

A large, light teal number '12' is positioned in the background, spanning most of the page. The number '1' is on the left and the number '2' is on the right.

THE
LONDON
LIBRARY

THE
LONDON LIBRARY
ANNUAL REPORT AND
FINANCIAL STATEMENTS
2011-2012

THE LONDON LIBRARY

Opening Hours

Monday	9.30 am – 9.00 pm
Tuesday	9.30 am – 9.00 pm
Wednesday	9.30 am – 5.30 pm
Thursday	9.30 am – 5.30 pm
Friday	9.30 am – 5.30 pm
Saturday	9.30 am – 5.30 pm
Sunday	CLOSED

Closed Dates

The Library will be closed on the following inclusive dates:

2012

Christmas

Monday 24 December –
Thursday 27 December

2013

New Year's Day

Tuesday 1 January

Easter

Friday 29 March – Monday 1 April

May Bank Holiday

Saturday 4 May – Monday 6 May

Spring Bank Holiday

Saturday 25 May – Monday 27 May

Summer Bank Holiday

Saturday 24 August – Monday 26 August

TABLE OF CONTENTS

Trustees, senior staff and advisers	2
Trustees' Annual Report	
Introduction	3
Public benefit	3
Performance in 2011-2012	4-5
Plans	5
How can members help?	6
Financial review	6
Structure, governance and management	7-8
Statement of Trustees' Responsibilities	8
Auditor's Report	9
Financial Statements	
Statement of Financial Activities	10
Balance Sheet	11
Cash Flow Statement	12
Notes	13-22
Donations and bequests	23-26
Organisational information	
10-year financial summaries	27
Membership and use	28

TRUSTEES, SENIOR STAFF AND ADVISERS

(Note: numbers in brackets refer to membership of committees listed at the foot of this page)

TRUSTEES

Chairman

Bill Emmott (3,4,5)

Other trustees serving throughout the year:

Basil Postan (2,5)

Margarette Lincoln (1)

James Owen (5)

The Rt Hon Lord Sumption OBE (6)

Nick Wong (1)

Trustees serving until 1 November 2011:

Graeme Cottam (6)

Jonathan Keates (3)

Trustees serving from 1 November 2011:

James Hannam (2)

Philip Hook (5)

SENIOR STAFF

Librarian (Chief Executive)

Deputy Librarian

Bursar

Development & Communications Director

Head of Acquisitions

Head of Bibliographic Services

Head of IT

Head of Preservation & Stack Management

Head of Reader Services

Membership Administrator

ADVISERS

Bankers

Barclays Bank plc

1 Churchill Place, London E14 5HP

Fund managers

Legal & General Investment Management Ltd

One Coleman Street, London EC2R 5AA

BlackRock Investment Management (UK) Ltd

33 King William Street, London EC4R 9AS

Solicitors

Bates Wells & Braithwaite LLP

2-6 Cannon Street, London EC4M 6YH

Key to Committees:

1 Building Project Steering Committee

2 Finance Committee

3 Nominations Committee

4 Remuneration & Appraisal Committee

5 Revenue Committee

6 Risk & Governance Committee

Treasurer

Mark Storey (2)

Adam Freudenheim (1)

Kevin Murphy (1, 3)

Alice Sherwood (4,6)

Sir Nicholas Underhill (Vice-Chair) (4)

Terence Jagger (2,3)

Janey King (3)

Margaret Heffernan (6)

Inez T P A Lynn BA MLitt MCLIP

Jane Oldfield BSc MA MCLIP

Paul Hamlyn MA ACA

Lottie Cole MA

Gill Turner MA MCLIP

Dunia García-Ontiveros BA MA MCLIP

Will David MA MSc MCLIP

Stella Worthington BA DipLib

Helen O'Neill BA MSc MCLIP

Bridie Macmahon BA DipLib

Auditors

Moore Stephens LLP

150 Aldersgate Street, London EC1A 4AB

Pension consultants

Broadstone Limited

55 Baker Street, London W1U 7EU

INTRODUCTION

The London Library is dedicated to the advancement of education, learning and knowledge. Founded in 1841 by Thomas Carlyle and other prominent men of letters and of affairs, the Library's primary purpose is to provide generations of readers and researchers with the riches of a national library for use in their own homes or workplaces or within its own premises. By acquiring the most important published works in the humanities in each generation and discarding almost nothing from its shelves, the Library has built up a collection of over one million volumes dating from the 16th century to the latest publications. The Library aims to preserve and extend this extraordinary accumulation for future as well as present generations.

The Library seeks to provide the most direct and liberal access to the published written word by maintaining a high proportion of the collection on open-access shelves in its Grade II-listed building in central London where the volumes may be freely browsed, with most available for loan. Offering facilities conducive to reading and scholarship, the Library aims to provide a prompt, reliable and courteous service to meet and exceed the expectations of users, perpetuating a spirit of willing collaboration between users and its highly qualified and specialist staff.

PUBLIC BENEFIT

Membership is open to all. The Library aims to make its collections, services and facilities available to meet the needs of a broad spectrum of readers, many of whom have no access to other loan collections of comparable depth and reach, such as may be found in universities or specialist institutes. Its status in the national heritage is well recognised and over the years it has absorbed special collections from a number of other organisations which could no longer house them. Daily or weekly reference tickets are available in certain circumstances for those who do not need to borrow books and do not wish to commit to full membership. Furthermore, items from the Library's collection are made accessible to public library members via the Inter-Library Loan scheme.

Many Library members are writers, and by assisting authors in their researches prior to publication of original work the Library contributes to the cultural enrichment of the whole nation. In this respect it is comparable to other great institutions dedicated to the arts and culture which, if they ceased to exist, would be missed even by many people who make little or no direct use of them. Although not easy to measure, this is an important public benefit, as readers who have seen the tributes to the Library and its staff in the Acknowledgements pages of countless books will be aware. In an age when the written word is available in superabundant quantity, the Library helps to maintain the quality.

The Library has functioned for over 170 years with a simple but effective financial model based primarily on membership subscriptions, and the Trustees believe that this remains the right one given the nature of its

objectives. Fees are set to meet this aim in the context of the Library's overall budget and are approved by the members at their Annual General Meeting.

The ordinary annual fee for individuals is currently £445, or £37.08 per month, while institutional and charitable bodies pay relatively higher fees and may nominate representatives who access the Library's facilities on their behalf. For an institution which strives to be a centre of excellence in its field, the Library's fees are not high in relation to the value of the services it provides, and a range of payment options is available. Nevertheless there are people who need for their researches the range and depth of available material and the generous access that are the Library's hallmark but who are unable to afford the full fees, particularly as the financial rewards from writing are generally modest and often unreliable. In such cases our subsidiary charity, The London Library Trust, can assist with top-up grants under the Carlyle Membership scheme, and since January 2008 the Trust's entire annual income has been dedicated to this purpose. Applications are assessed carefully since resources are necessarily limited, but support is not declined where there is clear evidence of need. The majority of grants paid represent a fee subsidy of between 30% and 60%. During the financial year 77 new Carlyle memberships were awarded (2011: 78) bringing the total number of members in receipt of fee subsidies at 31 March 2012 to 359 or 5.0% of the total membership (2011: 352 or 4.9% of the total membership). The total amount of such fee subsidies paid in the year was £58,490 (2011: £50,712), representing 2.4% of the Library's total income from annual membership fees (2011: 2.3%).

During the year the Library undertook a review of the structure and function of The London Library Trust with a view to streamlining its administration and enabling it to be integrated within a wider framework of supported membership initiatives. It is hoped that this in turn will facilitate targeted fundraising. The necessary amendments to the Trust Deed were completed in April 2012 at which point the Library became the sole trustee of the Trust replacing the previous individual trustees.

Young Person's membership is available to anyone aged 16-24 at half the ordinary annual rate, and there were 385 members in this category at 31 March 2012, or 5.4% of the total membership (2011: 346 or 4.8%). Separate charges are made for postal loans and for extra books above the standard borrowing allowance, but the annual fees due from each member are not dependent on either the nature or the amount of usage made of the Library's facilities by that member, which can vary considerably. Whilst many of the Library's members are active writers and researchers, there are many others whose usage is more occasional but who see the Library as a cause worth supporting precisely because of its wider public benefits.

In setting the Library's objectives and planning its activities, the Trustees give careful consideration to the Charity Commission's published guidance and other research on public benefit and its reporting.

PERFORMANCE IN 2011-2012

COLLECTIONS

Our objective – To maintain and develop the Library's collections.

- We continued to add to the collection in all subject areas, with purchases totalling £298,477 (2011: £276,568). This total includes £37,001 (2011: £29,026) for digital/online resources (reflecting the growing importance of this aspect of the collection) and £78,240 (2011: £73,857) for periodicals.
- During the year we received donations to the Book Fund totalling £99,264 (2011: £78,978) in addition to £5,350 for the new Adopt A Book scheme. We also received donated books and periodicals worth £17,700 (2011: £15,200). We are most grateful to all the donors listed on page 23 for their generosity.
- Our in-house team conserved 2,232 books from the collections on open shelves (2011: 2,078) despite the additional and unexpected workload occasioned by a serious flood which affected over 3,000 volumes (see section on Risk Management on page 8 for further information).
- We also created preservation assessment records for 986 rare books and pamphlets while cleaning and repairing the books and placing them in secure accommodation (2011: 856).
- We sent 4,386 volumes to commercial binders for binding or re-binding (2011: 4,201).
- We continued to develop the skills of our preservation staff and volunteers and to train all new staff in appropriate book-handling techniques.

See page 28 for further details.

