

# British Library

## Annual Report and Accounts

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2013/14



# **British Library**

Annual Report and Accounts 2013/14

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## Foreword

As we look back on the past year at the British Library, we are once again in the fortunate position of being able to reflect on a number of important achievements. Some have brought great change to the services we provide; others are of a less dramatic nature, but nevertheless important.

The Library's work to safeguard the future of our newspaper collections has come with moments of both sadness and joy. We said farewell to the Newspaper Library at Colindale, home to the newspaper collection for over 80 years, and loved by generations of researchers. However, the Colindale building could not provide the necessary conditions to support the long-term preservation of fragile newsprint, and we also wanted to provide better services for researchers of news in all its forms.

The Library has made a £33 million investment to safeguard the newspaper collection and to improve access to it. A purpose - built storage facility has been constructed at our Boston Spa site, providing optimum conditions for the storage of newspapers and other publications. At the British Library in London, a new Reading Room has been opened. The Newsroom provides dedicated access to a much wider range of news content than was previously available, including audio, visual and electronic. As part of the Newspaper Programme, we have also been able to refurbish the Reading Room at Boston Spa, providing new facilities for Readers who wish to access our collection in Yorkshire.

Newspapers featured in the first of our major exhibitions last year: *Propaganda: Power and Persuasion*. The Library's exhibition programme aims to offer things that are surprising and new to an ever-changing audience, and the *Propaganda* exhibition presented posters, films, audio clips and texts to explore the use of propaganda in the 20th and 21st centuries in the UK and around the world.

That exhibition was followed by *Georgians Revealed: Life, Style and the Making of Modern Britain*, which encompassed rich displays of illustrated books, newspapers, maps and advertisements from the Library's collection, alongside artworks and artefacts borrowed from other cultural institutions. Both of these exhibitions, which together attracted over 100,000 visitors, were accompanied by popular events programmes, often to sell-out audiences.

Alongside major exhibitions there has been a programme of fascinating and diverse smaller displays in The Folio Society Gallery. These free exhibitions explored themes such as illustrated children's literature and scientific data visualisation, as well as marking the centenary of the birth of Benjamin Britten. A refurbishment of the *Sir John Ritblat Gallery: Treasures of the British Library* was undertaken in early 2014, ensuring that we can continue to display some of the nation's iconic items to their best advantage.

As the nation begins to commemorate the centenary of the First World War, the British Library has played its part by leading the UK's contribution to a pan-European project. *Europeana 1914-1918* has brought together original First World War material, making it available on a dedicated website. The British Library has contributed 10,000 items from our own collections, including iconic war poetry and children's accounts of Zeppelin raids over London. The Library has also produced a new website offering curated access to over 500 digitised historical sources from *Europeana 1914-1918* for schools.

The Library has been fortunate over the past year in making a number of valuable acquisitions for our collection. Their diversity reflects the broad scope of the Library's holdings. We acquired one of only three journals kept by W H Auden. This builds on our existing Auden collections, which include poetry notebooks, sound recordings and

manuscripts. In January 2014, we were delighted to announce the acquisition of the archive of acclaimed novelist, playwright and screenwriter, Hanif Kureishi. This contains over 50 personal diaries and notebooks, as well as drafts and working material spanning over 40 years.

The Library also acquired two rare manuscripts which might otherwise have left the UK. The 15th - century *Catholicon Anglicum*, an English-Latin dictionary which is one of the earliest examples of an English dictionary, is thought to have been written in the north of England and is based on the dialect of the English words. A printed treatise owned and annotated by John Ponet is also now in the Library's collection thanks to the financial support of an anonymous donor.

We are grateful to all those who have supported the Library's work financially over the past year: to the public, whose support through our annual Grant in Aid underpins everything we do; and to those many other individuals, trusts, foundations and corporate sponsors whose generous support is increasingly vital at a time of continued economic austerity.

When we wrote our introduction to the Annual Report last year, the regulations for electronic legal deposit had just come into force. This represented a big step forward; greatly improving our ability to collect material published online which will be of vital importance to researchers from now on. To take just one part of our new electronic collection, by May 2013 e-journals had begun to appear in our Reading Rooms, and a year later 140,000 were available to access. The new regulations are enabling us to collect UK websites and blogs that are likely to form the backbone for many researchers of the future looking to find out what we were reading and writing about in the early 21st century, material that would otherwise have been lost forever via the delete button.

Our Business & IP Centre in London has long been held up by successful entrepreneurs as an invaluable resource for those setting out to establish new businesses, or to grow existing ones. We were delighted when Business and IP Centres started to become available in other parts of the country. The Newcastle Business & IP Centre became fully operational in May 2013, and a further Centre opened in Leeds in March 2014. These will be followed by similar facilities in Manchester, Liverpool, Birmingham and Sheffield. All represent a tremendous resource in helping to grow the UK economy.

Of course, whilst it is always a pleasure to be able to report on particular achievements, what is of most importance at the British Library are the services provided every day to Readers, other visitors, and users of our online services. As the Chairman and Chief Executive of the British Library, we are fortunate in so often hearing praise for the work of our staff. All that takes place here relies on their dedication and hard work, which we pay tribute to as we mark the end of another year.



**Rt Hon Baroness Blackstone PC**  
Chairman



**Roly Keating**  
Chief Executive

# **Trustees' And Accounting Officer's Responsibilities**

## **Structure Governance and Management**

### **Constitution**

The British Library is a Non-Departmental Public Body (NDPB) sponsored by the Department for Culture, Media and Sport, (DCMS) and it is the national library of the United Kingdom. The British Library signed a Management Agreement with DCMS in May 2014 and receipt of Grant in Aid is dependent on the British Library's compliance. The British Library is an exempt charity under the Charities Act 1993. The Trustees have complied with the duty in Section 11 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

The British Library was established under Section 1(1) of the British Library Act 1972 (the Act) as the National Library of the United Kingdom. Section 1(2) of the Act placed it under the control and management of the British Library Board, the duty of which is to manage the Library as a national centre for reference, study and bibliographical and other information services in relation both to scientific and technological matters and to the humanities. The British Library Board is not constituted as a Trustee Board; however the 'Accounting and Reporting by Charities: Statement of Recommended Practice 2005' convention of referring to Trustees has been followed in the Annual Report and Accounts.

### **Transfer of Public Lending Right (PLR) responsibilities**

In October 2010, the Government announced its intention to abolish the Registrar of the Public Lending Right. The Public Bodies Act 2011 (which received royal assent in December 2011) made provision, subject to parliamentary approval, for the PLR body to cease to exist as a separate government - funded organisation with the transfer of responsibilities of the Registrar for managing the PLR Scheme (established by the Public Lending Right Act 1979) to another public body. Parliamentary approval for the transfer of responsibilities was provided on 6 September 2013 by the Public Bodies (Abolition of the Registrar of Public Lending Right) Order 2013. Under the Order, the British Library Board assumed responsibility for the PLR Scheme from 1 October 2013.

The Report and Accounts therefore duly include financial results of the PLR Scheme for the period 1 October - 31 March 2014, the six months of the Scheme's operation that came under the responsibility of the British Library.

### **Objectives**

The objectives of the British Library are set out under Sections 1(3) and 1(4) of the Act. The Board is required to make its services available to the public and in particular to institutions of education and learning, other libraries and industry. It may carry out and sponsor research, contribute to the expenses of library authorities or other persons providing library facilities, and make any part of its collections, or of its premises, available in connection with events of an educational, literary or cultural nature. Under Section 2, the Schedule to the Act empowers the Board to impose

charges for any services provided or for the loan or use of any item from its collections subject to the approval of the Secretary of State for Culture, Media and Sport. The key objective categories presented in the statement of Financial Activities are drawn from the Library's Governance documents as interpreted from the Act.

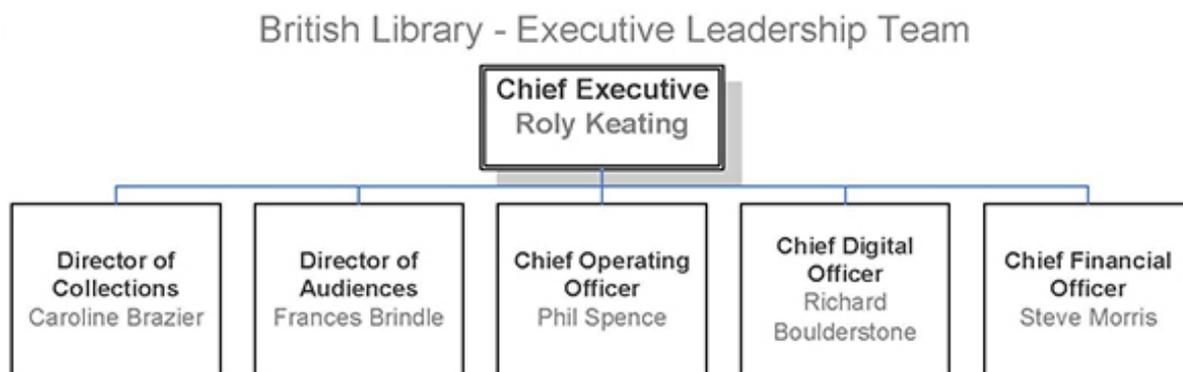
The Library regularly reviews its priorities in delivering against key objectives and it sets out its medium term plan in its strategic priorities. Details of the Library's Objectives and Activities can be found on pages 10 to 20

## Board of Trustees and Management

The Board is responsible for overseeing the British Library's affairs and determining the overall strategy. A list of Trustees who served between 1 April 2013 and 31 March 2014 is set out in the Governance Statement on pages 46 to 52.

During the year responsibility and delegated authority for the management of the British Library rested with the Executive Leadership Team, under the leadership of the Chief Executive, who as Accounting Officer, is responsible to Parliament.

The Executive Leadership Team reflects the functional operation of the British Library and consists of:



## Staff and Organisation

### Equality and Diversity

The British Library is an equal opportunities employer and is committed to promoting diversity. It is Library policy that all individuals shall have an equal opportunity for employment and advancement on the basis of their ability, qualifications and relative merits. There is no discrimination based on gender, marital status, sexual orientation, race, religion, age or physical or mental ability. The British Library is committed to making the policy effective and will continually monitor and review its employment practices to ensure all relevant staff receive appropriate training. The Library also has a policy and process for Equality Impact Assessments and has a framework for delivering Equality and Diversity strategy.

## **Sickness Absence**

The absence average for the British Library for the 12-month period ending 31 March 2014 is 5.69 days (6.12 days in 2012/13). This figure is calculated using the number of week days lost working over headcount and is based per employee on absence data for all active staff but excluding unpaid absence and maternity leave.

## **Pensions**

Staff of the British Library are entitled to join one of the Principal Civil Service Pension Schemes or a partnership pension account. Full details of pensions and contributions are given in note 7a on page 74.

During the year, an auto-enrolment exercise was undertaken whereby all employees were encouraged to participate in a pension scheme. On 1 September 2013 all employees were enrolled into a pension scheme and were required voluntarily to opt out if they did not want to participate.

## **Communications with Employees**

The Library is committed to developing effective communications between all employees in order to keep them informed, motivated and able to support the Library's users. Main communication channels include a staff newsletter, team briefing system and employee intranet. PC terminals are available in common areas to provide staff not based at desks with access to the Library's intranet.

## **Environmental Matters**

The Library needs to provide stable and reliable collection storage while seeking to minimise the impact our buildings and operations have on the environment. The measures undertaken to help with this include: monitoring of energy and utility consumption patterns; using electricity procured from environmentally responsible suppliers; and providing recycling initiatives across all sites.

Continued progress was made towards achieving Government targets by 2015 including a further 5% reduction in greenhouse gas emissions. Water consumption increased temporarily due to the installation of new energy - efficient plant. A managed print contract was implemented with the aim of delivering reductions in energy and paper waste. For more detail see the Sustainability Report on pages 33 to 37.

## **Data Protection**

There were no Data Protection incidents to report for 2013/14. The British Library will continue to monitor and assess its information risks in order to identify and address any weaknesses and to ensure continuous improvements of its systems.

Incidents, the disclosure of which would in itself create an unacceptable risk of harm, may be excluded in accordance with the exemptions contained in the Freedom of

Information Act 2000 or may be subject to the limitations of other UK information legislation.

## **Health and Safety**

Under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR), the Library is required to report to the HSE any work-related accidents, diseases and dangerous occurrences which involve death, major injury or accidents resulting in over 7 days off work. Within the Library, RIDDOR reports are predominantly generated from the 'over 7 day injury' trigger level.

- In 2013/14, the number of RIDDOR reports generated was 7 (4 in 2012/13)
- The total number of accidents involving members of staff reported in 2013/14 was 58 (47 in 2012/13)
- The total number of accidents involving non-staff members (visitors, contractors, etc.) reported in 2013/14 was 35 (32 in 2012/13).

The number of reported accidents affecting visitors (15) may be viewed against the backdrop of an annual footfall in excess of 1.4 million. Equally, the number of accidents affecting British Library staff (58) equates very broadly to one accident for every 6,200 working days. All incidents were minor and did not result in long-term injury.

Staff and managerial awareness continues to be enhanced and underpinned by a comprehensive suite of training programmes and educational initiatives aimed at long-term cultural change.

## **Objectives and Activities**

### **1: Guarantee access for future generations**

#### **Legal Deposit**

Based on the historic Legal Deposit principle of collecting every printed book, magazine and newspaper published in the UK, new regulations came into force on 6 April 2013 enabling the British Library and the other five Legal Deposit libraries (the National Library of Scotland, the National Library of Wales, Bodleian Libraries, Cambridge University Library and Trinity College Library Dublin) to create a resource that contains 4.8 million UK websites, blogs, e-books and e-journals, and to make them available in our Reading Rooms. E-journals began appearing in our Reading Rooms in May 2013. By the end of March 2014 we had 140,000 available to access and approximately 1.3 billion URLs were also available as a result of a comprehensive domain crawl of the .uk domain.

#### **The Newspaper Programme**

Our £33m Newspaper programme to safeguard the long-term future of the national newspaper print collection and to improve access to it continues. The Newspaper Library in Colindale closed on 8 November 2013. The print collection is currently being moved into a purpose-built, environmentally controlled Newspaper Storage Building at our Boston Spa site in Yorkshire. On 28 April 2014, the British Library Newsroom at St Pancras was officially opened by the Secretary of State for Culture, Media and Sport, Rt Hon Sajid Javid MP.

#### **Major Acquisitions**

The British Library and its partners were able to acquire the Canning Archive for £1.2m. The National Heritage Memorial Fund gave a generous donation of £800,000 with other donations received from the Friends of the British Library, Canning House, Friends of the National Libraries, The Canning Club and the Argentine Educational Trust and a number of donations from private individuals. George Canning was at the highest levels of British politics for over 30 years, serving as Foreign Secretary (1807-1809 and 1822-1827) and as Prime Minister for the last few months of his life and his son Charles was Governor-General of India. The archive contains the private and political papers and private journals of George and Charles, as well as Charles' wife Charlotte and Ulick de Burgh, George's son-in-law, a Cabinet Minister and Postmaster General. It covers many of the major political concerns of the day including Catholic emancipation, the anti-slavery movement, South American independence and the 1857 Indian Uprising and correspondence with key figures including Pitt, Lord Liverpool, Peel, Wellington, George III, Queen Victoria and Florence Nightingale.

In June 2013, the Library acquired one of just three journals kept by W H Auden. The journal, which provides a fascinating juxtaposition of personal and political

preoccupations, gives an intimate insight into Auden during one of the most important periods in his life. Auden's reflections in the diary are particularly interesting as they were written during the turbulent period which saw the outbreak of war in Europe and after Auden's departure to the United States from England.

In January 2014, we acquired the archive of Hanif Kureishi, the acclaimed novelist, playwright and screenwriter behind such works as *The Buddha of Suburbia* and *My Beautiful Laundrette*. The archive includes over 50 personal diaries and notebooks as well as drafts and working material relating to all of his major works and it spans a period of over 40 years.

In March 2014, we acquired three rare manuscripts. Two were prevented from leaving the UK after they became subject to a temporary export bar following a recommendation from the Reviewing Committee on the Export of Works of Art and Objects of Cultural Interest. These were *Catholicon Anglicum*, a 15th-century English-Latin dictionary, and a printed treatise owned and annotated by John Ponet, the latter of which was supported by a generous donation from an anonymous donor. We also acquired an exquisite illuminated play text from the 15th century, the *Mystère de la Vengeance*, by Eustache Marcadé, which was commissioned by Philip the Good, Duke of Burgundy, after it was acquired for the nation and allocated to the British Library by HM Government in lieu of Inheritance Tax under the Acceptance in Lieu (AIL) Scheme. The acquisition was also supported by generous grants from the Art Fund, the Friends of the British Library, International Partners in memory of Melvin R Seiden and from the Breslauer Bequest, as well as donations from other anonymous donors.

### **In 2014/15**

Using the Legal Deposit Regulations alongside innovative partnerships, the Library will enhance and extend the range of digital content available to researchers. And by enhancing and improving the way in which we collect, preserve and provide access to the UK web domain, we will extend both the volume and format types available to include web, video and maps.

The Newspaper programme will culminate with the completion of the move of the Newspaper collection from Colindale to the Newspaper Storage Building at Boston Spa. The Newsroom will provide researchers with access to 750 million pages of newspapers and periodicals (once the collection move is complete in the autumn of 2014) as well as to 4.8 million archived websites and thousands of hours of broadcast news.

## **2: Enable access to everyone who wants to do research**

### **Web Redevelopment**

By the end of June 2013, we had finalised the Library's visual and interaction design standards, or Global Experience Language (GEL), and applied this to the British Library blogs. In July and August we developed the 'Shelves and Spaces' information architecture (IA) for the public and learning areas of the new website and built the *Voices of Science* section on the newly installed Content Management System (CMS). In November and December, we built the World War One resource using the same information architecture and initiated an Integration and Architecture project to investigate integration of the new CMS with three major Library systems: the Digital Library System and the digital item viewer; the Customer Management Infrastructure; and Primo catalogue search. By the end of March 2014, we had completed IA and design for the remainder of the 'core' website and built the new *Discovering Literature* resource.

### **BL Labs**

In July 2013, the Library's digital scholarship team announced that Pieter Francois was the winner of its first British Library Labs Competition. Open to all, the competition seeks to find innovative digital scholarship ideas that showcase our digital collections. The programme enables the winners to work in residence with technical and curatorial experts at the British Library. Pieter is developing a software tool, the sample generator, which will extract samples from digitised text from a larger collection. He will apply the tools and methods to his area of research interest which is 19th - century travel. We would like to thank the Andrew W Mellon Foundation whose support made the BL Labs Digital Scholarship initiative possible.

### **The British in India**

In January 2014, we launched the online publication of 2.5 million records detailing the lives of the British in India from 1698 to 1947 in partnership with findmypast.co.uk.

Previously only accessible as original documents or on microfilm in the Library's Reading Rooms, the British in India collection can now be explored online at findmypast.co.uk. Fully indexed and easily searchable, the records can be searched for free, and scans of the original documents can be downloaded free at the Library or for a fee on the web.

### **Reading Room at Boston Spa**

The Reading Room and Reception areas in Boston Spa have been updated to provide an improved environment for Readers and visitors. The refurbished Reading Room will incorporate areas for group study, mini lectures and meeting rooms.

## **In 2014/15**

We will continue to invest and innovate, providing greater opportunities to discover and view our digital collections. Third parties will be given access to information about our collections to connect their users to the Library's content, and a pilot scheme will be developed which will provide access to the many formats of our digital collection in one easy to use interface.

Work will continue on the Web Redevelopment project which will both enhance the online user experience as well as increase our audience reach by extending access to our collections. By March 2015, we will redevelop 74% of our website as measured by website visits.

### **3: Support research communities in key areas for social and economic benefit**

#### **Business & IP Centre National Network**

The British Library has continued to drive forward the success of the network, delivering support and training to each Centre as well as running joint activities such as the *Inspiring Entrepreneurs* series, (see page 14) with local events taking place at each of the six Centres.

In May 2013, the Newcastle Business & IP Centre became fully operational after securing European funding to boost the services and resources available. A customer survey carried out in March 2014 demonstrated the positive economic impact of the Newcastle Centre throughout its pilot phase, supporting 1,270 individuals, creating 66 businesses and over 200 jobs, and generating an average turnover increase of £6.23 per £1 of public money invested.

The Business & IP Centre network also successfully secured support and funding through Arts Council England and the Department for Communities and Local Government programme, Enterprising Libraries, which enabled other Centres in the Network to purchase business information resources and to refit their library space. The Leeds Business & IP Centre launched in March 2014 and the Manchester, Liverpool, Birmingham and Sheffield Centres are all in pilot mode and due to launch fully during the coming year. Through Enterprising Libraries, the Library is now also supporting a further 10 library projects delivering enterprise support to local businesses and communities around the country.

#### **Global Entrepreneurship Week**

In November 2013, in celebration of Global Entrepreneurship Week 2013, we ran a programme of onsite and online events. Over 1,000 people participated, and it provided an opportunity to raise awareness of the National Network (see above). Events included the Future of Business Growth, an *Inspiring Entrepreneurs* event (see page 14), national speed mentoring, and webinars on some of our most popular topics including social media, intellectual property and business information.

## **Inspiring Entrepreneurs**

Our *Inspiring Entrepreneurs* series of events, in partnership with Barclays, offered the chance to hear from, and put questions to, high-profile entrepreneurs and business leaders who shared the secrets of their success. Throughout the year we ran an event with past and present stars of the BBC programme *Dragons Den*, held Recipe for Success sessions with some of the most successful entrepreneurs in the food industry, and Internet Icons brought together a panel of some of the most successful internet and tech entrepreneurs.

