

The Society of College, National and University Libraries

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

Company No: 1436951

Charity No: 278550

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1. Report of the Executive Board

1.1. Reference and Administrative Details

The Society of College, National and University Libraries (SCONUL) was incorporated as a company limited by guarantee on 13 July 1979.

The company changed its name from the 'Standing Conference of National and University Libraries' on 20 April 2001.

The company is registered with the Charity Commission, registration number 278550.

Registered office	94 Euston Street London NW1 2HA
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Executive Director	A H Rossiter
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The Executive Board

Chair	S Marsh
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Vice-Chair	E Jolly
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Honorary Treasurer	R Hall
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E Bull (resigned 21 June 2013)	S Hodges
K Inglis	D Job (resigned 21 June 2013)
R Lynch	A Mackenzie
M Maricevic	J Norry
G O'Riordan (appointed 18 July 2013)	O Pritchard (appointed 21 June 2013)
K Robinson (appointed 21 June 2013)	F Ross (resigned 18 July 2013)
A Rossiter	M Toole
S White	S Williams (appointed 21 June 2013)

Office Staff

Executive Director and Company Secretary	A Rossiter
Head of Policy and Member Engagement	L Bailey
SCONUL Co-ordinator	S Ng
Finance Assistant	K Hardingham

Auditor	Baker Tilly UK Audit LLP Chartered Accountants The Pinnacle 170 Midsummer Boulevard Milton Keynes MK9 1BP
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Company number	1436951
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Bankers/ Investment Managers	The Royal Bank of Scotland plc 171 Tottenham Court Road London W1P 0DL	CCLA Investment Managers Limited COIF Charity Funds 80 Cheapside London W1P 0DL
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The Executive Board presents its annual report, together with the audited financial statements of the charitable company for the year ended 31 December 2013.

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable Accounting Standards and the Statement of Recommended Practice 'Accounting and Reporting by Charities (SORP 2005)'.

1.2. Structure, Governance and Management

SCONUL is a company limited by guarantee which has been given a licence to omit the word 'limited' by the Secretary of State for Business, Innovation and Skills. SCONUL is governed by its Memorandum and Articles of Association, incorporated 13 July 1979 and last amended by Special Resolution dated 6 April 2005.

1.2.1. Membership

SCONUL's members are the Universities and National Libraries of the United Kingdom and Ireland, together with most other UK institutions of higher education and some institutions with library collections of national significance, each of which appoints the Director of its library service or equivalent as its representative for the conduct of SCONUL's business. Representatives are invited to an Annual General Meeting for the purpose of helping the Board to establish SCONUL's strategy in pursuance of its objects.

In 2013, two institutions joined and two merged with an existing member institution. At 31 December 2013 the total number of member institutions was 175.

1.2.2. Responsibilities of the Executive Board

The Trustees (who are also Directors of SCONUL for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 organisation and of the incoming resources and application of resources, including the income and expenditure, of the organisation for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the organisation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

1.2.3. Organisational structure

The Executive Board members constitute the Company's Board and are the Charity's Trustees, currently 16 members as shown on page 1, each of whom, in formal terms, is a Director of the Company. Of the 16 members of the Executive Board, eleven are elected by the membership, four are co-opted from partner organisations in line with the organisation's Memorandum and Articles of Association and one is the Executive Director. Elected members serve for a maximum of three years, with the elapse of one year being necessary before any member is eligible for re-election to the Board.

The remaining four members are co-opted from partner organisations in line with the organisation's Memorandum and Articles of Association.

Following their election, Trustees are provided with a portfolio of information about the working of the Society and their obligations under Charity and Company law. Training in the good practice and the responsibilities of Trustees is provided, most recently in July 2013. Matters relating to the Society's cost and its work for members and the public are brought routinely to the Executive Board meetings for discussion and decision.

At its six meetings each year, the Executive Board develops policy and takes decisions. It also:

- a. submits major innovations for approval to the Annual, or to an Extraordinary, General Meeting
- b. on an on-going basis, guides and supervises the paid members of staff and receives annual reports and approves significant proposals from, and annual plans for, the Strategy Groups and other SCONUL working groups
- c. sets up short-life task and finish groups for specific purposes
- d. approves the annual budget, proposes each year to the AGM the subscriptions to be levied for the following year and distributes sums of money to standing and ad hoc groups for special purposes
- e. regularly reviews the organisation's risk register and measures to ameliorate those risks.

On-going administration is led by SCONUL's Executive Director, assisted by other staff, under the supervision of the Executive Board.

1.3. Objectives and Activities

The principal object of the organisation is to promote and advance the science and practice of librarianship and to improve the overall standards of British and Irish national and higher education libraries for the benefit of the public. SCONUL promotes awareness of the role of academic libraries in supporting research excellence and student achievement and employability, and represents their views and interests to governments and regulators.