SERVICES

Our objective – To maintain and develop the Library's services.

- 85,360 books were loaned during the year (2011: 85,685) including 4,091 (2011: 4,385) sent through the postal loans service and 135 (2011: 286) borrowed through the inter-library loan system on behalf of members. Some 71,290 renewals were made either by members themselves online or by staff on members' behalf using a variety of methods (2011: 69,774). Heavy use is also made of books and periodicals within the Library, and 904 rare books not in general circulation were requested and made available for supervised consultation during the year (2011: 475).
- We placed and processed 34,752 requests to retrieve and set aside material, in the course of dealing with a wide range of enquiries from members (2011: 31,918).
- We sent 134 books to public libraries on request for the use of their own members (2011: 218).

- The current and retrospective cataloguing teams were merged as part of the cost-cutting measures taken in 2010-2011, with the loss of two full-time posts. Despite this reduction, we added 9,716 volumes to the current catalogue in respect of books purchased or donated (2011: 8,123) and all volumes were catalogued within 2 days of receipt. Retrospective cataloguing throughput was adversely affected by the reduction in staff. We added 10,920 titles (comprising 14,306 volumes) from the old printed catalogue to the online catalogue (2011: 15,291 titles comprising 20,655 volumes).
- During the year the Library's collections were added to the nationwide COPAC database of academic and specialist libraries, helping to raise its profile and widen access.

See page 28 for further details.

MEMBERSHIP

Our objective – To increase and sustain membership while widening access.

Total membership numbers began the year at 7,137 and rose to 7,155 at the end of March 2012. The net increase of 18 in the year comprises:

	Annual	Life	Total
New members	830	9	839
Reinstatements	11	-	11
Commutations	(40)	40	-
Withdrawals/deaths	<u>(794)</u>	<u>(38)</u>	<u>(832)</u>
Net	<u>7</u>	<u>11</u>	<u>18</u>

Of the new annual members 214 were under the age of 25 (2011: 209).

The number of new members recruited in the year was the second highest ever. The withdrawal rate was significantly higher than for 2010-2011, but the Trustees believe that maintaining total membership at a steady level against a background of considerable economic uncertainty is a satisfactory result.

Since the loss of Gift Aid on fee income in October 2010 the Library is no longer constrained by the associated donor benefit rules when setting its fee scales. Accordingly in January 2012 the fee rate for spouse members was reduced to 50% of the ordinary annual rate. Since then recruitment of spouse members has increased encouragingly.

The Library uses a range of initiatives to recruit new members, and these continue to be developed and reviewed. However, evidence shows that personal recommendation is the single most effective recruiting tool and have worked hard to this end –

they are also grateful for the efforts of non-trustee members in this regard. Under an incentive scheme launched in July 2010 current members who recruit a new member are entitled to a fee discount of £50 at their next renewal; by 31 March 2012 a total of 366 members had qualified for the discount and 166 (45.4%) had taken it up.

A full survey of the membership was undertaken during the year. It achieved a good response rate and will inform the Library's approach to membership recruitment and retention, as well as the current review of the strategic plan.

Further details can be found under Organisational Information on page 27.

BUILDINGS & FACILITIES

Our objective – To ensure that the Library's buildings and facilities are maintained to a high standard and serve the changing needs of the Library and its members.

- Planning has continued for the remaining phases of the Development Project, with a view to commencing the next stage in early 2013 if sufficient funds can be secured.
- During the year the Library undertook a full review of the arrangements for managing its buildings and facilities, following the redundancy of the head of department the previous year. The proposals emerging from this review will be implemented in 2012-2013.

STAFF AND VOLUNTEERS

The final element of the cost-saving measures agreed the previous year was implemented in July 2011 when the Library's salary scales were brought fully into line with those of the universities through the removal of the 5% enhancement previously built in. Whilst staff understood the rationale for the cut, it came after a time of significant upheaval and staff are to be commended for continuing to provide a consistently high standard of service. Staffing levels, especially in frontline service areas, are being kept under review.

We are grateful to the following volunteers for their important contributions during the year: to the NADFAS team of Alan Bergman, Carolyn Ezekiel and Jeanne Madill who assisted with essential repairs to the book stock; to Rebecca Carby and John Perkins who assisted with conservation work or listing of rare or vulnerable books to be housed in secure storage; to Kelly Thomas, Georgia Mallin, Emma Wigham, Sara Di Girolamo and Yashvi Khatri for their work in the Development Office on marketing and events; to James Blake, Jane Haslam and Marit Tronslin for their work on retrospective cataloguing; and, to Emma Packington for her assistance to the Administration team.

FUNDRAISING

September 2011 saw the Founders' Circle enter its second year, and in December a new US chapter was launched. The Founders' Circle raised £237,800 (2011: £183,550) including Gift Aid during the year, from 62 (2010: 48) UK members donating at three different levels – Dickens (£10,000), Thackeray (£5,000) and Martineau (£1,500). A further £2,159 was received from the new US chapter, and membership of the latter has since grown to 16. Plans are in hand to develop the scheme further in both the UK and the US. Meanwhile the Book Fund was supplemented by the Adopt A Book appeal launched during the year to generate a combined total of £104,614. A new appeal to fund supported memberships raised £1,793. Together with other donations and legacies, all these sources contributed to a voluntary income total of £418,949 (2011: £785,850) excluding donations for the Development Appeal Fund. The 2011 total includes an exceptionally large legacy of £353,531; without this it would have been £432,319, comparable to the 2012 figure. Net income from events and merchandising added £13,335 (2011: £33,167), reflecting a reduced level of activity while the Library reviews the optimal use of some key spaces within the building.

Funds previously pledged to the Development Appeal Fund totalling £1.4 million (2011: £1.4 million) were received in the year, and pledges totalling £0.8 million (2011: £2.1 million) remained outstanding at the year end.

Fundraising costs totalled £235,430 (2011: £258,274).

During the year the Library undertook a review of the Development Team structure and function, using a number of comparable organisations for benchmarking purposes. The overall performance of the team compared favourably with that of the benchmarks, which were longer established and better resourced. Given the scale of the Library's operations and ambitions, the Trustees concluded that an additional investment should be made in fundraising staff and accordingly a new and enlarged structure was implemented in April 2012, including specialist managers responsible for each major sector. Challenging targets have been set, but the Trustees have confidence that the team will be able to build effectively on previous initiatives as well as developing new ones. If this is achieved it will amply repay the initial investment.

PLANS

A new 5-year strategic plan for the Library will be launched in autumn 2012, identifying specific objectives and the action planned to achieve them within a framework of five key strategic priorities:

- 1 Developing and preserving the collections
- 2 Extending access
- 3 Supporting research and reading
- 4 Fostering literary and intellectual community
- 5 Sharing our heritage

HOW CAN MEMBERS HELP?

There are a number of ways in which you can make a real difference. For example you can:

- Recommend the Library to friends and encourage them to join (if you are an annual member we will offer you a £50 discount on your next renewal for each new member who signs up as a result)
- Enrol your spouse, parents, children or grandchildren as members
- Switch your payment method to direct debit to make administration easier (67% already have)
- Join the Founders Circle, and/or encourage other members with means and a strong interest in literary and cultural institutions to join
- Encourage companies and institutions to join as institutional members
- If you are a US taxpayer, consider supporting us through the International Friends of The London Library, a registered 501(c) 3 charitable corporation based in New York
- Make a donation to support new acquisitions, or to assist members who struggle to afford the full membership fee
- Donate a book you have written or persuade a publisher to donate books to the Library on request
- Make a bequest to the Library in your will or name it as a residuary legatee
- Make a donation to the Development Project or introduce a potential donor or grant-making trust to the fundraising team

As well as assisting financially you may wish to consider applying to become a trustee or volunteering your skills to help the specialist committees. The Library has survived and flourished for over 170 years because of the enthusiastic support and involvement of its members, and this will continue to be critically important in the future.

FINANCIAL REVIEW

The range of measures taken the previous year to cut costs and increase income bore fruit in 2011-2012, when the Library achieved a satisfactory surplus on its core funds. The consolidated results for the year can be summarised as follows:

	2011-2012	2010-2011
	£m	£m
Total income	4.6	5.1
Total expenditure	<u>(3.2)</u>	<u>(3.1)</u>
Net surplus before investment (losses)/gains	1.4	2.0
Investment gains/(losses)	0.1	0.1
Actuarial gains/(losses) on pension scheme	<u>(1.1)</u>	<u>0.2</u>
Net movement in funds	0.4	2.3
Funds brought forward	<u>25.8</u>	<u>23.5</u>
Funds carried forward	<u>26.2</u>	<u>25.8</u>

The net surplus within the above summary comprises £0.3m in core funds and £1.2m in restricted funds, the latter representing mainly donations to the Development Appeal net of fundraising costs and other revenue expenditure. The results of The London Library Trust are also included within restricted funds but their impact on the totals in the above summary is immaterial. Significantly, the surplus on core funds was achieved without a contribution from major legacies or other "windfall" income. Capital expenditure, which does not appear in the above summary, totalled £0.1m in the year and the majority of this relates to IT infrastructure. Further details can be found in the financial statements.

After the Library's final salary pension scheme, the Staff Superannuation Fund (SSF), closed on 1 April 2011, its trustees undertook an investment strategy review, with a view to reducing the investment risk while still meeting the return targets assumed in the actuarial valuation. The recommendations arising from the review were implemented in January 2012 and saw a shift of 10% in the scheme's portfolio from equities to fixed interest securities. Despite this, worsening market conditions (particularly exceptionally low gilt yields) have led to a worsening of the actuarial deficit in the scheme, detailed in Note 12 to the financial statements. However, although it may take longer than previously anticipated to clear the scheme deficit, this will not significantly affect the Library's annual cash flows. Moreover, the deficit would have been a good deal larger had the scheme not been closed to further accrual.