## **Knowledge Quarter**

The British Library has been leading on the development of the Knowledge Quarter (KQ), a partnership of 30 knowledge-based institutions based in the Kings Cross, St Pancras, Euston and Bloomsbury areas, that create and disseminate knowledge. Together with the University of Arts London, now based in Kings Cross, the Library has brought together a diverse group of organisations under the KQ umbrella, such as the British Museum, Wellcome Institute, SOAS, Arts Fund, Macmillan, the Guardian and Camden Council. All the organisations have agreed that the KQ should: create a brand that becomes synonymous with the area; work together to facilitate knowledge exchange and partnership; create networking opportunities; advocate jointly on topics such as infrastructure and transport; highlight the economic impact of research in the local area; and support events through joint marketing. The KQ will be governed by a Board, managed by a Steering Group, and it will recruit a Project Manager to run its day-to-day programme. The KQ will be launched in the summer of 2014.

## **ETHOS**

ETHOS, the Library's searchable theses database, is available free of charge with over 100,000 full text doctoral theses available, 70% of which are Science and Social Science-based. It provides an invaluable single access point to the UK's postgraduate research. In January and February 2014 we ran webinars, aimed at researchers, students, librarians and anyone who is interested in finding and using PhD theses, with nearly 800 people participating.

## **In 2014/15**

The Business & IP Centre National Network will continue to be developed, with plans to expand to other cities outside the six core cities of Newcastle, Leeds, Manchester, Liverpool, Birmingham and Sheffield. We will also support the 10 Enterprising Libraries to develop their satellite services in support of local enterprise and entrepreneurship.

## **4: Enrich the cultural life of the nation**

### **Exhibitions**

The Library's public programme offered a diverse range of exhibitions and events throughout the year, and the visitor target of 500,000 has been exceeded by 48% with a total of 737,805 visitors.

Our *Propaganda: Power and Persuasion* exhibition, which opened in May 2013, used posters, films, sounds and texts to uncover hidden agendas. The exhibition received 59,000 visitors against a target of 50,000, and the events programme which ran alongside ranged from *Speakers Corner at the British Library*, where we hosted four public debates, to *Write, Camera, Action*, an interactive event which encouraged families to create and decorate a personal slogan. Our noteworthy *Audience with Noam Chomsky* was filmed, and to date, has been watched by over 50,000 people.

Celebrating 300 years since King George I was crowned, *Georgians Revealed: Life, Style and the Making of Modern Britain* explored the revolution in everyday life that took place between 1714 and 1830. As well as allowing us to showcase our rich and rare collections of illustrated books, newspapers, maps and advertisements alongside loaned artworks and artefacts, we were able to bring to life the stories of the ordinary people who transformed Britain forever. Nearly 42,000 people visited the exhibition, and although this fell short of the 50,000 target, we had 110,000 visitors to our major exhibitions across the year against a target of 100,000.

To complement the Georgian season, acclaimed landscape architect and historian Todd Longstaffe-Gowan, together with garden festival *Cityscapes*, designed a Georgian garden installation which remained on our Piazza until March 2014, funded by The Sackler Trust. The *Georgeobelisk*, a six-metre high structure, reflected the start of the British fascination with gardening, sparked during the Georgian era.

The Folio Society Gallery in our Entrance Hall continued to bring our collections to audiences of all ages with over 186,000 visitors during the year. In June 2013, *Poetry in Sound* celebrated the centenary of Benjamin Britten. In October 2013, *Picture This* explored how illustrators have interpreted and re-interpreted some of our favourite children's classics. And in February 2014, *Beautiful Science*, sponsored by Winton Capital Management, explored how our understanding of ourselves and our planet has evolved alongside our ability to represent, graph, and map the mass data of our time.

### **Lindisfarne Gospels**

Over 100,000 visitors were welcomed to the *Lindisfarne Gospels Durham* exhibition in Durham during the summer of 2013. The culmination of several years of planning and collaboration between the British Library, Durham University, Durham Cathedral and Visit County Durham, the St Cuthbert Gospel and the Ceolfrith Bible went on display alongside the Lindisfarne Gospels.

## **Spring Festival 2014**

Over 750 people attended our third Spring Festival at the end of March 2014 which this year turned its focus to film. The opening event was a talk on fashion and film in the Jazz Age with historian Amber Jane Butchart and editor of *Clothes on Film* Christopher Laverty, followed by a Hollywood-style cocktail party. Acclaimed novelist and screenwriter Hanif Kureishi reflected on his work in film between screenings of his films *My Beautiful Laundrette* and *Le Week-End*. Other highlights included: a panel discussion on the role of research in film with award-winning filmmakers Tony Grisoni and Tony Noble; short film screenings in partnership with Encounters Short Film and Animation Festival; and an experimental storytelling workshop in partnership with Sheffield Doc/Fest and Crossover Labs.

## **Learning Programme**

Our Learning Programme offers workshops, activities and resources for schools, teachers, and learners of all ages. We had more than 31,000 participants onsite against a target of 20,000. Over 607 participants attended professional development events and partnership conferences for teachers.

Our new educational website, *World War One*, funded by the European Commission and the Friends of the British Library and developed by the Library's Learning Team, was launched in January 2014, providing access to content digitised as part of *Europeana 1914 – 1918* (see page 18) in a number of languages. Providing teaching materials for schools, it is designed to help students and anyone wanting to learn about the war to explore events around 1914 – 1918. The site provides access to a wealth of original source material including over 50 newly-commissioned articles written by historians as well as a range of teachers' notes. By the end of March 2014, the site had received 60,496 visits.

Our Family Programme had its most successful year ever with a wide range of Discovery Days and interactive workshops covering topics including folk music, science, and Alice in Wonderland. Our Peter Pan-inspired art workshops, which ran in October half-term in 2013, had over 1000 visitors across two days.

## **In 2014/15**

The Library will continue to deliver an exciting public programme demonstrating the breadth and depth of our collections and the expertise of our staff. The summer 2014 exhibition, *Comics Unmasked*, is the UK's largest exhibition of mainstream and underground comics and the winter 2014 exhibition, *The Gothic Imagination* celebrates 250 years of Gothic literature.

To mark the 800th anniversary of *Magna Carta*, we will create a landmark exhibition in 2015 alongside significant public engagement and learning activities both at the Library and online.

We will continue to deliver a Learning programme which supports key subject areas of the UK curriculum and encourages the use of primary sources in education. The programme will develop, ensuring that the Library continues to be a key provider of online learning resources in the areas of English and History.

As part of a 10-year programme, we will continue to develop a programme of activity at our St Pancras site in London, including refurbished and new galleries and new learning and retail spaces.

## **5: Lead and collaborate in growing the world's knowledge base**

### **The British Library Qatar Foundation Programme**

The British Library Qatar Foundation programme, a project that is part of a 10-year partnership between the British Library, Qatar Foundation and Qatar National Library, is under way and significant progress has been made. At the heart of the programme is a portal where a wide range of digitised material relating to the Islamic world, Arabic cultural heritage and the modern history of the Gulf will be uploaded to provide a major new bilingual resource. The portal is set to launch later in 2014 and the project has already digitised over 300,000 images including 1,200 archive files from the India Office Records, 50 Arabic Science manuscripts, and 350 maps and photographs depicting the Arabian Peninsula and its people.

### **Hebrew Manuscript Digitisation**

A three-year project is under way to digitise the Library's Hebrew manuscript collection following a grant of £1.2m from the Polonsky Foundation. The collection is one of the finest in the world and the project, due for completion in 2016, will allow scholars the opportunity to work collaboratively with others across disciplines and national boundaries leading to new insights and knowledge. The first 45 manuscripts were made available in April 2014.

## **Google Partnership**

At the end of March 2015, the partnership between the Library and Google to digitise 250,000 out-of-copyright books from the Library's collections by the end of 2016 was ahead of schedule. The number of books in the digitisation project has reached 100,000 titles. Researchers, students and other Library users will be able to view historical items from anywhere in the world as well as copy, share and manipulate text for non-commercial purposes.

## **Europeana 1914-1918**

*Europeana 1914-1918* is the most important pan-European collection of First World War source material and is the result of three years of work by 20 European countries. The British Library led the UK's contribution to the site, and we have contributed 10,000 items from our own World War One collections to the site, including trench journals from foreign troops, iconic war poetry and London schoolchildren's accounts of Zeppelin raids. The Library has also produced a new *World War One* website offering curated access to over 500 digitised historical sources from *Europeana 1914-1918* for schools (see page 16).

## **2014/15**

We will continue with our major digitisation programmes, in partnership with a range of cultural and research organisations, to make our collections accessible to as wide an audience as possible. The Qatar Programme, the Google Partnership and the Hebrew Manuscripts Digitisation will continue alongside programmes to digitise parts of our Persian and Greek collections.

We will also develop a unique archive of 1,300 websites relating to the World War One centenary as part of the Europeana framework.

## **6. Optimise organisational capacity and capability**

### **Financial Sustainability**

The Library continued to manage its financial resources within reduced operational and capital budgets and it received confirmation during the year that a further 1% cut to its Grant in Aid resource budget would be applied from 2014/15 onwards. Further information on our financial performance is available in the Accounts on page 61.

### **Valuing and Developing our Staff**

The One British Library Programme continued during the year and had a major impact on staff engagement, particularly the suggestion scheme which received over 1,000 contributions from staff. The staff survey, which would normally have been conducted

in September 2013, was deferred until July 2014 to allow sufficient time for the One BL follow - up actions to take effect.

## **7. Corporate Social Responsibility (CSR)**

### **Education Trust for Wetherby**

The British Library has been a partner in the Education Trust for Wetherby, along with the University of York and Wetherby High School, since 2010. In 2013-14 we ran a series of seminars for sixth form students at our Boston Spa site to help them understand the difference between the methods of research undertaken at A-level and those required as undergraduates.

### **Internship Scheme**

The Library employed seven paid interns throughout the year working on a wide range of Library projects including: the introduction of an online training evaluation; the digital preservation of collection items; working on film archive material; and supporting our Learning programme. The scheme also provided internal training and career development. Of the 11 interns employed in 2012/13, four secured permanent roles at the Library.

### **C L R James Project**

*World Write* is a charity helping young adults to learn the skills required for careers in the media. This year its focus was on the creation of a documentary about the author and historian C L R James. The Library provided access to James's key works in our collections to twenty five volunteers as well as providing an introduction to using our Reading Rooms so that research for the documentary could be carried out.

### **Business & IP Centre**

Our Business & IP Centre hosted two launch meetings of the Camden Innovation and Development Fund. Aimed at organisations and individuals in the charity and voluntary sector, the Fund is seeking creative solutions to social and economic issues in the Borough. In July 2013, the Centre delivered a workshop on accessing and using information to start a business for ex-offenders. The workshop was part of a training programme run by Only Connect, a crime prevention charity.

### **Recycling and Waste**

For the last three years, the Library's Estates team has been working to achieve the Government target of a 25% reduction in the total weight of waste against 2009/10 baseline figures of 823 tonnes by the end of 2015. By the end of March 2014, our reduction has reached 23.75%

We have run a number of 'spend-to-save' initiatives that have not only enhanced value for money, but also our sustainability. These include: the automatic powering down of

PCs at the end of the working day; the replacement of bottled water with filtered tap water; the reduction in travel between our sites by 50% with the cost savings being invested in additional video conferencing units; and the promotion and subsidy of the KeepCup® – reducing spend on disposables.

## 8. Development

Our fundraising activity continues to be an important way in which we supplement Grant in Aid. The Library's supporters, in their many forms, do a great deal to help us and we are constantly seeking new sources of income. Fundraising activities this year resulted in pledges and donations of £3.6m. In addition, a generous grant was received from the Qatar Foundation for the ongoing Qatar programme. We would like to thank all our loyal supporters and patrons, the trusts and foundations and corporate sponsors and the many new donors who have provided support for our diverse portfolio of projects. In particular we would like to acknowledge major donations from the Qatar Foundation, the National Heritage Memorial Fund towards the acquisition of the Canning archive, The Art Fund towards the acquisition of the *Mystère de la Vengeance* manuscript and the Garfield Weston Foundation towards the recently launched *Discovering Literature* online project. The legacy programme becomes an increasingly important source of income, with a generous donation in memory of Melvin R Seiden helping us reach a total of some £800k this year. Our corporate sponsorship programme has grown this year with two new exhibition sponsors: Winton Capital Management for *Beautiful Science* and Prudential for the Irrawaddy literary festival. International law firm Linklaters has agreed to be the lead sponsor of next year's *Magna Carta* exhibition. Thanks also to Barclays for their continuing sponsorship of the regional *Inspiring Entrepreneurs* programme of events.

## Key Performance Indicators

KPIs are reviewed and developed each year in line with supporting key activities identified through our business planning process. Highlights include the increase in visitors to the Library's onsite and online facilities including record numbers using the learning and educational resources. The increase in charitable giving was supported by c.£3m in donated assets and support for the purchase of the Canning Archive.

	Target	Actual	Actual	Actual
	2013/14	2013/14	2012/13	2011/12
<b>Charitable Giving (DCMS indicator)</b>				
Total amount of charitable giving (donations and sponsorship) from sponsors, private benefactors and charitable trusts.	N/A	£11,874k	£5,739k	£7,070k
Ratio of charitable giving (donations and sponsorship) to Grant in aid.	N/A	12.5%	5.5%	6.9%
<b>Quality</b>				
Reading Room user satisfaction: percentage of Readers rating the services and facilities they used as either 'very satisfied' or 'quite satisfied'	92%	94%	92%	92%
Exhibition visitor enjoyment rating: percentage of visitors rating the enjoyment of their visit as either 'excellent' or 'good'	90%	96%	98%	98%
UK remote user satisfaction: percentage of users who are 'totally satisfied' with the Document Supply service <sup>1</sup>	-	-	90%	90%
Web user satisfaction: ease of finding information on the Library's website <sup>2</sup>	85%	83%	79%	-
<b>Throughput</b>				
Number of visitors to the Library's Learning website <sup>3</sup>	1,300,000	2,003,915	1,614,165	1,285,948
Number of learners attending educational sessions <sup>4</sup>	20,000	31,239	23,270	18,578
Number of visitors to the Library's onsite and virtual public access facilities <sup>5</sup>	2,340,000	3,053,500	2,133,895	2,286,256
Number of items supplied / consulted remotely and onsite <sup>6</sup>	10,535,725	11,510,158	10,297,319	11,007,710
Number of visits to Reading Rooms	480,000	478,856	469,643	511,044

Number of items received <sup>7</sup>	792,996	753,773	804,847	828,751
Percentage of UK legal deposit material acquired <sup>8</sup>	90%	99%	99%	98%
Percentage of material delivered electronically <sup>9</sup>	80%	85%	81%	80%
Exhibition loans to other institutions <sup>10</sup>	40	37	36	40
Items acquired <sup>11</sup>				
Monographs	172,100	180,020	184,921	190,448
Serial titles <sup>12</sup>	-	76,034	78,317	79,557
Newspaper issues	131,600	131,528	157,167	138,235
Patent specifications <sup>12,13</sup>	-	1,137,630	1,144,372	1,588,921
Other special materials	6,296	5,792	5,013	6,092
Electronic <sup>7</sup>	130,000	27,923	39,605	42,321
Cataloguing backlogs <sup>12</sup>	-	794,416	779,849	826,302
Catalogue records created <sup>12</sup>	-	296,662	326,238	322,966
Digital images created <sup>12,14</sup>	-	36,152,657	12,149,100	1,962,568
<b>Efficiency</b>				
Document supply and monograph lending fulfilment rate	69%	72%	67%	71%
Percentage of material held onsite delivered in St Pancras Reading Rooms within 70 minutes	93%	94%	92%	94%
Average sick leave in working days per staff member	7.5	5.69	6.12	7.39

1. The UK remote user satisfaction measure is currently under review. There are therefore no figures available for 2013/14 which are comparable with previous years.

2. This measure was introduced in 2012/13, replacing the overall web usage satisfaction figure. The 'ease of finding information' figure is a success measure for the Web Redevelopment Project, providing a more direct gauge of the user experience than the headline satisfaction rate.

3. The Learning website at [www.bl.uk/learning](http://www.bl.uk/learning) provides educational resources, digitised collection material and interactive activities to support teaching and learning with a focus on English Literature, English Language, History, Citizenship and Religious Education. The 2013/14 visitor numbers are the largest ever to the Learning site and the first time we have surpassed 2 million. January 2014 saw the launch of our new *World War One* site on the Library's newly redeveloped website which has been hugely successful. Popular areas of the site, such as *Sounds Familiar*, *Victorians* and the Timelines,

have seen growth during this period, and additional marketing activity, particularly social media, has played a role in generating more interest in content.

4. Our onsite educational sessions include: workshops, tours, projects, conferences, and special events for Primary and Secondary School students and teachers, young people, families and community groups. The high number of learners in 2013/14 can be attributed to a number of factors: almost 4,000 participants attended our family activities this year (the highest on record) and over 5,000 took part in the schools programme accompanying the highly popular *Propaganda* exhibition. In addition, our core programme continues to grow, and we now have a sustained marketing plan in place which has impacted on school bookings.

5. The number of visits to the Library's onsite public access facilities has exceeded 700,000 visits beating targets for every area of the public programme. With the exception of 2010/11, it has been our best year since 2007/08. The *Propaganda* exhibition, *Britten* exhibition and *Children's Illustrated Books* exhibition have been particularly successful along with visits to the Sir John Ritblat Gallery: Treasures of the British Library. Visitors to the British Library's virtual public access facilities have been boosted by the improving performance of the Online Gallery in 2013/14.

6. Items supplied / consulted includes access to the collection through our Reading Rooms, Remote Document Supply services and access to digitised images on our website. The number of items consulted on the British Library website was exceptional in 2013/14 largely due to the strong performance of the Online Gallery throughout the year.

7. In the first year of the new legal deposit regulations, the number of items received is below target as a result of a lower than anticipated intake of e-Books and e-Journals.

8. The percentage of UK legal deposit material acquired now excludes US Distributors. This more accurately reflects the proportion of UK published material received.

9. Percentage of material delivered electronically covers all forms of electronic delivery. These include secure electronic delivery (digitally scanned copies), post to web (item placed on a secure web page for the user to view), direct download (user has access to an e-stored item) and Ariel (scanned item transmitted to user).

10. Loans to individual institutions, not numbers of items lent.

11. Figures reflect acquisition by purchase, exchange and legal deposit.

12. No overall target was set for 2013/14.

13. The number of patent specifications received continues to decline as countries increasingly move to web only access.

14. The number of digital images created has increased in 2013/14 due to digitisation for the following partnership projects: Google Books, British Newspapers Archive (DC Thomson Family History), Qatar Programme, *Europeana Collections 1914-18*, Gale Digitisation and Polonsky Hebrew Manuscripts.

## Statistics

<b>WEBSITE USAGE</b>		
<b>Use of www.bl.uk</b>	<b>2013/14</b>	<b>2012/13</b>
Unique hosts served <sup>1</sup>	10,841,860	8,069,746
Successful requests for pages (page hits) <sup>2</sup>	77,419,481	77,897,227

1. The unique number of browsers accessing the site as defined by comScore, the Library's website analytics package, (excluding staff users).

2. The total number of pages accessed from the website (excluding staff usage).

<b>SERVICE IN THE READING ROOMS</b>		
<b>Seats available for users at 31 March 2014</b>	<b>Reader desks</b>	<b>Other provision<sup>1</sup></b>
Humanities Floor 1 and 2 Reading Rooms	448	67
Rare Books & Music Reading Room	293	76
Maps Reading Room	56	20
Asian & African Studies Reading Room	81	51
Manuscripts Reading Room	72	28
Philatelic Collections	1	0
Science Reading Rooms	129	60
Business & IP Centre	32	53
Social Sciences Reading Room	59	25
Boston Spa Reading Room	24	4
<b>Total</b>	<b>1,195</b>	<b>384</b>

1. This includes seats provided at the Explore the British Library screens, electronic database terminals, microform readers and carrels (the individual study booths in the Reading Rooms).

<b>BIBLIOGRAPHIC SERVICES</b>		
<b>Records in British Library catalogues and databases at 31 March 2014</b>	<b>2013/14</b>	<b>2012/13</b>
Explore the British Library <sup>1</sup>	13,734,757	13,537,654
Archives and manuscripts <sup>1</sup>	2,066,758	1,864,515
Asia, Pacific and Africa Collections – Chinese <sup>1,2</sup>	19,000	72,880
Allied and Complementary Medicine (AMED) <sup>1</sup>	282,951	272,733
British National Bibliography (BNB) <sup>1</sup>	3,399,552	3,322,012
Sound & Moving Image Catalogue <sup>1</sup>	3,373,573	3,338,375
English Short Title Catalogue (ESTC) <sup>1</sup>	481,316	480,910
Incunable Short Title Catalogue (ISTC) <sup>1</sup>	30,410	30,404
Electronic table of contents <sup>1,3</sup>	46,722,064	44,305,813
International Standard Serial Numbers (ISSN) UK Centre <sup>1</sup>	431,278	426,054
Newspapers <sup>1,4</sup>	33,644	59,444
Register of Preservation Surrogates	221,714	221,616
<b>Total</b>	<b>70,797,017</b>	<b>67,932,410</b>

1. Available from the Library's website.
2. All other Asia, Pacific and Africa Collection material, except for Chinese material, is included in Explore the British Library. Chinese material will move over during 2014/15.
3. A database listing articles and conference papers by title, derived from the top 29,000 research journals. The database is available through [zetoc.mimas.ac.uk](http://zetoc.mimas.ac.uk).
4. Newspapers previously included periodicals and these are now included in Explore the British Library.

