

Company number: 1056004
Charity number: 264221

LISTENING BOOKS
(A company limited by guarantee)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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(A company limited by guarantee)
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FOR THE YEAR ENDED 31 MARCH 2021

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LISTENING BOOKS REPORT OF THE COUNCIL OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2021

The Council of Management, the members of which are directors of the company, are pleased to present their Annual Report and financial statements for the year ended 31 March 2021. The Annual Report contains the Director's report as required by company law.

The financial statements comply with the Memorandum of Association, the Companies Act 2006, The Charities Act 2011, the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102).

Reference and Administrative Details

Directors and Council of Management

The members of the Council of Management, who are also the directors of the company and who served during the year are as follows:

G M Howarth	<i>Chairman</i>
A Williams	<i>Treasurer</i>
C T Sinclair-Stevenson	
J Eccleshare	
D O'Neill	
N Forster	

The company has no share capital and is limited by guarantee (company number: 1056004 and charity number: 264221).

Registered Office

12 Lant Street, London SE1 1QH

Charity number

264221

Company Secretary

Bill Dee

Auditors

Jacob Cavenagh & Skeet, 5 Robin Hood Lane, Sutton, Surrey SM1 2SW

Bankers

Lloyds Bank plc, 69/73 Borough High Street, London SE1 1NQ

Solicitors

Pothecary Witham Weld Solicitors, 70 St George's Square, London SW1V 3RD

Investment Managers

CCLA Investment Management Ltd, Senator House, 85 Queen Victoria St, London EC4V 4ET

Key Management Personnel

The Trustees

Bill Dee

Robert Marchant

Amy Flinders

Louise Barling

Claire Bell

LISTENING BOOKS

REPORT OF THE COUNCIL OF MANAGEMENT

FOR THE YEAR ENDED 31 MARCH 2021

Structure, Governance and Management

Constitution and Structure

Established in 1959 (as the National Listening Library Limited), Listening Books is a registered charity incorporated on 26 May 1972. The governing instrument is our Memorandum and Articles of Association dated 22 June 1998.

The Council of Management, whose six members represent organisations and individuals having an interest in people with special needs, are not remunerated for the duties they undertake. Several members also serve on the Council of Management Sub-Committee which is responsible for maintaining supervision of the charity's affairs between Council meetings and the Technical Advisory Group which is responsible for monitoring and advising on talking book technology.

The day-to-day management of the company is delegated by the Council to the Director, who reports to the Council of Management, which approves major decisions and has overall responsibility for the company's activities. The pay of senior staff is reviewed annually and normally increases in accordance with average earnings bearing in mind charities of similar size and activity.

Election of Council Members

A person or persons may be invited to join the Council of Management of the company where they are:

- At least 18 years of age;
- Otherwise not disqualified from being so appointed under Sections 72 and 73 of the Charities Act 2011; and
- Felt able to bring relevant experience and influence to the company.

Risk management

The charity has undertaken a risk appraisal as required by the Charity Commission. Based on this risk review, the Trustees' and executive team consider the most relevant risks, and the means by which they may be mitigated, to be as follows:

- Safety and security of staff, volunteers and members (mitigation includes an annual risk assessment dedicated to health and fire safety, which is conducted through consultation with staff, providing first aid and fire safety training to key members of staff, and a child and vulnerable adult protection policy).
- Data security breaches (mitigation includes measures to restrict access to sensitive information and the successful implementation of a new IT system, which has improved the handling of sensitive data).
- Deterioration of relationships with publishers (mitigation includes a copyright policy outlining the management of copyrighted material and ensuring that staff, volunteers and members are aware of their duty to respect the conditions of our agreements with publishers).
- Service delivery failure (mitigation includes the training of staff, thorough backing up of data, comprehensive IT support and the implementation of a new, bespoke IT system).
- Reduction of trust funding (mitigation includes high quality service delivery, budgeting for possibility of reduced funding in any given year, establishment of appropriate financial reserves level, and income diversification through alternative sources of income where available).