This formal object has been expanded by the Executive Board in the following mission statement: "SCONUL supports member libraries to deliver outstanding services to students, researchers and academics, thereby enabling their institutions to achieve excellence in teaching and research. We do this by working closely with those leading national and academic libraries of all missions, to share knowledge and best practice and to facilitate collective solutions where required. We speak for the community in its dealings with national and international bodies and promote the value that libraries bring to their institutions, their users and to the UK and Ireland as a whole."

At the 2012 AGM, SCONUL representatives approved the mission statement above as part of the strategy for the organisation which appears on the SCONUL website (www.sconul.ac.uk/sites/default/files/documents/SCONUL-strategy.pdf)

1.3.1. Public benefit

The Executive Board has referred to the Charity Commission's guidance on public benefit when reviewing SCONUL's aims and objectives and in planning future activities. Identifiable public benefit arose during 2013 from the work described below, highlights of which were:

- briefings for the UK Government on the legislative framework for higher education and national libraries; and on copyright and intellectual property law, as part of SCONUL's general advocacy ensuring that generic laws do not overlook the information needs of library users
- similar advice provided to the European Commission
- close liaison with partner organisations on significant policy developments affecting the work of academic libraries in the UK and Ireland, notably the development of policies on making research outputs open access by the UK Research Councils and other funders, and by HEFCE
- detailed investigation into the scope for collaborative development of major infrastructure and business processes in libraries, with a view to improved efficiency
- significant contribution towards publicly-available data on planning library buildings and services
- supporting strategic support for the development of library skills within and beyond the higher education sector
- the dissemination of knowledge of library user needs and factors influencing student success
- development of methodologies to measure and promote the quality of library services within higher education
- on-going provision of a UK-wide scheme for borrowing and reference across higher education libraries by researchers and students for which there were over 36,000 registrations in 2013
- publication of SCONUL's Annual Library Statistics, the standard data-resource for UK higher education libraries

1.4. Achievements and Performance

1.4.1. Advocacy about, and on behalf of, libraries

One of the major issues affecting SCONUL members in 2013 was the development of RCUK and other funder policies on making the outputs of UK research that they fund openly available to researchers, students and others. SCONUL worked closely with partners through the Open Access

Implementation Group and with Jisc, particularly on the development of workflows to manage payments under the new system. We also engaged closely with HEFCE and its peer bodies in Scotland and Wales on the development of its policy on open access and the Research Excellence Framework, in particular on ensuring proposals were workable and effective. SCONUL also held a joint meeting with the Chartered Institute of Library and Information Professionals (CILIP) under the auspices of the All Party Group on Libraries to brief Members of Parliament on open access developments and their implications for university libraries.

SCONUL continues to work closely with Jisc and other partners on the issue of the high cost of journals and in 2013 was invited to join the Electronic Information Resources Working Group which provides advice and support to Jisc Collections in its negotiations with publishers. The Executive Director has also provided comment on this issue to the media.

During 2013, SCONUL has continued to engage with government and with its members on reform of copyright and intellectual property law, which put into effect the recommendations of the Government-commissioned Hargreaves Review. SCONUL has worked through the umbrella groupings Copyright for Knowledge and the Libraries and Archives Copyright Alliance (LACA) to develop and present a clear set of arguments for the benefits of greater openness in scholarly communications while recognising the need for creators to be properly rewarded for their work. We have also established a Copyright Group made up of experts from among the SCONUL membership to bring together and share knowledge on copyright and to ensure members are fully briefed on new developments.

In addition, SCONUL has advocated for regulatory regimes for the UK and for the European Union which will allow the use of orphan works for academic purposes and for allowing data and text mining in the interests of academic study both within the UK and at EU level. This has included writing to the relevant European Commissioners to urge a more constructive approach in this area and being a joint signatory to a letter published in The Times newspaper which argues for a more liberal approach to text and data mining.

SCONUL ensures it is fully briefed on the passage of laws governing the use of information as they emanate from the European institutions. SCONUL is involved with the work of the European Bureau of Library and Information Documentation Associations (EBLIDA) and the Association of European Research Libraries (LIBER) which provide an important route to present our views to the European Commission and the European Parliament.

The Joint SCONUL/CILIP Health Working Group has continued to monitor the development of structural changes in the NHS and lobbied to ensure that they take proper account of the role of, and the importance of, libraries in supporting health outcomes. This has involved making submissions in

response to Government consultations, including on its Knowledge Strategy for the NHS.

SCONUL has also engaged with the Quality Assurance Agency (QAA) on the development of its UK Quality Code for Higher Education, including submitting written evidence to its Review of the Code, and meeting QAA representatives to discuss how proposals can be developed to best evaluate the contribution libraries make to overall institutional quality.

1.4.2. Building effective partnerships

We continue to work closely with a range of other organisations operating within the library and higher education spheres and have emphasised the importance of libraries as follows:

The British Library

We work closely with the British Library on the long term future of scholarly communications and on the provision of services; on the development of core standards for bibliographic metadata; and on the development of services such as inter-library loans to SCONUL members.

