

# British Library

Annual Report and Accounts

---

2012/13



# British Library

Annual Report and Accounts 2012/13

Presented to Parliament pursuant to section 4(3) and 5(3) of the British Library Act 1972.

Ordered by the House of Commons to be printed on 15 July 2013

Laid before the Scottish Parliament by the Scottish Ministers 15 July 2013

Laid before the National Assembly for Wales by the [First Secretary] 15 July 2013

Laid before the National Assembly for Northern Ireland 15 July 2013

HC 329

SG/2013/89

London: The Stationery Office

£21.25

© **British Library (2013)**

The text of this document (this excludes, where present, the Royal Arms and all departmental and agency logos) may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not in a misleading context.

The material must be acknowledged as British Library copyright and the document title specified. Where third party material has been identified, permission from the respective copyright holder must be sought.

Any enquiries regarding this publication should be sent to us at [customer-services@bl.uk](mailto:customer-services@bl.uk)

The document is also available from our website at [www.bl.uk/annualreport2012-13](http://www.bl.uk/annualreport2012-13)

ISBN: 9780102984149

Printed in the UK for The Stationery Office Limited  
on behalf of the Controller of Her Majesty's Stationery Office.

ID 2562481            07/13

Printed on paper containing 75% recycled fibre content minimum.

# Contents

Introduction	4
Performance Review	6
Key Activities for 2013/14	14
Key Performance Indicators	16
Statistics	18
Governance and Leadership: Directorate Structure	21
Financial Review	25
Sustainability Report	32
Remuneration Report	36
Board and Accounting Officer's Responsibilities	42
Governance Statement 2012/13	43
Risk Assessment 2012/13	51
The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament and the Scottish Parliament	58
Statement of Financial Activities	60
Balance Sheet	62
Cash Flow Statement	64
Notes to the Accounts	65

## Introduction

The past year has been one of change for the British Library, but also of continuity as we continue to work to deliver high quality and innovative services.

Dame Lynne Brindley left the British Library after more than a decade at its helm as Chief Executive. She departed with good wishes and thanks for all that she achieved, during a time of great change for the institution.

Lynne was particularly active in making the case for the introduction of non-print legal deposit, recognising the digital black hole that was being left for future researchers by failing to collect material created and held in digital form. Legislation finally came into effect on 6 April 2013, giving the British Library and the five other Legal Deposit Libraries the right to receive a copy of every UK electronic publication, including websites. This is a tremendously important step forward, and will ensure that the fullest possible record of life in the UK in the 21st century is collected and preserved for future generations of researchers.

The British Library continues to create digital content itself, often working in partnership to digitise parts of our collection in order to make them accessible to more people within the UK and globally.

In 2012 we unveiled an ambitious partnership with the Qatar Foundation to transform people's understanding of the Middle East, and the region's relationship with Britain and the rest of the world. It will result in the digitisation of over 500,000 pages from the archives of the East India Company and the India Office, including 25,000 pages of medieval Arabic manuscripts. The work is now underway in the Library's St Pancras building, and the material will be made freely available online for the first time.

Once again, the British Library has mounted exhibitions which have both informed and entertained visitors to our building at St Pancras. Our major exhibitions opening in 2012 were *Writing Britain: Wastelands to Wonderlands* and *Mughal India: Art, Culture and Empire*. *Writing Britain* explored how literature was shaped by places across the British Isles, by authors from William Shakespeare to J K Rowling, and we were delighted that it was selected to be part of the Cultural Olympiad for London 2012.

Alongside every recent Olympic Games there has been an Olympex exhibition, and the International Olympic Committee asked the Library to host this in partnership with them during the period of London 2012. It told the story of the Games through the medium of postage stamps and memorabilia, and was a great way for the Library to be a real part of this memorable event in the life of London and the UK.

There was public and media interest in the first visit to London of Jack Kerouac's 120 foot-long scroll setting out the text of his book *On the Road*. This was displayed in a specially constructed case alongside sound and printed materials from our own collection. It was just one of a number of smaller exhibitions which were held throughout the year, all with compelling and engaging events and learning programmes.

As the national library, the British Library is constantly seeking ways to expand its reach to other parts of the UK. A touring version of our *Writing Britain* exhibition went to libraries in Bristol, Leeds, Newcastle and Norwich, featuring collections from partner libraries and iconic items from our own collections. Youth engagement projects run by each library were also linked to the exhibition, bringing it alive for young people.

Another exciting partnership project with city libraries was launched during 2012, with the British Library, the Intellectual Property Office and six UK city libraries signing an agreement setting out their intention to establish a national network of services modelled on our very successful Business & IP Centre in London. Libraries in Birmingham, Leeds, Liverpool, Manchester, Newcastle and Sheffield are participating in the initiative, which will benefit SMEs, inventors and entrepreneurs, and support growth in the local and national economies.

We are rapidly reaching the time when the Newspaper Library at Colindale in North London will close, and the collection will move to our Boston Spa site in Yorkshire. This is a hugely important project for the Library, and will result in the national newspaper collection being held in a new Newspaper Storage Building, providing optimum environmental conditions and fully automated retrieval systems. The shell of the building was completed in late 2012, and collection items will begin to be moved in from the end of 2013.

Access to newspaper content will be made available via microfilm or digital copies in a dedicated Reading Room in the Library's St Pancras building. Where no copies exist, original print copies can be requested to be brought from Boston Spa.

With Government finance constraints continuing to have an impact on all publicly funded bodies, the past year has been a challenging one for the British Library; we know that there are further challenges ahead. We believe that our services can continue to contribute real value to the UK, as a research institution, a provider of business support, and a cultural destination.

The British Library could not have achieved all that it does without the continued dedication of our staff, in sharing their passion for their subjects, their expertise that enables all parts of the Library to function in a professional manner, and their commitment to upholding high standards of service to all who visit us or use our services.

We are indebted to the many people who support the British Library, whether financially, through gifting items to our collection, or through volunteering their time in various ways for the benefit of this great national institution.



**Rt Hon Baroness Blackstone PC**  
Chairman



**Roly Keating**  
Chief Executive

# Performance Review

This section of the Annual Report details the progress we made in 2012/13 to increase our effectiveness and achieve the Library's five strategic priorities, namely:

- Guarantee access for future generations
- Enable access to everyone who wants to do research
- Support research communities in key areas for social and economic benefit
- Enrich the cultural life of the nation
- Lead and collaborate in growing the world's knowledge base.

## 1. Guarantee access for future generations

**We reached key stages in our endeavours to save the nation's digital memory and preserve one of the world's greatest collections of newspapers.**

### Legal Deposit

Legislation that came into force on 6 April 2013 extends the principle of legal deposit from printed publications to digital materials. The six legal deposit libraries, of which the British Library is one, now have the right to receive a copy of every UK electronic publication, including blogs, e-books and the entire UK web domain.

We worked on our strategy to implement the new regulations throughout 2012/13. Henceforth we will be able to collect, preserve and provide long-term access to this increasing proportion of the nation's cultural and intellectual output, which will be available in our Reading Rooms.

### Newspaper Storage

The new Newspaper Storage Building at Boston Spa will enable us to keep our historic newspaper collection in archival conditions for the first time, safeguarding this precious resource for future generations. Approximately 750 million pages of newspapers, many in fragile condition, will be preserved in controlled conditions of temperature and humidity in a giant airtight storage chamber.

When Ed Vaizey, Minister for Culture, Communications and Creative Industries, visited Boston Spa with key local stakeholders in December, the exterior had been completed and work on installing the automated storage systems was underway.

We began moving the first microfilm material from Colindale in North London in February, with major collections due to follow later this year. Moving this great newspaper collection will allow us to vacate the Colindale premises. Collections and services will be split between St Pancras and Boston Spa sites, where users will be able to view the collection in a variety of ways.

## 2. Enable access to everyone who wants to do research

**We are extending access for all researchers using the Library's services through a series of projects and initiatives. In 2012/13 we made significant progress in simplifying the user experience and making fuller use of the opportunities extended by digital technology.**

### Digital Scholarship

We are supporting the adoption of new digital research skills, technologies and services across the Library through our Digital Scholarship Strategy, working in collaboration with colleagues, scholars and strategic partners. In September we launched the Digital



Scholarship Training Programme, a series of 15 familiarisation courses, which were attended by more than 85 staff.

During the year we took part in digital scholarship conferences and our range of external partnerships continued to grow. The BL Labs project, funded by the Andrew W Mellon Foundation, aims to advance digital knowledge and extend take-up of the Library's digital content and services.

### **Multimedia Research**

We continued to make more digital sound and moving image content available, both online and in our Reading Rooms. In October we launched our Broadcast News service, giving Reading Room access to the television and radio news content we have been capturing daily since 2010, which already totals 25,000 hours. We also introduced the BBC Pilot Service, which gives access to more than two million BBC television and radio catalogue records and 190,000 playable programmes. Our Reading Rooms now offer 120 terminals with sound and moving image facilities, a big increase, and we are working to provide an integrated service across all of them.

### **Digital Initiatives**

We make sure all our digitisation initiatives are in line with our strategic priorities. Assessment and monitoring is carried out by our Digital Initiatives Approvals and Monitoring Group, who also ensure there is transparency of both the consideration and delivery of new projects. Among the 25 projects taking place are our partnership with brightsolid online publishing to digitise up to 40 million newspaper pages over ten years and make them available on the British Newspaper Archive website. Major programmes are also underway with Google (see below) and the Qatar Foundation (see page 11). In the Europeana Collections 1914-18 project we are working with nine partners to create a substantial digital archive relating to the First World War in time to commemorate the centenary of its outbreak.

### **Google Digitisation**

Our partnership with Google aims to digitise 250,000 out-of-copyright books from the Library's 1700-1879 collections. Work started in April 2012 and we made good progress with planning, workflows and resourcing aspects of the programme. Shipment of books and pamphlets started in earnest in January and will continue for the next four years, with support for the ingest process from our internal IT department. By the end of March 2013, Google had already digitised more than 7,000 books from our collections and made them available through Google Books.

### **Access to Content for Researchers**

Through our Access & Reuse policy, the Library is making specific collections available under open licences, enabling users to go beyond simply looking at collections to also reusing, adapting, interacting and remixing digital images. *Picturing Canada* is one of the first projects to have been released under Creative Commons 'Public Domain' terms. Over 4,000 images from the Library's Canadian Copyright Collection were digitised with funding from Wikimedia UK and the Eccles Centre for American Studies. This previously little known collection of photographs captures everyday Canadian life at the turn of the 19th century, and now these unique images will be available online for integration within other open web resources like the Digital Public Library of America and Europeana. It will launch officially on Wikimedia on Canada Day.

The Library continues to work with specialist commercial publishers to provide audiences with worldwide access. We strengthened our partnership with digital primary source publisher Adam Matthew with an agreement to digitise materials relating to trade in global commodities. This was published in Autumn 2012 and made cross-searchable together with the re-vamped and updated Empire Online database which also includes a large proportion of material digitised from the Library's collections and is one of our earliest commercial digital collaborations.

