

# THE NATIONAL LIBRARY OF WALES

## ANNUAL ACCOUNTS 1999/2000

### COUNCIL'S ANNUAL REPORT

#### **Statutory Background**

The National Library of Wales was founded by Royal Charter of Incorporation granted 19 March 1907 (and Supplemental Charter with further provisions for constitution and government on 5 September 1911). A further Supplemental Charter was granted on 27 April 1978. During 1999/2000 it was funded predominantly from Government grants provided through the National Assembly for Wales (Welsh Office until 30<sup>th</sup> June 1999). These accounts have been prepared in accordance with the Direction made by the National Assembly for Wales with the approval of the Treasury under Section 9(4) of the Museums and Galleries Act 1992. A copy of the Direction is available from the Director of Finance.

The Library is organised into four departments: Printed Books, Manuscripts and Records, Pictures and Maps, and Administration and Technical Services. It is one of six legal deposit libraries in the United Kingdom and Ireland. The Library has been approved as a repository for memorial records by the Master of the Rolls in 1926; for the Archives of the Church in Wales, deposited in 1934, and the Records of the Church in Wales deposited in 1944. By direction of the Probate Division the Ecclesiastical Probate Records were transferred to the Library in 1945. In 1960 it was appointed a repository for certain records under the Public Records Act, 1958.

#### **Objects**

The principal objects of the Library are the collection, preservation and maintenance of printed, graphic and audio-visual material and manuscripts and records relating to the Welsh and Celtic peoples, and materials for the furtherance of higher education and literary and scientific research, as laid down within the Objects of the Library in its Royal Charters.

#### **Charity**

The Library is a registered charity, charity No 525775, VAT No 122 1209 32.

#### **Core Functions**

The operations of the Library are characterized by continuing programmes of work rather than by short-term projects. The following core functions represent the fundamental work the Library must carry out if it is to fulfill its Charter. They therefore constitute the essential and ongoing business of the Library. It is not envisaged that these core functions will change:

1. provide an effective and timely service to near and remote users by delivery and enquiry services and by the provision of automated and manual catalogues and handlists.
2. collect materials by legal deposit, purchase, donation, bequest, exchange, and deposit ,according to defined collection development policies drawn up in accordance with the terms of the Charter, and process and store materials acquired.
3. preserve and conserve materials in the collections.
4. interpret and publicise the collections by means of guides, publications, printed and online bibliographies, exhibitions, lectures and any other appropriate means, and produce and maintain the national bibliographies.
5. provide expert and professional input and collaboration at a Welsh, UK, and international level.

These core functions are supported by appropriate management structures, effective financial controls, and staff training and development programmes.

### **Results and Appropriations**

The accounts are prepared under Section 9(4) of the Museums & Galleries Act 1992 in a form directed by the National Assembly for Wales with the approval of the Treasury. The Library's net incoming resources for the financial year were £0.028m (1998-99 Outgoing £0.023m). The Library's incoming resources totalled £7.220m (1998-99 £6.948m) and total resources expended before notional costs were £7.192m (1998-99 £6.971m). Fund balances at 31 March 2000 stood at £46.921m (1999 £42.350m).

The Library's performance against its targets is reported to the National Assembly for Wales as follows:

		Target	Actual
1	Retroconversion Programme: Welsh Language Records	7,000	6,072
2	Customer Care: delivery times	90%	95.2%
3	Visitor Numbers	50,000	48,236

These are set out with supporting comments in the Library's Annual Report.

### **Review of Activities**

The organisation's principal activities relate to its objects as defined above. Development of activities is reported upon in the Annual Report of which these Annual Accounts form a part.

### **Valuation of Tangible Fixed Assets**

The Library commissioned a revaluation by the Valuation Office Agency of the Library building and freehold land during 1999/2000 in accordance with Treasury regulations and current cost accounting directions to public bodies. Land is shown at open market value and other tangible fixed assets at depreciated replacement cost, and values are adjusted annually by indexation between each formal valuation.

### **Fixed Assets**

The most significant changes in fixed assets during the year were:

- i. Continuation of two major projects within the Information Systems Strategy.
- ii. Ongoing purchase of major items of equipment including a box making machine and digitisation equipment

### **Charities Statement of Recommended Practice**

The Charity Commissioners issued a Statement of Recommended Practice (SORP) for charities in October 1995. The Library has complied with the SORP since the 1996/97 accounts.

### **Future Developments**

The Library has prepared its corporate plan which is entitled "Access roads to learning: the next three years". This document identifies the priorities for the development of the Library in the period to 2002/03 and of these the main priorities are:

- **Visitor Experience, Phase 1** - this is a major capital scheme to enhance facilities and services to users and visitors, including a visitor centre, film/lecture theatre, shop and restaurant. In order to finance the scheme a bid to the Heritage Lottery Fund has been made and stage 1 approval given. Additional capital resources have been allocated by the National Assembly for Wales.
- **Marketing Strategy** - a strategy for increasing the visibility of the Library and improving take-up of facilities
- **Digitisation** - a programme to give on-line access to a wide range of Library materials and to assist other organisations in Wales wishing to digitise material
- **Education and Learning Strategy** - a plan to open up the Library's collections and services to all kinds of lifelong learners
- **Electronic conversion of bibliographic records** - a plan to accelerate the existing programme.

