

PUBLIC LENDING RIGHT

CENTRAL FUND ACCOUNT 1999-2000

FOREWORD

These are the accounts for the seventeenth year of the Public Lending Right (PLR) Central Fund and cover the annual payments made to authors in February 2000.

History and Statutory Background

The Public Lending Right Act 1979 established a right for authors to receive remuneration from public funds in respect of their books lent out from public libraries. The calculation of library loans is estimated from a sample of public libraries where issues are recorded electronically and processed by local authority computers before transmission to the Registrar's computer at Stockton-on-Tees: for the seventeenth year's calculations the number of library authorities in the sample was 30.

The details of eligible books, eligible authors, and payment calculations are set out in The Public Lending Right Scheme 1982, as amended in 1983, 1984, 1988, 1989 and 1990. The consolidated text appears in Statutory Instrument 1990 No 2360. Further amendments were made in Statutory Instruments 1991 No 2618, 1993 No 799, 1996 No 3237, 1997 No 1576, 1998 No 1218, 1999 Nos 420, 905, 3304.

The Public Lending Right Advisory Committee advises the Secretary of State for Culture, Media and Sport and the Registrar on the operation of the Scheme but has no formal responsibility for PLR. Appointments to the Committee are made by the Secretary of State. Details of the Committee's membership at 30 March 2000 are provided in Annex A.

Review of Activities

The seventeenth year's operations will be described in the PLR Annual Report which includes the statutory report on the operation of the Scheme laid before Parliament by the Secretary of State for Culture, Media and Sport.

a) Operating Charges

During the year under review three major projects were brought to a successful conclusion: PLR's computer system was upgraded with new millennium-compliant hardware and software and the database migrated to a new hardware platform; the PLR operation was relocated to new business premises in the Stockton-on-Tees area; PLR achieved *Investor In People* accreditation. One-off expenditure on the first two of these projects had an impact on PLR's running costs for the year in question but will improve the longer term cost-effectiveness of the Scheme's operation.

b) Payments to Authors

Despite higher than usual project costs, it proved possible to increase the level of the Rate Per Loan for the February 2000 payments to authors to 2.18 pence, the highest figure to date (2.07 pence in 1998-99). A total sum of £4,206,345 was paid out to 17,407 authors. 73% of the Fund was distributed in payments of £500 or more and feedback from recipients indicates that PLR continues to play an essential role in supporting their livelihoods and creativity.

17,407 authors and assignees (17,192 in 1998-99) qualified for payments. The numbers of authors in various payment categories were as follows:-

	Seventeenth Year	Sixteenth Year
Authors' Earning:		
£6,000.00	51	65
£5,000.00 - £5,999.99	87	65
£2,500.00 - £4,999.99	241	237
£1,000.00 - £2,499.99	578	589
£500.00 - £999.99	747	743
£100.00 - £499.99	3,455	3,497
£50.00 - £99.99	2,596	2,564
£5.00 - £49.99	<u>9,652</u>	<u>9,432</u>
	<u>17,407</u>	<u>17,192</u>
Expenditure	4,206,345	4,158,527

Expenditure includes £31,657 still to be paid at the year end. These authors' addresses are unknown, or their assignees have not made probate claims. A further £7,841 is held in reserve for unidentified loans. There were 12,478 (11,352 in 1998-99) authors whose books earned no payment.

The maximum and minimum limits of £6,000 per author and £5 per author resulted in £470,949 and £15,206 respectively being re-distributed to other authors.

An analysis of the distribution of money for the Seventeenth Year to authors by payment category shows:

	£	%
£6,000.00	306,001	7.27
£5,000.00 - £5,999.99	501,509	11.92
£2,500.00 - £4,999.99	837,301	19.91
£1,000.00 - £2,499.99	894,146	21.26
£500.00 - £999.99	528,717	12.57
£100.00 - £499.99	769,140	18.28
£50.00 - £99.99	184,092	4.38
£5.00 - £49.99	<u>185,439</u>	<u>4.41</u>
	<u>4,206,345</u>	<u>100.00</u>

Market Value of Land and Buildings

No land or buildings are owned.