RESERVES AND INVESTMENT POLICIES

Reserves are defined as the part of a charity's total funds that is freely available for use without restriction and without having to sell property needed for its operations. They are needed to cover short-term fluctuations in cash flow and to ensure that a charity can meet its obligations if revenue generated falls short of expectations. They also enable it to respond to longer-term threats and opportunities that may emerge.

The table opposite sets out the structure of target reserves, separated into three tiers according to their purpose. The target for the Tier 2 reserves was calculated by reference to estimated maximum possible shortfalls of core income against expenditure over the next four years, together with allowances for the additional exposure associated with the building project and the pension fund deficit.

The table also shows the allocation of investment assets considered appropriate for each tier of reserves. It is widely accepted that equity investments have historically given the best performance of any asset class over the longest time periods, but as experience in recent years has shown all too clearly the returns are highly volatile. The Trustees were mindful of the fact that the Library has high fixed costs and so needs time to respond to changing

circumstances, and therefore concluded that it would be prudent to retain a substantial part of the total target reserves in assets with low risk and high liquidity, whilst seeking to achieve the highest possible return consistent with these constraints.

Tier	Purpose	Investment criteria	Planned asset allocation	Target amount £m
1	Short-term working capital	Liquid, risk-free	Cash	1.0
2	Bridging income or cash shortfalls	Liquid, low-risk	Cash, gilts, bonds	3.0
3	Contingencies, growth and development	Liquid, medium-risk	Cash, gilts, bonds, passive equity funds	2.0
Total target reserves				6.0
Total actual reserves at 31 March 2012				4.7
(Shortfall)/Surplus against target				(1.3)

The Library's reserves are reviewed annually against target and action taken to address significant shortfalls, and to adjust the asset allocation. About £1.1m of the shortfall referred to above relates to the financing of expenditure on the Development Project from the Library's core (unrestricted) funds, and interest is charged at commercial rates. This internal loan is covered either by donations already pledged to the Development Appeal or exceptional "windfall" income (such as major legacies) which the Trustees have designated for the purpose. The Trustees therefore regard the present position as satisfactory.

In addition to the reserves shown above the Library holds a restricted endowment fund (the Drue Heinz Literary Fund), the income from which supports the purchase of books for the Library's collection. Because this support extends over the longer term, the Trustees consider it appropriate to invest an amount broadly equal to the value of the fund (around £1m) in assets corresponding to Tier 3 in the above table. However, since the expenditure the fund supports is an integral part of the Library's core budget, this investment is not formally segregated from the rest of the portfolio.

Further details of the Library's reserves can be found in Note 11 to the financial statements on page 17 and under Organisational Information on page 27.

REVIEW OF INVESTMENT PERFORMANCE

The Library's portfolio is structured so as to achieve a good income return while protecting capital. The Library's equity and bond investments generated income of £138,570 for a blended yield of 3.7% and a net capital gain of less than 0.1%, which the Trustees consider a satisfactory result. Income from fixed-term and instant access bank deposits added a further £36,974 as market interest

rates remained very low. Internal interest on the temporary funding provided to finance expenditure on the Development Project generated £43,502 at 3.3% which is based on the cost of an equivalent bank borrowing facility. Rental income from the Library's investment properties totalled £47,900, but these properties are integral to the rest of the Library's buildings and no separate valuation is available so a specific yield cannot be derived.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The London Library is a registered charity (number 312175), incorporated by Royal Charter. It has its own Byelaws and the power to alter its own Rules. It has a royal Patron as well as a President and Vice-Presidents appointed by the Trustees subject to confirmation by members at the next AGM. The Patron, President and Vice-Presidents are vital and much-valued ambassadors for the Library but play no part in its formal management.

The Library is governed by no less than thirteen and no more than fifteen trustees, of whom all but the Chairman and Treasurer are elected by members from their number. The Trustees choose their own Chairman and Treasurer, both of whom hold office for three years but may be re-elected immediately for one further term. The Library complies with the Good Governance Code for the voluntary and community sector.

In accordance with the Charter, the Trustees have delegated certain powers to specialist committees under agreed terms of reference, and the membership of these may include non-trustees with appropriate skills and experience. The committees now in place are the Building Project Steering Committee, the Finance Committee, the Nominations Committee, the Remuneration & Appraisal Committee, the Revenue Committee and the Risk & Governance Committee.

Trustees other than the Chairman and Treasurer serve for four years before retiring by rotation and are not eligible for re-election for twelve months. Each year, a Nominations Committee appointed by the Trustees reviews the balance of skills and experience amongst the Trustees and advertises the expertise required to the whole membership in the Spring issue of the Library magazine and on the Library website. The Nominations Committee interviews candidates most closely matching the requirements before recommending them to the Trustees as suitable candidates for election by members at the AGM. The Nominations Committee includes a non-trustee member of the Library with specialist skills and experience in the field of recruitment and governance.

All new Trustees are given an induction manual covering the duties and responsibilities of trustees, all aspects of the Library's governance and management procedures, and relevant documents of record, including the minutes of meetings for the past year

8 • TRUSTEES' ANNUAL REPORT

and recent policy and strategy papers. Introductory meetings are held with key members of staff, and support is available from the Chairman, Treasurer and other Trustees.

The Trustees are responsible for the long-term well-being and effectiveness of the Library and make decisions on the application of its resources, the safeguarding of assets, and the determination of strategies and policies in keeping with its founding aims. The executive management of the Library is delegated to the Librarian who is appointed by the Trustees and takes decisions on matters such as the appointment of staff, the admission and regulation of members, the acquisition of books and other library materials and the financial management of the Library within budgets recommended by the Finance Committee and approved by the Trustees.

The Library has a subsidiary charity, The London Library Trust, which was established in 1952 in order to assist the Library in the achievement of its charitable objectives. The structure and role of the Trust were reviewed during the year and from April 2012 the Library as corporate trustee replaced the previous individual trustees.

Along with Girton College, Cambridge, the Library is a joint beneficiary of Mrs R M Chambers' Settlement, which owns and manages an estate of freehold properties in Ealing. Each of the beneficiaries appoints a trustee to manage the Settlement's affairs and property, and receives grants in equal shares in respect of the net proceeds of property sales and rentals.

The Trustees are grateful to the following non-trustee members for the valuable services they provided to the specialist committees during 2011-2012: James Fergusson and Tony McIntyre (The London Library Trust), Ruth Valentine (Nominations Committee). Thanks are also due to those who served as trustees of the Staff Superannuation Fund during the year: Inez Lynn, Bridie Macmahon, Rosemary Morgan, Claire Powell, Alan Saunders, Roderick Scott, Colin Stevenson and Richard Templeton.

RISK MANAGEMENT

The Trustees have overall responsibility for ensuring that the Library has appropriate procedures in place to mitigate risks related to strategy, operations, finance or legal compliance. The Library's current procedures include:

- A formal process for review, recording and management of risks
- Strategic planning and annual budgets against which actual results are reviewed throughout the year
- Agreed terms of reference for committees and management
- A dedicated Risk & Governance Committee
- Internal controls and policies

In August 2011 the Library suffered serious flood damage in the back basement when a joint between two sections of pipework failed suddenly early on a Monday morning, allowing mains water

to pour into the area. Subsequent examination of the joint by a forensic engineer suggested that it had been connected incorrectly by the contractor responsible. Our emergency response team responded efficiently but because the incident was not detected until the first members of staff arrived at 7.30am they were unable to prevent books on the lower shelves becoming waterlogged, and over 3,000 volumes had to be sent off-site for freeze-drying. Return of the books to the Library was not completed until May 2012 and assessing the need for further repairs or replacement placed a considerable strain on in-house staff resources. The Library's losses are fully covered by insurance, but in order to reduce the risk of such an incident recurring the Library plans to install a flood-detection system and the detailed options are currently being reviewed.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Relevant legislation requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the result for the year then ended. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the relevant legislation. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 17 July 2012 and signed on their behalf by

Bill Emmott
CHAIRMAN

Mark Storey
TREASURER

Inez T P A Lynn
LIBRARIAN

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE LONDON LIBRARY

We have audited the financial statements of The London Library for the year ended 31 March 2012 which are set out on pages 10 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 8], the Trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition,

we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2012 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Moore Stephens LLP
Statutory Auditor

Moore Stephens LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

150 Aldersgate Street
London EC1A 4AB

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2012

		Unrestricted funds 2012	Restricted funds 2012	Total funds 2012	Total funds 2011
	Note	£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds					
– voluntary income	2	400,562	1,396,996	1,797,558	2,266,673
– activities for generating funds	3	13,335	-	13,335	33,167
– investment income	4	241,450	25,497	266,947	255,189
Incoming resources from charitable activities	5	2,575,253	-	2,575,253	2,496,530
TOTAL INCOMING RESOURCES		3,230,600	1,422,493	4,653,093	5,051,559
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income		60,335	175,095	235,430	258,274
Investment management fees		2,007	-	2,007	1,500
Charitable activities		2,869,792	67,057	2,936,849	2,819,988
Governance costs		21,144	-	21,144	20,061
TOTAL RESOURCES EXPENDED	6	2,953,278	242,152	3,195,430	3,099,823
NET INCOMING RESOURCES BEFORE TRANSFERS		277,322	1,180,341	1,457,663	1,951,736
Transfer between funds	11	1,213,209	(1,213,209)	-	-
NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS & LOSSES		1,490,531	(32,868)	1,457,663	1,951,736
Gains/(losses) on investment assets	8	32,376	(3,865)	28,511	68,176
Actuarial (losses)/gains on defined benefit pension scheme	12	(1,071,000)	-	(1,071,000)	237,000
Net movements in funds		451,907	(36,733)	415,174	2,256,912
Funds at start of year	11	24,141,943	1,661,597	25,803,540	23,546,628
Funds at end of year	11	24,593,850	1,624,864	26,218,714	25,803,540

