchie. The refurbishment was successfully completed and the new children's area was officially opened by Luke Wright on April 19th. The group were also fortunate enough to be bequeathed some money in February and are planning to improve the libraries' public computer facilities, along with new desks, seating and a refurbishment of the Library counter.

Friends of Bury Library is an enthusiastic group of people who support Bury St Edmunds Library. The group has been working towards becoming a small unincorporated charity and members of Suffolk Libraries. Trustees have been identified and membership is likely to be confirmed during the summer of 2014.

Friends of Capel Library. The group has been regularly meeting throughout the year and formally became a member of Suffolk Libraries IPS in early 2014. In April, they help organised a successful children's event with author Nick Butterworth, which they hope will be the first of many successful friends' group events.

Friends of Chantry Library was formalised earlier in 2014, although the members were involved in two fundraising / activities 2013; a summer fair which raised £109 and a Christmas event which raised £89. More recently, an Easter Egg Hunt, supported by Tesco, raised £32. As well as fundraising, the group is focused on raising awareness of the activities that the library offers. A project that the group has been involved in is fitting wheels to library shelving to enable them to be easily moved aside to make way for events and activities. Thanks to Suffolk County Council and the libraries '55 Alive' group, sufficient funds are available to pay for the adaptation.

Friends of Clare Library have been involved in various activities and initiatives to help the library. They supported the delivery of a successful children's activity in partnership with Creative Arts East. They raised money through a quiz sheet sold over the counter, have held plant and book sales, set up a mah-jong club and secured locality budget funding which they have used to purchase a 60 inch smart screen television which is used to deliver computer training. The group have also been donated a laptop and DVD player and they had an event of showing the Wimbledon Final whilst serving strawberries and cream to raise funds.

Debenham Library Foundation was established as a Charitable Incorporated Organisation in 2013. The group is currently focused on a project to move the library from its current, small premises to a larger space at Debenham Primary School. They have raised the £40,000 required to fund of the move, which includes refurbishing the space at the school and the cost of physically moving. Once a lease with the school is finalised, the group will move forward with helping to plan the building work that needs doing, and then moving the library.

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Annual Report (Continued)

Elmswell Library Friends (ELF) had a very active year, taking part in multiple fundraising events and gathering significant support from the local community. The group provided catering at local farmers' markets, organised sponsored cycle rides and held a Christmas concert. They formed a popular new weekly group, 'Knit and Natter' for people to meet in the library and share their enthusiasm and knowledge for crafting. They also held a fun day on National Libraries Day with 'The Queen's Knickers' the theme. Fancy dress was mandatory, face-painted children decorated the library with colourful knicker designs, and there was entertainment from local author Annie Stewart.

Eye Library Friends (ELF) has been in existence for nine months and the group are focusing on developing their fundraising ideas. They have secured the funding to purchase a new printer/photocopier / fax machine, which is steadily bringing in funds. They are also raising income through an outlet at 'The Bank' in Eye at which donated books are sold, whilst other ideas for activities and income generation are being considered.

Felixstowe Town Council became a member of Suffolk Libraries IPS in September 2013 and has been supportive in many of the libraries' community activities. These include an information day in partnership with East Suffolk Blind Association, the first Felixstowe Book Festival, Summer Reading Challenge activities, book mountain and craft sale, yoga taster sessions as part of World Mental Health Day, an author talk to raise funds for the library, a regular job club the in the library, and 'Sharing Stories' - a weekly reading group for people with learning difficulties

Framlingham Town Council officially became a member of Suffolk Libraries during the year and a friends group was set up. Due to popular demand, the library now opens earlier, adding three hours per week to the opening times. Consultation with library users showed that internal re-decoration of the building was one of their main priorities. The Town Council awarded a grant of £300 towards the cost of this and a quiz night raised a further £302. Some of the library has now been re-decorated with further working parties planned for June 2014.

Voices for Gainsborough Community Library run a café in the library which is open seven days a week and staffed by volunteers. The group has been extremely active throughout the year and brought a number of positive benefits to the library. These include providing uniforms and new equipment for the café, tending to the library garden, supporting various library events, helping with the annual Summer Reading Challenge, helping to organise a community weekend and birthday celebration for the library, securing £3000 funding for the development of further activities for children and young people, supporting summer holiday trips for young people and paying for the installation of Wi-Fi in the library.

Friends of Glemsford Library have supported the library in various ways; providing help at events such as children's crafts and activity sessions on Sundays and the Summer Reading Challenge, promoting the library at local fetes and contributing a decorated tree for the village Christmas Tree Festival. Donations and fundraising have enabled them to purchase a laminator and a book trolley for the library. The group helped to secure £1000 in funding for the library from the local parish council. Members of the group have regularly attended community meetings and are pleased to have one of their trustees, Anne Mallalieu, on the Suffolk Libraries Board.

Friends of Great Cornard Library Friends of Great Cornard Library Community Library is a newly formed group and has enlisted 2 patrons; author and illustrator Rebecca Elliott and author and Suffolk historian, Charlie Haylock. The new group launched and helped plan a popular World Book Night event on the 23rd of April which featured a book swap and sale of donated books as well as refreshments. They are currently planning a music evening with local teenage singer Nicole Cook in June and an evening with Charlie Haylock in October entitled, 'An eccentric look at Suffolk'.

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Annual Report (Continued)

Hadleigh Library Friends worked with puppet show specialists 'Wishworks' to host a children's puppet show - 'Goldifox' - at the library. It received extremely positive feedback with lots of people wanting Charlie the Fox to come back! The library also provided a craft activity for the children after the show as well. It was a positive event that showed off how the library and its friends group can work effectively together and engage with the local community.

Friends of Halesworth County Library has already attracted just over 370 members which alone has raised money as members are required to pay £1 for a three-year membership and many have donated more. The group's first event was a bake sale in September 2013 which was extremely successful with all cakes selling out. The group has also offered two family history courses, held a jewellery party with the help of Imogen Sheeran, hosted a craft fair, launched a 100 club (which already has 99 members) and helped to secure funding for the library from Halesworth Town Council. The group has paid for Wi-Fi installation, a till to keep their money in are in the process of purchasing moveable shelving to enable the library to host a wider range of events.

Friends of Haverhill Library was formed in May 2013 and has attracted members with a wide range of useful skills. The group's fundraising activities have included book quizzes, a local history photographic quiz followed by a tour of local landmarks, an Easter raffle and refreshment provision at library events. The fundraising has enabled the group to pay for the installation and maintenance of the libraries' Wi-Fi, a wireless scanner and printer, a shelving trolley and some e-readers. Future plans include purchasing further e-readers for loan, the provision of an introductory training session on different tablet devices and carrying out some consultation with customers and staff on their ideas for the library.

Friends of Ipswich Library has supported the library for 18 months and in that time they have helped staff to host two 'Poetry by Heart' events which generated £4,000 income for Ipswich library. They also raised £300 through their Book Mountain sale which they used to purchase 200 branded jute bags to re-sell at a profit. They have also launched the '40 Winks Book Club' and held two World Book Night events. There are other exciting plans for summer 2014.

Friends of Ixworth Library (FOIL) aims to help Ixworth Library provide the best possible service for its customers. After forming, the group approached Ixworth Parish Council and secured support in the form of grants and donations. The funding pot was augmented by a fun and festive quiz night in December. FOIL has purchased a new printer to replace the library's outdated machine and plans to help the library with loaning e-readers to customers. The group is also discussing a partial refurbishment of the library to update the facilities available to teenagers.