<b>COLLECTION DEVELOPMENT</b>		
<b>Collection Holdings at 31 March 2014</b>	<b>2013/14</b>	<b>2012/13</b>
Monographs <sup>1</sup>	14,768,923	14,532,685
Serial titles (all) <sup>2</sup>	858,414	868,632
Manuscripts (single and volumes)	370,396	359,935
India Office records <sup>3</sup>	413,801	413,516
Philatelic items	8,280,939	8,276,859
Cartographic items	4,574,521	4,572,306
Music scores	1,618,761	1,615,966
Sound discs	1,531,844	1,517,529
Sound tape items	256,867	256,481
Digital Audio Files	74,318	55,941
Videos	39,983	38,956
Digital Video Files	23,638	13,887
Prints and drawings	33,210	33,200
Photographs	323,039	314,784
Patent specifications	68,634,309	67,496,679
Reports in microform <sup>4</sup>	10,433,593	10,433,593
Theses	269,442	236,668
<b>Total</b>	<b>112,505,998</b>	<b>111,037,617</b>

1. The figure for monographs is based on the number of records in the relevant catalogues. This figure includes an estimate of items covered by card catalogues.
2. The figure for serials titles is based on the number of records in the relevant catalogues. Changes of title are therefore counted as separate titles. This figure includes an estimate of items covered by card catalogues.
3. The archives of the India Office (1858-1947) and its predecessors, including the East India Company (1600-1858).
4. New reports in microform have not been received in 2013/14 as the subscription for this content has not been renewed.

<b>ITEMS RECEIVED ON LEGAL DEPOSIT</b>		
	<b>2013/14</b>	<b>2012/13</b>
Monographs	107,554	122,873
Serial issues	192,719	199,782
Maps and atlases	1,905	1,652
Music scores	1,305	917
Newspaper issues	125,733	149,634
Playscripts	190	201
<b>Total</b>	<b>429,406</b>	<b>475,059</b>
Serial titles received	30,796	35,516
Claims for items not automatically deposited	231,722	224,645

<b>STORAGE</b>		
<b>Kilometres of shelving and percentage occupied</b>	<b>2013/14</b>	<b>2012/13</b>
Working capacity: linear km <sup>1,2</sup>	801	798
Extent of collection: linear km	697	687
Percentage occupied	87%	86%

1. Working capacity represents the linear length of occupied shelving, plus the associated growth spaces without which the collection could not be used and added to effectively.

2. The Newspaper Storage Building at Boston Spa opened in February 2014. The transfer of the print newspaper collections from the Newspaper Library at Colindale is currently in progress. Following the sale of Colindale in May 2013, the Library will continue to occupy the site until the end of 2014 while the moves are completed.

<b>PRESERVATION</b>		
<b>Preservation funding</b>	<b>2013/14</b>	<b>2012/13</b>
	<b>£000</b>	<b>£000</b>
Grant in Aid	3,529	3,551
Donations/external funds	32	12
<b>Total</b>	<b>3,561</b>	<b>3,563</b>
<b>Items preserved</b>	<b>2013/14</b>	<b>2012/13</b>
Conservation and/or rebinding, new binding and minor repairs	23,763	21,557
Boxing/other work	23,549	15,158
Preservation microfilming <sup>1</sup>	1,088	1,093
<b>Total</b>	<b>48,400</b>	<b>37,808</b>
<b>Preservation microfilming<sup>2</sup></b>	<b>2013/14</b>	<b>2012/13</b>
Books, periodicals, record volumes, manuscripts: frames of film	848,831	772,020
Newspapers: frames of film <sup>3</sup>	1,043,705	-
<b>Total</b>	<b>1,892,536</b>	<b>772,020</b>
<b>Digitisation</b>	<b>2013/14</b>	<b>2012/13</b>
Books, periodicals, maps, manuscripts, etc.: shots	14,131	15,859
<b>Total</b>	<b>14,131</b>	<b>15,859</b>

1. This figure is the approximate number of volumes equivalent to the frames shown under the heading 'preservation microfilming'. The number of frames extracted from each volume is dependent upon the size of the volume. For the year 2013/14 the volumes were larger than the previous year, hence the similar number of volumes but a greater number of frames.

2. One frame equates to one camera exposure. These generally represent either a single or double page of a monograph or periodical. For most programmes, a negative, positive and duplicate are taken

of each page. Consequently the number of frames shown does not represent the number of pages for which surrogate copies have been made.

3. Funding was made available during 2013/14 to carry out the microfilming of newspapers by external contractors.

## Financial Review

### Overview of Financial Position

The financial statements have been prepared in accordance with Accounting and Reporting for Charities: Statement of Recommended Practice (SORP 2005), and the Government Financial Reporting Manual (FREM). A Statement of Financial Activities for the year is set out on page 61. This shows all resources made available to the British Library Board and all expenditure incurred, and reconciles all changes in its funds.

The British Library has established procedures to ensure that the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance are met.

The British Library's income for 2013/14 was £124.7m (£126.1m 2012/13), of which £95.1m (76%) was Grant in Aid from the Department for Culture, Media and Sport. £95.0m (£86.2m 2012/13) of this was resource Grant in Aid and £0.1m (£17.6m in 2012/13) was for capital programmes. Grant in Aid includes £6.4m in relation to the operation of the Public Lending Right (PLR) for the six months from 1 October 2013 to 31 March 2014, "ring fenced" and protected to maximise the amount of Grant in Aid available for distribution to authors.

Income from the provision of services from unrestricted funds was down to £13.2m from the previous year (£14.6m), while restricted funds were held level at £0.8m. Voluntary Income increased to £15.0m (£6.3m in 2012/13) while investment income was maintained at £0.6m (£0.6m 2012/13). Document Supply income continued to be the Library's principal source of commercial revenue but it experienced a further decline in demand and sales in challenging market conditions. However, the implementation of a new order management system and the introduction of differential pricing for items supplied from electronic content provided some positive news in the overall performance.

The reductions in Grant in Aid and service income mean that the Library has had to continue to make ongoing reductions in its core operating expenditure. However, it has been able to continue to make investments in heritage acquisitions and digitisation projects funded by increased philanthropic donations and grants. Alongside this, the successful delivery of the construction of the new newspaper facility was made possible through the sale of the Colindale site and Capital funding agreed with the Department for Culture, Media and Sport.

The Charitable Activities sections in the statements present the information in a format which closely aligns to the day to day services the Library provides. A new activity has been added this year to show the operation and payments in relation to the Public Lending Right (PLR).

The Library's continued focus on efficiency has contributed to the delivery of significant operational savings required in order to match reductions in core Government funding in this and future financial years. The third year of the Government's Spending Review required the Library to make further savings through reductions in salary expenditure,

(delivered through a headcount reduction facilitated by a “voluntary exit” programme), and operational costs. The budgeted savings were delivered in full and additional in-year savings were redirected to priority areas of spending including a further programme of asbestos remediation. In December 2013, the Secretary of State announced a further 5% real terms’ cut in the British Library’s Grant in Aid for the financial year 2015/16, ensuring the focus on large scale cost reduction will need to continue for at least another year.

The Government announced some relaxation in its spending controls for Museums and Galleries across the sector, and the British Library was chosen to take part in a four-year pilot programme. Under the ‘freedoms’ the Library is exempt from a number of controls including Government procurement policy, the 1% pay award limit and control on property spend and it also allows the Library to use its reserves in a more flexible way subject to informing the Department for Culture, Media and Sport of any requirement as part of the Treasury’s supplementary review processes.

Further discoveries of low levels of asbestos contamination on the Colindale site required the Library to extend its programme of remediation work in full compliance with Health and Safety regulations and to ensure the newspaper collection is available to be moved into the new storage building in time to hand over the Colindale site in October 2014.

Revenue expenditure on acquisitions for the collections was £12.6m, (£13.1m 2012/13), reflecting delays in the purchase of materials due to a major supplier discontinuing its supply. Capital expenditure was £3.6m, (£1.8m 2012/13), with the acquisition of a number of heritage items supported by donations and grants.

In February 2014, the PLR team distributed the first author payments under the governance of the British Library. PLR’s Grant in Aid allocation was £6.8 million (£7.08 million in 2012/13) which resulted in less funding being available for the author fund but, as a result of a further reduction this year in the number of book loans and also efficiency savings made in operational costs, we were able to maintain the rate per loan figure at the 2013 level of 6.20 pence.

A total sum of £6,190,202 was paid to 22,370 authors (£6,421,511 to 23,187 authors in February 2013). 82% of the Fund was distributed in payments of £500 or more. Expenditure includes £36,879 unpaid at the year end because the addresses of some authors are unknown to PLR, or their assignees have not made probate claims. A further £25,305 is a separate PLR reserve which can be used to supplement the future funding available to authors. The PLR reserve is made up of amounts held as creditors and subsequently renounced by authors, or unclaimed and undistributed after six years.

There was a net increase in the movement of funds after revaluation in the year of £25m, of which £23.8m was due to an increase in the unrestricted funds and £1.2m an increase on the restricted funds

The construction of the Library’s Newspaper Storage Building at Boston Spa was completed during the year, and transport and loading of the collection is under way. The building is scheduled to come into full operation in late 2014. Income from the sale of the Colindale site was £14.2m, of which £12m was a cash payment on signing of

the contracts. The asset value of the site was £5.4m leaving a net profit on disposal of £8.8m. The increase in debtors mainly relates to the £2.2m balance of receipts on the sale of the Colindale site which is payable on handover of the site.

During the year, the British Library revalued its land and buildings on its site at Boston Spa, see note 10 of the Accounts on page 78.

## Reserves

At 31 March 2014 the British Library's reserves were as follows:

	£m
Restricted funds	19.2
Unrestricted funds:	
Fixed Asset reserves	401.9
Revaluation Reserve	230.0
Donated Asset reserve	27.9
Designated Funds	5.7
PLR Reserve	0.1
General funds	23.5
<b>Total funds</b>	<b>708.2</b>

The fixed asset, revaluation and donated asset reserves are fully employed in the operation of the British Library and are not available for other purposes.

The PLR reserve is made up of amounts renounced by authors, unclaimed or undistributed after a period of six years and can be used to supplement the future funding available to authors.

As part of the annual planning and budget setting process, the Trustees review and approve the level of readily available reserves appropriate to the scale, complexity and risk profile of the Library.

The overall objective of the Library's Reserves Policy is to provide continuing assurance that the solvency of the British Library will not be put at risk by short - term variations in income or expenditure levels and to create an appropriate level of resource capability to allow the Library to respond to unforeseen challenges or opportunities arising within a financial year. Levels of unrestricted funds, both current and forecast, are kept under close scrutiny to ensure that they do not fall below the levels necessary to provide an adequate level of cover and are reported on as part of the quarterly financial monitoring process. The Reserves Policy, and the financial provision to be made within it, are reviewed annually by the British Library Board within the context of the assessed financial and business planning environments and taking account of assessed levels of risk.

The target level of general provision will be maintained in a range of 2% to 10% of annual unrestricted fund expenditure. In total, General Reserves at 31 March 2014 were £23.5m, of which £6.5m relates to non-cash prepayment adjustments in relation to serials. Taking account of the current level of risk, the following reserve levels were agreed by the Board: £4.0m in relation to future asbestos works; £1.7m in relation to completing the works on the Newspaper Programme; £2.6m core capital funding for 2014/15; £1.1m capital contingency; £3.0m restructuring reserve; £1.1m for specific

investment projects agreed by the Board; expenditure carried over from the current year; a general provision of £3.5m, which is 3% of the year's unrestricted expenditure and within the Library's target level.

## **Investments and Financial Risks**

During the year, the Board Investment Committee was disbanded and its responsibilities transferred to the full Board of Trustees. See Governance Report on pages 46 to 52 for further details.

Legal and General were appointed as the British Library's Trust Fund investment manager in November 2006. The Board determines the overall investment return objectives and acceptable risk tolerances. It targets an annual Value at Risk of the portfolio so as not to exceed 15% that is a loss which could be expected in one of every six years. The Board recognises the risk of short-term volatility or longer-term depression in values associated with investing in equities and certain other asset classes. To meet these objectives, the Board currently aims to achieve an absolute return from investments of RPI plus 3% on a rolling five-year basis. The performance of the portfolio will be judged against this target.

At the start of the year fund values stood at £13.2m having recovered from their lowest point in March 2009 following the financial crisis. Funds have increased steadily over the year and ended the year at £13.9m (up 6%).

The Board gave oversight to the Library's investment portfolios, reviewed the Investment Policy, and considered the performance and risks of its Trust Fund investments.

The financial risks relating to investments continue to be managed by:

- a broad asset allocation which minimises the exposure to adverse factors which may affect one or more classes of assets;
- maintaining a relatively high liquidity level; and
- regularly monitoring investment performance.

Investments held as fixed assets are included at market value at the year-end. The Statement of Financial Activities (SOFA) includes any realised and unrealised investment gains and losses arising on revaluation and disposals throughout the year.

## **Payment of Creditors**

The British Library observes the principles of the Better Payment Practice Code, and it is the policy of the British Library Board to pay all creditors within 30 days of the invoice receipt unless separate arrangements have been agreed with the supplier. For the year ended 31 March 2014, 95% of invoices were paid within the agreed 30 day period, (86% 2012/13).

## **Related Party Transactions**

Details of related party transactions are disclosed on page 94 at note 24.

## **Code of Best Practice on Corporate Governance**

In accordance with HM Treasury Code of Good Practice and Chapter 3 of Managing Public Money, the Annual Governance Statement is included on pages 46 to 52.

So far as the Accounting Officer and Board are aware, there is no relevant audit information of which the British Library's auditors are unaware, and the Accounting Officer and Board have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the British Library's auditors are aware of that information.



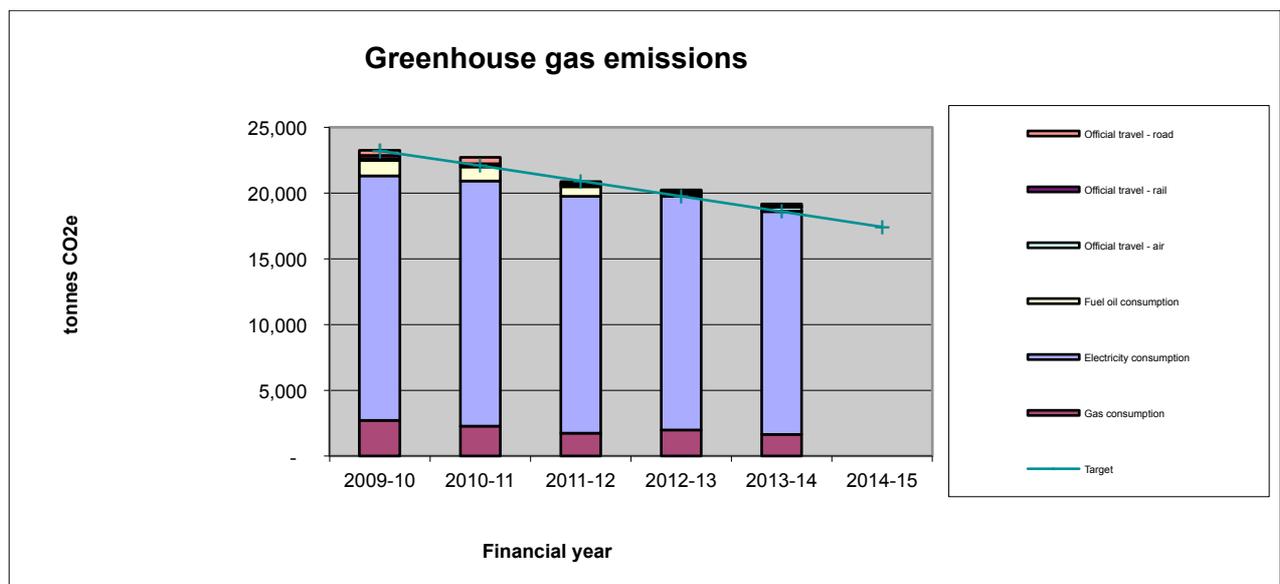
**Rt Hon Baroness Blackstone PC**  
Chairman  
1 July 2014



**Roly Keating**  
Accounting Officer  
1 July 2014

## Sustainability Report

<b>Greenhouse Gas Emissions</b>		<b>09-10</b>	<b>10-11</b>	<b>11-12</b>	<b>12-13</b>	<b>13-14</b>
Non-Financial indicators (1,000 tCO <sub>2</sub> e)	Gross emissions Scope 1 (direct)	4.1	3.7	2.5	2.1	1.7
	Gross emissions Scope 2 & 3 (indirect)	19.4	19.4	18.4	18.2	17.4
	Total gross emissions	23.4	23.1	20.9	20.3	19.2
	Total net emissions	23.4	23.1	20.9	20.3	19.2
Related energy consumption (million kWh)	Electricity: Non-renewable	34.4	34.5	33.3	32.9	31.3
	Electricity: Renewable	-	-	-	-	-
	Gas	14.7	12.5	9.4	10.7	9.0
	Gas Oil	4.5	4.1	2.9	3.6	3.0
	Other	-	-	-	-	-
Financial indicators (£million)	Expenditure on energy	2.9	2.8	3.1	3.2	3.3
	CRC license expenditure (2011-12 onwards)	-	-	0.3	0.2	0.3
	Expenditure on accredited offsets	-	-	-	-	-
	Expenditure on official business travel	0.8	0.5	0.5	0.5	0.6



## **Performance commentary**

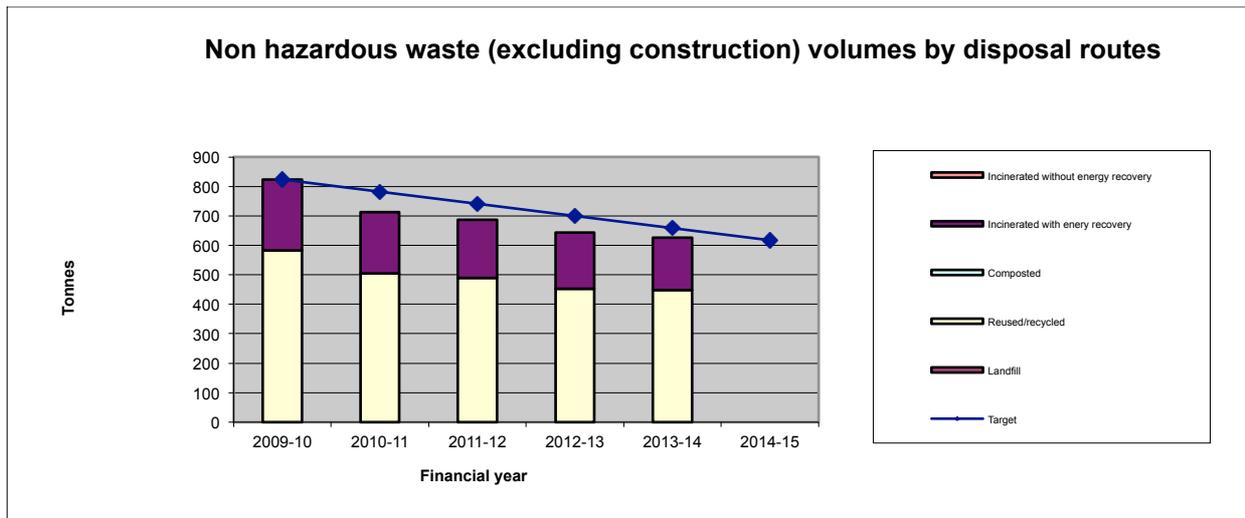
The British Library has a target to reduce its greenhouse gas emissions by 25% by 2015 from a 2009/10 baseline, for our estate and for business-related transport. At the end of 2013/14 net emissions have reduced by 18% which is behind our target of 21% by the end of the third year.

The main direct causes for carbon emissions for the Library are electricity, gas and oil consumption. An energy saving Action Plan is in place, and progress is being made as opportunities and budgets allow for investment in energy saving plant and lighting. Considerable progress has been made, resulting in a reduction of our Display Energy Certificate (DEC) for St Pancras from "G" in 2009/10 to "E" in 2010/11, which has been maintained for DEC years 2011, 2012 and 2013. Our new Newspaper Storage building in Yorkshire was rated a "B" Energy Performance Certificate. The Library was awarded a London Green 500 'Gold' award in 2009 and 'Platinum' Award in 2010. It was awarded a Camden Climate Change Alliance Mark of Achievement in 2013.

There was an increase in air travel during the year as a result of the increase in International Engagement.

The Library complies with DCMS/GPS sustainable procurement policies, but our existing contracts do not yet contain requirements for supply chain reporting.