BALANCE SHEET AS AT 31 MARCH 2012

		Group		Library	
		31 March 2012	31 March 2011	31 March 2012	31 March 2011
	Note	£	£	£	£
FIXED ASSETS					
Tangible fixed assets	7	21,690,294	21,686,105	21,690,294	21,686,105
Fixed asset investments	8	4,187,507	2,859,554	3,520,962	2,189,776
TOTAL FIXED ASSETS		<u>25,877,801</u>	<u>24,545,659</u>	<u>25,211,256</u>	<u>23,875,881</u>
CURRENT ASSETS					
Debtors and prepayments	9	704,210	641,324	786,849	692,972
Bank balances and cash in hand		2,429,385	2,538,811	2,429,135	2,538,183
		<u>3,133,595</u>	<u>3,180,135</u>	<u>3,215,984</u>	<u>3,231,155</u>
CURRENT LIABILITIES					
Creditors and accrued charges: amounts due within one year	10	(977,682)	(1,005,254)	(977,682)	(1,005,254)
NET CURRENT ASSETS		<u>2,155,913</u>	<u>2,174,881</u>	<u>2,238,302</u>	<u>2,225,901</u>
NET ASSETS excluding pensions liability		28,033,714	26,720,540	27,449,558	26,101,782
Pensions liability	12	(1,815,000)	(917,000)	(1,815,000)	(917,000)
TOTAL NET ASSETS		<u>26,218,714</u>	<u>25,803,540</u>	<u>25,634,558</u>	<u>25,184,782</u>
Representing					
RESTRICTED FUNDS	11	<u>1,624,864</u>	<u>1,661,597</u>	<u>1,040,708</u>	<u>1,042,839</u>
UNRESTRICTED FUNDS excluding pension liability	11	26,408,850	25,058,943	26,408,850	25,058,943
Pensions reserve	12	(1,815,000)	(917,000)	(1,815,000)	(917,000)
Total unrestricted funds	11	<u>24,593,850</u>	<u>24,141,943</u>	<u>24,593,850</u>	<u>24,141,943</u>
TOTAL CHARITY FUNDS	11	<u>26,218,714</u>	<u>25,803,540</u>	<u>25,634,558</u>	<u>25,184,782</u>

Approved by the Trustees on 17 July 2012 and signed on their behalf by

Bill Emmott
CHAIRMAN

Mark Storey
TREASURER

Inez T P A Lynn
LIBRARIAN

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

	2012	2012	2011	2011
	£	£	£	£
Operating cash flows				
Net incoming resources		1,457,663		1,951,736
Investment income		(266,947)		(255,189)
Depreciation		47,370		48,407
(Increase)/decrease in debtors		(62,886)		(7,443)
Increase/(decrease) in creditors		(27,572)		(1,629)
FRS17 pension adjustment		(173,000)		(563,000)
		<hr/>		<hr/>
Net cash inflow from operating activities		974,628		1,172,882
Returns on investments				
Dividends received	138,570		113,683	
Interest received	80,477		95,065	
Rent received	47,900		46,441	
	<hr/>		<hr/>	
Net cash inflow from returns on investments		266,947		255,189
Capital expenditure and net expenditure on investments				
Purchase of tangible fixed assets	(51,559)		(1,305,773)	
Sale of investments	-		2,576	
Purchase of investments	(1,299,442)		(998,486)	
	<hr/>		<hr/>	
Net cash outflow on capital expenditure and net expenditure on investments		(1,351,001)		(2,301,683)
		<hr/>		<hr/>
(Decrease)/increase in net liquid funds in year		(109,426)		(873,612)
Loan financing				
		<hr/>		(1,400,000)
		<hr/>		<hr/>
(DECREASE)/INCREASE IN CASH IN YEAR		(109,426)		(2,273,612)
Cash balances at start of year		2,538,811		4,812,423
		<hr/>		<hr/>
Cash balances at end of year		2,429,385		2,538,811
		<hr/>		<hr/>
Net liquid funds at start of year		2,538,811		3,412,423
		<hr/>		<hr/>
(Decrease)/increase in net liquid funds in year		(109,426)		(873,612)
		<hr/>		<hr/>
Net liquid funds at end of year		2,429,385		2,538,811
		<hr/>		<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards, and with the Statement of Recommended Practice – Accounting and Reporting by Charities, 2005, issued by the Charity Commission. The financial statements have been prepared under the historic cost convention except for investments which are included at market value.

(b) Consolidation

The Library has a subsidiary trust, The London Library Trust, which has objects narrower than those of the Library itself. The Trust's financial statements have been included in these consolidated accounts as a restricted fund.

(c) Income

Annual subscriptions are recorded in the year in which they become due. Life membership fees are credited evenly over ten years. Investment income is credited when it becomes due, and includes an estimate of the underlying income from accumulation units where applicable. Donations and legacies to specific funds are recorded accordingly, with all other donations credited to the Operating Fund. All legacy income is recorded on a cash basis.

(d) Fixed asset investments

Listed investments are recorded in the Balance Sheet at market value, with any consequent gains or losses shown in the Statement of Financial Activities.

(e) Tangible fixed assets

Tangible fixed assets are shown at cost less accumulated depreciation.

Depreciation is provided so as to charge the carrying value of assets, less their estimated residual value, to Resources Expended over their useful life at the following rates:

Freehold property & improvements	0% per annum
Information technology	20% per annum

The Library's freehold property is subject to a continuous maintenance programme to ensure that it remains fit for purpose. On this basis the Trustees believe that its residual value is at least equal to the carrying value, and no depreciation has therefore been charged on freehold property in these financial statements. The current insured value of the property exceeds its carrying value.

(f) Pensions

The cost of providing pensions under the defined benefit scheme is charged to the Operating Fund systematically over the periods benefiting from employees' services, on the basis of the actuary's recommendations and in accordance with Financial Reporting Standard 17.

(g) Stock of books

The Library has a collection of over one million books which have been accumulated over its lifetime. The Library does not believe that it would be cost-effective to value its book collection.

(h) Allocation of expenditure

All expenditure is accounted for on an accruals basis and attributed to specific activities where possible. Costs attributable to more than one activity are apportioned accordingly.

14 • CONSOLIDATED FINANCIAL STATEMENTS

2 VOLUNTARY INCOME

	2012 £	2011 £
<i>Unrestricted funds</i>		
Donations	349,812	315,566
Legacies	50,750	466,290
Subtotal unrestricted	<u>400,562</u>	<u>781,856</u>
<i>Restricted funds</i>		
Donations to the Development Appeal Fund	1,378,609	1,480,823
Donations to the London Library Trust	1,625	1,494
Other restricted donations and legacies	16,762	2,500
Subtotal restricted	<u>1,396,996</u>	<u>1,484,817</u>
Total voluntary income	<u>1,797,558</u>	<u>2,266,673</u>

3 ACTIVITIES FOR GENERATING FUNDS

	2012 £	2011 £
Events and venue hire	8,925	31,748
Merchandising sales	4,410	1,419
Total income from activities for generating funds	<u>13,335</u>	<u>33,167</u>

4 INVESTMENT INCOME

	2012 £	2011 £
Income from listed investments		
UK	64,977	59,350
Outside UK	73,593	54,333
Total income from listed investments	<u>138,570</u>	<u>113,683</u>
Interest from deposits	80,477	95,065
Total income from investment portfolio	<u>219,047</u>	<u>208,748</u>
Income from property	47,900	46,441
Total investment income	<u>266,947</u>	<u>255,189</u>

Where applicable investment income includes an estimate of the income from the underlying assets of pooled accumulation funds.

5 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2012 £	2011 £
Annual membership fees	2,445,428	2,236,593
Gift Aid relief on annual membership fees	-	133,764
Life membership fees	123,845	114,758
Temporary overseas membership fees	1,325	1,020
Reference ticket fees	4,655	9,950
True cost donations	-	445
Total incoming resources from charitable activities	<u>2,575,253</u>	<u>2,496,530</u>

6 RESOURCES EXPENDED

6.1 Cost of generating funds	2012		2011		2011	
	Staff costs £	Direct expenditure £	Total £	Staff costs £	Direct expenditure £	Total £
Fundraising	141,930	93,500	235,430	154,762	103,512	258,274
Investment management fees	-	2,007	2,007	-	1,500	1,500
Total cost of generating funds	141,930	95,507	237,437	154,762	105,012	259,774
6.2 Resources expended on charitable activities						
Buildings and						
Facilities Management	159,639	410,323	569,962	177,827	377,805	555,632
Reader Services	451,368	-	451,368	408,932	-	408,932
Bibliographic Services	276,007	2,781	278,788	287,663	1,142	288,805
Books, periodicals and online subscriptions	152,015	298,477	450,492	129,360	276,568	405,928
Binding, preservation and Stack Management	172,994	95,658	268,652	160,047	94,394	254,441
Information Technology	88,922	94,595	183,517	76,192	92,053	168,245
Administration	329,266	56,125	385,391	303,136	34,043	337,179
Membership and Marketing	203,510	78,112	281,622	141,097	92,125	233,222
Development Project	-	67,057	67,057	-	91,853	91,853
Restructuring costs	-	-	-	41,628	34,123	75,751
Total resources expended on charitable activities	1,833,721	1,103,128	2,936,849	1,725,882	1,094,106	2,819,988
6.3 Governance Costs						
Audit fee	-	12,636	12,636	-	13,500	13,500
Legal & other professional costs	-	8,508	8,508	-	6,561	6,561
Total Governance Costs	-	21,144	21,144	-	20,061	20,061
TOTAL RESOURCES EXPENDED	1,975,651	1,219,779	3,195,430	1,880,644	1,219,179	3,099,823