### **National Assembly for Wales**

Under the Government of Wales Act 1998, responsibility for the funding of the Library transferred to the National Assembly for Wales on 1<sup>st</sup> July 1999. The Library has received the approval of the Privy Council to amend its Royal Charter to take account of the new reporting structure.

### **Employment of Disabled People**

The National Library of Wales operates a non-discriminatory recruitment procedure and is always prepared to consider applications from, and to appoint, disabled persons. Further, the Library makes every effort to ensure that disabled employees are provided with the facilities necessary to carry out their employment effectively.

### **Policy on the Payment of Creditors**

The Library operates a monitoring procedure to measure the Library's performance against the Confederation of British Industry's "Better Payment Procedure Code". 91% of invoices were paid within 30 days.

### **The Euro**

The Library believes that the introduction of the euro will not have a significant impact on its operations or its accounts.

### **Consultation with Employees**

The National Library of Wales communicates information to staff by various methods including staff meetings, team briefing sessions, open memoranda, memoranda to Heads of Departments, consultation and negotiation with the Whitley Council and with the Trade Unions.

### **Court / Council Members**

The executive authority is the Council which is responsible for the management and administration of the finances and property of the Library in which is vested all monies contributed by the Treasury or derived from other sources and all lands, buildings, or gifts in kind devised or granted for the purpose of the institution. For the purpose of compliance with the Statement of Recommended Practice 'Accounting by Charities', the role of Trustee is performed by the Council.

Schedules of Court and Council members who acted during the course of the year to 31 March 2000 are appended to this foreword.

The members of the Court and Council do not receive any emoluments and the Library depends upon them to attend meetings and other events in a voluntary capacity.

**Advisers**

Bankers	National Westminster Bank, Aberystwyth
Solicitors	Edwards Geldard, Cardiff
Internal Auditors	Bentley Jennison, Bristol
Investment Brokers	Carr Sheppards Crosthwaite, London

**Auditor**

The Accounts are audited by the Auditor General for Wales in accordance with Section 9(8) of the Museums and Galleries Act 1992 for Wales.

Andrew M W Green  
ACCOUNTING OFFICER

Conrad L Bryant  
TREASURER OF THE COUNCIL

25 August 2000  
The National Library of Wales  
Aberystwyth SY23 3BU

## **COURT OF GOVERNORS**

### **President**

R Brinley Jones, CBE, MA, DPhil, HonDLitt, FSA

### **Vice-President**

T A Owen, MA(Oxon), MA(Wales), FRSA

### **Treasurer**

Conrad L Bryant, CPFA (Resigned 31 March 1999. Reappointed 16 July 1999)

### **Members of Parliament for Wales**

Cynog Dafis, BA, Med, AM

Barry Jones, BSc (Econ)

Richard Livsey MSc (Agric)