<b>Waste</b>			<b>09-10</b>	<b>10-11</b>	<b>11-12</b>	<b>12-13</b>	<b>13-14</b>	
Non-Financial indicators (tonnes)	Hazardous waste	Total	1.1	37.4	90.0	164.0	39.6	
	Non hazardous waste	Construction waste to landfill	-	-	2,509.6	27.5	27.5	
		Landfill	-	-	-	-	-	
		Reused/recycled	582.9	505.1	518.0	997.0	448.1	
		Composted	-	-	-	-	-	
		Incinerated with energy recovery	239.2	208.5	197.8	190.7	178.2	
		Incinerated without energy recovery	-	-	-	-	-	
		<b>Total waste</b>		<b>823.1</b>	<b>751.0</b>	<b>3,315.4</b>	<b>1,379.3</b>	<b>693.5</b>
Financial indicators (£million)	Hazardous waste	Total						
	Non hazardous waste	Landfill						
		Reused/recycled						
		Composted						
		Incinerated with energy recovery				N/A		
		Incinerated without energy recovery						
		<b>Total waste</b>						



### Performance commentary

For the last three years, the British Library Estates team has been working to achieve the government's target of a 25% reduction in the total weight of waste produced by 2015, against the 2009/10 baseline figure of 822 tonnes (excluding hazardous and construction waste). This year we have undertaken a combination of measures to reduce the generation of waste, including the implementation of a managed print contract, targeting high volume producers and the promotion of recycling and waste reduction issues.

By the end of 2013/14, with the waste total standing at 626 tonnes, the rate of reduction had reached 24%. We now have 12 months to reach our 25% reduction over 5 years' target.

Over the year 2013/14 we have increased the percentage of waste recycled to 71.6% (against a target of 70%). Waste which is not recycled is incinerated for energy generation. No waste is sent to landfill.

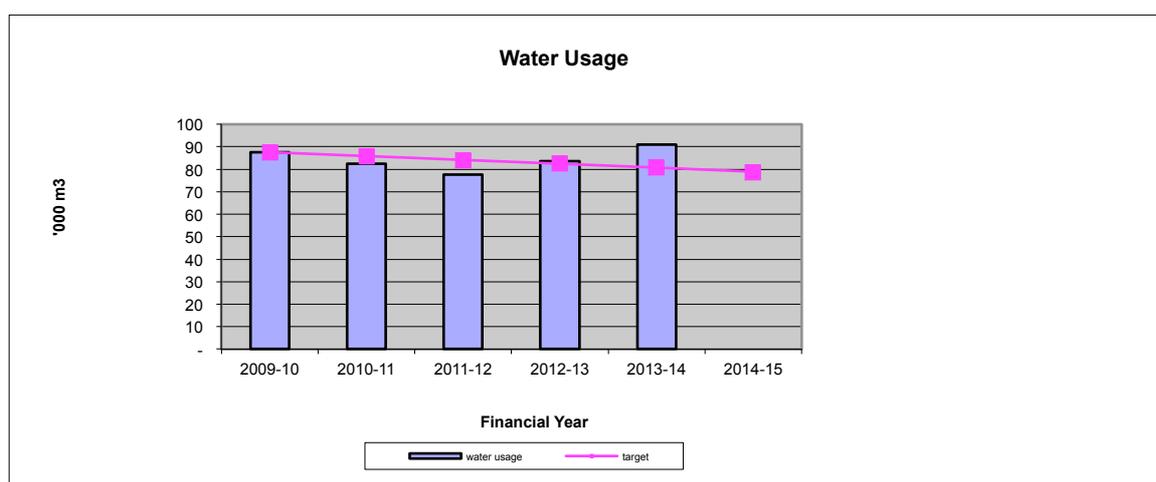
During 2011/12 the Library was engaged in major construction work on a new building which was reflected in the increase of construction waste. The Library has also had to undertake an asbestos removal programme at its Boston Spa and Colindale sites which is reflected in the increased hazardous waste figures for the last four years.

There are no financial indicators for the waste element as these costs are embedded in service contracts and the actual element that relates to the removal of the waste is not identified separately.

## Controllable impacts

The main direct causes of waste for the Library are staff and public areas.

Finite Resource Consumption			2009-10	2010-11	2011-12	2012-13	2013-14
Non-Financial indicators ('000m3)	Water consumption	Supplied	87.7	82.5	77.7	83.5	91.0
		Abstracted	-	-	-	-	-
		Collected	-	-	-	-	-
Financial indicators (£thousand)	Water supply costs	179.8	155.4	152.3	182.3	184.9	



## Performance commentary

The British Library has a target to reduce water consumption by 10% from a 2009/10 baseline. Consumption in 2013/14 includes a one-off increase due to the project works associated with installing energy saving plant which required the drainage and refilling of the cooling systems in St Pancras.

Office benchmarks for water consumption and reduction are not suitable for St Pancras, as approximately 60% of water used is for cooling of Reading Rooms, collection storage areas, public exhibition spaces and the Conference Centre.

Our St Pancras building has some designed-in Climate Change Adaptations. Our Boston Spa buildings have biodiversity and natural environment features. We seek to achieve appropriate BREEAM ratings for new buildings; our Centre for Conservation building at St Pancras is rated 'Excellent' and the Newspaper Storage Building at Boston Spa has a 'Very Good' rating; this building incorporates a small Tri-Generation plant.

## **Reference and Administrative Details**

The following organisations were the Library's principal suppliers of professional financial, legal and investment services during 2013/14:

### **Lloyds Bank**

39 Threadneedle Street  
London EC2R 8AU

### **Barclays Bank**

49 High Street  
Stockton-on-Tees  
TS18 1AH

### **Government Banking Service**

C/O Citi  
Citigroup Centre  
London E14 5LB

### **Comptroller and Auditor General**

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

### **Legal and General Investment Manager**

One Coleman Street  
London EC2R 5AA

### **Treasury Solicitor**

1 Kemble Street  
London WC2B 4TS

# REMUNERATION REPORT

## Remuneration Policy

The Remuneration Policy for the Library's senior managers is set by the Board Remuneration Committee. The current terms of reference for the Committee are as follows:

1. The Remuneration Committee is a main committee of the Board without executive powers, comprising three non-executive Board members and chaired by an independent non-executive Board member. The Committee reports to the Board.
2. Members of the Committee are appointed by the Board.
3. The Board Secretary and Head of International Engagement acts as Secretary to the Committee.
4. At the request of the Chairman of the Committee, the Chief Executive and other Executives of the Library may be in attendance at meetings of the Committee, or for selected agenda items. No Executive of the Library will be in attendance or play any part in discussions and decisions about their own remuneration.
5. The Committee is able to obtain external professional advice and, if necessary, to invite external advisors to its meetings.
6. The Committee normally meets once a year.
7. The quorum necessary for the transaction of business is two.
8. Minutes of Committee meetings will be circulated promptly to all members of the Committee and, once agreed, to all members of the Board.
9. The Committee fulfils the following responsibilities:
  - (i) to keep under regular review the terms and conditions of the Chief Executive;
  - (ii) to undertake an annual review of the Chief Executive's salary and performance bonus and make recommendations to the Board;
  - (iii) to consider the recommendations of the Chief Executive in relation to the annual review of the salary and performance bonuses of the Executive Leadership Team and similarly for any other equivalent paid senior staff;
  - (iv) to represent the Board in relation to considerations relating to the terms and conditions of all other Library employees;
  - (v) to carry out any other review, and make any other recommendations, which in its opinion, or at the request of the Chief Executive, it believes to be relevant to the Board's statutory responsibilities in relation to the terms and conditions of the Library's employees.
10. The Committee will, from time to time, review its own performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

11. The current members of the Remuneration Committee are:

Dawn Airey (Chair until 25 September 2013)  
Baroness Blackstone  
David Barclay (Chair from 26 September 2013)  
Professor Kate McLuskie  
By invitation: Roly Keating, Chief Executive,  
In attendance: Dawn Whelan-Smith, Head of Strategic HR  
Mary Canavan, Director of Human Resources (Secretary until 3 May 2013)  
Andy Stephens, OBE, Board Secretary and Head of International  
Engagement (Secretary from 7 May 2013)

In reaching its decisions, the Committee considers:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- government policies for improving the public services including the requirement to meet the outputs and levels of performance that the Library is expected to deliver in order to achieve ministerial objectives;
- the funds available to the Library; and
- the Government's inflation target.

The Remuneration Committee is informed in its decisions by external benchmarking and through the Library's performance management process. The Chief Executive and members of the Executive Leadership Team are eligible for contractual non-consolidated annual bonus payments of up to 10% of basic salary.

The Chairman considers the achievement of objectives of the Chief Executive and makes a recommendation to the Remuneration Committee. The Chief Executive considers the achievement of objectives of the Executive Leadership Team in respect of individual bonuses and makes recommendations to the Remuneration Committee.

Because of the Library's funding settlement and financial constraints, the Chief Executive and the current members of the current Executive Leadership Team decided to waive their individual bonus payments for 2012/13 (payable in 2013/2014), for the third year running. A member of the Executive Leadership Team who left the Library on 6 June 2013 was awarded a non-consolidated annual bonus for individual performance in 2012/13 of up to 10% of basic salary. For 2013/14 the annual award for all staff, including the Chief Executive and the Executive Leadership Team, was 1% in line with Government policy.

### **Service Contracts**

Although members of Library staff are not civil servants, appointments are made in accordance with the Civil Service principle that requires appointments to be on merit and on the basis of fair and open competition.

The Library's senior managers covered by this report hold appointments which are open ended until they choose to retire. However those in post prior to 1 October 2006 have a contractual right to retire at age 60, should they so choose. The Chief Executive has a six month notice period; other senior managers have a three month notice period. All are members of the Principal Civil Service Pension Scheme and as such early termination of their contract would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

### Remuneration and pension entitlements (audited)

Remuneration includes: gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. Performance pay or bonuses are disclosed separately.

Bonuses are based on performance levels attained and are made as part of the appraisal process. They relate to performance in the previous year.

No benefits in kind were received by the Executive Leadership Team or Chairman.

### Hutton Fair Pay Review Disclosure (audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in the organisation in the financial year 2013/14 was £140k-£145k (2012/13 £140-£145K). This was 5.66 (5.79 2012/13) times the median remuneration of the workforce, which was £25,194 (£24,622 2012/13).

In 2013/14, no employees received remuneration in excess of the highest paid director. Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include employer pension contributions and the cash equivalent transfer of pensions.

**The tables below shows the pension entitlements of, and the salary paid during the year to, the Chairman and Board Members and the Executive Leadership Team.**

### Remuneration for non-pensionable Board Members (Audited):

	2013/14	2012/13	Term Start Date	Term End Date
	£000	£000		
Rt Hon Baroness Blackstone PC	37.0	37.0	1/9/10	31/8/18
Ms Dawn Airey (until 25/9/13)	4.4	9.1	1/4/11	31/3/15
Mr David Barclay	9.1	9.1	26/1/11	25/1/15
Dr Robert Black CBE	9.1	7.1	20/6/12	19/6/16
Sir Kenneth Calman KCB	9.1	9.1	1/4/11	31/3/15

Lord Fellowes GCVO	9.1	9.1	30/9/12	29/9/15
Professor Dame Wendy Hall DBE	9.1	9.1	1/1/11	31/3/15
Dr Michael Lynch OBE <sup>1</sup>	9.1	2.3	26/1/11	25/1/16
Professor Kate McLuskie	9.1	9.1	1/4/11	31/3/15
Dr Stephen Page	9.1	9.1	26/1/11	25/1/15
Mr Patrick Plant (wef 15/5/12)	9.1	8.0	15/5/12	15/4/16
Dr Maggie Semple OBE	9.1	9.1	1/4/11	31/3/15
	132.4	127		

No pension contributions were made on behalf of the above Board Members in the year. The Board Members' remuneration is in accordance with The British Library Act.

During the year, a total of £5,216 (£7,687 in 2012/13) was paid to five (five in 2012/13) Board members for travel expenses.

### Remuneration and Pension Details for the Executive Leadership Team (Audited)

	Salary £'000		Bonus Payments £'000		Pension Benefits <sup>2</sup> £'000	
	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13
Baroness Tessa Blackstone, Chairman	35-40	35-40	-	-	-	-
Roly Keating, Chief Executive (wef 12/9/12)	140-145	75-80 (FTE 140-145)	-	-	56	32
Lynne Brindley Chief Executive (until 31/7/12)	-	30-35 (FTE 160-165)	-	-	-	-
Richard Boulderstone, Chief Digital Officer	120-125	115-120	-	-	36	77
Steve Morris, Chief Financial Officer	125-130	125-130	-	-	5	76
Philip Spence <sup>3</sup> , Chief Operating Officer	135-140	130-135	-	-	44	51
Frances Brindle, Director	120-125	120-125	-	-	48	48
Caroline Brazier <sup>4</sup> , Director	115-120	105-110	-	-	61	22
Mary Canavan, Director (until 6/6/13)	130-135 (FTE 105-110) <sup>5</sup>	105-110	10-15	-	-1	66

<sup>1</sup> Dr Michael Lynch was granted a sabbatical for one year 1/1/12 to 31/12/12.

<sup>2</sup> The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

<sup>3</sup> Philip Spence was in receipt of a responsibility allowance until May 2013 for his temporary promotion to Deputy Chief Executive

<sup>4</sup> Following a restructure of the Executive Leadership Team, the basic pay of both the Chief Operating Officer Philip Spence and Director of Collections Caroline Brazier was recalibrated to reflect their new role responsibilities.

No bonuses were paid to the Executive Leadership Team in 2012/13. In 2013/14 one director received a non - consolidated bonus

	Accrued Pension at pension age as at 31/3/14	Real increase in pension and related lump sum at pension age	CETV at 31/3/14	CETV at 31/3/13	Real increase in CETV
Roly Keating, Chief Executive (wef 12/9/12)	5-10	2.5-5	65	22	30
Richard Boulderstone, Chief Digital Officer	40-45	0-2.5	766	684	32
Steve Morris, Chief Financial Officer	70-75	0-2.5	1,240	1,161	2
Philip Spence, Chief Operating Officer	15-20	2.5-5	25	200	28
Frances Brindle, Director	10-15	2.5-5	166	126	23
Caroline Brazier, Director	15-20 plus lump sum of 50-55	2.5-5 plus lump sum of 7.5-10	355	278	53
Mary Canavan, Director (until 6/6/13)	65-70	0-2.5	1,159	1,128	25

In addition, the annual pay award agreed by the Remuneration Committee for the Chief Executive and the remainder of the Executive Team was 1%, the same as that agreed for all staff, and in line with Government Policy.

### Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially - assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits

<sup>5</sup> The in year remuneration fro Mary Canavan is made up of salary 15-20k, annual leave payment £0-5k, Compensation in Lieu of Notice (CILON) £20-25k and voluntary exit scheme payment £88,588

accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

### **Real increase in CETV**

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



**Rt Hon Baroness Blackstone PC**  
Chairman  
1 July 2014



**Roly Keating**  
Accounting Officer  
1 July 2014

## STATEMENT OF TRUSTEES' AND DIRECTORS' RESPONSIBILITIES

Under the British Library Act, the Department for Culture, Media and Sport has directed the British Library to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the British Library and of its net incoming resources, recognised gains and losses, and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the Accounts Direction issued by the Department for Culture, Media and Sport, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

The Department for Culture, Media and Sport has appointed the Chief Executive as Accounting Officer of the British Library. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the British Library's assets, are set out in *Managing Public Money* published by HM Treasury.

There is a clear division of responsibility between the Chairman and the Chief Executive. The Chairman is responsible for the leadership of the Board, ensuring its effectiveness on all aspects of its role. She facilitates both the contribution of the Board members and also constructive relations between the Board and the Executive. She represents the Library to its external stakeholders at the highest levels. The Chief Executive has responsibility for the overall organisation, management, and staffing of the Library, for the formulation of strategy, and for the successful delivery of results. As Accounting Officer he is responsible for its procedures and controls in financial and other matters.



**Rt Hon Baroness Blackstone PC**  
Chairman  
1 July 2014



**Roly Keating**  
Accounting Officer  
1 July 2014

## **GOVERNANCE STATEMENT**

### **The British Library Board – Operation and Membership**

The British Library Act 1972 places the British Library under the control and management of the British Library Board, the duty of which is to manage the Library as a national centre for reference, study and bibliographical and other information services, in relation both to scientific and technological matters and to the humanities. The Act also requires the Board to make the Library's services available to the public and in particular to institutions of education and learning, other libraries and industry.

Under the terms of the Act, the Chairman and members of the Board are all appointed by the Secretary of State for Culture, Media and Sport, with the exception of one member who is appointed by HM The Queen. One member of the Board is appointed after consultation with Scottish Ministers. All Ministerial appointments to the British Library Board are subject to the Code of Practice of the Commissioner for Public Appointments. Members are normally appointed for four-year terms, and appointments are restricted to two terms. Members conform to a Code of Practice for Members of the British Library Board derived from the Cabinet Office model Code. The Board Secretary ensures that new Board members receive appropriate induction training upon appointment. New members are encouraged to attend training for Board Members of Non-Departmental Public Bodies and also an induction programme covering all aspects of the Library's operations. Board members also receive regular updates on changes and developments in the Library and in its operating environment.

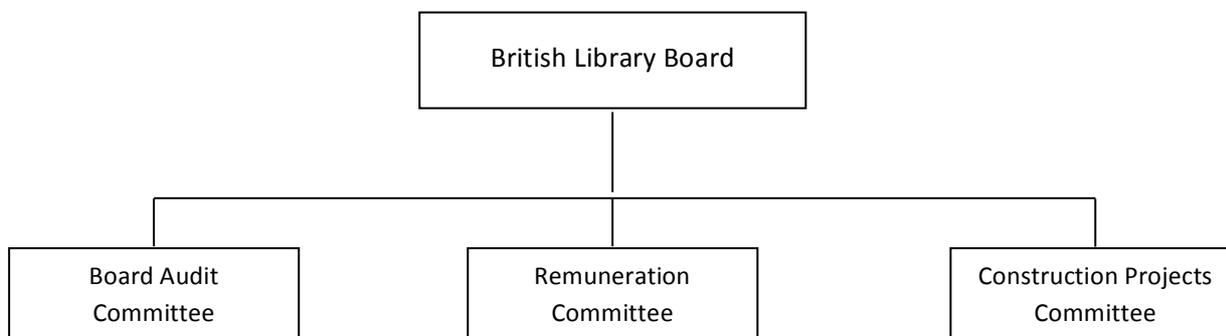
There is a clear division of responsibility between the Chairman and the Chief Executive. The Chairman is responsible for the leadership of the Board, ensuring its effectiveness on all aspects of its role. She facilitates both the contribution of the Board members and also constructive relations between the Board and the Executive. She represents the Library to external stakeholders at the highest levels. The Chief Executive has responsibility for the overall organisation, management, and staffing of the Library, for the formulation of strategy, and for the successful delivery of results. As Accounting Officer he is responsible for its procedures and controls in financial and other matters.

Members of the Board have corporate responsibility for ensuring that the British Library complies with any statutory or administrative requirements for the use of public funds and ensuring that high standards of corporate governance are observed at all times. The Board establishes the overall strategic direction of the organisation. It approves the Library's annual Corporate Business Plan and its Annual Budget. It also oversees the delivery of planned results by monitoring performance against agreed strategic objectives and targets.

The Board meets five times a year, and one of those meetings is an all-day meeting substantially devoted to the development of strategy. Library Directors are normally present during Board meetings. Board members are provided with appropriate and timely information to enable them to discharge their duties effectively. Board papers are distributed one week in advance of the relevant meeting to allow members fully to prepare for meetings.

The Board has delegated certain responsibilities to standing committees of the Board, as follows: the Board Audit Committee; the Remuneration Committee, and the Construction Projects Committee.

British Library Board committee structure, 2013/14



The Board has not established a nominations and governance committee. Instead, the non-executive members of the Board hold an annual private meeting session to facilitate self-assessment and review, needs assessment and succession planning, development needs assessment, and agenda planning. At the Board's annual private meeting session in May 2013, members agreed that the Board Investment Committee should be stood down. Members considered that the Library's investment funds were not large enough, and hence there was insufficient business to justify the delegation of its oversight to a Board committee. Instead, it was agreed that oversight going forward should be exercised by the Board itself.

The minutes of the meetings of the Board Audit Committee and the Construction Projects Committee are made available to all the members of the Board on a timely basis. The Board also receives an annual report from the Chair of the Board Audit Committee at its meeting in July each year. The non-executive members of the Board receive an Annual Report from the Chair of the Remuneration Committee at their annual private meeting session in May.

A *Register of Interests* of Members of the Board is maintained and is reviewed twice-yearly by the Board Audit Committee. As part of the agenda for all Board and Board committee meetings, members are invited to declare any relevant interests or conflicts pertinent to the issues to be discussed in the meeting. On specific issues where there may be a potential conflict of interest, members are required to declare their interest and withdraw from the meeting.

## **British Library Board Membership 1 April 2013 – 31 March 2014**

### **Chairman**

**The Rt Hon Baroness Blackstone PC** (Chair at Great Ormond Street Hospital and formerly Vice Chancellor of the University of Greenwich). [*Baroness Blackstone's second, four-year term of appointment will expire on 31 August 2018*]

## **Members**

**Sir Kenneth Calman KCB DL MD FRCP FRCS FRSE** (Chair, National Trust for Scotland and Chancellor, University of Glasgow). Deputy Chairman. Was appointed on the basis of his top level experience of leadership and management in a university research environment and as a research scientist. He chairs the Board Audit Committee. [Sir Kenneth's second, four-year term expires on 31 March 2015]

**Roly Keating** (Chief Executive, The British Library)

**Dawn Airey** [*resigned 25 September 2013*] (Head of EMEA, Yahoo!). Was appointed for her leadership experience in a major commercial company.