7 TANGIBLE FIXED ASSETS

(Group and Library)	Freehold Property £	Information Technology £	Total £
Cost			
At 1 April 2011	21,564,091	370,612	21,934,703
Additions	21,251	30,308	51,559
Disposals	-	-	-
At 31 March 2012	21,585,342	400,920	21,986,262

7 TANGIBLE FIXED ASSETS continued

	Freehold Property	Information Technology	Total
	£	£	£
Depreciation			
At 1 April 2011	-	248,598	248,598
Charge for the year	-	47,370	47,370
Disposals	-	-	-
At 31 March 2012	-	295,968	295,968
Net book values			
At 1 April 2011	21,564,091	122,014	21,686,105
At 31 March 2012	21,585,342	104,952	21,690,294

Some of the Library's freehold property is held for investment purposes but its value is small in relation to that of the operational property of which it forms part. In the opinion of the trustees a reliable valuation of the investment element would be difficult to obtain, the expense could not be justified and the resulting adjustment would not be material.

8 FIXED ASSET INVESTMENTS

8.1 Movements during the period

	Group		Library	
	2012 £	2011 £	2012 £	2011 £
Market value at beginning of period	2,859,554	1,795,468	2,189,776	1,146,954
Proceeds of sale	-	(2,576)	-	(2,576)
Cost of purchases	1,299,442	998,486	1,299,442	998,486
Revaluation gains/(losses)	28,511	68,176	31,744	46,912
Market value at end of year	4,187,507	2,859,554	3,520,962	2,189,776

All the above investments are listed on a recognised stock exchange or are pooled funds valued by reference to such investments.

8.2 Analysis of investments

	Group		Library	
	2012 £	2011 £	2012 £	2011 £
Listed investments:				
UK	2,428,658	1,890,706	1,762,113	1,220,928
Outside UK	1,758,849	968,848	1,758,849	968,848
Total	4,187,507	2,859,554	3,520,962	2,189,776

9 DEBTORS

	Group		Library	
	2012 £	2011 £	2012 £	2011 £
Trade debtors	108,142	107,215	108,142	107,215
Amounts due from The London Library Trust	-	-	82,639	53,391
Other debtors	110,831	67,281	110,831	67,281
Prepayments and accrued income	485,237	466,828	485,237	465,085
Total	704,210	641,324	786,849	692,972

10 CREDITORS

Amounts due within one year:

	Group & Library 2012 £	Group & Library 2011 £
Trade creditors	162,354	202,942
Other creditors	85,747	54,138
Accruals and deferred income	729,581	748,174
Total	977,682	1,005,254

11 ANALYSIS OF FUNDS

	B/fwd 01 April 11 £	Income 2012 £	Expenditure 2012 £	Revaluations 2012 £	Transfers 2012 £	C/fwd 31 March 12 £
Unrestricted funds						
Tangible Fixed assets	21,686,106	-	(47,370)	-	51,558	21,690,294
Reserves	3,372,837	3,230,600	(3,078,908)	32,376	1,161,651	4,718,556
Subtotal Operating Fund	25,058,943	3,230,600	(3,126,278)	32,376	1,213,209	26,408,850
Pension reserve	(917,000)	-	173,000	(1,071,000)	-	(1,815,000)
Total unrestricted funds	24,141,943	3,230,600	(2,953,278)	(1,038,624)	1,213,209	24,593,850
Restricted funds						
<i>The London Library</i>						
Development Appeal Fund	-	1,378,609	(242,152)	-	(1,136,457)	-
Drue Heinz Literary Fund	1,008,529	-	-	-	-	1,008,529
Staff Benefit Fund	31,810	-	-	(631)	-	31,179
Other restricted funds	2,500	16,762	-	-	(18,262)	1,000
Subtotal London Library	1,042,839	1,395,371	(242,152)	(631)	(1,154,719)	1,040,708

11 ANALYSIS OF FUNDS continued

	B/fwd 01 April 11 £	Income 2012 £	Expenditure 2012 £	Revaluations 2012 £	Transfers 2012 £	C/fwd 31 March 12 £
Subsidiary trusts						
The London Library Trust	618,758	27,122	-	(3,234)	(58,490)	584,156
Total restricted funds	1,661,597	1,422,493	(242,152)	(3,865)	(1,213,209)	1,624,864
Total funds	25,803,540	4,653,093	(3,195,430)	(1,042,489)	-	26,218,714
Summary						
The London Library	25,184,782	4,625,971	(3,195,430)	(1,039,255)	58,490	25,634,558
Subsidiary trusts	618,758	27,122	-	(3,234)	(58,490)	584,156
Group total	25,803,540	4,653,093	(3,195,430)	(1,042,489)	-	26,218,714

Operating Fund

The Operating Fund includes the accumulated net surplus. Movements in the fund are shown in the Statement of Financial Activities. The Trustees believe that any balance of funds described as unrestricted funds can rightfully be applied for general purposes without restriction.

Restricted funds

The Development Appeal Fund was launched in 2004 to meet the costs of the library's purchase of 17-22 Mason's Yard ("T S Eliot House"), its fitting out and other development works to the Library (The Development Project). The costs of associated fundraising activities are also charged to the fund. At 31 March 2012 the fund's cumulative income had been fully expended although pledges are in place for future years which are available for the next phase of works. In the meantime the balance of development expenditure has been borne by the Operating Fund.

The Drue Heinz Literary Fund comprises gifts made by the Drue Heinz Foundation to yield investment income which meets the cost of many of the Library's book purchases.

The Staff Benefit Fund has been built from gifts and investment income after expenditure.

Other restricted funds within The London Library comprise grants, donations and legacies received for specific purposes. Funds held within The London Library Trust are restricted for the provision of supported (Carlyle) memberships.

Analysis of net assets between funds

	Unrestricted 2012 £	Restricted 2012 £	Total 2012 £
Tangible fixed assets	21,690,294	-	21,690,294
Fixed asset investments	2,475,224	1,712,283	4,187,507
Debtors and prepayments	704,210	-	704,210
Bank balances and cash in hand	2,429,134	251	2,429,385
Creditors and accrued charges: due within one year	(890,012)	(87,670)	(977,682)
Pension liability	(1,815,000)	-	(1,815,000)
Total net assets	24,593,850	1,624,864	26,218,714

12 PENSION ARRANGEMENTS

(a) Group Personal Pension Plan (GPPP)

The Group Personal Pension Plan is provided by Scottish Widows and commenced on 1 April 2011 when the Library's defined benefit scheme closed to further accrual. Costs for the year ended 31 March 2012 totalled £53,580 (2011: £Nil).

(b) Staff Superannuation Fund of The London Library (SSF)

The SSF is a defined benefits scheme established under a definitive trust deed, which closed to new entrants and to further accrual on 1 April 2011. The assets of the scheme are held independently from those of the Library, and are vested in six named trustees, including two nominated by members of staff.

In the year ended 31 March 2012, the contribution by the Library was £180,250 (2011: £389,000), in accordance with the recommendations of the Fund's actuary. With effect from 1 April 2011 scheme expenses are paid direct by The London Library and the contribution therefore relates purely to reduction in past service deficits. The expected contribution for the financial year ending 31 March 2013 is £185,650.

A valuation of the Fund has been prepared as at 31 March 2012 in accordance with the Financial Reporting Standards 17 "Retirement Benefits" (FRS17). The major assumptions used are as follows:

	2012	2011
Discount rate	4.7% per annum	5.5% per annum
Price inflation (RPI)	3.5% per annum	3.8% per annum
Price inflation (CPI)	2.5% per annum	3.3% per annum
Increases to pensionable pay	N/A	5.0% per annum
Increases to pensions in payment:		
– Limited Price Indexation (5%)	3.1% per annum	3.0% per annum
– Limited Price Indexation (2.5%)	2.1% per annum	2.0% per annum
Increases to pensions in deferment (employed members):		
– Non-GMP earned before 6/4/2009	3.5% per annum	3.8% per annum
– Non-GMP earned after 6/4/2009	2.5% per annum	2.5% per annum
– GMP	Fixed rates	Fixed rates
Increases to pensions in deferment (deferred pensioner members):		
– Non-GMP earned before 6/4/2009	2.5% per annum	3.3% per annum
– Non-GMP earned after 6/4/2009	2.5% per annum	2.5% per annum
– GMP	Fixed rates	Fixed rates
Mortality		
– Before retirement	No allowance	No allowance
– After retirement	SIPFA/SIPMA year of birth tables with CMI_2011 projections and a 1% pa long-term rate of improvement	SIPFA/SIPMA year of birth tables with CMI_2009 projections and a 1% pa long-term rate of improvement
Commutation	100% of members commute 25% of their pension at current rates	100% of members commute 25% of their pension at current rates
Expected return on assets	5.3% per annum	6.2% per annum

12 PENSION ARRANGEMENTS continued

The fair value of the assets held and the expected rates of return assumed for the year commencing 31 March were:

	2012			2011		
	£	% weight	% return	£	% weight	% return
Equities	2,955,000	51.0%	6.6	3,313,000	59.4%	7.9
Alternatives	291,000	5.0%	6.6	-	-	-
Government Bonds	861,000	14.9%	3.1	1,849,000	33.2%	4.4
Corporate Bonds	1,656,000	28.6%	4.7	-	-	-
Cash/other	34,000	0.6%	0.5	412,000	7.4%	0.5
Total	5,797,000	100.0%	5.3	5,574,000	100.0%	6.2
Actuarial liability	(7,612,000)	-	-	(6,491,000)	-	-
Deficit in the fund	(1,815,000)			(917,000)		

The overall expected return on the Fund's assets for the year commencing 1 April 2012 (net of investment expenses) is 5.3% (2011: 6.2%). This has been derived as the weighted average of the individual expected rates of return on each major category of assets.