Following on from our successful partnership with Charleston-based developer Bibliolabs in 2011 to publish an award winning iPad app based on the digitised collection of 19th century monographs, Bibliolabs have now created a larger subscription platform for the curated display of digitised historic content called *Biblioboard* which makes 65,000 digitised books from the Library available to interested readers worldwide via a highly visual and user friendly interface. The same books are also available under open access from the Library, demonstrating that open access and commercial access models can work successfully in tandem.

### **Customer Management Programme**

Our Customer Management Programme is making it easier for customers to use the Library's different services. Traditionally they have had to log on with different user names and passwords for each service they use. During 2012/13 we made progress towards getting integrated reader data so that readers can now register centrally with a British Library online account. They will be able to use this account to access services including ticket booking and the portals for management and business studies and social welfare. Future phases of the programme will integrate other services so that eventually customers will only need to log in once to access all the services for which they are registered.

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

**The Library supports research communities in a range of key areas and makes a measurable contribution to the economy through the Business & IP Centre, working with a growing network of partners.**

### **Business & IP Centre**

The Library's Business & IP Centre provides advice, support and resources for inventors, entrepreneurs and small companies. During the year it supported more than 3,600 people and helped to create 119 businesses. Although the business creation total was less than the 150 target, the Centre helped to create more than 190 new jobs, considerably exceeding the goal of 100. Overall footfall exceeded 52,000, 73% of whom were newcomers to the Centre's services. The Centre's *Innovating for Growth* programme had a very successful year, supporting 66 businesses and creating 36 jobs, exceeding targets by 25% and 9% respectively.

We took a significant step towards extending the Business & IP Centre model to other regions of the UK. An agreement signed in November between the Library, the Intellectual Property Office and six UK city libraries will enable similar Centres to open in Birmingham, Leeds, Liverpool, Manchester, Newcastle and Sheffield based on a successful pilot in Newcastle. At a Parliamentary Reception on 11 February, Rt Hon Eric Pickles, Secretary of State for the Department for Communities and Local Government announced that DCLG and Arts Council England would be providing £450,000 of seed funding to support the six libraries in setting up their Business & IP Centre services as part of their

'Enterprising Libraries' programme. Barclays also announced that they were sponsoring the Library's flagship *Inspiring Entrepreneurs* events programme which will be replicated and live webcast to the city library network.

### **Social Welfare Portal**

We developed and launched a Social Welfare Portal in partnership with the Social Care Institute for Excellence (SCIE). The portal provides a single point of access to the Library's print and digital collections of research and information on policy development, implementation and evaluation. We held a conference to mark the launch in December and the site is already receiving up to 3,000 visits per month. [www.socialwelfare.bl.uk](http://www.socialwelfare.bl.uk)

### **Open Metadata Initiative**

We continued to develop and support new ways for researchers and wider communities to use our rich metadata resources to generate knowledge. By the end of the year, over 750 organisations in more than 80 countries were using our open metadata services with 95% of those responding to the 2012 satisfaction survey rating the services either 'good' or 'very good'. We also worked with a range of private and public sector organisations including Microsoft and JISC to improve options for researchers wishing to work with open bibliographic metadata. The value of the Library's work in this area was recognised by the Cabinet Office which featured the British National Bibliography linked open data site as an example of public sector best practice on its website.

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

**The Library enriched the nation's cultural life in numerous ways. More than half a million people attended the public programme of exhibitions and events and there was increased emphasis on celebrating the creative industries and science. The Learning Programme attracted growing numbers of schools and teachers.**

### **Exhibitions**

Interest in the Library's public programme of exhibitions and events continued at a very high level. Nearly 533,000 visitors participated, exceeding the 400,000 target.

We held two major temporary exhibitions. *Writing Britain: Wastelands to Wonderlands*, our major summer exhibition, examined how our greatest authors have been inspired by the spaces and places of Britain. Attendance totalled almost 32,300 people. Although this was considerably less than the 60,000 target, it was achieved during a summer period when the Association of Leading Visitor Attractions reported a 40% drop in visitors to the capital during the London Olympics.

*Mughal India: Art, Culture and Empire* opened in November to excellent reviews including 'spectacular' (*The Times*) and 'a revelation' (*Daily Telegraph*). It told the story of the entire Mughal period through more than 200 exquisite objects from a jewelled flywhisk, imperial portraiture and imposing warrior armour, to domestic manuals, early cookbooks and personal memoirs. The exhibition received almost 51,000 visitors against a target of 50,000.

Smaller exhibitions included a display of the St Cuthbert Gospel, acquired by a record-breaking fundraising campaign, which explained its significance as the oldest, intact European book.

Throughout the summer we hosted *Olympex 2012: Collecting the Olympic Games* in partnership with the International Olympic Committee. Memorabilia on display traced the way that Olympic iconography has evolved over more than a century with stamps, letters,

postcards, posters and artwork showing how the Games have touched the lives of competitors and the public.

In October, the Library displayed Jack Kerouac's 120-foot long manuscript scroll of his iconic work *On the Road* as part of an exhibition of our printed and sound collections. The exhibition received more than 40,000 visitors, an increase of 42% on the same period in the previous year.

### **Spring Festival**

In March we held our second Spring Festival, a celebration of film, design and fashion. Highlights included a LATE evening of music and fashion co-curated by students from Central Saint Martins College of Arts and Design. At our Spring Market designers and makers who had used the Library to develop their ideas sold their products. More than 1,500 people took part in the festival and 25,000 viewed the website and 'Inspired By' blog.

### **Inspiring Science**

Our science season in March was a sell-out with 1,300 people attending eight events. Coinciding with National Science Week and Brain Awareness Week, the season opened up our collections and spaces for anyone with an interest in science to share the excitement of discovery and ideas. Highlights included artworks inspired by the Library and its science collections and an evening of science, comedy and cabaret.

### **Artist in Residence**

Our inaugural artist in residence was Christopher Green, a performer and long-term Library user, who investigated the history of hypnosis in our collections. He helped us to highlight the potential of our collections to the creative industries through performances and his blog. His experience will also feature in a book highlighting the creative value of the Library's collections, *A Companion to Creative Writing*, due to be published in 2013. The nine-month residency was funded by the Leverhulme Trust.

### **Learning Programme**

Our Learning Programme offers workshops, activities and resources for schools, teachers and learners of all ages. More than 23,000 people took part in the onsite programme during the year, 6,000 ahead of target. Over 750 participants attended professional development events and partnership conferences for teachers, which in turn raised the profile of our workshops. The Learning Programme diversified, with author events for World Book Day, a creative writing workshop and lectures for A Level students giving more opportunities for teachers and students to take part.

The Learning website recorded a significant increase in traffic, receiving more than 1.6 million unique visitors (against a target of 1.2 million) and over 4.6 million page views. A major factor was the release of the HTML version of the *History* and *English Timelines* sites, and strong take-up of existing resources such as the *Victorians* pages and *Sounds Familiar* collection of UK accents and dialects. *Sisterhood and After*, an oral history of the women's liberation movement, was well received by the press.

We shared the successful *Writing Britain* exhibition across the country by staging regional exhibitions in partnership with city libraries in Bristol, Leeds, Newcastle and Norwich. Funded by the Paul Hamlyn Foundation, a key aim was to engage with young people between 16 and 24 who are not in formal education.

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

**Two key partnerships enabled us to extend our role as an enabler in the global networked knowledge environment, building on the wealth of our 19th century collections and Middle East archives.**

### **Nineteenth Century Content Online**

We continued our strategic partnership with Cengage Gale to digitise selected items from our 19th century collections. Online collections launched during the year are now available free of charge in the Library's Reading Rooms.

*British Theatre, Music and Literature* includes the archives of the Drury Lane Theatre and the Royal Philharmonic Society and the Barry Ono collection of penny dreadfuls. A selection of the Lord Chamberlain's plays draws on a collection that holds a licensed copy of every new play performed from 1737 to 1968. Papers and maps relating to Africa will give an insight into trade, exploration and colonial issues.

Altogether more than 1.6 million images were created, generating royalties almost three times the level anticipated for 2012/13.

### **The Qatar Programme**

Our £8.7 million programme in partnership with the Qatar Foundation for Education, Science and Community Development seeks to transform people's understanding of the Middle East, the history of the Gulf and Arabic science. More than 40 staff have been recruited and we have constructed key facilities including conservation and digitisation studios. Ultimately the programme will enable us to digitise half a million pages from our East India Company and India Office archives including 25,000 pages of medieval Arabic manuscripts, all of which will be made freely available online for the first time.

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

**In a challenging public funding environment, we worked hard to ensure that our operations are financially sustainable and to give our staff the skills they need for success.**

### **Financial Sustainability**

We continued to work successfully within our reduced operational and capital budgets. In addition to the original reductions of 15% in our resource funding and 50% in our capital budgets by 2014/15 we had to accommodate cuts of 2% in the Grant-in-Aid for 2013/14 and 3% in 2014/15 following notification of the impact of the announcements in the Chancellor's Autumn Statement on 5 December 2012 and Budget Statement on 20 March 2013.

The net resource year-end position was within a variance of less than 0.25% against the Departmental Expenditure Limit (DEL) target agreed. During the year we received permission to transfer £5.5m from resource expenditure to capital in order to fund additional investment in our physical and digital infrastructure.

Further information on the financial performance is available in the Accounts on page 25.

## **Valuing and Developing our Staff**

We made good progress in implementing our strategy to develop digital skills. Forty staff undertook IT apprenticeships and we focused more closely on skills assessment by line managers. Our strategy for social media is now also in place, and work is going ahead on skills sets and IT professional training plans.

Business case funding was secured to support corporate skills priorities in 2013/14. As part of our generational diversity work we created nine work placements. Equality information was prepared and is being analysed so that we can identify and make changes required. Our Staff Survey actions are mostly complete and are being regularly reported to staff.

Roly Keating took up the post of Chief Executive of the British Library in September 2012. He joined the Library from the BBC, where he had most recently held the position of Director of Archive Content, with editorial leadership for the BBC's online services. Roly's former positions included Controller of BBC Two and BBC Four.

In January 2013, he announced a programme of work under the banner of 'One British Library'. This included structural change to move from six directorates to four divisions, covering Finance, Operations, Audiences and Collections. The programme also includes an update of our statements of purpose and ways of working. Staff across the organisation have been actively engaged in this through a series of workshops and by contributing suggestions.

## **7. Development**

**Our fundraising activity is an important way in which we supplement the Grant-in-Aid. The Library's many supporters do a great deal to help us and we are constantly looking for new sources of income.**

This year's fundraising activities resulted in donations and pledges of almost £6.34m. The total includes a £2m pledge for matched funding from the Heritage Lottery Fund as a result of a successful application to their Catalyst Endowment Award (we are required to raise £4m for an endowment over the next three years) and a generous donation from the Qatar Foundation for the ongoing Qatar programme (see page 11).

We are grateful for the loyal support of our existing patrons, donors and sponsors and welcome our new supporters during these challenging economic times. We would like to acknowledge in particular major donations towards our digitisation projects from the Qatar Foundation, The Polonsky Foundation for Hebrew manuscripts, the challenge grant from The Stavros Niarchos Foundation for Greek manuscripts, Mr S P Lohia for the coloured views in the King's Topographical Collection and the Andrew W Mellon Foundation for the BL Labs Digital Scholarship Initiative. Thanks also to the Dorset Foundation for supporting the learning programme associated with the forthcoming Magna Carta 2015 exhibition and to Barclays plc for their sponsorship of the regional *Inspiring Entrepreneurs* programme of events.