**David Barclay** (formerly non-executive Deputy Chairman of John Lewis Partnership plc) Was appointed for his experience in corporate business leadership. He chairs the Board Remuneration Committee. [Mr Barclay's first, four-year term of appointment expires on 25 January 2015]

**Robert Black CBE FRSE FRSA** (Auditor General for Scotland, 2000-2012) Was appointed for his high level of expertise in the area of public administration, accountability, and governance, and also for his 'special knowledge of Scotland' as required under the terms of the British Library Act 1972 as amended by the Scotland Act 1998. [Mr Black's first, four-year term of appointment expires on 19 June 2016]

**The Rt Hon Lord Fellowes GCB GCVO QSO PC** (After retiring from the post of Private Secretary to HM The Queen, he served as Chairman of Barclays Private Bank and as a non-executive director of SAB Miller plc) Was appointed by HM The Queen. [Lord Fellowes' second, four-year term expires on 29 September 2015]

**Professor Dame Wendy Hall DBE, FRS, FREng** (Professor of Computer Science and Dean of the Faculty of Physical and Applied Sciences, University of Southampton) Was appointed for her leadership experience and business acumen in the IT/internet content sector. [Professor Hall's second, four-year term expires on 31 March 2015]

**Dr Mike Lynch OBE** (formerly the Chief Executive of Autonomy Corporation plc) Was appointed for his extensive experience of the digital content industry. [Dr Lynch's first, four-year term expires on 25 January 2016].

**Professor Kate McLuskie MA PhD** (Emeritus Professor of Shakespeare Studies, The Shakespeare Institute, University of Birmingham) Was appointed for her knowledge and experience of higher education and university affairs and her academic background in the arts and humanities. [Professor McLuskie's second, four-year term expires on 31 March 2015]

**Dr Stephen Page** (formerly global Managing Director for Strategic IT Effectiveness, Accenture) Was appointed for his experience in Operational IT management. [Mr Page's first, four-year term of appointment expires on 25 January 2015]

**Patrick Plant** (formerly Global Head of Real Estate, Linklaters). Was appointed for his high level of expertise and experience in the area of property development and estates

management. He chairs the Construction Projects Committee. [Mr Plant's first, four-year term of appointment expires on 14 May 2016]

**Maggie Semple OBE** (Chief Executive Officer and Director of The Experience Corps Ltd) Was appointed for her experience as an entrepreneur, and is able to advise the Board on the needs of the Small and Medium-sized Enterprise sector. [Ms Semple's second, four-year term expires on 31 March 2015]

**Secretary to the Board**

Andrew Stephens OBE BSc (Hons) MCLIP  
Board Secretary and Head of International Engagement

<b>Attendance at Board meetings 2013/14</b>					
	May	July	Sept	Nov	Feb
Baroness Blackstone	✓	✓	✓	✓	✓
Sir Kenneth Calman	x	✓	✓	✓	✓
Dawn Airey	✓	x	x		
David Barclay	✓	✓	✓	✓	✓
Robert Black	✓	✓	✓	✓	x
Lord Fellowes	✓	✓	✓	✓	✓
Dame Wendy Hall	✓	✓	✓	✓	x
Roly Keating	✓	✓	✓	✓	✓
Mike Lynch	✓	x	✓	x	x
Prof Kate McLuskie	✓	✓	✓	✓	✓
Stephen Page	✓	x	✓	✓	✓
Patrick Plant	✓	✓	✓	✓	✓
Maggie Semple	✓	✓	✓	x	✓

Highlights of the coverage of the work of the Board during 2013/14 are set out below:

- The Board gave consideration to the strategic issues surrounding the development of the St Pancras Campus and the land to the North of the site and it endorsed strategies for the Learning programme and for Collection Care
- The Board approved the Library's annual Corporate Financial Plan and Corporate Business Plan and during the year it received regular reports on the Library's financial performance and on progress towards the milestones deliverables and targets in the Corporate Business Plan. The Board reviewed

the Strategic Risk Register and approved changes to the Library's Management Policy and Strategy

- The Board received reports on: the Library's public finance environment; the Library's commercial operations and fundraising performance; the Library's Newspaper Strategy; Reading Room performance, complaints and complaint handling; the transfer of the Public Lending Right functions to the Library; the development of the Library's partnership with the Qatar Foundation; and the implementation of regulations for the legal deposit of non-print works under the provisions of the Legal Deposit Libraries Act 2003.

During the year, the Board undertook an assessment of its own effectiveness on the basis of a self-assessment questionnaire. This survey confirmed that the Board has good skills-based membership, was generally effective, with sound processes, and was effectively supported with timely and accurate information. The survey also confirmed that Board Members agree, or strongly agree, that they receive timely and accurate information for all areas for which they are responsible and have confidence in the robustness of this data. Internal Audit provides assurances on the quality of management information through individual audit reviews as part of the cyclical 3 - year programme.

The Library complies with the requirements of Corporate governance in central government departments: Code of good practice 2011 as adapted to the circumstances of the Library as a Non - Departmental Public Body.

### **British Library Board Audit Committee**

The Board Audit Committee comprises at least three non-executive members of the Board, one of whom acts as Chair of the Committee. Membership during 2013/14 was:

Sir Kenneth Calman (Chair)

David Barclay

Robert Black

Lord Fellowes

Stephen Page

Member with relevant professional experience: Berenice Smith (Non-Executive Director and Chair of Audit Committee, Bettys & Taylors of Harrogate, and formerly Finance & Commercial Director, University of Leeds)

The Board Audit Committee (BAC) has written terms of reference that are available on our website. The Committee's purview extends to all the operations within the British Library, including the preparation of the Library's financial accounts and its systems of internal control and risk assessment and management. BAC approves the 3-year Strategic Internal Audit Plan and Annual Operational Internal Audit Plans. It receives reports on the reviews completed and it monitors progress made in completing the annual internal audit plan and also advises the Board on the appointment of the institution's internal auditors. BAC receives reports on the External Audit, it monitors progress in implementation of actions arising, and it recommends the adoption of the Annual Accounts by the Board for signature by the Chief Executive and Chairman. BAC reviews the Library's Strategic Risk Register at each of its meetings and the Directorate and Programme Risk Registers are reviewed over a three-year cycle. The Chief Executive, the Chief Operating Officer and the Chief Financial Officer attend the

meetings together with, when appropriate, other executive directors and further executives of the Library. The Board Audit Committee also meets the Internal Auditors and the External Auditors without members of the Executive present. During 2013/14, the Board Audit Committee met four times to discharge its responsibilities.

<b>Attendance at Board Audit Committee meetings 2013/14</b>				
	May	June	Nov	Mar
Sir Kenneth Calman	✓	✓	✓	✓
David Barclay	✓	✓	✓	✓
Robert Black	✓	✓	✓	x
Lord Fellowes	✓	x	✓	x
Stephen Page	✓	✓	✓	✓
Berenice Smith	✓	x	✓	✓

During the course of its work in 2013/14, the Audit Committee did not identify any particular issues that it wished to draw to the attention of the Board and/or Accounting Officer.

### **Remuneration Committee**

The Remuneration Committee comprises at least three non-executive members of the Board, one of whom acts as Chair of the Committee. Membership during 2013/14 was:

David Barclay (Chair)  
 Dawn Airey (Chair until September 2013)  
 Baroness Blackstone  
 Professor Kate McLuskie

The Remuneration Committee's main task is the consideration, annually, of the performance of the Chief Executive, the Executive Leadership Team and certain other senior staff and determination of their remuneration levels. The Remuneration Committee has written terms of reference that are available on our website. During 2013/14, the Remuneration Committee met once, on 21 May 2013, to discharge its responsibilities.

<b>Attendance at Remuneration Committee meetings 2013/14</b>	
	May
Dawn Airey	✓
Baroness Blackstone	✓
David Barclay	✓
Prof Kate McLuskie	✓

Further details of the work of the Committee are given in the Remuneration Report on pages 39 to 44.

### **Construction Projects Committee**

At its meeting in May 2005, the Board agreed to establish a limited-life Construction Projects Committee. The Committee has written terms of reference that are available on our website. The Committee comprises at least two non-executive members of the Board, one of whom acts as Chair of the Committee, and the Chief Executive. Membership during 2013/14 was:

Patrick Plant (Chair)

Professor Kate McLuskie

Roly Keating

Member with relevant professional experience: Paul Goffin, Director of Estates, University of Oxford

The role of the Construction Projects Committee is to assist the Board to satisfy itself as to the adequacy and effectiveness of the arrangements for project management of the Library's multi-million pound construction projects. During 2013/14, the Committee met four times to discharge its responsibilities. During the year under review, the main focus of the Committee's oversight was the Newspaper Programme.

<b>Attendance at Construction Projects Committee meetings 2013/14</b>				
	May	July	Nov	Mar
Patrick Plant	✓	✓	✓	✓
Prof Kate McLuskie	✓	✓	x	✓
Roly Keating	✓	✓	✓	✓
Paul Goffin	x	✓	✓	✓

## **RISK MANAGEMENT 2013/14**

### **Internal Control Framework**

The Chairman is responsible to the Secretary of State for ensuring that the Library fulfils its statutory purpose as set out in its founding legislation, that it complies with charity law, that where relevant the British Library policies are consistent with those of the Secretary of State, and that the British Library's affairs are conducted with probity. In preparing the annual Governance Statement, the Board assesses the risks facing the Library and satisfies itself that the risk management and internal control systems are effective.

The Accounting Officer is personally responsible for the Governance Statement and for making sure that a sound system of internal control exists and is maintained, and that the public funds and assets for which he is personally responsible are safeguarded in accordance with the responsibilities assigned in *Managing Public Money*, and for ensuring compliance with the requirements of the British Library's Management Statement and Financial Memorandum.

### **Risk framework**

The Library's risk management policy is endorsed by the Board. It seeks to meet the requirements outlined above and to embed the identification and management of risk within its strategic, operational and project plans. The approach adopted meets the requirements of the HM Treasury guidance on *Management of Risk - A Strategic Overview* ("The Orange Book") and it is enhanced by best practice from other organisations as opportunities arise. The aim is to ensure that risk management is not viewed as separate from competent and prudent management but is an integral part of every management decision, whether big or small.

Risks are assessed against estimation criteria approved by the Board and reviewed on a regular basis. These criteria cover the potential impact of the risk and the likelihood of its occurrence. The identified risk is considered for its effect on the achievement of strategic, operational, collection, financial and reputational objectives.

Risks are managed in accordance with an agreed approach to mitigate the impact or likelihood of each risk ranging from eliminating the risk, through possible reduction measures, acceptance and on-going monitoring.

The British Library Board has agreed a statement on risk appetite which provides a guide to the level of risk that risk owners should accept in pursuit of the Library's objectives.

Each area of the Library carries a responsibility for risk awareness and management. Risk reviews are carried out on a regular basis by the assigned manager responsible.

The Strategic Risk Register is reviewed:

- annually by the Board;
- quarterly by the Executive Leadership Team; and
- by the Board Audit Committee at each of its meetings.

Divisional Risk Registers are reviewed quarterly by Divisional Leadership Teams.

At the end of the financial year, each Director completes a declaration that they have reviewed and are managing all identified risks within their Division.

## **Managing risk**

The Library aims to manage risk to the risk appetite levels agreed by the Board rather than to eliminate all risks to achievement of its policies, aims and objectives. The system of internal control is an on-going process designed to identify and evaluate the likelihood of risks and the impact should they be realised, and to manage them efficiently, effectively and economically. This system of internal control has been in place in the British Library for the year ended 31 March 2014 and up to the date of the approval of the Annual Report and Accounts, and it accords with HM Treasury guidance.

## **Capacity to handle risk**

The Library is clear about its responsibility for good governance and the stewardship of its unique collections. As part of our commitment to transparent reporting, we have set out below some of the key actions taken to manage the risks faced.

- **Assurance through Internal Audit reviews to confirm robust controls**  
For the twelve months ending 31 March 2014, based on the work undertaken, internal audit provided a positive opinion regarding the adequacy and effectiveness of the Library's arrangements for governance, risk management and control. The internal audit plan is based on a three - year strategy which was produced following discussions with the Executive Directors and their Senior Leadership Teams and taking into account concerns identified by considerations of the Audit Committee as well as changes in the Library's risk profile.

The 'green' (positive) Risk Management opinion was informed by:

- Brought forward positive assurances in previous reviews of Risk Management;
- Internal audit attendance at Board Audit Committee where Risk Management is a regular agenda item; and
- Internal audit attendance at Departmental Leadership Team meetings where the management of risks is regularly discussed.
- 

Of the 19 assurance reviews completed by Internal Audit during 2013/14: eight received a green (substantial) assurance opinion; eight received an amber-green (reasonable) assurance; one audit had a split opinion of amber-green and amber-red; and two audits received amber-red (some) assurance. No audits received a red (cannot take assurance) opinion.

- **Enhancing policies and processes**  
The Library continued to strengthen its policies throughout the year. The Anti-Fraud and Anti-Bribery Policy, the Register of Gifts and Hospitality and the Register of Business Interests were enhanced by moving to an online system, thus improving transparency, accountability and timeliness. These provisions

and policies have been further reinforced in an Employment Law / Policy update circulated to all staff in May 2014.

Work continues to improve all credit card processes to ensure they are Payment Card Industry Data Security Standard (PCI) compliant. The Library has begun the PCI Self-Assessment Questionnaire process and has engaged with a Qualified Security Assessor (QSA) in preparation of the changes to PCI DSS regulations which will become effective in January 2015.

- **Providing assurance across major programmes and projects**

The Library has enhanced portfolio management of its programmes and projects with the introduction of Divisional Project Portfolio. Assurance is provided to the Executive Leadership Team, acting as the portfolio board in line with Major Projects Authority (MPA) principles of the Gateway Review Process and the frameworks of PRINCE2 and Managing Successful Programmes (MSP). The Library's Corporate Performance & Delivery team works with colleagues across the portfolio of programmes and projects, ensuring value is clearly demonstrated through robust benefits, risks and resource management. A schedule of updating programme and project skills and on-going training has been undertaken, and support has been provided for Communities of Practice and other forms of knowledge sharing.

- **Business Continuity planning**

Business Continuity Management (BCM) is an established part of the Library's preparations for managing risk, whether from internal system failures or from external emergencies. Effective programme management ensures that BCM capability is established and maintained within the Library, via a three - step process:

1. assigning responsibilities
2. establishing and maintaining BCM within the Library
3. ongoing management

The British Library bases its BCM on the framework guidance laid out in ISO 22301 Societal Security – Business Continuity Management systems. Effectiveness is confirmed by completion of crisis management exercises which test our business continuity arrangements at both tactical and strategic levels.

- **Efficiency reviews**

The Library continues to undertake continuous improvement activities across the organisation as well as a number of restructuring and re-alignment exercises following on from voluntary exit programmes. Internal audit have completed reviews into the impact of funding cuts, concluding that the Board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied, and effective.

- **Health and Safety**

The Health and Safety team is tasked with ensuring that the Library's legal and moral obligations to safeguard the health, safety and welfare of staff and visitors are met in full. The key objectives of the Health and Safety team concentrate on the substantive cultural change from reactive to proactive management of Health and Safety within the Library. They provide an internal focus on

improving the efficiency of the H&S team as a service provider to the organisation by further enhancing the quality and utility of support systems, the provision of more immediate and timely data support to managers, and better communication of H&S matters.

Over the last 12 months across all Library sites, the Health and Safety team has provided 10 different staff training courses that have been attended by 1,489 colleagues. During this period the number of accidents involving members of staff was 58, the total number of accidents involving non-staff members (visitors, contractors, etc.) for the same period was 35.

## **Managing Information risk**

The Library's work on information governance is managed through its Corporate Information Governance Group, covering information compliance, information management and information security.

There have been no reported incidents during the year. However there has much been activity in the areas of:

- Freedom of Information and support of the Government's Transparency agenda
- Data Protection, especially in respect of use of personal data across our collections and customer databases, including working with our suppliers and partners.
- Information Management, through continued improvement in our records management, particularly through work with the Estates team in order to properly manage the long term retention of asbestos records, and through work with the Conservation & Preservation team with regard to records relating to work carried out on Collection items.

Information Security policy is now aligned with ISO 27001/2 information security standard.

## **Assessment of principal risks during the year**

The Library defines the Strategic Risk Register as 'Those business risks that, if realised, could fundamentally affect the way in which the organisation exists or provides services in the next one to five years. These risks will have a detrimental effect on the organisation's achievement of its key business objectives. The risk realisation will lead to failure, loss or lost opportunity'.

The British Library's risk management framework has been in place since 2006 in the *British Library Risk Management Policy and Strategy*, but in 2014 a new document *Risk Management Policy Framework* updated that framework in line with the risk standard, ISO 31000. This new framework outlines the roles and responsibilities in managing risks and includes a statement of the Library's risk appetite. The Strategic Risk Register is regularly reviewed and updated by the Directors (as the owners of the risk) and is reviewed by the Board Audit Committee at each of its meetings.

The three highest inherent risks the Library expects to face in the coming year are:

- The Library does not develop an effective and appropriate digital strategy to deliver the strategic priorities.
- The Library does not adequately protect its assets including collections property and systems.

- The Library fails to diversify funding sources or gain advantage by doing so.

During the year, there has been little change in the overall risk exposure. However, worthy of note are:

- The risk entitled, *The British Library fails effectively to manage the transfer of Public Lending Right (PLR)* was deleted from the Strategic Risk Register following the successful transfer of the PLR.
- The risk entitled, *The British Library fails to diversify funding sources or to gain advantage by doing so* has been further managed by the appointment of an Events Business Development Manager in Jan 2014 to review potential for commercial events income and a new Commercial Strategy (Phase II) developed. Furthermore, increased brand licensing has been actively developed, the British Library Shop has been re-fitted, and planning for the redevelopment of the online Shop in spring 2014 has begun.
- The risk that Remote Document Supply Services does not meet its planned revenue/cost relationship remains outside the desired risk appetite. However plans are in place to enhance the appeal of these services including the development of additional online digitisation on demand services.

## **Review of effectiveness of the system of internal control**

In line with the responsibilities set out above, the Accounting Officer is advised on the implications of the result of the reviews of the effectiveness of the system of internal control by the Board and the Board Audit Committee, and plans to address weaknesses and ensure continuous improvement systems are put in place as necessary.

Additional assurance is gained from:

**Internal Audit** - An annual internal audit plan is drawn from the three - year strategy which has been developed based on the risk registers, the business and financial plans and dialogue with Directors and senior managers and is approved by the Board Audit Committee.

**External Audit** - The Library's review of the effectiveness of the system of internal control is also informed by comments and recommendations made by the National Audit Office in its annual management letter and other reports.

**Board** - The Board is responsible for ensuring there are effective arrangements for risk management and for scrutiny of, and obtaining assurance on, key risks.

**Board Audit Committee (BAC)** - The Board Audit Committee advises the Board on:

- the strategic processes for risk, control and governance;
- the accounting policies and the accounts of the organisation;
- the planned activity and results of both internal and external audit; and
- the adequacy of management response to issues identified by audit activity.

**Construction Projects Committee (CPC)** - The Construction Projects Committee assists the Board to obtain assurance in respect of risks relating to the project management of the Library's multi-million pound construction projects.

**Executive Leadership Team** - The Executive Leadership Team is responsible for operational management and for risk review in each of their respective areas of responsibility and for championing risk management. Each Director is required to support the Accounting Officer by submitting a Self-Certificate confirming that the Library's systems of internal control have been applied through the year in the areas under their control.

**Managers** - Managers at all levels are responsible for ensuring that controls are applied and that risks to their activities are identified, recorded, assessed and managed on an agreed basis. They highlight these risks and any issues through their appropriate Divisional Finance Manager and their Line Manager.

All staff are required to complete a Register of Business Interest declaration on taking up employment with the Library. There is a requirement on all staff to declare any subsequent changes, and senior managers within the Senior Leadership Team are required to make an annual declaration.



**Rt Hon Baroness Blackstone PC**  
Chairman  
1 July 2014



**Roly Keating**  
Accounting Officer  
1 July 2014

## **THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT AND THE SCOTTISH PARLIAMENT**

I certify that I have audited the financial statements of the British Library for the year ended 31 March 2014 under the British Library Act 1972. These comprise: the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

### **Respective responsibilities of the Board, Accounting Officer and auditor**

As explained more fully in the Statement of Trustees and Director's Responsibilities, the Board and the Chief Executive as Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

My responsibility is to audit, certify and report on the financial statements in accordance with the British Library Act 1972. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff 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 British Library's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the British Library; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### **Opinion on regularity**

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and

the financial transactions recorded in the financial statements conform to the authorities which govern them.

### **Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view of the state of the British Library's affairs as at 31 March 2014 and for its incoming resources and application of resources for the year then ended;
- and the financial statements have been properly prepared in accordance with the British Library Act 1972 and Secretary of State directions issued thereunder with HM Treasury approval.

### **Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions with HM Treasury approval made under the British Library Act 1972; and
- the information given in the Governance Statement, Financial Review and Sustainability Report sections of the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

### **Report**

I have no observations to make on these financial statements.

