

Company no: 01701585 (England and Wales)
Charity no: 286614

CALIBRE AUDIO LIBRARY
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017



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Legal and administrative information

Registered office and principal address	New Road Weston Turville Aylesbury Bucks HP22 5XQ	
Company number	01701585 (England and Wales)	
Charity number	286614	
Trustees	The Revd. Canon Andrew Meynell (Chair to 27 July) Richard Balkwill (Chair from 27 July) David Stephens (Hon Treasurer) Anne Bolton Diana le Clercq Sarah Frost (appointed 27 April 2017) Rachel Gatley (appointed 26 October 2017) Peter Gurney David Lillycrop Ian Yeoman	
Secretary	Michael H Lewington	
Auditors	WMT Chartered Accountants 45 Grosvenor Road St Albans Hertfordshire AL1 3AW	
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	Scottish Widows Bank plc PO Box 12757 67 Morrison Street Edinburgh EH3 8YJ
	Lloyds Bank plc 1 Market Square Aylesbury Bucks HP20 1TD	

Legal and administrative information

Investment services The Share Centre
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Aylesbury
Buckinghamshire
HP21 8SZ

Patrons Simon Brett
Anne Fine
Candia McWilliam
Gervase Phinn

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Email membershipservices@calibre.org.uk
Website www.calibre.org.uk



Nicole Russell, co-author of "Bomber Command: Battle of Berlin Failed to Return"

From our Chair

Dear Friends and Supporters

It has been my privilege to be a Trustee of Calibre for over six years and to have been appointed as Chair this year.

In 2017, we developed and began a new three year strategy for 2018 to 2020.

Everything we do is focused on providing the "Freedom to Read" to print impaired people. We are really encouraged by what we have achieved and, in 2017, we reached the milestone of launching our download service. We now have over 10,000 books available in the library.

In 2018, our strategy is to expand our services and establish greater collaboration and alliances to benefit print impaired people as well as continuing to focus on improving our service to members. We will increase our range and depth of content, continue to develop our download application, and enhance our streaming service.



In today's world of political, digital and safeguarding issues, it is important to consider the interests of our members and those who support us and give freely of their time. The Trustees are grateful to the staff, and for the brilliant work of our volunteers. They undertake amazing work every day with tireless dedication. The result is the service we deliver to our members, books returned and posted out, the letters and telephone calls of appreciation received every working day.

Charity and fundraising values continue to be a matter of public concern. We take our responsibility to our members and supporters extremely seriously and ensure we meet the highest ethical and fundraising standards. We receive no statutory funding and are reliant on the generosity of members, their relatives and supporters. Without them we could not deliver our service. I would like to thank all our members and the Trusts and Foundations that have supported us over the past year with donations and grants.

I would like to pay tribute to my predecessor as Chair, Andrew Meynell, and I am delighted he has agreed to remain as a Trustee. I would also like to add my appreciation for the work done by all the Trustees. Their wide knowledge and specialisms, a single and shared vision for the future of Calibre Audio Library, and a common undertaking to support the Management team will ensure our plans for the future continue to be delivered.

A handwritten signature in black ink, appearing to read 'Richard Balkwill'.

Richard Balkwill
Chair

Demonstrating impact

The impact of Calibre's service is demonstrated by this letter from a member's relative:-

"My wonderful intelligent mother began to lose her memory. First of all it was just short term unimportant things; gradually her long-term memory began to give way and I felt we were on the shore of an endless ebb-tide receding further and further out to some dark unreachable ocean of loss. But with your books arriving on a regular basis there was the feel of an in-coming tide too – something to look forward to – something new. Your books provided milestones in a landscape that was inevitably monotonous and restricted. It genuinely helped preserve her memory and sense of time.

The books were things she had control over – not something "done" to her, but something she could work for herself – she could choose. She listened to some of them over and over again.

Above all they invaded her physically restricted room with an enormous sense of space and time. So Bill Bryson would drop in for tea; she could be out on the moors with Cathy and Heathcliff; she could travel on the Silk Road to Samarkand; she was present at the court of Queen Elizabeth... So as present life was shrinking to a round of boring concerns (often about unpleasant matters to do with toilets) she was involved in the great events of the past and the cleverest people in history.

Also, since the books were so beautifully read, all the characters became human company – they provided genuine companionship. The sound of all the different voices coming out of her room was lovely. Your books counteracted isolation and loneliness.

I feel that a poverty of environment in dependent, older people's lives hastens the loss of memory; the lonely silence so many people suffer, the deprivation of events leads to a lack of interest in things which can seem like loss of intelligence, but is really a lack of stimulation.

When mum became increasingly dependent, I asked for help from various charities. Some big national charities simply refused to help at all because they had to prioritise people living alone. The charities that helped were all small or very focused.

Mum joined the army and fought in the Second World War. Blind Veterans were marvellous and a real, positive help. The local charity was a help too. But Calibre and the County Council audio book lending service were the fundamental on-going ones for me. They helped preserve my mum's intelligent, creative spirit, and I was able to leave her while I went out to do boring shopping in Tesco's knowing she was enjoying the company of Samuel Pepys...

Calibre has such real importance for people like mum, of whom there are going to be so very, very many more in future."

Indira, following the death of her mother, Isabel Rennie Misra, at 101 years.

Our service

Calibre Audio Library is a nationwide charity providing a subscription-free service of audio books to people with sight loss, dyslexia and other disabilities which prevent them from reading print.

It may be a cliché, but our members frequently describe our service as a “lifeline” and tell us how much it improves their quality of life.

Patricia from Devon, who joined in 2010 describes it as follows:-

“The blue Calibre pouches arriving through the letterbox are truly red letter days. We're fairly remote here and to use that old humorous phrase, don't much get out now. I do look forward to your books and value them greatly. What you all do *is* marvellous in a literal sense!”

By providing the Freedom to Read our aim is to help combat disability and disadvantage.

Our mission is to bring the pleasure of reading to people with sight problems and print disabilities, by publishing, purchasing and lending audio books.

Prior to lending our books, we either:

- publish them ourselves using the services of our volunteer narrators to create the recordings. These books are unique to Calibre in unabridged audio format;
- or
- purchase audio books from commercial publishers and make them available to our members, in our convenient format of ten minute tracks, enabling members to navigate books quickly and easily.

Our vision is to end reading exclusion for print disabled people.

We do this by reducing the gap between the number of books available in print and the much lower number (under 5%) available in audio format. We know that reading has many benefits and is a source of great pleasure to many people and we seek to make it equally accessible to people unable to read traditional print formats.

Service delivery

We provide an extensive choice of unabridged titles in high quality digital formats.

We offer simple ways to join, both on or offline.

We sell memory stick players to members making it easy to join and start reading very quickly in just a single transaction.

"My mother had just started receiving audio books on a USB stick, she thoroughly enjoyed them and found the player easy to operate even at 96 and with arthritis."
Son of member from Oxfordshire

We help by providing an individually tailored service which includes telephone support from our knowledgeable and caring membership team and specialists ready to answer questions about players.

"I have always found all aspects of Calibre and in particular their staff to be willing, helpful and advisory in all aspects of their audio books and general application. Please keep up the good work - you are NEEDED!"
Mr Lawrence from Sussex

We support under 16s with our Young Calibre library that includes classifications by Key Stage and specific curriculum choices in English Literature and PSHE.

"Rachel has been a junior member of Calibre for a couple of years since it was apparent she had dyslexic type difficulties and as a result found it hard and discouraging reading large blocks of text. Calibre has been hugely beneficial in helping her access books and vocabulary that are age appropriate."
Mother of Young Calibre member in Bucks

We have a special lending scheme for Book Groups.

We serve schools, care homes and other organisations with our group membership options.