John Marek BSc, PhD, FRAS

Betty Williams, BA

### **Appointed by the Secretary of State for Wales**

Sandra J Anstey, PhD, PGCE

Miss Katherine Hughes, BA, MSc, MRTPI, FRSA

Ian C Lovecy, MA, PhD, HonFLA

Roy Luff, OBE, DL, MSc, CEng, FIM, FIEE, FRSA

### **The University of Wales**

Professor Keith Robbins, MA, DPhil, DLitt, FRSE, FRHistS

### **The Constituent Institutions of the University of Wales**

#### **University of Wales, Aberystwyth**

Professor Derec Llwyd Morgan, BA, DPhil, DLitt

#### **University of Wales, Bangor**

Nigel Soane, MA, DipLib, ALA

#### **University of Wales, Cardiff**

Professor John Percival, MA, DPhil, FSA

#### **University of Wales, Swansea**

Chris West, DipLib, ALA

#### **University of Wales College of Medicine**

Professor John M Lancaster, MPhil, ALA

#### **University of Wales, Lampeter**

The Reverend D G Selwyn, MA

#### **University of Glamorgan**

Jeremy Atkinson, BSc, MPhil, DipLib, ALA

**Colleges in Wales recognised by Ordinance as being Public Sector Colleges**

Mrs Janet Peters, MA, MLS, ALA

**The Welsh Joint Education Committee**

Councillor L J Rees, CEng, MIEE

**The Governing Body of Jesus College, Oxford**

Professor T M O Charles-Edwards MA, DPhil

**Library and Information Services Council (Wales)**

Linda Tomos, BLib

**Appointed by the British Library Board**

David Bradbury, MA, ALA, MIInfSc

**Welsh Local Government Association**

Councillor Meirick Lloyd Davies

J Lloyd Ellis

Mary John

Councillor W E Skinner

Councillor M J Phillips

**Ceredigion County Council**

Councillor J Geraint Jenkins, MA, DscEcon, FSA, FMA

**Aberystwyth Town Council**

Councillor Llinos Roberts-Young

**The Welsh Library Association**

Ms Caroline Moss-Gibbons, BLib, PGCE

**The Arts Council of Wales**

Mrs Ann Davies

**Welsh Books Council**

Miss Gwerfyl Pierce Jones, MA

**Confederation of British Industry (Wales)**

Robert A Salisbury, LIB

**The Trades Union Congress in Wales**

Dan Roberts

**The Court of Governors of the National Museums and Galleries of Wales**

Mrs Susan J Davies, BA, DAA, PhD

**The Association of Friends of the National Library of Wales**

Mrs Nesta Lloyd, MA, DPhil, DAA

**Art Galleries in Wales**

Michael Freeman, Bsc

**The Workers' Educational Association in Wales**

Gail Morgan

**Co-opted by the Court of Governors**

Professor Emeritus Ieuan Gwynedd Jones, MA, DLitt, FRHistS

Elan Closs Stephens, MA

Alun Creunant Davies, MA

Professor Emeritus Graham L Rees, MA

J Arfon Hughes, BArch(Wales)

Councillor H M Morgan, MBE

The Very Reverend J Wyn Evans, BA, BD, FSA, FRHistS

John Watkin

J Dilwyn Williams

**THE COUNCIL****President**

R Brinley Jones, CBE, MA, DPhil, HonDLitt, FSA

**Vice-President**

T A Owen, MA(Oxon), MA(Wales), FRSA

**Treasurer**

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Miss Katherine Hughes, BA, MSc, MRTPI, FRSA

Ian C Lovecy, MA, PhD, HonFLA

Roy Luff, OBE, DL, MSc, CEng, FIM, FIEE, FRSA

**Elected by the Court of Governors**

Miss Gwerfyl Pierce Jones, MA

Professor Emeritus Ieuan Gwynedd Jones, MA, DLitt, FRHistS

Elan Closs Stephens, MA

Alun Creunant Davies, MA

Professor Emeritus Graham L Rees, MA

J Arfon Hughes, BArch(Wales)

Professor Derec Llwyd Morgan, BA, DPhil, DLitt

Sandra J Anstey, PhD, PGCE

**Co-opted by the Council**

Professor John M Lancaster, MPhil, ALA

W Gwyn Williams, OBE, MInstAM, HonFLA, FRSA

Councillor H M Morgan, MBE

Professor Peter H Morgan, BA, PhD

Professor Patricia Layzell Ward, MA, PhD, FLA, FIM, MIInfSc

## **SENIOR STAFF**

### **Librarian**

Andrew M W Green, MA DipLib, ALA

### **Keeper of Pictures and Maps**

D Huw Owen, BA, PhD, DAA

### **Keeper of Manuscripts and Records**

Gwyn Jenkins, MA

### **Keeper of Printed Books**

W Rhidian M Griffiths, MA, MLitt, PhD, DipLib, ALA

### **Director of Administration and Technical Services**

Mark W Mainwaring, MA, Solicitor, MIMgt

### **Director of Finance**

David H Michael C.P.F.A.

## **STATEMENT OF COUNCIL AND LIBRARIAN'S RESPONSIBILITIES**

Under Section 9(4) of the Museums and Galleries Act 1992, the Council of the National Library of Wales is required to prepare a statement of accounts for each financial year in the form and on the basis determined by the National Assembly for Wales with the consent of the Treasury. The accounts are prepared to give a true and fair view of the Library's financial activities during the year and of its financial position at the end of the year.

In preparing the Library's accounts the Council is required to:

- observe the accounts direction issued by the National Assembly for Wales including the relevant accounting and disclosure requirements, and apply them on a consistent basis.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards and statements of recommended practice have been followed, and disclose and explain any material departures in the financial statements.
- prepare the financial statements on a going concern basis, unless it is inappropriate to assume that the Library will continue in operation.

The Principal Accounting Officer for the National Assembly for Wales has designated the Librarian as the Accounting Officer for the Library. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper records, are set out in the National Assembly for Wales' Accounting Officer Memorandum issued by the Treasury.

## **STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL**

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the National Library of Wales.

The system can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal financial control is based on a framework of regular management information, appropriate administrative procedures and a system of delegation and accountability. In particular it includes :

- Comprehensive budgeting systems with an annual budget which is agreed by the Planning and Resources Committee and the Senior Management Group
- Regular reviews by the Planning and Resources Committee and the Senior Management Group of periodic and annual financial reports which indicate financial performance against the forecasts;
- Setting targets to measure financial and other performance;
- Clearly defined capital investment control guidelines as appropriate, formal project management disciplines;

The National Library of Wales internal audit service was provided by Bentley Jennison who operate to standards defined in the Government Internal Audit Manual. The work of the internal auditors is informed by an analysis of the risk to which the body is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed by the National Library of Wales' Audit Committee and approved by me. At least annually I am provided with a report on internal audit activity. The report includes an independent opinion on the adequacy and effectiveness of the Library's system of internal financial control.

My review of the effectiveness of the system of internal financial control is informed by the work of the internal auditors, the Audit Committee which oversees the work of the internal auditor, the executive managers who have responsibility for the development and maintenance of the financial control framework, and comments made by the external auditors in their management letter and other reports.