LISTENING BOOKS

REPORT OF THE COUNCIL OF MANAGEMENT

FOR THE YEAR ENDED 31 MARCH 2021

Objectives and Activities

The Charity's objects are:

To relieve disability or incapacity, whether permanent or temporary, arising from any sickness, injury or other physical or mental condition, in particular, by the provision of an audio book library service including recorded literature and other material, together with equipment for the reproduction of such literature or other material, including the advancement of education of persons suffering from such conditions.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Achievements and Performance

What a strange and difficult time this has been for many over the past year, particularly for our members who had to isolate over long periods. Everyone at Listening Books has been very conscious of the importance of keeping the service running smoothly, and of being able to respond to the needs of individual members. This may be older members who are far from family, or younger members, out of school and home-learning. We have been especially glad to provide pre-loaded tablets to our most vulnerable members and to have been there at the end of the phone, as always, to help with any difficulties.

In all this we have been much assisted by the final completion of our new IT system and launch of our new website. This has made access for members quicker and easier and allows us to monitor usage with much greater accuracy - an important factor for ourselves and for our funders.

On funding, it has been reassuring that despite the prevailing unsettled and challenging environment we have maintained our income. On behalf of the Board, I would like to pay tribute here to the staff for their flexibility and dedication, which has done so much to ensure our vital financial security going forward. I believe our funders recognise the importance of the service we are providing and the difference it makes to the quality of life of so many people.

Looking ahead, we have developed a new and highly detailed PR & Marketing Strategy. We hope that this will enable us to reach even more members to provide them with the stimulus, delight and solace which comes from listening to a good book. We have undertaken a comprehensive review of strategic risks and developed a revised and ambitious fund-raising strategy.

We are excited to now be able to offer the PressReader service to members, giving them access to a very wide range of international, national and local newspapers and magazines. This is something which has been in the pipeline for some time, so we are delighted to have made it happen and hope it will be taken up and enjoyed by many members. Those who are already using it seem to be doing so quite intensively suggesting it is much appreciated.

While we know how much members depend on us, we in turn depend on the generosity of others. I have already mentioned our supportive funders, but we also owe much to the publishers who have been exceptionally accommodating during the pandemic. We are truly grateful for their confidence in our integrity and their understanding of our mission.

LISTENING BOOKS REPORT OF THE COUNCIL OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2021

Listening Books is imbued with a spirit of giving and I am touched by the sense of sharing something precious in listening to the books we love but, beyond this, a sense of community and listening out for each other.

Financial Review

Reserves policy

Unrestricted funds comprise the accumulated funds which are available for use at the discretion of the directors in furtherance of the objectives of the company. Further, it is the intention of the directors that such funds be maintained at a level which, if required, would fund the core costs of the organisation for a period of one year. This requires currently a balance of unrestricted funds of approximately £625,000. This duration takes account of the nature of the funding of the company, where the majority of income is from Charitable Trusts being of a cyclical nature affected by the general economic climate, and legacies which are unpredictable in nature. And this reserves figure takes into account that some unrestricted fund reserves would not be available in cash within the year timescale.

Financial position

The net incoming resources of unrestricted funds during the year ended 31 March 2021 amounted to £87,313 (2020: £35,562). This has resulted in total unrestricted funds available for use at the discretion of the Council of Management of £661,741 (2020: £574,428).

Net outgoing resources on restricted funds amounted to £40,472 (2020: £89,244). This has resulted in total restricted funds at 31 March 2021 of £175,384 (2020: £215,856).

Investment powers

The Trustees accept responsibility for the effective and efficient management of the company's investments. Management of the company's investment portfolio is by COIF Charity Funds. The investment objective is to achieve a balance between income and capital growth through investment in cash, bonds and equities. Exposure to equity markets will normally be gained through investment in authorised unit trusts and investment trusts.