Fixed Assets

No funds are accumulated for the replacement of assets. Future replacement will need to be financed from funds voted in the year of acquisition.

Movement on fixed assets are set out in note 6 to the financial statements.

Payment of Creditors

The Registrar adheres to the government-wide standard for payment of bills by aiming to settle all bills within thirty days. In 1999/2000, 93% of creditor invoices were paid within 30 days of being received (1998-99, 90%). Every effort is also made by PLR to effect payments to authors on the annual date fixed by the Registrar. However, as a result of failure by authors to notify PLR of changes in address or bank details, and of other circumstances outside the control of the Registrar, it may not always be possible to make payment. In such cases, the Registrar is required to hold payments as debts due to the authors concerned for up to six years during which period all reasonable efforts are made by PLR to effect payment.

Results and Appropriations

The Public Lending Right Act 1979 provides for a maximum limit on the Government grant to the Fund and a procedure to change this maximum. For 1999/2000 the limit was £5,051,000 and £5,051,000 was made available. The Fund is distributed after deduction of the Registrar's remuneration, administrative costs, and payments to local authorities. In 1999/2000 £4,206,345 was distributed to authors at a rate of 2.18 pence per loan. The surplus for the year was £18,993 and the deficit carried forward was £12,827.

Future developments

The Advisory Committee's recommendations for the future development of the Scheme were presented to Ministers in April 1999. The principal recommendations were that PLR funding should be increased to £7 million to take account of inflation on the Fund since the inception of the Scheme, and that eligibility for PLR should be extended to authors living throughout the European Community. The second of these was accepted by Ministers and the Scheme will be extended with effect from 1 July 2000. Ministers will review PLR's funding as part of the government's Spending *Review 2000* and a decision is expected in July.

Registrar's Salary and Superannuation

As specified in the Act, the Registrar's own remuneration, superannuation costs and pension payments to his predecessor are charged directly against the £5,051,000 grant provided. As they are not made from the Central Fund, they do not appear in these accounts. A reconciliation to the grant received is shown at note 2. In 1999/2000 the total deduction was £52,785 (1998-99 £50,070).

Superannuation

Public Lending Right staff are eligible for membership of its "pay-as-you-go" statutory unfunded pension scheme. In accordance with Section 40 of the Social Security Pensions Act 1975 such schemes are exempted from the need to set up funds. The liability to pay pensions is underwritten by an understanding that in accordance with existing legislation, in particular the Superannuation Act 1972, the Government is obliged to provide benefits to members of such schemes in accordance with their respective rules.

The PLR pension scheme provides retirement and related benefits with conditions and contributions similar to those of the Principal Civil Service Pension Scheme. The costs of paying pensions are charged to the Central Fund as they arise.

Staffing Matters

The Registrar of Public Lending Right is committed to promoting effective consultation and communications with his staff. PLR's Corporate and Author Services Teams have regular staff meetings at which matters relating to PLR's activities are discussed. Additionally, staff are briefed on matters discussed at senior management and planning meetings. PLR recognises the Public and Commercial Services Union for the purpose of collective bargaining.

The Registrar of Public Lending Right makes every effort to employ disabled people in suitable employment and gives full and fair consideration to applications for employment of disabled people.

Organisation

The Public Lending Right organisation comprises Corporate and Author Services Teams. Each Team Leader reports directly to the Registrar, who oversees the whole operation.

Year 2000 Risks

Work to ensure the millennium compliance of PLR systems was completed as planned by 31 July 1999. No date-related problems have been experienced on, or since, 1 January 2000.

Performance Indicators

As part of the Funding Agreement with the Department for Culture, Media and Sport, the Registrar of Public Lending Right has identified one financial measure related to the organisation's aims. Details of actual result against target are set out in note 20.

Auditors

The audit of Public Lending Right is carried out by the Comptroller and Auditor General under section 2(6) of the Public Lending Right Act 1979.

