



Inspire

Culture | Learning | Libraries

Culture, Learning and Libraries (Midlands)

Trustees' Annual Report and Accounts

1 April 2024- 31 March 2025



Table of Contents

01	<i>Reference and Administrative Details of the Company, its Trustees and Advisers For the Year Ended 31 March 2025</i>	5
02	<i>Why We're Here - Inspiring People to Read, Learn and Enjoy Culture</i> Introduction from the Chair and Chief Executive.....	6
TRUSTEES' REPORT		
03	<i>What We've Delivered This Year</i> Key Statistics Our Priorities and Outcomes..... Enjoys and values reading Can engage with and participate in arts, music and cultural activity..... Discovers, values and shares the Nottinghamshire story..... Lives an active, long and healthy life Achieves their learning potential Is better informed and more knowledgeable..... Can be part of supportive, thriving and sustainable communities..... Can participate in increased economic growth and employment.....	8 10 10 10 12 13 14 14 15 15
04	<i>Looking Ahead</i>	17
05	<i>Legal, Administrative and Governance Matters</i> Members of the Board who held office during the year..... Recruitment and Appointment of Trustees Trustee Induction and Training..... Senior Officers of Inspire Membership of the Society Constitution Policies and Objectives Engagement with Employees and Equalities.....	19 20 20 20 20 21 21 22

06

Financial Review

Going Concern.....	24
Financial Management	24
Principal Funding.....	24
Fundraising.....	25
Management of Risk	25
Areas of Risk and Volatility	25
Capital Investment	26
Defined Benefit Pension Scheme	26
Reserves Policy.....	27
Pay Policy for Senior Staff.....	27
Financial Results	27
Statement of Trustees' Responsibilities	28
Disclosure of Information to Auditors	28

07

Independent Auditors' Report to the Members of Culture, Learning and Libraries (Midlands)

Opinion	30
Basis for Opinion	30
Conclusions Relating to Going Concern	30
Other Information	31
Matters on which we are Required to Report by Exception	31
Responsibilities of Trustees.....	31
Auditors' Responsibilities for the Audit of the Financial Statements.....	32
Use of Our Report	33

08

Statement of Financial Activities (incorporating Income and Expenditure Account) for the year ended 31 March 2025.....

34

09

Balance Sheet as at 31 March 2025.....

35

10

Statement of Cash Flows for the year ended 31 March 2025

37

11

Notes to the Financial Statements for the year ended 31 March 2025

Note 1 - General Information	38
Note 2 - Accounting Policies	38
Note 3 - Income from Donations and Legacies	44
Note 4 - Income from Charitable Activities	45
Note 5 - Trading Activities	45
Note 6 - Analysis of Expenditure on Charitable Activities	46
Note 7 - Analysis of Expenditure by Activities, Direct Costs and Support Costs	46
Note 8 - Direct and Support Costs Analysis by Fund	48
Note 9 - Auditors' Remuneration	48
Note 10 - Staff Costs	48

Note 11 - Trustees' Remuneration and Expenses	50
Note 12 - Interest Payable	50
Note 13 - Tangible Fixed Assets	50
Note 14 - Debtors	51
Note 15 - Creditors: amounts falling due within one year	51
Note 16 - Creditors: amounts falling due after more than one year	51
Note 17 - Accruals and Deferred Income	51
Note 18 - Statement of Funds	52
Note 19 - Summary of Funds	57
Note 20 - Analysis of Net Assets between Funds	57
Note 21 - Reconciliation of net movement in funds to net cash flow from operating activities	58
Note 22 - Analysis of Cash and Cash Equivalents	58
Note 23 - Analysis of Changes in Net Debt	58
Note 24 - Pension Commitments	58
Note 25 - Operating Lease Commitments	63
Note 26 - Related Party Transactions	63
Note 27 - Surplus before Pension Adjustments	64

01

Reference and Administrative Details of the Company, its Trustees and Advisers For the Year Ended 31 March 2025

Trustees serving during the year ending March 2025

Peter Gaw, Member, Trustee, Secretary and CEO
John Cottee, Chair of Trustees (resigned July 2025)
Margot Madin, Chair of Audit and Finance Committee
Paul Henshaw, Nominated by Nottinghamshire County Council Trustee (resigned September 2024)
Pauline Allan, Nominated by Nottinghamshire County Council Trustee (appointed October 2024, resigned April 2025)
Victoria Dunstall, Co-opted Trustee
Jackie Hewlett-Davies, Community Trustee
Leon Dale, Community Trustee
Mark Dorrington, Community Trustee
Diane Meale, Community Trustee
Ann Penn, Staff Representative Trustee

Society Registered Number RS0007139

Registered Office Inspire HQ
Glaisdale Parkway
Nottingham
NG8 4GP

Independent Auditors PKF Smith Cooper Audit Limited
Statutory Auditors
2 Lace Market Square
Nottingham
NG1 1PB

Bankers Barclays Bank Plc
2 High Street
Nottingham
NG1 2EN

02

Why we're here - Inspiring People to Read, Learn and Enjoy Culture

Introduction from the Chair and Chief Executive

Culture, Learning and Libraries (Midlands), trading as Inspire, has enjoyed its ninth year of operations as we continue in our aim of inspiring Nottinghamshire communities to read, learn and enjoy culture.

Our forward plan 2022 – 2026 has underpinned our focus and development as an organisation, with the four priorities of quality, dynamism, inclusivity and sustainability being at the heart of the way we operate and deliver services.

We continue to have excellent staff and volunteers who are professional, skilled, enthusiastic, creative and committed to making a difference to communities, learners and students. As an organisation, we are more and more focused on the impact we make. From the new volunteer helping out at a Places of Welcome group or a young reader completing the Summer Reading Challenge, to the young person passing their GCSE maths or the Archive user completing their family tree, Inspire makes a real difference.

Our libraries are the heart of Inspire, with millions of visits and over 300 events, exhibitions, and courses available each week. The value of reading and literacy is at the centre of our programming, with reading for pleasure having benefits for literacy, mental health, wellbeing and opening worlds not limited by our mobility or imaginations.

Our Inspire Community Makers volunteers continue to grow in number and impact in a range of projects and events. The Bookstart gifting programme is reaching nearly all babies and toddlers, the Summer Reading Challenge had a bumper year, and the Letterbox Club continues to connect with children and young people looked after by Nottinghamshire County Council.

Our learning services continue to support learners to gain skills and qualifications to build new confidence, start business and gain employment. The three-year Multiply adult numeracy programme was successfully completed, giving thousands of people improved essential skills.

On a national stage, Inspire continues in the successful delivery of the Arts Council funded National Portfolio programme, and through the Living Knowledge Network, we are able to bring resources from the British Library, alongside resources from Nottinghamshire Archives, to audiences across Nottinghamshire. This year this included the Beyond the Bassline exhibition which highlighted and celebrated Black British music.

The whole of Inspire has a strong commitment to excellent customer service, and the recent successful reaccreditation to the Customer Service Excellence standard, alongside Matrix reaccreditation provides external verification.

Inflationary pressures have continued to provide significant challenges during the year. Good financial control and management of resources, plus support from Nottinghamshire County Council, have resulted in a small surplus on unrestricted funds of £214,656 at the end of the financial year.

This year our annual report provides more information about what we have delivered and the outcomes. We do hope you are inspired to support and join us. In leading the board and the organisation, we are proud of the success and development of the Society.



Margot Madin

Chair of the Board from May 2025

Date: 16/09/2025



Peter Gaw

Chief Executive Officer

Date: 16/09/2025

TRUSTEES' REPORT

The Trustees present their annual report together with the audited financial statements of the Company for the year 1 April 2024 to 31 March 2025. The Trustees confirm that the annual report and financial statements of the Society (registered society number: RS007139) comply with the Cooperative and Community Benefit Societies Act 2014, the requirements of the Society's governing document and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to entities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

03

What We've Delivered This Year

KEY STATISTICS

Visits to libraries

1,872,886

Website visits

2,127,846

Questions to Ask Inspire

52,264

Visits to customers for
home library service

9,921

Volunteering hours across Inspire

13,909

Volunteers

1,859

Engagements with young people
through Inspire Youth Arts

1,810

Events and activities held at
libraries

21,938

Children participating in
Summer Reading Challenge

8,165

Bookstart Baby Packs Gifted

7,403

Class visits

1,094

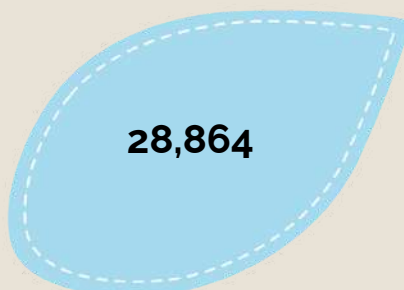
Education Library Service
Customer Satisfaction

99%

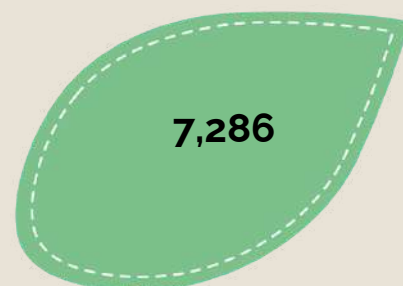
Items borrowed from libraries



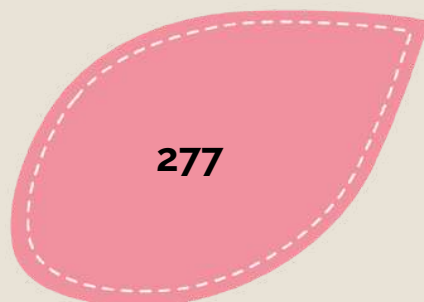
New library users



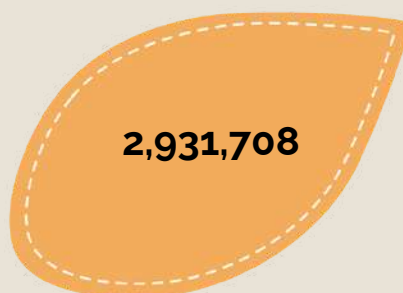
Adult learners
(academic year)



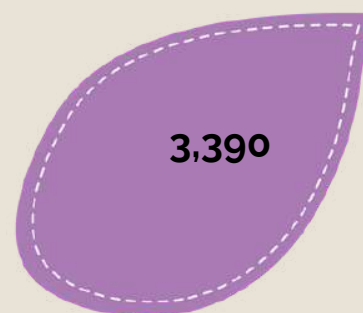
College students
(academic year)



Views of Nottinghamshire Parish
Registers on Ancestry



Photos added to Inspire Picture
Archive



Our Priorities and Outcomes

Our aim is to inspire people to read, learn and enjoy culture, and we work towards the delivery of eight outcomes across our services for our communities. We continued to make great progress towards our aims and outcomes this year, and we prioritised quality, dynamism, inclusivity and sustainability, as we worked towards ensuring that everyone:

Enjoys and values reading

We delivered a vibrant programme of author events for both adults and children, including the Inspire Poetry Festival.