Our members and what Calibre means to them

The number of individual members actively using our library has remained at around 15,000. We have experienced a marginal (2%) decline as, despite welcoming over 1,600 new members, around 2,000 members have left Calibre. We know that the majority of people leave our service through unavoidable reasons, including death or failing health. Although our library is open to people of all ages and a range of disabilities, many of our members join us relatively late in their lives because of age-related sight loss, so this attrition of members is likely to continue.

81% of our service users are aged 60 or over with 54% being over 80.

93% of members are blind or partially sighted, 4.5% have dyslexia and 2.5% have a range of other disabilities that prevent them from reading print.

With movements in individuals joining and leaving, we delivered our service to around 17,000 individuals over the course of 2017.

In addition, Calibre Book Groups, with numbers of participants varying from 5 to 20, met at 63 locations around the UK, coming together to discuss books and enjoy social interaction in the process. For many book group members these regular meetings give them a rare opportunity to leave their homes and meet other people who are facing similar challenges in their lives.

Our members and their families describe Calibre and what our service means to them:-

"To say I am satisfied with the service is an understatement. It is beyond my wildest dreams. When I see those wallets I am like a child in a sweet shop!"
Marjorie from Swansea

"It's a wonderful service. It's always so good to have something interesting to listen to. I wouldn't be without it now!"
New member from Wales

"Calibre, its staff and readers, have given me over 22 years of pleasure. Thanks everyone so much."
Established member, Alan from Kent

"I have used your service in the past for my son who is dyslexic; he is now studying for a PhD! Audio books were a life saver for him especially when studying at secondary school when he first started using them, he certainly would not be where he is today without them, so a BIG thanks for the service you provide."
Mother of former Young Calibre member

2017 Milestones

As the year came to a close, our library gave a book choice approaching **10,000 titles**. We have now exceeded 10,000 books and continue to offer an ever wider choice to our members.

In 2017 we added **800 new books** of which 308 were recorded by our team of 86 volunteer narrators and 492 were purchased from commercial publishers.



We launched our **Calibre download app**. This service is the first of its kind in the UK that has been designed especially for visually impaired people to be able to download and listen to books on Apple and Android mobile devices such as smart phones or tablets. It was developed for Calibre by i-Publishing Consultants and Brandon Cross Technologies.

Making access to audio books available as a download service, via an encrypted copyright compliant app with spoken audio prompts, puts control firmly in the hands of the user, additionally providing them with instant access and valued independence over selecting audiobooks that they have not previously had.

The download complements continuing postal services available on memory sticks or CDs and our online streaming facility. A panel of users was involved during all stages of development. This team included volunteers with varying degrees of sight loss, including Calibre members who have no sight at all. The test team also included people with varying degrees of experience in using mobile devices.

The app uses standard gesture control protocols of tap, double tap and swipe movements that mobile technologies utilise in place of visual clues. For partially sighted or dyslexic users, we have ensured that screens are clear and uncluttered and we offer a choice of colour schemes and keyboards (ABC or QWERTY).

To help members get started we published a series of YouTube videos, going through the processes on a step-by-step basis. The videos have an audio commentary describing the actions and are designed to be usable either by someone assisting a visually impaired person learning how to use the service or by the potential user themselves.

2017 Milestones

We also have comprehensive text instructions available in large print and our Membership Services team, backed up by staff from other departments, have received extensive training in using the download service themselves and are available during office hours to assist with telephone enquiries.

Calibre was honoured to receive the 2017 Stationers' Company Innovation Excellence Award for New Communications Programmes that Enhance Social Development.



Winners of the Award for Social Development



Representatives from Calibre, i-Publishing and Brandon Cross Technologies at the Stationers' Company award ceremony

2017 Milestones

The judges who chose the Calibre app to win the award said they:-

“.. appreciated not only the use of developing technology but also recognised its importance in terms of the social good. This was seen as an app that has the potential to change people’s lives by utilising digital technology to make Calibre’s existing audio programme products more accessible to those with sight difficulties.”

Following the launch, we will continue to improve the Calibre download apps and incorporate additional features in response to feedback from users:-

“Many thanks for all your help in making it possible for Victoria to have your books with me helping her on her new iPad touch. This brings her so much happiness.”
Mother of Young Calibre member who is using Calibre’s new download app



Calibre’s app in use on an iPad

We conducted a major **strategic review**, led by our Trustees with the participation of Calibre’s management team. As a result we now have a clear plan looking forward through 2018 – 2020 and prioritised objectives for the charity. (See page 19 for a summary of these objectives.)

Our volunteers

Volunteers make a tremendous contribution to Calibre's service. In addition to the 86 narrators who give an immense commitment by recording books in their own homes, a further 20 people help by checking audio files before publication.

At our library and offices in Aylesbury some 76 volunteers regularly donate their time downloading books, checking returned CDs and memory sticks, issuing newsletters and completing a variety of other tasks.

We held a summer party to thank all our volunteers and were inspired by guest speaker, Mike Brace. Mike's own blindness (a result of a firework incident when he was 10 years old) has not stood in the way of many achievements over his lifetime, which have included completing two London marathons, skiing in the Paralympics, completing the Devizes to Westminster 24 hour endurance canoeing event, social work, chairing Vision 2020 and much more! Mike's talk was both thought provoking and very entertaining. His book, *"Don't ask me, ask the dog!"* is in Calibre's library.



Mike Brace CBE speaking at Calibre's Volunteers' Party

Our volunteers

A number of awards were made to volunteers for particularly outstanding contributions to Calibre. Jill Hetherington and Patricia Knight-Webb were both awarded Centurion certificates for reading 100 books each. Three book checkers (Priscilla Church, Jim Strafford and Sue Brown) achieved awards for checking over 300 books each and three more (Janet Hirlihy, Jane Low and Wenna Hills) were acknowledged for checking over 100 books each.

Local volunteer, Caroline Judd, was congratulated for volunteering in Calibre's library for 25 years.

In March, Calibre attended an event held by Aylesbury Vale Community Chest. In the awards selected by the Community Chest Grants Panel, Calibre won the award for Volunteer Development. This recognised our work training locally based volunteers. Over time, as Calibre's service has moved to the digital technologies of memory sticks and CDs, volunteer tasks have changed accordingly, requiring investment in retraining. Our grant from the Aylesbury Vale Community Chest has funded this over the previous three years.

Library volunteer, Graham Sanderson, was runner up in the individual volunteers' award category for "People who make a difference" and was presented an award certificate by The Hon Mrs CR Soames DL, High Sheriff of Buckinghamshire. In addition to his regular library work, Graham has also undertaken a number of additional tasks including rebuilding office furniture, helping to reorganise library layouts and removing thousands of rivets from orange CD wallets!