Friends of Kedington Library is a recently formed group who are actively looking to attract new members. They recently held an author event with Alison Bruce that was very well attended and have held a couple of bookstalls.

Kesgrave Library Community Group has grown during their first year, having welcomed many new members. The group has organised a variety of events including the library's first ever Christmas and Spring Fayres, both of which were well attended and helped to raise funds and the library's profile. The community group also runs a monthly baking club and has recently raised £156 at a cake sale in aid of Suffolk Family Carers. The group is in the process of helping to refurbish the children's area after successfully winning a Community Enabling grant. Revamping the seating area is their next project. Donations from the group include a new coffee machine and a laminator, both of which have allowed the library to offer a wider range of services to the public. Over the coming year a mixture of events is planned to try and encourage different age groups into the library.

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Annual Report (Continued)

Friends of Kessingland Library have re-established the home library service in the local area, held successful quizzes every six weeks, established an art group that is so popular that it now has a waiting list, held art exhibitions, launched a reading group and a creative writing group and undertaken other fundraising activities.

Friends of Lakenheath Library (F.O.LK) continued their association with the local author Alison Bruce by inviting her to be the guest judge of their History Hunt competition in June 2013. In August, The History Hunt winners were crowned at the Lakenheath Village Fete with Alison presenting the prizes. The friends also had a book sale and tombola at the fete. Alison has since agreed to become a Patron of Lakenheath Library. F.O.LK officially became members of Suffolk Libraries in September 2013, and in October they hosted a hugely successful race right in the village hall which raised both the profile of the group of library and a substantial amount of money. Also in October, Alison Bruce conducted an exclusive Writers workshop in the library and F.O.LK held their second annual Halloween Spook-tacular event.

Friends of Lavenham Library have raised funds through a book sale at Lavenham fete in June 2013 and a 50/50 draw. They have worked in partnership with the Friends of Long Melford Library to provide catering at various events, including at the Lavenham Christmas Fayre, selling cakes and preserves to raise money for both groups. The group is looking to organise some events for children and young people in the future.

Leiston Town Council. Members of Leiston Library's Steering Committee have supported the library throughout the year, attending regular committee meetings, supporting and advising on decisions about the library, taking part in interviews for the new library manager and championing the library at the Long Shop Christmas festivities. They have also supported and approved bids for funding from EDF, Waitrose, the Community Enabling Fund and the Co-op. The Community Enabling Fund has provided enough money to purchase locally made garden benches and planters to improve the outside courtyard area. The group is currently bidding for funds for internal redecoration of the library.

Friends of Long Melford Library have raised money at various events including a WI table sale selling various donated items, Long Melford Street Fair selling books and plants and at both Lavenham Literary Festival and Lavenham Arts Festival where they provided refreshments. They have raised several hundred pounds over the year which has enabled them to buy some badly needed new shelving for Long Melford Library. The group is pleased to be represented on the Suffolk Libraries board by Sue Buck.

Friends of Lowestoft Library successfully held the first ever Lowestoft Literature Festival, an amazing achievement for the library and an opportunity for friends, staff and customers to work together on a high profile community event. Eight authors with a love of libraries and links to the Lowestoft area shared their knowledge and passion to an eager audience. Plans to build on library links and increase community involvement are at the forefront of the plans for this year's festival. The group has also been involved in organising regular book and craft sales which has introduced the library to a new network of local artists and crafters who have added colour, sparkle and interest to the library foyer at weekends. They have also held successful quiz nights which have proved a great way to spend an evening with friends and raise a little money. Funds raised have paid for arts award mentorship and the decoration of the library meeting room.

Friends of Mildenhall Library (FoML) formed in 2012 and have supported the library in a number of ways, including Christmas parties for children, storytelling sessions and World Book Night events. Funds have been raised through quizzes and raffles, the hire of jigsaws and 'chicken foot' evenings. Market stalls have been used to promote the library. The group has an exciting programme for 2014 / 2015 with the priority of introducing internet skills training for marginalised groups.

Suffolk's Libraries IPS Limited

Annual Report (Continued)

Needham Market Town Council is the community group for Needham Market Library and they have proved extremely supportive. In the last year, the Town Council paid for the set-up and monthly service costs of the library Wi-Fi. They also agreed to pay the libraries' newspaper bill. The Town Council have expressed their willingness to continue providing ongoing support and encouragement with future projects.

Friends of Newmarket Library have worked hard over the year to promote the library and raise funds. They were involved in a successful volunteer scheme helping children to read, and the setting up of a website and Facebook page. In November they were involved in the launch of a local history book, 'Exning Remembers' by Tony Pringle, and the book sold out. A quiz night held at the Wildwood restaurant in October was so popular that another one took place in January. In March a Chocolate event, in partnership with local shop, 'The Artistry in Cocoa' was held.

Friends of Oulton Broad Library attended and provided refreshments for the children who attended the Summer Reading Game Challenge. They also organised a Christmas raffle and purchased two large floor cushions for children's activities in the library. The group is currently in a period of transition and looking to attract new members.

Rosehill Library Friends was formally established in February 2013 made a positive contribution to the library throughout the year. These include supporting National Libraries Day and World Book Night events, organising quiz sheets, competitions and a quiz night, holding a community engagement day at Rosehill Co-op, supporting and volunteering for the Summer Reading Challenge in 2013, arranging for the author Sue Hampton to give a talk at the library and present the Summer Reading Challenge certificates, and raising over £2,000 through grants and events. The funding they have raised is being used to fund community engagement activities, computer equipment and the purchase of a pop up banner to promote the friends group and the library.

Friends of Saxmundham Library has attracted 96 members, who each paid £2 for one year membership, 1st April 2013 – 31st March 2014. The group has arranged a wide range of events and activities including bingo and quiz evenings, author and publisher visits, book groups, top-time sessions, sewing and craft sessions for children, book sales, tea and cake mornings and a walking book group. The group also helped on library stalls at the Greener Sax Winter Fayre and Annual Town Meeting. From the funds raised over the past year, the group has purchased four collapsible tables and a laminator with a paper cutter. The libraries' top-time group has also been very supportive and has purchased a large foldable table. The group continues to look for new ways to provide help and support to the library.

Friends of Southwold Library (FoSL) raised just over £5,000 during the 2013 / 2014 financial year. This was achieved through a combination of fundraising events (bookstalls, quizzes, and coffee mornings), grants from local organisations and generous donations from supporters. There are now 103 members which equates to a threefold increase during the year. FoSL has paid for the installation of Wi-Fi, a new printer/scanner, two Chromebooks, an MP3 player and various other small items, all for public use.

Friends of Stoke Library. Initial steps towards the formation of the group were taken in November 2013 when library staff and supporters held a coffee morning to generate interest from the local community. The group was formalised at subsequent meetings and now meets on the last Thursday of each month. A summer fayre, has been organised by the group and will include book and cake sales, Hungry Caterpillar children's activities, a table top sale and a tombola.

Suffolk's Libraries IPS Limited

Annual Report (Continued)

Friends of Stowmarket Library has raised almost £1,500 from grants and activities. These include a race night, book sales, craft and cake stalls and grants from the county, district and town councils. They arranged for the library courtyard to be refurbished, with the help of Stowmarket Rotary Club, and they also held a very successful event during the evening of the Stowmarket Christmas lights switch-on, with refreshments, live music and children's craft sessions. Some of the money raised has been used to pay for annual newspaper subscriptions and for a banner advertising the group.