In their 1999/2000 Annual Report the internal auditors concluded that there were some significant deficiencies in the Library's system of internal financial control, but that they were satisfied that these had been, or were in the process of being, resolved in an appropriate manner.

In the light of the findings of the internal auditors, I have formulated a plan of action for implementation during 2000/2001, which aims to enhance the system of internal control for future years. Key areas where plans for improvement are identified are as follows:

- The Library is to review and enhance its financial regulations and procedures
- An investment strategy is to be formally documented and approved by the Planning and Resources Committee
- The Library will perform an annual self-assessment exercise relating to its internal financial controls
- Internal financial controls will be documented and approved by the Planning and Resources Committee
- Limits for authorisation of expenditure will be reviewed by the Finance Director and any changes agreed by the Planning and Resources Committee
- A documented Anti-Fraud Strategy will be developed and approved by the Planning and Resources Committee and circulated to staff

### **Implementation of the Turnbull Report**

As Accounting Officer, I am aware of the recommendations of the Turnbull Committee and I am taking reasonable steps to comply with the Treasury's requirements for a Statement of Internal Control to be prepared for the year ending 31<sup>st</sup> March 2002, in accordance with guidance to be issued by them.

Andrew M W Green  
Accounting Officer  
25 August 2000

## **THE CERTIFICATE AND REPORT OF THE AUDITOR GENERAL FOR WALES TO THE MEMBERS OF THE NATIONAL ASSEMBLY FOR WALES**

I certify that I have audited the financial statements on pages 15 to 29 under the Museums and Galleries Act 1992. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 18 to 20.

### **Respective responsibilities of the Council, Librarian and Auditor**

As described on page 10 the Council and Librarian of the National Library of Wales are responsible for the preparation of the financial statements and for ensuring the regularity of financial transactions. The Council and Librarian are also responsible for the preparation of the Foreword. My responsibilities, as independent auditor, are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements give a true and fair view are properly prepared in accordance with the Museums and Galleries Act 1992 and with the directions made thereunder by the National Assembly for Wales, and whether in all material respects the resources expended and incoming resources been applied to the purposes intended by National Assembly for Wales and the financial transactions confirm to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent mis-statements or material inconsistencies with the financial statements.

I review whether the statement on pages 11 and 12 reflects the Library's compliance with Treasury's guidance 'Corporate governance: statement on the system of internal financial control'. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements.

### **Basis of opinion**

I conducted my audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council and Librarian in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Library's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in

all material respects, the expenditure and income have been applied to the purposes intended by National Assembly for Wales and the financial transactions conform to the authorities which govern them, in forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the National Library of Wales at 31 March 2000 and of its incoming resources and application of resources, and cash flows, for the year then ended and have been properly prepared in accordance with the Museums and Galleries Act 1992 and directions made thereunder by the National Assembly for Wales; and
- in all material respects the expenditure and income have been applied to the purposes intended by National Assembly for Wales and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn  
Auditor General for Wales  
5 September 2000

National Assembly for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED  
31 MARCH 2000**

	Notes	PUBLIC FUNDS		PRIVATE FUNDS		1999/00	1998/99
		Unrestricted £000	Restricted £000	Unrestricted £000	Restricted £000	Total £000	Total £000
<b>INCOMING RESOURCES</b>							
Grants Receivable	2	5,095	1,299	-	-	6,394	6,031
Other Grants	3	109	96	-	-	205	239
Other Trading Income	4	297	-	-	-	297	247
Investment Income	8	-	-	251	24	275	296
Donations & Bequests	8	-	-	47	2	49	135
<b>TOTAL INCOMING RESOURCES</b>		<b>5,501</b>	<b>1,395</b>	<b>298</b>	<b>26</b>	<b>7,220</b>	6,948
<b>RESOURCES EXPENDED</b>							
Direct Charitable Expenditure: 5							
Collection & Preservation		3,488	1,276	142	-	4,906	4,928
Marketing, Exhibition & Education		242	24	33	-	299	238
Conservation		367	54	12	-	433	419
		4,097	1,354	187	-	5,638	5,585
Support		587	94	-	-	681	670
<b>Total Direct Expenditure</b>		<b>4,684</b>	<b>1,448</b>	<b>187</b>	<b>-</b>	<b>6,319</b>	6,255
Other Expenditure:							
Fundraising & Publicity		95	13	3	-	111	131
Management & Administration		659	103	-	-	762	585
<b>Total Other Expenditure</b>		<b>754</b>	<b>116</b>	<b>3</b>	<b>-</b>	<b>873</b>	716
<b>Total Resources Expended Before Notional Costs</b>		<b>5,438</b>	<b>1,564</b>	<b>190</b>	<b>-</b>	<b>7,192</b>	6,971
Notional Cost of Capital		2,308	-	-	-	2,308	2,160
<b>TOTAL RESOURCES EXPENDED INCLUDING NOTIONAL COSTS</b>		<b>7,746</b>	<b>1,564</b>	<b>190</b>	<b>-</b>	<b>9,500</b>	9,131
<b>NET INCOMING/ (OUTGOING) RESOURCES BEFORE TRANSFERS</b>		(2,245)	(169)	108	26	(2,280)	(2,183)
Reversal of the notional cost of capital		2,308	-	-	-	2,308	2,160
Gross transfers between funds	8	-	320	(320)	-	-	--
<b>NET INCOMING/ (OUTGOING) RESOURCES FOR THE FINANCIAL YEAR</b>		<b>63</b>	<b>151</b>	<b>(212)</b>	<b>26</b>	<b>28</b>	(23)
Gains on disposal of assets intended for investments	8	-	-	398	38	436	397
Unrealised gains/ (losses) on: Investments	8	-	-	(597)	(48)	(645)	(344)
Tangible Fixed Assets	7	-	4,752	-	-	4,752	
<b>NET MOVEMENT IN FUNDS FOR THE FINANCIAL YEAR</b>		<b>63</b>	<b>4,903</b>	<b>(411)</b>	<b>16</b>	<b>4,571</b>	30
<b>FUND BALANCES BROUGHT FORWARD AT 1 APRIL</b>	13	(58)	36,040	5,803	565	42,350	42,320
<b>FUND BALANCES CARRIED FORWARD AT 31 MARCH</b>	13	<b>5</b>	<b>40,943</b>	<b>5,392</b>	<b>581</b>	<b>46,921</b>	<b>42,350</b>