The following amounts have been recognised in the Statement of Financial Activities as part of Total Resources Expended:

	2012	2011
	£	£
Current service costs	-	272,000
Interest on pension scheme liabilities	352,000	378,000
Expected return on pension scheme assets	(345,000)	(326,000)
Past service cost	-	138,000
(Gains)/losses on curtailments	-	(636,000)
Total net expense/(income) recognised	7,000	(174,000)

The following amounts have been recognised in the Statement of Financial Activities below Total Resources Expended as Actuarial gains and losses:

	2012	2011
	£	£
Actuarial gain/(loss) on assets	(113,000)	41,000
Actuarial gain/(loss) on liabilities due to experience	(104,000)	238,000
Actuarial (loss)/gain on liabilities due to assumption changes	(854,000)	(42,000)
Actuarial (loss)/gain for the year	(1,071,000)	237,000
Cumulative actuarial (loss)/gain	(2,081,000)	(1,010,000)

12 PENSION ARRANGEMENTS continued

Changes in the present value of liabilities during the year:

	2012 £	2011 £
Liabilities at start of year	6,491,000	6,707,000
Service cost	-	339,000
Interest cost	352,000	378,000
Actuarial (gain)/loss on liabilities due to experience	104,000	(238,000)
Actuarial loss/(gain) on liabilities due to assumption changes	854,000	42,000
Benefits paid	(189,000)	(239,000)
Past service cost	-	138,000
Curtailments	-	(636,000)
Liabilities at end of year	7,612,000	6,491,000

Changes in the fair value of assets during the year

	2012 £	2011 £
Fair value of assets at start of year	5,574,000	4,990,000
Expected return on assets	345,000	326,000
Actuarial gain/(loss) on assets	(113,000)	41,000
Contributions by employer	180,000	389,000
Contributions by members	-	67,000
Benefits paid (including expenses)	(189,000)	(239,000)
Fair value of assets at end of year	5,797,000	5,574,000
Actual return on assets	232,000	367,000

In accordance with FRS17 the net deficit is shown as a liability in the Balance Sheet separately from other net assets.

Five-year history

As at 31 March:	2012	2011	2010	2009	2008
	£000	£000	£000	£000	£000
Present value of liabilities	(7,612)	(6,491)	(6,707)	(5,459)	(5,228)
Fair value of assets	5,797	5,574	4,990	3,602	4,244
(Deficit)/Surplus	(1,815)	(917)	(1,717)	(1,857)	(984)
Year ended 31 March:	2012	2011	2010	2009	2008
	£000	£000	£000	£000	£000
Experience gain/(loss) on liabilities	(104)	238	349	(97)	108
Experience gain/(loss) on assets	(113)	41	976	(1,046)	(427)

13 TRANSACTIONS WITH TRUSTEES

Trustees received no remuneration in connection with their trusteeship (2011: £Nil). One trustee received reimbursement of £100 for out of pocket expenses incurred in connection with Library business (2011: £4,950).

14 STAFF COSTS

	2012	2011
	£	£
Staff costs comprise:		
Gross salaries and wages	1,688,960	1,908,168
National Insurance	167,092	149,148
Pension cost/(credit)	119,599	(176,672)
Total	1,975,651	1,880,644

The pension credit for 2011 reflects a curtailment gain arising from the closure of the defined benefits scheme.

15 EMPLOYEES

The average full time equivalent number of employees for the year was as follows:

	2012	2011
Buildings and Facilities Management	6	7
Reader Services	14	15
Bibliographic Services	8	9
Books, periodicals and online subscriptions	4	4
Binding, preservation and Stack Management	5	6
Information Technology	2	2
Administration and Finance	6	6
Membership and Marketing	7	6
Fundraising	4	3
Total	56	58

During the year ended 31 March 2012 one employee received remuneration above £60,000 (in the range £60,000 - £70,000). Benefits are accruing to this employee under a defined contribution pension scheme (Group Personal Pension Plan) and employers' contributions of £4,230 were paid to the plan, which was introduced on 1 April 2011 following the closure of the Library's defined benefit scheme to further accrual. During the year ended 31 March 2011 one employee received remuneration above £60,000 (in the range £70,000 - £80,000), and accrued benefits under a defined benefit pension scheme. Employers' contributions paid on behalf of this employee totalled £18,160.

The trustees are most grateful to all the donors listed below, who have made contributions in the year ended 31 March 2012 either for specific purposes or towards the general running costs of the Library:

DEVELOPMENT APPEAL FUND

Double Elephant Folio

Mrs T S Eliot
The Monument Trust

Folio

Peter Jamieson

Quarto

Dr Penelope McCarthy
Basil Postan

Duodecimo

Trevor Coldrey
The O J Colman Charitable Trust
Peter Firth
James Fisher
The J P Jacobs Charitable Trust
K H McIntosh
The Viscount Norwich
Clive Priestley CB
Sir Roy Strong
Jeremy White

Sextodecimo

Dr Richard Barber
Alexander Barr
Sebastian Brock
Margaret Buxton
Curtis Charitable Trust
Jane Falloon
Richard Freeman
Michael Gainsborough
The Rt Hon The Lord Justice Longmore
Richard Lyon
John Madell
John Massey Stewart
John Perkins
W G Plomer
Sonia Prentice
Joan Rees
Janet Rennie
Peter Rowland
The Lady Soames DBE
Dr Gerassimos Spathis
Christopher Swinson
Ann Williams
Anthony J T Williams

FOUNDERS' CIRCLE (UK)

Dickens

John and Dianne Browning
Katherine Bucknell and Bob Maguire
Adam and Victoria Freudenheim
Miles Morland
Elisabeth Murdoch
Basil Postan
Sir Timothy Rice
Mark Storey
Sir David Tang KBE
Arjun Waney
Naomi Zimba Davis

Thackeray

Capital International Ltd
Bill Emmott
Anthony Fry
Victoria Hislop
Richard and Virginia Langstaff
Tim Sanderson
Professor Simon Schama CBE
Sir Tom Stoppard OM CBE
Philip Winston

Martineau

Professor Jenny Bourne Taylor
Mark Burton
Sir Charles Chadwyck-Healey, Bt
Lady Sarah Chatto
Harriet Cullen
Raymond Duignan
Louis and Sarah Elson
HRH Princess Firyal
Sir John Gieve
Louis Greig
Loyd Grossman
Lawrence and Lucy Guffey
Professor Jocelyn Hillgarth
Louise Hobbs
Philip Hooker
Sarah Ingham
Hugh Johnson
Roger Jospé
A M Keat
John Knight
Leonora, Countess of Lichfield

His Hon Humphrey Lloyd QC
Peter MacDonald Eggers
The Mackintosh Foundation
Jane and Alexis Maitland Hudson
Kamalakshi Mehta
The Viscount Norwich
Philip Percival
Eric and Maria Rhode
Alan Russett
Theresa Sackler
Sir John Scarlett KCMG OBE
James Stainton
Marjorie Stimmel
James Stitt
Paul Swain
Harriet Tuckey
Terry Walker
John C Walton
Clive Wright

FOUNDERS' CIRCLE (US)

Dickens

Louis and Gabrielle Bacon

Thackeray

Wilson and Mary Braun
Timothy Collins
Gifford Combs
Mr and Mrs Robert Taubman

Martineau

Anne H Bass
Jerry and Jane del Missier
David Gartside and Archana Vats
Mr and Mrs James L Johnson
Mr and Mrs William R Loomis Jr
James and Erin McBurney
Pfeifler Family Foundation
Professor Elihu and Suzy Rose
Robert Rosenkranz and Alexandra Munroe
Hank and Sarah Slack
Douglas Smith
Mrs Charles Wrightsman

BOOK FUND

Canon

The Atkins Investment Trust
The Rothermere Foundation

Paragon

Mark Storey
Great Primer
The L E Collis Charitable Trust
Dr Catherine Horwood
Basil Postan

Cicero

The All England Lawn Tennis
and Croquet Club
John Barney
The Viscountess Boyd
Charitable Trust
Barnabas Brunner
Robert Cope
Jonathan Keates
Kevin Murphy
Sybil Shean

Nonpareil

Ann Bowtell
Dr John Burman
Rupert Christiansen
Graeme Cottam
Norman Franklin
Melanie Gibson
Jane Gregory
Andrew Hine
Henry McKenzie Johnston CB
James Myddleton
Michael Renshall CBE
Keith Sissons
Brilliant
Nicholas Baring
Philip Bovey
Lucienne Boyce
Sebastian Brock
Mrs J H Browne
Penelope Byrde
Henry Cobbe
The J P W Ehrman Charitable Trust
Irene Greatorex
Alan Gregory CBE
Lionel Halpern
Patrick Hanagan
Sir Max Hastings
Judy Hillman
Ashley Huish
Stephen Plaister
Susan Reynolds
Professor Henry Roseveare
Lady Susan Sanders
Rosemary Stewart (Mrs I M James)
Fiona Wigzell
Donald Wintersgill