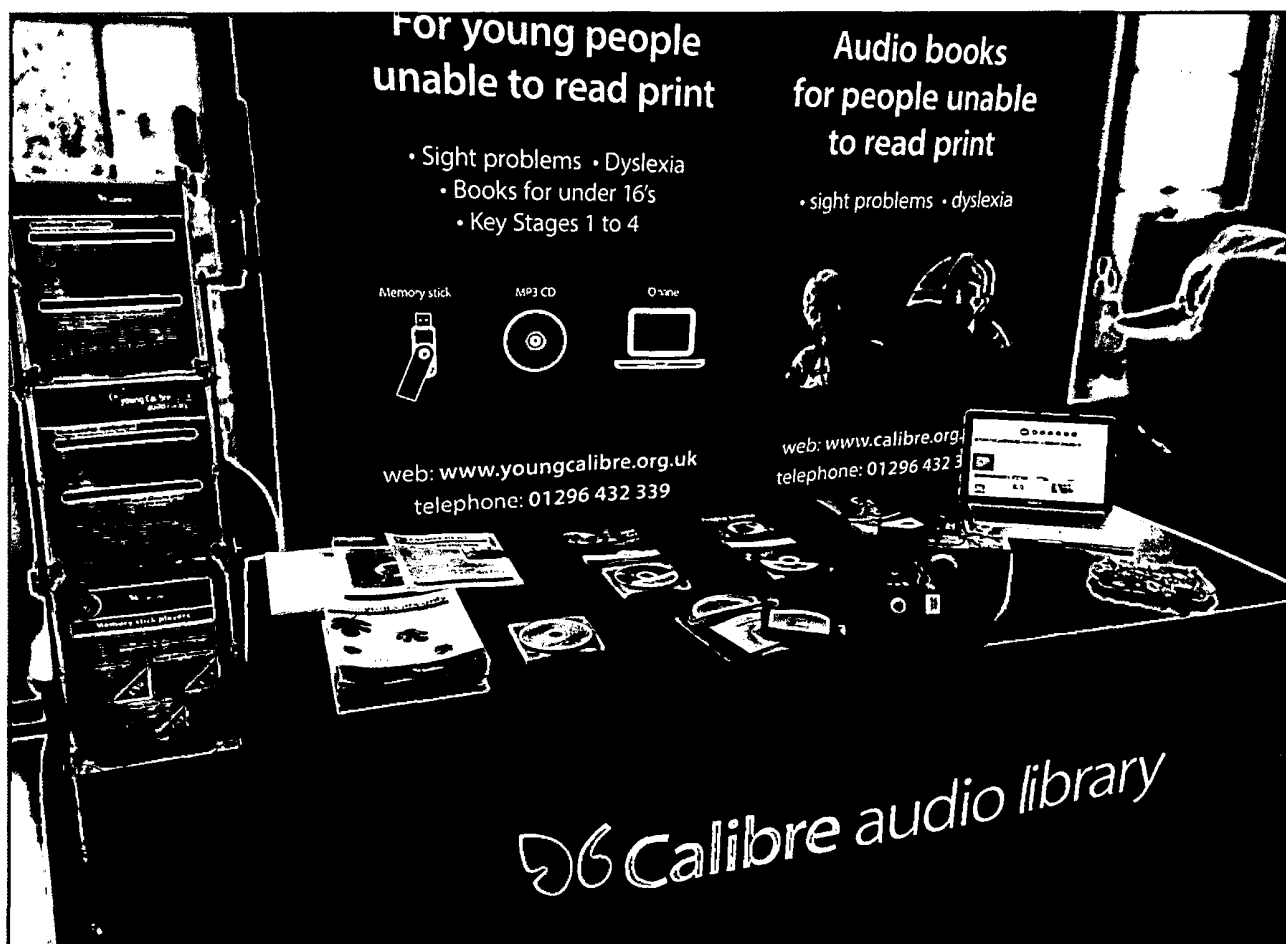
We are exceptionally grateful to Graham for all his efforts and to the Community Chest grants panel whose funding has supported Calibre volunteers.



Graham Sanderson's award presentation

Events and partnerships

During 2017, the Calibre team attended 198 exhibitions, talks and conferences. These events were attended by over 7,000 people and the team travelled 28,565 miles to reach audiences of both existing and potential members.



Calibre display at one of the many exhibitions we attended

Calibre is proud to maintain successful working relationships with other charities that include Blind Veterans UK, Macular Society, British Wireless for the Blind Fund, Talking News Federation, dementia charity Unforgettable and many local associations for blind and visually impaired people across the UK.

We are also delighted to partner with a number of companies including Dolphin Computer Access, Enhanced Vision, Optelec, Professional Vision Services and Kings Access Technology at joint events that enable us to showcase our service alongside their range of products to assist visually impaired people.

Our library team, comprising a mix of both staff and volunteers, issued over 448,000 books and newsletters to members – over 1,750 per working day being sent out and then returned once read.

Fundraising

Inspiring Individuals

Calibre's service is largely funded by voluntary donations which originate mainly from our members and their families and are motivated by gratitude. Fundraising activities can be accompanied by heart-warming stories.

After seeing first-hand what difference our service made to the life of a Calibre member who is a customer of Alan Smith's Bristol-based handyman business, Alan decided to raise funds for us when running the Cardiff Half Marathon. His wife Janet, the first of the pair to catch the running bug, then joined in with the fundraising. Together they raised an impressive £820 through sponsorships and a sweepstake.



Alan and Janet Smith with their medals

After the event Alan, who was relatively new to running, commented: "We're really pleased with how it went, but it was as hard as expected! It turned out to be an amazing experience running along with 20,000 other people and we were very lucky with the weather as we only had the odd shower and light winds rather than the monsoon that was forecast. We're really pleased with the total and we're also sure it will be put to good use improving the lives of people like my customer Mrs Hale."

Earlier this year another runner, David Watson blamed an early-onset midlife crisis for his decision to run the Northampton half marathon. His fundraising page on the Justgiving website began with the message: "I am going to run a very long way for Calibre Audio Library because this charity enables my Gran to enjoy books."

Fundraising

David was successful, not only in running 13.1 miles but he also raised £652.50 and shared with us some wonderful words about his Gran, Pearl, who is 96:

"Since my amazing Gran started losing her sight, Calibre Audio Library have enabled her to carry on enjoying books by sending her audio books that she chooses from a catalogue. For years they came in big packs of cassettes but now they come on memory sticks that Gran plugs in to her oversized MP3 player and pressing buttons she has never seen but has learnt how to use. In fact, Gran mastered MP3 when I was still buying minidisks. I used to buy her audio books for Christmas until she politely told me that they were abridged and only any good for when she had nothing else to read. The Calibre books are complete and unabridged."



David with his Gran, Pearl, who is 96 and an enthusiastic Calibre member

Legacies

The appreciation of some of our former members has again been demonstrated by gifts of £543,822 in wills. In 2017, legacies accounted for 46% of total income. In memoriam gifts from families and friends are also a highly valued source of funds.

We commemorate legators in a Roll of Honour in the foyer of Calibre's offices.

Fundraising

Grants from Trusts and Foundations

Trusts and Foundations contributed £75,455 towards Calibre's work during 2017. More than half of this came from regional trusts to support library members in their areas. Another third was for sponsorship of new books, ensuring that our members are able to choose books from an interesting and up-to-date range of book titles.

Grants from Trusts remain a very important source of income for Calibre and we are very grateful to the 53 Trusts and Foundations who have supported us during 2017, many of whom continue to support our work on a regular basis. These include:-

The Anne Herd Memorial Trust
The Bouttell Bequest
The Carmen Butler-Charteris Charitable Trust
The de Brye Charitable Trust
The Edith Murphy Foundation
Edna Newill Charitable Trust
The Hospital Saturday Fund
John Coates Charitable Trust
Thomas Hickman's Charity
Ulverscroft Foundation
William Harding's Charity
The W O Street Charitable Foundation
The Zochonis Charitable Trust



Narrator of many sponsored books, Bob Rollett, next to his image on our wallscape

Looking ahead

We have 3 key strategic objectives for 2018 – 2020:

1. To expand Calibre by increasing the number of members using our service

In order to progress this objective, a comprehensive marketing plan is in progress and an external Marketing and Communications Consultant has been engaged to deliver this.

2. To exploit Calibre's service by increasing commercial audio titles and adding new content

In 2017, we acquired new publishing contracts with Bloomsbury and HarperCollins enabling us to purchase their audio titles to distribute in all media, including via our download app. Other Publishers, Oakhill and Naxos, have also given permission to make their titles available to download. We have commenced discussions with our existing publishers who we hope will complete download agreements. We have identified further publishers with whom we hope to negotiate publishing agreements, leading to even wider book availability to Calibre members.

We will investigate increasing our current genres to add new content to complement our audio books.

3. To promote Calibre through collaboration and alliances

We have concluded discussions with Real Thing Entertainment who have developed and launched the "In Your Pocket" smartphone which includes mobile services from O2, and works anywhere within their mobile network. Using voice recognition, users can access a range of streamed services including libraries, newspapers and podcasts. The intention is to make Calibre audio books available in 2018.

We have completed an agreement with a commercial supplier with a focus on distribution of books via their download app with a view to launching this option in 2018.