All activities are continuing. The notes on pages 18 to 29 form part of these accounts.



## BALANCE SHEET AS AT 31 MARCH 2000

		£000	31 <sup>st</sup> March 2000 £000	31 <sup>st</sup> March 1999 £000
<b>FIXED ASSETS</b>				
Tangible Assets	7	40,950		35,931
Investments	9	<u>5,937</u>		<u>6,361</u>
			<b>46,887</b>	42,292
<b>CURRENT ASSETS</b>				
Debtors	11	210		237
Short-term Investments	10	37		8
Cash at Bank		<u>103</u>		<u>57</u>
		<b>350</b>		302
<b>CREDITORS</b>				
Amounts falling due within one year	12	<u>(316)</u>		<u>(244)</u>
<b>NET CURRENT ASSETS</b>			<u>34</u>	58
<b>NET ASSETS</b>			<u><b>46,921</b></u>	<u>42,350</u>
<b>FUNDS</b>	13			
Public Unrestricted			5	(58)
Public Restricted			40,943	36,040
Private Unrestricted			5,392	5,803
Private Restricted			581	565
			<u>46,921</u>	<u>42,350</u>

The notes on pages 18 to 29 form part of these accounts

Andrew MW Green  
Accounting Officer

Conrad L Bryant  
Treasurer of the  
Council

Date 25<sup>th</sup> August 2000

Date 25<sup>th</sup> August 2000

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2000

	Notes	1999/2000	1998/99
		£000	£000
Net cash inflow from operating activities	15	984	604
Capital Expenditure and Financial Investment	16	(909)	(1,083)
Management of liquid resources	17	(29)	403
Increase / (Decrease) In Cash		46	(76)

The notes on pages 18 to 29 form part of these accounts.

## NOTES TO THE ACCOUNTS AT 31 MARCH 2000

### 1. ACCOUNTING POLICIES

(a) **Accounting Conventions**

The accounts are prepared under the historical cost convention, modified to include the revaluation of fixed assets, and comply with the Statement of Recommended Practice "Accounting by Charities" issued by the Charity Commissioners for England & Wales and the Accounts Direction issued to the Library by the National Assembly for Wales.

Without limiting the information given, the accounts meet the requirements of Accounting Standards issued or adopted by the Accounting Standards Board in so far as those requirements are appropriate. The Accounts Direction does not require the Library to produce a summary income and expenditure account or note of historical cost on surpluses or deficits.

(b) **Incoming Resources**

All income is accounted for when earned. Grant in Aid from the National Assembly for Wales allocated to general purposes is taken to the Statement of Financial Activities in the year to which it relates. Donations, legacies and voluntary income are accounted for when received. Transfers from private funds are accounted for after consideration of movements in working capital.

(c) **Expenditure**

Expenditure is classified under the principal categories of charitable and other expenditure rather than the type of expense, in order to provide more useful information to users of the financial statements.

Charitable expenditure and administration costs comprise direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with use of the resources.

Fund-raising and publicity costs are those incurred in seeking voluntary contributions for the Library and in publicising the Library.

Management and administration costs are those incurred in connection with the management of the Library's assets, organisational administration and compliance with constitutional and statutory requirements.

- (d) **Collection Purchases**  
The Library's collection has not been capitalised in the balance sheet as it is considered to be inalienable. Purchases for the collection are charged to Restricted Public Funds in the Statement of Financial Activities in the year of acquisition.
- (e) **Stocks**  
The cost of stocks of resaleable items is not material and has been charged to the Statement of Financial Activities in the year of purchase or production.
- (f) **Foreign Currency Transactions**  
Assets and Liabilities denominated in foreign currencies have been converted at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the time of transaction.
- (g) **Notional Cost of Capital**  
As directed by the National Assembly for Wales, a notional capital charge reflecting the cost of capital employed, is included in operating costs and calculated at 6% of capital employed.
- (h) **Fund Accounting**  
Public and private unrestricted funds are available for use at the discretion of the Council in furtherance of the general objectives of the Library.  
  
