

THE NATIONAL LIBRARY OF WALES

ANNUAL ACCOUNTS 2009/2010

TRUSTEES' ANNUAL REPORT

This Annual Report incorporates the Management Commentary and the Remuneration 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). Further Supplemental Charters were granted on 27 April 1978 and 19 July 2006. During 2009/2010 it was funded predominantly from Government grants provided from the Welsh Assembly Government. These accounts have been prepared in accordance with the Direction made by ministers of the Welsh Assembly Government 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 one of six legal deposit libraries in the United Kingdom and Ireland. It has been approved as a repository for manorial 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. Schedule 4 to the Government of Wales Act 1998 as amended by the Government of Wales Act 2006 names the National Library of Wales as a body that may only gain functions and only with consent.

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. They are regarded as inalienable and primarily comprise books, manuscripts, maps, paintings and sound and moving image material which has been collected since the Library's foundation. The Library has over 4,000,000 items in its collection dating from the 12th century onwards. The public has access to these collections.

Charity

The Library is a registered charity, charity No 525775, VAT No 122 1209 32, under the name of the National Library of Wales. The address is Penglais, Aberystwyth, Ceredigion, SY23 3BU.

Corporation Tax

The Library is exempt from Corporation Tax under section 505 of the Income and Corporation Taxes Act 1988.

Core Functions

The operations of the Library are characterised 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 ministers of the Welsh Assembly Government with the approval of the Treasury. The Library's consolidated net incoming resources for the financial year was £2.166m (2008-09 £0.737m). The Library's consolidated incoming resources totalled £14.942m (2008-09 £13.927m) and total resources expended before notional costs were £12.776m (2008-09 £13.190m). Fund balances at 31 March 2010 stood at £70.643m (31 March 2009 £66.207m).

The Library's performance against its targets is reported to the Welsh Assembly Government as follows:

	Target	Actual
1 Number of remote network users during the year	1,000,000	1,044,277
2 Visitor numbers	83,000	80,147
3 Total number of group visits	400	397
4 Visitor satisfaction with general atmosphere	95%	97.82%
5 Reader satisfaction with standard of service	95%	97.39%

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.

Financial Review

The Library's strategic objectives are set out in its Corporate Plan entitled "Shaping the Future". The Plan draws on the Objects that are set out in the Royal Charters and also sets out how the Library will continue to develop in a rapidly changing digital environment.

The Library's principal source of funds is grant-in-aid from the Welsh Assembly Government and the Library's financial management must conform to the terms set out in the "Management Statement and Financial Memorandum" (MSFM). Grant-in-aid for running costs is credited to Public Unrestricted funds and for capital and collections purchase grant to Public Restricted funds. The Library generates significant income through its trading activities including its shop, restaurant and photocopying services. The Library's private funds are used to supplement grant-in-aid and in 2009/10 provided additional resources for collections purchases and running costs. During the year the Library has sought contributions from trusts and funds and donations and legacies from individuals.

The Library is the sole member of Culturenet Cymru Ltd, a company limited by guarantee. Culturenet is based in the Library building and is largely funded by grant from the Welsh Assembly Government. Its aim is to use online resources to increase awareness of, and improve access for all to, the culture and history of Wales. Culturenet's financial results have been consolidated with the Library's and is summarised in note 19 to the accounts

The Library's principal activities to which costs are charged in the Statement of Financial activities are:

- Voluntary income
- Fundraising trading
- Collection and preservation
- Marketing, exhibitions and education
- Conservation, and
- Governance

Costs are allocated using an apportionment system that allocates direct and indirect costs to each of the areas above. Of the total resources expended of £12.776m the most significant areas are Marketing and Exhibitions (£4.265m) and Collection and Preservation (£4.338m).

Charities Statement of Recommended Practice

The Charity Commissioners issued a Statement of Recommended Practice (SORP) for charities in October 1995 which was updated by the Charities SORP 2005. The Library has complied with the SORP since the 1996/97 accounts.

Valuation of Tangible Fixed Assets

The Library commissioned a revaluation by Cooke and Arkwright, Chartered Surveyors, of the Library's buildings and freehold land as at 31 March 2010. Equipment was revalued as at 31 March 2007 in accordance with Treasury regulations and current cost accounting directions to public bodies. Land and other tangible fixed assets are shown at either existing use value or depreciated replacement cost. Values are adjusted annually by indexation between each formal valuation which takes place

every 5 years or where substantial changes in asset values may have happened, a valuation may be requested at an interim period.

Fixed Assets and Collections

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

- i. Purchase of computer hardware and improvements to the network within the Information Systems Strategy.
- ii. Refurbishment of the Library building.

In accordance with the requirements of the Charities SORP 2005, since 1st April 2001 the Library has been required to record the value of items purchased for the collections in the balance sheet. These assets are considered to fall within the definition of historic or inalienable assets and are not depreciated or revalued.

Future Developments

The Library has prepared its corporate plan which is entitled "Shaping the Future". This document identifies the main priorities for the development of the Library in the period to 2010/11 which are:

- Fulfil the requirements of the Charter
- Contribute effectively to the plans of the Welsh Assembly Government

The corporate plan sets out a number of key objectives for each of the core functions which includes:

- implementation of the Legal Deposit Libraries Act 2003 for non-print materials
- implementation of the digitisation strategy

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 "Better Payment Procedure Code" and a sample of invoices paid is taken to assess performance. During 2009/10, 98.6% of the 5,921 invoices received were paid within 30 days (2008/09 – 98.9%).

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.

Board Members

A supplemental Royal Charter was granted by H.M. The Queen in Privy Council on 19th July 2006. This resulted in changes to the governance structure of the Library.

The new Supplemental Charter abolished the Court and renamed the executive body as being "the Board of Trustees of the Library". It made a change in the number of

members comprising the Board (reducing from 21 to 15) and the mode of appointment (increasing the number of appointments made by the Welsh Assembly Government from 3 to 8, including the President and Vice-President, and reducing appointments to be made by the Library itself to 7). Any remaining powers and duties of the former Court are to be undertaken by the Board.

The members the Board did not receive any emoluments and the Library depends upon them to attend meetings and other events in a voluntary capacity (although the 2006 Supplemental Charter gives a power of payment, subject to the authorisation of the Charity Commission). All Board members are afforded the opportunity to receive appropriate induction and other training.

Organisational Structure

The Librarian is the Accounting Officer designated by the Welsh Assembly Government. He is assisted in his duties by the Senior Management Team whose details are disclosed in note 6.