These collaborations will complement our existing download service and web based streaming, providing Calibre members with greater choice to access our audio library through the internet and mobile phone network.

The Council's report for 2017

Objects of Calibre Audio Library

The objects of the Charity are to give relief to people in the United Kingdom and the European Union who are blind, partially sighted or have other disabilities which prevent them reading print by providing a free audio book lending library service to individual members. Audio books are provided in such a form that they can be played on MP3 CD and memory stick players available through commercial outlets and Calibre Audio Library.

Governance and management

Members of the Council of Management are also directors of the charity for the purposes of the Companies Act and Trustees for the purposes of charity law. This report also represents the Directors' report as required by s417 of the Companies Act 2006. The company has taken advantage of exemptions available to small companies under Part 15 of the Companies Act 2006 in preparation of this report.

The Charity is a company limited by guarantee. It was incorporated on 22 February 1983 and the last amendments to the Memorandum and Articles of Association were on 13 October 2010.

The Council currently consists of 10 members who meet at least quarterly to administer the charity. Every year one third of the Council is required to resign. However, members are eligible to apply for a subsequent term. The Council appoints a director to manage day to day operations.

The Trustees, with guidance from the Director, are responsible for the process of succession planning to ensure that the Council is always composed of members with the requisite experience and skills necessary to contribute to the life of the Council and with the interests of Calibre always in mind. Potential trustees must demonstrate how they meet the criteria which detail suitability for membership of the Council.

All potential trustees are offered a day to visit Calibre to find out about our service at first hand and be introduced to the Executive Management Team. Following the recruitment process and once confirmed as a trustee they will undertake the induction process. This includes pairing with an experienced Trustee who will act as mentor to assist with their first few months in role.

None of the Council has any beneficial interest in the company, nor receives any remuneration. All of the Council are members of the company and guarantee to contribute £1 in the event of winding up.

The Council has assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and is satisfied that systems are in place that offer reasonable mitigation of the major risks.

Trustee indemnity insurance is included in our insurance policies and has been in place throughout the year.

The Council's report for 2017

Conflicts of interest

As part of our governance process, Trustees and key senior staff are required at the end of our accounting year to confirm if they or any close member of their family has any business interests in any company, where an expenditure in excess of £2,600 is incurred, which may result in a conflict of interest.

Risk management

The Trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the charity faces
- the establishment of policies, systems and procedures to mitigate or remove those risks identified in the annual review
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

The 2017 review identified one strategic risk; the potential for commercial suppliers of audio books to increasingly provide a download service resulting in a reduction in membership. This has been managed by the development and launch in September 2017 of a fully accessible download app available to all Calibre Audio Library members.

The charity is extremely well supported by members in donations and legacies which, due to uncertainty, is a financial risk. The risk is managed by maintaining an appropriate level of reserves to manage the variations in income to which the charity is exposed and a comprehensive three year budget and financial plan to ensure excessive expenditure does not threaten the sustainability of the charity.

Social investment and grant making

All income received by the Charity is used solely for the benefit of members. The Council of Management does not provide any social investment loans or make grants to individuals, charities or organisations.

Remuneration policy for trustees and senior staff

The Council who are the Charity's Trustees give of their time freely. None received remuneration in the year. Details of Trustees' expenses are disclosed in note 9 to the accounts.

There are five key management personnel, including the Director, who are responsible for planning, directing and controlling the day to day activities of the charity. The remuneration of the key personnel is reviewed annually and normally increased by considering the Consumer Price Index (CPI) and the Retail Price Index (RPI). Changes to senior staff responsibilities are also taken into account when reviewing remuneration.

The Council's report 2017

Fundraising statement

Calibre Audio Library is registered with the Fundraising Regulator. Registration means that Calibre has undertaken to abide by the terms and conditions of registration, the Fundraising Regulator's "Fundraising Promise" and the "Code of Fundraising Practice".

Calibre has never carried out any of the invasive fundraising practices that have been reported in the media as causing annoyance and distress to many, such as fundraising by telephone or door to door. We have never employed third party fundraisers nor engaged with commercial participators, bought or sold lists of personal data or mailing lists from any source. Calibre has not shared the personal data of any of our supporters and members with third parties so we are pleased to report that registration with the Regulator has not involved us in making any significant changes to our activities. We have always tried to be open and honest in all our fundraising and never to apply undue pressure when requesting support from our members.

Fundraising activities are undertaken by employees and volunteers. Fundraising communications to individuals are limited to known supporters or members of the library service. The frequency of communication is also monitored internally. The maximum number of fundraising communications is four per year but is often less in practice. Such communication is normally by direct personally addressed mail with clear communication of the opportunity to opt out of future mailings. We received no formal complaints.



Public benefit

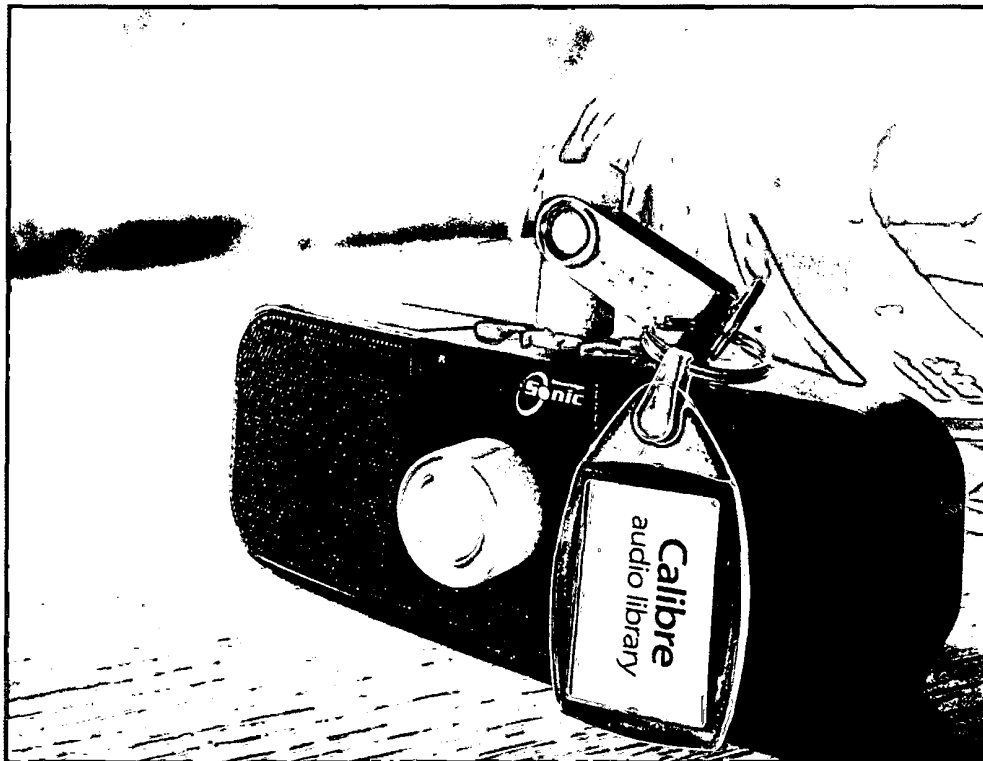
The Charities Act 2011 requires all charities to meet the legal requirement that its aims are for the public benefit. Two key principles should be met in order to demonstrate that an organisation's aims are for the public benefit: firstly, there must be an identifiable benefit and secondly that the benefit must be for the public or a section of the public.

The guidance lists "promoting the relief of those in need by reason of disability, financial or other hardship" and "the provision of leisure-time occupation in the interests of social welfare with the object of improving the conditions of life for the persons for whom they are intended".