Public restricted funds represents Capital and Purchase Grants receivable from the National Assembly for Wales.  
  
Private restricted funds are funds subject to specific restriction imposed by donors or by the purpose of the appeal.
- (i) **Investments**  
Investments are stated at market value. Gains and losses on disposal are credited or charged to the Statement of Financial Activities. Movements in the market value of investments held at the year end are also reflected in that statement in accordance with the Statement of Recommended Practice or Accounting for Charities.
- (j) **Fixed Assets**  
Land and Buildings are shown at open market value or depreciated replacement cost in the case of specialised buildings. An external valuation is obtained every five years and appropriate indices are used to uprate that valuation in the intervening years.

Plant, machinery and equipment are shown at current replacement cost less an allowance for depreciation. The valuations are updated annually using appropriate indices. Gains and losses arising from revaluations are taken to the Statement of Financial Activities in the year in which they arise.

Depreciation is provided at rates calculated to reduce each asset to its estimated residual value evenly over its expected useful economic life, as advised by the valuers. Average lives are as follows:

Freehold buildings	- up to 80 years
Plant, machinery and equipment	- up to 18 years

Freehold land is not depreciated.

The threshold for capitalisation is £1,000, but Information Technology equipment below this threshold is also capitalised where it forms part of a network.

(k) **Pension Costs**

The Library operates its own superannuation scheme which provides benefits based on final pensionable pay. Contributions to the scheme required by the actuary are charged to the Statement of Financial Activities on a cash basis whereas Statement of Standard Accounting Practice 24 requires the cost of pensions to be spread over the working lives of employees. In the opinion of the Library the difference is not material.

(l) **Taxation**

The Library has been granted charitable status by the Inland Revenue. Non-recoverable Value Added Tax arising from expenditure on non-trading activities is charged to the Statement of Financial Activities or capitalised if related to a fixed asset.

## 2. GOVERNMENT GRANTS

	1999/2000	1998/99
	£000	£000
Grant in Aid	5,095	4,870
Purchase Grant	531	531
Capital	768	630
Total grant received from National Assembly for Wales	<u>6,394</u>	<u>6,031</u>

## 3. OTHER GRANTS

	1999/2000	1998/99
	£000	£000
<b>Restricted</b>		
Library Friends	-	3
National Heritage	-	162
Others (Capital)	96	24
	<u>96</u>	<u>189</u>
<b>Unrestricted</b>		
Others	109	50
	<u>205</u>	<u>239</u>

## 4. OTHER INCOME

	1999/2000	1998/99
	£000	£000
<b>Unrestricted</b>		
Sales	166	102
Bank Interest	8	11
Canteen	91	84
Miscellaneous	32	50
	<u>297</u>	<u>247</u>

## 5. TOTAL RESOURCES EXPENDED BEFORE NOTIONAL COSTS

	Staff Costs	Other Direct Costs	Depreciation	1999/2000 Total	1998/99 Total
	£000	£000	£000	£000	£000
<b>Charitable Expenditure</b>					
Collection & Preservation	2,859	1,479	568	<b>4,906</b>	4,928
Marketing, Exhibitions & Education	123	151	25	<b>299</b>	238
Conservation	274	105	54	<b>433</b>	419
	<b>3,256</b>	<b>1,735</b>	<b>647</b>	<b>5,638</b>	5,585
Support	474	113	94	<b>681</b>	670
<b>Total Direct Expenditure</b>	<b>3,730</b>	<b>1,848</b>	<b>741</b>	<b>6,319</b>	6,255
Other Expenditure					
Fund Raising & Publicity	64	34	13	<b>111</b>	131
Management & Administration	517	142	103	<b>762</b>	585
<b>Total Other Expenditure</b>	<b>581</b>	<b>176</b>	<b>116</b>	<b>873</b>	716
<b>Total Resources Expended Before Notional Costs</b>	<b>4,311</b>	<b>2,024</b>	<b>857</b>	<b>7,192</b>	6,971

A sum of £18,000 (1998-99 £17,500) is included in management and administration for external audit work and £4,100 plus VAT (1998-99 £4,000 plus VAT) for other audit work.

## 6. STAFF COSTS

### (a) Total Staff Costs

	1999/2000 £000	1998/99 £000
Salaries and Wages	<b>3,908</b>	3,639
Social Security Costs	<b>293</b>	290
Other Pension Costs	<b>110</b>	108
	<b>4,311</b>	4,037

Salaries and wages includes an exceptional item of £55,905 (£nil in 1998/99) for redundancy costs.

Other pension costs include pensions of £76,945 (£75,458 in 1998/99) paid under an older pension scheme.