J G PARKER
Registrar

July 2000

Annex A

PLR Advisory Committee

The members of the Advisory Committee during the year were:

Mr Michael Holroyd, CBE (Chairman)

Dr James Parker (Registrar of PLR)

Ms Theresa Breslin

Ms Hilary Mantel

Ms Miranda McKearney (*Date of Appointment 16.5.99*)

Mr Roger Palmer

Ms Claire Tomalin

Mr Terry Turner (*Date of Appointment 1.2.00*)

Ms Linda Hopkins (*Resigned 18.6.99*)

Mr John Saumarez Smith (*Appointment ended 15.5.99*)

RESPONSIBILITIES OF THE REGISTRAR AND DCMS ACCOUNTING OFFICER

Responsibilities of the Registrar and of the Accounting Officer of the Department for Culture, Media and Sport in respect of the Public Lending Right Fund.

Under section 2(6) of the Public Lending Right Act 1979, the Registrar is required to prepare a statement of accounts for the Public Lending Right Central Fund for each financial year in the form and on the basis determined by the Secretary of State, with the consent of the Treasury. The accounts are prepared on an accruals basis and must show a true and fair view of the Central Fund's state of affairs at the year end and of its income and expenditure and cash flows for the financial year.

In preparing the accounts the Registrar is required to:

observe the accounts direction issued* by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;

make judgements and estimates on a reasonable basis;

state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements;

prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Central Fund will continue in operation.

The Accounting Officer of the Department for Culture, Media and Sport is the Accounting Officer for payments into the Central Fund and to the Registrar.

Under Section 2(1) of the Public Lending Right Act 1979, the Central Fund is placed under the management and control of the Registrar who is also responsible for the keeping of proper records. The Accounting Officer of the Department for Culture, Media and Sport has designated the Registrar as the Accounting Officer for the use of, and expenditure from, the Central Fund. As Accounting Officer he has overall responsibility for the propriety and regularity of the Public Lending Right Central Fund finances for which he is answerable to Parliament. His responsibilities as Accounting Officer are set out in the Accounting Officer's Memorandum issued by the Treasury and published in Government Accounting.

* A copy of the Accounts Direction can be obtained from the following address: Public Lending Right, Richard House, Sorbonne Close, Stockton-on-Tees TS17 6DA.

J G PARKER
Registrar

July 2000

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 Public Lending Right (PLR). As set out in page 6 above, I have responsibility for the Central Fund with the Accounting Officer of the Department for Culture, Media and Sport who is answerable to Parliament for the propriety and regularity of PLR finances.

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, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Registrar and his senior management team;
- regular reviews by the Registrar and his senior management team 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.

PLR contracts with an outside provider for an internal audit service which operates 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 body's Audit Committee and approved by me. At least annually, the internal auditors provide me with a report on internal audit activity in the body. The report includes their independent opinion on the adequacy and effectiveness of the body'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 within the body 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.

As Accounting Officer, I am aware of the recommendations of the Turnbull Committee and am taking reasonable steps to comply with the Treasury's requirement for a statement of internal control to be prepared for the year ended 31 March 2002, in accordance with guidance [to be] issued by the Treasury.

J G PARKER
Registrar

July 2000

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

I certify that I have audited the financial statements on pages 9 to 20 under the Public Lending Right Act 1979. These financial statements have been prepared under the historic cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 12.

Respective responsibilities of the Registrar, the Accounting Officer of the Department for Culture, Media and Sport and Auditors
As described on page 6 the Accounting Officer of the Department for Culture, Media and Sport, has responsibility for payments into the Public Lending Right Central Fund and to the Registrar. The Registrar, as Accounting Officer for the use of and expenditure from Public Lending Right Central Fund, has responsibility for the preparation of the financial statements and ensuring the regularity of financial transactions. The Registrar is 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, and are properly prepared in accordance with the Public Lending Right Act 1992 and directions made by the Secretary of State for Culture, Media and Sport thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transaction conform to the authorities which govern them. I also report, if in my opinion, the Foreword on pages 1 to 5, is not consistent with the financial statements; if the Public Lending Right has not kept proper accounting records; or if I have not received all the information and explanations I require from my audit.