Stradbroke Courthouse and Library Trust (SCALT) has been set up as a Charitable Incorporated Organisation (CIO). Their aim is to create a central community hub in the Old Courthouse building that houses the library. SCALT will bring together in one location a range of complementary services, including library, post office, café, local council information, photocopier, fax, internet services, local history archive, meeting room and a recording / broadcasting studio for Radio Stradbroke and local musicians. The group is well on their way to achieving their aims and hope to have the complex up and running by September 2014.

Friends of Sudbury Library have been involved in several events and activities over the past 12 months, such as book sales, quiz nights, a children's short story competition and a book cover competition. Some of the group have also been involved in a job club that is run on a Friday afternoon in conjunction with the Job centre. They have also been working together with library staff and their Suffolk Libraries member organisation (Sudbury Town Council) as part of a steering group and will continue to look at ways to develop the library and fundraise, with a focus on the local community.

Friends of Thurston Library have been 'expanding horizons' through a number of events for the community, including a coach trip to London, presentations by various writers and a sell-out coronation meal. The group has worked hard on developing a membership to build community involvement and have designed and produced a membership form. They have also focused on promoting and marketing their activities through regular updates in the village newsletter and on the Thurston library twitter account. The group were involved in trialling e-readers on behalf of Suffolk Libraries in order to establish the most suitable to loan to customers. They have ambitious plans for the coming months, including an Italian meal in partnership with the local church and a visit to the Houses of Parliament. They are also preparing for a major change in September 2014 when the sixth form college will move out of the building, leaving the library as sole occupants, presenting exciting opportunities to develop the use of the space.

Westbourne Library Friends held two annual fetes to offer something fun and free to the local community in the library space. The fetes helped to raise money for the library and bring people together. The most recent of these was the Broomhill Festive Fayre in November 2013 which was a great success with over 900 visitors to the library and £300 raised. There were various stalls, children's crafts, stalls, face painting, and special guests Lesley Dolphin and Father Christmas.

Wickham Market Partnership recently celebrated the two year anniversary of the extension of the library opening hours by 22 hours per week through the use of volunteers. During this time, the library has seen a significant increase in visitors whilst book lending has nearly doubled. The Summer Reading Challenge is always very popular and this Easter, the library held an Easter Eggstreme Challenge with the help of the partnership, with 58 children taking part. There is now an IT support service every Friday morning, helping local people with hardware and software issues.

Friends of Woodbridge Library held their first AGM on the 24th April 2014 at the end of a very busy and successful year. One of the main aims of the group is to help raise the profile of the library and this has been achieved through the incredibly popular Music at Lunchtime concerts with an estimated 100 people visiting the library in April to see a traditional Klezmer group perform. Through this and other events such as book sales, a bake sale and a poetry evening,

Suffolk's Libraries IPS Limited

Annual Report (Continued)

funds have been raised to help the library purchase extra chairs and lighting for future events. Plans are also in place to invest in some e-readers for the library to loan to customers.

Relevant factors which affect this year's performance

Members, staff and volunteers have recognised the importance of a broad and inclusive library offer to reach out to the community and the exciting list of activities and ideas described above provide evidence of their commitment to this.

In line with national trends, the lending of printed books is decreasing; however, this is offset by an increase in digital lending. This includes e-readers and eBooks, downloading music and music streaming. The Society is investing in its new digital services to maintain use by existing customers and attract new use.

Figures evidence that people visit their libraries for a variety of activities, including family activities, support for job searching or benefit applications, free internet use, health, well-being and cultural activities and for community events. Attendance for these reasons is as important to the library as a community resource as any measurement of library borrowing or downloading. There is also anecdotal evidence to suggest people use one library card for their family so the counting of active library cards as a measure of use needs to be substantiated with some evidence that active library use is much greater. This is an action for 2014/2015.

The public computers in libraries are old and are due to be upgraded in the coming year. There is evidence that customers are looking elsewhere for internet access. Work needs to be done to encourage these and attract new customers back to libraries as both free Wi-Fi and new computers are rolled out.

The ongoing cuts to public spending and the imperceptible growth in the economy will have a continuing impact on future funding in Suffolk and beyond, on the income of the service and the scope for future investments. However, the Society has made good progress with partnerships and exploratory discussions on what else the library service can do for the community and whether it can deliver some cheaper and new services for health, early years and business.

The increased number of downloads means that traditional fees and charges income will continue to decline so new income streams and business streams will remain a priority for the coming year.

The Society has taken significant steps in this year to make it more resilient and fit for the future. The transition to an in-house back office for HR, finance and IT has not been easy although the people involved have been determined and steady in their direction, and the Society has had good support from Suffolk County Council for this. These changes give the Society more control and ensure that it is able to respond quickly to new opportunities.

The Community Libraries team have been devoting an increasing amount of time helping the members of the Society with their governance and finances. This is an expected consequence of the upsurge in Society membership.

Suffolk's Libraries IPS Limited

Annual Report (Continued)

Our volunteers

The Society is very reliant on the support and help it gets from its 1490 volunteers. They help with the Home Library Service, with library activities, with fundraising and with the community governance in place. It is estimated that they give approximately 685,000 hours of service which equates to at least £470,000 worth of unpaid help towards the Society, based on the living wage.

During 2013/14 the Home Library Service successfully came back into the Society from the WRVS. Volunteers had revised DBS checks and have now been given new photographic badges to help them identify themselves to their customers.

The Society's volunteer policy has been in place for a year and it will be reviewed and revised in 2014.

Financial review

The principle funding source for the Society remains as Suffolk County Council through the contract sum. This funding will continue throughout the contract with the Society.

Additional funding for the Society's aims also came through income generation by the library service itself to meet the remaining costs. This income was generated through local government grants and funding, book sales, commission for collecting fees and charges for use of Suffolk Library's stock and lettings of room space. In the year, new income streams began with the partnerships with district councils to provide public access and advice services, and the modest but growing consultancy service of advice to other divesting library services.

In addition Suffolk Libraries has income streams from three other areas. These are:

- the Schools Library Service, which provides resources and advice to schools for an annual charge;
- library services for the five prisons in Suffolk, which comprises staffing, materials and support for an annual charge, linked to a Service Level Agreement for each establishment;
- the provision of a café in Lowestoft library, run on behalf of the service by EATS, which is now part of the Eastern Facilities Management Services

In each case these services are provided on the basis of full cost recovery and not profit generation and so fall within the Charitable aims of Suffolk Library's IPS Ltd.

During the year the Members and the network of Friends Groups played an increasingly supportive role in helping each of their local libraries to increase their reach into the community, and manage their resources effectively.

During the year the Board decide to dispense with the income targets set for members, known as the Community Contribution, and add this into the general Society savings target. It had been regarded as divisive and counter-productive. Once it had gone, groups felt much more able to raise the profile of their local service within its community, reach out to individuals, groups and businesses, bringing the local library into the forefront of local life.

The coming financial year is going to be a challenge if the Society is to meet all its obligations, and additional effort will need to be focused on income from innovation and new service delivery.

Suffolk Libraries searched throughout the year for savings across every aspect of its operation, and it carried out the previous year's plans to remove the HR, finance and payroll services from

Suffolk's Libraries IPS Limited

Annual Report (Continued)

the current provider and provide them in-house to reduce costs.