(b) In accordance with the Greenbury Code and Dear Accounting Officer (GEN) 3/00 letter issued by the Treasury, the Library is required to disclose the following details concerning remuneration of senior staff with responsibility for running policy-making departments :-

## Remuneration of Senior Management

Post	Name	Age	Gross Salary	Real Increase in Pension Rights during the year	Total Accrued Pension at 31/3/2000
			£	£	£
Librarian	Mr AMW Green	47	55,649	788	945
Keeper of Maps and Prints	Mr DH Owen	59	48,383	712	8,516
Keeper of Manuscripts and Records	Mr G Jenkins	50	48,073	822	14,353
Director of Administration and Technical Services	Mr MW Mainwaring	44	47,120	625	4,402
Keeper of Printed Books	Mr Rh Griffiths	45	40,388	638	9,422
Director of Finance	Mr DH Michael	35	36,242	433	433

There were no benefits in kind.

(c) The salary of the Librarian comprised a consolidated salary of £52,643 (1998-1999: £25,441 – part year) and an unconsolidated award of £3,136. Other senior staff receive a gross salary only. The Librarian is employed on a five year fixed term contract for the period from 1 October 1998 to 30 September 2003. He is an ordinary member of the Library's pension scheme.

The average monthly number of staff employed by the Library during the year was :

	1999/2000	1998/99
Office and Management	25	26
Curatorial and Other Staff	201	195
	<b>226</b>	221

Court and Council members do not receive any emoluments. The total amount of travel, subsistence, and hospitality expended by the Library for its committee members was £21,976, (1998-99 £21,027) and this was claimed by 12 members.

#### (d) Pension Scheme

The Library operates a funded pension scheme which is a defined benefit pension scheme providing benefits based on final pensionable pay at a normal retirement age of 60. Members pay contributions at a rate of 6% of pensionable pay. Benefits accrue at the rate of 1/80<sup>th</sup> of pensionable salary for each year of service. In addition, a lump sum equivalent to 3 years' pension is payable on retirement. On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service the scheme pays a lump sum benefit. Medical retirement is possible in the event of serious ill-health.

The assets of the Scheme are held separately from those of the Library and are invested with Prudential Pensions Ltd. in a Managed Fund. The most recent actuarial valuation was at 31 March 1999. Following the actuarial report, the Library's contribution was 1% for 1999/2000. From 1 April 2000 The Library's contribution to the Scheme will be 6%, with a further 6% of pensionable pay from staff. The actuarial statement is published in the National Library of Wales' Pension Fund Annual Accounts.

The pension charge for the period was £32,948 (1998-99 £32,167). The most recent actuarial valuation showed that the market value of the Scheme's assets was £25.654m and that the actuarial value of those assets did not exceed 105% of the value of the liabilities of the Scheme.

#### (e) Gifts Register

The Library also operates a gifts register. No item noted during the year is considered of material interest to these financial statements.

### 7. TANGIBLE FIXED ASSETS

	Freehold Land And Buildings	Plant, Fittings & Equipment	Total
	£000	£000	£000
Cost & Valuation			
At 1 April 1999	37,213	1,508	38,721
Additions	363	761	1,124
Revaluation	4,752	-	4,752
At 31 March 2000	42,328	2,269	44,597
Depreciation			
At 1 April 1999	2,077	713	2,790
Charged for the year	540	317	857
At 31 March 2000	2,617	1,030	3,647
Net Book Value			
<b>At 31 March 2000</b>	<b>39,711</b>	<b>1,239</b>	<b>40,950</b>
At 1 April 1999	35,136	795	35,931

The Library's buildings and freehold land were valued professionally at 31 March 2000 by the Valuation Office Agency in accordance with the Guidelines published by the Royal Institution of Chartered Surveyors. All fixed assets were used for the furtherance of the charitable activities of the Library.

## 8. PRIVATE FUNDS

	Unrestricted £000	Restricted £000	Total 1999/2000 £000	Total 1998/99 £000
<b>Incoming Resources</b>				
Bequests	30	-	<b>30</b>	19
University of Wales Estate	16	-	<b>16</b>	114
Other	1	2	<b>3</b>	2
	47	2	<b>49</b>	135
Interest Receivable	251	24	<b>275</b>	296
Profit from sale of Investments	398	38	<b>436</b>	397
	649	62	<b>711</b>	693
<b>Total</b>	696	64	<b>760</b>	828
<b>Resources Expended</b>				
Collection and Storage	(142)	-	<b>(142)</b>	(139)
Other	(48)	-	<b>(48)</b>	(38)
<b>Total</b>	(190)	-	<b>(190)</b>	(177)
<b>Net Incoming Resources</b>	506	64	<b>570</b>	651
Transfer to Public Funds	(320)	-	<b>(320)</b>	(168)
	186	64	<b>250</b>	483
Unrealised gain /(loss) on revaluation of investments	(597)	(48)	<b>(645)</b>	(344)
<b>Net Movement in Private Funds during the year</b>	(411)	16	<b>(395)</b>	139
Brought Forward at 1 April	5,803	565	<b>6,368</b>	6,229
Carried Forward at 31 March	5,392	581	<b>5,973</b>	6,368

The breakdown of individual funds is shown on page 30

## 9. INVESTMENTS

	1999/2000 £000	1998/99 £000
Market Value at 1 April	<b>6,361</b>	5,819
Plus Acquisition at Cost	<b>3,609</b>	4,831
Less Disposal Proceeds	<b>(3,824)</b>	(4,342)
Gain on Disposal	<b>436</b>	397
Unrealised loss on revaluation	<b>(645)</b>	(344)
Market Value at 31 March	<b>5,937</b>	6,361

The historic cost of Investments at 31 March 2000 was £6.077m (1998-99 £5.855m). The listed investments are dealt with on the London Stock Exchange. Treasury gilts comprise 40% of the portfolio as at 31 March 2000. No other investment exceeds 5% of the portfolio.