**Sir Amyas C E Morse**  
**Comptroller and Auditor General**

**Date 9 July 2014**

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

**The British Library Board**  
**Statement of Financial Activities for the year ended 31 March 2014**

	Notes	Unrestricted funds	Restricted funds	Total 2013/14	Total 2012/13
		£000	£000	£000	£000
<b>Incoming resources</b>					
<b>Incoming Resources from generated funds</b>					
Voluntary Income	3	5,216	9,777	14,993	6,265
Investment Income	5	145	478	623	620
<b>Incoming Resources from Charitable Activities</b>					
Provision of Services	4	13,219	761	13,980	15,349
<b>Other Incoming Resources</b>					
Grant in Aid	6	95,106	-	95,106	103,868
<b>Total incoming resources</b>		113,686	11,016	<b>124,702</b>	126,102
<b>Resources Expended</b>					
<b>Costs of Generating Funds</b>					
Costs of generating voluntary income		553	-	<b>553</b>	524
Investment Management costs		-	19	<b>19</b>	19
<b>Charitable Activities:</b>					
Access		31,222	893	<b>32,115</b>	32,505
Content / Acquisitions		44,231	1,920	<b>46,151</b>	42,183
Developments		14,734	1,796	<b>16,530</b>	15,578
International		(772)	3,480	<b>2,708</b>	1,888
Navigation		17,822	1,009	<b>18,831</b>	18,227
Public Engagement		9,189	867	<b>10,056</b>	10,322
Web		3,589	27	<b>3,616</b>	2,521
Public Lending Right to Authors		6,190	-	<b>6,190</b>	
Governance Costs		632	3	<b>635</b>	679
<b>Total resources expended</b>	7	127,390	10,014	<b>137,404</b>	124,446
<b>Net increase / (decrease) in resources before transfers</b>		(13,704)	1,002	<b>(12,702)</b>	1,656
Transfer between funds	18	152	(152)	-	-
<b>Net (outgoing) / incoming resources before recognised gains and losses</b>	7	(13,552)	850	<b>(12,702)</b>	1,656
<b>Other Recognised gains / (losses)</b>					
Unrealised gain / (loss) from fixed asset investments	12	-	358	<b>358</b>	1,171
PLR reserve transfer in		82	-	<b>82</b>	-
Revaluation of fixed assets	10	28,429	-	<b>28,429</b>	17,598
Gain from sale of assets		8,814	-	<b>8,814</b>	
<b>Net movement in funds after revaluation and gains / (losses)</b>		23,773	1,208	<b>24,981</b>	20,425
<b>Reconciliation of Funds</b>					
Fund balances brought forward at 1 April		665,253	18,003	<b>683,256</b>	662,831
<b>Fund balances carried forward at 31 March</b>		689,026	19,211	<b>708,237</b>	683,256

All recognised gains and losses are included within the Statement of Financial Activities and all the Library's activities are classed as continuing.

The notes on pages 66 to 96 form part of these accounts.

**The British Library Board**  
**Balance Sheet as at 31 March 2014**

	Notes	2013/14	2012/13
		<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>			
Intangible assets	9	446	536
Tangible assets	10	597,675	582,514
Heritage assets	11	61,616	54,720
Investments	12	13,921	13,160
		<b>673,658</b>	650,930
<b>Current assets</b>			
Stocks	14	808	733
Debtors and prepayments	15	15,561	13,308
Cash at bank and in hand	16	47,667	43,363
		<b>64,036</b>	57,404
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	17	(25,265)	(23,678)
Provisions: amounts falling due within one year	21	(4,152)	(1,291)
		<b>(29,417)</b>	<b>(24,969)</b>
<b>Net current assets</b>		<b>34,619</b>	32,435
<b>Total assets less current liabilities</b>		<b>708,277</b>	683,365
Provision for liabilities and charges	21	(40)	(109)
<b>Net assets</b>		<b>708,237</b>	683,256
<b>Represented by:</b>		<b>£000</b>	<b>£000</b>
<b>Income funds</b>			
Restricted funds	18	19,211	18,003
Public Lending Right		82	
Unrestricted funds:			
Fixed Asset reserves	18	401,877	404,089
Revaluation Reserve	18	229,954	209,078
Donated Asset reserve	18	27,906	24,603
Designated Funds	18	5,728	5,022
General funds	18	23,479	22,461
<b>Total funds</b>		<b>708,237</b>	683,256

The notes on pages 66 to 96 form part of these accounts.

The financial statements on pages 61 to 65 and accompanying notes on pages 66 to 96 were approved by the Board/Trustees on 27 June 2014, and were signed on their behalf by:



**Rt Hon Baroness Blackstone PC**  
Chairman  
1 July 2014



**Roly Keating**  
Accounting Officer  
1 July 2014

**The British Library Board**  
**Cash Flow Statement for the year ended 31 March 2014**

	2013/14	2012/13
	£000	£000
<b>Reconciliation of net movement in funds to net cash inflow from operating activities</b>		
Net movement in funds	24,981	20,425
Depreciation	15,437	17,764
Donated Assets	(3,303)	(100)
Gain on asset disposals	(6,632)	384
Revaluation of Property & Plant and Machinery	(28,429)	(17,598)
Impairment of NSB	1,443	-
Provision for liabilities and charges greater than one year	(69)	(115)
(Increase) / Decrease in stocks	(75)	108
(Increase) / Decrease in debtors	(2,253)	(1,340)
Increase / (Decrease) in creditors and provisions less than one year	4,448	(1,860)
<b>Net cash inflow from operating activities</b>	<b>5,548</b>	<b>17,668</b>
<b>Capital expenditure and financial investment</b>		
Purchase of intangible fixed assets	(879)	(817)
Purchase of tangible fixed assets	(8,011)	(15,458)
Purchase of heritage assets	(3,593)	(1,779)
Purchase of investments	(403)	(389)
Proceeds from sale of asset	12,000	
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(886)</b>	<b>(18,443)</b>
<b>Returns on Investments and Servicing of Finance</b>		
Unrealised (gain) / loss on investments	(358)	(1,171)
<b>Net cash inflow from returns on investments and servicing Finance</b>	<b>(358)</b>	<b>(1,171)</b>
<b>(Decrease) / Increase in cash in the year</b>	<b>4,304</b>	<b>(1,946)</b>
<b>Reconciliation of net cash flow to movement in net funds</b>		
Increase in cash in the year	4,304	(1,946)
Net funds as at 1 April	43,363	45,309
<b>Net funds as at 31 March</b>	<b>47,667</b>	<b>43,363</b>

Net funds comprise cash at bank, cash in hand, and short - term deposits.

## **Notes to the Accounts**

### **1. ACCOUNTING POLICIES**

#### **a) Accounting convention**

The Accounts have been prepared in accordance with the accounts direction given by the Secretary of State for Culture, Media and Sport with the approval of HM Treasury, in accordance with Section 5(3) of the British Library Act 1972. A copy of the Accounts direction can be obtained from The British Library, 96 Euston Road, London, NW1 2DB.

Accordingly, the Accounts have been prepared under the historical cost convention as modified by the revaluation of land and buildings and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities," issued March 2005, (the "SORP"), the Charities Act 1993, the Charities (Accounting and Reports) Regulations 2005, the Financial Reporting Manual, and generally accepted accounting practice so far as considered appropriate or as modified by HM Treasury guidance.

Within the Statement of Financial Activities (SOFA), the Library reflects its costs against its charitable activities as required by the SORP.

In addition, modified historic cost accounting has been utilised more fairly to represent the current cost of the Library's most significant assets, where the comparison with historic values shows a material difference.

#### **b) Incoming resources**

Grant in Aid received from DCMS is allocated to unrestricted funds in the year in which it is received.

Provision of Services income is recorded on an accruals basis and is shown net of Value Added Tax and has been classified under headings that aggregate all costs related to the category. Provision of Services income is allocated against the functions set out in the British Library Act 1972.

Donations are included in the Statement of Financial Activities on a cash received basis, or where all entitlement criteria of certainty and measurability as per the Statement of Recommended Practice (SORP) 2005 have been met by the Balance Sheet date.

UK Grants from government bodies, funds from the EU, and other grants are recognised in the Library's Accounts when the grantor's terms and conditions have been satisfied.

Investment income relates to interest received on daily bank balances and dividends from the Fixed Asset Investments. These are recorded on an accruals basis.

The Library charges for some of the exhibitions it holds and this income is recorded in the Provision of Services on a cash received basis.

Where income is received in advance, and the Library does not have entitlement to these resources until the goods or services have been provided, the income is deferred in the accounts.

#### c) **Taxation**

The British Library Act 1972 states that ‘the Board shall be a body corporate and that, for the purposes of the Charities Act 1960, the Board shall be an exempt charity’. The British Library enjoys exemption under the Income and Corporation Taxes Act 1988 for profits from primary purpose trading activities as an exempt charity.

The British Library is able to recover VAT relating to the expenditure for primary purpose activities; any irrecoverable VAT is apportioned across the strategic priority cost categories detailed in note 7.

#### d) **Valuations**

In accordance with FRS15, regular professional valuations of land and property are carried out, having regard to the importance of the estate to the operation of the department but, in any event, at least once in every five years. The structural plant and machinery element of the property is also included within the professional revaluations.

In the interim years, land, property, and plant and machinery are revalued using relevant price indices. Other categories (office equipment, IT equipment and vehicles) are not revalued due to the short life and low value items included.

#### e) **Fixed assets**

The threshold for capitalising assets is £10,000.

The British Library holds and conserves a number of collections made up of books, journals, newspapers, magazines, sound and music recordings, patents, databases, maps, manuscripts and much more. In accordance with the Financial Reporting Manual, FRS15 and FRS30 (Heritage Assets), assets acquired before 1 April 2001 have not been capitalised since reliable estimates of cost or value are not available on a cost benefit basis. Additions to the collection acquired since 1 April 2001 are capitalised and recognised in the Balance Sheet under Heritage Assets. The assets are classified by whether the items were bought by, or donated to, the Library. The cost or value of the acquisition is used where such a cost or valuation is reasonably obtainable. Such items are not depreciated or revalued. Collection items with values below the capitalisation threshold are expensed when the expenditure is incurred.

Items donated to the collection by third parties, either by gift of the asset or “in lieu of tax”, are capitalised at current value on receipt. Donated assets are not depreciated since, given their infinite useful life and high residual value, any depreciation charge would be immaterial. As the assets are not depreciated they are subject to an annual impairment review.

An overview of the scope of the British Library Collections is set out at Note 11 on page 79.

Depreciation is provided on all tangible fixed assets other than freehold land and collection items. Amortisation is provided on all intangible assets. Impairment reviews are carried out at the end of each reporting period in accordance with FRS11 to ensure that the carrying values of the assets do not exceed their recoverable amount.

Expenditure on building Digital Infrastructure is capitalised on an annual basis. Any directly attributable costs for the digital programmes are capitalised and depreciated in line with other computer equipment.

Any costs associated with the development of internal systems are capitalised as IT software or intangible and amortised over the estimated useful life up to three years. This is due to the systems providing long - term benefit to the Library.

Depreciation rates are calculated to write-off the cost or valuation of each asset, less estimated residual value, evenly over its expected useful life, as follows:

Freehold buildings	Over the remaining useful life as at the valuation date, up to a maximum of 75 years.
Plant & Machinery and Office Equipment	3 to 25 years
Computer Equipment	3 to 5 years
Motor Vehicles	4 years
Assets in the course of Construction	No depreciation is charged until the building is operational and supporting the activities of the Library
Intangible / Licences	3 years

**f) Government grant**

Grant in Aid from the Department for Culture, Media and Sport is allocated to general purposes and is taken to the SOFA and recognised in the period in which it is received.

**g) Stocks**

Stocks are stated at the lower of cost or net realisable value. Provision is made against slow-moving and obsolete stock. Any stocks of consumables held are considered written-off at the time of purchase.

Stocks held in respect of book-binding activities are recorded at cost. As this stock is not of a general nature it would not be cost-effective to test the realisable value in determining which provides the lower valuation.

#### h) **Foreign currencies**

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the year-end. Transactions in foreign currencies are translated at the rate ruling at the time of the transaction. All exchange differences are taken to the SOFA.

#### i) **Operating leases**

Costs relating to operating leases are charged to the SOFA over the life of the lease.

#### j) **Fund accounting**

The British Library has the following category of funds:

- i. General funds are available for use at the discretion of the Board in furtherance of the general objectives of the Library.
- ii. Designated funds comprise funds which have been set aside at the discretion of the Board for specific purposes. Board approval is required for any allocation to / from designated funds.
- iii. Restricted funds are resources subject to specific restrictions imposed by donors or by the purpose of the appeal.

Transfer between funds will occur when Library or Restricted funds services are utilised by an opposite category of fund. Transfers may also occur during the purchase of tangible and heritage assets if a restricted fund is to contribute to the purchase. These transfers are reflected in the transfer column in note 18 on page 89.

#### k) **Financial Instruments**

The Library has applied FRS25 Financial Instruments: Presentation, FRS26 Financial Instruments: Recognition and Measurement and FRS29 Financial Instruments:

##### Financial Assets

Investments comprise restricted funds that have been invested in unit trusts traded on an active market. These have been classified as available for sale and recognised at fair value, being the bid price on the Balance Sheet date. Income generated is recognised as restricted Investment Income on the SOFA, allocated to the restricted fund which holds the investment and re-invested into the capital investment. Unrestricted Investment Income is interest received on unrestricted cash balances. Unrecognised gains and losses arising from changes in the fair value are recognised in the SOFA and taken to a Fair Value Reserve. Recognised gains and losses on disposal of investments are recognised in the SOFA.

Trade debtors are recognised at carrying value, reduced by appropriate allowances for estimated irrecoverable amounts.

## Financial Liabilities

Trade creditors are short - term and are stated at carrying value in recognition that these liabilities fall due within one year. Customer deposits are stated at cost and are repayable on demand. Provision for employees known to be leaving the organisation within one year under early retirement or early severance terms are accounted for under financial liabilities.

### **l) Resources Expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category, including an apportionment of overhead and support costs as shown in note 7 on page 73.

- a) Costs of generating funds are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.
- b) Charitable Activities are based on the functions of the Library set out in the British Library Act 1972
  - i. Access - Costs associated with making the British Library services available including Document Supply and Reading Rooms.
  - ii. Content / Acquisitions – Costs associated with maintaining a comprehensive collection of books, manuscripts, periodicals, films and other recorded matter. Includes legal deposit processing, acquisitions, collection development and storage.
  - iii. Developments – Major projects / development expenditure including the Newspaper Programme, UK Research Reserve and Digital Initiatives.
  - iv. International – Costs associated with the Government priority of active engagement in countries with a resonance with the Library’s collections and audiences.
  - v. Navigation – Costs associated with being a national centre for reference, study and bibliographical services, including cataloguing, curatorial and bibliographic services costs.
  - vi. Public Engagement - Exhibition costs and costs of Learning programmes, running the British Library Shop and Visitor Services.
  - vii. Web - Costs associated with the operation, content and development of [www.bl.uk](http://www.bl.uk) to increase the Library’s impact beyond its physical locations.
  - viii. Public Lending Right to Authors – Annual payment to authors under Public Lending Right.
- c) Governance costs includes the costs of Board Membership remuneration, legal fees, internal and external audit fees, and staff costs associated with the preparation of the statutory accounts.

### **m) Provisions**

The Library provides for legal or constructive obligations which are of uncertain timing or amount on the balance sheet date on the basis of best estimate of the expenditure required to settle the obligation.

Provisions are recognised where there is a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

## n) Estimation Techniques

In preparation of the accounts a number of estimation techniques are used:

- Index linked revaluations, in the interim years between professional revaluations, the British Library's Land and Building and Plant and Machinery assets are revalued using an appropriate index provided by the Office of National Statistics.
- To establish that the correct costs are included in the correct period, it is assumed that, as over 95% of the Library's serial subscriptions operate on a calendar year renewal, the same allocation is applied to all serial expenditure.
- The financial statements include an accrual for outstanding holiday pay due to employees as at 31 March. The accrual is calculated by pro-rating remaining leave over the holiday calendar period and 31 March.

## 2. TRANSFER OF PUBLIC LENDING RIGHT RESPONSIBILITIES (PLR)

In October 2010 the Government announced its intention to abolish the PLR body. The Public Bodies Act 2011 (which received royal assent in December 2011) made provision, subject to parliamentary approval, for the PLR body to cease to exist as a separate government-funded organisation. The responsibilities of the Registrar for managing the PLR Scheme (established by the Public Lending Right Act 1979) and to transfer to another public body (the British Library). Parliamentary approval for the transfer of responsibilities was provided on 6 September 2013 by the Public Bodies (Abolition of the Registrar of Public Lending Right) Order 2013. Under the Order the British Library assumed responsibility for the PLR Scheme from 1 October 2013. The transfer has been accounted for as an acquisition, as set out in the Charities SORP.

The Net assets of Public Lending Right were transferred into the British Library's accounts at fair value on the date of transfer. An additional category of spend has been identified on the SOFA to represent the Public Lending Right author payments. The net impact of the transfer on the Library's financial statements was to decrease net assets by £32k. Within the SOFA Income was increased by £6,487k which relates mainly to grant in aid funding for author payments and expenditure was increased by £6,518k, £6,190k of these costs relate to author payments.

## 3. VOLUNTARY INCOME

	2013/14	2013/14	2013/14	2012/13
	£000	£000	£000	£000
	Unrestricted	Restricted	Total	
Donated Assets	3,303	-	3,303	100
Other Donations and UK Grants	1,913	7,053	8,966	6,165
EU Grants		2,724	2,724	-
<b>Total Voluntary Income</b>	<b>5,216</b>	<b>9,777</b>	<b>14,993</b>	6,265

The £2.7m received in EU grants relates to nine grants. The Library is the lead partner for two of these projects, therefore the Library receives the gross grant from the EU funding body for these projects and then distributes payment to other EU partners. In year the library made payments totalling £2.1m to the other EU partners.

#### 4. PROVISION OF SERVICES

Provision of Services includes Document Supply and other information services, sponsorship income, licensing and royalties, publication sales, exhibition entrance fees, retail income and income for performing Public Lending Right facilities for Irish Government. The Provision of Services income can be further analysed by both business and geographical segments.

a) <b>Classes of Business</b>	<b>2013/14</b>	<b>2012/13</b>
	<b>£000</b>	<b>£000</b>
Access	<b>6,720</b>	7,379
Content / Acquisitions	<b>164</b>	192
Developments	<b>687</b>	754
International	-	-
Navigation	<b>1,927</b>	2,420
Public Engagement	<b>3,683</b>	2,721
Web	<b>752</b>	14
Other (Support)	<b>47</b>	1,869
	<b>13,980</b>	15,349
b) <b>Geographical Segments</b>	<b>2013/14</b>	<b>2012/13</b>
	<b>£000</b>	<b>£000</b>
United Kingdom	<b>10,465</b>	11,340
Overseas	<b>3,515</b>	4,009
	<b>13,980</b>	15,349

#### 5. INVESTMENT INCOME

	<b>2013/14</b>	<b>2012/13</b>
	<b>£000</b>	<b>£000</b>
Interest receivable	<b>200</b>	212
Dividends receivable	<b>423</b>	408
Total investment income	<b>623</b>	620

#### 6. OTHER INCOMING RESOURCES

##### GRANT IN AID

Total Grant in Aid drawdown by the British Library Board was £95.1m, with £97k allocated for capital projects/improvements (£103.9m received in 2012/13, £17.6m for capital). The Library's Grant in Aid total also included £6.4m for the absorption of the Public lending right. This money is available for running costs, capital improvements and collection purchases.

## 7. NET COST OF RESOURCES EXPENDED

	Staff Costs	Other Direct Costs	Depre- ci- ation	Allocate d Support Costs	Total Cost	Income	Allocated Support Income	2013/14 Net Cost <sup>6</sup>	2012/13 Total Net Cost
	£000	£000	£000	£000	£000	£000		£000	£000
<b>Direct Costs</b>									
Costs of Generating funds	476	77	-	-	553	-	-	<b>553</b>	522
Investment Management Fees	-	19	-	-	19	-	-	<b>19</b>	19
Access	15,510	2,321	717	13,567	32,115	(7,525)	(303)	<b>24,287</b>	24,221
Content / Acquisitions	8,401	15,030	795	21,925	46,151	(6,374)	(489)	<b>39,288</b>	38,487
Developments	1,654	2,794	1,752	10,330	16,530	(2,711)	(231)	<b>13,588</b>	14,331
International	1,927	781	-	-	2,708	(3,467)	-	<b>(759)</b>	(733)
Navigation	9,602	1,392	-	7,837	18,831	(3,172)	(175)	<b>15,484</b>	15,379
Public	2,553	3,404	49	4,050	10,056	(4,916)	(90)	<b>5,050</b>	6,856
Engagement	338	335	980	1,963	3,616	(99)	(44)	<b>3,473</b>	2,451
Web									
Public Lending Right to Authors	-	6,190	-	-	6,190	-	-	<b>6,190</b>	
Governance Costs	168	467	-	-	635	-	-	<b>635</b>	679
	40,629	32,810	4,293	59,672	137,404	(28,264)	(1,332)	<b>107,808</b>	102,212
<b>Support Costs</b>									
Information Systems & Corporate Services	20,974	26,111	12,587	(59,672)	-	(1,332)	1,332	-	-
	61,603	58,921	16,880	-	137,404	(29,596)	-	<b>107,808</b>	102,212

In accordance with the SORP 2005, the non-Grant in Aid income and total costs of the organisation have been categorised by the Library's Activities as set out in the British Library Act. When costs cannot be directly attributed to one of the Library's objectives, they have been allocated to activities on a basis consistent with the use of resources. The support costs have been allocated using the overhead allocation model in place within the British Library. The model allocates the costs based on usage and percentage expenditure incurred in directly undertaking an activity.