ADOPT A BOOK

Dr Polly Bird
Hilary Boyfield in memory of
Ray Boyfield OBE
Gillian Comins
Sir David Edward CMG QC
Rita Ensing
Susan Goodsir

Lawrence Guyer
Fanny Huggill
John Hussey OBE
Sir Thomas Legg KCB OBE
Anne-Marie Maningas
Lady Catherine Manning
John Mitchell
John Montgomery
Kevin Murphy
Virginia Novarra in memory of
Alice Gittoes
Dr Bernard Palmer
Peter Ratzler
Anne Richmond-Patrick
Thomas Soper
Camilla Tabor
Randolph Vigne

ADOPT MY FAVOURITE BOOK

Michael Cohen
Vanessa Hodgkinson
James Irvine
Mrs Carol Day Buck Whitehead

**SUPPORTED
MEMBERSHIP**

The A H J Charitable Trust
The Marquess of Anglesey
Thomas Bean
Sue Bradbury
David Cashdan
Gillian Comins
Graeme Cottam in memory of
Catherine Charlish
P and M Gosden
J Harrod
David Hodgkins
Richard Holmes
D G Homfray-Davies
A M Keat
Inez T P A Lynn
R D MacLeod
Dr Charles More
Tim Severin
David Sherlock
The Revd Ann Shukman
A Sokolov
Dr Margaret Sparks
Hugh Whitmore
John Wilcox

The trustees are grateful, too, to those who have made donations to the International Friends of The London Library in support of The London Library, and to those who have continued covenants or made arrangements for Gift Aid donations to the Library.

The London Library Student Prize was generously supported by The Stanley Foundation.

Mr and Mrs Geoffrey Elliott, Austen Hamilton and Virginia Surtees kindly donated towards binding and cataloguing.

The trustees are grateful to an anonymous donor for a generous donation to help continue supporting intellectual refugees under its London Library Fellows programme.

LEGACIES

The Library received legacy income from the following deceased members and friends to whom the trustees are most grateful:

Sir Kenneth Barnes
Stephen David Bonser
George Girling Grange
John Jacob Gross
Henry Stanley Cecil Hall
Michael J Silverman
Lord Strabolgi
Rosemary Hildegarde Syfret
Jean Pearl Isabella Watson

A substantial grant was also received from the trustees of the Mrs R M Chambers Settlement.

Jean Tilley kindly donated to the Library in memory of her late husband, Norman Tilley.

ROYALTIES

The literary estates of Ian Parsons, Robert McNair Scott, Reay Tannahill and Sylvia Townsend Warner have provided income from royalties.

We are also grateful to Professor William van der Kloot who has donated royalties from his works.

DONATIONS OF BOOKS

Thanks are also due to various government and official bodies, learned societies, institutions and firms, and other libraries and publishers who have given their publications, and to the many donors of books and other items listed below:

Professor John Abecasis-Phillips
Jeremy Adler
Akademie der Wissenschaften
und der Literatur, Göttingen
Akademie der Wissenschaften
und der Literatur, Mainz
Jonathan Algar
Amici Thomae Mori
The Angela Thirkell Society

The Anglo-Hellenic League
 The Anthony Powell Society
 Antique Collectors' Club
 Apollo
 Archivio Letterio Scalia
 Neal Ascherson
 Paul Ashton
 Anthony Astbury
 Peter Bagwell Purefoy
 Anthony Bailey
 Dr Phil Baker
 Nicolas Barker OBE
 Lorraine Bateman
 Bath Royal Literary and Scientific Institution
 Peter Batty
 Peter Bazalgette
 BBC Research Centre, Bristol
 Alan Bell
 Professor Vernon Bogdanor
 Dr Alan Borg CBE
 Mark Bostridge
 Keith Botsford
 Professor Jenny Bourne Taylor
 Richard Bradfield
 David Breuer-Weil
 The British Library
 British Sociological Association
 Bromley Central Library
 The Browning Society
 Robin Bryer
 Sir Colin Budd KCMG
 Diana Busby in memory of
 of Christopher Busby
 Cambridge University Library
 Duncan Campbell-Smith
 Sir Bryan Cartledge
 Central Saint Martins College of
 Art and Design
 Colin Chamberlain
 Rachel Chapman
 The Charles Williams Society
 Lynne Chatterton
 Chris Beetles Ltd
 Andy Christian
 The Churches Conservation Trust
 Diana Coldicott
 John Coldstream
 Adrian Collier in memory of
 Mrs Héloïse Collier
 Dr Peter Collister
 Reverend John Cooper
 David Corcos
 Peter Cox
 Sir Sherard Cowper-Coles
 Gillian Darley
 Dr Richard Davenport-Hines
 Dr Paul Davis
 Celia Dearing
 Charles de Chassiron
 Derbyshire Archaeological and
 Natural History Society
 Bejtullah Destani
 Sara Di Girolamo
 Catherine Donner
 Downside Abbey
 Taylor Downing
 Sir William Dugdale
 Nicholas Dunbar
 Julian Duplain
 Francoise Durrance
 Dr David Dykes
 Philip Eade
 Nigel Edwards
 Dr Brent Elliott
 Geoffrey Elliott
 English Heritage
 Eton College Library
 Dr Lissa Evans
 Roger Ewbank in memory of
 Professor Inga-Stina
 Ewbank
 Carolyn Ezekiel
 Ailsa Fabian
 The Fabian Society
 Michael Fardell
 Professor Craig Felton
 Ferriday Enterprises
 Professor Allen Fisher
 Benedict Flynn
 Lewis Foreman
 Charles Foster
 The Reverend Stewart Foster
 in memory of Henry Keith Foster
 Professor Robert Fox
 Nigel Foxell
 The Francis Brett Young Society
 Friends of Canterbury Cathedral
 Friends of the Dymock Poets
 Dr Noel Fursman
 The late Geoffrey Gibbens
 The Hon Mrs J Gladstone
 The Lord Gladwyn
 Dr Emelyne Godfrey
 Robert Gomme CB
 Sir Nicholas Goodison
 Francis Graham
 Roger Greaves
 Rosemary Green in memory of A J Green
 The Guild of the Royal Hospital of
 St Bartholomew (League of Friends)
 Alan Gurney
 Robert Gwynne
 Katie Hafner
 Dr Kris Hardin and Michael Katakis
 Susie Harries
 Rear-Admiral Michael Harris
 Sir Max Hastings
 Coleen Hatrick
 Roberta Hay
 Richard Healey
 Karen Hearn
 Margaret Heffernan
 Helion and Co Ltd
 Hertfordshire Association for Local History
 Mark Hichens
 High Commission for the Republic
 of Cyprus
 Jane Hill
 Victoria Hislop
 Peter Holt
 Richard Hopton
 Antony Hornyold
 Professor Geoffrey Hosking
 Jolyon Hudson
 Noel Ing CBE
 The Institute of Linguists
 Wojciech Jachimiak
 Michael Jackson
 Professor Frank James
 Liz Jensen
 John Buchan Society
 Sir John Soane's Museum
 The Joseph Conrad Society (UK)
 Keats Shelley Memorial Association
 Ian Kelly
 Martin Kemp
 Michael Kendall
 John Kenworthy-Browne
 Rosanna King
 The Kipling Society
 Lynn Knight
 Kongelige Danske
 Videnskabernes Selskab
 Christina Koning
 John Kunstadter
 David Kynaston
 Oonagh Lahr
 The Hon Mrs E A Lamb
 Paul Latcham
 Joy Law
 Gosia Lawik
 Dr Daniel and Katharine Leab
 Colin Lee
 Geoffrey Lee
 Julia Lee
 Michael Lee
 Joshua Levine
 Oscar Lewisohn
 The Library of Congress
 Dr R T Longstaffe-Gowan
 Hin-Cheung Lovell