British University Finance Directors Group (BUFDG)

During 2013, SCONUL has developed a closer working relationship with BUFDG particularly around the issue of the VAT charged on e-books. We have also worked with them and with other stakeholders on the efficiency agenda across higher education. SCONUL is a member of the UUK-led Efficiency through Benchmarking Group.

Chartered Institute of Library and Information Professionals (CILIP)

We continue to foster closer links with the wider and public library community through strategic alliances with the CILIP and the Society of Chief Librarians. Together we have coordinated the promotion of the value of all libraries to our society and economy, including in Parliament through the All Party Group on Libraries.

HEFCE

SCONUL is involved in the expert panel informing the HEFCE project on the future of the academic monograph and has worked with HEFCE on the issue of open access, as discussed above.

Jisc

During 2013, SCONUL worked closely with Jisc on the development of a set of proposals for projects designed to map new developments in the library and HE environments, to identify and plan new services and to develop guidance on best practice for academic libraries. We have contributed to a number of significant projects such as the development of a National Monograph Strategy, a project on improving access and identity management

and projects designed to make digitised resources more discoverable and to allow easier discovery of open access materials contained in institutional repositories.

We also continued to work on the development of the Knowledge Base + (KB+) service and to sit on a number of governance and stakeholder groups informing Jisc's planning and work programme. In addition, SCONUL has continued to contribute to the on-going consultation and discussion about the shape and focus of the reformed Jisc.

The Leadership Foundation for Higher Education

SCONUL jointly funds a Future Leaders programme for senior library managers to support succession management and career development in member institutions. Developing the library community's leadership capacity is critical to the success of higher education institutions and the quality of student experience. SCONUL wishes to raise awareness of the Leadership Foundation programme and SCONUL representatives on the Future Leaders Steering Group continue to monitor the issues of sustainability, financial and time costs.

Research Libraries UK (RLUK)

RLUK and SCONUL worked closely together over a wide range of issues in the scholarly communications field including research data management; open access and the cost of academic journals. We have also worked with them extensively on copyright law reform, orphan works and text and data mining as joint members of Copyright for Knowledge and LACA.

Universities and Colleges Information Systems Association (UCISA)

SCONUL has a long-standing, effective partnership with UCISA on issues of mutual interest such as the future of Jisc and the JANET network; the development of shared services with UCISA representation on the SCONUL Shared and Collaborative Services Strategy Group; on walk-in access to electronic resources within libraries, and through our joint support for the Future Leaders Programme.

1.4.3. Promoting and sharing good practice

SCONUL has been working actively with members on identifying and sharing knowledge about the implications of the developments in open access discussed above. SCONUL produced a detailed briefing for members on these issues, outlining the main policy changes and looking at best practice in implementing the necessary changes to workflows and other practices. We have also set up an Advisory Panel of external experts to ensure that SCONUL members are fully informed.

SCONUL has made an important contribution to the development of information and digital literacy skills amongst member institutions over many

years and in 2013 we continued our work in this area through our contribution to the Jisc Programme, Developing Digital Literacies, which focused on enhancing the digital scholarship skills of information professionals. Some of the outcomes of this work were the development of a set of good practice case studies on information and data management training; a LibGuide on digital literacies for post-graduates and a set of digital literacy resources. SCONUL is also an active participant in the Research Information Literacy and Digital Scholarship group (RILADS).

In 2013, SCONUL published the report of the WATER (Walk-in Access To E-Resources) project. The report provides advice on the case for visitor access to e-resources; guidance for the implementation of visitor access and case studies from a range of institutions which have successfully implemented visitor access to e-resources. This project was undertaken by SCONUL in association with the M25 Consortium of Academic Libraries to promote wider uptake of visitor access to e-resources across the sector.

SCONUL also provided advice and support to its members on the effective use of library space, including holding its triennial Library Design Awards, which highlight excellence in library design and space planning. SCONUL members also continued to contribute data to the 'Designing Libraries' website, and SCONUL is represented on the Advisory Board of the Community Interest Company which runs it. This website provides detailed factual information to help anyone involved in planning new library buildings or refurbishments of existing libraries.

1.4.4. Working better together

The HEFCE funded UK Research Reserve project was extended for a further year to complete its programme of work on the long-term preservation of research materials in libraries, thus facilitating reduced duplication of holdings. SCONUL's role in this collaboration is important, not only through our representation on the project board and on the selection panel for participating libraries but more crucially in leading negotiations as to which libraries would hold particular items of rare research material.

SCONUL has a strong commitment to cost-effectiveness and efficiency in the delivery of higher education library services. In 2012, SCONUL joined forces with UUK and a series of other partners in a successful bid for funding under the HEFCE Innovation and Transformation Fund for a project to look at delivering efficiency through effective benchmarking. This project is on-going and SCONUL is contributing to the design and development of the project as a member of the Efficiency through Benchmarking Group.

SCONUL continues to support the development of EThOS (Electronic Theses Online Service) which delivers a 'single point of access' where researchers the world over can access theses produced by UK Higher Education. It does

this by implementing a central 'hub' comprising an e-store and a digitisation suite at The British Library which automatically harvests e-theses from Institutional Repositories and digitises paper theses from participating institutions to offer a single point of access. The Executive Director is a member of the EThOS Advisory Board and helps shape the development of the service to meet the needs of the UK higher education library community.

