

PUBLIC LENDING RIGHT

CENTRAL FUND ACCOUNT 2000-2001

FOREWORD

These are the accounts for the eighteenth year of the Public Lending Right (PLR) Central Fund and cover the annual payments made to authors in February 2001.

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 eighteenth 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, 2000 Nos 933, 3319.

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 31 March 2001 are provided in Annex A.

Review of Activities

The eighteenth 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

Following the upgrading of PLR's computer system during 1999-2000, we have been able to take forward our new IT strategy aimed at meeting the requirements of the government's e-business agenda and helping us achieve further savings in running costs. Achievements this year have included the conversion of all author registration functions within the IT system to a Windows environment, the introduction of e-mail facilities for authors wishing to communicate electronically with PLR staff, and the creation of two new web-sites covering PLR's domestic and international operations. The last of these developments coincided with the extension of eligibility for PLR to all authors resident in European Economic Area countries with effect from July 2000. The Registrar continued to play a leading role in encouraging the wider recognition of PLR internationally and in supporting our sponsor department's wider aims by promoting the UK system as a model of best practice.

b) Payments to Authors

PLR's funding was increased to £5.15 million (£5.05 million in 1999-2000). It proved possible to increase the level of the Rate Per Loan for the February 2001 payments to authors to 2.49 pence, the highest figure to date (2.18 pence in 1999-2000). A total sum of £4,477,110 was paid out to 17,678 authors. 74% 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.

17,678 authors and assignees (17,407 in 1999-2000) qualified for payments. The numbers of authors in various payment categories were as follows:-

	Eighteenth Year	Seventeenth Year
Authors' Earning:		
£6,000.00	58	51
£5,000.00 - £5,999.99	101	87
£2,500.00 - £4,999.99	255	241
£1,000.00 - £2,499.99	616	578
£500.00 - £999.99	748	747
£100.00 - £499.99	3,502	3,455
£50.00 - £99.99	2,526	2,596
£5.00 - £49.99	<u>9,872</u>	<u>9,652</u>
	<u>17,678</u>	<u>17,407</u>
Expenditure	4,477,110	4,206,345

Expenditure includes £27,600 still to be paid at the year end. These authors' addresses are unknown, or their assignees have not made probate claims. A further £11,354 is held in reserve for unidentified loans. There were 12,219 (12,478 in 1999-2000) authors whose books earned no payment.

The maximum and minimum limits of £6,000 per author and £5 per author resulted in £589,792 and £15,788 respectively being re-distributed to other authors.

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

	£	%
£6,000.00	348,002	7.77
£5,000.00 - £5,999.99	587,958	13.14
£2,500.00 - £4,999.99	904,925	20.21
£1,000.00 - £2,499.99	959,100	21.42
£500.00 - £999.99	523,446	11.69
£100.00 - £499.99	782,231	17.47
£50.00 - £99.99	180,730	4.04
£5.00 - £49.99	<u>190,718</u>	<u>4.26</u>
	<u>4,477,110</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 2000/01, 95% of creditor invoices were paid within 30 days of being received (1999-2000, 93%). 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 2000/01 the limit was £5,150,000 and £5,150,000 was made available. £5,137,000 was utilised this year and the remaining £13,000 will be utilised in 2001-2002. The Fund is distributed after deduction of the Registrar's remuneration, administrative costs, and payments to local authorities. In 2000/01 £4,477,110 was distributed to authors at a rate of 2.49 pence per loan. The surplus for the year was £2,486 and the deficit carried forward was £10,341.

Future developments

During the year the two principal recommendations emerging from the Advisory Committee's recent review of the Scheme were accepted and implemented by Ministers. The DCMS Spending Review made provision for PLR funding to be increased to £7 million as requested by the Committee and authors' organisations generally. The increase will come into effect in April 2002. It will restore the value of the Fund in 'real terms' and will facilitate the future growth of the Scheme. Ministers also accepted the case for the extension of the Scheme to authors resident throughout the European Economic Area, confirming the UK's leading position in promoting the development of the PLR principle internationally.