The number of books borrowed has stabilised after continuous post-Covid rises, with loans 1% down on the previous year but still at over 3 million loans. Within this, the shift from physical loans to digital is continuing, with the number of borrowed digital audio books, e-book titles and electronic magazines rising to over 1 million.

The end of the Summer Reading Challenge 2024, 'Marvellous Makers,' saw 8,165 participants, with children across Nottinghamshire reading six books throughout the holidays. Alongside the challenge, our artist and author in residence delivered family workshops linked to the challenge theme, producing an expressive exhibition of art and writing.

Can engage with and participate in arts, music and cultural activity

We mobilised our wonderful crafters to knit, crochet and sew 12,354 Care Squares across the county to make 275 blankets that were donated to care settings and individuals in Nottinghamshire. We enjoyed hosting a Fun Palace at Worksop Library which attracted 1,200 attendees, and participated in the Fun Palace as part of the Newark Creates Partnership.

Inspire Youth Arts' young people produced a fantastic light installation called Orbit at Nottingham Castle for Light Night in Nottingham, which attracted 21,010 visitors. Young people from Inspire Youth Arts continued to share their dance, music and digital talents at a range of venues across the county.

A highlight from the year was the performance Unlocked (part of Soundstage Festival 2025) at Nottingham Contemporary, which was an immersive live performance showcasing Able Orchestra's Pioneers' original music and visuals. Able Orchestra is an inclusive music and digital project, open to all, which supports young people from Nottinghamshire who are aged 11-25 and have a physical and/or learning disability, and/or who are neurodivergent. The project aims to develop skills and confidence in making and performing music and digital art through inclusive and accessible approaches.

Our Priorities and Outcomes (Continued)

Can engage with and participate in arts, music and cultural activity (continued)

The Pioneers are young artists and leaders who have collaborated with producers, artists and mentors to develop tracks, artwork and visuals. As part of the performance, the Pioneers played original music from their new EP – New Worlds Key.

Thanks to Arts Council England (ACE) funding through the National Portfolio, we provided a rich programme of cultural activity, including over two hundred Little Creatives sessions in twelve libraries, and our Artist and Author in Residence programme. We supported artists with training to deliver creative workshops and projects to customers living with memory loss or dementia and neurodiverse families, as part of our ACE funded 'I Am An Artist' programme, working with over 500 people.

We hosted the Beyond the Bassline exhibition from the British Library as part of our Living Knowledge Network membership, and programmed a suite of themed events as it toured our library venues. We delved into the Nottinghamshire Archives and created a locally focused exhibition in the Archives Gallery. We worked with Mansfield District Council on their ACE funded Carnival, programming a Beyond the Bassline stage outside the library as the launchpad for the parading troupes, all hosted in the library as a giant greenroom. We worked with Jazz Steps to programme Beyond the Bassline concerts at Beeston with the Luke Bacchus quartet, and Worksop with Dave (Stickman) Higgins exploring poetry and jazz as part of the Inspire Poetry Festival.

Thanks to funding from Arts Council England, Inspire Music and Nottingham Music Service joined together in 2024 to form the brand new regional consortium Nottingham and Nottinghamshire Music Hub, which is now working to develop exciting music-making opportunities for children and young people aged 5 to 18 years in Nottinghamshire. Inspire is the Hub Lead Organisation.

Inspire Music has continued to deliver high-quality Whole Class Ensemble Teaching throughout Nottinghamshire schools, delivering nearly 3,000 class sessions. We delivered individual and small group tuition, enabling children and young people to develop their musical skills. We held large-scale events with our annual Inspired Christmas Concert at the Royal Concert Hall, and Now Hear This! come and play session with the Hallé orchestra, both of which allow children to experience performance. We also put on Big Sing events around the county working with partner schools to develop vocal skills.

Our Priorities and Outcomes (continued)

Discovers, values and shares the Nottinghamshire Story

Nottinghamshire Archives received 192 new collections during the year from a wide variety of organisations. We received funding from Nottingham City Council from the UK Shared Prosperity Fund to develop an interactive wall and to incorporate augmented reality into our events to bring Nottinghamshire's story to life in new ways for our audiences.

One highlight of the year, using this technology, was our ARchives Unleashed event held in March 2025. Nottinghamshire Archives provided a unique evening of discovery where visitors experienced our collections as never before, with Augmented Reality features offering a trip into the county's rich past. Highlights included: a behind-the-scenes tour of the Archives and conservation studio featuring Augmented Reality content, the launch of a new interactive map of Nottingham on our interactive wall, and the opportunity to view manuscripts handpicked by the Archives team dating back to 1155.

Visitors to our largest annual Heritage event, Hands on Heritage, took part in hands-on activities in Mansfield Central Library, including traditional circus skills, a virtual reality coal mining experience, and an archaeological dig! Heritage societies and organisations from across the county brought local and family history displays, pop-up museums, publications for sale, old Nottinghamshire photographs, maps and more. Inspire's own Heritage team at Nottinghamshire Archives offered interactive activities, including quill pen writing, book binding demonstrations, and an escape room puzzle, helping to bring over a thousand visitors to the library that day.

Other highlights in 2024-25 included a fascinating series of heritage talks in libraries on themes ranging from the Dangerous Women of Nottinghamshire to the Scandalous Marriages of the Sherwood Aristocracy, via Highwaymen, Historical Myth-busting, Pit Ponies, Lacemaking, Collieries, Gardens, Gallows, Country Estates, World War One tank building and more!

In September 2024, a series of free events were offered by both Nottinghamshire Archives and Inspire Libraries as part of the national Heritage Open Days festival on the theme of 'Routes, Networks and Connections', including sessions on Exploring Local Maps at Newark and Retford Libraries.

As part of the Heritage Open Days festival 2024, visitors to Nottinghamshire Archives' Murder at the Archives event were invited to find clues and question suspects to discover the culprit of a historical crime. There was a time limit to complete the challenge that tested participants' deductive skills, powers of reasoning and teamwork. The event offered a unique opportunity to explore the heritage of Nottingham and Nottinghamshire. The cast of 'criminal' suspects were drawn from Nottinghamshire Archives' own staff and volunteer team!

Our Priorities and Outcomes (continued)

Discovers, values and shares the Nottinghamshire Story (continued)

Local studies librarians and archivists led a series of learning sessions, including a session on using local maps at Nottinghamshire Archives. Eight of the ever-popular 'Exploring' sessions took place in libraries around the county, covering local maps, military records, newspapers and parish registers, as well as six family history 1:1 tutorials.

We opened up our conservation service to online audiences through our Ask a Conservator day. This event took place across Inspire social media, on TikTok, Instagram and Facebook. Questions were submitted, in advance and on the day, and a series of introductions to what conservation is, and the work and events that we do were published. The content was then saved in a highlight on Inspire's Instagram and used for posts on Facebook. Over 200 views of the Instagram posts were recorded in the 72 hours after the event and nearly 10% were from users not already following the Inspire account, so the event reached new audiences.

In February, representatives from Nottinghamshire Archives visited Southwell Minster to return an original King James Bible from 1611 following conservation treatment.

Lives an active, long and healthy life

2024/2025 saw our weekly Places of Welcome, combating social isolation and loneliness, (which evidence shows can have a significant detrimental effect on people's health), expand to 23 libraries. Libraries also hold other community events and activities including reading groups, children's Rattle, Rhyme and Roll sessions, family events, adult colouring, knit and natter, coffee mornings, talks on mindfulness and wellbeing, and other activities to encourage people to live a long, active and healthy life.

Three new health hubs were opened at Eastwood, Stapleford and Kirkby libraries. These provide a welcoming and safe place for the people of Nottinghamshire to find vetted health information, including about local organisations, the national Reading Well collections and other health and wellbeing resources. Groups such as Age UK, Community Champions, Community and Voluntary Services, and Citizens Advice have been invited into libraries to provide information to customers. Health campaigns such as Health Information Week and Suicide Prevention Week have been promoted in partnership with Nottinghamshire County Council, and library staff have spoken to groups supporting carers and those living with conditions including macular degeneration and dementia.

During the year, two new library gardens were created, supported by volunteers, working with students, including those from alternative education settings, and contributing to skills development, and health and wellbeing.

Our Priorities and Outcomes (continued)

Lives an active, long and healthy life (continued)

Following identified needs around isolation of people and their families living with dementia, some accessible community events were developed, including Songs & Scones concerts and Dementia Friendly Film Screenings.

Our volunteering programme, Community Makers, has continued to grow, with nearly 14,000 hours volunteered this year. Our marvellous volunteers have enhanced our offer across a range of activities, from providing technical support sessions for people using technology, to talking to children about their reading in the Summer Reading Challenge. We celebrated our volunteers with an annual event for Volunteers' Week in May.

Achieves their learning potential

Inspire College enjoyed success with above average rates of passes in mathematics and English GCSE resits, and above average achievement rates for courses. We are very proud of all of our students, and wish them well in their next steps.

Inspire Learning celebrated the opening of a brand new learning centre at High Pavement in Sutton-in-Ashfield, relocating existing facilities for construction and catering and providing adult learning opportunities as well. We continued to offer a wide range of learning opportunities from our dedicated learning centre at the Buttermarket in Newark, as well as from many libraries across the county and other community venues.

We finished the very successful delivery of the Multiply adult numeracy project, delivering Multiply maths sessions to nearly 6,000 people across the three-year project. This complemented our varied adult learning programme, including community and accredited learning opportunities to support learning across Nottinghamshire.

Is better informed and more knowledgeable

Ask Inspire is our centralised customer care service that answers many of our enquiries and customer contacts either on the phone or via email. They dealt with over 50,000 contacts during the year, helping our customers access services, answering questions on anything citizens wanted assistance with, and signposting people to other organisations that can help.

We were proud to regain our Matrix accreditation for provision of advice, guidance and information across services in Inspire, as we support learners and customers to progress with their learning and information needs.

Our Priorities and Outcomes (continued)

Can be part of supportive, thriving, safe and sustainable communities

Inspire put on an incredible total of 21,938 events and activities during the year in our libraries across the county. These events offer something for everyone, from regular events for babies such as Rattle, Rhyme and Roll, through family theatre, reading groups and Let's Talk Tech sessions for those who need a hand with technology.

Nottinghamshire County Council in partnership with Inspire, received Arts Council England funding from the Libraries Improvement Fund to invest in Hucknall Library, creating access to a customer toilet and upgrading the spaces and facilities to allow for improved flexibility and use of the building. Nottinghamshire County Council also invested in a new cooling and heating system at Newark Library to manage the temperature effectively, providing a comfortable space for customers to enjoy.

The Records Management team continues to provide a vital service in responding to information requests which facilitate social services in making timely interventions to support the welfare of children, young people and vulnerable adults.

Can participate in increased economic growth and employment

Inspire College's programme, which supports young people with disadvantaged backgrounds, worked with 278 young people across its eight Nottinghamshire bases to develop their employability skills.