The Library has one sub-committee of the Board which is the Audit Committee. This committee considers matters relating to external audit, internal audit, risk management and financial controls and the minutes are laid before the Board for approval.

Remuneration Report

The Library remunerates its entire staff under an agreed pay and grading system designed and introduced specifically to ensure fair and equitable treatment. This system was introduced from August 2001 and replaced the previous system, which had allowed inequalities in pay between men and women to develop. The new system was developed in-house by the Finance Department and was approved by the Library's Senior Management Team and agreed with the staff unions through the collective bargaining arrangements.

All staff are covered by this system with the exception of the Librarian (whose terms of appointment are agreed with the Welsh Assembly Government). An independent appeals process is in place to consider grading issues. Each year the Library, in consultation with the staff unions, considers the Library's remuneration package against external comparators, movements in the economy and any internal inequities that may have developed. From this a pay remit or proposal is produced and this is submitted to the Welsh Assembly Government for approval and is then formally negotiated with the unions. This results in a new pay and conditions package for the whole of the Library which is binding until the next round of negotiation. Incremental increases under the pay remit are dependant upon the Library's system of annual appraisals. Inflationary elements contained within the agreed pay remit are automatically awarded to all staff.

The Librarian's salary consists of a basic salary with an annual unconsolidated bonus. His pay is determined by the officers of the Library (President, Vice President and Treasurer) according to guidelines issued by the Welsh Assembly Government regarding the maximum pay award for Chief Executives. In considering the amount of his pay award the performance of the Librarian is compared against a set of pre-determined objectives and this evaluation of performance is considered by the officers. A percentage of the award is consolidated into his annual salary, and the

balance of the award, up to a maximum of 10%, is awarded as an unconsolidated annual payment.

The Librarian has a permanent contract of employment and is an ordinary member of the Library's pension scheme.

Other senior staff receive a gross salary, which is determined as part of the negotiation of the pay remit for all other staff in the Library. The pay remit is approved by the Welsh Assembly Government. The senior staff all have permanent contracts of employment and are ordinary members of the Library's pension scheme. Membership of the Senior Management Team is shown on page 8 and further details of the remuneration and pension benefits are shown in Note 6 (b) to the accounts.

The notice period for the members of the Senior Management Team is 3 months. Provision for compensation for early termination is contained within the Library's standard redundancy arrangement.

Charity Reserves Policy

The Charity SORP 2005 requires the Library to disclose its policy on Charity Reserves. The function of the policy is set out in Note 1h to the accounts.

The Library's reserves policy for its Public funds is to conform to the requirements of the Welsh Assembly Government's MSFM which sets out the financial framework under which the Library is required to operate. The main requirement of the MSFM in relation to reserves is that only 2% of gross Grant-in-Aid can be held as cash balances, although this was relaxed to 6% during the year for balances at 31 March 2010.

The Library's unrestricted private funds have three main objectives:

- To contribute to the revenue costs of running the Library's services
- To supplement the Collections Purchase Grant to enable the Library to fulfil its collections policy
- To finance the acquisition of capital assets including equipment, buildings and computer hardware and software

The Library's private restricted funds can only be used in accordance with the terms of each specific bequest.

Investment Policy

In the 2009/10 financial year the Library's investment policy has been to maintain a portfolio that is invested in both equities and bonds. The amount that can be invested in different asset classes has been set according to an assessment of risk. The Library's attitude to risk is classified as "moderate", accepting that in order to achieve higher returns than placing cash on deposit there will be a consequent risk in investing in bonds and equities.

The Library has appointed an investment manager, Rensburg Sheppards who is responsible for investing the private funds portfolio. The manager has been set a benchmark for the performance of the investment portfolio, and in 2009/10 a return of 30.6% was achieved against a benchmark of 28.0% (2008/09 -13.61% against benchmark of -11.92%).

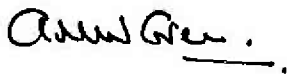
The investments were managed on a discretionary basis according to the requirements of the Trustee Investment Act 1961 and latterly the Trustee Act 2000. The performance of the portfolios is monitored and reported to the Library's Board. At 31st March 2010 the market value of the investments and cash was £5.062m (£3.97m at 31 March 2009).

Advisers

Bankers	National Westminster Bank, Aberystwyth
Solicitors	Geldards LLP, Cardiff
Internal Auditors	Bentley Jennison, Cardiff
Investment Brokers	Rensburg Sheppards, 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
LIBRARIAN & ACCOUNTING OFFICER

16 July 2010
The National Library of Wales
Aberystwyth SY23 3BU



Colin R John
TREASURER

16 July 2010

BOARD OF TRUSTEES OF THE LIBRARY

President

The Rt Hon Dafydd Wigley

Vice-President

Arwel Ellis Owen

Treasurer

Conrad L Bryant (until 31/07/2009)

Colin R John (from 01/8/2009)

David Barker

Gwenllian Carr (until 14/7/2009)

Joanna Davies

Dr Lyn Davies (until 31/01/2010)

John Gittins

Elsbeth Mitcheson

The Revd. Canon Enid Morgan

Ruth Thomas

Gareth Haulfryn Williams

Roy Evans

Aled Gruffudd Jones

Roy Roberts

Wyn Penri Jones (from 01/03/2010)

Huw Williams (from 01/04/2010)

SENIOR MANAGEMENT TEAM

Librarian

Andrew M W Green, MA DipLib, MCLIP

Director of Collection Services

Gwyn Jenkins, MA (retired on 31/07/2009)

Avril Jones BA Diplib, AMInstLM (commenced 01/08/2009)

Director of Public Services

R Arwel Jones BA MscEcon

Director of Corporate Services

Mark W Mainwaring, MA, Solicitor (retired 31 March 2010)

Director of Finance

David H Michael, CPFA.

STATEMENT OF BOARD AND LIBRARIAN'S RESPONSIBILITIES

Under Section 9(4) of the Museums and Galleries Act 1992, the Board 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 ministers of the Welsh Assembly Government 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 Board is required to:

- Observe the accounts direction issued by ministers of the Welsh Assembly Government 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 ministers of the Welsh Assembly Government 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 Welsh Assembly Government's Accounting Officer Memorandum.

Statement of the Disclosure of Relevant Audit Information

As far as the Accounting Officer is aware there is no relevant audit information of which the auditors are unaware and the Accounting Officer has taken all steps that he ought to have taken to make himself aware of any audit information and to establish that the auditors are aware of that information.