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 £5,150,000 grant made available. 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 2000/01 the total deduction was £64,829 (1999-2000 £52,785).

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.

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

3 July 2001

Annex A

PLR Advisory Committee

The members of the Advisory Committee during the year were:

Mr Michael Holroyd, CBE (Chairman) (*Appointment ended 6.8.00*)

Ms Clare Francis (Chairman) (*Date of Appointment 7.8.00*)

Dr James Parker (Registrar of PLR)

Ms Theresa Breslin

Ms Maggie Gee (*Date of Appointment 6.8.00*)

Ms Hilary Mantel (*Appointment renewed 6.8.00*)

Ms Miranda McKearney

Mr Roger Palmer (*Died 22.2.01*)

Ms Claire Tomalin (*Appointment ended 31.7.00*)

Mr Terry Turner

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

3 July 2001

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 issued by the Treasury.

J G PARKER
Registrar

3 July 2001

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 in accordance with the Public Lending Right Act 1979 and directions made by the Secretary of State for Culture, Media and Sport thereunder and for 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 1979 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 United Kingdom 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 2001 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
12 July 2001

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.

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2001**

			<u>2000-01</u>	<u>1999-2000</u>
INCOME	Notes	£	£	£
HMG Grant	2	5,072,171		4,998,215
Less: Transferred to Deferred Grant Account for Capital Expenditure	3	(30,649)		(129,592)
			5,041,522	4,868,623
Other Operating Income	4		76,644	92,888
			5,118,166	4,961,511
EXPENDITURE				
Staff Costs	5	(297,596)		(336,696)
Depreciation	6	(75,360)		(77,676)
Other Operating Charges	7	(278,367)		(335,017)
Public Lending Right to Authors		(4,477,110)		(4,206,345)
			5,128,433	4,955,734
Operating Surplus/(Deficit)	8		(10,267)	5,777
Income from other activities – interest receivable		10,660		11,388
- pension account	9	4,241		4,109
			14,901	15,497
Surplus/(Deficit) on ordinary activities before taxation			4,634	21,274
Corporation Tax	10		(2,148)	(2,281)
Notional Cost of Capital	17		(12,399)	(11,601)
Surplus/(Deficit) after Notional Costs			(9,913)	7,392
Reversal of Notional Costs			12,399	11,601
Surplus/(Deficit) for the Financial Year			2,486	18,993
Retained Surplus/(Deficit) brought forward			(12,827)	(31,820)
Retained Deficit carried forward			(10,341)	(12,827)

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 2001

			<u>2000-01</u>	<u>1999-2000</u>
	Notes	£	£	£
FIXED ASSETS				
Tangible Assets	6		185,695	231,567
CURRENT ASSETS				
Debtors		1,998		1,242
Cash at Bank and In Hand		<u>85,463</u>		<u>77,520</u>
		87,461		78,762
CREDITORS				
Amounts falling due within one year	11	(86,448)		(83,748)
Net Current Assets			<u>1,013</u>	<u>(4,986)</u>
Total Assets Less Current Liabilities			<u><u>186,708</u></u>	<u><u>226,581</u></u>
FINANCED BY:				
ACCRUALS AND DEFERRED INCOME				
Deferred Grant Account	3		185,695	231,567
PROVISION FOR LIABILITIES AND CHARGES				
Public Lending Right	12		11,354	7,841
CAPITAL AND RESERVES				
Income and Expenditure Account			<u>(10,341)</u>	<u>(12,827)</u>
			<u><u>186,708</u></u>	<u><u>226,581</u></u>