Adult Learning had over 5,500 non-accredited learning enrolments, and over 1,000 accredited learning enrolments. Inspire Learning delivered the government's Multiply programme of adult numeracy training on behalf of Nottinghamshire County Council, and 1,644 learners benefited from the programme over the year.

Inspire Adult Learning delivered provision funded by the UK Shared Prosperity Fund in Newark and Sherwood, Bassetlaw, Gedling, and Rushcliffe. Projects included support for English skills and employability skills, with a digital focus in Newark and Sherwood, digital skills and skills improvement for part-time workers in Bassetlaw, and digital skills and English as a Second or Other Language (ESOL) in both Gedling and Rushcliffe. In total, these projects meant that Inspire reached over 1,000 learners.

Our Christmas Markets grew in popularity, and we held them at nine libraries across Nottinghamshire this year. These gave local producers the opportunity to reach customers and attracted many visitors.

Our Priorities and Outcomes (continued)

For detailed information about the activity of the Society, a comprehensive news archive is maintained [online here](https://inspireculture.org.uk/be-inspired/news) (inspireculture.org.uk/be-inspired/news)



04 Looking Ahead

We continue to work on our four priorities for development as part of our 2022-2026 forward plan, as well as our eight outcomes. The four priorities are:

- **1 Dynamic Inspire**
Agile in adapting to change, use of technology and responsive to new opportunities.
- **2 Inclusive Inspire**
Reflecting diversity and local communities in our offer and programmes.
- **3 Quality Assured Inspire**
Reliable, trusted, ambitious and improving.
- **4 Sustainable Inspire**
Reduce environmental impact and become more financially sustainable.

In the coming academic year 2025/2026 we will see the devolution of adult skills funding to the new East Midlands Mayoral Combined Authority (EMMCA).

In August 2025 our new learning management information system will go live, enabling an integrated approach to course planning, booking, learner enrolment and payment for the first time. The learners' journey will be significantly improved and will enable the learning team to be more efficient in planning and reporting.

The library service will focus on developing its community and information roles, especially in supporting access to local services. Community and well-being-based services through the Village Hubs Project in 2022 and the COMF funded work during 2024 has highlighted the need and opportunity for local libraries to contribute to community life and make a real impact on people's sense of connection, wellbeing and access to learning and resources. Our aim in the coming year is to build on this work and through cultural and community funding streams seek to resource libraries to do more.

Looking Ahead (continued)

We will continue to expand our Community Makers volunteering programme in the coming year and work with current and new partners to offer new and enhanced services. We will run our Inspire Awards programme covering 2 years 2023 – 2025 with a celebration event in September 2025. 2026 has been designated a 'National Year of Reading'. Inspire will use the year to promote the importance and benefits of reading and literacy through an enhanced reading and literacy programme as we reach our 10th birthday in 2026.

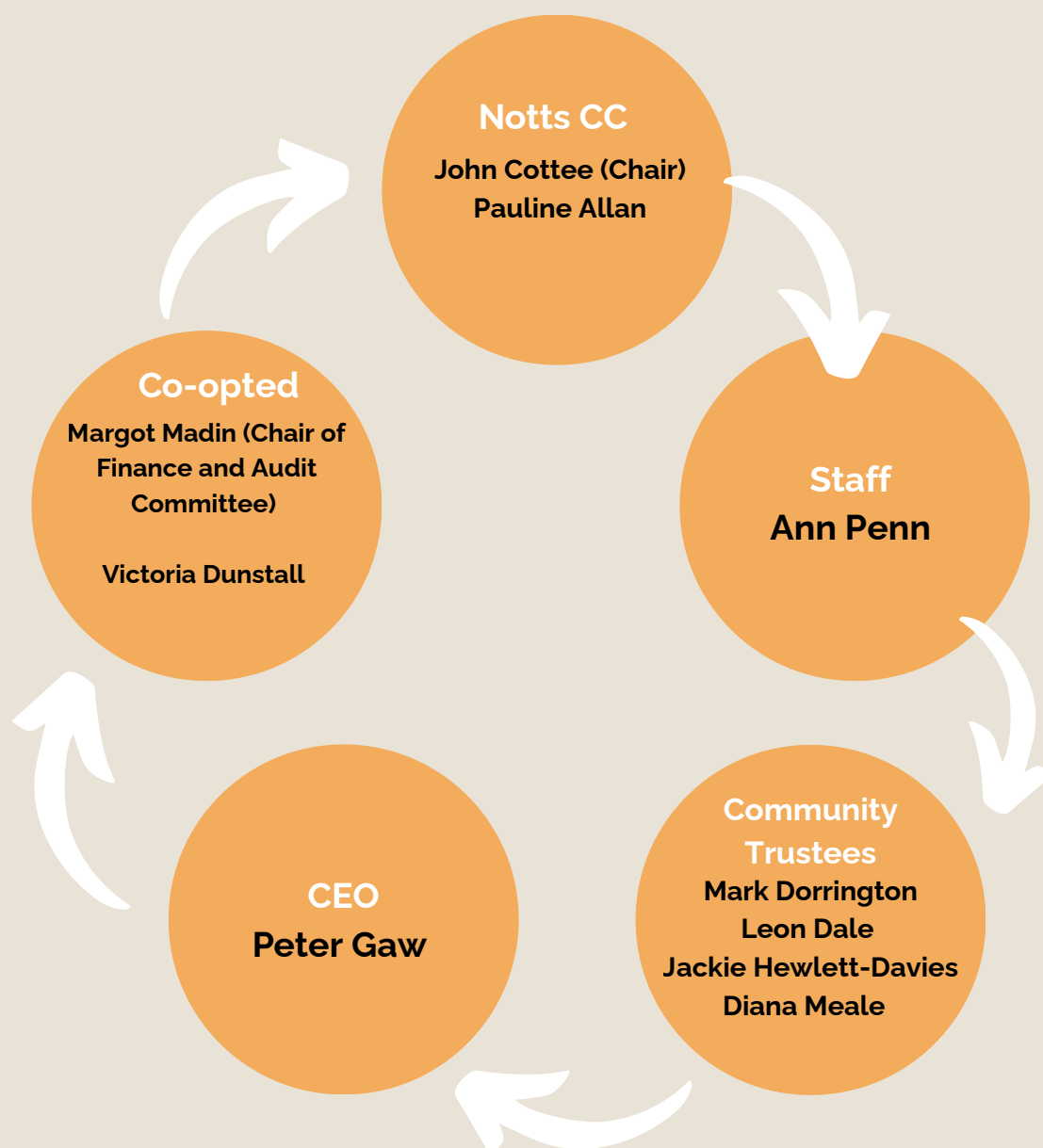
Inspire will continue to lead the Music Hub for both Nottingham and Nottinghamshire, to deliver enhanced opportunities for young people to realise their full musical potential. Our offer to children and young people is rich and diverse, with a range of programmes including the work of Inspire Youth Arts, Inspire College, family learning, the Library cultural programme funded by the Arts Council England, the Bookstart scheme, Summer Reading Challenge and an increasing number of craft, chess and Lego clubs.

We know there will be challenges in the coming years, mainly financial as income generating services struggle to meet increased costs. Our Education Library Service was reviewed and our aim is to place the service on a sound financial footing ensuring it meets the needs of schools in the support of pupils in their reading literacy. Inspire's music teaching services are always mindful to ensure that charges are affordable whilst ensuring income matches expenditure. Our adult education grant allocation remains fixed and therefore we have reduced spending power in the academic year 2025/2026 which will result in fewer courses provided.

The organisation continues to mature, and we are excited to maintain our range of services and impacts they make, and to seek new funding and income streams to expand the range and reach of what we can provide across Nottinghamshire.

05 Legal, Administrative and Governance Matters

Members of the Board who held office at 31 March 2025:



Recruitment and Appointment of Trustees

Our board of Trustees is made up of:

- The CEO
- Staff Trustee (1) - elected by staff members
- Community Trustees (up to 4) - elected by whole membership
- Council nominated Trustees (up to 2) nominated by Nottinghamshire County Council
- Co-opted Trustees (up to 4) - selected and appointed by members of the board.

A number of committees support the Board's governance of the Society, including Finance and Audit, Staffing and Standards, Learning and Skills and Music, Culture and Heritage.

For information about the organisation, its constitution and Board, please visit www.inspireculture.org.uk/about-us.

Trustee Induction and Training

All new members of the board receive an induction programme to familiarise themselves with their role as trustees, as well as detailed information about Inspire.

Development activities and attendance at events is offered to all trustees throughout the year, including an annual away day. Service spotlights precede each board meeting to allow for deeper information sharing. Periodic skills audits are undertaken to ensure that the skills and experience of the Board of trustees align with those required for the management of the Society.

Senior Officers of Inspire

The Chief Executive Officer (CEO) has delegated powers from the main Board to operationally manage the work of the Society. The CEO is supported by a Leadership Team consisting of an Assistant CEO, a Chief Finance Officer, Director of Culture, and Director of Learning.

Membership of the Society

The Board of Trustees may, at its discretion, admit to membership any individual, corporate body or nominee of an unincorporated body, firm or partnership who supports the objects of the Society and has paid or agreed to pay any subscription or other sum due in respect of membership for the time being in force.

All those wishing to become a shareholding member must support the objects of the Society and complete an application for membership which shall include an application for at least one share in the Society. Such an application form must be approved by the Trustees and the Trustees must approve each application for a shareholding membership.

Constitution

Inspire - Culture, Learning and Libraries (Midlands) is a not-for-profit Community Benefit Society registered with the Financial Conduct Authority (FCA), with charitable status. The Society was registered on 15 June 2015, and trading activity commenced on 1 April 2016. The Society has a contract with Nottinghamshire County Council (NCC) to deliver a range of cultural, learning and library services and a contract with Arts Council England (ACE) to host the Nottingham and Nottinghamshire Music Hub and deliver the Music Education Plan. The second five-year contract with Nottinghamshire County Council commenced on 1 April 2021. The council has decided to extend the contract through a direct award until March 2028. Inspire also became a National Portfolio Organisation (NPO) in April 2018 to deliver a range of arts and cultural programmes, and was again kept in the National Portfolio in the following funding round from April 2023. The County Council delivers its statutory library duty and legal archive obligations through its contract with Inspire.

Inspire is a membership organisation. All 701 staff as at 31 March 2025 are members and there are a total of 71,888 members as of 31 March 2025. The Society is governed by an independent Board of elected, nominated and co-opted Trustees.