I review whether the statement on page 7 reflects the Public Lending Right's compliance with the Treasury's guidance 'Corporate Governance: statement on the system of internal financial control'. I report if it does not meet the requirements specified by the 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 audit 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 to the amounts of disclosures and regularity of the financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Registrar in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Fund'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, income and resources have been applied to the purposes intended by Parliament 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.

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Public Lending Right Central Fund at 31 March 2000 and of the surplus, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Public Lending Right Act 1979 and with the directions made thereunder by the Secretary of State for Culture, Media and Sport.
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn
Comptroller and Auditor General
14 July 2000

National Audit Office
157-197 Buckingham Palace Road
London
SW1W 9SP

The maintenance and integrity of PLR's website is the responsibility of the Accounting Officer; the work carried out by the auditors does not involve consideration of these matters and accordingly the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

PUBLIC LENDING RIGHT CENTRAL FUND

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2000**

			<u>1999-2000</u>	<u>1998-99</u>
INCOME	Notes	£	£	£
HMG Grant	2	4,998,215		4,949,930
Less: Transferred to Deferred Grant Account for Capital Expenditure	3	(129,592)		(202,686)
	4	<hr/>	4,868,623	4,747,244
Other Operating Income			92,888	58,365
			<hr/>	<hr/>
			4,961,511	4,805,609
EXPENDITURE			<hr/>	<hr/>
Staff Costs	5	(336,696)		(341,740)
Depreciation	6	(77,676)		(53,317)
Other Operating Charges	7	(335,017)		(288,220)
Public Lending Right to Authors		(4,206,345)		(4,158,527)
			<hr/>	<hr/>
			4,955,734	(4,841,804)
Operating Surplus/(Deficit)	8		5,777	(36,195)
Income from other activities – interest receivable		11,388		9,638
- pension account	9	4,109		4,235
			<hr/>	<hr/>
			15,497	13,873
Surplus/(Deficit) on ordinary activities before taxation			<hr/>	<hr/>
			21,274	(22,322)
Corporation Tax	10		(2,281)	(2,015)
Notional Cost of Capital	17		(11,601)	(5,935)
			<hr/>	<hr/>
Surplus/(Deficit) after Notional Costs			7,392	(30,272)
Reversal of Notional Costs			11,601	5,935
			<hr/>	<hr/>
Surplus/(Deficit) for the Financial Year			18,993	(24,337)
Retained Surplus/(Deficit) brought forward			(31,820)	(7,483)
			<hr/>	<hr/>
Retained Deficit carried forward			(12,827)	(31,820)
			<hr/> <hr/>	<hr/> <hr/>

The income and expenditure relate to continuing activities.

The Fund has no recognised gains and losses other than those above and consequently no separate statement of total recognised gains and losses has been presented.

The notes on pages 12 to 20 form part of these accounts

PUBLIC LENDING RIGHT CENTRAL FUND

BALANCE SHEET AS AT 31 MARCH 2000

	Notes	£	<u>1999-2000</u>	<u>1998-99</u>
			£	£
FIXED ASSETS				
Tangible Assets	6		231,567	186,264
CURRENT ASSETS				
Debtors		1,242		768
Cash at Bank and In Hand		<u>77,520</u>		<u>71,065</u>
		78,762		71,833
CREDITORS				
Amounts falling due within one year	11	(83,748)		<u>(97,987)</u>
Net Current Assets			<u>(4,986)</u>	<u>(26,154)</u>
Total Assets Less Current Liabilities			<u><u>226,581</u></u>	<u><u>160,110</u></u>
FINANCED BY:				
ACCRUALS AND DEFERRED INCOME				
Deferred Grant Account	3		231,567	186,264
PROVISION FOR LIABILITIES AND CHARGES				
Public Lending Right	12		7,841	5,666
CAPITAL AND RESERVES				
Income and Expenditure Account			<u>(12,827)</u>	<u>(31,820)</u>
			<u><u>226,581</u></u>	<u><u>160,110</u></u>