The objectives of Suffolk Library's IPS Ltd were met by both the contract payments from Suffolk County Council and the income generated from a variety of sources, including fees and charges. These funds were used to resource the employees of the Society, to maintain the buildings which house the stock and equipment, and give space for social interaction by all members of Suffolk's communities. In addition, Suffolk Libraries had enabled access to web based information for people for use in library buildings and remotely in their homes, place of study or workplace to optimise the opportunity for the widest audience possible.

Investment powers and policy

The Directors, having regard to the liquidity requirements of operating the Society and to the reserves policy have operated a policy of keeping available funds in an interest-bearing deposit account.

Reserves Policy

Reserves are needed to cover unplanned expenditure and any shortfalls in income in future years. The policy is to build up the reserves over a period of time to the equivalent of 3 months operating costs.

At the end of the financial year the unrestricted reserves stood at £318K (2013: £78K) which is consistent with achieving the policy. In calculating the reserves figure the Directors have excluded from total funds the designated Book fund of £39K. (2013: £19K)

The balance sheet is strong with net current assets of £357K. (2013: £357K) Given the support of our major partner, Suffolk County Council, the Directors consider the Society to be a going concern.

The Directors are, however, fully aware that the establishment of the target reserves, together with the economic backdrop, will provide a challenging environment in the years to come.

Suffolk's Libraries IPS Limited

Annual Report (Continued)

Future plans

Over the next year the Society has plans to develop across the following areas

1. Governance and membership

- Recruit new Board members before the AGM to fill the casual vacancy
- Hold a successful election at the AGM
- Provide a successful induction programme for new Directors
- Support all groups to achieve Society membership
- Launch and develop a website for the Society's membership
- Continue to provide stimulating and useful events for members to network and learn from each other

2. Business development and strategic planning

- Commission and then learn from targeted market research with people who do not use libraries
- Develop and adopt a 2020 strategy for the Society
- Initiate and build partnerships for future business development
- Help the county council to deliver its transformation programme
- Work with partners if successful on the Arts Council bid to develop digital audiences in libraries

3. Improved digital offer for library users

- Roll out Wi-Fi to every library
- Refresh public computers with a range of different devices
- Embed the eBook reader lending service and roll it out
- Develop the in-house support service, working with Suffolk County Council IT to create new helpdesk arrangements, and to separate the staff and public networks
- Horizon scan for new developments in library management systems and device technology

4. Staff skills, leadership, pay and reward

- Complete the work on the staffing skills strategy, identifying new frontline roles, consulting and identifying the timescales to implement these
- Oversee and roll out the leadership development programme for staff
- Using performance profiles for libraries, review staffing levels and any case for redeployments.
- Implement the pay and reward scheme
- Plan for the implementation of the Living Wage
- Continue to improve the financial data for library managers

5. Stock and reading developments

- Continue to review patterns of spend against borrowing trends
- Roll out the Get Connected programme to all libraries
- Commission and put on a Winter Book Festival in early 2015
- Continue and support the two year Reading Adventures programme

These activities are listed in greater detail in the Society's Business Plan

Suffolk's Libraries IPS Limited

Annual Report (Continued)

Directors

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

Directors:

| | | |
|-----------------|--------------------|--|
| Shona Bendix | Past Chair | Appointed 12 February 2012 Resigned 12 September 2013 |
| Mike Readman | Past Vice Chair | Appointed 15 February 2012 Deceased 29 April 2013 |
| Mike Hosking | Past Treasurer | Appointed 12 February 2012 Resigned 12 September 2013 |
| Colin Owens | | Appointed 15 February 2012 Resigned 12 September 2013 |
| Robert Spivey | | Appointed 15 February 2012 Resigned 12 September 2013 |
| Lynne Walker | | Appointed 24 January 2013 Resigned 12 September 2013 |
| Graham Watson | | Appointed 15 February 2012 Resigned 16 June 2013 |
| Tony Brown | Chair | Appointed 12 September 2013 |
| Sylvia Knights | Vice Chair | Appointed 15 February 2012 Re-appointed 12 September 2013 |
| Anne Mallalieu | Honorary Secretary | Appointed 12 September 2013 |
| Alison Wheeler | General Manager | Appointed 15 February 2012 |
| Sue Buck | | Appointed 12 September 2013 |
| Sue Brotherwood | | Appointed 12 September 2013 Resigned 11 March 2014 |
| Jonathan Ogden | | Appointed 12 September 2013 |
| Bob Roberts | | Appointed 12 September 2013 |

Suffolk's Libraries IPS Limited

Annual Report (Continued)

Structure, Governance and Management

Suffolk Libraries IPS Limited is an Industrial & Provident Society governed by its Rules dated 21 February 2012. 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 2014 there were 41 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 General Manager 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 Industrial & Provident Society law, the Charity Commission guidance on public benefit, content of the Society's rules, the committees and decision-making processes, the business plan and recent financial performance of Suffolk Libraries. During their induction they will meet key employees and other Directors. Directors are encouraged to attend appropriate events held by community groups where these will facilitate the undertaking of their role.

Board

The Board of Directors, which can have up to 13 members, administers the Society. The board and its sub-committees covering governance, finance and audit and staffing meet regularly. The General Manager appointed by the Directors manages the day-to-day operations of Suffolk Libraries. To facilitate effective operations, the General Manager 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 General Manager who is an employee and details of their remuneration is set out in note 19. 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 19.

Annual Report (Continued)

Risk management

It is the responsibility of the Directors 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.

Work that has been carried out has identified that financial sustainability is the major financial risk to the Society. A second risk area was identified as the reliance on the Co-operative Bank; to mitigate against this risk, most of the capital reserves were moved to Barclays to spread the risk.

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 risk arising from fire, health and safety, management of public access and safeguarding.

Board of 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).

Industrial & Provident Societies law and the law applicable to charities 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.

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 Industrial & Provident Societies Act 1965, 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
Alison Wheeler, General Manager, 31 July 2014

Alison Wheeler

Suffolk's Libraries IPS Limited

Independent Auditor's Report to the Members of Suffolk's Libraries IPS Limited

We have audited the financial statements of Suffolk's Libraries IPS Limited for the period ended 31 March 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the society's members, as a body, in accordance with Section 87 of 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 association and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board and the auditors

As explained more fully in the Statement of Board Responsibilities (set out on page 22), the Board of Directors are responsible for the preparation of the financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

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

Suffolk's Libraries IPS Limited

Matters on which we are required to report by exception

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

- a satisfactory system of control over transactions has not been maintained; or
- the Society has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

Larking Gowen

Larking Gowen Limited

Chartered Accountants
Statutory Auditors

Ipswich

Date 5 August 2014

Suffolk's Libraries IPS Limited

Statement of Financial Activities for the Year ended 31 March 2014

| Incoming Resources | | | | Re-stated | |
|--|------------------------------|----------------------------|----------------------------|----------------------------|--------|
| Incoming resources from generated funds | Unrestricted Funds £000's | Restricted Funds £000's | Total 2013/14 £000's | Total 2012/13 £000's | Notes |
| Voluntary Income | | | | | |
| Group Contribution Cash | (5) | 15 | 10 | 10 | |
| Group Contribution Service in Kind | 3 | 3 | 6 | 0 | |
| Donations | 1 | 17 | 18 | 16 | |
| | (1) | 35 | 34 | 26 | Note 2 |
| Investment Income | | | | | |
| Interest Income | 7 | 0 | 7 | 5 | Note 4 |
| Income From Charitable Activities | | | | | |
| Contract Income | 5,838 | 0 | 5,838 | 4,364 | |
| Contract Stock Budget Income | 0 | 1,193 | 1,193 | 1,035 | |
| Income - Café/SLS/SCC | 196 | 0 | 196 | 32 | |
| Income - Room & Equipment Hire | 125 | 0 | 125 | 75 | |
| Income - Other | 51 | 0 | 51 | 52 | |
| Professional Services | 651 | 44 | 695 | 476 | |
| income Collection Fees | 198 | 15 | 213 | 115 | |
| | 7,059 | 1,252 | 8,311 | 6,149 | Note 3 |
| Total Income | 7,065 | 1,287 | 8,352 | 6,180 | |