Policies and Objectives

Our mission is to inspire people to read, learn and enjoy culture. Our objects as a Society are:

- (a) the provision or assistance in the provision of facilities for recreation or other leisure time occupation in the interest of social welfare and with the object of improving the conditions of life for the public at large and for persons who by youth, age, infirmity or disablement poverty or social or economic circumstances may have need for such facilities;
- (b) to advance the education of people who live, work or study in or who visit the area of benefit including, without limitation, through:
 - (i) the provision of advice on the services and amenities available to them in the area of benefit;
 - (ii) the provision of an archive service including the collection and preservation of documents and other records related to the area of benefit;
 - (iii) the promotion of the arts, music, reading, heritage and culture;
 - (iv) the provision or assistance in the provision of lending and reference library services either free or at a reasonable charge;
 - (v) the provision or assistance in the provision of cultural resources (including but not limited to music and curriculum support) to schools and educational institutions either free or at a reasonable charge;

- (vi) the provision and promotion of education and lifelong learning for adults and families;
- (vii) the provision and promotion of training and skills development and schemes for young people whereby such young people may receive training for employment.

In setting its objectives above, the Trustees have given consideration to the guidance on public benefit published by the Charity Commission.

For information about the organisation, its constitution and Board, please **visit our website** (inspireculture.org.uk/about-us).

Engagement with Employees and Equalities

Employees have been consulted on issues of concern to them by means of regular consultative committees and have been kept informed on specific matters directly by management. Inspire offers exit interviews for all staff leaving the organisation and has various methods for staff to feedback to the Leadership Team.

Inspire has a set of detailed policies in relation to all aspects of personnel matters including equalities, volunteering and health and safety. There is a comprehensive review programme in place.

In accordance with the Society's Equalities Policy, the Society has long-established fair employment practices in the recruitment, selection, retention and training of staff. Our Equalities Policy states Inspire's commitment to the principles of the Equality Act 2010. This commitment is delivered through our recruitment and selection policy, performance management policy and business plans. Additional guidance is provided to managers to support them in the fair application of Inspire's policies.

Inspire is accredited to the Investors in Diversity silver standard.

Recruitment and Selection Policy Extract:

The organisation is committed to applying its Equality Policy at all stages of recruitment and selection. Shortlisting, interviewing and selection will always be carried out without regard to disability, gender, gender reassignment, sexual orientation, marital or civil partnership status, colour, race, nationality, ethnic or national origins, religion or belief, age, pregnancy and maternity or trade union membership.

Reasonable adjustments to the recruitment process will be made to ensure that no applicant is disadvantaged because of their disability.

Performance Management Policy Extract:

Managers are required to reasonably consider the performance issues and the action taken to address them before formal action is instigated. Employees will be given every opportunity and all appropriate support to improve. Early intervention by managers will include:

- clarifying the required standards identifying areas of concern;
- establishing the likely causes of poor performance (having regard to the possibility of making reasonable adjustments if the employee has a disability) and identify any training needs;
- setting targets for improvement and a timescale for review.

Full details of these policies are available from Inspire.

Financial Review

Going Concern

After making appropriate enquiries and given the performance of the Society in 2024/25 and the level of reserves as at 31 March 2025, the Members have a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Financial Management

Inspire has a set of financial regulations approved by the main Board and reviewed by the Finance and Audit Committee. The current financial regulations (which include procurement and reserve policies) can be **found here** (inspireculture.org.uk/about-us/governance/documentation/).

A budget is set and approved by the Board in February each year, following agreement with Nottinghamshire County Council regarding the annual contract sum agreement reached by the preceding December. A zero-based budget planning approach commences in November with budget holders, establishing where savings, costs and budget pressures are likely to emerge.

Regular monitoring is undertaken by each Budget Manager, supported by the finance team, providing updates on the forecast annual outturn. The Inspire Leadership Team reviews financial information monthly, and regular financial reports are provided to the main Board, the Finance and Audit Committee (FAC) and to the Council at quarterly contract meetings.

The Chief Executive Officer (CEO) and Chief Finance Officer (CFO) meet on a regular basis to review the current position and emerging issues. The CFO has a small team of qualified accountants and technicians to ensure good financial management.

Inspire will file its annual report and accounts under the Charities SORP to the Financial Conduct Authority (FCA). The Society is externally audited annually by the accounting firm PKF Smith Cooper Audit Limited.

Principal Funding

Most funding for Inspire services comes from public funding. Nottinghamshire County Council is the main funder for Libraries, Archives, Culture and Records Management services. The County Council also provides several bought back services, which Inspire pays for (HR, ICT etc.) and provides for major property costs, pension liabilities and any future redundancy costs if initiated by reductions in its funding or grant funding.

The Education and Skills Funding Agency (ESFA) and the Arts Council England (ACE), through various channels, fund specific areas of service delivery, some through grant and some in a formula funding method relating to recruitment and retention of learners.

The Education Library Service and the Instrumental and Music Teaching Service are both reliant on income from schools and parents.

Income from non-school services-based fees, charges and sales is around £653k (23/24: £530k), with a principal area of income being from room hire to local community groups and businesses. External grant seeking is a core part of activity to enhance the range of projects and work within the community undertaken.

Fundraising

Inspire has no commercial fundraising arrangements in place and does not directly engage in fundraising activities. It does welcome donations.

Management of Risk

The Board considers its attitude to risk through an annual risk review. A strategic risk register is reported to the quarterly main Board meetings, and a financial risk register is reviewed by the Finance and Audit Committee at each meeting. The Inspire Leadership Team maintains two live logs, one covering risks for the organisation and the other covering its compliance. These are reviewed monthly.

The Strategic Risk Register and Issues Log identifies key risks which Inspire faces in meeting its goals, including a relative rating score of these risks and accompanying list of management actions which the Board and the Leadership Team will take to reduce to an acceptable level.

The Finance and Audit Committee (FAC) has a range of delegated responsibilities from the main Board to ensure the good financial management and position of the Society. These include reviews of procurement, financial regulations and appointment of external auditors. The committee supports the Chief Finance Officer in developing strong and sustainable finances, provides financial scrutiny and ensures good financial management for the organisation.

Areas of Risk and Volatility

The range of unfunded inflationary and statutory requirements are difficult to accurately forecast.

Financial planning is based on reasonable assumptions around these pressures. Income from schools and from fees and charges continues to be under pressure. The position in relation to funding for adult learning is unclear, as the new East Midlands Combined Authority takes the lead on the Adult Skills Fund (formerly Adult Education Budget).

Inflationary pressures on utilities and staffing have increased significantly over the last few years. This places long term financial strain on the Society where services are outside of the County Council contract.

Inspire acknowledges that its reliance on public funding is a challenge to its long-term sustainability as the landscape for the public finances remains very challenging.

Inspire's response is to continue to drive down costs and become more effective and efficient as it gains from the synergies and economies of scale offered by the size and reach of the range of Inspire services.

Capital Investment

The County Council continues to invest in Inspire buildings and technical infrastructure. A capital programme of £2m to replace and upgrade the Inspire wide area network and the public ICT equipment was mainly completed in 2024/2025.

Capital works have been undertaken to improve Hucknall Library (through DCMS and County Council funding).

The County Council completed significant work to upgrade and improve heating and ventilation systems at Newark Library.

Defined Benefit Pension Scheme

The Trustees would like to draw your attention to the impact of its Defined Benefit Pension Scheme on the Society's financial position.

The Society is a member of a multi-employer Local Government Pension Scheme (LGPS) administered by Nottinghamshire County Council, which is a Defined Benefit Pension Scheme.

Under a methodology prescribed by Financial Reporting Standard 102 (FRS 102), an annual valuation of the scheme must be made. Any deficit in the scheme's assets compared with its future obligations (liabilities) must be included on the Society's Balance Sheet. Following a valuation of the scheme (under FRS102) at 31 March 2025, no liability or asset was identified, and the value of the pension reserve on Inspire's Balance Sheet is therefore zero. Please see note 2.10 in the Notes to the Financial Statements for further information.

The FRS 102 valuation differs from the methodology adopted by the scheme's actuary. In comparison, the FRS 102 methodology results in a much higher charge to the Statement of Financial Activities. The current service cost of £1,039,000 represents the cost to the employer of benefits earned by active members calculated on an FRS 102 basis, and is not the same as the employer contributions paid of £957,000.

A triennial valuation is undertaken by the actuary and required rates of contributions are established for the short to medium term. The Trustees foresee no issues in meeting employer pension contributions for the foreseeable future and, given the level of the Society's reserves, the Trustees are confident that it can meet all foreseeable calls on it by the pension scheme while meeting all other known financial obligations.

Reserves Policy

Inspire has set itself the requirement to maintain at least one month of operating costs as a cash reserve total. This amounts to £2m in total, split between £1.2m of unrestricted funds and £0.8m of restricted funds. Inspire's unrestricted undesignated reserves at 31 March 2025 amount to £1.8m.

It should be noted that a significant element of financial risk is held or shared with Nottinghamshire County Council covering redundancy costs, pension liabilities, major building maintenance and capital replacement of buildings, vehicles, and technical infrastructure.

Pay Policy for Senior Staff

All Inspire posts are linked to a grading scheme, nationally recognised by local government. All posts are evaluated against either the National Job Evaluation (NJE) Scheme or the HAY Evaluation Scheme. This evaluation includes senior staff. Job evaluation services are provided by an external organisation.

Financial Results

The total turnover of the Society in its ninth year was £24.09m and this is split as £10.62m restricted and £13.47m unrestricted income (23/24: £23.03m turnover of which £10.36m was restricted and £12.67m unrestricted).

The liquidity position of Inspire is excellent, largely due to receiving grants in advance of expenditure, as well as good debt and credit control. Deferred income (i.e. money paid to us in advance) at the end of March 2025 was £89,770 (23/24: £1,082,048).

The level of bank and cash balances at the year-end of £5.65 million represents 23.49% of income from charitable activities (23/24: £3.68m, 16.02%) or 2.84 months (23/24: 1.92 months) of average expenditure.

Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

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

Disclosure of Information to Auditors

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

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

Auditors

The auditors, PKF Smith Cooper Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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

A handwritten signature in dark ink, appearing to read 'Margot Madin', written over a horizontal dotted line.

Margot Madin

Trustee and Chair of Finance and Audit Committee

Date: 16/09/2025

A handwritten signature in dark ink, appearing to read 'Peter Gaw', written over a horizontal dotted line.

Peter Gaw

Trustee and CEO

Date: 16/09/2025

A handwritten signature in dark ink, appearing to read 'Peter Gaw', written over a horizontal dotted line.

Peter Gaw

Secretary

Date: 16/09/2025

Independent Auditors' Report to the Members of Culture, Learning and Libraries (Midlands)

Opinion

We have audited the financial statements of Culture, Learning and Libraries (Midlands) (the Society) for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Society's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Basis for Opinion

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

Conclusions Relating to Going Concern

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

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

07 Independent Auditors' Report (continued)

Conclusions Relating to Going Concern (continued)

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

Other Information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

07 Independent Auditors' Report (continued)

Responsibilities of Trustees (continued)

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

Based on our understanding of the Society and industry, we identify the key laws and regulations affecting the Society. We identified that the principal risk of fraud or non-compliance with laws and regulations related to:

- management bias in respect of accounting estimates and judgements made;
- management override of control;
- posting of unusual journals or transactions.