<sup>6</sup> Net cost is calculated by deducting provision of services, donated and investment income from total expenditure

a) **Staff costs**

	2013/14			2012/13
	Library Staff £000	Agency £000	Total £000	£000
Wages & salaries	44,712	2,035	<b>46,747</b>	45,591
Social security costs	3,515	-	<b>3,515</b>	3,428
Pension disbursements	8,107	-	<b>8,107</b>	7,777
Voluntary redundancy/restructuring programme for former employees				
- In-year exit costs	2,934	-	<b>2,934</b>	1,009
	59,268	2,035	<b>61,303</b>	57,805
Board Members' remuneration	300	-	<b>300</b>	259
- see (i) on page 41	59,568	2,035	<b>61,603</b>	58,064

During the year, a total of £1.563m, (£1.5m 2012/13) of staff costs have been capitalised which equates to 48.6FTE. For the Digital Library Programme £1,010k of staff cost were capitalised, 31.4 FTE (£867k 2012/13) and for the Newspaper Storage Building £553k were capitalised, 17.2FTE (£588k 2012/13) and are therefore not included in the above figures.

**Civil Service compensation scheme exit packages.**

Exit package cost band	Number of non-compulsory departures agreed		Total number of exit packages by cost band	
	2013/14	2012/13	2013/14	2012/13
< £10,000	1	5	1	5
£10,001-£25,000	20	13	20	13
£25,001-£50,000	31	15	31	15
£50,001-£100,000	17	2	17	2
£100,001-£150,000	2	-	2	-
£150,001-£200,000	-	-	-	-
Total number of exit packages	71	35	71	35
<b>Total Resource cost £</b>	<b>£2,839,798</b>	£849,886	<b>£2,839,798</b>	£849,886

There were no compulsory departures in 2013/14 or 2012/13.

Staff of the British Library are eligible to become a member of one of the Principal Civil Service Pension Schemes (PCSPS), schemes that provide retirement and related benefits to all eligible employees. Pension benefits are provided on a final salary basis at a normal retirement age of 60, except for staff joining after 30 July 2007. These staff will join the Nuvos scheme which has a normal pension age of 65 and the benefits are based on earnings throughout a career and then index linked. Benefits accrue,

depending upon the pension scheme chosen, at the rate of one sixtieth or one eightieth of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. Members pay contributions of 1.5% or 8.25% of pensionable earnings, depending upon the respective scheme the member is in.

On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service, the beneficiary receives a lump sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse's pension. The enhancement depends on the length of service and cannot exceed 10 years. Medical retirement is possible in the case of serious ill - health.

The PCSPS is an unfunded multi-employer defined benefit scheme but the British Library is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

Pension disbursements relate to the Accruing Superannuation Liability Contributions payable to the PCSPS in respect of existing eligible employees.

For 2013/14, employer's contributions of £8,025,117 were payable to PCSPS (2012/13 £7,713,957) at one of four rates in the range 17.1% to 25.5 % of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full valuation. From 2009/10, the salary bands were revised but the rates are in the range 16.7% to 24.3%. The contribution rates are set to meet the cost of the benefits accruing during 2013/14 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees joining after 1 October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer's contributions of £82,055 were paid to one or more of the four appointed stakeholder pension providers (2012/13 £63,494). Employer contributions are age-related and range from 3% to 12.5 % of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of 0.8% of pensionable pay, were payable to PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill - health retirements of these employees.

i) **Board Members' remuneration**

	<b>2013/14</b>	2012/13
	<b>£000</b>	£000
Fees and salaries	<b>276</b>	239
Social Security Costs	<b>24</b>	20
	<b>300</b>	259

The Board Members' remuneration shown on page 41 of the Remuneration Report includes all Board members, the Chairman and the Chief Executive.

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i) **Senior employees**

The following number of employees, (excluding the Executive Leadership Team for whom details of remuneration are contained in the Remuneration Report members of the British Library Board and the Chairman) received remuneration falling within the following ranges:

	2013/14	2012/13
	No.	No.
£60,001 - £70,000	19	15
£70,001 - £80,000	10	9
£80,001 - £90,000	2	3
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
£110,001 - £120,000	1	-

All of the above employees are members of the PCSPS pension scheme except one who is not in any pension.

The average full time equivalent (FTE) staff during the year was:

	2013/14			2012/13
	Staff directly employed by the British Library	Agency	Total (FTE)	Total (FTE)
Audiences	109	3	112	97
Collections	311	6	317	259
Chief Executives Office	9	0	9	6
Finance	176	2	178	100
Operations	940	35	975	1,106
	<b>1,545</b>	<b>46</b>	<b>1,591</b>	<b>1,568</b>

b) **Other direct costs**

	2013/14	2012/13
	£000	£000
Acquisitions for the collections	12,626	13,146
Research & Grants	714	-
Conservation and binding services	1,038	1,029
Administration, equipment, supplies and services	37,863	33,461
Non-recoverable VAT (net)	490	598
Loss on disposal of fixed assets	-	384
Author Payments	6,190	-
	<b>58,921</b>	<b>48,618</b>

The above table is exclusive of staff costs.

## 8. RESOURCES EXPENDED

This is stated after charging:

	2013/14 £000	2012/13 £000
External Auditors' remuneration	68	63
Rent on land and buildings	130	75
Lease/rental payments on equipment	310	273
Depreciation on other fixed assets	15,437	17,764
Bad debt provision movement	36	11
Stock Provision movement	12	151

The auditors' remuneration is for the audit of the Annual Report and Accounts: there was no non - audit work performed during 2013/14, (nil in 2012/13).

## 9. INTANGIBLE ASSETS

	Development 2013/14 £000
<b>Cost</b>	
At 1 April 2013	1,727
Additions	879
Disposals	(146)
At 31 March 2014	2,460
<b>Amortisation</b>	
At 1 April 2013	1,191
Charge for year	969
Disposals	(146)
At 31 March 2014	2,014
<b>Net Book Value at 31 March 2014</b>	<b>446</b>
Net Book Value at 31 March 2013	536

Intangible assets comprise development work and technical architecture costs for the British Library website. All intangible assets have been valued on the basis of purchase price. The assets are all depreciated over a period of three years, consistent with the IT equipment policy.

## 10. TANGIBLE FIXED ASSETS

### a) Movements

	Land & Buildings	Plant & Machinery	Office Equipment	Motor Vehicles	Computer Equipment	AICC	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>							
At 1 April 2013	420,817	208,231	9,975	37	16,872	25,430	<b>681,362</b>
Additions	1,921	1,153	182	-	603	5,013	<b>8,872</b>
Transfers	14,751	7,709	-	-	5,783	(29,104)	<b>(861)</b>
Impairment	(1,443)	-	-	-	-	-	<b>(1,443)</b>
Revaluation	32,793	(4,526)	-	-	-	-	<b>28,267</b>
Disposals	(5,662)	(1,349)	(163)	-	(1,194)	-	<b>(8,368)</b>
At 31 March 2014	463,177	211,218	9,994	37	22,064	1,339	<b>707,829</b>
<b>Depreciation</b>							
At 1 April 2013	14,460	62,174	9,379	24	12,811	-	<b>98,848</b>
Charge for year	1,174	10,056	135	8	3,095	-	<b>14,468</b>
Adjustments	-	-	-	-	-	-	<b>-</b>
Revaluation	758	(920)	-	-	-	-	<b>(162)</b>
Disposals	(312)	(1,334)	(164)	-	(1,190)	-	<b>(3,000)</b>
At 31 March 2014	16,080	69,976	9,350	32	14,716	-	<b>110,154</b>
<b>NBV At 31 March 2014</b>	<b>447,097</b>	<b>141,242</b>	<b>644</b>	<b>5</b>	<b>7,348</b>	<b>1,339</b>	<b>597,675</b>
NBV At 31 March 2013	406,357	146,057	596	13	4,061	25,430	582,514

Assets in the Course of Construction (AICC) represent work on the design, planning and stocking of the Newspaper Storage Building at Boston Spa and development of internal computer systems. During the year the Newspaper Storage Building has been placed into service.

The Modified Historic Cost Accounting indices for the land and building adjustments are provided by the Department for Culture, Media and Sport, and for the Building Structural Fit Out adjustment, the indices are taken from the *Producer Prices Index (MM22) March 2014* available from the Office for National Statistics for Plant and Machinery.

### b) Valuations

The land and buildings as at 31 March 2014 include properties at Boston Spa valued at £59.312m on 31 March 2014 and one building, St Pancras, valued at £453.380m (including £119.5m of mechanical equipment that has been classified as Plant and Machinery) on 31 March 2010. In addition to the main St Pancras building, the Centre

for Conservation at St Pancras was valued at £15.335m on 31 March 2010, for which title has been vested in the British Library Board. On 31 May 2013 the Library sold a property at Colindale to Fairview Homes for £14.2m.

Site		Land	Buildings	Totals
		£000	£000	£000
St Pancras – Main building	Freehold	80,020	373,360	453,380
St Pancras – Conservation Centre	Freehold	3,980	11,356	15,336
Boston Spa	Freehold	6,766	19,734	26,500
Boston Spa – Additional Storage Building	Freehold	374	19,563	19,937
Boston Spa- Newspaper storage building		800	12,075	12,875
		91,940	436,088	528,028

The St Pancras site including the Centre for Conservation at St Pancras was valued as at 31 March 2010 by Drivers Jonas, Chartered Surveyors, using the 'Depreciated Replacement Cost' basis of valuation. Next revaluation is due 31/3/2015.

The Boston Spa site was revalued as at 31 March 2014 by Deloitte Real Estate, using the 'Depreciated Replacement Cost' basis of valuation. Next revaluation is due 31/3/19.

The methodology of valuing properties is in line with HM Treasury and DCMS guidance to Non-Departmental Public Bodies.

The above values for building and Plant and Machinery have been subsequently impacted by indexation and depreciation.

## 11. HERITAGE ASSETS

### The British Library

The British Library is the national library of the United Kingdom and one of the world's greatest research libraries. It is one of the six legal deposit libraries of the United Kingdom and it receives copies of all publications produced in the United Kingdom and the Republic of Ireland. The Library's collection is one of the largest in the world, holding over 150 million items in all known languages and formats, including books, journals, newspapers, magazines, sound and music recordings, patents, databases, maps, manuscripts, stamps, prints, drawings and much more. It is unique in its breadth, depth and scope. Many items are priceless and irreplaceable.

### Heritage Assets in the British Library

In accordance with the FREM, additions to the collection acquired / donated since 1 April 2001 are capitalised and recognised in the Balance Sheet under Heritage Assets. Heritage Assets are held by the Library for preservation and conservation purposes and do not attract any depreciation as they are deemed to have an infinite life. Due to the size and unique nature of the collection it is not possible to value Heritage Assets acquired prior to 1 April 2001. The cost of doing so would be prohibitive.

All items within the British Library collection contribute to the development of knowledge and culture. The collection is carefully developed and managed through a series of policies governing all aspects of acquisitions, preservation and access. A summary of the main policies can be found at <http://www.bl.uk/aboutus/stratpolprog/coldevpol/>.

As the Library exists to preserve and make available the national printed archive of the UK together with purchased and donated material, it does not normally dispose of material in its collections and never disposes of items from the collection accepted under legal deposit. Disposal is governed by the British Library Act and by the policy of the British Library Board.

### **Preservation and management of the Library's assets**

The Preservation Department's role is to safeguard the collections from harm while enabling continued and appropriate access to them.

The department comprises a small team of trained professionals and support staff who manage and supervise preservation work streams and initiatives across Library sites. All activities are underpinned by the Library's core preservation principle of risk management and mitigation. The general public can learn more about this by visiting the Preservation web pages.

The Library's Annual Conservation Programme contains a variety of work performed by seven teams of conservators. The teams are multi-skilled but contain specific specialisms to enable them to complete the programme. The Preservation and Conservation Management System records details of all collections undergoing conservation treatment.

Training and information is reassessed and updated regularly, and policies and procedures are reviewed to acknowledge current professional practices and thinking and to ensure the Library's strategy is supported.

All policies and procedures are designed to minimise risk to the collections while enabling maximum use and interpretation. Relevant professional standards are applied and maintained where applicable, including accreditation, and relevant procedures are applied equally to both internal users and external suppliers.

We have created new web pages and have produced a new document covering our approach to caring for collections. This is available in hard copy and on our web pages at <http://www.bl.uk/aboutus/stratpolprog/collectioncare/discovermore>

### **Acquisitions**

Within the Library's acquisition policies, there is a distinction made between unique heritage items and contemporary, research - level academic publications. In our Heritage Acquisitions Policy, heritage items are defined as items acquired to be used preponderantly as primary sources for research, forming part of the Library's collection of unique materials. This includes historic printed materials which can no longer be acquired from the creator or the publisher and which are marketed as unique opportunities to acquire single, individual items. Heritage items are therefore distinguished from contemporary research - level academic publications which are

preponderantly acquired to be used as support for research and from modern compilations of source materials which are acquired while the material is still in print.

Under this definition, all heritage items are major acquisitions, whether purchased or donated. All such major acquisitions require significant due diligence and many have cultural property issues. We have clear policies to govern such acquisitions, including an ethical acquisitions policy which can be found at <http://www.bl.uk/aboutus/stratpolprog/coldevpol/ethical.pdf>.

Due diligence procedures are mandatory for all major and minor acquisitions. For major acquisitions a report and scoring matrix is submitted to the Library's Heritage Acquisitions Group. Hard-copy and electronic documentation relating to all acquisitions (correspondence, memos, invoices, etc) are held locally within departments and are archived and made accessible in accordance with the Library's records management policies.

## **Catalogues**

The Library has a duty to catalogue items in the collection and for this there is a planned programme of work. All catalogues are listed on the website and can be accessed by members of the public.

With our online catalogue services 'Search our Catalogue Archives and Manuscripts' ([http://searcharchives.bl.uk/primo\\_library](http://searcharchives.bl.uk/primo_library)) the public can search and view the details of the Library's archive and manuscript collections together in one catalogue. The major manuscript and archival databases have been migrated to this new catalogue.

Remaining smaller legacy databases and some catalogues which are not yet online will be converted and migrated to the new service as resources permit.

To search the Library's other collections of books, journals, newspapers, conferences, maps, scores, electronic resources, sound archive items etc., users can follow the website's normal 'Search' facility.

## **British Library Collection Areas:**

### **Arts and Humanities**

In the field of Arts and Humanities, the British Library holds the world's largest collections of western and oriental manuscripts (including substantial archives), and unrivalled collections of British printed books from 1476 to the present date, of European printed books from 1455 to date, and of Asian and African printed books dating back to the origin of printing in these areas. In addition the Library holds substantial collections of sound recordings of oral history and of recorded sound relating to English language and literature. The chief historic components of these collections are the library of the British Museum, collected since its foundation in 1753, and a core part of the British Library since its foundation in 1973. Of special importance for Arts and Humanities are the collections which came with the India Office Library and Records (acquired 1982), ranging from the foundation of the East India Company in 1600 to Indian independence and with the British Institute of Recorded Sound (acquired 1983). Holdings include material over 3,000 years old (Chinese oracle bones), 310,000 manuscript volumes ranging from Leonardo da Vinci's Notebook to Harold Pinter's archives, *Magna Carta*, Lindisfarne Gospels, the first edition of the Canterbury Tales, Tyndale's translation of the New Testament, the

most recently published British books, and the recording of Nelson Mandela's Rivonia trial speech.

## **Science, Technology and Medicine**

The British Library houses one of the foremost collections of scientific, technical and medical literature in the western world. Our contemporary collection of modern scientific literature includes all subject areas and disciplines and includes materials in many formats including journals, research level monographs, conference proceedings, reports and electronic reference materials. We estimate that there are approximately 3.45 million volumes of print serials and monographs in the collection.

## **Social Sciences**

The Library's collections in the field of Social Sciences reflect the full history of official publishing in the UK and its constituent parts. The Library has 12,000 volumes of House of Commons sessional papers from the 19th and 20th centuries, containing more than 185,000 parliamentary papers. There are 2,400 volumes of UK parliamentary debates, all available on open shelves in the Social Sciences Reading Room. Government publications from across the world include records of legislatures, censuses and other official statistics. The Library has all print communications from the United Nations, European Union and Organisation for Economic Cooperation and Development as well as other inter-governmental bodies such as the World Bank. Collecting from around the world covers economic, political, social and cultural development and includes many rare items. The Library's collections of trade literature and market research are amongst the most comprehensive in the world, including over 66 million patent specifications from across the world. The Library continues to collect across the range of Social Science subjects from countries in all continents. The Social Sciences Reading Room has more than 10,000 books published in the UK in the last four years across a range of subjects, and recent issues of 700 journal titles.

## **Specialist format collections**

The Library holds many specialist format collections including:

- Newspapers, including some 52,000 individual titles in print, microfilm and digital
- Prints, drawings and photographs (over 250,000 items)
- Cartographic items (over 4.5 million items)
- Music collections, printed and manuscript music and music recordings
- The national collection of sound recordings (over 3.5million items)
- The national philatelic collection (over 8 million items including postal and revenue stamps)
- Multimedia and moving image materials (over 75,000 broadcast and non - broadcast items, including dramatic performances and television news)

An increasing proportion of our collection is being collected solely in digital formats. The extent of our collection acquisition and management policies is under constant review to integrate new approaches to stewardship of digital materials with that of traditional Library collections.

## Valuation of Heritage Assets

Heritage assets are valued as part of the acquisition process as they are added to the collections. We do not have a systematic retrospective programme of valuing heritage items which have been in our collections for many years, although such valuations are carried out for individual items in specific circumstances e.g. items on loan to us. The cost of such a programme of valuation would be prohibitive, both in terms of direct cost and time to complete. For items where copies exist in other institutions or collections, it can take many days to identify if there are relevant market valuations from records of auction prices or sales catalogues. For rare or unique materials no such market valuation exists so individual expert valuation is required. Commercial rates for such expert valuation can be of the order of £750 per day. Rare heritage items can take many days (if not weeks, in the case of manuscript collections) of expert work to arrive at a valuation, so a systematic retrospective programme of such work would be prohibitively expensive.

<b>Heritage Assets Purchased</b>										
	<b>2013/14</b>		<b>2012/13</b>		<b>2011/12</b>		<b>2010/11</b>		<b>2009/10</b>	
	<b>Cost £'000</b>	<b>No. of Items</b>								
At 1 April	30,117	257	28,338	230	27,020	223	16,974	204	15,291	189
Additions	2,732	17	1,779	27	1,318	7	10,046	19	1,683	15
Transfers	861									
Disposals	-	-	-	-	-	-	-	-	-	-
<b>At 31 March</b>	<b>33,710</b>	<b>274</b>	<b>30,117</b>	<b>257</b>	<b>28,338</b>	<b>230</b>	<b>27,020</b>	<b>223</b>	<b>16,974</b>	<b>204</b>
<b>Heritage Assets Donated</b>										
	<b>2013/14</b>		<b>2012/13</b>		<b>2011/12</b>		<b>2010/11</b>		<b>2009/10</b>	
	<b>Valuation £'000</b>	<b>No. of Items</b>								
At 1 April	24,603	32	24,503	31	24,749	26	24,102	21	23,679	19
Additions	3,303	4	100	1	284	5	647	5	423	2
Impairment	-	-	-	-	(530)	-	-	-	-	-
<b>At 31 March</b>	<b>27,906</b>	<b>36</b>	<b>24,603</b>	<b>32</b>	<b>24,503</b>	<b>31</b>	<b>24,749</b>	<b>26</b>	<b>24,102</b>	<b>21</b>
<b>Total at 31March</b>	<b>61,616</b>	<b>310</b>	<b>54,720</b>	<b>289</b>	<b>52,841</b>	<b>261</b>	<b>51,769</b>	<b>249</b>	<b>41,076</b>	<b>225</b>

## 12. INVESTMENTS

	2013/14	2012/13
	£000	£000
Market Value at 1 April	13,160	11,600
Acquisitions funded by dividends reinvested	403	389
Unrealised Gain / (Loss)	358	1,171
Market Value at 31 March	13,921	13,160
<b>Analysed by:</b>	<b>£000</b>	<b>£000</b>
Listed Securities	13,847	13,086
Cash Trusts	74	74
	13,921	13,160
<b>Geographical Analysis</b>		
United Kingdom Investments	13,348	12,626
Overseas Investments	573	534
	13,921	13,160

Investments are only held for the purpose of the Library's restricted funds, with their aim to achieve an appropriate balance between income generation and capital growth particular to the fund.

## 13. FINANCIAL INSTRUMENTS

FRS29 'Financial Instruments': Disclosures requires entities to provide disclosures which allow users of the accounts to evaluate the significance of financial instruments for the entity's financial position and performance and the nature and extent of risks arising from financial instruments during the period. The majority of financial instruments relate to contracts to buy non-financial items in line with the Library's expected purchase and usage requirements and the Library is therefore exposed to little credit or liquidity risk. The Library holds a portfolio of quoted investments and therefore is subject to some market risk.

### Credit Risk

The Library is exposed to credit risk of £1.6m of trade debtors. However this risk is not considered significant as major customers are familiar to the Library. The Library has recovered 99% of trade debtors over the last two years. Bad and doubtful debts are provided for on an individual basis. Write-offs in the year for bad debts amounted to £18k (£2k in 2012-13).

### Liquidity risk

As around 76% of the cash requirements of the Library are met through Grant in Aid from the Department for Culture, Media and Sport, financial instruments play a more

limited role in creating risk than would apply to a non-public sector body of a similar size. The remaining income is self-generated and is volatile. Remote Document Supply is still the major source of self-generated income. The Library has sufficient unrestricted funds to cover its current liabilities.

### Market Risk

The Library holds some restricted fund balances in unit trust investments, as shown in note 12 on page 84, and so is subject to some market risk. An unrealised gain of £0.4m has been recorded this year compared to a £1.2m gain in 2012/13. Additional information on the Library's Investment Policy is given in the Trustees' Annual Report.