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

Signed: J G Parker, Registrar

Date: 3 July 2001

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2001**

			<u>2000-01</u>	<u>1999-2000</u>
	Notes	£	£	£
Net Cash (Outflow)/Inflow from Operating Activities	13		(4,756)	4,090
Returns on Investment and Servicing of Finance Interest Received		10,739		11,403
Net cash Inflow from Returns on Investment and Servicing of Finance			10,739	11,403
Taxation Corporation Tax Paid			(2,281)	(2,015)
Capital Expenditure and Financial Investment Purchase of Fixed Assets		30,649		140,724
Net Cash Outflow from Capital Expenditure and Financial Investment			(30,649)	(140,724)
Net Cash Inflow from Pensions Account			4,241	4,109
Net Cash Outflow before Financing			(22,706)	(123,137)
Financing Government Grant Applied to Capital	3	30,649		129,592
Net Cash Inflow from Financing			30,649	129,592
Increase/(Decrease) in Cash	14		7,943	6,455

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

**PUBLIC LENDING RIGHT CENTRAL FUND
NOTES TO THE ACCOUNTS AT 31 MARCH 2001**

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>2000-01</u>	<u>1999-2000</u>
	£	£
Grant for PLR (Class X, Vote 1)	5,137,000	5,051,000
LESS Registrar's Costs	(64,829)	(52,785)
	<hr/>	<hr/>
Grant to Central Fund	5,072,171	4,998,215

For 2000-2001 the limit of government grant was £5,150,000. £5,137,000 was utilised and the remaining £13,000 will be included in the DCMS grant to be utilised in 2001-2002.

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 consisted of a basic salary of £51,273 plus a non-consolidated bonus of £4,384 (1999-2000 total emoluments were made up of £44,279 basic salary).

	Age	Salary (including Performance Pay)	Real increase in Pension at age 60	Total accrued pension at age 60 at 31.3.01
Dr James Parker	48	55,657	1,106	6,058

NOTE 3 DEFERRED GOVERNMENT GRANT ACCOUNT

All capital expenditure (£30,649 in 2000/01) 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>2000-01</u>	<u>1999-2000</u>
	£	£
Balance Brought Forward	231,567	186,264
Appportioned from HMG Grant	30,649	129,592
	<hr/>	<hr/>
	262,216	315,856
Transferred to Income & Expnd. A/C	(76,521)	(84,289)
	<hr/>	<hr/>
Balance Carried Forward	185,695	231,567
	<hr/> <hr/>	<hr/> <hr/>

NOTE 4 OTHER OPERATING INCOME

	<u>2000-01</u>	<u>1999-2000</u>
	£	£
Deferred Grant	76,521	84,289
Other	123	8,599
	<u>76,644</u>	<u>92,888</u>

NOTE 5 STAFF COSTS

	<u>2000-01</u>	<u>1999-2000</u>
	£	£
Salaries	258,018	274,835
Employer's National Insurance	17,649	17,642
Superannuation [Note 5(i)]	21,929	44,219*
	<u>297,596</u>	<u>336,696</u>

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

5(ii) Average weekly number of full time staff employed
in the year was 15 15

5(iii) Employees receiving remuneration over £40,000 0 0

5(iv) 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 2000	302,989	49,031	352,020
Additions at Cost	28,826	1,823	30,649
Disposals	(8,780)	(1,419)	(10,199)
Cost at 31 March 2001	<u>323,035</u>	<u>49,435</u>	<u>372,470</u>
Depreciation			
Depreciation at 1 April 2000	107,623	12,830	120,453
Charge for 2000/01	65,765	9,595	75,360
Less Charge on Disposals	(7,619)	(1,419)	(9,038)
Depreciation at 31 March 2001	<u>165,769</u>	<u>21,006</u>	<u>186,775</u>
Net Book Value at 1 April 2000	<u>195,366</u>	<u>36,201</u>	<u>231,567</u>
Net Book Value at 31 March 2001	<u>157,266</u>	<u>28,429</u>	<u>185,695</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>2000-01</u>	<u>1999-2000</u>
	£	£
Administration	107,238	125,154
Accommodation	76,456	100,937
Computer Operating Costs	18,095	20,905
Local Authorities	37,036	43,034
Consultants	38,381	38,374
Loss on disposal of Assets	1,161	6,613
	<u>278,367</u>	<u>335,017</u>