We focussed on those areas that could give rise to a material misstatement in the Society's financial statements. Our procedures included, but were not limited to:

- enquiry of management and those charged with governance around actual and potential litigation and claims, including instances of non-compliance with laws and regulations and fraud;
- reviewing legal expenditure in the year to identify instances of non-compliance with laws and regulations and fraud;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

07 Independent Auditors' Report (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

It is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

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

A further description of our responsibilities for the audit of the financial statements is located on the **Financial Reporting Council's website** (frc.org.uk/library/standards-codes-policy/audit-assurance-and-ethics/auditors-responsibilities-for-the-audit). This description forms part of our Auditors' report.

Use of our Report

This report is made solely to the members in accordance with Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the 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 members for our audit work, for this report, or for the opinions we have formed.

PKF Smith Cooper Audit Limited

Julie Stringer (Senior Statutory Auditor)

for and on behalf of

PKF Smith Cooper Audit Limited

Statutory Auditors

2 Lace Market Square

Nottingham

NG1 1PB

Date: 29/09/2025

08

Statement of Financial Activities (incorporating Income and Expenditure Account) for the year ended 31 March 2025

	Note	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Restricted Fixed Assets 2025 £	Total Funds 2025 £	Total Funds 2024 £
Income From:						
Donations & Legacies	3	1,297	100	-	1,397	5,734
Charitable Activities	4	13,430,317	10,622,956	-	24,053,273	22,981,552
Trading Activities	5	37,521	-	-	37,521	41,497
Total Income		13,469,135	10,623,056	-	24,092,190	23,028,783
Expenditure On:						
Trading Activities		17,412	-	-	17,412	21,007
Charitable Activities	6	12,359,829	10,467,130	1,058,425	23,885,385	23,024,675
Total Expenditure		12,377,242	10,467,130	1,058,425	23,902,797	23,045,682
Net (expenditure) / Income		1,091,893	155,925	(1,058,425)	189,393	(16,899)
Transfers between funds	18	(677,398)	(422,133)	1,099,531	-	-
Net movement in funds before other recognised gains/(losses)		414,495	(266,208)	41,106	189,393	(16,899)
Other recognised gains / (losses):						
Actuarial gains / (losses) on defined benefit pension schemes	24	73,000	-	-	73,000	688,000
Net movement in funds		487,495	(266,208)	41,106	262,393	671,101
Reconciliation of Funds:						
Total Funds brought forward		1,633,305	2,460,046	2,397,418	6,490,768	5,819,667
Net movement in funds		487,495	(266,208)	41,106	262,393	671,101
Total funds carried forward		2,120,801	2,193,838	2,438,523	6,753,161	6,490,768

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 38 to 64 form part of these financial statements.

09 Balance Sheet as at 31 March 2025

	Note	2025	2024
		£	£
Fixed Assets			
Tangible Assets	13	2,438,523	2,397,417
Current Assets			
Debtors	14	977,880	3,736,908
Cash at bank and in hand		5,651,563	3,682,470
		<u>6,629,443</u>	<u>7,419,377</u>
Creditors: amounts falling due within one year	15	(2,309,371)	(3,324,928)
Net Current Assets		<u>4,320,071</u>	<u>4,094,449</u>
Total Assets less Current Liabilities		<u>6,758,594</u>	<u>6,491,866</u>
Creditors: amounts falling due within 2-5 years	16	(5,433)	(1,098)
Net Assets excluding Pension Liability		<u>6,753,161</u>	<u>6,490,768</u>
Defined Benefit Pension Scheme Asset / (Liability)	24	-	-
Total Net Assets		<u>6,753,161</u>	<u>6,490,768</u>
Society Funds			
Restricted Funds			
Arts	18	574,409	447,331
Culture	18	201,438	233,870
Heritage	18	196,944	184,057
Learning	18	1,097,361	1,509,525
Libraries	18	113,424	75,000
Donations & Legacies	18	10,262	10,262
		<u>2,193,838</u>	<u>2,460,046</u>
Restricted Fixed Asset Fund	18	2,438,523	2,397,417
TOTAL RESTRICTED FUNDS		<u>4,632,361</u>	<u>4,857,463</u>
Unrestricted Funds			
Unrestricted funds excluding pension reserve	18	2,120,801	1,633,305
Pension Reserve	18	-	-
TOTAL UNRESTRICTED FUNDS		<u>2,120,801</u>	<u>1,633,305</u>
TOTAL FUNDS		<u>6,753,161</u>	<u>6,490,768</u>

09 Balance Sheet as at 31 March 2025 (continued)

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

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



Margot Madin

Trustee and Chair of Finance and Audit Committee

Date: 16/09/2025



Peter Gaw

Trustee and CEO

Date: 16/09/2025



Peter Gaw

Secretary

Date: 16/09/2025

The notes on pages 38 to 64 form part of these financial statements.

09 Statement of Cash Flows for the year ended 31 March 2025

	2025 £	2024 £
Cash flows from operating activities		
Net cash used in operating activities (Note 21)	3,068,624	(152,010)
Cash flows from investing activities		
Purchase of tangible fixed assets	1,099,531	1,080,409
Net cash used in investing	1,099,531	1,080,409
Change in cash and cash equivalents in the year	1,969,094	(1,232,418)
Cash and cash equivalents at the beginning of the year	3,682,470	4,914,887
Cash and cash equivalents at the end of the year	5,651,563	3,682,470

The notes on pages 38 to 64 form part of these financial statements.

Notes to the Financial Statements for the year ended 31 March 2025

1) General Information

Culture, Learning and Libraries (Midlands) is a UK Society incorporated under the Co-operative and Communities Benefits Act 2014 and is registered on the Mutuals Public Register by the FCA. The address of the registered office is given in the company information page of these financial statements. The society's registered number is RS007139.

2) Accounting Policies

2.1 The Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Cooperative and Communities Benefits Act 2014.

Culture, Learning and Libraries (Midlands) constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling which is the functional currency of the Society and are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

On the commencement date of the Service Agreement with Nottinghamshire County Council (NCC), a consideration of £1 was payable by the Society for all equipment, furniture, fixtures and fittings, including but not limited to library books stock, musical instruments and shelving, on the site of the properties or used for the provision of the services. Legal title transferred to the Society at that date. In order to recognise the donation, for a value other than £1, a reliable value needs to be made for recognition to be permissible under the Charity SORP. Following appropriate review it was deemed impractical to measure the value of the donation reliably with sufficient material certainty and therefore the value of the donation was recognised at £1 in the year ended 31 March 2017.

The significant accounting policies which have been applied in the preparation of these financial statements are set out below.

2) Accounting Policies (continued)

2.2 Income

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

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

For legacies, entitlement is taken as the earlier of the date on which either: the Society is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Society has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Society, or the Society is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the Society where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Society's accounting policies.

Donated services or facilities are recognised when the Society has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Society of the item is probable and that economic benefit can be measured reliably.

2) Accounting Policies (continued)

2.2 Income (continued)

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

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

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

Expenditure on trading activities includes all expenditure incurred by the Society on noncharitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

2.4 Taxation

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

2.5 Tangible Fixed Assets and Depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

2) Accounting Policies (continued)

2.5 Tangible Fixed Assets and Depreciation (continued)

Depreciation is provided on the following basis:

- Property Improvements - 5 years straight line
- Specialist Equipment - 5 years straight line
- Fixtures & Fittings - 5 years straight line
- Office Equipment - 3 years straight line
- Books - 7 years straight line

In preparing the financial statements the Trustees have concluded that it is more appropriate to depreciate the fixed assets over their expected useful economic life, for which in some cases this extends beyond the current core contract with Nottinghamshire County Council (NCC) to supply certain services. At the termination of the contract the assets are required to be transferred to any new provider of the services or to NCC for £1. This decision has been made on the basis that this more appropriately reflects the value of the assets to the Society, otherwise they would be written down over an artificially shorter period of time, particularly if the core contract is extended beyond the current agreed term. If the contract were to be terminated, a gift of the fixed asset of £1 would then be made at that time and the financial statements adjusted accordingly. In order to ensure transparency in reporting, the fixed assets are reported through a separate fund.

2.6 Debtors

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

2.7 Cash at Bank and in Hand

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

2.8 Creditors and Provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Society anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation.

2) Accounting Policies (continued)

2.9 Financial Instruments

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

2.10 Pensions

Retirement benefits to employees of the society are provided by a defined contribution scheme and two defined benefit pensions schemes: the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the society.

For the defined contribution pension scheme, the pension charge represents the amounts payable by the society to the fund in respect of the year.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of the pensions over the employees' working lives with the society in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multiemployer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a defined benefit funded scheme and the assets are held separately from those of the society in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs as incurred. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs.

2) Accounting Policies (continued)

2.10 Pensions (continued)

Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest costs on the defined benefit obligation and interest income on scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised in other recognised gains and losses.

As a result of the assumptions applied by the actuary, the actuarial valuation at the year-end has resulted in a surplus position for the Society. This, however, has been reduced by the effects of the asset ceiling. The asset ceiling is the present value of any economic benefit available to the Employer in the form of refunds or reduced future employer contributions, which has been determined by the actuary. The recognition of a surplus under FRS102 should only be made to the extent that an employer can expect to secure economic benefit from it, either by paying a reduced rate of contributions or taking a refund.

2.11 Fund Accounting

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

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

2.12 Irrecoverable VAT

The Society is registered for VAT, however due to the mixed nature of the supplies it makes, it has irrecoverable VAT arising due to partial exemption which is included in resources expended.

2) Accounting Policies (continued)

2.13 Critical Accounting Estimates and Areas of Judgement

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

Critical Accounting Estimates and Assumptions:

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

Local Government Pension Scheme:

The present value of the Local Government Pension Scheme defined benefit liability/asset depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability/asset. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability/asset at 31 March 2025. Any difference between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability/asset.

Books:

An estimation of the level of disposals of books held in fixed assets has been made in order to determine a value to be accounted for within the financial statements. Due to the volume of books, the number of locations, differing useful economic lives, and the fact that books are taken out of the libraries resulting in losses, certain estimations have been made regarding the number of books no longer physically in existence. The estimated attrition rate applied for the year ended 31 March 2025 is 7.5%.

3) Income from Donations and Legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Donations	1,297	100	1,397	5,734
Total 2024	5,234	501	5,734	

4) Income from Charitable Activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total Funds 2025 £	Total Funds 2024 £
Arts Council - I Am A Reader	-	-	-	12,752
Arts Council - NPO	-	514,100	514,100	513,148
Artsmark	-	45,000	45,000	-
COMF 2	-	1,674	1,674	-
Cultural Education Partnership	-	65,999	65,999	50,248
Healthier, Happier, Connected, Creative	-	49,500	49,500	-
Innovation Centres	-	36,750	36,750	255,419
Inspire Learning	-	7,129,400	7,129,400	7,172,376
InspiREAD	-	124	124	26,973
Mansfield Prosperity	-	28,500	28,500	-
Music	-	2,397,346	2,397,346	2,054,155
Music Capital Grant	-	156,459	156,459	-
Newark Creates	-	151,592	151,592	170,750
Nottingham Family History	-	720	720	-
Takeover	-	26,200	26,200	104,800
The National Archives - New Burdens	-	6,560	6,560	-
UKSPF Capital Grant, Heritage	-	13,030	13,030	-
Bookfund	178,186	-	178,186	-
Customer Relationship Management System	80,000	-	80,000	-
Education Library Service	528,207	-	528,207	538,737
All Other Services	12,643,924	-	12,643,924	12,082,195
	13,430,317	10,622,956	24,053,273	22,981,552

Income from charitable activities for 23/24 consisted of £12,620,932 of unrestricted income and £10,360,620 of restricted income.