The Trustees confirm they have given due consideration to the Charity Commission's guidance on public benefit and are confident that the Charity has complied with these. Calibre's charitable objects fall within subsection 3 (1) of the Charities Act 2011 relating to the relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage. The Council of Management ensures these are carried out for the public benefit, through delivery of our audio book library service for print disabled people within the United Kingdom and European Union. This report demonstrates how we use

The Council's report 2017

our charitable funds to benefit print disabled people by providing leisure time reading to improve their conditions of life.



The Council's report for 2017

Financial review

Overview

Calibre is a digital service providing audio books on USB memory sticks, MP3 CDs, internet streaming and downloads.

Calibre had another good year with income that enabled us to complete several longer term projects this year, particularly our download service. We continued to enhance our library by purchasing additional commercial audio books which comprised 62% of the new titles added to the library. We reduced our business risks by maintaining a third party off-sight contractor for technical support to our virtualised IT hardware and to our download service.

We receive no statutory funding and remain financially sound thanks to the continued support of our members and to grant funding from trusts and foundations.

Income

Total income for the year was £1,177,807 (2016 - £1,174,739). This small increase compared to the previous year was due to higher legacy receipts in 2017 with legacies received during the year of £543,822 (2016 - £453,404). Income from our one-off lifetime joining fee decreased to £46,285 (2016 - £55,207). Sales of USB memory stick players for new and current members reduced, resulting in an income of £55,879 (2016 - £69,782). We made fewer applications to trusts and foundations resulting in a decrease in grants to £77,367 (2016 - £164,245). Gift Aid income increased slightly to £43,389 (2016 - £40,781). Interest rates remain at an historic low, resulting in income from interest received reducing to £297 (2016 - £682).

Despite the continued overall reduction in people sending Christmas cards and increasing Royal Mail postage charges, our Christmas merchandising remained favourable at £20,369 (2016 - £20,436). Income from sponsored events reduced to £842 (2016 - £2,251). This year income from catalogue sales reduced to £3,219 (2016 - £5,447). Our investment income from listed investments decreased slightly to £28,317 (2016 - £29,080).

Expenditure

Total resources expended increased to £1,165,272 (2016 - £1,155,391). Our annual expenditure spent on providing our audio library service and digital developments increased to 86% (2016 - 85%) of our total costs.

The Council's report for 2017

Expenditure in the library increased to £1,005,182 (2016 - £984,088). We maintained our commitment to our vision with 800 (2016 - 771) new titles being added to the digital library, including 308 (38%) unique Calibre recordings and 492 (62%) commercial audio titles.

Establishment and general overheads remained broadly similar to last year. The operating surplus for the year was £12,535 (2016 - £19,348 surplus).

There were net unrealised capital gains in our investment assets of £100,150 (2016 gain - £90,530). The net surplus for 2017 was £112,685 (2016 - £109,878 surplus). Total funds at 31 December 2017 stood at £1,992,176 (2016 - £1,879,491).

Reserves policy

The Council of Management considers it prudent to maintain a sum equivalent to 6-9 months' expenditure in unrestricted reserves to maintain the ongoing operations of the Charity. This is considered an appropriate level of reserves to manage the risks to which the Charity is exposed in the course of its business, including, but not limited to, safeguarding against volatile voluntary income. Reserves available for use by Calibre exclude restricted and designated funds.

The investment policy is reviewed annually and the Council, at the quarterly meetings, reviews the value of the reserves required to be held in investments and cash that are not restricted for any particular purpose. It should be noted that all realised and unrealised gains and losses on investments are taken to the operational reserve, and therefore are subject to fluctuations in the equity market.

Restricted funds, funding for specific projects are £26,361 (note 18) and not available for general use. The fixed assets within the fund include CD duplicators and desktop IT hardware.

In 2017, designated funds reduced to £328,273 (note 19). This was due to the release of the second £100,000 from the Legacy Income Fund to unrestricted reserves and the completion of the download service development, with the majority of the development designated within the Fixed Asset Fund. Designated Funds include £36,595 for the ongoing costs of the library management system and to cover the costs of a specialist third party support company for the next 2 years. Tangible fixed assets in the designated fund include library equipment, photocopiers, telephone system, software and building infrastructure.

The Council also considers Calibre's exposure to the risk of any significant loss of income or unforeseen cost. Legacy income has been high for the last few years however given its nature and uncertainty this also contributes to risk. At 31 December 2017, the level of unrestricted reserves was £1,637,542 (2016 - £1,353,527) which is equivalent to over 12 months expenditure based on the 2018 budget.

The Council's report for 2017

The 2017 surplus, significant unrealised investment gains and the release of the second and final £100,000 from the legacy income designated fund has increased the level of unrestricted reserves. The Trustees have agreed a three year (2018 – 2020) budget and financial plan and it is expected that reserves will reduce to within the target range of the 6 – 9 months reserves policy.

Investments

Calibre's reserves are invested in a diversified portfolio of assets managed by ourselves via an account with the Share Centre. Our investment policy is to hold 30% - 50% in equities; 40 - 70% in government stocks and bonds; and 0% to 25% in other investments. The value and funds are detailed at note 13.

Day to day management of cash and investments is controlled by a subcommittee comprising the Chair, the Director and the Treasurer. This sub-committee has the authority to realise investments and to make further investments within the terms of the investment policy which is reviewed annually by the Trustees.

Legacies

We are extremely grateful that 65 of our supporters remembered Calibre in their wills. Legacy income is a significant factor to maintain and improve our service. Legacy and in-memoriam income in 2017 was 46% of total income (2016 - 39%). We continue to promote legacies with our legacy brochure in print and audio, accompanied by appropriate information to reinforce the importance of this income stream to Calibre.

Legators included

Anthony Buckle
Barbara Currie
Doreen Flint
Eugenie Hill
Gloria Hopkins
Ann James
Geoffrey Jones

Colin Langman
Patricia Murphy
Jean Owen
Marion Riley
Henry Ventress
Olive White
Joan Wolfe



Richard Balkwill

Chair

Dated 9 May 2018

The Council's statement of responsibilities

The Trustees (who are also directors of Calibre Audio Library for the purposes of company law) are responsible for preparing the Trustees' Annual 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company 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 in the Charities SORP
- 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Council and signed on behalf of the board



David Stephens
Hon Treasurer

Dated 9 May 2018

Independent auditor's report to the members of Calibre Audio Library

Opinion

We have audited the financial statements of Calibre Audio Library (the 'charitable company') for the year ended 31 December 2017 which comprise the Statement of Financial Activity, the summary Income and Expenditure account, the Balance Sheet, the Statement of Cash Flows, and 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 December 2017 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 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.

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. 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 auditor's 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Independent auditor's report to the members of Calibre Audio Library

- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual 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 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

Independent auditor's report to the members of Calibre Audio Library

- we have not received all the information and explanations we require for our audit; or
- the trustees' were not entitled to 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 set out on page 27 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 charitable company'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 charitable 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.

Independent auditor's report to the members of Calibre Audio Library

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

WMT

Elizabeth Irvine
Senior Statutory Auditor
For and on behalf of WMT
Chartered Accountants and Statutory Auditor
45 Grosvenor Road
St Albans
Hertfordshire
AL1 3AW

Date: 17 May 2018

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED
31 DECEMBER 2017**

		Unrestricted funds	Designated funds	Restricted funds	Total 2017	Total 2016
	Note	£	£	£	£	£
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	1,028,952	-	23,500	1,052,452	1,028,919
Investments	3	28,614	-	-	28,614	29,762
Charitable activities						
Merchandising and other activities	4	80,309	-	-	80,309	98,006
Other income		16,432	-	-	16,432	18,052
Total		<u>1,154,307</u>	<u>-</u>	<u>23,500</u>	<u>1,177,807</u>	<u>1,174,739</u>
EXPENDITURE ON						
Raising funds						
Fundraising costs	6	99,956	-	-	99,956	103,593
Merchandising costs	6	60,134	-	-	60,134	67,710
Charitable activities						
Provision of audio books	6	696,314	250,489	58,379	1,005,182	984,088
Total		<u>856,404</u>	<u>250,489</u>	<u>58,379</u>	<u>1,165,272</u>	<u>1,155,391</u>
Net gains/(losses) on investments						
Unrealised gains / (losses) in investment assets	13	100,150	-	-	100,150	90,530
Net income/(expenditure)		<u>398,053</u>	<u>(250,489)</u>	<u>(34,879)</u>	<u>112,685</u>	<u>109,878</u>
Transfers	18,19	<u>(114,038)</u>	<u>113,993</u>	<u>45</u>	<u>-</u>	<u>-</u>
		<u>284,015</u>	<u>(136,496)</u>	<u>(34,834)</u>	<u>112,685</u>	<u>109,878</u>

For analysis of financial activities by fund for 2016 see note 25.