The notes on pages 12 to 20 form part of these accounts

Signed: J G Parker, Registrar

Date: July 2000

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

			<u>1999-2000</u>	<u>1998-99</u>
	Notes	£	£	£
Net Cash Inflow/(Outflow) from Operating Activities	13		4,090	<u>(28,062)</u>
Returns on Investment and Servicing of Finance Interest Received		11,403		<u>9,593</u>
Net cash Inflow from Returns on Investment and Servicing of Finance			11,403	9,593
Taxation Corporation Tax Paid			(2,015)	(2,342)
Capital Expenditure and Financial Investment Purchase of Fixed Assets		140,724		<u>(187,649)</u>
Net Cash Outflow from Capital Expenditure and Financial Investment			(140,724)	(187,649)
Net Cash Inflow from Pensions Account			4,109	<u>4,235</u>
Net Cash Outflow before Financing			(123,137)	(204,225)
Financing Government Grant Applied to Capital	3	129,592		<u>202,686</u>
Net Cash Inflow from Financing			129,592	<u>202,686</u>
Increase/(Decrease) in Cash	14		<u>6,455</u>	<u>(1,539)</u>

The notes on pages 12 to 20 form part of these accounts

**PUBLIC LENDING RIGHT CENTRAL FUND
NOTES TO THE ACCOUNTS AT 31 MARCH 2000**

NOTE 1 ACCOUNTING POLICIES

ACCOUNTING CONVENTION

These accounts are prepared under the historical cost convention, as modified by the revaluation of certain fixed assets. Without limiting the information given, the accounts meet the accounting and disclosure requirements of the Companies Act and Accounting Standards issued or adopted by the Accounting Standards Board so far as those requirements are appropriate.

ASSETS AND DEPRECIATION

No funds are accumulated for the replacement of assets. Such future replacement will be financed from funds voted in the year of acquisition.

Fixed assets are accounted for using modified historic cost accounting. However, adjustments to the net book value are only made where material.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less the estimated residual value of each asset, evenly over its expected useful life. Items under £1,000 are written off in the year of purchase. Items over £1,000 are depreciated evenly over 5 years.

HMG GRANT

The capital element of the Grant from the Department for Culture, Media and Sport is credited to a Deferred Government Grant Account and released to revenue over the expected useful life of the relevant assets. The revenue element of the Grant is credited to income in the year to which it relates.

PENSIONS

Public Lending Right staff are covered by a "pay-as-you-go" statutory unfunded pension scheme with conditions and contributions similar to the Civil Service. It is intended to charge the Central Fund with the costs of paying pensions as and when they arise. Adjustments to the Fund are also made as appropriate in respect of transfer values relating to staff joining or leaving the scheme with accrued transferable benefits. Agreement has been reached with HM Treasury that deductions from salaries in respect of widows'/widowers' pension contributions and for 'added years' may be retained in the PLR Central Fund.

LEASES

Costs relating to operating leases are charged to the income and expenditure account over the life of the Lease.

NOTE 2 HMG GRANT

	<u>1999-2000</u>	<u>1998-99</u>
	£	£
Grant for PLR (Class X, Vote 1)	5,051,000	5,000,000
LESS Registrar's Costs	(52,785)	(50,070)
	<hr/>	<hr/>
Grant to Central Fund	4,998,215	4,949,930

The Registrar's Costs comprise the salary and National Insurance payments of the present Registrar, and pension payments to his predecessor. The Registrar's pension scheme is unfunded, and is administered in the same way as the PLR staff scheme.

The Registrar's contract was renewed for a period of five years from 1 August 1996.

The Registrar's total remuneration was	44,279	42,339
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NOTE 3 DEFERRED GOVERNMENT GRANT ACCOUNT

All capital expenditure (£129,592 in 1999/2000) is financed from HMG Grant. The Grant apportioned is treated in the accounts as a deferred credit. A proportion is transferred annually to the Income and Expenditure Account over the estimated useful life of the assets as Other Income to cover Depreciation.