Statement of the Disclosure of Relevant Audit Information - Culturenet Cymru Ltd

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

STATEMENT ON INTERNAL CONTROL

As Accounting Officer I have responsibility for maintaining a sound system of internal control that supports the achievement of the Library's policies, aims and objectives set by the Welsh Assembly Government, whilst safeguarding the public funds and assets of the Library for which I am personally responsible in accordance with the responsibilities assigned to me in Government Accounting. The Library has processes in place in order that risks can be identified and assessed and the impact of particular risks are, as appropriate, drawn to the attention of the Welsh Assembly Government.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Library's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically. This process was carried out in the Library during the year ended 31st March 2010 and up to the date of approval of the annual report and accounts and accords with Treasury guidance.

The Library has identified, documented, assessed and considered the key strategic and operational risks relating to the Library's activities. These have been considered by the Senior Management Team and action has been taken as appropriate to manage them. The Library has used the Core Brief system in order to inform staff of their duties in relation to risk management and encourage them to contribute to the process.

The Library maintains a corporate risk register which is reviewed and updated twice per year and each Department of the Library is required to contribute to this process. Risks identified are included in the risk register and assessed as to whether they pose a strategic, operational, financial or compliance risk. Risks are then graded as to whether their impact would be high, medium or low and the same assessment is made of their probability of occurring and the risks are allocated an overall risk score of between 1 and 10 in order to aid comparison. Roles and responsibilities in relation to risk management have been approved for the Audit Committee, internal audit, the Librarian and Heads of Department and their staff. The Audit Committee also receives written reports on the updated risk register twice per year.

The most significant risk to the Library in the future results from Government policies to reduce public expenditure. The Library has already taken action to address the need to reduce costs, however the exact nature of the cuts required remains unclear.

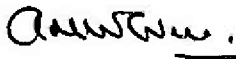
As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Library who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Audit

Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Library's internal audit is provided by an external contractor who complies with the standards defined in the Government Internal Audit Manual and reports independently to me on an annual basis on the adequacy and effectiveness of the Library's system of internal control together with recommendations for improvement.

The Library has implemented policies and procedures that ensure compliance with the requirements of the Data Protection Act 1988. There will be very few instances where personal data would be provided to a third party, for example to the Actuary either as part of the triennial valuation process or individual calculations. Supply of data to third parties requires the approval of a senior employee of the Library.

The Audit Committee receives copies of all internal audit reports for consideration and monitors the adequacy of management responses to those recommendations which address risks and weaknesses in internal control. The minutes of the Audit Committee are reported to the Library's Board for approval.



Andrew M W Green
Librarian and Accounting Officer
16 July 2010

Endorsed on behalf of the Board by:



Colin R John
Treasurer
16 July 2010

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 of the National Library of Wales for the year ended 31 March 2010 under the Museums and Galleries Act 1992. These comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Balance Sheet, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having being audited.

Respective responsibilities of the Board of Trustees, the Librarian and Auditor General for Wales

The Board of Trustees and the Librarian are responsible for preparing the Trustees' Annual Report, including a Remuneration report, and the Financial Statements in accordance with section 9(4) of the Museums and Galleries Act 1992 and Welsh Ministers' directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Board of Trustees and Librarian's Responsibilities.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with section 9(4) of the Museums and Galleries Act 1992 and Welsh Ministers' directions made thereunder. I report to you whether, in my opinion, the information given in the Trustees' Annual Report, is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

In addition, I report to you if in my opinion the National Library of Wales has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the National Library of Wales' compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the National Library of Wales corporate governance procedures or its risk and control procedures.

I read the other information contained in the Trustees' Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant

estimates and judgments made by the Board of Trustees and Librarian in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the National Library of Wales 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 and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Museums and Galleries Act 1992 and directions made thereunder by Welsh Ministers, of the state of the National Library of Wales, and its group, affairs as at 31 March 2010 and of its incoming resources and application of resources, and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Museums and Galleries Act 1992 and Welsh Ministers directions made thereunder; and
- information given within the Trustees' Annual Report, is consistent with the financial statements.

Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

Gillian Body
Auditor General for Wales
24 Cathedral Road
Cardiff
CF11 9LJ

23 July 2010

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE
YEAR ENDED 31 MARCH 2010**

	Notes	PUBLIC FUNDS		PRIVATE FUNDS		2009/10	2008/09
		Unrestricted £'000	Restricted £'000	Unrestricted £'000	Restricted £'000	Total £'000	Total £'000
INCOMING RESOURCES							
Trading Income	4	528				528	562
Donations and bequests	8			42	71	113	178
Investment Income	8			136	18	154	226
Other Grants	3	513				513	133
Government Grants	2	10,912	2,722			13,634	12,828
TOTAL INCOMING RESOURCES		11,953	2,722	178	89	14,942	13,927
RESOURCES EXPENDED							
Cost of Generating Funds	5						
Voluntary Income		209	21	14	2	246	242
Fundraising trading		846	83			929	846
Direct Charitable Expenditure:							
Collection & Preservation		3,844	378	82	34	4,338	4,946
Marketing, Exhibition & Education		3,733	461		71	4,265	4,579
Conservation		1,334	131			1,465	1,491
Governance		1,113	110			1,223	1,306
Total Resources Expended		11,079	1,184	96	107	12,466	13,410
Pension Finance Costs	5	310				310	(220)
Total Resources Expended before Notional Costs		11,389	1,184	96	107	12,776	13,190
Notional cost of capital		1,832				1,832	1,857
TOTAL RESOURCES EXPENDED INCLUDING NOTIONAL COSTS		13,221	1,184	96	107	14,608	15,047
NET INCOMING/ (OUTGOING) RESOURCES BEFORE TRANSFERS		-1,268	1,538	82	-18	334	(1,120)
Reversal of the notional cost of capital		1,832				1,832	(1,857)
Gross transfers between funds			22	-22		-	-
NET INCOMING/ (OUTGOING) RESOURCES FOR THE FINANCIAL YEAR		564	1,560	60	-18	2,166	737
Gain on disposal of assets intended for investments	7			15	3	18	2
Unrealised Gains/(losses) on:							
Investments	8			107	925	1,032	(830)
Tangible Fixed Assets Revaluation	7		6,570			6,570	(2,472)
Actuarial gains/(losses) on defined benefit pension scheme	21	(5,350)				(5,350)	(2,080)
NET MOVEMENT IN FUNDS FOR THE FINANCIAL YEAR		(4,786)	8,130	182	910	4,436	(4,643)
FUND BALANCES BROUGHT FORWARD AT 1 APRIL	13	(5,806)	62,032	3,363	6,618	66,207	70,850
FUND BALANCES CARRIED FORWARD AT 31 MARCH	13	(10,592)	70,162	3,545	7,528	70,643	66,207

All activities are continuing. All recognised gains and losses are recorded in the Statement of Financial Activities. The notes on pages 17 to 36 form part of these accounts.