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED
31 DECEMBER 2017**

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Net movements in funds	18,19	284,015	(136,496)	(34,834)	112,685	109,878
Total funds at 1 January		1,353,527	464,769	61,195	1,879,491	1,769,613
Total funds at 31 December	18,19	1,637,542	328,273	26,361	1,992,176	1,879,491

**SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED
31 DECEMBER 2017**

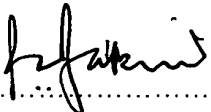
	Total 2017 £	Total 2016 £
Gross income	1,177,807	1,174,739
Total income	1,177,807	1,174,739
Total expenditure from income funds	(1,165,272)	(1,155,391)
Net income for the year	12,535	19,348

The summary income and expenditure account is derived from the Statement of Financial Activities on pages 32 – 33 which, together with the notes on pages 36 - 53, provides full information on the movements during the year on all funds of the charity.

BALANCE SHEET AS AT 31 DECEMBER 2017

			2017		2016
	Note	£	£	£	£
Fixed assets					
Intangible assets	11	155,447		-	
Tangible assets	12	97,643		133,695	
Investments	13	1,392,750		1,067,609	
			1,645,840		1,201,304
Current assets					
Stock	14	17,613		4,435	
Debtors	15	28,853		367,919	
Cash at bank and in hand		338,858		352,683	
		385,324		725,037	
Creditors: Amounts falling due within one year	16	(38,988)		(46,850)	
Net current assets			346,336		678,187
Total Net assets			1,992,176		1,879,491
Funds					
Restricted funds	18	26,361		61,195	
Designated funds	19	328,273		464,769	
Unrestricted funds		1,637,542		1,353,527	
Total Funds			1,992,176		1,879,491

The financial statements were authorised for issue by the Council on 1 May 2018 and signed on behalf of the board. The Trustees may on a voluntary basis under the Companies Act 2006, s454 amend the financial statements if they subsequently prove to be defective.


 Richard Balkwill
 Chair
 Date: 9 May 2018


 David Stephens
 Hon Treasurer
 Date: 9 May 2018

The notes on pages 36 - 53 form part of these financial statements.

Company no: 01701585
 Charity no: 286614

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £	2016 £
Cash flows from operating activities		
Net cash provided by (used in) operating activities	<u>352,003</u>	<u>213,292</u>
Cash flows from investing activities:		
Dividends and interest from investments	28,614	29,762
Purchase of intangible assets	(166,550)	-
Purchase of tangible assets	(3,158)	(907)
Proceeds from sale of assets	257	2,000
Purchase of investments	(224,991)	(50,000)
Net cash provided by (used in) investing activities	<u>(365,828)</u>	<u>(19,145)</u>
Change in cash and cash equivalents in the reporting period	<u>(13,825)</u>	<u>194,147</u>
Cash and cash equivalents at beginning of reporting period	352,683	158,536
Cash and cash equivalents at the end of the reporting period	<u><u>338,858</u></u>	<u><u>352,683</u></u>

Reconciliation of net movement in funds to net cash inflow from operating activities

	2017 £	2016 £
Net income / (expenditure) for the year	112,685	109,878
Adjustments		
Depreciation charges	50,313	43,061
Losses / (gains) on investments	(100,150)	(90,530)
Dividends and interest from investments	(28,614)	(29,762)
Profit on sale of Fixed Assets	(257)	(962)
Decrease / (increase) in stocks	(13,178)	10,201
(Increase) / decrease in debtors	339,066	282,461
(Decrease) / increase in creditors	(7,862)	(111,055)
Net cash provided by (used in) operating activities	<u><u>352,003</u></u>	<u><u>213,292</u></u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2017

1. Accounting policies

Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets), with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2015) effective from 1 January 2015, FRS 102 and applicable accounting standards and the Companies Act 2006. Calibre Audio Library meets the definition of a public benefit entity under FRS 102. The functional and presentational currency is sterling. The status of the company is incorporated. The registered office is New Road, Weston Turville, Aylesbury, Bucks, HP22 5XQ.

The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern.

Income recognition

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

Donations, and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement.

Legacies are recognised on a case by case basis following the grant of probate and when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the legacy is related to an asset, recognition is subject to the value being reliably measurable with a degree of reasonable accuracy.

Interest on funds held on deposit is included when receivable and the amount can be reliably measured; normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been received.

Income from merchandising is recognised on shipment of goods.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Premises and support costs comprise all services supplied centrally. Salaries included in support costs are allocated between charitable activities and fundraising costs, using an estimate of time spent by staff on dealing with those areas.

Cash at bank and in hand

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Pre-payments are valued at the amount pre-paid net of any trade discounts due.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting 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 normally recognised at their settlement amount after allowing for any trade discounts due.

Financial Instruments

The charity enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, and investments in non-puttable ordinary shares.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Fund accounting

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in note 18 to the accounts.

Designated funds comprise funds which have been set aside at the discretion of the Council for specific purposes. The purposes and uses of the designated funds are set out in note 19 to the accounts.

Allocation of premises and support costs

Premises and support costs (note 7) relating to charitable activities have been apportioned based on the floor space occupied by the relevant staff for fundraising and for the provision of audio books.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

Costs of raising funds

The costs of generating funds, consists of fundraising and merchandising costs, are detailed at note 6.

Charitable activities

Costs of our charitable activity, the provision of audio books, are detailed at note 6.

Pensions

Employees of the charity are entitled to join a defined contribution personal group pension plan; a qualifying pension scheme as defined by the Pension Regulator. The employee personal plan is managed by Aviva and the plan invests contributions made by the employee and employer in an investment fund(s) of the employee's choice. The charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions. The charity contribution is restricted to that disclosed in note 8. The pension costs charged in the Statement of Financial Activities represent the contributions payable by the charity during the year.

Trustees' expenses and remuneration

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind. Expenses paid to the Trustees are disclosed at note 9.

Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Tangible and Intangible assets, depreciation and amortisation

Tangible fixed assets are stated at cost less depreciation and intangible assets are stated at cost less amortisation. The charity's capitalisation limit is £500, therefore all assets above this value are capitalised. Depreciation and amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, on the straight line method, as follows:

Computer equipment	- 33.3% per annum
Fixtures, fittings and equipment	- 20% per annum
Production equipment	- 20% per annum
Software	- 20% per annum
Freehold buildings	- 5% per annum

Fixed asset investments

Investments are initially recognised at their transaction value and subsequently are stated at closing bid prices obtained from the Share Centre valuation statement. The charity does not acquire derivatives, complex financial instruments or put options.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their opening carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Stock

Stock is valued at the lower of cost and selling price less costs to sell.

Irrecoverable VAT

Irrecoverable VAT has been analysed and apportioned within premises and support costs.

Critical accounting estimates and areas of judgement

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means the actual outcomes could differ from those estimates. There are no judgements made that have a significant effect on the amounts recognised in the financial statements.