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

**The Library has a strong CSR agenda and is committed to continuous improvement and development.**

Energy saving measures this year included escalators at our St Pancras building which slow down when not in use and switch off automatically at night and recycling 70% of our waste against a Government target of 40%. None of our waste goes to landfill. In 2012 we took part in the World Wildlife Federation's Earth Hour, turning off our lights for an hour as part of an initiative to remind staff to save resources and money by turning off equipment when it is not in use.

Our partnership with the Education Trust for Wetherby with both the University of York and Wetherby High School continued with seminars for sixth form students to help them to understand the difference between A-level and undergraduate research methodologies.

## Key activities for 2013/14

**Our action plan for 2013/14 is linked to the same five strategic priorities as 2012/13. It is designed to maintain the momentum of change and development envisaged in our strategy to take the Library's unique resources into the digital future.**

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

Now that legislation has extended the principle of legal deposit to digital materials, we will go ahead with key steps to enable storage, preservation and access at our Library premises of born-digital UK publications including an initial 4.8 million websites. We will implement a publisher portal to enable the deposit of legal deposit e-journals and e-books by small publishers as well as embedding an effective process to handle 1400 complex e-journal titles.

In accordance with the Library's newspaper strategy, we will make the Newspaper Storage Building at Boston Spa fully operational and open a dedicated Reading Room space at St Pancras following the closure of Colindale in 2014. We will complete the automation phase of the new building, transferring the UK national newspaper collection into greatly improved, archival storage conditions in readiness for operational use during 2014/15.

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

We will continue to develop our website as a step towards engaging and inspiring the learners of tomorrow. In the second year of the Web Development Programme we will complete the core offer for the public and learners and for researchers and businesses. We will provide access to more collections through a more interactive and enhanced online experience. We will add value through insights provided by our staff and by extending access to those who cannot visit our premises.

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

We will expand our Business & IP Centre, implementing regional roll-out from London to six other cities, which will support the Government's innovation-driven growth agenda. The Newcastle centre will become fully operational in 2013/14 whilst Sheffield, Leeds, Liverpool and Birmingham will enter their pilot phase. Manchester will follow in 14/15. We will deliver local training and support, rebranding, marketing and a full partner programme.

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

We will deliver a stimulating and exciting engagement programme which will demonstrate the breadth and depth of our collections and our curatorial knowledge and expertise. It will help us to engage with new audiences whilst increasing our impact and helping to drive revenue. We will hold two major exhibitions. *Propaganda: Power and Persuasion* will be the first exhibition to explore international state propaganda from the 20th and 21st centuries. A major exhibition about Georgian Britain will look at the social, cultural and daily life of the period.

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

During the first phase of our partnership with the Qatar Foundation we will create up to 500,000 digital objects from our collections relating to Gulf history and science in the



Arabic world. We will manage this content and present it multilingually through an interactive, web-based multimedia system.

We will complete key digitisation projects with partners including Google, adding 400,000 items of out-of-copyright digital content from our 1700-1870 collections. In addition we will work with our partners in the Europeana Collections 1914-18 project to digitise 250,000 images commemorating the outbreak of the First World War.

## Key Performance Indicators

KPIs are reviewed and developed each year in line with supporting the key activities identified through our business planning process. These are used for managers to deliver performance improvement along with supporting delivery of our strategic priorities.

	Target 2012/13	Actual 2012/13	Actual 2011/12	Actual 2010/11
<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%	92%	92%	92%
Exhibition visitor enjoyment rating: percentage of visitors rating the enjoyment of their visit as either 'excellent' or 'good'	90%	98%	98%	98%
UK remote user satisfaction: percentage of users who are 'totally satisfied' with the Document Supply service	87%	90%	90%	90%
Web user satisfaction: ease of finding information on the Library's website <sup>1</sup>	80%	79%	-	-
<b>Throughput</b>				
Number of visitors to the Library's Learning website <sup>2</sup>	1,200,000	1,614,165	1,285,948	1,262,477
Number of learners attending educational sessions <sup>3</sup>	17,000	23,270	18,578	29,992
Number of visitors to the Library's onsite and virtual public access facilities <sup>4</sup>	2,150,000	2,133,895	2,286,256	2,482,012
Number of items supplied/consulted remotely and onsite <sup>5</sup>	10,650,000	10,297,319	11,007,710	10,296,845
Number of visits to Reading Rooms <sup>6</sup>	500,000	469,643	511,044	519,788
Number of items received <sup>7</sup>	756,500	804,847	828,751	874,393
Percentage of UK legal deposit material acquired <sup>8</sup>	90%	99%	98%	84%
Percentage of material delivered electronically <sup>9</sup>	78%	81%	80%	78%
Exhibition loans to other institutions <sup>10</sup>	40	36	40	36
Items acquired <sup>11</sup>				
Monographs	180,100	184,921	190,448	193,148
Serial titles <sup>12</sup>	-	78,317	79,557	89,578
Newspaper issues	131,600	157,167	138,235	136,631
Patent specifications <sup>12,13</sup>	-	1,144,372	1,588,921	2,656,695
Other special materials	6,296	5,013	6,092	6,254
Electronic	30,000	39,605	42,321	41,420
Cataloguing backlogs <sup>12</sup>	-	779,849	826,302	844,507
Catalogue records created <sup>12</sup>	-	326,238	322,966	354,058
Digital images created <sup>12,14</sup>	-	12,149,100	1,962,568	579,447
<b>Efficiency</b>				
Document supply and monograph lending fulfilment rate <sup>15</sup>	80%	67%	71%	75%
Percentage of material held onsite delivered in St Pancras Reading Rooms within 70 minutes	93%	92%	94%	96%
Average sick leave in working days per staff member	7.5	6.12	7.39	6.80

1 This is a new measure, 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.

2 The Learning website at [www.bl.uk/learning](http://www.bl.uk/learning) provides educational resources, primary source material and interactive activities to support teaching and learning in secondary English, History, Media Studies, Citizenship and Religious Education. The Learning site performed particularly well in 2012/13, which is largely due to the release of the HTML version of the *Timelines* site and strong performance of existing pages such as the *Victorians* section and persistently well-used resources such as *Sounds Familiar*.

3 Our onsite educational sessions include workshops and tours, projects, conferences for teachers, and community and family activities. The high number of learners in 2012/13 was due to an increase in professional development events for teachers which has in turn raised the profile of our workshops for students. In addition, new features of our programme (including World Book Day author events, a new creative writing workshop and transition lectures for A Level students) have offered schools more varied opportunities to take part. Participants in our Regional programme (i.e. our work with public libraries across the UK) are not included, nor are visitors to touring exhibitions. The high number of learners attending educational sessions in 2010/11 was due to the extraordinary popularity of the school workshops associated with the *Evolving English* exhibition.

4 Onsite visitors were lower in 2012/13 mainly due to the impact of an entry charge for two exhibitions and the adverse affect of the Olympics and Paralympics on our summer attendance figures. There were a high number of onsite visitors in 2010/11 due to the huge success of the *Magnificent Maps* and *Evolving English* exhibitions.

5 Items supplied/consulted includes access to the collection through our Reading Rooms, Remote Document Supply services and access to digitised images on our website. Items consulted in the Reading Rooms were lower in 2012/13 reflecting a reduction in visits to Reading Rooms together with an increase in reader activity towards the use of third party information. Documents accessed remotely through the Document Supply service continued to decline due to the overall downturn in demand and lower than expected fulfilment due to delays in the British Library Document Supply Service (BLDSS) deployment, embargoes within storage areas, changes to the application of overseas copyright and a reduction in acquisition funding.

6 Visits to Reading Rooms were adversely affected by the Olympics and Paralympics. The adverse weather in the latter part of 2012/13 may also have contributed to the decrease. The situation will continue to be closely monitored.

7 The number of items received is lower than in previous years, as predicted, due to a number of factors. There is an on-going migration of legal deposit serials and newspapers from print (where we are entitled to receive content) to digital formats (where we had no entitlement during 2012/13). Reductions in intake were also the result of subscription cancellations and fewer backfiles being taken under voluntary deposit arrangements.

8 The percentage of UK legal deposit material acquired now excludes US Distributors. This more accurately reflects the proportion of UK published material received, where we know there is an instance of publication and where the items are not subject to any British Library exclusion policy.

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 2012/13.

13 Patent specifications are lower in 2012/13 due to a number of countries who now submit patent specifications via the web only.

14 Digital images created have increased in 2012/13 due to digitisation funding through our Public Private Partnerships with **brightsolid**, Gale Cengage Learning, and Google.

15 The decrease in 2012/13 is due to delays in BLDSS deployment, embargoes within storage areas, changes to the application of overseas copyright and a reduction in acquisition funding.

## Statistics

<b>WEBSITE USAGE</b>		
<b>Use of www.bl.uk</b>	<b>2012/13</b>	<b>2011/12</b>
Unique hosts served <sup>1</sup>	8,069,746	7,073,470
Successful requests for pages (page hits) <sup>2</sup>	77,897,227	85,529,464

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). The lower number of pages viewed in 2012/13 indicates users need to visit fewer pages to find the required information due to improvements in the searching facility.

<b>SERVICE IN THE READING ROOMS</b>		
	<b>Reader desks</b>	<b>Other provision<sup>1</sup></b>
<b>Seats available for users at 31 March 2013</b>		
Humanities Floor 1 and 2 Reading Rooms	448	67
Rare Books & Music Reading Room	293	76
Maps Reading Room	49	20
Asian & African Studies Reading Room (formerly known as Oriental and India Office Reading Room)	81	51
Manuscripts Reading Room	72	28
Philatelic Collections	1	0
Science Reading Rooms	129	60
Business & IP Centre	150	60
Social Sciences Reading Room	59	25
Newspapers (Colindale)	75	78
Boston Spa Reading Room	84	14
<b>Total</b>	<b>1,441</b>	<b>479</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 2013</b>	<b>2012/13</b>	<b>2011/12</b>
Explore the British Library <sup>1</sup>	13,537,654	13,358,541
Archives and manuscripts <sup>1</sup>	1,864,515	1,869,951
Asia, Pacific and Africa Collections – Chinese and Japanese (pre 2012/13) <sup>1,2</sup>	72,880	71,272
Allied and Complementary Medicine (AMED)	272,733	262,400
British National Bibliography (BNB) <sup>1</sup>	3,322,012	3,201,792
Sound & Moving Image Catalogue <sup>1</sup>	3,338,375	3,263,991
English Short Title Catalogue (ESTC) <sup>1</sup>	480,910	480,529
Incunable Short Title Catalogue (ISTC) <sup>1</sup>	30,404	30,300
Electronic table of contents <sup>1,3</sup>	44,305,813	42,014,745
International Standard Serial Numbers (ISSN) UK Centre	426,054	422,839
Newspapers <sup>1</sup>	59,444	59,270
Register of Preservation Surrogates	221,616	221,563
<b>Total</b>	<b>67,932,410</b>	<b>65,257,193</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. Japanese material is included in Explore the British Library from 2012/13.