Investment policy

The current investment policy of the charity is to aim to hold bank balances of a minimum of £80,000 mainly for working capital, and the Trustees have an ethical investment policy:

Listening Books investments are managed in an Ethical Fund which invests responsibly according to ESG standards, by excluding companies scoring less than 2 on any FTSE ESG theme. This goes towards ensuring that our investments are compatible with our mission as a charity. One particular ESG issue, Climate Change, is increasingly threatening to pose an existential risk to society itself, not just to the financial system, so it is imperative that investors look beyond financial risk and return and consider the real world impact of their investments. To this end Listening Books is invested in the CCLA Ethical Fund which excludes investment in companies which derive more than 5% of revenues from the extraction of Oil Sands or Thermal (Energy) coal and also companies which derive more than 10% of revenues from extracting or refining Coal, Oil, and Gas. It is clear for example that Oil Sands and Coal extraction have no place in a world of net zero emissions, which we need to reach as soon as possible, and at the latest by 2050. There is also an urgent need for all fossil fuels to be phased out by this date. The full list of investment restrictions on the CCLA Ethical Fund are set out in note 16 to these accounts.

LISTENING BOOKS REPORT OF THE COUNCIL OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2021

Fundraising Policy

The charity is registered with the Fundraising Regulator. Requests for funds are largely through grant applications to sympathetic charitable trusts and the purposes are clearly described. During the year no professional fundraisers were employed and appeals were generally made by email or letter. A complaints procedure is set out as part of the Privacy Policy on the website. No complaints or criticisms were raised concerning the fundraising activities during the period.

Disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Statement of Council Members' Responsibilities

The Council members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Council members, who are the directors for the purposes of company law, to prepare financial statements for each financial year. Under that law the Council members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Council members 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 the net income or expenditure, of the company for that period.

In preparing these financial statements, the Council members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the company will be able to continue in operation.

The Council members 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.

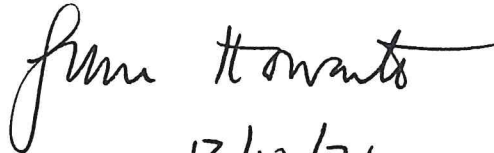
**LISTENING BOOKS
REPORT OF THE COUNCIL OF MANAGEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

Auditors

A resolution will be proposed at the Annual General Meeting to appoint auditors to the company for the ensuing year.

Approved by the Council of Management and signed on its behalf by:

G Howarth
Chairman


13/10/21

Date:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LISTENING BOOKS

Opinion

We have audited the financial statements of Listening Books (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources 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 Companies Act 2006.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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, including the trustees' report, other than the financial statements and our auditor's 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LISTENING BOOKS

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included with the trustees' report.

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

- adequate and proper 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charity'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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LISTENING BOOKS

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 charity, we identified that the principal risks of non-compliance with laws and regulations related to employment and financial reporting legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to management bias in accounting estimates, presentation of separately disclosed items, correct claiming of government assistance (furlough income) and management override of controls.

In response to the risks identified we designed procedures which included, but were not limited to reviewing trustees minutes, challenging significant accounting estimates, evaluating the internal controls, agreeing financial statement disclosures to underlying supporting documentation, testing the calculation of claims made under the Coronavirus Job Retention Scheme and identifying and testing journal entries.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Newton FCA (Senior Statutory Auditor)

for and on behalf of Jacob Cavenagh & Skeet
Statutory Auditor
Chartered Accountants