2. Donations and legacies

	2017 £	2016 £
Donations and gifts	508,630	575,515
Legacies receivable	543,822	453,404
	<u>1,052,452</u>	<u>1,028,919</u>

3. Investment Income

	2017 £	2016 £
Income from listed investments	28,317	29,080
Interest receivable	297	682
	<u>28,614</u>	<u>29,762</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED
31 DECEMBER 2017**

4. Merchandising and other activities

	2017 £	2016 £
Events	842	2,251
Catalogues	3,219	5,447
Value of Christmas Merchandising	20,369	20,436
Value of Player Merchandising	55,879	69,872
	<u>80,309</u>	<u>98,006</u>

5. Intangible income and expenditure

Calibre Audio Library, together with other charities providing similar library services, benefits from the national "Articles for the Blind" postal concession. This is a statutory arrangement operated by Royal Mail through which material that has been transcribed into alternative reading formats for blind and partially sighted people is carried free of charge.

6. Analysis of resources expended

	Staff costs direct £	Other costs direct £	Depreciation and Amortisation direct £	Support costs (note 7) £	Total 2017 £	Total 2016 £
Costs of generating funds						
Fundraising costs	73,345	12,724	-	13,887	99,956	103,593
Merchandising costs	-	60,134	-	-	60,134	67,710
Charitable activities						
Provision of audio books	577,751	135,350	28,228	263,853	1,005,182	984,088
	<u>651,096</u>	<u>208,208</u>	<u>28,228</u>	<u>277,740</u>	<u>1,165,272</u>	<u>1,155,391</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED
31 DECEMBER 2017**

7. Analysis of premises and support costs

	2017 £	2016 £
Staff costs	166,256	159,603
Depreciation	22,085	25,697
Gas and electricity	9,619	9,203
Cleaning costs	8,435	8,401
Insurance	9,632	9,329
Stationery and printing	3,816	5,374
Repairs and renewals	4,826	6,774
Other costs	53,071	42,946
	<hr/>	<hr/>
	277,740	267,327
	<hr/>	<hr/>

8. Staff costs

	2017 £	2016 £
Staff costs consist of:		
Wages and salaries	731,299	715,880
Social security costs	43,831	41,584
Pension costs	42,222	43,304
	<hr/>	<hr/>
	817,352	800,768
	<hr/>	<hr/>

No employee had emoluments over £60,000 (2016 - none). Amounts paid to key management personnel were £232,227 (2016 - £232,029).

The average monthly number of employees employed by the charity during the year was 43 (2016 – 42) which corresponds to 32 full time equivalent employees (2016 – 32). They were allocated to each department as follows:

	2017 Number	2016 Number
Production	25	25
Governance	1	1
Fundraising and publicity	6	6
	<hr/>	<hr/>
	32	32
	<hr/>	<hr/>

The work of the charity also benefits from the valuable contribution of some 182 volunteers, just over half of whom record, review or check the books in their own homes. The other volunteers work at our headquarters, assisting with the copying, checking and re-issuing of audio books and other administrative duties.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED
31 DECEMBER 2017**

9. Council's remuneration, reimbursed expenses and donations

None of the Council received any remuneration. Expenses reimbursed to Trustees amounted to £485 (2016 – £424) during the year consisting of £225 for meeting refreshments and one Trustee received £260 travel reimbursement. There were no donations received from Trustees other than in the normal course of business.

10. Governance costs

	2017	2016
	£	£
Governance costs comprise:		
Salaries	7,228	7,174
Audit Fee	6,400	6,213
Travel and Subsistence	485	424
	<hr/>	<hr/>
	14,113	13,811
	<hr/>	<hr/>

Salary costs include a proportion of direct staff and support costs (note 6)

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED
31 DECEMBER 2017**

11. Intangible Assets

	Software £	Total £
Cost		
At 1 January 2017	-	-
Additions	166,550	166,550
	<hr/>	<hr/>
At 31 December 2017	166,550	166,550
	<hr/>	<hr/>
Amortisation		
At 1 January 2017	-	-
Charge for year	11,103	11,103
	<hr/>	<hr/>
At 31 December 2017	11,103	11,103
	<hr/>	<hr/>
Net book value		
At 31 December 2017	155,447	155,447
	<hr/>	<hr/>
At 31 December 2016	-	-
	<hr/>	<hr/>

Amortisation costs on intangible fixed assets are recognised in expenditure on charitable activities.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED
31 DECEMBER 2017**

12. Tangible Assets

	Freehold Property	Production Equipment	Fixtures, Fittings & Equipment	Total
	£	£	£	£
Cost				
At 1 January 2017	562,933	138,512	208,655	910,100
Additions	-	3,158	-	3,158
Disposals	-	(16,849)	(5,269)	(22,118)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	562,933	124,821	203,386	891,140
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 2017	539,894	91,839	144,672	776,405
Charge for year	6,285	12,197	20,728	39,210
Depreciation on disposals	-	(16,849)	(5,269)	(22,118)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	546,179	87,187	160,131	793,497
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2017	16,754	37,634	43,255	97,643
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2016	23,039	46,673	63,983	133,695
	<hr/>	<hr/>	<hr/>	<hr/>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED
31 DECEMBER 2017**

13. Listed Investments

	2017	2016
	£	£
Market value as at 1 January	1,067,609	927,079
Acquisitions at cost	224,991	50,000
Change in value in year	100,150	90,530
	<hr/>	<hr/>
Market value as at 31 December	1,392,750	1,067,609
	<hr/>	<hr/>
Historic cost:		
At 31 December	1,229,909	1,004,918
	<hr/>	<hr/>

Investments held as at 31 December 2016:

iShares Global Equity ETF	146,860
iShares Corporate Bond	237,038
Barclays SPDR ETF Corporate Bond	163,177
European Investment Trust	104,788
Deutsche Bank Global Bonds Fund	209,133
Vanguard FTSE100 Tracker	154,657
TR Property Investment Trust	51,956
	<hr/>
	1,067,609
	<hr/>

Investments held as at 31 December 2017:

iShares Global Equity ETF	171,669
iShares Corporate Bond	238,969
Barclays SPDR ETF Corporate Bond	164,009
European Investment Trust	229,741
Deutsche Bank Global Bonds Fund	214,027
Vanguard FTSE100 Tracker	165,486
TR Property Investment Trust	122,269
Blackrock World Mining	86,580
	<hr/>
	1,392,750
	<hr/>

Investments are held primarily to provide an investment return to Calibre.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED
31 DECEMBER 2017**

14. Stock

	2017 £	2016 £
Finished Goods	17,613	4,435
	<hr/>	<hr/>
	17,613	4,435
	<hr/>	<hr/>

Value of stocks sold in year £37,114 (2016 - £46,110)

15. Debtors

	2017 £	2016 £
Trade debtors	988	3,621
Other debtors	7,979	251,279
Prepayments and accrued income	19,886	113,019
	<hr/>	<hr/>
	28,853	367,919
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year.

16. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	16,684	16,786
Accruals and deferred income	9,600	18,117
Taxation and social security	12,704	11,947
	<hr/>	<hr/>
	38,988	46,850
	<hr/>	<hr/>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED
31 DECEMBER 2017**

17. Financial Instruments

	2017 £	2016 £
Financial Assets		
Financial assets that are measured at fair value through the SoFA	1,392,750	1,067,609
Financial assets that are debt instruments measured at amortised cost	6,079	248,532
	<u>1,398,829</u>	<u>1,316,141</u>
Financial Liabilities		
Financial liabilities measured at amortised cost	<u>17,970</u>	<u>27,307</u>

Financial assets measured at fair value through the SoFA consist of listed investments. Financial assets that are debt instruments measured at amortised cost consist of trade and some other debtors. Financial Liabilities measured at amortised cost comprise of trade creditors and some accruals.

18. Restricted Funds

	Balance at 1 January 2017 £	Incoming Resources £	Expenditure £	Transfers between Funds £	Balance at 31 December 2017 £
Fixed asset fund	30,908	-	(9,497)	-	21,411
New Title Sponsorship	27,250	23,500	(45,800)	-	4,950
Volunteer Training	3,037	-	(3,082)	45	-
	<u>61,195</u>	<u>23,500</u>	<u>(58,379)</u>	<u>45</u>	<u>26,361</u>

The Fixed Asset fund represents the undepreciated balance of funds received for the purchase of specific fixed assets.