### Foreign currency risk

The Library has an international customer and supplier base and so is subject to a degree of foreign currency risk. In 2013/14, net foreign currency exchange losses of £151k were recognised (£16k loss in 2012/13). As part of the Library's Treasury Management Strategy, the risk of fluctuations is managed through a variety of policies, including holding bank accounts in foreign currencies, to enable us to match our foreign currency transactions as a means of mitigating our currency risk.

### Interest rate risk

Risks relating to interest rates are managed by budgeting conservatively for investment income. The table below shows the interest rate profile of the Library's financial assets. The benchmark for the Library's floating rate investments is 0.5%, the Bank of England base rate.

### Investment income Profile

The table below shows the interest rate profile of the Library's financial assets. As the Library has no finance leases or loans, financial liabilities have been omitted from this table. The benchmark for the Library's floating rate investments is in line with the Bank of England base rate at 0.5%.

	2013/14			2012/13	
	Floating Rate	Cash Trusts	Listed Securities	Total	Total
	£000	£000	£000	£000	£000
Sterling	45,972	74	13,847	59,893	54,844
Dollar	1,307	-	-	1,307	1,121
Euro	262	-	-	262	377
Yen	126	-	-	126	181
Total	47,667	74	13,847	61,588	56,523

## 14. STOCKS

	2013/14	2012/13
	£000	£000
Stocks for resale	640	560
Raw materials	168	173
<b>Total stocks</b>	<b>808</b>	<b>733</b>

Stocks for resale comprise printed, microfiche and CD-ROM publications and are available from the British Library Shop and Library website.

Raw materials stocks are items for the conservation of books including leathers, hides and papers.

## 15. DEBTORS AND PREPAYMENTS

a)	2013/14	2012/13
	£000	£000
<b>Amounts falling due within one year</b>		
Trade debtors	1,602	2,599
Other debtors	2,514	2,993
Prepayments and accrued income	11,445	7,716
	<b>15,561</b>	<b>13,308</b>

For the purpose of the Whole of Government Accounts (WGA), there is a debtor with HM Revenue and Customs of £2.07m relating to the repayment of VAT. All other debtor balances are external to the government.

b)

<b>Intra Government Balances</b>	<b>£'000</b>
Balances with central government bodies	2,081
Balances with local authorities	6
Balances with NHS bodies	9
Balances with public corporations and trading funds	-
Total of Intra Government Balances	2,096
Balances with bodies external to government	13,465
<b>Total Debtors</b>	<b>15,561</b>

## 16. a) CASH AT BANK AND IN HAND

	2013/14	2012/13
	<b>£000</b>	£000
Restricted funds	<b>5,166</b>	4,845
Monies held on deposit for customers	<b>3,362</b>	3,325
Cash balances	<b>16</b>	15
General funds	<b>39,123</b>	35,178
	<b>47,667</b>	43,363

Customer deposit account balances represent payments from customers in advance of supply of goods/services.

## b) Analysis of change in net funds

	As at 1 April 2012	Cash Flows	As at 1 April 2013	Cash Flows	As at 31 March 2014
	£'000	£'000	£'000	£'000	£'000
Government Banking Services (GBS) cash at bank	-	4,367	4,367	(4,275)	92
Commercial cash at bank	45,295	(6,314)	38,981	8,578	47,559
Cash in hand	14	1	15	1	16
<b>Total</b>	<b>45,309</b>	<b>(1,946)</b>	<b>43,363</b>	<b>4,304</b>	<b>47,667</b>

## 17. CREDITORS

a)	2013/14	2012/13
	<b>£000</b>	£000
<b>Amounts falling due within one year</b>		
Trade creditors	<b>5,702</b>	5,828
Monies held on deposit for customers	<b>3,362</b>	3,325
Other creditors	<b>3,272</b>	3,470
Accruals	<b>9,086</b>	8,320
Deferred income	<b>3,843</b>	2,735
	<b>25,265</b>	23,678

For the purpose of the Whole of Government Accounts (WGA), there is a creditor with HM Revenue and Customs of £1.077m; this includes £0.551m NI contributions and £0.525m PAYE deductions retained by the Library as part of the PAYE process and a creditor with the Cabinet Office of £0.861m for pension contributions.

b)

<b>Intra Government Balances</b>	<b>£'000</b>
Balances with central government bodies	1,938
Balances with local authorities	2
Balances with NHS bodies	-
Balances with public corporations and trading funds	-
Total of Intra Government Balances	1,940
Balances with bodies external to government	23,325
<b>Total Creditors</b>	<b>25,265</b>

**c) DEFERRED INCOME**

	<b>£'000</b>
<b>At 1 April 2013</b>	<b>2,735</b>
Release from previous year	(2,735)
Incoming resources deferred in the current year	3,840
<b>At 31 March 2014</b>	<b>3,840</b>

The incoming resources deferred in the current year relate to grants received and voluntary income relating to the Qatar project. The income is recognised against milestones / progress. The Library defers income until the service / product it is to provide has been completed; income is matched to the period the activity takes place in.

## 18. STATEMENT OF FUNDS

	As at 1 April 2013	Transfers To / (From)	Expenditure	Incoming Resources	Realised and Unrealised Gains and (Losses)	As at 31 March 2014
	£000	£000	£000	£000	£000	£000
<b>Unrestricted funds:</b>						
General Funds	22,461	1,295	(109,830)	109,553	-	<b>23,479</b>
Designated Funds (Fixed Assets)	613,167	-	(18,731)	-	37,243	<b>631,679</b>
Public Lending right reserve	-	-	-	-	82	<b>82</b>
Designated Funds						
Shaw Fund	4,364	-	-	105	-	<b>4,469</b>
Collection Care Restoration Fund	457	-	-	2	-	<b>459</b>
Membership / General Donations	224	(127)	-	677	-	<b>774</b>
Others	(23)	(59)	62	46	-	<b>26</b>
Donated Asset Reserve	24,603	-	-	3,303	-	<b>27,906</b>
<b>Total unrestricted funds</b>	<b>665,253</b>	<b>1,109</b>	<b>(128,499)</b>	<b>113,686</b>	<b>37,325</b>	<b>688,874</b>
<b>Restricted funds</b>						
David and Mary Eccles Centre for American Studies	10,202	(13)	(302)	363	265	<b>10,515</b>
Dingwall No.2	1,301	-	(2)	42	49	<b>1,390</b>
Ginsburg Legacy	860	(112)	(32)	18	-	<b>734</b>
British Library Digitisation Campaign	583	(45)	-	35	-	<b>573</b>
Sir Henry Thomas	404	-	(9)	12	14	<b>421</b>
The MEDD Fund	379	-	-	13	-	<b>392</b>
Legal Deposit Libraries Committee Project	(28)	-	(96)	430	-	<b>306</b>
Skinner Legacy	358	(27)	(40)	2	-	<b>293</b>
The Sir John Ritblat Gallery: Treasures of the British Library	281	-	(38)	1	-	<b>244</b>
The Jacob Fund	-	-	-	220	-	<b>220</b>
T S Blakeney	201	-	(3)	6	6	<b>210</b>
Catalyst Endowment	-	-	-	207	-	<b>207</b>
Chinese Central Asia Database	238	45	(204)	123	-	<b>202</b>
Consolidated Endowment	242	-	(28)	23	2	<b>239</b>
Anthony Panizzi Foundation	173	-	(5)	6	7	<b>181</b>
Business and IP Centre	152	(7)	(104)	130	-	<b>171</b>
Early Printed Collections	80	19	(12)	82	-	<b>169</b>
EC Fund: The European Library	183	(6)	(32)	6	-	<b>151</b>
Spratt-Bigot Request	124	-	(1)	-	-	<b>123</b>
Music Collections Professional Services	100	(10)	(8)	27	-	<b>109</b>
Bridgewater	103	-	(2)	3	4	<b>108</b>
Ginsburg Southeast Asia	-	112	(5)	-	-	<b>107</b>
Fitzgerald	94	-	-	3	3	<b>100</b>
Boult	96	-	-	2	2	<b>100</b>
Others	2,047	(1,065)	(7,615)	8,691	6	<b>2,064</b>
Other (deficit funds)	(170)	-	(519)	571	-	<b>(118)</b>
<b>Total restricted funds</b>	<b>18,003</b>	<b>(1,109)</b>	<b>(9,057)</b>	<b>11,016</b>	<b>358</b>	<b>19,211</b>
Transfer to unrestricted Fixed asset reserves	-	-	152	-	-	<b>152</b>
<b>Total Funds</b>	<b>683,256</b>	<b>-</b>	<b>(137,404)</b>	<b>124,702</b>	<b>37,683</b>	<b>708,237</b>

The fair value reserves included within the funds stated above are:

	As at 1 April 2013 £'000	Unrealised gains /losses under Fair Value £'000	As at 31 March 2014 £'000	Reserve / Fund net of Fair Value as at 31 March 2014 £'000	Reserve / Fund (including Fair Value) as at 31 March 2014 £'000
Eccles FVR	1,117	265	1,382	9,132	10,514
Dingwall No 2 FVR	170	49	219	1,171	1,390
Consolidated Endowment FVR	6	2	8	233	241
Sir Henry Thomas FVR	48	14	62	359	421
T S.Blakeney FVR	22	6	28	181	209
Anthony Panizzi Foundation FVR	26	7	33	146	179
Bridgewater	12	4	16	92	108
Fitzgerald	11	3	14	87	101
Sir Adrian Boulton	8	2	10	90	100
Others FVR	19	6	25	2,038	2,063
<b>Restricted Fair Value Reserve</b>	<b>1,439</b>	<b>358</b>	<b>1,797</b>	<b>13,529</b>	<b>15,326</b>

The fair value represents the difference between historic cost and market valuation at the Balance Sheet date.

Restricted funds are given to the Library for specific purchases for the collection or for projects that are related to the aims and objectives of the Library. Designated funds are monies which have been identified by the British Library Board for a specific purpose. All the funds with balances of over £100,000 at 31 March 2014 are listed above, with a brief description as to the aims of the fund shown below. Other restricted funds comprise individual amounts less than £100,000.

The restricted funds in deficit at the year - end represent five funds for which, due to the administration restrictions of these funds, costs are expended first and subsequently reclaimed from the external funding organisations. Future income streams should more than cover the shortfall and future costs involved in the projects.

Included within the Restricted Fund and Designated Fund expenditure are costs in relation to the purchase of fixed assets totalling £152k. These assets have been transferred from the restricted funds reserve to the unrestricted fixed asset reserve.

The transfers of £1.1m relate to internal charges or income applied to the restricted funds for the use of Library facilities and services.

### ***Designated Funds***

#### ***Shaw Fund***

Established by a Charity Commission order dated 13 September 2000, with the income being available for the general purposes of the British Library Board. At a meeting in September 2003, the Board adopted the following expenditure policy for the Shaw Fund income:

“To be applied as an addition to other sources of funding, for the benefit of the readership of the British Library; for the acquisition of manuscripts and other materials, to support specific projects of a scholarly or research nature, and for other similar purposes as the Board may determine”.

**Collection Care Restoration Fund**

This fund represents money recovered by the Library following action taken in respect of damage / theft to the Collection. These monies have been reserved in order to repair the damage caused to the Collection items.

**Membership and General Donations**

A range of externally received funds, with the funds being available for the general purpose of the British Library, as decided upon by the Executive Leadership Team.

**Restricted Funds****The David and Mary Eccles Centre for American Studies**

Founded by the late Viscount and Viscountess Eccles, to further the establishment of a Centre for American Studies.

**Dingwall No. 2**

Founded by Dr Eric John Dingwall, for the purchase of fine editions or the subscription of foreign periodicals.

**Ginsburg Legacy**

An endowment from the estate of Henry Ginsburg to fund a full time permanent post of 'Henry Ginsburg Curator for Thai, Lao and Cambodian'.

**British Library Digitisation Campaign**

To raise funds from external sources to support the Library's Digitisation Programme.

**Sir Henry Thomas**

Founded in 1981 by Miss Amy Thomas, for the purchase of books relating to the culture and literature of Spain.

**The MEDD Fund**

For the conservation of manuscripts in the Board's collections written by British composers working since 1950.

**Legal Deposit Libraries Committee Project**

Cost sharing agreement with six other Legal Deposit Libraries, to fund Legal Deposit Libraries Committee Project manager's post and ongoing costs.

**Skinner Legacy**

A legacy from Dr Joyce Skinner to be used for conservation

**The Sir John Ritblat Gallery: Treasures of the British Library**

A donation from Sir John H Ritblat for the Treasures Gallery.

**Jacob Fund**

A legacy from William Jacob to be used solely for the conservation of British Books and Literary periodicals.

**T S Blakeney**

Founded in 1977 by Thomas Sydney Blakeney, for the purchase of western manuscripts.

**Catalyst Endowment (RSW)**

To build a long - term endowment fund from donations and Heritage Lottery Fund matched funding. This will provide a sustainable annual income stream that will be used to enhance the Library's collections, increasing access and engagement to them.

**Chinese Central Asia Database**

Contributions to support the International Dunhuang Project in its aim to catalogue, digitise and facilitate scholarly research on the Dunhuang manuscripts held by the Library and other institutions in Europe, Asia and USA.

**Consolidated Endowment Account**

Founded in 1975, the fund is to be used for any purpose approved by the Board where there has not been adequate provision made through government Grant in Aid.

**Anthony Panizzi Foundation**

Founded in 1982 by an anonymous donor, for the advancement of public education by funding a lecture or series of lectures in the subject of advanced bibliography.

**Business & IP Centre (BIPC)**

The fund was set up to collect donations / sponsorship for the BIPC from sources other than London Development Agency. The funds will be used to further the BIPC objectives in supporting entrepreneurs.

**Early Printed Collections**

Founded by G Jeffcoate, monies from running a Masters course in conjunction with Kings College London, The monies are to be used to resource discovery / cataloguing of materials related to the activities of the MA course.

**EC Fund: The European Library**

Collaboration between a number of European national libraries, to establish a professionally designed and maintained single access point to the collections in all the national library partners.

**Spratt-Bigot Bequest**

For the purchase of works in French by French authors

**Music Collections Professional Services**

Funding arising from bequests and other sources for music specialist services not otherwise provided for.

**Bridgewater**

The trust fund was founded in 1829, by Francis Henry, Earl of Bridgewater, and is for the purchase of manuscripts for addition to the Bridgewater collection

**Ginsburg Southeast Asia**

To increase access to southeast Asian collections in the British Library through digitisation, publications and outreach.

**Fitzgerald Air Mail Fund**

The trust was founded in 1953 by Mrs Fitzgerald with the aim to preserve and catalogue the Fitzgerald Air-Mail collection of stamps.

**Sir Adrian Boult**

Founded through a public appeal, for commissioning and production of recordings of musical lectures or similar functions.

**19. REVALUATION RESERVE MOVEMENT**

	<b>£'000</b>
At 1 April 2013	209,078
Arising in year	28,266
Realised	(6,033)
Backlog	163
Retirements	(1,520)
At 31 March 2014	229,954

## 20. COMMITMENTS UNDER OPERATING LEASES

Operating Leases which expire	Equipment
	<b>£'000</b>
<b>Within one year</b>	87
<b>Two to five years</b>	124
<b>More than five years</b>	-
<b>Total</b>	<b>211</b>

## 21. PROVISION FOR LIABILITIES AND CHARGES

A provision has been made in full for employees leaving the organisation under early retirement or Civil Service Compensation Scheme terms. The provision represents the estimated future costs to the Library, for both staff who have left and staff who are known to be leaving in 2014/15.

	<b>2013/14</b>	<b>2012/13</b>
	<b>Total £'000</b>	<b>Total £'000</b>
	<b>Early Retirement /Severance Provision £'000</b>	<b>Other Liability and Charges £'000</b>
At 1 April	<b>222</b>	<b>1,178</b>
Additional Provision	-	<b>4,086</b>
Release of Provision	-	-
Utilisation of Provision	<b>(116)</b>	<b>(1,178)</b>
At 31 March	<b>106</b>	<b>4,086</b>
Less: Provisions falling due within one year	<b>(66)</b>	<b>(4,086)</b>
Amounts falling due after one year	<b>40</b>	-
	<b>40</b>	109

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the Library has agreed early retirements, the additional costs are met by the Library and not by the Civil Service pension scheme. Ill - health retirement costs are met by the pension scheme and are not included in the table.

The additional provision for £4,086k in 2013/14 is for a Heritage Item which is subject to review by the Spoliation Advisory Panel, the inclusion of the Public Lending Right Provision for the cost of meeting building dilapidations provided for under PLR's operating lease and for asbestos remediation works which the Library is contracted to complete in 2014-15 at the Colindale site..

## 22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restrict ed Funds	Total
<b>Fund balances at 31 March 2014 are represented by:</b>	£000	£000	£000
Intangible fixed assets	446	-	<b>446</b>
Tangible fixed assets	597,675	-	<b>597,675</b>
Heritage assets	61,616	-	<b>61,616</b>
Investments	-	13,921	<b>13,921</b>
Current assets	58,621	5,415	<b>64,036</b>
Current liabilities	(29,292)	(125)	<b>(29,417)</b>
Non-current liabilities	(40)	-	<b>(40)</b>
<b>Total net assets</b>	<b>689,026</b>	<b>19,211</b>	<b>708,237</b>

## 23. CAPITAL COMMITMENTS

	2013/14	2012/13
	£000	£000
Contracted and not provided for	<b>1,649</b>	4,568
Authorised, but not contracted for	<b>71</b>	3,593

The capital commitment figures include the planning and building of the Newspaper Storage Building at Boston Spa. £1.6m of the commitments will be spent within one year.

## 24. RELATED PARTY TRANSACTIONS

The British Library is a Non - Departmental Public Body, sponsored by the Department for Culture, Media and Sport.

The Department for Culture, Media and Sport is regarded as a related party. During the year the Library has had a number of transactions in the normal course of business and at full arm's length with the Department.

The Library has also had a number of transactions in the normal course of business and at full arm's length with 15 DCMS - sponsored bodies in relation to the lending of objects for exhibitions.

Also during the year a number of Board members contributed to the Library's Corporate Membership Scheme, and Roly Keating is a Trustee of the Gilson Trust.

The Library sets aside office space and equipment for the Friends of the British Library to undertake some of their duties. However there is no direct financial support from the Library to the Friends of the British Library.

The British Library also entered into material related party transactions with other related parties during the year, as set out below:

Related Party	Nature of Transaction	Income 2013/14 £000	Expenditure 2013/14 £000	Relationship
Royal Opera house	Document Supply Transactions	1		Baroness Blackstone, Chairman of the British Library, is also a Trustee of the related party.
House of Lords	Conservation Work	3		Baroness Blackstone, Chairman of the British Library, and Lord Fellowes a member of the British Library Board are members of the related party.
University of Edinburgh	Document Supply Transactions	22		Robert Black CBE, a Board member of the British Library, is a member of the related party
University of Glasgow	Document Supply Transactions Eccles centre fellowship payment	49	2	Sir Kenneth Calman, Chancellor of the related party, is a Board member of the British Library.
Defence Science and Technology laboratory	Document supply Transactions	9		Dame Wendy Hall DBE, a non - executive Director of the related party, served as a Board member of the British Library.
University of Southampton	Document Supply Transactions	64		Dame Wendy Hall DBE, employed by the related party, is a Board member of the British Library
Idox Information Solutions Ltd	License payments and membership fees		6	Dame Wendy Hall DBE, a non - executive Director of the related party, is a Board member of the British Library.
Barbican Centre	Conservation work	1		Roly Keating, Chief Executive of the British Library, is a Board member of the related party
American Trust for the British Library	Donations to various fundraising campaigns	107		Roly Keating, Chief Executive of the British Library, is a Trustee of the related party
Cancer Research UK	Document Supply Transactions	4		Dr Michael Lynch OBE, Board member of the British Library is a Board member of the related party.
Royal Botanic Gardens	Document Supply Transactions	2		Dr Michael Lynch OBE, Board member of the British Library, is a Trustee of the related party.

## 25. POST BALANCE SHEET EVENTS

The accounts were authorised for issue by the Accounting Officer and Board of Trustees on the date the C&AG certified the accounts.

## 26. CONTINGENT LIABILITIES

British Library Newspaper Digitisation project.

The British Library has undertaken the digitisation of millions of pages from the archive using a commercial partner to take on the costs of digitisation in return for being able to exploit the digitisations commercially.

The supplier has warranted in its contract with the Library that use of the digitisations will not infringe copyright, or give rise to any possible action for defamation and has undertaken to cover any liability falling on the Library as a result of any such claims (in addition to the cost of defending the action) up to £5million.

DCMS has agreed to underwrite any liability which arises beyond that, for the duration that such claims might arise. It is considered that a claim in excess of £5m would be extremely unlikely but in the event that the liability is called, provision for any payment will be sought through the normal Supply procedure.

## 27. TRUST FUNDS (unaudited)

Members of the British Library Board do not act as Trustees for the Gilson and Saga Trusts. However because of the shared management and close relationship to the Library, the aggregated results for these funds are shown in table below:

	2013/14	2012/13
	£000	£000
Income	9	12
Expenditure	(17)	(28)
Unrealised gains / (losses) on investments	6	12
Surplus / (deficit) for the year	(2)	(4)
Investments	343	339
Short Term Deposits	5	5
Net Debtors / (Creditors)	-	-
Cash at Bank	44	34
Net Assets	392	378

The British Library extends thanks to everyone who has contributed to the development of the Annual Report and Accounts 2013/14.



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