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Date: 15 October 2021

**LISTENING BOOKS STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total £	Unrestricted Funds £	Restricted Funds £	2020 Total £
<i>Income from:</i>	1e-i						
Donations and legacies		204,927	575,242	780,169	390,456	865,890	1,256,346
Charitable activities		62,324	-	62,324	65,827	-	65,827
Other trading activities		24,820	-	24,820	39,060	-	39,060
Total income	2	<u>292,071</u>	<u>575,242</u>	<u>867,313</u>	<u>495,343</u>	<u>865,890</u>	<u>1,361,233</u>
<i>Expenditure on:</i>	1l						
Raising funds		32,268	-	32,268	45,999	-	45,999
Charitable activities		239,502	615,714	855,216	415,080	955,134	1,370,214
Total expenditure	3	<u>271,770</u>	<u>615,714</u>	<u>887,484</u>	<u>461,079</u>	<u>955,134</u>	<u>1,416,213</u>
Net gains on investments	6	67,012	-	67,012	1,298	-	1,298
Net income/(expenditure)		87,313	(40,472)	46,841	35,562	(89,244)	(53,682)
Transfers between funds		-	-	-	-	-	-
Net movement in funds		<u>87,313</u>	<u>(40,472)</u>	<u>46,841</u>	<u>35,562</u>	<u>(89,244)</u>	<u>(53,682)</u>
Funds brought forward at 1 April 2020		574,428	215,856	790,284	538,866	305,100	843,966
Funds carried forward at 31 March 2021		<u>661,741</u>	<u>175,384</u>	<u>837,125</u>	<u>574,428</u>	<u>215,856</u>	<u>790,284</u>


All of the activities are continuing. There were no recognised gains or losses other than those stated above.
The notes on pages 13 to 21 form part of these financial statements.

**LISTENING BOOKS
BALANCE SHEET
AS AT 31 MARCH 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible fixed assets	5	123,524	106,281
Investments	6	347,655	280,643
		<u>471,179</u>	<u>386,924</u>
CURRENT ASSETS			
Debtors	7	119,320	168,508
Cash at bank and in hand		293,878	274,823
		<u>413,198</u>	<u>443,331</u>
Creditors: amounts falling due within one year	8	47,252	39,971
NET CURRENT ASSETS		<u>365,946</u>	<u>403,360</u>
NET ASSETS		<u>837,125</u>	<u>790,284</u>
FUNDS			
Unrestricted	12	661,741	574,428
Restricted	11	175,384	215,856
		<u>837,125</u>	<u>790,284</u>

Approved by the Council of Management and signed on its behalf by:

G Howarth
Chairman


13/10/21

Date:

Company Registration No: 01056004

The notes on pages 13 to 21 form part of these financial statements.

**LISTENING BOOKS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021		2020	
	£	£	£	£
Cash provided by operating activities (see below)		75,227		89,980
Cash flows from investing activities				
Payments to acquire tangible fixed assets	(56,172)		(40,036)	
Cash (used in) investing activities		(56,172)		(40,036)
Net cash inflow/(outflow)		19,055		49,944
Cash and cash equivalents at 1 April 2020		274,823		224,879
Cash and cash equivalents at 31 March 2021		293,878		274,823
Cash flows from operating activities				
Net (expenditure)/income		(20,171)		(54,980)
Depreciation		38,929		29,463
Decrease/(increase) in debtors		49,187		99,929
Increase in creditors		7,282		15,568
Cash provided by operating activities		75,227		89,980

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

1 ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements have been prepared under the Companies Act 2006, the Charities Act 2011 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements are drawn up on the historical cost basis of accounting as modified by the revaluation of investments to market value and prepared in sterling, which is the financial currency of the charity, rounded to the nearest £.

Listening Books is a company limited by guarantee incorporated in England and Wales. The registered office is 12 Lant Street, London, SE1 1QH. The charity meets the definition of a public benefit entity under FRS 102.

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

b. Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life. Equipment is depreciated over 5 years on cost.

c. Investments

Investments are stated at market value based on the mid-market price at the Balance Sheet date and the surplus or deficit of this revaluation is shown as unrealised gains or losses on the face of the Statement of Financial Activities after the Income and Expenditure Statement has been concluded.

Realised gains and losses are calculated as the difference between the proceeds of sale at the date of disposal and market value at the previous Balance Sheet date or cost of acquisition if purchased during the year. These are shown as realised gains or losses on the face of the Statement of Financial Activities and are also included in the Income and Expenditure Statement contained therein.

d. Operating Leases

Annual rentals under operating leases are charged to the Statement of Financial Activities as incurred.

e. Income

Grants restricted to use in future accounting periods are deferred and recognised in those accounting periods.