The notes on pages 29 to 41 form a part of these financial statements

Suffolk's Libraries IPS Limited

Statement of Financial Activities for the Year ended 31 March 2014 (Continued)

| Resources Expended | Unrestricted Funds £000's | Restricted Funds £000's | Total 2013/14 £000's | Total 2012/13 £000's | Notes |
|---|------------------------------|----------------------------|----------------------------|----------------------------|----------|
| Charitable Activities | | | | | |
| Library service operations | 6,985 | 1,287 | 8,272 | 5,809 | Note 5/6 |
| Governance Costs | 80 | 0 | 80 | 14 | Note 7 |
| Total Resources expended | 7,065 | 1,287 | 8,352 | 5,823 | |
| Net incoming resources | 0 | 0 | 0 | 357 | |
| Opening Funds | 78 | 279 | 357 | 0 | |
| Transfer | 240 | (240) | 0 | 357 | |
| Funds Carried Forward at 31 March 2014 | 318 | 39 | 357 | 357 | |

The statement of financial activities includes all gains and losses in the period. All incoming resources and resources expended derive from continuing activities.


The notes on pages 29 to 41 form a part of these financial statements

Suffolk's Libraries IPS Limited

Balance Sheet as at 31 March 2014

| Current Assets | 2013/14 £000's | 2012/13 £000's | Notes |
|--|-------------------|-------------------|---------|
| Debtors | 2,497 | 456 | Note 10 |
| Cash at Bank and in Hand | 1,060 | 4,247 | |
| Total Current Assets | 3,557 | 4,703 | |
| Current Liabilities | | | |
| Creditors amount falling due within one year | 3,200 | 4,346 | Note 11 |
| Net Assets | 357 | 357 | |
| Funds | | | |
| Unrestricted Funds | 318 | 78 | Note 16 |
| Restricted Funds | 39 | 279 | |
| Total Funds | 357 | 357 | |

The financial statements on pages 25 to 41 were approved by the Board, and authorised for issue on 31 July 2014 and are signed on their behalf by:

Anne Mallalieu 

Secretary of Suffolk's Libraries IPS Limited

Sylvia Knights 
Committee Member

Alison Wheeler 
Committee Member

Society Registration Number: IP031542

The notes on pages 29 to 41 form a part of these financial statements

Suffolk's Libraries IPS Limited

Year ended 31 March 2014

Cash Flow Statement for the Year ended 31st March 2014

| | 2014 £000's | 2013 £000's | Notes |
|--|----------------|----------------|---------|
| Opening Net Funds 1st April 2013 | 4,247 | | |
| Net Cash flow from Operating activities | (3194) | 4,242 | Note 14 |
| Return on Investments | 7 | 5 | Note 15 |
| (Decrease)/Increase in Cash Flow in the Period | (3,187) | 4,247 | |
| Closing Net Funds 31st March 2014 | 1,060 | 4,247 | |

The notes on pages 29 to 41 form a part of these financial statements

Suffolk's Libraries IPS Limited

Year ended 31 March 2014
Notes to the Financial Statements

Note 1 Accounting policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005') and the Industrial and Provident Societies Act 1965.

b) 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.

The Society has an initial five year contract with Suffolk County Council which expires on 31st July 2017 with the ability to extend this for a further five years. Amounts receivable under this arrangement are budgeted to cover the costs incurred by the Society in fulfilling the contract. The Society also has a healthy bank balance at the period end and surplus funds to carry forward.

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.

c) Incoming resources

All incoming resources are recognised when the Society has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Income received in advance is deferred and included within creditors as deferred income.

Income is shown net of value added tax.

d) Donated services and facilities

Donated services or facilities are included in income when the benefit to the Society is reasonably quantifiable and measureable. They are valued by the Directors at the amount the Society would have been willing to pay for the services or facilities on the open market.

e) Interest receivable

Interest on funds held on deposit is included when receivable by the Society.

f) Resources expended

All expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party. All expenditure is classified under activity headings that aggregate all costs related to the category.

- Cost of generating funds comprises the costs of commercial trading and fundraising.

Suffolk's Libraries IPS Limited

Year ended 31 March 2014
Notes to the Financial Statements

- Charitable activities include the costs of the library activities undertaken to further the purposes of the Society.
- Governance costs represent those costs of the strategic management of the Society and of complying with constitutional and statutory requirements.

g) Assets

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.

The Society does not legally own any of the assets, have any rights or obligations over the assets or receive any monetary benefit directly from their use. These assets are therefore not included within the financial statements of the Society.

h) Operating leases

The Society classifies the lease of equipment and properties as operating leases. These are charged against income on a straight line basis over the term of the lease.

i) Stock

The lending stock utilised by the Society is managed and maintained on behalf of Suffolk County Council in order to fulfil its contractual obligations. Legal ownership of the stock does not transfer to the Society at any time, nor any rights, obligations or monetary benefit. Stock is therefore not included within the financial statements of the Society.

Stock consists of books, periodicals, CDs, DVDs and online subscriptions.

j) Taxation

As an exempt charity, Suffolk's Libraries IPS Ltd income and gains potentially fall within the exemptions afforded by the Corporation Tax Act 2010 Part 11 Chapter 3, to the extent that such income or gains are applied exclusively to charitable purposes. Accordingly, there is no corporation tax charge in these Financial Statements.

k) 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"). This is a multi-employer defined benefit scheme funded by contributions from employee and employer.

The Society is not responsible for contributions relating to previous periods and contributions payable to the scheme are capped at a rate of 23.7% of pensionable pay.

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 pension scheme therefore falls under the definition of a defined contribution scheme as the Society is unable to reliably estimate future liabilities in respect of the LGPS.

Suffolk's Libraries IPS Limited

Year ended 31 March 2014
Notes to the Financial Statements

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 period.

I) Incoming resources

- Unrestricted funds

Unrestricted funds are available to use to further any of the purposes of the Society. Designated funds are unrestricted funds of the Society which have been set aside to fund particular activities of the Society.

- Restricted funds

Restricted funds donated for particular areas of the Society's work or specific projects undertaken.

M) Allocation of income and expenditure

Certain items within the Statement of Financial Activities have been reclassified to assist the understanding of the Society's activities.