3 A database listing articles and conference papers by title, derived from the top 28,500 research journals. The database is available through [zetoc.mimas.ac.uk](http://zetoc.mimas.ac.uk).

<b>COLLECTION DEVELOPMENT</b>		
<b>Collection Holdings at 31 March 2013</b>	<b>2012/13</b>	<b>2011/12</b>
Monographs <sup>1</sup>	14,532,685	14,333,167
Serial titles (all) <sup>2</sup>	868,632	872,787
Manuscripts (single and volumes)	359,935	357,986
India Office records <sup>3</sup>	413,516	413,497
Philatelic items	8,276,859	8,273,558
Cartographic items	4,572,306	4,570,018
Music scores	1,615,966	1,614,063
Sound discs	1,517,529	1,503,465
Sound tape items	256,481	253,845
Digital Audio Files	55,941	48,185
Videos	38,956	36,755
Digital Video Files	13,887	4,560
Prints and drawings	33,200	33,185
Photographs	314,784	309,784
Patent specifications	67,496,679	66,352,307
Reports in microform	10,433,593	10,407,313
Theses	236,668	223,953
<b>Total</b>	<b>111,037,617</b>	<b>109,608,428</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).

<b>ITEMS RECEIVED ON LEGAL DEPOSIT</b>		
	<b>2012/13</b>	<b>2011/12</b>
Monographs	122,873	124,146
Serial issues <sup>1</sup>	199,782	218,642
Maps and atlases	1,652	1,652
Music scores	917	1,531
Newspaper issues	149,634	127,233
Playscripts	201	274
<b>Total</b>	<b>475,059</b>	<b>473,478</b>
Serial titles received	35,516	36,256
Claims for items not automatically deposited	224,645	240,520

1 The 2011/12 figure has been restated to correct an overstatement of serial issues in the previous year.

<b>STORAGE</b>		
<b>Kilometres of shelving and percentage occupied</b>	<b>2012/13</b>	<b>2011/12</b>
Working capacity: linear km <sup>1</sup>	798	798
Extent of collection: linear km	687	677.5
Percentage occupied	86%	85%

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

<b>PRESERVATION</b>		
<b>Preservation funding</b>	<b>2012/13</b>	<b>2011/12</b>
	£000	£000
Grant-in-Aid <sup>1</sup>	3,551	4,216
Donations/external funds <sup>2</sup>	12	130
<b>Total</b>	<b>3,563</b>	<b>4,346</b>
<b>Items preserved</b>	<b>2012/13</b>	<b>2011/12</b>
Conservation and/or rebinding, new binding and minor repairs <sup>3</sup>	21,557	39,429
Boxing/other work	15,158	12,817
Preservation microfilming <sup>4</sup>	1,093	921
<b>Total</b>	<b>37,808</b>	<b>53,167</b>
<b>Preservation microfilming<sup>5</sup></b>	<b>2012/13</b>	<b>2011/12</b>
Books, periodicals, record volumes, manuscripts: frames of film	772,020	726,660
<b>Total</b>	<b>772,020</b>	<b>726,660</b>
<b>Digitisation</b>	<b>2012/13</b>	<b>2011/12</b>
Books, periodicals, maps, manuscripts, etc.: shots <sup>6</sup>	15,859	23,765
<b>Total</b>	<b>15,859</b>	<b>23,765</b>

1 The decrease in 2012/13 reflects the impact of the British Library's response to Government cuts in its Grant-in-Aid funding.

2 The 2011/12 figure has been restated to correct an overstatement of donations/external funds in the previous year. The figure is lower in 2012/13 due to reduced external funding.

3 The reduction in 2012/13 is mainly due to the closure of the Remploy (an organisation owned by the Department for Work and Pensions which provided employment and employment placement services for disabled people) unit at Boston Spa in October 2012.

4 This figure is the approximate number of volumes equivalent to the frames shown under the heading 'preservation microfilming'.

5 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.

6 The variation from the previous year is due to the nature of the programmes for the year which have led to fewer shots being taken.

# Governance and Leadership: Directorate Structure

## **Richard Boulderstone**

**Director, e-Strategy and Information Systems**

### **Architecture and Development**

Applications Development

Architecture

Service Support

### **Digital Library Technology**

Digital Preservation

Datasets

### **Technical Operations**

Audio Visual Services

Server and Network

Infrastructure Strategy and Development

IT Security

Desktop Services

### **Programmes**

Digital Library Programme

Web Archiving

IT support for all major Library programmes

### **STM (Science, Technology and Medicine)**

Content and Collections

Relationships Team

Products and Services Development

UK PubMed Central

## **Steve Morris**

**Director, Finance and Corporate Services**

### **Financial Operations**

Financial Accounting

Invoice Processing

Payroll

Financial Systems Development

Internal Audit

Compliance

### **Management Accounting**

Central Management Accounts

Directorate Finance Managers

Corporate Performance and Delivery

### **Strategy and Planning**

Corporate Information Governance (information security, information management and information compliance)

Corporate Strategy

## **Corporate Procurement**

Tendering and Purchasing  
Contract Management  
Legal and Contract Services

## **Estates**

Engineering and Construction  
Facilities and Property

## **Licensing and Copyright**

Strategic Partnerships  
Licensing out of Collection Material  
Publisher Licensing (Licensing In)  
Copyright and Intellectual Property Rights

## **Mary Canavan**

### **Director, Human Resources**

#### **Integrated Risk Management**

Risk Strategy  
Business Continuity  
Emergency Planning  
Health and Safety  
Security of the Library's collections, staff, visitors, buildings and systems

#### **Organisation Development (OD)**

OD Strategy  
Learning and Development  
Talent and Career Development  
Recruitment Strategy  
Employer Brand  
Staff engagement  
Wellbeing  
Corporate Social Responsibility

#### **Strategic Human Resources**

Policy Development  
Professional HR advice and support  
Diversity  
HR Management Information  
HR Operations  
Employee Relations  
Remuneration Strategy  
Non-pay benefits



**Caroline Brazier**  
**Director, Scholarship and Collections**

**Arts and Humanities**

History and Classics  
English and Drama  
European Studies  
Asian and African Studies

**Collection Care**

Conservation  
Preventative Conservation  
Conservation Research  
Preservation Advisory Centre (PAC)

**Content Strategy, Research and Operations**

Content Strategy and Collections Policy  
Legal Deposit  
Research Strategy  
Cultural Property Management  
Business Planning and Business Support  
Training, Development and Continuous Improvement  
Digital Content Ingest/Discovery Access and Delivery Programme

**Digital Scholarship**

Collection Digitisation Strategy and Programme  
Digital Research and Curator Team Research Strategy  
Cartographic and Topographic Materials  
Sound and Vision  
International Dunhuang Project

**Social Sciences**

Content and services Development  
Society and Politics  
Business, Economy and Welfare  
Digital Social Research  
American and Australasian Studies  
Eccles Centre for American Studies

**Francis Brindle**

**Director, Strategic Marketing and Communications**

**Business and Research Audiences**

Higher Education  
Business Marketing  
Creative industries

**Commercial Services**

Shop and Publishing  
E-Commerce  
Commercial Sales and Licensing

## **Communications**

Corporate Communications  
Internal Communications  
Press and Public Affairs

## **Development**

Fundraising

## **Digital and Marketing Operations**

Web Services  
Audience Development and Brand  
Membership Marketing and Customer Relationship Management (CRM)  
Events

## **Public Engagement and Learning**

Exhibitions  
Learning including life-long learning  
Public Marketing and Events  
Multimedia Production

## **Phil Spence**

**Director, Operations and Services**  
**Acting Deputy CEO**

## **Document Delivery and Customer Services (Boston Spa)**

Global Document Supply Service  
Library-wide Customer Services

## **Collection Acquisition and Description (London and Boston Spa)**

Collection Processing  
Content Development Implementation  
Metadata Services  
Resource Discovery Operations  
Digital Ingest Management and Operations  
UK Research Reserve Services Management  
Electronic Content Relationship Management

## **Reader and Reference Services (London)**

Reader and Visitor Services  
Reference Services  
Research and Business Development  
Imaging Services  
Newspaper Operations

## **Implementation of the British Library Newspaper Modernisation Programme**

## **Implementation of Non Print Legal Deposit Regulations**

## **Oversight of British Library partnership with the Qatar Foundation**

# TRUSTEES' ANNUAL REPORT 2012/2013

## Management Commentary

### Constitution

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 is a Non-Departmental Public Body (NDPB) sponsored by the Department for Culture, Media and Sport and has exempt charitable status. The British Library Board is not constituted as a Trustee Board; however the Statement of Recommended Practice (SORP) 2005 Accounting for Charities convention of referring to Trustees has been followed in the Accounts.

### Objectives

Under Sections 1(3) and 1(4) of the Act the Board is required to make the services of the British Library 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 key activities can be found on pages 14 and 15.

### Board Membership

Details of Board members who served between 1 April 2012 and 31 March 2013 are as set out in the Governance statement in the Accounts on pages 43 to 50.

### Accounting Conventions

The basis on which the accounts have been prepared is stated on page 65 at note 1a.

### Financial Results

Under Section 5(3) of the Act, the Board is required to keep proper accounts and other records and prepare in respect of each financial year statements of account to be submitted to the Secretary of State and transferred by her to the Comptroller and Auditor General (C&AG), who examines and certifies the statements and lay copies thereof, together with her report, before each House of Parliament.

The Accounts provide a Statement of the Financial Activities (SOFA) of the British Library during the year ended 31 March 2013. In accordance with Section 5(1) of the Act, as amended by Statutory Instrument 1986 No 600, the Secretary of State paid to the British Library such sums as were necessary to defray expenditure incurred with her approval, so far as that expenditure exceeded the receipts derived from the exercise of the Board's functions and applied in such manner as required by Section 5(2) of the Act.

The Accounts have been prepared in accordance with the Statement of Recommended Practice (SORP) 2005 *Accounting for Charities* and the HM Treasury *Financial Reporting Manual* (FREM). A Statement of Financial Activities for the year is set out on page 60. This shows all resources made available to the British Library Board and all expenditure incurred by it and reconciles all changes in its funds. Within the accounts the prior year figures have been restated due to two prior year adjustments, relating to the results of a reconciliation of fixed assets (see note 2 on page 70) and to the restating of the activities of the British Library to make them more relevant to Readers.

The British Library has established procedures to ensure 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 2012/13 was £126.1m (£140.1m 2011/12), of which £103.9m (82%) was Grant-in-Aid from the Department for Culture, Media and Sport. £86.2m (£87m 2011/12) of this was revenue Grant-in-Aid, with the balance of £17.6m (£14.9m 2011/12) for capital programmes. During the year the Department for Culture, Media and Sport approved a £5.5m switch from revenue Grant-in-Aid to capital to fund the Library's digital infrastructure in readiness for the passing of the Legal Deposit Act in April 2013 and to fund a small number of "invest to save" initiatives.