For Job Retention Scheme government grant income, the income is recognised in the period to which the underlying furloughed staff costs relate to.

Legacies are accounted for as soon as the charity is notified of its legal entitlement, the amount due is quantifiable and its ultimate receipt by the charity is reasonably certain. Amounts receivable after more than one year from the balance sheet date are measured at their present value and an interest element is accounted for each year.

Charitable activities consist of library subscriptions and trading activities of sales of accessories and other income.

LISTENING BOOKS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

1 ACCOUNTING POLICIES (continued)

f. Investment Income

Investment income is accounted for on an accruals basis and includes the associated tax credits.

g. Gifts in Kind (Publishers)

The company receives discounts from content publishers in the year beyond that normally obtained on a commercial basis. These amounts are included in incoming resources and in resources expended and amounted to £231,832 (2020: £620,654).

h. Gifts in Kind (Advertisers)

The company receives discounts from advertisers in the year beyond that normally obtained on a commercial basis. These amounts are included in incoming resources and in resources expended and amounted to £nil (2020: £3,078).

i. Restricted Funds

Restricted funds are those subject to specific restrictive conditions imposed by sponsors or other donors or by the purpose of the appeal.

j. Pension Costs

The company operates a defined contribution scheme in respect of all employees. Contributions are charged in the accounts as they are incurred.

k. Expenditure

All expenditure is accounted for on an accruals basis and includes irrecoverable VAT relating to such expenses. Expenditure incurred in connection with the specific activities as shown on the Statement of Financial Activities represents the direct costs of that activity together with an apportionment of the general overheads of the company as support costs. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of the resources. Governance costs are incurred in the course of the company complying with its legal and regulatory obligations.

l. Cash and bank

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 opening of the deposit.

m. Debtors

Staff loans and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

n. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

LISTENING BOOKS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

2 INCOME

	2021 £	2020 £
Donations and legacies		
General donations	14,263	12,398
Grants	500,330	350,375
HMRC Job Retention Scheme grant	18,551	-
Gifts in kind	231,832	623,732
Legacies	15,193	269,841
Charitable activities		
Library subscriptions	62,247	65,748
Other trading activities		
Rent	13,800	13,800
Other	11,097	25,339
	867,313	1,361,233

3 EXPENDITURE

	Staff Costs £	Depreciation £	Other Costs £	Total 2021 £	Total 2020 £
Cost of raising funds	8,345	4,866	19,057	32,268	45,999
Library services	363,315	31,630	425,993	820,938	1,322,755
Support costs	12,518	2,433	13,687	28,638	42,203
Governance costs	-	-	5,640	5,640	5,256
Total expenditure	384,178	38,929	464,377	887,484	1,416,213

Support costs all related to the provision of library services, and governance costs include auditors' remuneration of £5,460 (2020: £5,256) which includes VAT and relates to the fee for the audit only. No other remuneration was payable to the auditors during the year.

LISTENING BOOKS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

4 STAFF COSTS

	2021 £	2020 £
Wages and salaries	329,888	308,150
Social security costs	25,541	25,787
Pension costs	28,749	31,032
	<u>384,178</u>	<u>364,969</u>
Other employment costs	-	-
Total staff costs	<u>384,178</u>	<u>364,969</u>
	2021	2020
The average number of persons employed by functional activity was:	No	No
Cost of raising funds	1	1
Charitable expenditure	11	10
	<u>12</u>	<u>11</u>

Members of the Council of Management received no remuneration or reimbursement of expenses during the year (2020: nil).

The total remuneration (including pension and other employee benefits) of the key management personnel of the charity (as detailed on page 1) during the year was £225,157 (2020: £210,138).

No employee received remuneration in excess of £60,000 per annum (2020: nil).