26 • DONATIONS AND BEQUESTS

Alex Lowry
Inez T P A Lynn
Fiona MacCarthy
Major Nicholas Maclean-Bristol
Macmillan Publishing
Nadine Majaro
Alberto Manguel
The Marie-Louise von Motesiczky
Charitable Trust
Dennis Marks
Stephen Marquardt
Philip Marsden
Adam Mars-Jones
Anthony Martin
The Massachusetts Review
Pauline Matarasso
Ysenda Maxtone-Graham
David McAlpine
David McFetrich
Françoise Mobbs
Christopher Moore
Stephen Moore
Richard Morgan
George Morris
Simon Morris
Dr Jacqueline Mulhallen
Dr Michael Mulryan
Alan Mumford
Dr Norton Murgraff
Museo Vincenzo Vela
Eric Musgrave
Jeremy Musson
Professor Tatsushi Narita
Charlotte Nassim
The National Art Collections Fund
The National Gallery
The National Trust
Mr and Mrs Conrad Natzio
in memory of Dr Elizabeth Monkhouse
Michael Nelson
New Statesman
New York Society Library
Simon Nicholls
Virginia Nicholson
Dr Daniel Nolan
Jerry Nolan
Notes and Queries for Somerset
and Dorset
John O'Farrell
Dr Richard Olney
Helen O'Neill
Hugh O'Shaughnessy
Stephen Ongpin
Professor Eric Ormsby
Österreichische Akademie
der Wissenschaften
Oxford Film and Television
Oxford University Press
Professor Patrick Parrinder
Charles Pascoe
Penguin Group UK
Michael Peppiatt
John Perkins
David Perman
Stephen Phelps
Christopher Phipps
Polish Cultural Institute
Dr Cecilia Powell
Claire Powell
Alan Powers
The Powys Society
Pro Helvetia
Proquest
Prospect Books
Pushkin Press
Paul Quarrie
Random House Group
Sir David Ratford
Anthony Richmond
Ridinghouse
Nicolas Ridley
Andrew Robinson
The Rothschild Archive
Peter Rowland
Royal Academy of Arts
The Royal Anthropological Institute
The Royal Artillery Institution
The Royal Castle in Warsaw
Royal Collection Enterprises
Royal Horticultural Society
The Royal Society
Royal Society of Literature
Royal Thai Embassy
The Rupert Brooke Society
Joseph Rykwert
Professor Patrick Salmon
Samuel French Ltd
Jem Sandford
Clive Saville
Dr Richard Saville in memory of John Saville
Jonathan Schrager in memory
of Jonathan Horne
Karsten Schubert
Lord and Lady Scott
Anne Sebba
Caroline Shaw
David Sherlock
Robert Sherman
Sam Shingleton
Siegfried Sassoon Fellowship
Ann Simpson in memory of
Renate S Simpson (née Kuczynski)
Dr Susan Sloman
Smithsonian Institution
Society of Antiquaries of London
Society of Authors
Society for Psychical Research
The Society of Women Writers
and Journalists
Antonia Southern
Professor Andrew Spicer
Alison Sproston
Louise Stein
Dr Richard Stephens
Craig Stephenson
Timothy Stevens
Lady Strabolgi
Strange Attractor Press
Professor Lynne Suo
Virginia Surtees
Sydney Smith Association
Tate Gallery
Neville Teller MBE
John Thirlwell
Lord Thomas of Swynnerton
Tindal Street Press
Count Nikolai Tolstoy
The Trollope Society
Beryl Tunnicliff
Dr Barry Turner
The University of Dublin
Clive Vaisey
William and Maggie Vaughan-Lewis
Petar Velnic
Margaret Voggenauer
Jeanne Vronskaya
Dr Daniel and Mrs Pamela Waley
Christopher Walker
Michael Walton in memory
of Michael Fenton
Jeremy Warren
Dr Peter Watson
Jane Weeks
Gavin Weightman
Krystyna Weinstein
Timberlake Wertenbaker
Sheila Whitaker
Professor Sir Christopher White CVO
Jerry White
Clovis Whitfield
Paul Whitfield
Jenny Wilhide
Dr Susan Williams
John Wilson
Michael Wilson
The Writers' Guild of Great Britain
Dr Ann Wroe
Vladyslav Yavorsky

TEN-YEAR FINANCIAL SUMMARIES

Unrestricted funds only

¹ Year	Membership income £	Investment income £	Other income £	Library expenses £	Net surplus/ (deficit) £
2003	1,155,880	451,879	338,874	2,179,415	(232,782)
2004	1,323,465	469,449	590,022	2,513,117	(130,181)
² 2005	1,223,052	550,894	265,716	2,294,192	(254,530)
³ 2006	1,465,299	392,869	203,409	2,657,073	(595,496)
2007	1,621,616	211,668	488,914	2,722,212	(400,014)
⁴ 2008	1,853,098	331,553	474,722	2,794,099	(134,726)
2009	2,515,403	296,077	265,762	3,121,744	(44,502)
⁵ 2010	2,490,112	183,910	323,286	3,182,323	(185,015)
2011	2,496,530	227,826	815,023	2,766,310	773,069
2012	2,575,253	241,450	413,897	2,953,278	277,322

¹ From 2002-2004 inclusive year ended 30 April

² 11 months ended 31 March 2005

³ From 2006 onwards year ended 31 March

⁴ 2008 figures re-stated in respect of deemed investment income and management fees

⁵ 2010 figures re-stated to exclude grant from The London Library Trust eliminated on consolidation

LIBRARY FUNDS

¹ Year	Free reserves (excluding Pension Reserve) £000	Pension Reserve (see Note 2) £000	Free reserves (including Pension Reserve) £000	Tangible fixed assets £000	Total unrestricted £000	Total restricted £000	Total funds £000
2003	8,839	-	8,839	3,310	12,149	1,035	13,184
2004	9,881	-	9,881	3,265	13,146	1,031	14,177
² 2005	5,520	(1,345)	4,175	8,001	12,176	1,729	13,905
2006	5,203	(1,826)	3,377	9,318	12,695	1,504	14,199
2007	6,021	(1,574)	4,447	11,515	15,962	1,053	17,015
2008	5,196	(984)	4,212	13,957	18,169	1,706	19,875
2009	3,535	(1,857)	1,678	15,303	16,981	3,089	20,070
³ 2010	3,178	(1,717)	1,461	20,429	21,890	1,657	23,547
2011	3,373	(917)	2,456	21,686	24,142	1,662	25,804
2012	4,719	(1,815)	2,904	21,690	24,594	1,625	26,219

¹ From 2002-2004 inclusive year ended 30 April; from 2005 onwards year ended 31 March

² Figures for 2005 onwards have been adjusted for the surplus or deficit on the Library's Staff Superannuation Fund in accordance with Financial Reporting Standard 17

³ 2010 figures re-stated on consolidated basis including The London Library Trust

COMMENT

Between 2000 and 2004 a combination of operating deficits and poor investment performance led to a reduction of £4.5m in free reserves. In 2005 a further £5m was utilised to purchase T S Eliot House. In the same year the Library was required for the first time to consolidate the results of its pension scheme under Financial Reporting Standard 17. However, the negative reserves or deficits shown above relate to the long-term funding position of the scheme and not to immediate cash shortfalls. The increase in tangible fixed assets since 2005 reflects the expenditure on the development project which is financed by capital fundraising and not drawn from free reserves.

MEMBERSHIP AT YEAR-END

	Numbers at 31 March	
	2012	2011
Life members	1,354	1,343
Annual members	5,427	5,445
Spouse/partner (Rule 3) members	236	219
Representative members	138	130
Total	7,155	7,137

TEN-YEAR SUMMARY OF MEMBERSHIP

Year	MEMBERS			
	Number at year-end	New members during year ¹	Withdrawals during year	Increase/ (Decrease)
2003	8,189	511	(651)	(140)
2004	7,917	399	(671)	(272)
2005 ²	7,766	343	(494)	(151)
2006	7,903	631	(494)	137
2007	8,025	656	(534)	122
2008	7,823	669	(871)	(202)
2009	6,998	547	(1,372)	(825)
2010	6,764	509	(743)	(234)
2011	7,137	993	(620)	373
2012	7,155	850	(832)	18
Average	7,568	611	(728)	(117)

USE OF LIBRARY

Year	BOOK PURCHASES		BOOKS CATALOGUED		CIRCULATION ³	
	Expenditure in year (£)	Increase/ (Decrease) (£)	Number in year	Increase/ (Decrease)	Borrowed in year	Increase/ (Decrease)
2003	204,736	8,858	9,223	(947)	83,200	193
2004	202,645	(2,091)	7,786	(1,437)	84,828	1,628
2005 ²	201,160	(1,485)	7,020	(766)	71,829	(12,999)
2006	228,758	27,598	8,050	1,030	81,559	9,730
2007	239,108	10,350	9,134	1,084	80,639	(920)
2008	246,295	7,187	9,200	66	84,658	4,019
2009	266,354	20,059	11,250	2,050	82,490	(2,168)
2010	278,194	11,840	9,050	(2,200)	81,317	(1,173)
2011	276,568	(1,626)	8,123	(927)	85,685	4,368
2012	298,477	21,909	9,716	1,593	85,360	(325)

¹ Includes reinstatements² 11-month period to 31 March 2005 following change of accounting date (previously 30 April)³ Circulation records only books borrowed and not books used only within the Library

THE LONDON LIBRARY INTERNATIONAL FRIENDS



FOR OVER 25 YEARS the London Library has benefited greatly from the work of its International Friends. This is a body administered from New York under a volunteer board of directors, and it is registered for tax-exemption privileges in connection with its charitable activities in support of the Library. Library members and other friends have made many generous donations, and recent benefactions have included gifts for the development project, book purchases, binding and preservation.

Transnational Giving Europe

The Library is also able to receive donations through Transnational Giving Europe (TGE). TGE is a partnership of leading European foundations and associations that facilitates tax-efficient cross-border giving within Europe. TGE is operational in most European Union states.

If you would like information about any of the ways of giving mentioned above, please contact:

Bethany McNaboe

DEVELOPMENT MANAGER

T +44 (020) 7766 4750

E bethany.mcnaboe@londonlibrary.co.uk

Charity Registration Number 312175

THE LONDON LIBRARY

14 St James's Square
London SW1Y 4LG

PATRON
Her Majesty The Queen

PRESIDENT
Sir Tom Stoppard OM CBE

VICE-PRESIDENTS
Nicolas Barker OBE
Mrs T S Eliot
Lewis Golden OBE
Mrs Drue Heinz DBE
Jeremy Paxman

CHAIRMAN OF THE TRUSTEES
Bill Emmott

TREASURER
Mark Storey

LIBRARIAN
Inez T P A Lynn BA, MLitt, MCLIP

SWITCHBOARD
020 7930 7705

FAX
020 7766 4766

MEMBERSHIP
020 7766 4720

BOOK ENQUIRIES
020 7766 4747

BOOK RENEWALS
020 7766 4743

ISSUES & RETURNS
020 7766 4743

COUNTRY ORDERS
020 7766 4740

WEBSITE
www.londonlibrary.co.uk