Income from the provision of services from unrestricted funds was down to £14.6m from the previous year (£16.7m), and restricted funds down from £0.9m to £0.8m. Voluntary Income fell slightly to £6.3m (£6.7m 2011/12) but investment income rose to £0.6m (£0.5m 2011/12) in continuing difficult market conditions. Document Supply income continued to be the Library's principal source of commercial revenue but experienced a further decline in demand and sales through continuing difficult market conditions, changes in overseas copyright licensing rules and the delays in the implementation of a new order management system.

The Charitable Activities sections in the statements are restated in order to present the information in a more useful format which more closely aligns to the day to day services the Library provides. Investment in major activities has reduced in line with the reduction in overall resources, with some increased expenditure on the international activities through the partnership and funding arrangement with the Qatar Foundation and additional investment in improving our web services.

The Library's continued focus on efficiency has contributed to the delivery of significant financial savings required in order to match reductions in Government funding in this and future financial years. The second year of the Government's Spending Review required the Library to make further savings through reductions in salary spend (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 programme of asbestos remediation.

The Government's revised spending controls, which had been coordinated and driven by the Efficiency and Reform Group (ERG) in the Cabinet Office, were announced in March 2011. This, combined with the impact of HM Treasury Clear Line of Sight Project, resulted in even tighter control on expenditure as well as increased reporting for the Library. The combination of reducing resources and increased reporting continues to present significant challenges.

Further discoveries of low levels of asbestos contamination in areas of the Colindale and Boston Spa sites required the Library to urgently extend its substantial programme of remediation work in full compliance with Health and Safety regulations. Due to the scale and complexity of the Boston Spa works, a formal governance programme was established to oversee the works.

Progress on the construction of the Library's new Newspaper Storage Building at Boston Spa was made during the year. Despite initial delays, caused by the previously unidentified need for ground remediation works, good progress on the construction and automation programme was made during the year. The building is scheduled to come into full operation in late 2014.

Revenue expenditure on acquisitions for the collections was £13.1m (£15.1m 2011/12), and Capital expenditure £1.8m (£1.3m 2011/12).

There was a net increase in the movement of funds after revaluation in the year of £20.4m, of which £18.3m was due to an increase in the unrestricted funds and an increase of £2.1m on the restricted funds.

### **Reserves**

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, will be 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 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 2013 were £22.5m, of which £6.4m 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. £1.2m in relation to future asbestos works, £1.5m capital contingency on the Newspaper Programme, £2.5m restructuring reserve leaving a general provision of £10.9m, which is 9% of the year's unrestricted expenditure and within the Library's target level.

### **Payment of Creditors**

It is the policy of the British Library Board to pay all creditors within 30 days of the invoice date unless there is a specific payment date agreed with the supplier. For the year ended 31 March 2013, 86% of invoices were paid within 30 days (86% 2011/12).

## **Bankers, External Auditors, Solicitors and Investment Managers**

The following organisations were the Library's principal suppliers of professional financial, legal and investment services during 2012/13:

### **Lloyds Bank**

39 Threadneedle Street  
London EC2R 8AU

### **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

## **Investments**

Legal and General was appointed as the Trust Fund investment manager in November 2006. The Board Investment Committee (BIC) determines the overall investment return objectives and acceptable risk tolerances. The BIC 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 BIC 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 BIC 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 £11.6m having recovered from their lowest point in March 2009 following the financial crisis. Despite a drop in values in the first quarter of the year, funds have steadily increased over the remainder and ended the year at £13.2m (up 14%) with a particularly strong return in the final quarter of the year as the UK stock market rose back above the 6,000 mark, (FTSE 100).

The Board Investment Committee (BIC) met during the year to give oversight to the Library's investment portfolios, to review the Investment Policy, and to consider mitigating actions to reduce the impact of the global financial crisis on 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
- 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.

### **Equality and Diversity**

The British Library Board is an equal opportunities employer and is committed to promoting diversity. The Library employs a Policy and Diversity Manager and an HR Diversity Business Partner.

The Library aims to have a diverse workforce, possessing a complex blend of knowledge and skills in managerial, technical, scholarly and specialist disciplines, where individual contributions are valued. The Library's Employment Policies, such as those for recruitment and selection, training, pay, performance management, career development and promotion are in line with diversity policy and with expectations and requirements for fair treatment and equality in the workplace. The Library also has a policy and process for Equality Impact Assessment and has a Framework for delivering Equality and Diversity strategy with expectations for Equality Information, and Equality Objectives to progress in line with Library Strategy and with the requirements of the Equality Act 2010 and Public Sector Duty.

### **Staff Sickness Data**

The absence average for the British Library for the 12-month period ending 31 March 2013 is 6.12 days (7.39 days in 2011/12). This figure is calculated using the number of week days lost over headcount and is based 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 Nuvos scheme for those joining after 30 July 2007) or a partnership pension account (for those joining post 1 October 2002). Full details of pensions and contributions are given in note 7a on page 74.

### **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. Some of the measures introduced to help with this include monitoring of energy and utilities consumption pattern, using electricity produced from combined heat and power procured from environmentally responsible suppliers and introducing recycling initiatives across all sites.

Good progress is being made towards achieving Government targets including an 11% reduction in greenhouse gas emissions and water consumption, improvements in recycling and the use of environmentally responsible products like "closed loop" paper and reductions in the number of business flights and rail journeys. For more detail see the sustainability report on pages 32 to 35.

An increase in hazardous waste levels has resulted from the construction of the Newspaper Storage Building and the removal of large quantities of asbestos found in buildings on the Boston Spa and Colindale sites.

### **Data Protection**

Incidents, the disclosure of which would in itself create an acceptable 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.

There are no Data Protection incidents to report for 2012/13, and the 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.

### **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 3 days off work. Within the Library, RIDDOR reports are predominantly generated from the 'over 3 day injury' trigger level.

- In 2012/13 the number of RIDDOR reports generated was 4 (10 in 2011/12)
- The total number of accidents involving members of staff reported in 2012/13 was 47 (49 in 2011/12)
- The total number of accidents involving non-staff members (visitors, contractors, etc) reported in 2012/13 was 32 (30 in 2011/12).

The number of reported accidents affecting visitors (32) may be viewed against the backdrop of an annual footfall in excess of 1.3 million. Equally, the number of accidents affecting British Library staff (47) equates very broadly to one accident for every 8,250 working days.

Staff and managerial awareness is being steadily enhanced and underpinned by a comprehensive suite of training programmes and educational initiatives aimed at long-term cultural change.

### **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 for staff not based at desks to provide access to the Library's intranet.

### **Related Party Transactions**

Details of related party transactions are disclosed on page 95 at note 23.

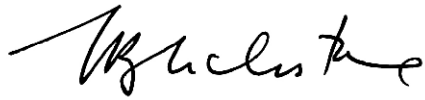
### **Code of Best Practice on Corporate Governance**

In accordance with HM Treasury Code of Good Practice and the revised Chapter 3 of *Managing Public Money*, the Annual Governance Statement is included on pages 43 to 50.

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.



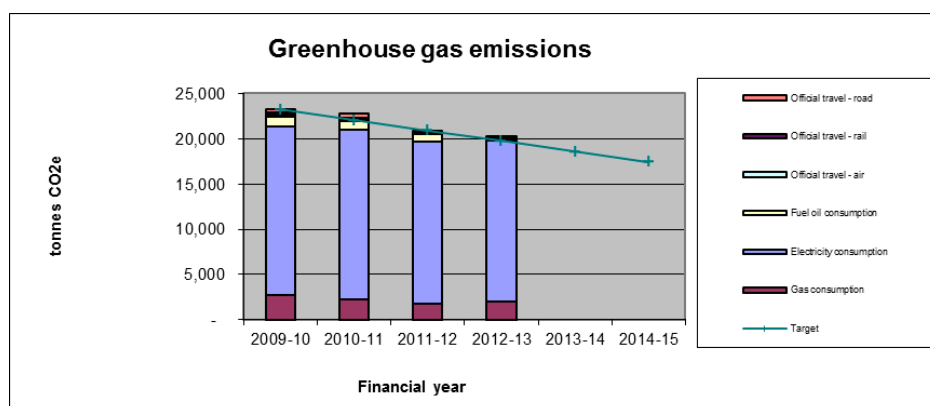
**Rt Hon Baroness Blackstone PC**  
Chairman  
3 July 2013



**Roly Keating**  
Accounting Officer  
3 July 2013

## Sustainability Report of The British Library

Greenhouse Gas Emissions		2009-10	2010-11	2011-12	2012-13
Non-Financial indicators (1,000 tCO <sub>2</sub> e)	Gross emissions Scope 1 (direct)	4.1	3.7	2.5	2.1
	Gross emissions Scope 2&3 (indirect)	19.4	19.4	18.4	18.2
	Total gross emissions	23.4	23.1	20.9	20.3
	Total net emissions	23.4	23.1	20.9	20.3
Related energy consumption (million kWh)	Electricity: Non-renewable	34.4	34.5	33.3	32.9
	Electricity: Renewable	-	-	-	-
	Gas	14.7	12.5	9.4	10.7
	Gas Oil	4.5	4.1	2.9	3.6
	Other	-	-	-	-
Financial indicators (£million)	Expenditure on energy	2.9	2.8	3.1	3.2
	CRC licence expenditure (2011-12 onwards)	-	-	0.3	0.2
	Expenditure on accredited offsets	-	-	-	-
	Expenditure on official business travel	0.8	0.5	0.5	0.5



### 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. This includes targets to cut the number of domestic business travel flights by 20% by 2015 from a 2009/10 baseline; cut business rail journeys by 20% by 2015 from a 2009/2010 baseline

and cut collection transport from/to London and Boston Spa by 20% by 2015 from a 2009/10 baseline.

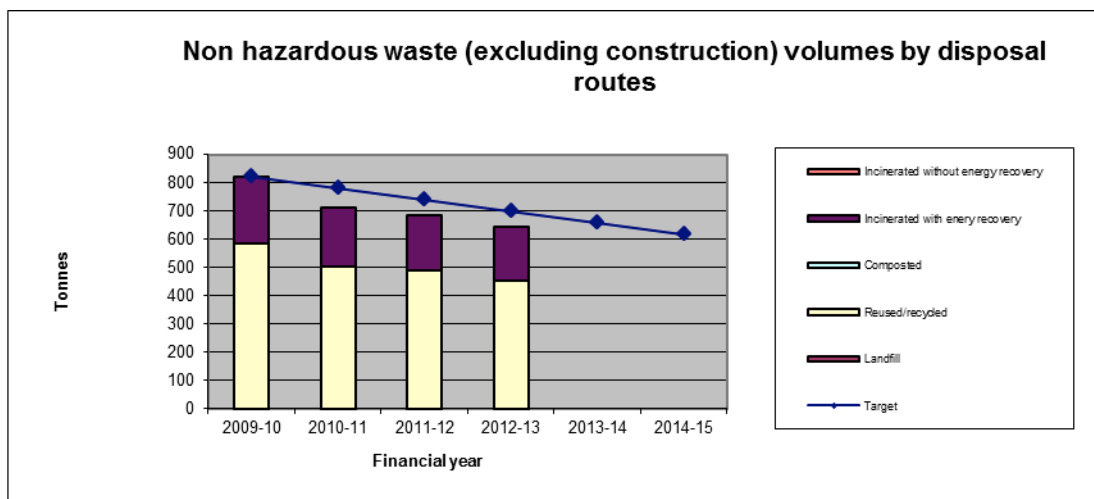
### Controllable impacts

The main direct impacts 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 and 2012. Domestic business flights and rail journeys have significantly reduced from the baseline year. 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.