There have been no adjustments to the total incoming or outgoing resources shown for the comparative period 2012/13

Suffolk's Libraries IPS Limited

Year ended 31 March 2014

Notes to the Financial Statements (continued)

Note 2

Voluntary income

| | Unrestricted Funds £'s | Restricted Funds £'s | Total 2013/14 £'s | Restated Total 2012/13 £'s |
|---|------------------------------|----------------------------|-------------------------|-------------------------------------|
| Group Contribution Cash Donations | | | | |
| Mildenhall Friends Group | 0 | 5,000 | 5,000 | 0 |
| Woodbridge DC Rent | 3,050 | 0 | 3,050 | 0 |
| Babergh District Council – Debenham | 2,000 | 0 | 2,000 | 0 |
| Glemsford Parish Council | 2,000 | 0 | 2,000 | 0 |
| Southwold Library Friends Group | 0 | 1,116 | 1,116 | 0 |
| Wickham Market Partnership | 0 | 1,059 | 1,059 | 0 |
| Stowmarket Friends Group | 0 | 971 | 971 | 0 |
| Stradbroke Friends Group | 0 | 900 | 900 | 0 |
| Hadleigh Friends Group | 0 | 837 | 837 | 0 |
| Lowestoft Friends Group | 0 | 720 | 720 | 0 |
| Needham Market Friends Group | 0 | 650 | 650 | 0 |
| Long Melford Friends Group | 0 | 635 | 635 | 0 |
| Halesworth Friends Group | 0 | 555 | 555 | 0 |
| Ipswich Library Staff Group | 0 | 500 | 500 | 0 |
| Lavenham Friends Group | 0 | 494 | 494 | 0 |
| Woodbridge Friends Group | 0 | 400 | 400 | 0 |
| Westbourne Friends Group | 0 | 320 | 320 | 0 |
| Bungay Friends Group | 0 | 200 | 200 | 0 |
| Beccles Friends Group | 0 | 161 | 161 | 0 |
| | 7,050 | 14,518 | 21,568 | 0 |
| Group Contribution - Prior Year Adjustment | | | | |
| | £'s | £'s | £'s | £'s |
| Locality Budget Debenham | (5,442) | 0 | (5,442) | 5,441 |
| Locality Budget Stradbroke | (6,266) | 0 | (6,266) | 5,292 |
| | (11,708) | 0 | (11,708) | 10,733 |
| Total Group Contributions | (4,658) | 14,518 | 9,860 | 10,733 |
| Group Contribution Cost Reduction | | | | |
| | £'s | £'s | £'s | £'s |
| Ipswich reduction on Contract Cleaning | 2,591 | 0 | 2,591 | 0 |
| Bungay Friends Group – Shelving | 0 | 807 | 807 | 0 |
| Southwold Friends | 0 | 666 | 666 | 0 |
| Westbourne Friends | 0 | 480 | 480 | 0 |
| Wickham Market Friends | 0 | 275 | 275 | 0 |
| Halesworth Friends | 0 | 360 | 360 | 0 |
| | 2,591 | 2,588 | 5,179 | 0 |

Suffolk's Libraries IPS Limited

Year ended 31 March 2014

Notes to the Financial Statements (continued)

Note 2

| Donations | Unrestricted Funds £'s | Restricted Funds £'s | Total 2014 £'s | Restated Total 2013 £'s |
|---|------------------------------|----------------------------|-------------------|-------------------------------|
| Kesgrave Town Council | 0 | 10,500 | 10,500 | 7,000 |
| The Poetry Achieve | 0 | 2000 | 2,000 | 2,000 |
| Norfolk & Norwich Festival | 0 | 0 | 0 | 3,000 |
| Thurston Parish Council | 0 | 0 | 0 | 2,656 |
| Total for amounts less than 1K | 0 | 0 | 0 | 1,664 |
| Locality Budget SCC | 0 | 1,500 | 1,500 | 0 |
| Ipswich Library Staff Group | 0 | 1,313 | 1,313 | 0 |
| Donation to Westbourne Library | 0 | 986 | 986 | 0 |
| Coop Donation to Ixworth Library | 500 | 0 | 500 | 0 |
| Birketts Donation to AGM | 0 | 300 | 300 | 0 |
| Bungay Donation to extended hours | 0 | 273 | 273 | 0 |
| Donation to Stowmarket Library | 0 | 250 | 250 | 0 |
| Blue Star Donation to AGM | 0 | 200 | 200 | 0 |
| Books for Teenagers Mental Health Westbourne Library | 0 | 200 | 200 | 0 |
| Donation | 90 | 0 | 90 | 0 |
| Donation to Newmarket Library | 69 | 0 | 69 | 0 |
| ASDA Donation to Stoke Community Library | 50 | 0 | 50 | 0 |
| Aldeburgh Donation Tin | 19 | 0 | 19 | 0 |
| Needham Market Books Donation | 12 | 0 | 12 | 0 |
| | 740 | 17,522 | 18,262 | 16,320 |

Note 3

Incoming Resources from Activities to further the Objects for the Society

| | Unrestricted Funds £000's | Restricted Funds £000's | Total 2013/14 £000's | Restated Total 2012/13 £000's |
|--|---------------------------------|-------------------------------|----------------------------|--|
| Income From Charitable Activities | | | | |
| Contract Income | 5,838 | 0 | 5,838 | 4,364 |
| Contract Stock Budget Income | 0 | 1,193 | 1,193 | 1,035 |
| Central Office | 76 | 0 | 76 | 0 |
| Schools Library Services | 58 | 0 | 58 | 0 |
| Lowestoft Café | 58 | 0 | 58 | 32 |
| Libraries | 4 | 0 | 4 | 0 |
| Room and Equipment Hire | 125 | 0 | 125 | 75 |
| Income Misc. | 51 | 0 | 51 | 52 |
| | 6,210 | 1,193 | 7,403 | 5,558 |

Suffolk's Libraries IPS Limited

Year ended 31 March 2014

Notes to the Financial Statements (continued)

Note 3 (continued)

Professional Services

| | £000's | £000's | £000's | £000's |
|------------------------------------|--------------|--------------|--------------|--------------|
| Schools Library Service | 376 | 0 | 376 | 279 |
| Prisons Library Service | 199 | 0 | 199 | 109 |
| Mental Health Project | 0 | 42 | 42 | 28 |
| Professional Services - Central | 10 | 0 | 10 | 0 |
| Professional Services - Library | 66 | 0 | 66 | 60 |
| Stock Unit | 0 | 2 | 2 | 0 |
| | <u>651</u> | <u>44</u> | <u>695</u> | <u>476</u> |
| | £000's | £000's | £000's | £000's |
| Library Hire Overdues | 103 | 0 | 103 | 56 |
| Library Reservations | 6 | 0 | 6 | 3 |
| Library Sale of Books/Publications | 73 | 15 | 88 | 26 |
| Library Other fees and Charges | 16 | 0 | 16 | 30 |
| | <u>198</u> | <u>15</u> | <u>213</u> | <u>115</u> |
| Total | <u>7,059</u> | <u>1,252</u> | <u>8,311</u> | <u>6,149</u> |

Note 4

| | Unrestricted Funds £000's | Restricted Funds £000's | Total 2013/14 £000's | Total 2012/13 £000's |
|-------------------|------------------------------|----------------------------|----------------------------|----------------------------|
| Investment Income | | | | |
| Bank Interest | 7 | 0 | 7 | 5 |
| | <u>7</u> | <u>0</u> | <u>7</u> | <u>5</u> |

For Clarification of Notes to accounts please see below

| | | | | |
|-------------------------|--------------|--------------|--------------|--------------|
| Total of Note 2,3 and 4 | <u>7,065</u> | <u>1,287</u> | <u>8,352</u> | <u>6,180</u> |
|-------------------------|--------------|--------------|--------------|--------------|