NOTE 8 OPERATING DEFICIT

		<u>2000-01</u>	<u>1999-2000</u>
	Notes	£	£
The Operating (Deficit)/Surplus of is stated after charging		(10,267)	5,777
Auditor's remuneration - Audit Fee		14,000	13,500
Operating Leases - Premises Rental	15	34,000	32,000
Travel, Subsistence & Hospitality		18,852	14,775
		<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>2000-01</u>	<u>1999-2000</u>
	£	£
Interest Receivable	10,660	11,388
Interest Received in Year	10,739	11,403
Corporation Tax @ 20% =	2,148	2,281

NOTE 11 CREDITORS:- AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2001</u>	<u>2000</u>
	£	£
Sundry Creditors	20,864	18,284
Corporation Tax	2,148	2,281
Public Lending Right - Unclaimed & Undistributed:		
94/95	-	3,693
(319 authors) 95/96	3,682	3,997
(407 authors) 96/97	5,031	5,615
(212 authors) 97/98	7,890	8,760
(213 authors) 98/99	7,411	9,461
(257 authors) 99/00	11,822	31,657
(397 authors) 00/01	27,600	-
	<u>86,448</u>	<u>83,748</u>

NOTE 12 PROVISION

	Balance b/f 1.4.00	Transferred from Creditors: PLR Renounced or Undistributed after 6 years	Public Lending Right Paid	Charge to Income and Expenditure Account	Balance c/f 31.3.01
	£	£	£	£	£
PLR Provision (a)	7,841	3,566	53	-	11,354

- (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>2000-01</u>	<u>1999-2000</u>
	£	£
Operating Surplus/(Deficit)	(10,267)	5,777
Depreciation charge	75,360	77,676
Release from deferred government grant account	(76,521)	(77,676)
(Increase)/Decrease in debtors	(835)	(490)
Increase/(Decrease) in creditors	2,833	(3,372)
Increase/(Decrease) in PLR Provision	3,513	2,175
Loss on disposal of fixed assets	1,161	
	<hr/>	<hr/>
Net Cash Inflow/(Outflow) from Operating Activities	<u>(4,756)</u>	<u>4,090</u>

NOTE 14

Analysis of Changes in Net Funds

	Year ending 31 Mar 2001	Year ending 31 Mar 2000
	£	£
Balance at 1 April 2000 and 1 April 1999	77,520	71,065
Net Cash Inflow (Outflow)	7,943	6,455
	<hr/>	<hr/>
Balance at 31 March 2001 and 31 March 2000	<u>85,463</u>	<u>77,520</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 2001 the Public Lending Right had annual commitments under non-cancellable Operating Leases as set out below.

	<u>2000-01</u>	<u>1999-2000</u>
	£	£
Operating Leases expiring within:		
One Year	-	-
In the Second to Fifth Years Inclusive		
Over Five Years	52,440	32,000
	<u>52,440</u>	<u>32,000</u>

Lease commitments are likely to rise to £52,440 per annum due to office expansion.

NOTE 16 CAPITAL COMMITMENTS

At 31 March 2001 there were no outstanding Capital Commitments (£nil at 31 March 2000).

NOTE 17 NOTIONAL COSTS

Notional cost of capital is calculated as 6 % of average net assets for the year and amounts to £12,399 (1999-2000 £11,601).

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 remit

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

The contingent liability in 1999-2000 relating to a staff dispute was settled in 2000-2001 and is disclosed in staff costs.

The Inland Revenue has still to decide on PLR's liability on non-deduction of tax for overseas authors.

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:

	2000/01	1999/2000
Actual	£4.477m	£4.206m
Target	£4.438m	£4.262m*

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