The net incoming resources of the Library in 2009/10 was £2,170,609 (2008/09 £723,000)

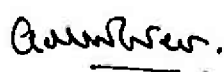
The net increase in funds recorded in the Library's own Statement of Financial Activities during 2009/10 was £4,440M (2008/09 £4.658M decrease).

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2010

The National Library of Wales			Consolidated		
		31 st March 2010	31 st March 2009	31 st March 2010	31 st March 2009
	Notes	£000	£000	£000	£000
FIXED ASSETS					
Tangible Assets	7	64,299	56,619	64,324	56,625
Collections	7	11,781	11,269	11,781	11,269
Investments	9	5,062	3,969	5,062	3,969
		<u>81,142</u>	<u>71,857</u>	<u>81,167</u>	<u>71,863</u>
CURRENT ASSETS					
Stocks		81	83	81	83
Debtors	11	485	342	504	345
Short-term Investments		-	-	-	-
Bank		584	669	604	709
		<u>1,150</u>	<u>1,094</u>	<u>1,189</u>	<u>1,137</u>
CREDITORS					
Bank		(274)	(362)	(275)	(362)
Amounts falling due within one year	12	(162)	(303)	(173)	(320)
		<u>(436)</u>	<u>(665)</u>	<u>(448)</u>	<u>(682)</u>
NET CURRENT ASSETS		714	429	741	455
Provision for Liabilities	22		-		5
Creditors falling due after more than 1 year					
Deferred Grant			-	(25)	(6)
Net assets excluding pension scheme liability		81,856	72,286	81,883	72,317
Defined benefit pension asset (liability)	21	(11,240)	(6,110)	(11,240)	(6,110)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY		70,616	66,176	70,643	66,207
FUNDS					
Public Unrestricted Pension Reserve	13	621	273	648	304
		<u>(11,240)</u>	<u>(6,110)</u>	<u>(11,240)</u>	<u>(6,110)</u>
Total Public Unrestricted Funds		(10,619)	(5,837)	(10,592)	(5,806)
Public Restricted		70,162	62,032	70,162	62,032
Private Unrestricted		3,545	3,363	3,545	3,363
Private Restricted		1,519		1,519	
Private Restricted Collections		6,009		6,009	
		<u>7,528</u>	<u>6,618</u>	<u>7,528</u>	<u>6,618</u>
		<u>70,616</u>	<u>66,176</u>	<u>70,643</u>	<u>66,207</u>

The notes on pages 17 to 36 form part of these accounts

Andrew MW Green
LIBRARIAN AND
ACCOUNTING
OFFICER
16 July 2010



Colin R John
TREASURER



16 July 2010

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED
31 MARCH 2010**

		Consolidated	
		2009/10	2008/09
		£000	£000
Net cash inflow from operating activities	15	2,747	1,604
Capital Expenditure and Financial Investment	16	(3,245)	(1,474)
Management of liquid resources	17	480	52
(Decrease)/Increase in Cash		(18)	182

The notes on pages 17 to 36 form part of these accounts.

NOTES TO THE ACCOUNTS AT 31 MARCH 2010

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 2000 Accounts Direction issued to the Library by the Welsh Assembly Government. The accounts are prepared on a going concern basis.

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.

The Accounting Officer authorised these financial statements for issue on 16 July 2010.

(b) Incoming Resources

All income is recognised in the Statement of Financial Activities when the conditions for receipt have been met. Grant in Aid is received from the Welsh Assembly Government for running costs and capital expenditure. All Grant in Aid is recognised in the SOFA in the year of receipt. Donations, legacies and voluntary income are accounted for when received. Transfers from private funds are accounted for after consideration of movements in working capital. Income received relating to subsequent accounting periods will be treated as deferred income.

(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.

Transfers from Unrestricted Private Funds are made at the year end to supplement Grant-in-Aid funding.

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

Governance 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**
Prior to 1st April 2001, the Library's collection had not been capitalised in the balance sheet. Purchases for the collection were charged to Restricted Public Funds in the Statement of Financial Activities in the year of acquisition. In accordance with the requirements of the Charities SORP 2005, purchases for the collection are capitalised in the year of acquisition and held at market value; these assets are not revalued or indexed.
Donations of items to the collections are accounted for when received at an estimate of their market value.
For the purposes of the SORP the collections are treated as Heritage assets.
- (e) **Stocks**
The cost of stocks of resaleable items for the Library's shop has been recognised in the balance sheet at the lower of cost or net realisable value.
- (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 Welsh Assembly Government, a notional capital charge reflecting the cost of capital employed, is included in operating costs and calculated at 3.5% of capital employed.
- (h) **Fund Accounting**
Public and private unrestricted funds are available for use at the discretion of the Board in furtherance of the general objectives of the Library.

Public restricted funds represents Capital and Purchase Grants received from the Welsh Assembly Government for specific purposes.

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 at the balance sheet date. 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 for Accounting for Charities.
- (j) **Fixed Assets**
Land and Buildings are shown at existing use 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 change that valuation in the intervening years or where substantial changes in asset values may have happened, a valuation may be requested at an interim period. Motor vehicles and equipment are shown at depreciated replacement cost.

Plant, machinery and equipment are shown at current replacement cost less an allowance for depreciation. They are reviewed on a sample basis to ensure that they have not become obsolete. 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 as follows:

Freehold buildings	- up to 125 years
Plant, machinery and equipment	- up to 18 years
Computer equipment	- up to 8 years
Motor Vehicles	- up to 5 years

Freehold land is not depreciated.

Collection Purchases are not depreciated

The threshold for capitalisation is £5,000, but equipment below this threshold is also capitalised where it forms part of a network or project.

(k) **Pension Costs**

The Library operates its own superannuation scheme which provides benefits based on final pensionable pay. Contributions to the scheme are charged to the statement of Financial Activities so as to spread the cost of pensions over employees working lives. The charge to the Statement of Financial Activities is calculated based upon the current service cost as calculated by the scheme actuary.