## 10. CURRENT ASSETS - INVESTMENTS

	<b>31<sup>st</sup> March</b>	31 <sup>st</sup> March
	<b>2000</b>	1999
	<b>£000</b>	£000
Brokers Deposit Account	37	8
	<u>37</u>	<u>8</u>

#### 11. DEBTORS – due within one year

	<b>31<sup>st</sup> March</b>	31 <sup>st</sup> March
	<b>2000</b>	1999
	<b>£000</b>	£000
Trade Debtors	49	66
Prepayments & Accrued Income	75	65
Pension Fund Prepayment	59	7
Private Funds	27	99
	<u>210</u>	<u>237</u>

#### 12. CREDITORS - falling due within one year

	<b>31<sup>st</sup> March</b>	31 <sup>st</sup> March
	<b>2000</b>	1999
	<b>£000</b>	£000
Trade Creditors	112	34
Other Creditors	-	3
Accruals	75	110
Taxation and National Insurance	129	97
	<u>316</u>	<u>244</u>

### 13. MOVEMENTS IN STATEMENT OF FUNDS

	At April 1999	Incoming Resources	Resources Expended	Other Movements In Year	At 31 March 2000
	£000	£000	£000	£000	£000
<b>PUBLIC FUNDS</b>					
Restricted - Capital	36,039	864	(857)	4,899	<b>40,945</b>
- Purchase	1	531	(707)	173	<b>(2)</b>
Total Restricted	36,040	1,395	(1,564)	5,072	<b>40,943</b>
Unrestricted	(58)	5,501	(7,711)	2,273	<b>5</b>
Total Public Funds	35,982	6,896	(9,275)	7,345	<b>40,948</b>
<b>PRIVATE FUNDS</b>					
Restricted	565	26	0	(10)	<b>581</b>
Unrestricted	5,803	298	(190)	(519)	<b>5,392</b>
Total Private Funds	6,368	324	(190)	(529)	<b>5,973</b>
<b>TOTAL</b>	<b>42,350</b>	<b>7,220</b>	<b>(9,465)</b>	<b>6,816</b>	<b>46,921</b>

### 14. CAPITAL COMMITMENTS

The Library has a four year Capital Rolling Programme. At the balance sheet date, the outstanding commitments are as follows:

	31 <sup>st</sup> March 2000 £000	31 <sup>st</sup> March 1999 £000
Contracted	70	139
Authorised but not contracted	241	507
	<b>311</b>	<b>646</b>

All capital commitments identified at 31<sup>st</sup> March 1999 were met apart from a payment of £10,000 relating to monies retained following the construction of the third Library building. It is anticipated that this sum will be paid in the 2000/01 financial year. It is anticipated that all commitments identified at 31<sup>st</sup> March 2000 will be met during the 2000/01 financial year.

## 15. RECONCILIATION OF CHANGES IN RESOURCES TO NET FLOW FROM OPERATING ACTIVITIES

	<b>1999/2000</b>	1998/99
	<b>£000</b>	£000
Net incoming/ (outgoing) resources for the financial year	<b>28</b>	(23)
Depreciation	<b>857</b>	722
(Increase) / Decrease in debtors	<b>27</b>	(82)
Increase / (Decrease) in creditors	<b>72</b>	(13)
	<b>984</b>	604

## 16. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	<b>1999/2000</b>	1998/99
	<b>£000</b>	£000
Payments to acquire tangible fixed assets	<b>(1,124)</b>	(594)
Payments to acquire investments	<b>(3,609)</b>	(4,831)
Proceeds from sale of investments	<b>3,824</b>	4,342
	<b>(909)</b>	(1,083)

## 17. RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS

	<b>1999/2000</b>	1998/99
	<b>£000</b>	£000
Net funds at 1 April	<b>65</b>	544
Net Cash Inflow/(Outflow)	<b>46</b>	(76)
Increase/(Decrease) in current asset investments	<b>29</b>	(403)
Net Funds at 31 March	<b>140</b>	65

## **18. RELATED PARTY TRANSACTIONS**

Until 30 June 1999, the Library was classed as a Non Departmental Public Body sponsored by the Welsh Office. On 1 July 1999 the Library became an Assembly Sponsored Public Body, and for the 1999/2000 accounts the Assembly is regarded as a related party. During the year the Library received funding from the Assembly, in the form of Grant in Aid, Purchase and Capital Grants.

The Library received £20,000 in 1999/2000 from the University of Wales to provide S4C with an input to their Compliance Unit based on a continuous monitoring exercise and independent consultancy advice. Mrs Elan Closs Stephens who sits on the Library Council and Court of Governors is a Senior Lecturer at the University.