One of our most significant contributions to shared service delivery for the benefit of library users is the SCONUL Access service. Our scheme allows for students of one member institution to use the libraries of other member institutions and is important in enabling students to study while at home or away from their own university. There were 36,045 registrations to this UK-wide scheme for borrowing and reference use of higher education libraries by researchers and students in 2013. This represents a steady increase in use of the scheme over the past four years, with 30,438 registrations processed in 2010¹.

SCONUL continues to publish, and develop, our detailed annual statistical survey of UK higher education libraries which remains the key factual basis for future planning in our constituency. The early publication of a strategic sub-set of data has now become standard practice, while an overall review of the statistics collected was begun in 2013. The review process involved a number of consultation events with members about the future direction of this important service.

SCONUL continues to be heavily involved in the shared services arena and works closely with Jisc to identify and scope potential shared services through the Shared and Collaborative Services Strategy Group and other Strategy Groups. We provide governance and advice on the development of existing services such as KB+ as well as making recommendations for future areas of work. For example, SCONUL and Jisc worked closely on its Library Management Services Change Programme, including holding briefing events for members on technological and service developments in this area.

SCONUL members are involved in a wide range of national shared services and also participate in, and deliver, a range of shared services at the regional level. In 2013 SCONUL brought together the regional and national library consortia operating in the UK and Ireland in a Regional Shared Services Symposium to share information and best practice in the delivery of shared services.

Similarly, SCONUL has worked closely with Jisc on the development of its Library Analytics and Metrics Project (LAMP) which is developing a data dashboard service to provide academic libraries with a tool to bring together

¹ Last year's annual report included a figure of 48,224 users; this was due to one institution inaccurately reporting an increase of over 10,000 registrations.

and visualise the wide range of data collected by libraries as part of day-to-day activities.

1.4.5. Ensuring SCONUL is fit for purpose

The new organisational structure for SCONUL, introduced in 2012, has proved effective in ensuring that the organisation is focusing its resources on supporting members in dealing with the significant challenges they are facing. The four Strategy Groups were fully operational by the start of 2013. Each Group is chaired by a member of the SCONUL Board and aims to identify developing issues within its area. The Groups work with the SCONUL office to respond to policy developments and keep members informed of developments within each area.

The four Strategy Groups are focusing their work in the following areas and will continue to do so over the course of 2014 and 2015.

<p>Academic Content and Communications</p>	<p>Open access: policy developments and advice for members. Research data management: the development of standards and best practice advice. Challenges to libraries on the acquisition and handling of e-books. The rising cost of e-journals and e-books for academic libraries.</p>
<p>Performance and Quality</p>	<p>Reform of the SCONUL statistics to ensure they are fit for purpose. Engaging with the QAA on reform of the Institutional Review process. The benchmarking and efficiency agenda as applied to academic libraries. The value and impact of academic libraries.</p>
<p>Shared and Collaborative Services</p>	<p>The on-going development of the KB+ service. Providing advice and support to members on library management systems and services. The development of the National Monograph Strategy. Building links internationally with bodies active in the shared services arena.</p>

User Experience and Success	The triennial Library Design Awards and space planning generally. Building links with the NUS on student engagement. The employability agenda within higher education and its relevance to academic libraries. Digital literacy initiatives as discussed above.
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The redevelopment of SCONUL's website was completed in 2013 with the assistance of a website project manager. One of the major benefits of the redesign is that students and other users are able to register for the SCONUL Access scheme on-line without needing to visit their institution's own library. This fosters the capacity of students and researchers at UK universities to pursue their studies and research objectives.

SCONUL continues to provide support funding for INSPIRE, the service which provides a UK-wide access and referral scheme to assist the general library user. In the absence of other significant sources of funding, the main focus for the Inspire management is the development of their website and the fostering of close working relationships between public and private libraries.

1.5. Financial Review

The results for the year to 31 December 2013 are set out in the Statement of Financial Activities. The Charity's fund balances and the net assets that constitute them are set out in the Balance Sheet.

2013 saw the further planned depletion of the Society's reserves by £73,539. £14,875 of this spend was to fund the development of the SCONUL website, as discussed above. Overall, the deficit is part of a planned reduction agreed by the SCONUL Executive Board in line with Charity Commission guidance, in order to bring reserves down to a point sufficient to provide a cushion against risks but not unnecessarily high.

Interest income on reserves is still low at an average of around 0.5%. Subscription income was broadly level due to limiting an overall rise in subscriptions to 1% in recognition of the financial uncertainty faced by higher education. At the 2012 AGM members voted in favour of a three year package of subscription increases: 10% in 2013; 10% in 2014; and by inflation in 2015. Overall total income was as anticipated.