### Overview of influenced impacts

Our target assumes one major energy saving plant replacement project will be funded and installed within the target period, which was completed at the end of 2012/13 and the reductions will be made in 2013 onwards. The Library complies with DCMS/GPS sustainable procurement policies, but our existing contracts do not yet contain requirements for supply chain reporting.

Waste		2009-10	2010-11	2011-12	2012-13	
Non-Financial indicators (tonnes)	Hazardous waste					
		Total	1.1	37.4	90.0	164.0
		Construction waste to landfill	-	-	2,509.6	27.5
		Landfill	-	-	-	-
	Non-hazardous waste					
		Reused/recycled	582.9	505.1	518.0	997.0
		Composted	-	-	-	-
		Incinerated with energy recovery	239.2	208.5	197.8	190.7
		Incinerated without energy recovery	-	-	-	-
		Total waste	823.1	751.0	3,315.4	1,379.3
Financial indicators (£million)	Hazardous waste					
		Total				
		Landfill				
	Non-hazardous waste					
		Reused/recycled		N/A		
		Composted				
		Incinerated with energy recovery				
	Incinerated without energy recovery					
	Total waste					



### Performance commentary

The British Library has a target to reduce the amount of waste we generate by 25% from a 2009/10 baseline. This includes targets to cut our white copier/printer paper use by 10% in 2012/13 from a baseline of 12.73m pages; implement “closed loop” recycled paper in office areas in 2012 (via our Banner stationery contract) and ensure redundant IT equipment is responsibly recycled and audited. 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. During 2011/12 the Library started the construction work on a new building which is reflected in the increase of construction waste. The Library has also had to undertake an asbestos removal programme at its Boston Spa site which is reflected in the increased hazardous waste figures.

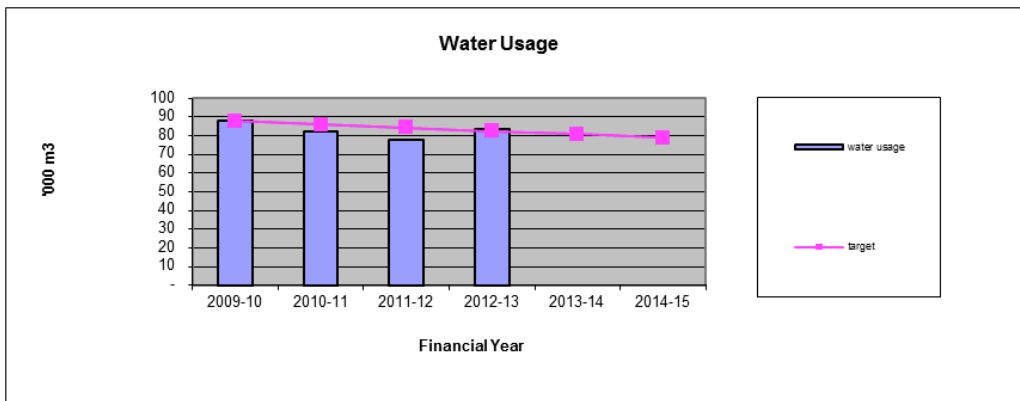
### Controllable impacts

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

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

### Overview of influenced impacts

A Managed Print Service to be implemented in 2013/14 by our IT Department will cut white copier/printer paper use by 10%. We are hoping for savings of up to 50% on emissions for our current printer estate, as well as financial savings of at least 20% over the next three years.



**Performance commentary**

The British Library has a target to reduce water consumption by 10% from a 2009/10 baseline. Consumption in 2012/13 increased slightly because of one-off works to repair a fire hydrant, to replace radiators and to replace a flow switch in a heating circuit each of which required draining of systems.

**Controllable impacts**

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.

**Overview of influenced impacts**

Our St Pancras building has some designed-in Climate Change Adaptations. Our Boston Spa premises has 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 which is under construction at Boston Spa is on track for a 'Very Good' rating; this building incorporates a small Tri-Generation plant.

## 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 Director of Human Resources 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 twice 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 continuous 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 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, at least once a year, 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)  
Baroness Blackstone  
David Barclay  
Professor Kate McLuskie

In attendance: Roly Keating, Chief Executive (from 12 September, 2012),  
Dame Lynne Brindley, Chief Executive (until 31 July, 2012)  
Andy Stephens OBE (Secretary)  
Dawn Whelan-Smith, Head of Strategic HR

In reaching its decisions, the Committee has regard to the following considerations:

- 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
- 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 Team are eligible for contractual non-consolidated annual bonus payments; in the case of Dame Lynne Brindley this is up to 25% of basic salary with up to 3% available for consolidation for pension purposes. In the case of Roly Keating this is up to 10% non-consolidated of basic salary. Directors are eligible for non-consolidated annual bonuses of up to 10% of basic salary.

The Remuneration Committee considers the achievement of objectives of the Executive Team in respect of the team bonus and of the Chief Executive. The Chief Executive considers the achievement of objectives of the Executive Team in respect of individual bonuses.

Within the context of the Library's funding settlement and financial constraint, Dame Lynne Brindley and the Executive Team decided last year to waive team and individual bonus payments.

### **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 reach the normal retiring age, which since 1 October 2006 is age 65. However those in post prior to 1 October 2006 have a contractual right to retire at age 60, should they choose to do. 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 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 2012/13 was £140k-£145k (2011/12 £160 – £165k). This was 5.79 (2011/12 7.0 restated as it included a payment taken for untaken annual leave) times the median remuneration of the workforce, which was £24,622 (2011/12 £22,551). In 2012/13 the highest paid director changed which has contributed to the year on year variance. The previous post holder was in post for a number of years moving up the payscale and the new post holder has started at a lower payscale.

In 2012/13 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 show the pension entitlements of, and the salary paid during the year to, the Chairman, Board and Executive Team**

Remuneration for non-pensionable Board Members (Audited):

	2012/13	2011/12	Contract Start Date	Contract End Date
	£000	£000		
Rt Hon Baroness Tessa Blackstone PC	37.0	37.0		
Ms Dawn Airey	9.1	9.0	1/4/11	31/3/15
Mr David Barclay	9.1	9.0	26/1/11	25/1/15
Dr Robert Black CBE <sup>1</sup>	7.1	-	20/6/12	19/6/16
Sir Kenneth Calman KCB	9.1	9.0	1/4/11	31/3/15
Lord Fellowes GCVO	9.1	9.0	30/9/12	29/9/15
Professor Dame Wendy Hall DBE	9.1	9.0	1/1/11	31/3/15
Dr Michael Lynch OBE <sup>2</sup>	2.3	8.0	26/1/11	25/1/16
Professor Kate McLuskie	9.1	9.0	1/4/11	31/3/15
Dr Stephen Page	9.1	9.0	26/1/11	25/1/15
Mr Patrick Plant <sup>3</sup>	8.0	-	15/5/12	15/4/16
Dr Maggie Simple OBE	9.1	9.0	1/4/11	31/3/15
Mr Robin S Broadhurst CBE CVO	-	7.0	22/12/07	21/12/11
Ms Eileen Mackay CB	-	3.0	17/7/07	16/7/11
	<b>127</b>	<b>90.0</b>		

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

During the year, a total of £7,687 (£7,356 in 2011/12) was paid to five (four in 2011/12) Board members for travel expenses.

1 The Full Time Equivalent salary is £9,129.

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

3 The Full Time Equivalent salary is £9,129

## Remuneration and pension details for the Executive Team (Audited)

		Remuneration Paid to 31 March £'000	Bonus Paid in year £'000	Real increase in pension at age 60 £'000	Total Accrued pension at age 60 as at 31 March £'000	CETV at 1 April £'000	CETV at 31 March £'000	Real Increase in CETV £'000
Roly Keating, Chief Executive (wef 12/9/12)	2012/13	75-80 (FTE 140-145)		0-2.5	5-10	0	22	17
Dame Lynne Brindley, Chief Executive (until 31/7/12) <sup>1,2</sup>	2012/13	30-35 (FTE 160-165)						
	2011/12	160-165 <sup>1</sup>	-	0-2.5	80-85	1,691	1,748	-
Plus lump sum of				-	160-165			
Richard Boulderstone, Director	2012/13	115-120	-	2.5-5	35-40	581	684	53
	2011/12	115-120	-	0-2.5	30-35	504	581	17
Caroline Brazier, Director <sup>3</sup>	2012/13	105-110	-	0-2.5	10-15	244	278	18
Plus lump sum of				2.5-5	40-45			
	2011/12	120-125	-	0-2.5	10-15	182	244	45
Plus lump sum of				5-7.5	35-40			
Frances Brindle, Director	2012/13	120-125	-	2.5-5	10-15	86	124	24
	2011/12	120-125	-	2.5-5	5-10	38	60	16
Mary Canavan, Director	2012/13	105-110	-	2.5-5	60-65	1,011	1,128	58
	2011/12	105-110	-	-	55-60	934	1,011	-
Steve Morris, Director	2012/13	125-130	-	2.5-5	70-75	1,038	1,161	62
	2011/12	125-130	-	0-2.5	60-65	898	1,038	61

<sup>1</sup> Dame Lynne Brindley retired 31/7/12 and therefore started to claim her pension during the year so no pension details at the year end date.

<sup>2</sup> During 2011/12 Dame Lynne Brindley received a contractual payment for her untaken annual leave entitlement due at 31/3/12; this has been included in the remuneration figures.

<sup>3</sup> During 2011/12 Caroline Brazier received a one off payment of £15k for relocation expenses.

<sup>4</sup> Philip Spence is in receipt of a responsibility allowance for his temporary promotion to Deputy Chief Executive

Philip Spence, Acting Deputy Chief Executive and Director (wef 1/3/12) <sup>4</sup>	2012/13	130-135	-	2.5-5	10-15	152	200	33
	2011/12	120-125	-	0-2.5	10-15	118	152	20

No bonuses were paid to the Executive Team in 2012/13 or 2011/12.

### 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 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  
3 July 2013



**Roly Keating**  
Accounting Officer  
3 July 2013

## Board and Accounting Officer's 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  
3 July 2013



**Roly Keating**  
Accounting Officer  
3 July 2013

## **Governance Statement – 2012/13**

### **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 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 the National School of Government's 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 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 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.

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 six times a year, and one of those meetings each year is 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 to prepare fully for meetings.