(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

	Consolidated	
	2009/10 £000	2008/09 £000
Unrestricted		
Grant in Aid	10,912	11,146
Restricted		
Purchase Grant	611	611
Capital	2,111	1,071
Total grant received from Welsh Assembly Government	13,634	12,828

3. OTHER GRANTS

	Consolidated	
	2009/10 £000	2008/09 £000
Restricted		
Capital	-	15
Unrestricted		
Others	513	118
	513	133

4. OTHER INCOME

	Consolidated	
	2009/10 £000	2008/09 £000
Unrestricted		
Sales	262	247
Bank Interest	-	20
Catering	203	228
Miscellaneous	56	67
Car Park	7	-
	528	562

5. TOTAL RESOURCES EXPENDED BEFORE NOTIONAL COSTS

Consolidated

	Staff Costs	Staff Costs - Support	Other Direct Costs	Other Direct Costs - Support	Depre- ciation	2009/10 Total £000	2008/09 Total £000
	£000	£000	£000	£000	£000		
Charitable Expenditure							
Voluntary income	115	36	36	38	21	246	242
Fundraising trading	211	68	195	372	83	929	846
Collection & Preservation	2,862	920	137	41	378	4,338	4,946
Marketing, Exhibitions & Education	2,046	568	571	739	341	4,265	4,579
Conservation	732	235	126	241	131	1,465	1,491
Governance	512	165	150	286	110	1,223	1,306
	6,478	1,992	1,215	1,717	1,064	12,466	13,410
Pension Finance Cost	310					310	(220)
Total Resources Expended Before Notional Costs	6,778	1,992	1,215	1,717	1,064	12,776	13,190

The amount of £30,860 is included in resources expended for auditors remuneration. Of this amount the sum of £26,565 (2008-09 £26,108) is included in management and administration for external audit work and £4,295 plus VAT (2008-09 £4,220 plus VAT) for other audit work for the National Library of Wales .

6. STAFF COSTS

(a) Total Staff Costs

	The National Library of Wales		Consolidated	
	2009/10 £000	2008/09 £000	2009/10 £000	2008/09 £000
Salaries and Wages	6,504	6,772	6,728	7,083
Social Security Costs	516	514	533	536
Current Service Cost	1,173	1,340	1,210	1,387
	8,194	8,626	8,470	9,006
Pension Finance Cost	310	(220)	310	(220)
	8,504	8,406	8,780	8,786

There were no agency or short term contractors employed.

The average monthly number full time equivalent staff employed by the Library during the year was:

Staff Numbers	The National Library of Wales		Consolidated	
	2009/10	2008/09	2009/10	2008/09
Voluntary income	5.2	5.2	5.2	5.2
Fundraising trading	9.6	10.2	9.6	10.2
Collection & Preservation	130.3	141.8	130.3	141.8
Marketing, Exhibitions and Education	80.6	75.2	87.9	82.5
Conservation	33.3	33.0	33.3	33.0
Governance	23.3	19.9	23.3	19.9
Total	282.3	285.3	289.6	292.6

The Board do not receive any emoluments. The total amount of travel, subsistence, and hospitality expended by the Library for its committee members was £8,356 (2008-09 £4037.92) and this was claimed by 11 members.

(b) Remuneration of Senior Management

The following payments were made to members of the Senior Management Team:

	2009/10			2008/09	
	Consolidated Salary £	Unconsolidated Salary £	Benefits in kind £	Salary £	Benefits in kind £
Mr AMW Green Librarian	78,812	-	-	78,812 (consolidated) 5,531 (unconsolidated)	-
Mr G Jenkins Director of Collection Services (Retired 31/07/2009)	26,314	-	-	64,218	-
Ms A Jones Director Collection Services (commenced Senior Management post 1/08/2009)	57,252	1,123	-	-	-
Mr Mark Mainwaring Director of Corporate Services (Retired 31/03/2010)	64,625	15,336	1,310	64,373	1,045
Mr R A Jones Director of Public Services	58,905	1,231	-	51,927	-
Mr DH Michael Director of Finance	64,625	1,370	-	64,214	-

The Librarian's salary increase was not agreed during the year his consolidated salary remained at the same level as from 1 April 2008. His pay is determined by the officers of the Library according to guidelines issued by the Welsh Assembly Government regarding the maximum consolidated pay award for Chief Executives. Other senior staff receive a gross salary, which is determined as part of the negotiation of the pay remit for all other staff in the Library. The senior staff all have permanent contracts of employment and are ordinary members of the Library's pension scheme.

The pension entitlements of the Library's senior staff with responsibility for running policy-making departments are disclosed as follows:-

	Cash Equivalent Transfer Value at 31/3/09	Total Accrued Pension at 31/3/10	Lump Sum at 31/3/10	Cash Equivalent Transfer Value at 31/3/10 or date left scheme if earlier	Increase in accrued pension net of inflation	Increase in lump sum net of inflation	Increase (Decrease) in transfer value net of inflation
	£	£	£	£	£	£	£
Mr AMW Green Librarian	218,190	10,870	32,610	256,780	1,090	3,270	41,460
Mr G Jenkins Director of Collection Services (Retired 31/07/2009)	744,740	30,790	92,370	788,490	570	1,720	47,230
*Ms A Jones Director of Collection Services (commenced 01/08/2009)	326,990	19,730	59,190	385,310	2,490	7,480	61,370
Mr RA Jones Director of Collection Services	124,860	12,470	37,410	155,570	2,170	6,500	32,460
Mr MW Mainwaring Director of Corporate Services	435,110	25,460	76,380	537,670	3,940	11,810	108,650
Mr DH Michael Director of Finance	142,860	11,640	34,920	166,020	1,340	4,010	25,160

* Figures changed pro-rata due to part year change

The National Library of Wales Staff Superannuation Scheme is a funded final salary scheme. The accrued pensions and lump sums are the amounts that would be paid from Normal Retirement Date if the member left service at the relevant date. The Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalized value of the pension scheme benefits, including any Additional Voluntary Contributions and transfers in of service, accrued by the member at a particular point in time. The

transfer values have been calculated in accordance with the guidance note "GN11" published by the Institute of Actuaries and Faculty of Actuaries. The assumed rate of price inflation was 3.6%.