A satisfactory balance between day-to-day and longer-term holdings of funds has been adopted, as follows:

- short-term funds kept in a deposit account at the bank, which automatically tops up the current account when its balance falls below £10,000
- other funds, the working reserve, kept in the Charities Official Investment Fund. These balances are high at the beginning of the year when subscriptions fall due and are received and are reduced towards the end of the year to provide day-to-day funds for expenses incurred.

The Executive Board considers the major risks faced by SCONUL on a regular basis and they are of the opinion that systems are in place to manage them. A “live” risk register is maintained by the SCONUL office, and is reviewed twice a year by the Executive Board. This covers both financial and non-financial risks; identifies both the likelihood and severity of any risk and identifies activities required to mitigate the risks identified.

SCONUL has no formal relationship with other charities with the important exception that its member institutions are nearly all charities themselves.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies’ exemption.

Approved by the Executive Board and signed on its behalf by

Trustee:

Date:

2. Independent Auditor's Report to Members of the Society of College, National and University Libraries

We have audited the financial statements of The Society of College, National and University Libraries for the year ended 31 December 2013 on pages 16 to 30. 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members 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 Responsibilities of the Executive Board set out on pages 2 to 3, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2013 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Report of the Executive Board for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charity has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the Report of the Executive Board.

Sarah Mason (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
MK9 1BP

Date:

3. Statement of Financial Activities (including Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income					
Subscriptions		333,704	-	333,704	304,486
Other voluntary income		24,756	-	24,756	24,600
Investment income		2,032	-	2,032	4,673
Charitable activities:					
Meetings, conferences and events		80,221	-	80,221	70,199
Working groups, projects and operational schemes		9,429	6,000	15,429	23,550
Total incoming resources	2	450,142	6,000	456,142	427,508
Resources expended					
Charitable expenditure:					
Charitable activities					
Meetings, conferences and events		141,532	-	141,532	152,011
Working groups, projects and operational schemes		139,549	24,737	164,286	191,763
Lobbying and relations with other bodies		121,122	-	121,122	176,638
Communication with members and with the public		58,136	-	58,136	73,660
Governance costs		44,605	-	44,605	49,245
Total resources expended	10	504,944	24,737	529,681	643,317
Net outgoing resources before transfers	1	(54,802)	(18,737)	(73,539)	(215,809)
Transfers between funds	11	10,482	(10,482)	-	-
Net movements in funds		(44,320)	(29,219)	(73,539)	(215,809)
Total funds at 1 January 2013		286,184	36,793	322,977	538,786
Total funds at 31 December 2013		241,864	7,574	249,438	322,977

All of the activities of the charity are classed as continuing.

The Statement of Financial Activities includes all gains and losses in the year.

4. Balance Sheet

Company No: 1436951

	Notes	2013		2012	
		£	£	£	£
Fixed assets					
Tangible assets	5		11,555		33,504
Investments	6		220,014		318,237
			<u>231,569</u>		<u>351,741</u>
Current assets					
Stocks		-		3,401	
Debtors	7	19,559		26,332	
Cash at bank and in hand		40,593		-	
		<u>60,152</u>		<u>29,733</u>	
Creditors – amounts falling due within one year	8	42,283		58,497	
		<u></u>		<u></u>	
Net current assets/(liabilities)			17,869		(28,764)
			<u></u>		<u></u>
Net assets			249,438		322,977
			<u></u>		<u></u>
Funds					
Restricted	11		7,574		36,793
Unrestricted - Designated	11		14,596		500
Unrestricted - General	11		227,268		285,684
			<u>249,438</u>		<u>322,977</u>

This report and financial statements have been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

These financial statements were approved and authorised for issue by the Executive Board on _____ and signed on its behalf by:

.....) **Chair**

.....) **Hon. Treasurer**

The notes and accounting policies on pages 18 to 28 form part of these financial statements.

5. Accounting Policies

a. Basis of accounting

The financial statements have been prepared under the historical cost convention, in accordance with the Companies Act 2006 and the Statement of Recommended Practice 'Accounting and Reporting by Charities (SORP 2005)' and applicable accounting standards.

b. Going Concern

The Charity's activities, together with the factors likely to affect its future development, performance and position are set out in the Report. The charity has sufficient financial resources. As a consequence, the Trustees believe that the charity is well placed to manage its risks successfully despite the current uncertain economic outlook and that systems are in place. Having considered the risk of a diminution of income through loss of membership or sponsorship income, or of gradual unsustainable extra costs, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

c. Recognition of income and expenditure

Credit is taken for subscriptions in the year for which they are payable. Where a member wishes to terminate their subscription then notice must be given before the Summer conference in the year prior to the termination of membership.

Investment income (Interest receivable) is recognised in the period in which it is due. Voluntary income is recognised when received.

Any income arising from conferences and meetings, publications and products or working papers and newsletters is recognised once invoiced.

Resources expended are recognised in the period in which they are incurred. Expenditure includes any VAT which cannot be fully recovered, which is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs are those expenses relating to the oversight and governance of the charity and include external audit fees, certain costs in connection with the executive board, as well as an appropriate proportion of senior management time.

d. Cost allocation

Rent, service charges, insurance and other 'office' costs are apportioned on the basis that they are incurred equally by each of the four main activities.