5 TANGIBLE FIXED ASSETS

	Equipment £
Cost	
At 1 April 2020	249,646
Additions	56,172
At 31 March 2021	<u>305,818</u>
Depreciation	
At 1 April 2020	143,365
Charge for the year	38,929
At 31 March 2021	<u>182,294</u>
Net book value	
At 31 March 2021	<u>123,524</u>
At 31 March 2020	<u>106,281</u>

LISTENING BOOKS
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6 LISTED INVESTMENTS

	At 1 April 2020 £	Add- itions £	Disp- osals £	Unrealised gains on reval- uation £	Realised gains on reval- uation £	At 31 March 2021 £
At market value:						
COIF	280,643	-	-	67,012	-	347,655
Total market value	<u>280,643</u>	<u>-</u>	<u>-</u>	<u>67,012</u>	<u>-</u>	<u>347,655</u>
Historical cost including cash	<u>200,133</u>					<u>200,133</u>

7 DEBTORS

	2021 £	2020 £
Other debtors	105,036	150,437
Prepayments	14,284	18,071
	<u>119,320</u>	<u>168,508</u>

Other debtors includes amounts falling due after more than one year of £34,829 (2020: £37,404).

8 CREDITORS: amounts falling due within one year

	2021 £	2020 £
Trade creditors	19,644	22,768
Other creditors	19,586	7,995
Accruals and deferred income	8,022	9,208
	<u>47,252</u>	<u>39,971</u>

9 LEASING COMMITMENTS

Operating leases

The charity's total future minimum lease payments under operating leases at 31 March 2021 were payable as set out below:

	2021 £	2020 £
Within one year	75,000	75,000
Within two to five years	156,250	231,250
More than 5 years	<u>-</u>	<u>-</u>
The operating lease charges for the year were:		
Hire of premises	<u>75,000</u>	<u>75,000</u>

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10 CONTINGENT LIABILITY

In January 2018 the charitable company signed a 10 year lease for the property it occupies. There is a possible liability in respect of a dilapidations claim in excess of the routine maintenance and decoration that the charitable company is required to carry out, but it is not practicable to identify the possible financial impact.

11 RESTRICTED FUNDS

	At 1 April 2020 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2021 £
Downloadables	38,092	232,417	242,134	-	28,375
Sponsored Membership	-	280,175	280,175	-	-
Readathon	31,286	14,556	17,024	-	28,818
Palliative Care	21,465	18,650	22,477	-	17,638
I.T.System Purchase	121,610	-	32,845	-	88,765
PC Purchase	3,403	-	741	-	2,662
Covid-19 Tablets Fund	-	24,444	19,862	-	4,582
Pre-loaded Tablets	-	5,000	456	-	4,544
	<u>215,856</u>	<u>575,242</u>	<u>615,714</u>	<u>-</u>	<u>175,384</u>

	At 1 April 2019 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2020 £
Downloadables	101,028	604,337	667,273	-	38,092
Sponsored Membership	-	208,625	208,625	-	-
Readathon	23,846	32,950	25,510	-	31,286
Palliative Care	29,056	19,978	27,569	-	21,465
I.T.System Purchase	147,170	-	25,560	-	121,610
PC Purchase	4,000	-	597	-	3,403
	<u>305,100</u>	<u>865,890</u>	<u>955,134</u>	<u>-</u>	<u>215,856</u>

Downloadables

To provide funding for titles bought for the library catalogue in both CD and download formats.

Sponsored Membership

To provide funding where appropriate to cover individual members part or full costs of membership.

Readathon

To provide access to audiobooks for children in hospitals.

Palliative Care

To provide access to audiobooks for hospices.

LISTENING BOOKS
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I.T.System Purchase

To greatly improve the company website and operating of internal IT systems including book managing system and substantial additional services. The balance on this fund represents both the I.T.System purchased less depreciation, and also the as yet unspent funds.

PC Purchase

To purchase new computer equipment for staff.

Covid-19 Tablets fund

To provide a preloaded selection of audiobook titles to members during the Covid restrictions.

Pre-loaded Tablets fund

To provide a preloaded selection of audiobook titles to adults who are elderly and isolated.

Transfers between funds

There were no transfers between funds in the year.