Note 5

| Total Resources Expended | Staff Costs £000's | Stock £000's | Premises £000's | Other £000's | Total 2013/14 £000's | Total 2012/13 £000's |
|--------------------------|-----------------------|-----------------|--------------------|-----------------|----------------------------|----------------------------|
| Direct Costs | 4,206 | 1,168 | 922 | 443 | 6,739 | 3,797 |
| Allocated Support Costs | 413 | 0 | 34 | 1,086 | 1,533 | 2,012 |
| | <u>4,619</u> | <u>1,168</u> | <u>956</u> | <u>1,529</u> | <u>8,272</u> | <u>5,809</u> |
| Governance costs | 0 | 0 | 0 | 80 | 80 | 14 |
| Total Costs | <u>4,619</u> | <u>1,168</u> | <u>956</u> | <u>1,609</u> | <u>8,352</u> | <u>5,823</u> |

Suffolk's Libraries IPS Limited

Year ended 31 March 2014

Notes to the Financial Statements (continued)

Note 6

Charitable Activities - Library services Operations

| | Unrestricted Funds £000's | Restricted Funds £000's | Total 2013/14 £000's | Total 2012/13 £000's |
|----------------------------------|---------------------------------|-------------------------------|----------------------------|----------------------------|
| Direct Costs | | | | |
| Frontline Library Staff | 3,743 | 0 | 3,743 | 2,710 |
| External Services inc Staff | 662 | 0 | 662 | 0 |
| Staff Development | 1 | 0 | 1 | 4 |
| Property Costs | 872 | 0 | 872 | 632 |
| Stock | 0 | 1,167 | 1,167 | 897 |
| Other | 173 | 120 | 293 | 186 |
| | <u>5,451</u> | <u>1,287</u> | <u>6,738</u> | <u>4,429</u> |
| Support Costs | £000's | £000's | £000's | £000's |
| Support Staff Costs | 407 | 0 | 407 | 267 |
| Agency Staff Costs | 24 | 0 | 24 | 118 |
| Insurance | 33 | 0 | 33 | 24 |
| Premises | 34 | 0 | 34 | 0 |
| Travel and subsistence | 0 | 0 | 0 | 1 |
| Bank Interest and charges | 9 | 0 | 9 | 4 |
| IT, HR and Accountancy | 991 | 0 | 991 | 861 |
| Supplies, printing and telephone | 36 | 0 | 36 | 105 |
| | <u>1,534</u> | <u>0</u> | <u>1,534</u> | <u>1,380</u> |

Note 7

Governance Costs

| | Unrestricted Funds £000's | Restricted Funds £000's | Total 2013/14 £000's | Total 2012/13 £000's |
|-------------------------|---------------------------------|-------------------------------|----------------------------|----------------------------|
| Consultancy Fees | 26 | 0 | 26 | 0 |
| Other Professional Fees | 36 | 0 | 36 | 0 |
| Legal Fees | 9 | 0 | 9 | 6 |
| Audit Fees | 3 | 0 | 3 | 4 |
| Board Expenses | 6 | 0 | 6 | 4 |
| | <u>80</u> | <u>0</u> | <u>80</u> | <u>14</u> |

Total Costs

| | Unrestricted Funds £000's | Restricted Funds £000's | Total 2013/14 £000's | Total 2012/13 £000's |
|--|---------------------------------|-------------------------------|----------------------------|----------------------------|
| | <u>7,065</u> | <u>1,287</u> | <u>8,352</u> | <u>5,823</u> |

Suffolk's Libraries IPS Limited

Year ended 31 March 2014

Notes to the Financial Statements (continued)

Note 8

Staff Costs

| | Unrestricted Funds £000's | Restricted Funds £000's | Total 2013/14 £000's | Total 2012/13 £000's |
|---|---------------------------------|-------------------------------|----------------------------|----------------------------|
| Direct staff costs during the period were | | | | |
| Wages and Salaries | 3,743 | 32 | 3,775 | 2,387 |
| Social Security Costs | 161 | 0 | 161 | 104 |
| Other Pension Costs | 601 | 0 | 601 | 421 |
| | <u>4,505</u> | <u>32</u> | <u>4,537</u> | <u>2,912</u> |
| Indirect employee Expenses | 82 | 0 | 82 | 68 |
| | <u>82</u> | <u>0</u> | <u>82</u> | <u>68</u> |

The average number of persons (including Management) employed by the Society during the year

| | Total 2013/14 £000's | Total 2012/13 £000's |
|----------------------------|----------------------------|----------------------------|
| Frontline Staff | 368 | 363 |
| Administration and Support | 8 | 3 |
| Management | 11 | 6 |
| Total | <u>387</u> | <u>372</u> |

The number of employees whose emoluments exceeded £60,000 was 1 (2013: nil).

Note 9

Acting as an agent

During the year the Society collected fees on behalf of, and paid over to, SCC totalling £198,421 (2013: £114,646). This is not included within incoming resources expended in the Statement of Financial Activities.

The Society received £198,421 (2013: £114,646) as collection fees for undertaking this process.

Note 10

Debtors

| | Total 2013/14 £000's | Total 2012/13 £000's |
|----------------|----------------------------|----------------------------|
| Trade Debtors | 2,225 | 374 |
| Other Debtors | 38 | 0 |
| Prepayments | 79 | 82 |
| Accrued Income | 155 | 0 |
| | <u>2,497</u> | <u>456</u> |

Suffolk's Libraries IPS Limited

Year ended 31 March 2014

Notes to the Financial Statements (continued)

Note 11

Creditors: Amounts falling due within one year

| | Total 2013/14 £000's | Total 2012/13 £000's |
|------------------------------------|----------------------------|----------------------------|
| Trade Creditors | 558 | 1,428 |
| Other Taxation and Social Security | 648 | 717 |
| Accruals | 268 | 443 |
| Deferred Income | 1,671 | 1,758 |
| Other Provisions | 55 | 0 |
| | <u>3,200</u> | <u>4,346</u> |

Note 12

Analysis of net assets between funds

Fund Balances at 31st
March 2014 are
represented by

| | Un-restricted Funds £000's | Restricted Funds £000's | Total 2013/14 £000's | Total 2012/13 £000's |
|---------------------|----------------------------------|-------------------------------|----------------------------|----------------------------|
| Current Assets | 3,557 | 0 | 3,557 | 4,703 |
| Current Liabilities | (3,200) | 0 | (3,200) | (4,346) |
| Total Net Assets | <u>357</u> | <u>0</u> | <u>357</u> | <u>357</u> |

Note 13

Financial Commitments

Operating Leases

At 31st March 2014 the Society had annual commitments under non-cancellable operating leases as follows

| Detail | Expiry | Total 2013/14 | | | Total 2012/13 | | |
|----------------------------|--------|---------------|---------------|----------|---------------|--------------|----------|
| | | < 1 Yr | 2-5 Yr | >5 Yr | < 1 Yr | 2-5 Yr | >5 Yr |
| Land and Buildings: | | | | | | | |
| Land and Buildings | | <u>0</u> | <u>17,634</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Other | | <u>0</u> | <u>5,996</u> | <u>0</u> | <u>0</u> | <u>5,892</u> | <u>0</u> |