Staff costs are apportioned on the basis of time spent by employees on each element of the charity's activities, as well as areas of governance.

e. Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds for which the Executive Board have currently designated specific purposes.

Restricted funds are used for specified purposes as laid down by the donor. Expenditure which meets these criteria is charged against the fund.

f. Tangible fixed assets

Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided on all fixed assets at rates calculated to write off each asset over its expected useful life, as follows:

Leasehold improvements	-	evenly over 5 years
Furniture, fixtures and fittings	-	20% on the reducing balance
Computer equipment	-	evenly over 3 years

Expenditure of a capital nature below £1,000 is not capitalised, but charged to the Statement of Financial Activities in the year of expenditure.

g. Leased assets

Rentals on operating leases are charged to the Statement of Financial Activities in the periods to which they relate.

h. Fixed asset investments

Fixed asset investments represent cash deposits with The Charities Official Investment Fund held with a long term view.

i. Stock

Stocks are valued at the lower of cost and net realisable value. Provisions are recognised for obsolete or slow-moving items.

j. Pensions

The company contributes to the Universities Superannuation Scheme and the Superannuation Arrangements of the University of London defined benefit pension schemes.

These schemes are considered to be multi-employer defined benefit schemes as the company is unable to identify its share of the underlying assets and liabilities.

Therefore, the contributions, which are fixed annually and payable monthly, are charged to the SOFA when payable and the company has no further potential liability.

k. Cash flow statement

The charity is exempt from the requirement to produce a cash flow statement in accordance with Financial Reporting Standard No. 1, as it qualifies as a small company.

6. Notes to the Financial Statements

	2013	2012
	£	£
1. Net outgoing resources		
Net incoming resources are stated after crediting:		
Investment interest	1,777	4,382
Deposit account interest	255	291
	<u> </u>	<u> </u>
and after charging:		
Auditor's remuneration - statutory audit current year	13,740	13,350
- statutory audit previous year	504	4,553
- non-audit services	4,980	5,470
Depreciation of tangible assets:		
Charge for the year:		
Owned assets	24,649	25,772
Operating lease rentals:		
Land and buildings	23,248	23,248
Other	3,348	11,352
	<u> </u>	<u> </u>
2. Geographical analysis of incoming resources		
11% (2012: 6%) of income is from outside of the UK.		
3. Staff costs	2013	2012
	£	£
Staff costs for the year were as follows:		
Wages and salaries	139,396	186,532
Social security costs	12,360	15,263
Superannuation	19,326	21,570
	<u> </u>	<u> </u>
	171,082	223,365
	<u> </u>	<u> </u>
The average monthly number of employees was:	Number	Number
Administration	3	3
	<u> </u>	<u> </u>

Temporary staff received total emoluments of £12,894 (2012 £16,510).

During the year the number of employees receiving over £60,000 of emoluments (including pension contributions) in the following bands were as follows:

	2013	2012
£70,000 to £79,999	-	1
£80,000 to £89,999	1	-
	<u> </u>	<u> </u>

All employees classed as equivalent to university grades 1 – 6 are entered into the SAUL scheme, and those classed as 7 or above are entered into the USS Scheme.

Members of the Executive Board do not receive any remuneration.

4. Reimbursed expenses

None of the Executive Board members received any remuneration in the year (2012: £Nil). Eleven (2012: Sixteen) members of the Executive Board received reimbursed expenses during the year totalling £5,918 (2012: £7,870) in respect of travel and subsistence.

5. Tangible fixed assets

	Leasehold Improvements £	Furniture, fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 January 2013	102,302	40,345	31,715	174,362
Additions	-	-	2,700	2,700
At 31 December 2013	<u>102,302</u>	<u>40,345</u>	<u>34,415</u>	<u>177,062</u>
Depreciation				
At 1 January 2013	81,840	30,383	28,635	140,858
Charge for year	20,462	2,533	1,654	24,649
At 31 December 2013	<u>102,302</u>	<u>32,916</u>	<u>30,289</u>	<u>165,507</u>
Net book value				
At 31 December 2013	<u> </u>	<u>7,429</u>	<u>4,126</u>	<u>11,555</u>
At 31 December 2012	<u>20,462</u>	<u>9,962</u>	<u>3,080</u>	<u>33,504</u>

6. Fixed asset investments	2013 £	2012 £
Investments	220,014	318,237
	<u> </u>	<u> </u>

This item represents monies invested in The Charities Official Investment Fund. 100% (2012: 100%) of fixed asset investments are held within the UK.

7. Debtors	2013 £	2012 £
Other debtors	15,167	16,098
Prepayments and accrued income	4,392	10,234
	<u> </u>	<u> </u>
	<u>19,559</u>	<u>26,332</u>

8. Creditors – Amounts falling due within one year:	2013 £	2012 £
Bank overdraft	-	3,950
Trade creditors	20,977	35,078
Other creditors	1,369	513
Accruals and deferred income	19,937	18,956
	<u> </u>	<u> </u>
	<u>42,283</u>	<u>58,497</u>

9. Members (company limited by guarantee)

The company is limited by guarantee and, as such, each member of the company undertakes to contribute £1 to the assets of the company in the event of the company being wound up while it is a member or within one year after it ceases to be a member.