The Board has delegated certain responsibilities to a number of committees. The standing committees of the Board are: the Board Audit Committee; the Remuneration Committee;

the Construction Projects Committee, and the Board Investment Committee. The minutes of the meetings of the Board Audit Committee, the Construction Projects Committee, and the Board Investment 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. The terms of reference for the Board Committees are available on our website at:

**[www.bl.uk/aboutus/governance/blboard/boardcommittee.pdf](http://www.bl.uk/aboutus/governance/blboard/boardcommittee.pdf)**

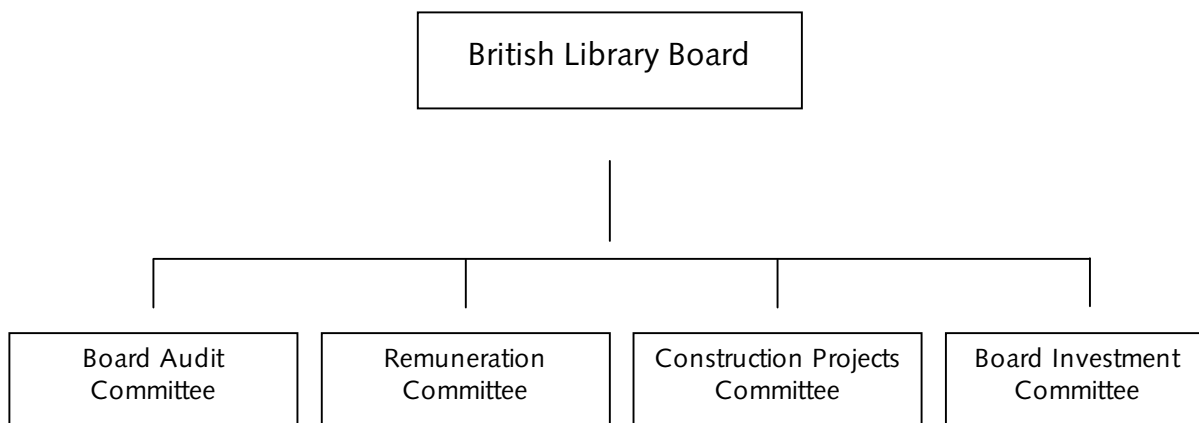


Figure: British Library Board committee structure

The Board has not established a nominations and governance committee. Instead, the purpose of the annual private meeting session for the non-executive members of the Board, in addition to receiving a report on the work of the Remuneration Committee, is to facilitate self-assessment and review, needs assessment and succession planning, development needs assessment, and agenda planning.

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. The register is on our website at:

**[www.bl.uk/aboutus/governance/blboard/blrg13\\_03.pdf](http://www.bl.uk/aboutus/governance/blboard/blrg13_03.pdf)**

## **British Library Board Membership 1 April 2012 – 31 March 2013**

### **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 first four-year term expires on 31 August 2014]*

### **Members**

**Sir Kenneth Calman KCB DL MD FRCP FRCS FRSE** (Chair, National Trust for Scotland and Chancellor, University of Glasgow). Deputy Chairman. Was appointed to the Board 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) *[from 12 September 2012]*

**Dame Lynne Brindley DBE MA FLA FCLIP FRSA** (Chief Executive, The British Library) *[until 31 July 2012]*

**Dawn Airey** (Formerly President of Director CLT-UFA TV UK) Brings to the Board her leadership experience in a major commercial company. She chairs the Board Remuneration Committee. *[Ms Airey's second four-year term expires on 31 March 2015]*

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

**Robert Black CBE FRSE FRSA** (Auditor General for Scotland, 2000-2012) Was appointed to the British Library Board 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 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 to the Board 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** (Chief Executive of Autonomy Corporation plc) Was appointed to the Board for his extensive experience of the digital content industry. *[Dr Lynch's first four-year term commenced on 26 January 2011. Dr Lynch was granted a one year sabbatical from his duties as a British Library Board member with effect from 1 January 2012. Consequently his term end date has been extended to 25 January 2016].*

**Professor Kate McLuskie MA PhD** (Emeritus Professor of Shakespeare Studies, The Shakespeare Institute, University of Birmingham) Was appointed to the British Library Board 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 to the Board for his experience in Operational IT management. *[Mr Page's first four-year term expires on 25 January 2015]*

**Patrick Plant** (formerly Global Head of Real Estate, Linklaters). Was appointed to the Board 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 expires on 14 May 2016]*

**Maggie Semple OBE** (Chief Executive Officer and Director of The Experience Corps Ltd) Brings to the Board 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

Attendance at Board meetings 2012/13					
	May	July	Sept	Nov	Feb
Baroness Blackstone	✓	✓	✓	✓	✓
Sir Kenneth Calman	✓	✓	✓	✓	✓
Dame Lynne Brindley	✓	✓			
Dawn Airey	x	✓	✓	✓	✓
David Barclay	✓	✓	✓	✓	✓
Robert Black		x	✓	✓	✓
Lord Fellowes	✓	✓	✓	✓	✓
Dame Wendy Hall	✓	✓	✓	x	✓
Roly Keating			✓	✓	✓
Mike Lynch					✓
Prof Kate McLuskie	✓	✓	✓	✓	✓
Stephen Page	✓	✓	✓	✓	✓
Patrick Plant	✓	✓	✓	✓	✓
Maggie Semple	✓	x	✓	✓	✓

Highlights of the coverage of the work of the Board during 2012/13 are set out below:

- A key consideration for the Board during the period under review related to the appointment and induction of the new Chief Executive, Roly Keating, who joined the Library in September 2012. During the year the Board also endorsed proposals for



a new directorate structure of the British Library to be implemented with effect from May 2013

- During 2012/13, the Board endorsed strategies for: Storage of Physical Collections, Content Strategy, Higher Education Strategy, and Document Supply Futures. The Board received reports on: the Library's newspaper strategy, its exhibitions programme, and its commercial activities. And it discussed the Library's public purposes, public access to publicly-funded research; the development of the St Pancras campus over the next ten years, and the public finance environment
- The Board received regular reports on: the Library's business continuity planning arrangements for the Olympics period; the development of the Library's partnership with the Qatar Foundation; progress in the development of regulations for the legal deposit of non-print works under the provisions of the Legal Deposit Libraries Act 2003; the Government's plans to transfer the Public Lending Right function to another public body; and on the establishment of an independent British Library Trust.

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 three- 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 is to comprise at least three non-executive members of the Board, one of whom acts as Chair of the Committee. Membership during 2012/13 was:

Sir Kenneth Calman (Chair)

David Barclay

Robert Black *[from 20 June 2012]*

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 three-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. During the year, a review with an independent element of the arrangements for providing assurance to the Board Audit Committee was undertaken resulting in a new direction in handling both internal and external audit processes. The Chief Executive, the Director of Finance and Corporate Services, and the Director of Human Resources 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 2012/13, the Board Audit Committee met four times to discharge its responsibilities.

Attendance at Board Audit Committee meetings 2012/13				
	May	June	Nov	Mar
Sir Kenneth Calman	✓	✓	✓	✓
David Barclay	✓	✓	✗	✓
Robert Black			✓	✓
Lord Fellowes	✓	✓	✓	✓
Stephen Page	✓	✓	✗	✓
Berenice Smith	✓	✓	✗	✓

During the course of its work in 2012/13, the Audit Committee has not identified any particular issues that it would wish 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 2012/13 was:

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

The Remuneration Committee has as its main task consideration annually of the performance of the Chief Executive, the Executive 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 2012/13, the Remuneration Committee met once, on 12 May 2012, to discharge its responsibilities.

Attendance at Remuneration Committee meetings 2012/13	
	May
Dawn Airey	x
Baroness Blackstone	✓
David Barclay	✓
Prof Kate McLuskie	✓

Further details of the work of the Committee are given in the Remuneration Report on pages 36 to 41 of the Annual Report and Accounts.

### 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 2012/13 was:

Patrick Plant (from 15 May 2012, Chair from March 2013)  
Professor Kate McLuskie (Chair from 17 July 2011 until March 2013)  
Dame Lynne Brindley (until 31 July 2012)  
Roly Keating (from 12 September 2012)

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 2012/13, 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 2012/13</b>				
	May	July	Nov	Mar
Patrick Plant		✓	✓	✓
Prof Kate McLuskie	✓	✓	✓	✓
Dame Lynne Brindley	✓	✓		
Roly Keating			✓	✓
Paul Goffin	✓	✓	x	✓

### **Investment Committee**

At its meeting in July 2006, the Board agreed to establish an Investment Committee. The Committee has written terms of reference that are available on our website. The Committee comprises at least three members of the Board, one of whom acts as Chairman of the Committee. The Committee is able to co-opt one external member with particular experience and expertise in finance and investment matters. Membership during 2012/13 was:

Baroness Blackstone (Chair)

Robert Black (from 20 June 2012)

Dame Lynne Brindley (until 31 July 2012)

Lord Fellowes (from June 2012)

Mike Lynch (from 1 January 2013)

Roly Keating (from 12 September 2012)

Member with relevant professional experience: Danny Truell (Chief Investment Officer, Wellcome Trust)

The role of the Committee is to recommend to the Board the appointment of Investment Managers and to keep their performance under review, and also to formulate and keep under review the investment policy and strategy and spending policy arrangements governing the Board's trust funds taking due account of associated areas of risk and to make recommendations to the Board. During 2012/13 the Committee met twice to discharge its responsibilities.

<b>Attendance at Board Investment Committee meetings 2012/13</b>		
	May	Nov
Baroness Blackstone	✓	✓
Robert Black		✓
Dame Lynne Brindley	✓	
Robert Fellowes		✓
Roly Keating		✓
Mike Lynch		
Danny Truell	✓	✓

## Risk Assessment 2012/13

### Internal Control Framework

The Chair 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.

During November 2012, and as part of the Chief Executive's induction, all Directors and senior managers attended a refresher course on accountability and governance to ensure the role of Accounting Officer is clearly understood and embedded

### Managing risk

The Library aims to manage risk to the risk appetite level agreed by the Board rather than to eliminate all risks to achievement of its policies, aims and objectives. The Governance Statement therefore can only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of British Library policies, aims and objectives, to evaluate the likelihood of those risks being realised 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 2013 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.

- **Internal audit reviews to confirm robust controls**

For the 12 months ending 31 March 2013, based on the work undertaken, internal audit provided a positive opinion regarding the adequacy of and effectiveness of the Library's arrangements for governance, risk management and control. The Internal Audit Assurance Statement is based on a RAG (red, amber and green) traffic light rating. During the year a 'red/amber' rating was given to the audit of cash collection activities, identifying nine recommendations to improve controls. The one remaining action will be resolved by September once new tills are configured within the Shop. Overall a 'green' rating was awarded to each of the three categories for 2012/13. The internal audit plan is based on a three-year strategy which was produced following discussions with the Directors and their senior management teams and taking into account concerns identified by the audit committee as well as changes in the Library's risk profile

In 2012/13 the 'green' Governance opinion was informed by positive assurance opinions in the following areas:

- Emergency Response Planning
- Business impacts of funding cuts in Operations and Services
- Data Protection Act compliance arrangements
- Sickness and Absence Management
- Fixed Asset Register
- Staff Survey Outcomes.

The 'green' 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
- Internal audit attendance at Departmental SMTs where the management of risks is regularly discussed.

The 'green' Control opinion was informed by 20 assurance audits completed in 2012/13, of which a 'green' opinion was given in nine reports, 10 reports were 'amber-green' and one was 'amber-red.'