Suffolk's Libraries IPS Limited

Year ended 31 March 2014

Notes to the Financial Statements (continued)

| | Total 2013/14 £000's | Total 2012/13 £000's |
|--|----------------------------|----------------------------|
| Note 14 | | |
| Reconciliation of net income to net cash inflow | | |
| Net Income/(expenditure) | 0 | 357 |
| Return on Investments and Servicing of Finance | (7) | (5) |
| (Increase)/Decrease in Debtors | (2,041) | (456) |
| (Decrease)/increase in Creditors | (1,146) | 4,346 |
| Net cash outflow from Operating Activities | <u>(3,194)</u> | <u>4,242</u> |
| | | |
| | Total 2013/14 £000's | Total 2012/13 £000's |
| Note 15 | | |
| Returns on investments | | |
| Interest Received | 7 | 5 |
| | <u>7</u> | <u>5</u> |

Suffolk's Libraries IPS Limited

Year ended 31 March 2014

Notes to the Financial Statements (continued)

Note 16

Funds

| | Balance as at 01 April 2013 £000's | Incoming Resources £000's | Resources Expended £000's | Transfers Between Funds £000's | Balance as at 31 March 2014 £000's |
|---------------------------|--|---------------------------------|---------------------------------|---|--|
| Restricted Funds | | | | | |
| Donations | 20 | 35 | (55) | 0 | (0) |
| Mental Health Fund | 0 | 44 | (44) | 0 | (0) |
| Project Fund | 240 | 0 | 0 | (240) | 0 |
| Stock Fund | 19 | 1,208 | (1,188) | 0 | 39 |
| | 279 | 1,287 | (1,287) | (240) | 39 |
| Unrestricted Funds | | | | | |
| Unrestricted General Fund | 78 | 7,065 | (7,065) | 240 | 318 |
| Total Funds | 357 | 8,352 | (8,352) | 0 | 357 |

Purposes of restricted funds

Donations

To facilitate the running of individual libraries stated with the specific donations.

Mental health fund (Well Being Grant)

To facilitate and promote access to Mental Health services within Suffolk.

Project fund

This fund has been reclassified from restricted to unrestricted, it will therefore be available for use in the general running of the library service but with the emphasis on standalone projects for the improvement of the library service rather than day to day expenses which are met out of the Contract Sum and income generation.

Stock fund

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

Note 17

Share capital

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 transferrable, 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.

Suffolk's Libraries IPS Limited

Year ended 31 March 2014

Notes to the Financial Statements (continued)

At the period end the Society had 41 members.

| Organisation name | Date of Acceptance | Share Capital £ |
|--|-----------------------|-----------------------|
| Friends of Glemsford Library | 19/12/2012 | 1 |
| Friends of Thurston Library | 24/01/2013 | 1 |
| Wickham Market Partnership | 26/02/2013 | 1 |
| Needham Market Town Council | 26/02/2013 | 1 |
| The Friends of Long Melford Library | 26/02/2013 | 1 |
| Leiston Cum Sizewell Town Council | 26/02/2013 | 1 |
| Bungay Community Library | 15/04/2013 | 1 |
| Sudbury Town Council | 26/03/2013 | 1 |
| The Aldeburgh Library Foundation | 26/03/2013 | 1 |
| Friends of Mildenhall Library | 26/03/2013 | 1 |
| Friends of Southwold Library | 15/04/2013 | 1 |
| Friends of Ipswich County Library | 15/04/2013 | 1 |
| Friends of Lowestoft Library | 15/04/2013 | 1 |
| Friends of Brandon Library | 02/05/2013 | 1 |
| Stradbroke Courthouse & Library Trust CIO | 29/05/2013 | 1 |
| Friends of Ixworth Library (FOIL) | 29/05/2013 | 1 |
| Friends of Library in Kessingland (FOLK) | 29/05/2013 | 1 |
| Saxmundham Library Friends | 29/05/2013 | 1 |
| Friends of Woodbridge Library (FOWL) | 29/05/2013 | 1 |
| Debenham Library Foundation | 29/05/2013 | 1 |
| Framlingham Town Council | 08/07/2013 | 1 |
| Voices for Gainsborough Community Library | 08/07/2013 | 1 |
| Friends of Oulton Broad Library | 08/07/2013 | 1 |
| Friends of Stowmarket Library | 08/07/2013 | 1 |
| Friends of Haverhill Library | 08/07/2013 | 1 |
| The Friends of Lavenham Library | 15/07/2013 | 1 |
| The Kesgrave Community Library | 21/08/2013 | 1 |
| Elmswell Library Friends | 21/08/2013 | 1 |
| The Friends of Halesworth County Library | 21/08/2013 | 1 |
| Friends of Newmarket Library | 21/08/2013 | 1 |
| Friends of Lakenheath Library | 21/08/2013 | 1 |
| Felixstowe Town Council | 21/08/2013 | 1 |
| Beccles Library Community Trust | 21/08/2013 | 1 |
| Eye Library Friends | 21/08/2013 | 1 |
| Hadleigh Library Friends Group | 21/08/2013 | 1 |
| Westbourne Library Friends | 21/08/2013 | 1 |
| Kedington Library Friends | 28/11/2013 | 1 |
| The Friends of Capel St. Mary Library | 30/01/2014 | 1 |
| The Friends of Stoke Library | 20/03/2014 | 1 |
| Rosehill Library Friends | 20/03/2014 | 1 |
| The Friends of Clare | 20/03/2014 | 1 |
| Total | | 41 |

Suffolk's Libraries IPS Limited

Year ended 31 March 2014

Notes to the Financial Statements (continued)

Note 18

Contingent Liabilities

Certain of the Society's employees are members of the Local Government Pension Scheme (LGPS) This is funded, multi-employer defined-benefit scheme, with assets held in separate trustee-administered funds. The Society made contributions of £630,093 (2013: £421,000) during the period in respect of these employees, which has been accounted for as an expense in the statement of financial activities in line with the accounting policy of the Society.

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 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 at the period end that relates solely to itself, as both its timing and amount is contingent on future events.

According to the most recent full actuarial valuation, dated 31 March 2013, the Society's share of the deficit in the scheme was £53,000, representing a share of scheme assets of £10,093,000 and scheme liabilities of £10,146,000.

Note 19

Remuneration & related party transactions

Remuneration (including national insurance and employer pension contributions) paid to one Board member; the General Manger of Suffolk Libraries IPS, during the year was £76,634 (2013: £46,851), as authorised in the Rules of the Society.

10 Trustees were reimbursed expenses amounting to £6,348 (£2013: £3,623) for the Year ended 31 March 2014 from Suffolk Libraries.

There were no other payments to related parties.

Suffolk Libraries made nil payments (2013: £294) for the year ended 31 March 2013 to Suffolk Association of Local Councils (SALC) relating to refreshments for board meetings held in SALC's training rooms. SALC was the employer of the Chair of the Board up to September 2013, where the position of responsibility held is Chief Executive at SALC. During the year the Society held no meetings at SALC (2013: 4, with estimated benefit of £480).

Note 20

ICT Costs paid by Suffolk County Council

During the year SCC paid for the implementation of the HR and Accounting systems for use within Suffolk Libraries, this amounted to £57,000.00 during Year Ended March 2014 (2013: Nil), which has not been included within these financial statements.

During the next financial period Suffolk Libraries will be procuring on behalf of Suffolk County Council the machines required for the public PC refresh programme.

Note 21

Post balance sheet events

Friends of Chantry Library became a member on 29th May 2014.

Friends of Great Cornard became a member on 29th May 2014.

Since the balance sheet date the Society has committed to a number of leases and licences for the year ending 31 March 2015 at a total of £60K.