(c) 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. Those members leaving the scheme who have contributed for a period of less than 2 years will receive a refund of contributions. Benefits accrue at the rate of 1/80th 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 were invested with Legal and General who manage a passive bonds portfolio and a property investment and Alliance Bernstein who manage an active equities portfolio. The most recent actuarial valuation was at 31 March 2008. Following the actuarial report, the Library's contribution was increased to 22.8% of pensionable salary from 1 April 2009, 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 paid for the period was £2.157m (2008-09 £1.785m) The most recent actuarial valuation showed that the market value of the Scheme's assets was £33.8m and that the actuarial value of those assets did not exceed 105% of the value of the liabilities of the Scheme. Note 21 provides further information on the finances of the pension scheme to comply with the requirements of FRS17.

In 2006/07 the Welsh Assembly Government granted the Scheme a Crown Guarantee which exempts the Scheme from the Pension Protection Fund and the associated levy.

(d) Gifts Register

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

7. TANGIBLE FIXED ASSETS

(a) Library

	Freehold Land & Buildings £000	Plant, Fittings & Equipment £000	Motor Vehicles £000	Information Technology £000	Sub Total £000	Collections £000	Total £000
Cost & Valuation At 1 April 2009	56,184	3,016	32	4,317	63,549	11,269	74,818
Additions	511	1,126	-	537	2,174	512	2,686
Disposals	-	(2)	-	(33)	(35)	-	(35)
Revaluation	4,695	44	1	58	4,798	-	4,798
At 31 March 2010	61,390	4,184	33	4,879	70,486	11,781	82,267
Depreciation At 1 April 2009	1,252	2,409	13	3,256	6,930	-	6,930
Charged for the year	573	172	7	312	1,064	-	1,064
Disposals	-	(2)	-	(33)	(35)	-	(35)
Revaluation	(1,825)	26	1	26	(1,772)	-	(1,772)
At 31 March 2010	-	2,605	21	3,561	6,187	-	6,187
Net Book Value At 31 March 2010	61,390	1,579	12	1,318	64,299	11,781	76,080
At 31 March 2009	54,932	607	19	1,061	56,619	11,269	67,888

The salaries of seven members of staff and costs of equipment amounting to £222,312 responsible for the creation of a system for electronic legal deposit were capitalised.

SCIF is a 2-year capital project funded by the Welsh Assembly Government to digitise 2 million pages of historical newspapers and journals relating to Wales. The Library received a Capital grant of £1m in 2009/10 followed by another £1m in 2010/11. All the costs of SCIF have been capitalised and are included under plant, fittings and equipment. The expenditure incurred to date is treated as an "Asset Under Construction" and as such has not been depreciated.

The Library's buildings and freehold land were professionally valued by Cooke and Arkwright, Chartered Surveyors, as at 31 March 2010 in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual. Equipment with a Net Book Value of £5,000 or more was valued as at 31 March 2007, buildings have been valued on the basis of "open market value" or "depreciated replacement cost", and land is shown at "existing use value". The value of the buildings has been indexed according to the BCIS All-In TPI. Equipment has been valued on the basis of the value to the Library and indexed according to CPI.

Purchases for the collection are capitalised at historic cost. All fixed assets were used for the furtherance of the charitable activities of the Library.

(b) Consolidated

	Freehold Land & Buildings £000	Plant, Fittings & Equipment £000	Motor Vehicles £000	Information Technology £000	Sub Total £000	Collections £000	Total £000
Cost & Valuation At 1 April 2009	56,184	3,042	32	4,369	63,627	11,269	74,896
Additions	511	1,126	-	573	2,210	512	2,722
Disposals	-	(2)	-	(32)	(34)	-	(34)
Revaluation	4,695	44	1	58	4,798	-	4,798
At 31 March 2010	61,390	4,210	33	4,968	70,601	11,781	82,382
Depreciation At 1 April 2009	1,252	2,429	13	3,308	7,002	-	7,002
Charged for the year	573	174	7	327	1,081	-	1,081
Disposals	-	(2)	-	(32)	(34)	-	(34)
Revaluation	(1,825)	26	1	26	(1,772)	-	(1,772)
At 31 March 2010	-	2,627	21	3,629	5,425	-	5,425
Net Book Value At 31 March 2010	61,390	1,583	12	1,339	64,326	11,781	76,107
At 31 March 2009	54,932	613	19	1,061	56,625	11,269	67,894

8. PRIVATE FUNDS

	Unrestricted £000	Restricted £000	Total 2009/10 £000	Total 2008/09 £000
Incoming Resources				
Bequests	-	-	-	27
Other	42	71	113	150
				177
Interest Receivable	136	18	154	226
Profit / (loss) from sale of Investments	16	2	18	2
	152	20	172	228
Total	194	91	285	405
Resources Expended				
Voluntary income	14	2	16	63
Collection and Storage	82	34	116	38
Marketing, exhibitions, education Fundraising	-	71	71	105
Total	96	107	203	206
Net Incoming/(Outgoing) Resources	98	(16)	82	199
Transfer to/from Public Funds	(22)	-	(22)	(416)
	76	(16)	60	(217)
Unrealised gain/(loss) on revaluation of investments	107	925	1,032	(830)
Net Movement in Private Funds during the year	183	909	1,092	(1,047)
Brought Forward at 1 April	3,361	609	3,970	5,019
Carried Forward at 31 March	3,543	1,519	5,062	3,970

9. INVESTMENTS

	2009/10	2008/09
	£000	£000
Market Value at 1 April	3,316	4,311
Acquisitions at Cost	874	1,211
Less: Disposal Proceeds and Maturity of Investments	(352)	(1,378)
Gain on Disposal	18	2
Unrealised gain/(loss) on revaluation	1,032	(830)
Market Value at 31 March	4,888	3,316
Cash held for investment	174	653
	5,062	3,969

The historic cost of investments at 31 March 2010 was £4.514m (2008-09 £3.974m). The listed investments are dealt with on the London Stock Exchange. Treasury gilts comprise 12% of the portfolio. No other investment exceeds 5% of the portfolio. Of the market value of £3.316m, £1.207m was held in gilts, bonds and debentures, and £2.109m in equities and unit trusts. Cash held in the portfolio was reclassified from Short Term Investments to part of the investment portfolio in 2008/09.

10. LEASES

The Library paid £2,027 for the lease of vending machines during 2009/10. Lease costs are charged to the Statement of Financial Activities.