There were 175 (2012: 175) member institutions at 31 December 2013.

10. Total resources expended

	Direct costs	Support costs	Total 2013
	£	£	£
Charitable activities:			
- Meetings, conferences and events	81,722	59,810	141,532
- Working groups, projects and operational schemes	104,476	59,810	164,286
- Lobbying and relations with other bodies	8,277	112,845	121,122
- Communication with members and with the public	12,013	46,123	58,136
Governance costs	36,051	8,554	44,605
	<u>242,539</u>	<u>287,142</u>	<u>529,681</u>

Allocation of support costs

	Office costs	Staff costs	2013
	£	£	£
Charitable activities:			
- Meetings, conferences and events	29,015	30,795	59,810
- Working groups, projects and operational schemes	29,015	30,795	59,810
- Lobbying and relations with other bodies	29,015	83,830	112,845
- Communication with members and with the public	29,015	17,108	46,123
Governance Costs	-	8,554	8,554
	<u>116,060</u>	<u>171,082</u>	<u>287,142</u>

	Direct costs	Support costs	Total 2012
	£	£	£
Charitable activities:			
- Meetings, conferences and Events	67,511	84,500	152,011
- Working groups, projects and operational schemes	107,263	84,500	191,763
- Lobbying and relations with other bodies	17,777	158,861	176,638
- Communication with members and with the public	8,350	65,310	73,660
Governance costs	37,251	11,994	49,245
	<u>238,152</u>	<u>405,165</u>	<u>643,317</u>

Allocation of support costs

	Office costs	Staff costs	2012
	£	£	£
Charitable activities:			
- Meetings, conferences and events	41,322	43,178	84,500
- Working groups, projects and operational Schemes	41,322	43,178	84,500
- Lobbying and relations with other bodies	41,322	117,539	158,861
- Communication with members and with the public	41,322	23,988	65,310
Governance Costs	-	11,994	11,994
	<u>165,288</u>	<u>239,877</u>	<u>405,165</u>

11. Funds

	At 1 January 2013 £	Income £	Expenditure £	Transfers Between Funds £	At 31 December 2013 £
Restricted funds					
INSPIRE fund	5,726	-	(1,766)	3,614	7,574
UKRR	5,717	-	(5,717)	-	-
WATER	6,378	-	(6,378)	-	-
Digital literacies	4,876	6,000	(10,876)	-	-
Shared Services – LMS/Jisc	14,096	-	-	(14,096)	-
Total restricted funds	<u>36,793</u>	<u>6,000</u>	<u>(24,737)</u>	<u>(10,482)</u>	<u>7,574</u>
Unrestricted designated funds					
SCONUL Statistics	-	3,210	(3,210)	-	-
Helib Tech	-	-	(1,416)	1,416	-
Website development	-	-	(18,029)	18,029	-
Future leaders programme	-	-	(7,000)	7,000	-
SCONUL Access fund	-	-	(24,958)	24,958	-
Dilapidation reserve	500	-	-	-	500
Library Design Award	-	-	(2,929)	2,929	-
Strategy groups fund	-	-	-	14,096	14,096
Total unrestricted designated funds	<u>500</u>	<u>3,210</u>	<u>(57,542)</u>	<u>68,428</u>	<u>14,596</u>
Unrestricted general fund	<u>285,684</u>	<u>446,932</u>	<u>(447,402)</u>	<u>(57,946)</u>	<u>227,268</u>
Total funds	<u>322,977</u>	<u>456,142</u>	<u>(529,681)</u>	<u>-</u>	<u>249,438</u>

INSPIRE is a UK-wide access and referral scheme to help library users to exploit collections beyond the library they belong to. It is run by several partner organisations, including SCONUL, which holds its funds.

The **UK Research Reserve (UKRR)** fund is to reflect SCONUL's contribution to the collaborative scheme to work on the long term preservation of research material in libraries, thereby reducing duplication of holdings in libraries whilst securing the rare research material. The second phase lasted five years commencing August 2009 to 2013. HEFCE has granted a further year's extension to the end of 2014.

Walk-in Access To E-Resources (WATER) was first a feasibility study for which the M25 Consortium applied for funding from HEFCE to establish a pilot service to provide walk-in access to e-resources in London and the south-east. Jisc made available £25,000 and SCONUL had agreed a sum of £5,000 last year when HEFCE announced it would not be funding the project. A SCONUL Task and Finish Group on Access Issues was established to look at strategic issues associated with providing access to external users and has successfully taken the lead on the project. The objective of the WATER project was to facilitate and encourage wider uptake of the HAERVI recommendations on walk-in access to e-resources in libraries on a national basis. SCONUL has worked closely with UCISA, the M25 Consortium and SCURL in Scotland. The project provided quantitative data on levels of take-up of walk-in access amongst HE libraries, identified how libraries have gone about implementing walk-in access, and obtained the views of providers and students on walk-in access and using e-resources.