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Investment Assets £	Net Current Assets £	Total 2021 £
Restricted Funds	14,462	-	160,922	175,384
Unrestricted Funds	109,062	347,655	205,024	661,741
	<u>123,524</u>	<u>347,655</u>	<u>365,946</u>	<u>837,125</u>

	Tangible Fixed Assets £	Investment Assets £	Net Current Assets £	Total 2020 £
Restricted Funds	71,595	-	144,261	215,856
Unrestricted Funds	34,686	280,643	259,099	574,428
	<u>106,281</u>	<u>280,643</u>	<u>403,360</u>	<u>790,284</u>

13 LEGAL STATUS

The charitable company is limited by guarantee. The liability in respect of the guarantee, as set out in the Memorandum and Articles of Association, is limited to £1 per member of the company. There were 6 members as at 31 March 2021 (2020: 6).

14 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

N D Forster, a trustee of Listening Books, was head of sales at W.F. Howes Ltd and then at Overdrive. During the year, £1,495 (2020: £3,843) was paid to W.F. Howes Ltd and £23,311 (2020: not applicable) was paid to Overdrive in respect of purchases.

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15 PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES

The charity is receiving payments from a legacy that has three remaining components to be collected and distributed by the estate. Two components relate to loans the estate made to two individuals, which are being repaid over periods ending in 2029 and 2042. Annual payments are received by the charity from the estate and an asset of £27,404 (2020: £39,979) has been recognised in respect of these loans.

The third component of the legacy is in respect of a property subject to a protected life tenant. At today's prices, receipt by Listening Books is likely to be in the region of £45,000. In accordance with the SORP para 5.34, no asset has been recognised in respect of this by the charity. The charity will only recognise this component of the legacy when the estate has vacant possession of the property. However, the estate is also required to pay for certain major repairs, which it pays for by reducing the annual payments to legatees in respect of the two components described above. No provision has been made against this due to the inherent uncertainty of the payments to be made. Legacy income has been reduced in the year by £2,575 (2020: £2,575) in relation to the reduction in annual payments received.

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16 INVESTMENT RESTRICTIONS COIF CHARITIES ETHICAL INVESTMENT FUND

The COIF Charities Ethical Investment Fund is managed in accordance with an ethical investment policy that is set through consultation with unitholders. This requires CCLA to dedicate capital to positive investments, engage with companies to achieve positive changes in business practice and implement the following ethical restrictions.

Theme	Further Details	Exclusion Criteria
Climate Change	Oil sands extraction	Companies that derive more than 5% of their revenue from the extraction of these fuels are restricted
	Energy coal extraction	
	Other 'Fossil Fuel' Extraction	Companies that derive more than 10% of their revenue from extracting and refining coal, oil or gas
	Electrical Utilities	No investment in companies that cannot align with the Paris NDCs
Armaments	Strategic military sales	Restricted if derive more than 10% of revenue from strategic military sales
	Civilian firearms	10% revenue restriction
	Nuclear Weapons, Landmines, cluster munitions	Investment prohibited if involved in the production of these weapons
Oppressive Regimes	Sovereign Debt	No debt from countries identified by the Ethical Fund Advisory Committee as being the most oppressive
Tobacco		10% revenue restriction
Alcohol		10% revenue restriction
Adult Entertainment		10% revenue restriction
Gambling		10% revenue restriction
Animal Testing	Testing of cosmetics on Animals	Restricted if in priority sector and chooses to conduct testing on animals
High Interest Rate Lending		10% revenue restriction
Specific Client Restrictions	Production of single purpose abortifacients	Restricted if a producer of single-purpose abortifacient
	Baby Milk Substitutes	Minimum responsibility standards
ESG Minimum Standards	Score less than 2 on any FTSE ESG Theme	Comply/explain approach applies
Respecting International Norms	Substantiated allegations of non-conformity with recognised labour, human rights, biodiversity and climate change standards	Engagement that can lead to divestment if no progress is made
Third Party Funds	Screened Against Ethical Investment Criteria	