	<u>1999-2000</u>	<u>1998-99</u>
	£	£
Balance Brought Forward	186,264	36,895
Apportioned from HMG Grant	129,592	202,686
	<hr/>	<hr/>
	315,856	239,581
Transferred to Income & Expend. A/C	(84,289)	(53,317)
	<hr/>	<hr/>
Balance Carried Forward	231,567	186,264
	<hr/> <hr/>	<hr/> <hr/>

NOTE 4 OTHER OPERATING INCOME

	<u>1999-2000</u>	<u>1998-99</u>
	£	£
Deferred Grant	84,289	53,317
Other	8,599	5,048
	<u>92,888</u>	<u>58,365</u>

NOTE 5 STAFF COSTS

	<u>1999-2000</u>	<u>1998-99</u>
	£	£
Salaries	274,835	262,923
Employer's National Insurance	17,642	17,186
Superannuation [Note 5(i)]	44,219	45,631
Exceptional Costs [Note 5(ii)]	-	16,000
	<u>336,696</u>	<u>341,740</u>

5(i) Includes an amount of £34,837 paid as a lump sum to an employee who retired during the year.

5(ii) Relates to a severance agreement with an ex-employee.

5(iii) Average weekly number of full time staff employed
in the year was

	15	16
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5(iv) Employees receiving remuneration over £40,000

	0	0
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5(v) No members of the Advisory Committee have received remuneration.

NOTE 6 TANGIBLE FIXED ASSETS

	PLR Computer £	Fixtures, Fittings & Equipment £	TOTALS £
Cost			
Cost at 1 April 1999	870,201	96,907	967,108
Additions at Cost	87,061	42,531	129,592
Disposals	(654,273)	(90,407)	(744,680)
Cost at 31 March 2000	<u>302,989</u>	<u>49,031</u>	<u>352,020</u>
Depreciation			
Depreciation at 1 April 1999	688,529	92,315	780,844
Charge for 1999/2000	67,598	10,078	77,676
Less Charge on Disposals	(648,504)	(89,563)	(738,067)
Depreciation at 31 March 2000	<u>107,623</u>	<u>12,830</u>	<u>120,453</u>
Net Book Value at 1 April 1999	<u>181,672</u>	<u>4,592</u>	<u>186,264</u>
Net Book Value at 31 March 2000	<u>195,366</u>	<u>36,201</u>	<u>231,567</u>

The financial effect of revaluing the fixed assets was considered to be immaterial and therefore they have been disclosed at their historic cost value.

NOTE 7 OTHER OPERATING CHARGES

	<u>1999-2000</u>	<u>1998-99</u>
	£	£
Administration	125,154	104,258
Accommodation	100,937	72,628
Computer Operating Costs	20,905	34,020
Local Authorities	43,034	45,884
Consultants	38,374	31,430
Loss on disposal of Assets	6,613	-
	<u>335,017</u>	<u>288,220</u>

NOTE 8 OPERATING DEFICIT

		<u>1999-2000</u>	<u>1998-99</u>
	Notes	£	£
The Operating Surplus/(Deficit) of is stated after charging		5,777	(36,195)
Auditor's remuneration - Audit Fee		13,500	14,000
Operating Leases - Premises Rental	15	32,500	33,775
Travel, Subsistence & Hospitality		14,775	13,027
		<u> </u>	<u> </u>

NOTE 9 PENSION ACCOUNT

This comprises widow(er)'s contributions deducted from staff salaries and the Registrar's salary together with transfer payments into the PLR Pension Scheme.

NOTE 10 CORPORATION TAX

Corporation Tax is due on interest received.

	<u>1999-2000</u>	<u>1998-99</u>
	£	£
Interest Receivable	11,388	9,638
Interest Received in Year	11,403	9,593
Corporation Tax @ 20% =	2,281	2,015

NOTE 11 CREDITORS:- AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2000</u>	<u>1999</u>
	£	£
Sundry Creditors	18,284	41,586
Corporation Tax	2,281	2,015
Public Lending Right - Unclaimed & Undistributed:		
93/94	-	4,225
(303 authors) 94/95	3,693	4,813
(328 authors) 95/96	3,997	4,984
(421 authors) 96/97	5,615	7,088
(235 authors) 97/98	8,760	12,211
(254 authors) 98/99	9,461	21,065
(370 authors) 99/00	31,657	-
	<u>83,748</u>	<u>97,987</u>