11. DEBTORS – due within one year

	The National Library of Wales		Consolidated	
	31 st March 2010	31 st March 2009	31 st March 2010	31 st March 2009
	£000	£000	£000	£000
Trade Debtors	156	135	156	138
Prepayments & Accrued Income	239	158	252	158
Other Debtors	51	8	57	8
Private Funds	39	41	39	41
	485	342	504	345

12. CREDITORS

Falling due within one year

	The National Library of Wales		Consolidated	
	31 st March 2010	31 st March 2009	31 st March 2010	31 st March 2009
	£000	£000	£000	£000
Trade Creditors	121	130	128	147
Accruals and deferred income	41	91	45	91
Private Funds deferred income	-	82	-	82
	162	303	173	320

Falling due after more than 1 year

	The National Library of Wales		Consolidated	
	31 st March 2010 £000	31 st March 2009 £000	31 st March 2010 £000	31 st March 2009 £000
Deferred grant	-	-	25	6
	-	-	25	6

The deferred grant has arisen on consolidation with Culturenet Cymru Ltd. Whereas the Library is required to recognise all grant received in the year of receipt, Culturenet Cymru Ltd defers the recognition of a portion of grant equivalent to the Net Book Value of its fixed assets. This deferred grant is then released to the profit and loss account as these assets are depreciated.

13. MOVEMENTS IN STATEMENT OF FUNDS

(a) National Library of Wales

	At 1 April 2009	Incoming Resources	Resources Expended	Other Movements In Year	At 31 March 2010
	£000	£000	£000	£000	£000
PUBLIC FUNDS					
Restricted - Capital	56,794	2111	(1064)	6,521	64,362
- Purchase	5,238	611	(121)	72	5,800
Total Restricted	62,032	2722	(1,185)	6,593	70,162
Unrestricted	(5,837)	11,688	(11,119)	(5,350)	(10,619)
Total Public Funds	56,195	14,410	(12,304)	1,243	59,543
PRIVATE FUNDS					
Restricted	6,618	91	(107)	926	7528
Unrestricted	3,363	194	(96)	84	3,545
Total Private Funds	9,981	285	(203)	1,010	11,073
TOTAL	66,176	14,695	(12,507)	2,253	70,616

(b) Consolidated

	At 1 April 2009	Incoming Resources	Resources Expended	Other Movements In Year	At 31 March 2010
	£000	£000	£000	£000	£000
PUBLIC FUNDS					
Restricted - Capital	56,794	2111	(1064)	6,521	64,362
- Purchase	5,238	611	(121)	72	5,800
Total Restricted	62,032	2722	(1,185)	6,593	70,162
Unrestricted	(5,806)	11,953	(11,389)	(5,350)	(10,592)
Total Public Funds	56,226	14,675	(12,574)	1,243	59,570
PRIVATE FUNDS					
Restricted	6,618	91	(107)	926	7528
Unrestricted	3,363	194	(96)	84	3,545
Total Private Funds	9,981	285	(203)	1,010	11,073
TOTAL	66,207	14,960	(12,777)	2,253	70,643

14. CAPITAL COMMITMENTS

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

	The National Library of Wales		Consolidated	
	31 March 2010 £000	31 March 2009 £000	31 March 2010 £000	31 March 2009 £000
Contracted	40	541	40	541
	40	541	40	541

It is anticipated that all commitments identified at 31 March 2010 will be met during the 2010/11 financial year.

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

	Consolidated	
	2009/10 £000	2008/09 £000
Net incoming resources for the financial year	2,166	737
Depreciation	1,081	1,305
Increase in stock	2	(38)
(Increase)/Decrease in debtors	(159)	183
(Increase) in provision	4	(2)
(Decrease)/Increase in creditors	(127)	(341)
Pension Finance Costs	(220)	(240)
	2,747	1,604

16. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	Consolidated	
	2009/10 £000	2008/09 £000
Payments to acquire tangible fixed assets	(2,210)	(1,032)
Payments to acquire collections	(512)	(608)
Income on disposal of fixed asset	-	-
Payments to acquire investments	(874)	(1,211)
Proceeds from sale of investments	352	1,377
	(3,245)	(1,474)

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

	Consolidated	
	2009/10 £000	2008/09 £000
Net funds at 1 April	1,001	871
Net Cash Inflow	2	182
Increase (decrease) in cash held for investment purpose	(489)	(52)
Net Funds at 31 March	523	1,001

18. RELATED PARTY TRANSACTIONS

The Welsh Assembly Government is regarded as a related party. During the year the Library received funding from the Government in the form of Grant in Aid, Purchase and Capital Grants as disclosed in note 2.

During 2009/10 the Library made payments of £57,913 to Culturenet and received income of £15,406 from the company.

The following senior staff of the Library are directors of the company:

Mr Gwyn Jenkins	Chairman of the Board (retired on 31/07/09)
Mr Mark Mainwaring	Company Secretary
Mr David Michael	Director
Avril Jones	Director (commence on 01/08/09)

These staff members do not receive any remuneration from Culturenet.

Mr Robert Gray, an independent member of the Library's Audit Committee, is a partner in the firm Francis Gray who have been appointed to audit Culturenet's financial statements, for which an audit fee of £2,500 is paid.

At 31 March 2010 the Library had consolidated debtors and creditors with other Government financed bodies as follows:

	£000	£000
	Debtors	Creditors
Central Government bodies	-	-
Local Government bodies	1	-
Total	<u>1</u>	<u>-</u>

19. CULTURENET CYMRU

On 1 June 2005 the Library became the sole member of Culturenet Cymru Ltd, a company limited by guarantee. No consideration was paid.

Culturenet is largely funded by grant from the Welsh Assembly Government and its aim is to use online resources to increase awareness of, and improve access for all to, the culture and history of Wales. Culturenet's financial results for 2009/10 have been consolidated with the Library's and a summary of the company's results, excluding sales and purchases with the Library is shown below:

Culturenet Cymru – Summary Profit and Loss Account

	£000
Turnover	338
Administrative expenses	340
Other operating income	-
Operating profit/(loss)	(2)
Interest receivable	-
Surplus/(deficit) on ordinary activities	(2)
Tax on surplus on ordinary activities	(2)
Surplus/(deficit) for the year	(4)
Accumulated profit brought forward	31
Retained profit carried forward	<u>27</u>

Culturenet Cymru – Summary Balance Sheet

Fixed Assets		25
Current Assets	53	
Current Liabilities	<u>(24)</u>	
Net Current Assets		29
Provision for liabilities		
Accruals and deferred income		<u>(27)</u>
Net assets		<u>27</u>
Reserves		<u>27</u>

20. DERIVATIVES – FRS13

The balance sheet shows the Bank in both current assets and current liabilities. The cash book position shows one account as being overdrawn by £0.275m whereas the other accounts have £0.583m in hand. This is the cash book position which takes account of a number of transactions that had yet to be processed by the Bank, such as uncleared cheques and deposits. The Library did not have an overdrawn bank account at the year end.