The **Jisc Digital Literacy project** delivered a small number of key outputs relating to the development of digital scholarship skills for research and information professionals and also contributes to a wider investigation into the support available to the students, staff and researchers to enhance digital literacy. SCONUL received £10,000 from Jisc. The end date for this project was December 2013 with flexible basis concluding in a formal review of progress meeting in September 2013.

The **Library Management Systems Shared Services Study** was funded by Jisc, a sub-committee of HEFCE. SCONUL is taking forward this work with Jisc, looking at the scope for the collaborative management by libraries of major software applications and business processes. The first study concluded in May 2010 and a further £85,000 from Jisc in 2011 enabled more detailed study that contributed to the launch of the Jisc Knowledge Base Plus (KB+). The Shared and Collaborative Services Strategy Group completed its restricted project and the fund became a designated fund in 2013.

The **SCONUL Statistics** are collected each year for the purpose of allowing members to benchmark key indicators against each other and over time. Each year, SCONUL members contribute information about their usage, expenditure, provision and organisation, enabling SCONUL to provide its members with a robust set of data about academic libraries in the UK and Ireland. Members make use of this data in planning and budgeting within their own institutions, and for strategic planning through benchmarking against other institutions. SCONUL members have been contributing to the statistics for over 20 years.

HELib Tech funding was provided to support a wiki on the Higher Education Library Technology survey initiated by the LMS Shared Services study, while the SCONUL website was being developed, after which the wiki became self-supporting.

The Website Development Fund represents an allocation of funds to continue to develop SCONUL's website.

The Future Leaders programme fund is used to support the attendance by staff of SCONUL libraries on specific courses organised by the Leadership Foundation for Higher Education. The courses are for senior library management staff to support succession management in member institutions.

The SCONUL Access fund provides support to SCONUL's work in helping researchers, staff and students. It allows thousands of researchers and learners in the UK and Ireland to visit member libraries, thereby gaining access to a greater wealth of materials and resources to support their studies. This scheme is reciprocal and available only to the students and staff of participating member institutions. In recent years, some institutions have begun to offer access to e-resources in addition to more traditional, print-based materials.

The Dilapidation Reserve represents funds designated for the up-keep of the Society's offices, which are expected to be expended in the next three years.

The Library Design Award is an occasional fund every three to five years to assess retrospectively recently built or refurbished university libraries. The awards reflect the improvement of standards of library design and functionality.

The Strategy Groups were provided with funding to further their work, as described above. All expenditure over £1k was signed off by the SCONUL Board.

The transfer of funds to the HELib Tech, website development, Future Leaders programme, SCONUL Access fund, Library Design Award and Strategy Groups fund represents SCONUL's contribution to the respective projects.

12. Allocation of net assets

	Fixed assets	Investments	Net Current Assets	Total 31 December 2013	Total 31 December 2012
	£	£	£	£	£
<i>Unrestricted Funds:</i>					
General Fund	11,555	197,844	17,869	227,268	285,684
Dilapidation reserve	-	500	-	500	500
Strategy Groups fund	-	14,096	-	14,096	14,096
<i>Restricted Funds:</i>					
INSPIRE	-	7,574	-	7,574	5,726
WATER	-	-	-	-	6,378
UKRR	-	-	-	-	5,717
Digital Literacies	-	-	-	-	4,876
	<u>11,555</u>	<u>220,014</u>	<u>17,869</u>	<u>249,438</u>	<u>322,977</u>

13. Operating lease commitments

At 31 December 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2013.

	2013 £	2012 £
Land and buildings:		
Operating leases which expire:-		
Between two and five years	23,248	23,248
	<u> </u>	<u> </u>
Other:		
Operating leases which expire:		
Between two and five years	4,368	11,352
	<u> </u>	<u> </u>

14. Pension scheme

The Charity participates in the Universities Superannuation Scheme (USS), which is a funded defined benefit scheme where contributions are held in trust separately from SCONUL. The main results and assumptions of the most recent valuation of the USS are as follows:

Valuation date	31 March 2011
Valuation method	Projected Unit
Value of notional assets	£32,434 million
Funding level for accrued benefits	92%
Investment return per annum	6.1%
Salary scale increases per annum	4.4%
Pension increases per annum	2.6%

The contributions payable by the Charity during the accounting period were equal to 13.9% of total pensionable salaries. The pensions charge recorded by SCONUL during the accounting period was equal to the contributions payable, taking into account benefit improvements subsequent to the valuation and the spreading of surplus over future service lives of employees. The USS is a multi-employer scheme where the share of assets and liabilities applicable to each employer is not separately identified. SCONUL therefore accounts for its pension costs on a defined contribution basis as permitted by Financial Reporting Standard 17: *Retirement benefits*.

The best estimate of pension contributions payable to the scheme for the next accounting period is £24,462 (2012: £19,325).