5) Trading Activities

Income from non-charitable trading activities.

	Unrestricted funds 2025 £	Total Funds 2025 £	Total Funds 2024 £
Trading Income	37,521	37,521	41,497
Total 2024	41,497	41,497	

6) Analysis of Expenditure on Charitable Activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total Funds 2025 £	Total Funds 2024 £
Able Orchestra	-	653	653	15,900
Arts Council - I Am A Reader	-	5,698	5,698	7,054
Arts Council - NPO	-	578,706	578,706	492,165
Artsmark	-	12,623	12,623	-
COMF 2	-	-	-	-
Cultural Education Partnership	-	37,824	37,824	61,636
Healthier, Happier, Connected, Creative	-	2,086	2,086	-
Innovation Centres	-	-	-	180,419
Inspire Learning	-	7,541,564	7,541,564	7,314,643
InspiREAD	-	10,125	10,125	-
Mansfield Prosperity	-	23,782	23,782	-
Music	-	2,387,547	2,387,547	2,051,570
Music Capital Grant	-	38,527	38,527	-
National Manuscripts Conservation Trust	-	-	-	-
NCC - Heritage	-	7,423	7,423	4,480
Newark Creates	-	172,341	172,341	149,894
Nottingham Family History	-	-	-	-
Takeover	-	70,265	70,265	105,105
The National Archives - New Burdens	-	-	-	-
UKSPF Capital Grant, Heritage	-	-	-	-
Bookfund	-	-	-	-
Customer Relationship Management System	-	-	-	-
Education Library Service	478,215	35,339	513,553	536,077
All Other Services	11,880,318	600,953	12,481,271	12,105,733
Donations & Legacies	1,297	100	1,397	-
	12,359,829	11,525,556	23,885,385	23,024,675
<i>Total 2024</i>		<i>11,893,066</i>	<i>11,131,610</i>	<i>23,024,675</i>

7) Analysis of Expenditure by Activities

	Activities undertaken directly 2025	Support Costs 2025	Total funds 2025	Total funds 2024
Provision of service	22,827,390	1,057,995	23,885,385	23,024,675
<i>Total 2024</i>	<i>21,975,265</i>	<i>1,049,410</i>	<i>23,024,675</i>	

7) Analysis of Expenditure by Activities (Continued)

Analysis of direct costs

	Provision of Services 2025 £	Provision of Services 2024 £
Adult education	1,243,600	1,377,516
Agency and other staff	88,110	86,705
Bank Charges	7,583	8,331
Books and equipment	271,645	363,848
Computer and systems	741,863	598,812
Depreciation	923,808	904,792
Design and print	364,194	409,904
Events costs	688,543	821,392
External contractors	0	22,269
Irrecoverable VAT	376,297	317,902
Legal and professional	163,134	145,032
Loss on disposal of fixed assets	134,618	148,141
Net interest on pension obligation	(30,000)	3,000
Office and administration	241,809	205,495
Other costs	30,178	31,445
Other Staff Costs	97,202	94,014
Premises Costs	1,763,342	1,526,754
Professional Partners & Subscriptions	475,725	251,643
Staff costs	15,000,842	14,410,554
Vehicle and travel	244,899	247,718
	22,827,390	21,975,265

Analysis of Support Costs

	Provision of Services 2025	Provision of Services 2024
Bank Charges	3,757	3,857
Computer & Systems	192,084	208,963
Design & Print	5,619	5,199
Governance	27,552	33,765
Legal & Professional	71,154	74,031
Office & Administration	32,367	37,103
Other Staff Costs	16,471	5,849
Premises Costs	228,742	214,712
Staff Costs	467,735	455,329
Vehicle & Travel	12,514	10,602
	1,057,995	1,049,410

Support costs have been allocated to certain service areas to ensure that the full costs of these service areas are recognised, and any resulting reserves are treated correctly. Where appropriate and possible, expenditure has been allocated directly to service areas. Where items of expenditure contribute directly to the output of more than one service area, they have been apportioned on a reasonable, justifiable, and consistent basis either by usage, per capita or on the basis of time, depending on the cost involved.

8) Direct and Support Costs Analysis by Fund

	Direct Costs 2025 £	Allocated Support Costs 2025 £	Total Costs 2025 £	Total Costs 2024 £
Restricted				
Able Orchestra	653	-	653	15,900
Arts Council - I Am A Reader	5,698	-	5,698	7,054
Arts Council - NPO	578,706	-	578,706	492,165
Artsmark	12,623	-	12,623	-
Cultural Education Partnership	35,324	2,500	37,824	61,636
Healthier, Happier, Connected, Creative	2,086	-	2,086	-
Innovation Centres	-	-	-	180,419
Inspire Learning	6,747,893	793,672	7,541,564	7,314,643
InspireAD	10,125	-	10,125	-
Mansfield Prosperity	22,182	1,600	23,782	-
Music	2,269,670	117,878	2,387,547	2,051,570
Music Capital Grant	38,527	-	38,527	-
NCC - Heritage	7,423	-	7,423	4,480
Newark Creates	171,841	500	172,341	149,894
Takeover	59,496	10,769	70,265	105,105
Donations & Legacies	100	-	100	-
	9,962,345	926,919	10,889,264	10,382,865
Restricted Fixed Asset Fund				
Movement in Restricted Fixed Asset Fund	(41,106)	-	(41,106)	(27,476)
Unrestricted				
All Other Services	12,432,462	18,212	12,450,674	11,979,209
LGPS Pension Costs	73,000	-	73,000	154,000
Unrestricted Designated				
Education Library Service	400,689	112,865	513,553	536,077
	12,906,151	131,076	13,037,227	12,669,286
TOTAL	22,827,390	1,057,995	23,885,385	23,024,675

9) Auditors' Remuneration

	2025 £	2024 £
Fees payable to the Society's auditor for the audit of the Society's annual accounts	22,845	21,250
Fees payable to the Society's auditor in respect of:		
Audit related assurance services	1,370	1,275

10) Staff Costs

	2025 £	2024 £
Wages and Salaries	12,616,490	12,131,783
Social Security Costs	1,031,605	966,377
Contribution to pension schemes	781,482	654,722
Operating costs of defined benefit pension schemes	1,039,000	1,113,000
	15,468,577	14,865,883

10) Staff Costs (continued)

The number of hours of time donated by general volunteers during the year is approximately 13,909 (23/24: 11,860). This has an approximate value of £178,731 to the Society (23/24: £144,455).

During the year, contractual redundancy payments of £15,702 (23/24: £4,958) were made to employees.

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

	2025	2024
Staff	697	687
Inspire Leadership Team	4	4
	701	691

The average headcount expressed as full-time equivalents was:

	2025	2024
Staff	366	371
Inspire Leadership Team	4	4
	370	375

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

	2025	2024
In the band £60,001 - £70,000	2	2
In the band £80,001 - £90,000	1	1

The remuneration of key management personnel during the year totalled £305,561 (23/24: £296,924) for short term employment benefits and £47,306 (23/24: £46,077) for post-employment benefits.

During the year retirement benefits were accruing to 4 (23/24: 4) key management personnel, of which 3 (23/24: 3) are a higher paid employee.

11) Trustees' Remuneration and Expenses

Trustees' remuneration was received in their capacity as employees of the Society and not in respect of services as Trustees.

		2025 £	2024 £
P Gaw, Chief Executive	Remuneration	89,584	87,399
	Pension contributions paid	17,379	16,955
	Employer's NI	11,107	10,806
A Penn	Remuneration	43,693	40,501
	Pension contributions paid	8,476	7,857
	Employer's NI	4,774	4,334

During the year ended 31 March 2025, no expenses have been reimbursed or paid to Trustees (23/24: £Nil).

During the year, benefits were received by 3 Trustees (23/24: 5) with a total value of £57 (23/24: £79).

12) Interest Payable

	2025 £	2024 £
Net Interest on defined benefit pension liability	(30,000)	3,000

13) Tangible Fixed Assets

	Property Improvements	Specialist equipment	Fixtures & Fittings	Office Equipment	Books	Total
Cost or Valuation	£	£	£	£	£	£
As at 1st April 2024	128,723	103,263	404,485	911,297	4,639,441	6,187,210
Additions	48,340	64,894	166,387	259,544	560,365	1,099,531
Disposals	-	-	-	-	(393,876)	(393,876)
As at 31st March 2024	177,063	168,158	570,872	1,170,841	4,805,931	6,892,865
Depreciation						
As at 1st April 2024	69,769	94,904	217,793	545,130	2,862,197	3,789,793
Charge for the Year	28,884	10,627	87,614	205,667	591,016	923,807
On Disposals	-	-	-	-	(259,258)	(259,258)
As at 31st March 2025	98,653	105,532	305,407	750,797	3,193,954	4,454,342
Net Book Value						
As at 31st March 2025	78,410	62,626	265,466	420,044	1,611,977	2,438,523
As at 31st March 2024	58,954	8,359	186,693	366,166	1,777,245	2,397,417

14) Debtors

	2025	2024
	£	£
Due within one year		
Trade Debtors	324,780	2,520,990
Other Debtors	-	127
Prepayments and Accrued Income	653,101	1,215,791
	977,880	3,736,908

15) Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade Creditors	731,680	701,840
Other Taxation and Social Security	614,457	761,646
Other Creditors	199,942	198,019
Accruals and Deferred Income	763,292	1,663,423
	2,309,371	3,324,928

16) Creditors: amounts falling due after more than one year

	2025	2024
	£	£
Other Creditors	5,433	1,098

17) Accruals and Deferred Income

	2025	2024
	£	£
Deferred Income at 1 April	1,082,048	299,161
Resources deferred during the year	84,770	1,076,728
Amounts released from previous periods	(1,077,048)	(293,841)
Deferred income at 31 March	89,770	1,082,048