The Library has no borrowings and relies primarily on departmental grants for its cash requirements and is therefore not exposed to liquidity risks. The only material deposit is disclosed in note 10, and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or currency risk. In 2009/10, £13.634m or 91% of the Library's consolidated income derived from Grant in Aid from the Welsh Assembly Government (2008/09 £12.828m or 92%). The balance, £1.308m or 9% (2008/09 £1.099m or 8%) is derived from income on the Library's private funds, from trading activities and grants from other bodies, as disclosed in Note 3 to these accounts.

21. PENSION COSTS

The Library operates a defined benefit scheme with benefits accruing at the rate of 1/80th of pensionable salary for each year of service. Members pay contributions at a rate of 6% of pensionable salary.

The latest full actuarial valuation was at 31st March 2008. Over the year to 31st March 2010 the Library made contributions into the Scheme at a rate of 22.8% of pensionable salaries.

Financial Assumptions

The financial assumptions made in order to calculate the FRS17 disclosure requirements are as follows:

	31 March 2010 %per annum	31 March 2009 %per annum
Price Inflation	2.75	2.75
Rate of increase in pay	4.3	4.3
Rate of increase of pensions in payment*	2.75	2.75
Rate of increase for deferred pensioners	2.75	2.75
Discount rate**	4.6	6.0

* in excess of any Guaranteed Minimum Pension (GMP) element

** prescribed by HM Treasury

The discount rate used for FRS 17 disclosures is different to that used by the Actuary for the most recent financial assessment of the Scheme at 31 March 2008. At this date the Scheme was assessed as having a deficit of £3.1m. The Actuary's own assessment of the Scheme at 31 March 2010 indicated a deficit of £6.5M, however the requirement to use the Treasury's discount rate increased this to £11.24M in these financial statements.

Market value of Assets and Expected Rate of Return on Assets

	31 March 2010		31 March 2009	
	Fair Value £m	Expected rate of Return % per annum	Fair Value £m	Expected rate of Return % per annum
Equities	15.69	7.2	10.70	7.9
Bonds	16.52	4.5	15.02	4.7
Property	1.88	6.9	1.64	6.3
Other	0.59	3.4	0.28	3.25
Total value of assets	34.68	5.8	27.64	6.0

Components of Defined Benefit Cost for the Year Ended 31 March 2009

	Year Ended 31 March 2010 £m	Year Ended 31 March 2009 £m
a. Current service cost	1.00	1.34
b. Past service costs	0.21	0.00
c. Previously unrecognised surplus deducted from past service costs	0.00	0.00
d. Total charged to Resources Expended	1.21	1.34

Analysis of Other Amounts Charged to Statement of Financial Activities

	Year Ended 31 March 2010 £m	Year Ended 31 March 2009 £m
e. (Gain) loss on settlements	0.00	0.00
f. Previously unrecognised surplus deducted from settlement loss	0.00	0.00
g. (Gain) loss on curtailment	0.00	0.00
h. Previously unrecognised surplus deducted from past service costs		
i. Net (gain) loss charged to Statement of Financial Activities	0.00	0.00

Analysis of the Amount Charged/Credited to Other Finance Incomes

	Year Ended 31 March 2010 £m	Year Ended 31 March 2009 £m
j. Interest on pension scheme liabilities	1.98	1.98
k. Expected return on assets in the pension scheme	(1.67)	(2.20)
l. Net charge (credit) to other finance income	0.31	(0.22)
Total charge to Statement of Financial Activities : d + i + l	1.52	1.12

Analysis of Amounts Recognised in Reserves

	Year Ended 31 March 2010 £m	Year Ended 31 March 2009 £m
m. (Gain) loss on assets	(5.08)	8.60
n. Experience (gain) loss on liabilities	0.55	(1.64)
o. (Gain) loss on change of assumptions (financial and demographic)	9.88	(4.88)
p. Total (gain) loss recognised in reserves	5.35	2.08
q. Cumulative actuarial (gain) loss recognised in reserves	13.95	8.60

History of Experience Gains and Losses

	Year Ended 31 March 2010 £m	Year Ended 31 March 2009 £m
a. (Gain) loss on scheme assets		
Amount (£m)	(5.08)	8.60
% of scheme assets at end of year	(14.6)	31.1%
b. Experience (gain) loss on scheme liabilities		
Amount (£m)	0.55	(1.64)
% of scheme assets at end of year	1.2%	4.9%
c. Total actuarial (gain) loss recognised in reserves		
Amount (£m)	5.35	2.08
% of scheme assets at end of year	11.6%	6.2%

Reconciliation to the Balance Sheet

	31 March 2010 £m	31 March 2009 £m
a. Market Value of scheme assets	34.68	27.64
b. Actuarial value of scheme liabilities	(45.92)	(33.75)
c. Surplus (deficit) in the scheme	(11.24)	(6.11)
d. Irrecoverable surplus	0.00	0.00
e. Pension asset (liability) recognised in balance sheet	(11.24)	(6.11)

Reconciliation of Liabilities

	Year Ended 31 March 2010 £m	Year Ended 31 March 2009 £m
Scheme liabilities at beginning of year	33.75	38.06
Interest cost	1.98	1.98
Current service cost	1.00	1.34
Member contributions	0.37	0.37
Benefit outgoings	(1.82)	(1.48)
Past Service Cost	0.21	0.00
Settlement cost	0.00	0.00
Curtailment cost	0.00	0.00
(Gain) loss on change of assumptions	(9.88)	(4.88)
Experience (gain) loss	0.55	(1.64)
Scheme liabilities at end of year	45.92	33.75

Reconciliation of Assets

	Year Ended 31 March 2010 £m	Year Ended 31 March 2009 £m
Scheme assets at beginning of year	27.64	33.79
Benefit outgoings	(1.82)	(1.48)
Library contributions	1.74	1.36
Member contributions	0.37	0.37
Settlement cost	0.00	0.00
Expected Return on Assets	1.67	2.20
(Gain) loss on assets	5.08	(8.60)
Scheme assets at end of year	34.68	27.64

22. CONTINGENT LIABILITY

The Library was subject to a claim for personal injury for an incident that occurred 2007/08. No provision has been made relating to this claim and it is regarded as a contingent liability.