16 trusts and organisations have sponsored the addition of new digital titles to our library. Aylesbury Vale Community Chest supported induction, training and specific costs associated with our Aylesbury based volunteers.

For 2016 Restricted Funds please see note 26.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED
31 DECEMBER 2017**

19. Designated Funds

	Balance at 1 January 2017	Incoming Resources	Expenditure	Transfers between funds	Balance at 31 December 2017
	£	£	£	£	£
Fixed Asset Fund	102,787	-	(40,816)	169,707	231,678
Library Management System Fund	54,451	-	(17,856)	-	36,595
Legacy Income Fund	100,000	-	-	(100,000)	-
Download service development	147,531	-	(191,817)	44,286	-
Download service support contract	60,000	-	-	-	60,000
Designated funds	<u>464,769</u>	<u>-</u>	<u>(250,489)</u>	<u>113,993</u>	<u>328,273</u>

The Fixed Asset Fund represents the undepreciated balance of fixed assets, excluding those included in restricted funds, which are held for the ongoing charitable use of Calibre Audio Library.

The Library Management System Fund was established to cover the initial cost of replacing the two separate library management systems with a single modern library management system. This was completed in September 2015. The fund included the provision for five years (2014 – 2018) annual licence fees, continued development to the system with the supplier and a third party support contract.

Calibre is committed to improve the range of services offered to members and previously designated funding to develop an accessible download service. The development and launch was completed in September 2017. The final cost was determined and funds were transferred from unrestricted reserves. The development cost included service support for three months. The ongoing service support contract will commence in 2018.

Historically, a significantly high legacy income often produces a corresponding low income in the following years. Legacy income in 2015 was more than double our 5 year average and constituted an exceptional year. To maintain our service we may have to use reserves to fund the Calibre operation. The Trustees wished to maintain the level of reserves and designated funds to be reduced over the period of two years (2016 - 2017) to compensate for potentially lower than average legacy income. The second £100,000 has been transferred to unrestricted reserves.

2016 Designated Funds are at note 27.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED
31 DECEMBER 2017**

20. Analysis of Net Assets between Funds

	Fixed assets	Investments	Net Current Assets	Fund balances at 31 December 2017
	£	£	£	£
Restricted funds	21,411	-	4,950	26,361
Designated funds	231,679	96,594	-	328,273
General funds	-	1,296,156	341,386	1,637,542
	<u>253,090</u>	<u>1,392,750</u>	<u>346,336</u>	<u>1,992,176</u>

Unrealised gains on investments included in unrestricted funds amount to £162,841 (2016 – Gains of £62,691).

2016 Analysis of Net Assets between Funds are at note 28.

21. Pensions

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. The amount paid to the fund in the year is £42,222 (2016 - £43,304).

22. Financial Commitments

The operating lease charge for 2017 was £4,550 (2016 - £4,320). At 31 December 2017, the company was committed to making payments under non-cancellable operating leases. The amount payable is as follows:

	2017 £	2016 £
Within one year	4,672	4,550
Between two and five years	4,400	9,072
	<u>9,072</u>	<u>13,622</u>

23. Related Party Transactions

There were no related party transactions.

24. Ultimate Controlling Party

The Ultimate Controlling Party is the board of Trustees.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED
31 DECEMBER 2017**

25. Statement of Financial Activities by fund 2016

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2016 £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	941,069	-	87,850	1,028,919
Investments	29,762	-	-	29,762
Charitable activities				
Merchandising and other activities	98,006	-	-	98,006
Other income	18,052	-	-	18,052
Total	1,086,889	-	87,850	1,174,739
EXPENDITURE ON				
Raising funds				
Fundraising costs	103,593	-	-	103,593
Merchandising costs	67,710	-	-	67,710
Charitable activities				
Provision of audio books	852,970	57,871	73,247	984,088
Total	1,024,273	57,871	73,247	1,155,391
Net gains/losses on investments				
Unrealised gains / (losses) in investment assets	90,530	-	-	90,530
Realised losses in investment assets	-	-	-	-
Net income/(expenditure)	153,146	(57,871)	14,603	109,878
Transfers	(12,809)	12,808	1	-
Total	140,337	(45,063)	14,604	109,878

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED
31 DECEMBER 2017**

Statement of Financial Activities by fund 2016 (continued)

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2016 £
Net movements in funds	140,337	(45,063)	14,604	109,878
Total funds at 1 January 2016	1,213,190	509,832	46,591	1,769,613
Total funds at 31 December 2016	1,353,527	464,769	61,195	1,879,491

26. Restricted Funds 2016

	Balance at 1 January 2016 £	Incoming Resources £	Expenditure £	Transfers between Funds £	Balance at 31 December 2016 £
Fixed asset fund	43,635	-	(11,789)	(938)	30,908
New Title Sponsorship	400	77,850	(51,000)	0	27,250
Volunteer Training	2,556	10,000	(10,458)	939	3,037
	<u>46,591</u>	<u>87,850</u>	<u>(73,247)</u>	<u>1</u>	<u>61,195</u>

The Fixed Asset fund represents the undepreciated balance of funds received for the purchase of specific fixed assets.

29 trusts and organisations have sponsored the addition of new digital titles to our library. Aylesbury Vale Community Chest supported induction, training and specific costs associated with our Aylesbury based volunteers.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED
31 DECEMBER 2017**

27. Designated Funds 2016

	Balance at 1 January 2016	Incoming Resources	Expenditure	Transfers between funds	Balance at 31 December 2016
	£	£	£	£	£
Fixed Asset Fund	133,251	-	(31,272)	808	102,787
Library Management System Fund	80,581	-	(26,130)	-	54,451
Legacy Income Fund	200,000	-	-	(100,000)	100,000
Download service development	96,000	-	(469)	52,000	147,531
Download service support contract	-	-	-	60,000	60,000
Designated funds	<u>509,832</u>	<u>-</u>	<u>(57,871)</u>	<u>12,808</u>	<u>464,769</u>

The Fixed Asset Fund represents the undepreciated balance of fixed assets, excluding those included in restricted funds, which are held for the ongoing charitable use of Calibre Audio Library.

The Library Management System Fund was established to cover the initial cost of replacing the two separate library management systems with a single modern library management system. This was completed in September 2015. The fund included the provision for five years (2014 - 2018) annual licence fees, continued development to the system with the supplier and a third party support.

Calibre is committed to improve the range of services offered to members and previously designated funding to develop an accessible download service. The development has commenced with key milestones and deliverables for an expected launch date in 2017. The development cost and future support costs for the period 2017 - 2019 can now be determined and additional funds have been designated to meet the commitment.

Historically, a significantly high legacy income often produces a corresponding low income in the following years. Legacy income in 2015 was more than double our 5 year average and constituted an exceptional year. To maintain our service we may have to use reserves to fund the Calibre operation. The Trustees wished to maintain the level of reserves and designated funds to be reduced over the period of two years (2016 - 2017) to compensate for lower than average legacy income. The first £100,000 has been transferred to unrestricted reserves.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED
31 DECEMBER 2017**

28. Analysis of Net Assets between Funds 2016

	Fixed assets	Investments	Net Current Assets	Fund balances at 31 December 2016
	£	£	£	£
Restricted funds	30,908	-	30,287	61,195
Designated funds	102,787	361,982	-	464,769
General funds	-	705,627	647,900	1,353,527
	<hr/>	<hr/>	<hr/>	<hr/>
	133,695	1,067,609	678,187	1,879,491
	<hr/>	<hr/>	<hr/>	<hr/>

Unrealised gains on investments included in unrestricted funds amount to £62,691
(2015 - Losses of £27,839)