18) Statement of Funds

Statement of Funds - Current Year

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2025 £
Unrestricted Funds						
Charitable Activities	1,464,163	12,645,221	(11,808,615)	(642,059)	-	1,658,710
Trading	149,963	37,521	(17,412)	-	-	170,071
Pension Reserve	-	-	(73,000)	-	73,000	-
	<u>1,614,126</u>	<u>12,682,742</u>	<u>(11,899,027)</u>	<u>(642,059)</u>	<u>73,000</u>	<u>1,828,782</u>
Unrestricted Designated Funds						
Bookfund	-	178,186	-	-	-	178,186
Customer Relationship Management	-	80,000	-	-	-	80,000
Education Library Service	19,180	528,207	(478,215)	(35,339)	-	33,833
	<u>19,180</u>	<u>786,393</u>	<u>(478,215)</u>	<u>(35,339)</u>	<u>-</u>	<u>292,019</u>
Total Unrestricted Funds	<u>1,633,305</u>	<u>13,469,135</u>	<u>(12,377,242)</u>	<u>(677,398)</u>	<u>73,000</u>	<u>2,120,801</u>
Restricted Funds						
Arts						
Able Orchestra	66,600	-	(653)	-	-	65,947
Music	380,731	2,397,346	(2,386,118)	(1,429)	-	390,530
Music Capital Grant	-	156,459	-	(38,527)	-	117,932
Total Arts	<u>447,331</u>	<u>2,553,805</u>	<u>(2,386,772)</u>	<u>(39,956)</u>	<u>-</u>	<u>574,409</u>
Culture						
Arts Council - I Am A Reader	5,698	-	(5,698)	-	-	-
Arts Council - NPO	132,278	514,100	(576,937)	(1,770)	-	67,673
Artsmark	-	45,000	(12,623)	-	-	32,377
Cultural Education Partnership	-	65,999	(37,824)	-	-	28,176
Healthier, Happier, Connected, Creative	-	49,500	(2,086)	-	-	47,414
InspireAD	26,973	124	(6,222)	(3,903)	-	16,972
Mansfield Prosperity	-	28,500	(23,782)	-	-	4,718
Newark Creates	20,856	151,592	(172,341)	-	-	107
Takeover	48,065	26,200	(65,265)	(5,000)	-	4,000
Total Culture	<u>233,871</u>	<u>881,016</u>	<u>(902,777)</u>	<u>(10,672)</u>	<u>-</u>	<u>201,438</u>
Heritage						
National Manuscripts Conservation Trust	4,500	-	-	-	-	4,500
NCC - Heritage	20,612	-	(7,423)	-	-	13,189
Nottingham Family History	-	720	-	-	-	720
The National Archives - New Burdens	158,945	6,560	-	-	-	165,505
UKSPF Capital Grant, Heritage	-	13,030	-	-	-	13,030
Total Heritage	<u>184,057</u>	<u>20,310</u>	<u>(7,423)</u>	<u>-</u>	<u>-</u>	<u>196,944</u>
Learning						
Inspire Learning	1,509,525	7,129,400	(7,170,059)	(371,505)	-	1,097,361
Total Learning	<u>1,509,525</u>	<u>7,129,400</u>	<u>(7,170,059)</u>	<u>(371,505)</u>	<u>-</u>	<u>1,097,361</u>
Libraries						
CCMF 2	-	1,674	-	-	-	1,674
Innovation Centres	75,000	36,750	-	-	-	111,750
Total Libraries	<u>75,000</u>	<u>38,424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,424</u>
Donations & Legacies	<u>10,262</u>	<u>100</u>	<u>(100)</u>	<u>-</u>	<u>-</u>	<u>10,262</u>
	<u>2,460,046</u>	<u>10,623,056</u>	<u>(10,467,130)</u>	<u>(422,133)</u>	<u>-</u>	<u>2,193,838</u>
Restricted Fixed Asset Funds						
Acquisition of fixed assets	2,397,417	-	(1,058,425)	1,099,531	-	2,438,523
Total Restricted Funds	<u>4,857,463</u>	<u>10,623,056</u>	<u>(11,525,556)</u>	<u>677,398</u>	<u>-</u>	<u>4,632,361</u>
Total Funds	<u>6,490,768</u>	<u>24,092,190</u>	<u>(23,902,797)</u>	<u>-</u>	<u>73,000</u>	<u>6,753,161</u>

18) Statement of Funds (continued)

The specific purpose for which funds are to be applied are as follows:

Unrestricted funds represent those resources which may be used towards meeting any of the charitable objectives of the Society at the discretion of the Trustees.

Unrestricted designated funds represent resources which may be used towards meeting any of the charitable objectives of the Society, but which the Trustees have earmarked for a specific purpose, here the Bookfund, Customer Relationship Management System, and the Education Library Service.

Restricted fixed asset funds are resources which have been spent on specific fixed assets and are not able to be used for any other purpose.

Restricted Funds comprise of the following:

The Arts Council grant funded Able Orchestra fund supports Inspire Youth Arts in creating an inclusive ensemble of disabled and nondisabled musicians, based on the principle of enabling people to create and perform music on equal terms, regardless of their physical dexterity or musical experience.

The Music fund includes income from the Department for Education towards Inspire's Music Education Hub and Instrumental music programme.

The Music Capital Grant includes income from the Department of Education for the purchase of musical instruments, equipment, and technology where it is used specifically for music-making purposes and to benefit children and young people.

The Arts Council grant funded I Am A Reader fund supports a project to explore and celebrate the creativity of reading.

The Arts Council National Portfolio Organisation fund supports Inspire's programme of cultural events for children and young people.

The Artsmark fund supports schools and education settings on their Artsmark journey, inspiring children and young people to create, experience and participate in great arts and culture.

The Cultural Education Partnership fund includes income from the Arts Council towards the improvement and alignment of cultural education for young people.

18) Statement of Funds (continued)

Restricted Funds comprise of the following: (continued)

Funded by the Arts Council, our Healthier, Happier, Connected, Creative fund supports the health and wellbeing of older people and their carers through a programme of music, visual art and ageing well interventions.

The Arts Council England InspiREAD fund is a National Lottery Project grant awarded to The Education Library Service to build on InspiREAD and encourage reading for pleasure within areas of social deprivation.

The Mansfield Prosperity fund supports the extension of our Takeover – Pathways into Work programme to create volunteering opportunities for young people to reach their creative potential.

The Newark Creates fund includes funds from Newark & Sherwood District Council to support a cultural programme of events and activities for all ages, which is being developed as part of Newark's High Streets Heritage Action Zone.

The Takeover – Pathways into Work fund includes income from the Department for Digital, Culture, Media and Sport, delivered by the Arts Council England, to create volunteering opportunities for young people to reach their creative potential.

The National Manuscripts Conservation Trust fund supports the conservation of the (primarily) Victorian Nottingham City building plans.

The NCC Heritage fund supports additional records management services in relation to the destruction of confidential documents.

The Nottingham Family History Society fund supports the 75th anniversary project 'Heritage Heroes', capturing the interviews of 75 unsung heroes who have played a part in preserving the history of Nottingham.

The National Archives New Burdens fund develops capacity within Nottinghamshire Archives to manage and provide access to increased deposits of public records.

The UKSPF Capital Grant funded by Nottingham City Council aims to transform community engagement with the Nottinghamshire Archives by capturing community voices and increasing the number of ways to engage digitally with the Archives.

The Learning fund includes income from the Education and Skills Funding Agency towards Inspire's Young People's Study programme and Adult Learning programmes.

18) Statement of Funds (continued)

Restricted Funds comprise of the following: (continued)

The COMF2 fund supports community engagement by increasing the number of community offers at local libraries and establishing sustainable community library gardens.

The Innovation Centres fund includes funding from Towns Funds to support the refurbishment of Inspire's Innovation Centres.

Donations & Legacies within Restricted Funds include funds gifted to Inspire towards specific purchases. Donations made towards Inspire's general charitable objectives are included within Unrestricted Funds.

As at the year end, the Society had 71,888 (23/24: 82,370) members made up of members of the public.

Those members have no rights beyond attending and voting on specific matters at general meetings. Whilst the rules of the Society determine that £1 should be paid to be a member of the Society, in practice, payment is neither requested nor made. Therefore, the unpaid share capital and the corresponding amount due from members, is not recognised in the financial statements.

18) Statement of Funds (continued)

Statement of Funds - Prior Year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Unrestricted Funds						
Charitable Activities	1,355,943	12,087,428	(11,235,564)	(743,645)	-	1,464,163
Education Library Service	16,520	538,737	(503,501)	(32,576)	-	19,180
Trading	129,472	41,497	(21,007)	-	-	149,963
Pension Reserve	(534,000)	-	(154,000)	-	688,000	-
	<u>967,935</u>	<u>12,667,662</u>	<u>(11,914,072)</u>	<u>(776,220)</u>	<u>688,000</u>	<u>1,633,305</u>
Restricted Funds						
Arts						
Able Orchestra	82,500	-	(15,900)	-	-	66,600
Music	378,146	2,054,155	(2,046,746)	(4,823)	-	380,731
Total Arts	<u>460,646</u>	<u>2,054,155</u>	<u>(2,062,646)</u>	<u>(4,823)</u>	<u>-</u>	<u>447,331</u>
Culture						
Arts Council - I Am A Reader	-	12,752	(6,331)	(723)	-	5,698
Arts Council - NPO	111,295	513,148	(488,935)	(3,230)	-	132,278
Cultural Education Partnership	11,388	50,248	(61,636)	-	-	-
InspireAD	-	26,973	-	-	-	26,973
Newark Creates	-	170,750	(149,894)	-	-	20,856
Takeover - Pathways into Work	48,370	104,800	(105,105)	-	-	48,065
Total Culture	<u>171,053</u>	<u>878,671</u>	<u>(811,901)</u>	<u>(3,953)</u>	<u>-</u>	<u>233,870</u>
Heritage						
National Manuscripts Conservation Trust	4,500	-	-	-	-	4,500
NCC - Heritage	25,092	-	(4,480)	-	-	20,612
The National Archives - New Burdens	158,945	-	-	-	-	158,945
Total Heritage	<u>188,537</u>	<u>-</u>	<u>(4,480)</u>	<u>-</u>	<u>-</u>	<u>184,057</u>
Learning						
Inspire Learning	1,651,793	7,172,376	(7,146,118)	(168,525)	-	1,509,525
Total Learning	<u>1,651,793</u>	<u>7,172,376</u>	<u>(7,146,118)</u>	<u>(168,525)</u>	<u>-</u>	<u>1,509,525</u>
Libraries						
Innovation Centres	-	255,419	(53,532)	(126,887)	-	75,000
Total Libraries	<u>-</u>	<u>255,419</u>	<u>(53,532)</u>	<u>(126,887)</u>	<u>-</u>	<u>75,000</u>
Donations & Legacies	<u>9,761</u>	<u>501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,262</u>
	<u>2,481,790</u>	<u>10,361,121</u>	<u>(10,078,677)</u>	<u>(304,188)</u>	<u>-</u>	<u>2,460,046</u>
Restricted Fixed Asset Funds						
Acquisition of fixed assets	2,369,942	-	(1,052,933)	1,080,408	-	2,397,417
Total Restricted Funds	<u>4,851,732</u>	<u>10,361,121</u>	<u>(11,131,610)</u>	<u>776,220</u>	<u>-</u>	<u>4,857,463</u>
Total Funds	<u>5,819,667</u>	<u>23,028,783</u>	<u>(23,045,682)</u>	<u>-</u>	<u>688,000</u>	<u>6,490,768</u>