NOTE 12 PROVISION

	Balance b/f 1.4.99	Transferred from Creditors: PLR Renounced or Undistributed after 6 years	Public Lending Right Paid	Charge to Income and Expenditure Account	Balance c/f 31.3.2000
	£	£	£	£	£
PLR Provision (a)	5,666	3,203	1,028	-	7,841

- (a) Public Lending Right Provision is to cover probable further claims for payment of PLR. This is a statutory right enforceable by law - authors have the right to demand payment from the Registrar. Amounts held as creditors and subsequently renounced by authors, or unclaimed and undistributed after six years are transferred to the Provision. If this is insufficient to meet claims in the year, an appropriation is made from the Income and Expenditure Account. Under the arrangements of the Scheme any unclaimed payments due will lapse after six years. Such amounts are retained in the Provision for the benefit of authors.

The Registrar considers that the Provision carried forward is sufficient to meet probable claims.

NOTE 13

Reconciliation of Operating Deficit to Net Cash Outflow from Operating Activities

	<u>1999-2000</u>	<u>1998-99</u>
	£	£
Operating Surplus/(Deficit)	5,777	(36,195)
Depreciation charge	77,676	53,317
Release from deferred government grant account	(77,676)	(53,317)
(Increase)/Decrease in debtors	(490)	488
Increase/(Decrease) in creditors	(3,372)	10,294
Increase/(Decrease) in PLR Provision	2,175	(2,649)
	<hr/>	<hr/>
Net Cash Inflow/(Outflow) from Operating Activities	<u>4,090</u>	<u>(28,062)</u>

NOTE 14

Analysis of Changes in Net Funds

	Year ending 31 Mar 2000	Year ending 31 Mar 1999
	£	£
Balance at 1 April 1999 and 1 April 1998	71,065	72,604
Net Cash Inflow (Outflow)	6,455	(1,539)
	<hr/>	<hr/>
Balance at 31 March 2000 and 31 March 1999	<u>77,520</u>	<u>71,065</u>

Net funds comprise only cash at bank and in hand. There are no bank overdrafts or short-term investments.

NOTE 15 OPERATING LEASES

At 31 March 2000 the Public Lending Right had annual commitments under non-cancellable Operating Leases as set out below.

	<u>1999-2000</u>	<u>1998-99</u>
	£	£
Operating Leases expiring within:		
One Year	-	16,888
In the Second to Fifth Years Inclusive		
Over Five Years	32,000	-
	<u>32,000</u>	<u>16,888</u>

NOTE 16 CAPITAL COMMITMENTS

At 31 March 2000 there were no outstanding Capital Commitments (£nil at 31 March 1999).

NOTE 17 NOTIONAL COSTS

Notional cost of capital is calculated as 6% of average net assets for the year and amounts to £11,601 (1998-99 £5,935).

NOTE 18 RELATED PARTY TRANSACTIONS

Public Lending Right is a Non-Departmental Public Body (NDPB) sponsored by the Department for Culture, Media and Sport. The DCMS is regarded as a related party. During the year PLR has had various transactions with other Government Departments and public sector bodies which can be summarised as follows:

HM Treasury - scheme changes, pay delegation, financial memorandum

British Library - provision of bibliographic data

Local authorities - provision of loan sample

None of the members of PLR's Advisory Committee, key managerial staff or other related parties has undertaken any material transactions with PLR during the year.

NOTE 19 CONTINGENT LIABILITIES

Public Lending Right is currently involved in one minor legal dispute. PLR believes that it has a fully robust case.

NOTE 20 PERFORMANCE INDICATORS

To manage PLR efficiently, economically and in line with statutory and audit requirements, thereby increasing the amount available for payment to authors:

Funds freed for payments to authors :

	1999/00	1998/99
Actual	£4.206m	£4.159m
Target	£4.262m*	£4.104m

*Provisional target figure originally agreed with DCMS was not met because of unforeseen delays during the computer project outside PLR's control.