19) Summary of Funds

Summary of Funds - Current Year

	<i>Balance at 1 April 2024</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2025</i>
	£	£	£	£	£	£
Unrestricted Funds	1,614,126	12,682,742	(11,899,027)	(642,059)	73,000	1,828,782
Unrestricted Designated Funds	19,180	786,393	(478,215)	(35,339)	-	292,019
Restricted Funds	2,460,046	10,623,056	(10,467,130)	(422,133)	-	2,193,838
Restricted Fixed Asset Funds	2,397,417	-	(1,058,425)	1,099,531	-	2,438,523
Total	6,490,768	24,092,190	(23,902,797)	-	73,000	6,753,161

Summary of Funds - Prior Year

	<i>Balance at 1 April 2023</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2024</i>
	£	£	£	£	£	£
Unrestricted Funds	967,935	12,667,662	(11,914,072)	(776,220)	688,000	1,633,305
Restricted Funds	2,481,790	10,361,121	(10,078,677)	(304,188)	-	2,460,046
Restricted Fixed Asset Funds	2,369,942	-	(1,052,933)	1,080,408	-	2,397,417
Total	5,819,667	23,028,783	(23,045,682)	-	688,000	6,490,768

20) Analysis of Net Assets between Funds

Analysis of net assets between funds - current year

	<i>Unrestricted Funds 2025</i>	<i>Restricted Funds 2025</i>	<i>Restricted Fixed Asset Funds 2025</i>	<i>Total Funds 2025</i>
	£	£	£	£
Tangible fixed assets	-	-	2,438,523	2,438,523
Current assets	3,217,456	3,411,987	-	6,629,443
Creditors due within one year	(1,091,222)	(1,218,149)	-	(2,309,371)
Creditors due > one year	(5,433)	-	-	(5,433)
Provisions for liabilities and charges	-	-	-	-
Total	2,120,801	2,193,838	2,438,523	6,753,161

Analysis of net assets between funds - prior year

	<i>Unrestricted Funds 2024</i>	<i>Restricted Funds 2024</i>	<i>Restricted Fixed Asset Funds 2024</i>	<i>Total Funds 2024</i>
	£	£	£	£
Tangible fixed assets	-	-	2,397,417	2,397,417
Current assets	3,494,595	3,924,783	-	7,419,377
Creditors due within one year	(1,860,192)	(1,464,737)	-	(3,324,928)
Creditors due > one year	(1,098)	-	-	(1,098)
Provisions for liabilities and charges	-	-	-	-
Total	1,633,305	2,460,046	2,397,417	6,490,768

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

	2025 £	2024 £
Net income / (expenditure) for the year (as per Statement of Financial Activities)	189,393	(16,899)
Adjustments for:		
Depreciation	923,807	904,792
FRS 102 pension adjustment	73,000	154,000
Loss on the disposal of fixed assets	134,618	148,141
Decrease/(increase) in debtors	2,759,028	(2,123,257)
(Decrease)/increase in creditors	(1,011,222)	781,213
Net cash provided by / (used in) operating activities	3,068,624	(152,010)

22) Analysis of Cash and Cash Equivalents

	2025 £	2024 £
Cash in hand	5,651,563	3,682,470

23) Analysis of Changes in Net Debt

	At 1 April 2024 £	Cashflows £	At 31 March 2025 £
Cash at bank and in hand	3,682,470	1,969,094	5,651,563

24) Pension Commitments

The Society's employees belong to three pension schemes : the People's Pension, a defined contribution scheme, and two defined benefit pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Nottinghamshire County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest full actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS related to the period ended 31 March 2022.

Contributions amounting to £202,495 were payable to the Society's pension schemes at 31 March 2025 (23/24: £198,019) and are included within other creditors.

24) Pension Commitments (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers and, from 1 January 2007, automatic for Teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 28.6% of pensionable pay, including a 0.08% employer administration charge;
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million giving a notional past service deficit of £39,800 million;
- An employer cost cap of 8.1% of pensionable pay will be applied to future valuations;
- The assumed real rate of return is 2% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2016 determined an employer rate of 23.68%, which was payable from September 2019. The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate of 28.6%, arising from this valuation, is to be payable from 1 April 2024.

24) Pension Commitments (continued)

Valuation of the Teachers' Pension Scheme continued

The employer's pension costs paid to TPS in the period amounted to £323,293 (23/24: £254,659).

A copy of the valuation report and supporting documentation is on the **Teachers' Pensions website**.

(<https://www.teacherspensions.co.uk/members/faqs/valuation.aspx>)

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The Society has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Society has set out above the information available on the scheme.

Local Government Pension Scheme

The Society participates within the Local Government Pension Scheme (LGPS), which is a multi-employer funded defined benefit plan of qualifying employees. The pension scheme assets are held in separate trustee administered funds to meet the long-term pension liabilities to past and present employees. The trustees of the fund are required to act in the best interests of the fund's beneficiaries, which includes management of risks and appropriate investment of the scheme assets to generate returns. The appointment of trustees to the fund is determined by the scheme's governing documents and are completely independent from the Society.

The scheme exposes the Society to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk. The Society participates in the Grouped Admission Bodies pool with other employers in order to share experience of risks they are exposed to in the Fund. The last triennial actuarial valuation of the fund was performed by an independent actuary for the trustees of the scheme and was carried out as at 31 March 2022. The deficit for the whole pool was calculated and allocated to each employer in proportion to their value of liabilities. Each employer within the pool pays a contribution rate based on the cost of benefits of the combined membership of the pool. The Society's contribution rate was set at 19.4%. The duration of the Society's past service liabilities is estimated to be 24 years. The deficit position will be reviewed at the next triennial valuation.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 March 2025	At 31 March 2024
	%	%
Discount Rate	5.85	4.9
Future Salary Increases	3.9	3.9
Future Pension Increases	2.9	2.9

24) Pension Commitments (continued)

Local Government Pension Scheme continued

A sensitivity analysis showing how the measurement of scheme liabilities would have been affected by changes in the relevant assumptions that were reasonably possible at the balance sheet date are as follows:

Sensitivity Analysis

	At 31 March 2025	At 31 March 2024
	£	£
Discount rate +0.1%	34,955,000	39,135,000
Discount rate -0.1%	36,097,000	40,521,000
Long term salary increases +0.1%	35,596,000	39,910,000
Long term salary increases -0.1%	35,442,000	39,728,000
Future pension increases +0.1%	36,035,000	40,443,000
Future pension increases -0.1%	35,016,000	39,211,000

The Society's share of the assets in the scheme was:

	At 31 March 2025	At 31 March 2024
	£	£
Equities	22,356,000	25,131,000
Gilts	3,581,000	995,000
Other bonds	2,774,000	2,062,000
Property	4,421,000	4,418,000
Cash/Temporary investments	2,349,000	2,502,000
Other	7,644,000	6,449,000
Total fair value of assets	43,125,000	41,557,000

The actual return on scheme assets was a gain of £1,550,000 (23/24: £3,212,000).

24) Pension Commitments (continued)

Local Government Pension Scheme continued

The amounts recognised in the Statement of Financial Activities are as follows:

	2025	2024
	£	£
Current Service Cost	1,039,000	1,113,000
Interest Cost	(30,000)	3,000
Administrative Expenses	21,000	19,000
Total amount recognised in the Statement of Financial Activities	1,030,000	1,135,000

Movements in the present value of the defined benefit obligation were as follows:

	2025	2024
	£	£
Opening defined benefit obligation	39,819,000	38,575,000
Current service cost	1,039,000	1,113,000
Contributions by scheme participants	307,000	314,000
Actuarial gains	(6,328,000)	(1,028,000)
Benefits paid	(1,246,000)	(991,000)
Interest cost	1,928,000	1,836,000
Closing defined benefit obligation	35,519,000	39,819,000

Movements in the fair value of the Society's share of scheme assets were as follows:

	2025	2024
	£	£
Opening fair value of scheme assets	41,557,000	38,041,000
Interest income	2,037,000	1,833,000
Actuarial gains/losses	(466,000)	1,398,000
Contributions by employer	957,000	981,000
Contributions by scheme participants	307,000	314,000
Benefits paid	(1,246,000)	(991,000)
Admin expenses	(21,000)	(19,000)
Closing fair value of scheme assets	43,125,000	41,557,000

	2025	2024
	£	£
Fair value of scheme assets	43,125,000	41,557,000
Defined benefit obligation	(35,519,000)	(39,819,000)
Changes in effect of the asset ceiling	(7,606,000)	(1,614,000)
Derecognition of the surplus	-	(124,000)
Net pension scheme liability	-	-

25) Operating Lease Commitments

At 31 March 2025 Inspire had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025	2024
	£	£
Not later than 1 year	62,700	28,208
Later than 1 year and not later than 5 years	65,588	15,000
	128,288	43,208

26) Related Party Transactions

Nottinghamshire County Council is a related party to the Society as two of its Councillors are also directors of the Society. During the year, amounts totalling £18,424,182 (23/24: £17,461,648) were received by the Society from Nottinghamshire County Council in relation to the provision of services. At the balance sheet date an amount of £68,742 (23/24: £2,034,220) was due from this party and is included within trade debtors. An amount of £230,705 (23/24: £307,240) is included within prepayments and accrued income for costs to be recharged to this party and income owing, but not yet invoiced at the year-end date.

Nottinghamshire County Council also recharged expenses during the year totalling £1,271,320 (23/24: £1,258,175). At the balance sheet date an amount of £169,544 (23/24: £124,152) was owing to this party and is included within trade creditors. At the balance sheet date, an amount of £45,494 (23/24: £1,029,284) is included within accruals and deferred income in respect of expenses incurred but not invoiced to the Society as at 31 March 2025, and income received which relates to the 25/26 financial year.

27) Surplus before Pension Adjustments

	2025 £	2024 £
Per Statement of Financial Activities for the year		
Net income / (expenditure) before other recognised gains/losses	<u>189,393</u>	<u>(16,899)</u>
Add back pension adjustments (see Note 24)		
LGPS Service Cost	1,039,000	1,113,000
LGPS Net Interest Cost	(30,000)	3,000
Administrative Expenses	21,000	19,000
Contributions by Employer	<u>(957,000)</u>	<u>(981,000)</u>
	<u>73,000</u>	<u>154,000</u>
Surplus before adjustments	<u>262,393</u>	<u>137,101</u>

The surplus is made up of the following movements in funds in the year:

	2025 £	2024 £
Unrestricted Funds	214,656	128,710
Designated Funds - ELS, Bookfund & CRM	272,840	2,660
Restricted Funds	(266,208)	(21,744)
Restricted Fixed Asset Funds	41,106	27,476
	<u>262,393</u>	<u>137,101</u>