The Internal Audit Annual Report for the year ended 31 March 2013 established that the overall opinion may be used by the Accounting Officer in the preparation of the annual governance statement.

- **Enhancing anti-fraud and corruption measures in line with Bribery Act 2010**  
In response to the Bribery Audit, the Library continued to strengthen its policies including the checking of the Register of Gifts and Hospitality and the launch of the reviewed Section M on Conduct in the Staff Handbook and of the Conduct at Work Policy. This latter activity was a substantial review which included broader aspects of anti-fraud, corruption or malpractice and general conduct expectations. These provisions and policies are being further reinforced in an Employment Law/Policy update due to be circulated to all staff in May 2013
- **Developing processes and controls**  
Work is continuing to review all credit card processes to ensure they are Payment Card Industry compliant. Following further advice from our external specialists some changes to business processes and to the IT set up have been identified and are in the process of being implemented. The Library will seek to complete the PCI Self-Assessment Questionnaire during 2013/14
- **Providing assurance across major programmes and projects**  
The Library continues to embed portfolio management of its programmes and projects through the Portfolio Dashboard as part of the wider strategic performance reporting. Assurance is provided to our portfolio board in line with Major Projects Authority (MPA) principles of the Gateway Review Process. 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 Communities of Practice support internal sharing of lessons learnt and knowledge
- **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 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 Senior management team demonstrates leadership and commitment with respect to the Business Continuity Management System (BCMS) by:

- ensuring that policies and objectives are established for the BCMS and are compatible with the strategic direction of the Library
- ensuring the integration of the BCMS requirements into the Library's business processes
- ensuring that the resources needed for the BCMS are available
- communicating the importance of effective business continuity management and conforming to the BCMS requirements
- ensuring that the BCMS achieves its intended outcomes
- directing and supporting persons to contribute to the effectiveness of the BCMS
- promoting continual improvement
- supporting other relevant management roles to demonstrate their leadership and commitment as it applies to their areas of responsibility

The British Library bases its BCMS on the framework guidance laid out in British Standard 22301 Societal security – Business continuity management systems. The standard was created to set out a uniform benchmark in good practice, satisfying the needs of customers, clients, government, regulators and all other interested parties. By adopting the standard approach to BCM as set out in ISO 22301, the Library can offer its internal and external stakeholders greater assurance that it is capable of maintaining continuity of operations should it suffer any disruptive incidents.

- **Efficiency reviews**

The Library continues to undertake continuous improvement programmes across the organisation as well as a number of small restructuring and re-alignment exercises following on from voluntary exit programmes. Internal audit completed reviews into the impact of funding cuts on a further two out of six directorates, 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. Audit reviews of the remaining two directorates will be completed as part of the 2013/14 audit plan

- **Government transparency agenda**

In line with the Government's agenda for greater transparency, the Library publicises the following information via dedicated pages on the website:

- Full details of all new contracts of a value over £10,000
- All supplier payments for individual invoices over £25,000
- An organogram showing the organisational structure
- The salaries of senior members of staff

- **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 Health & Safety 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 Health & Safety matters.

Over the past year across all Library sites, the Health & Safety team has provided 12 different staff training courses attended by 978 colleagues. During this time, the number of accidents on Library premises has remained broadly static with the total number of accidents involving members of staff reported in 2012/13 at 47, compared with 49 in 2011/12 and the total number of accidents involving non-staff members (visitors, contractors, etc) reported in 2012/13 at 32 compared with 30 in 2011/12.

- **Annual stewardship reports**

The Board Audit Committee received annual stewardship reports on:

- Information compliance (covering Data Protection Act 1998 and Freedom of Information Act 2000)
- Security
- Pension administration
- Reported losses
- Health and Safety
- Collection security.

### **The risk and control framework**

The Library's risk management policy is endorsed by the Board and 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 with 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 or reputational objectives.

Risks are managed in accordance with an agreed approach to mitigate the impact or likelihood for 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 as 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.

Risks are reviewed:

- Annually by the Board
- Quarterly by the Executive Team
- By the Board Audit Committee at each of its meetings
- By Directorate Management teams for their own subset of risks.



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

### **Managing 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 *Strategic Risk Register* is regularly reviewed and updated by the Directors as the owners of the risks and is reviewed by the Board Audit Committee at each of its meetings. The Library's approach to risk is contained within the *Risk Management Policy and Strategy* which outlines the roles and responsibilities in managing risks and includes a statement of the Library's risk appetite levels.

The four highest residual risks the Library expects to face in the coming year are:

- The Library does not develop and implement an effective and appropriate e-strategy to develop the Strategic Priorities
- The Library fails to deliver on non-print legal deposit regulations
- Remote Document Supply does not meet its planned revenue/cost relationship
- The Library fails to diversify funding sources or gain advantage by doing so.

New strategic risks identified during the year were:

- The Library is unable effectively to deliver the cuts in GIA planned for 2015/16
- The Library fails effectively to manage the transfer of Public Lending Right
- The Library fails to diversify funding sources or to gain advantage by doing so
- The Library is inadequately prepared for the outcomes of UK devolution
- A key supplier or contractor on whom the Library is over reliant ceases to trade or otherwise fails to deliver contractual obligations
- The Library is inadequately prepared for an increase in cultural restitution cases
- The Library does not or is perceived as not having, adequate measures in place to deal with the impacts of extreme weather events

During the year, a risk entitled, *The Olympic games has an adverse effect on the British Library's daily operations, readers and services* was maintained and subsequently closed following a successful project to manage the impact of the Games on the British Library's daily operations. The project has left a strengthened remote working capability as well as more rigorous arrangements for managing incidents and maintaining business continuity.

### **Managing information risk**

In 2009, the Library set up the Corporate Information Governance Group to raise the profile of, and to co-ordinate, the Library's work on information governance. The work on information governance covers information compliance, information management and information security. There have been no reported incidents during the year while we continue to deliver further enhancements including:

- Information Compliance
  - Freedom of Information

- Publication of tender documents, new contracts, supplier payments, organograms and salary costs in response to the Government's Transparency agenda
  - Data Protection
    - Development of guidance for staff on how to handle Subject Access Requests
    - A review of the Library's forms used to collect personal information, to ensure that they meet the requirements of the Data Protection Act 1998
    - Post-contract monitoring of suppliers who process personal information on the Library's behalf, to ensure that they comply with the Data Protection Act
  - Information Management
    - Completion of a training programme for the Library's Information Asset Owners in relation to their information assets
    - Continuous improvements to records management on a prioritised basis, with a focus this year on Scholarship and Collections
  - Information Security
    - Completion of the IT security policies needed to enable the Library to align itself with the ISO 27001/2 information security standard
    - Implemented improved and secure direct remote access for staff to the Library's electronic network

Two 'Information Matters' Roadshows for staff were held in October 2012 to raise awareness of the importance of managing and protecting the Library's business information. These events were attended by over 200 staff.

### **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.

#### 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
- 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.

#### Board Investment Committee (BIC)

The Board Investment Committee assists the Board to obtain assurance in respect of the adequacy and effectiveness of the management of the Library's investments.

#### Executive Team

The Executive 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 Directorate Finance Manager and their line manager.

All staff are required to complete a Register of 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

3 July 2013



**Roly Keating**

Accounting Officer

3 July 2013

# 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 2013 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, the Accounting Officer and auditor**

As explained more fully in the Board and Accounting Officer's Responsibilities, the Board and 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. 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 incoming and outgoing resources 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 incoming and outgoing resources 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 2013 and of its incoming resources and application of resources for the year then ended;
- 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's 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's approval made under the British Library Act 1972;
- and
- the information given in the Key Performance Indicators, Governance and Leadership, Directorate Structure, 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.

Amyas C E Morse  
Comptroller and  
Auditor General

9 July 2013

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 2013**

	Notes	Unrestricted funds	Restricted funds	Total 2012/13	Total 2011/12 Restated
<b><u>Incoming resources</u></b>		£000	£000	£000	£000
<b>Incoming Resources from generated funds</b>					
Voluntary Income	3	486	5,779	6,265	6,738
Investment Income	5	143	477	620	531
<b>Incoming Resources from Charitable Activities</b>					
Provision of Services	4	14,597	752	15,349	17,619
<b>Other Incoming Resources</b>					
Other Income	6	-	-	-	13,339
Grant-in-Aid	6	103,868	-	103,868	101,873
<b>Total incoming resources</b>		119,094	7,008	<b>126,102</b>	140,100
<b><u>Resources Expended</u></b>					
<b>Costs of Generating Funds</b>					
Costs of generating voluntary income		524	-	<b>524</b>	496
Investment Management costs		-	19	<b>19</b>	18
<b>Charitable Activities:</b>					
Access		31,705	800	<b>32,505</b>	38,252
Content / Acquisitions		40,643	1,540	<b>42,183</b>	55,649
Developments		15,578	-	<b>15,578</b>	18,365
International		(712)	2,600	<b>1,888</b>	603
Navigation		17,710	517	<b>18,227</b>	20,732
Public Engagement		9,828	494	<b>10,322</b>	10,465
Web		2,521	-	<b>2,521</b>	1,850
Governance Costs		663	16	<b>679</b>	748
<b>Total resources expended</b>	7	118,460	5,986	<b>124,446</b>	147,178
<b>Net increase / (decrease) in resources before transfers</b>		634	1,022	<b>1,656</b>	(7,078)
Transfer between funds	18	121	(121)	-	-
<b>Net (outgoing) / incoming resources before recognised gains and losses</b>	8	755	901	<b>1,656</b>	(7,078)

<b><u>Other Recognised gains / (losses)</u></b>					
Unrealised gain / (loss) from fixed asset investments	12	-	1,171	<b>1,171</b>	78
Revaluation of fixed assets	10	17,598	-	<b>17,598</b>	69,305
<b>Net movement in funds after revaluation and gains / (losses)</b>		18,353	2,072	<b>20,425</b>	62,305
<b><u>Reconciliation of Funds</u></b>					
Fund balances brought forward at 1 April (restated)	2	646,900	15,931	<b>662,831</b>	600,526
<b>Fund balances carried forward at 31 March</b>		665,253	18,003	<b>683,256</b>	662,831

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 65 to 98 form part of these accounts.

**The British Library Board**  
**Balance Sheet as at 31 March 2013**

	Notes	2012/13	2011/12 Restated
		£000	£000
<b>Fixed assets</b>			
Intangible assets	9	536	94
Tangible assets	10	582,514	567,231
Heritage assets	11	54,720	52,841
Investments	12	13,160	11,600
		<b>650,930</b>	631,766
<b>Current assets</b>			
Stocks	14	733	841
Debtors and prepayments	15	13,308	11,968
Cash at bank and in hand	16	43,363	45,309
		<b>57,404</b>	58,118
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	17	(23,678)	(25,178)
Provisions: amounts falling due within one year	20	(1,291)	(1,651)
		<b>(24,969)</b>	<b>(26,829)</b>
<b>Net current assets</b>		<b>32,435</b>	31,289
<b>Total assets less current liabilities</b>		<b>683,365</b>	663,055
Provision for liabilities and charges	20	(109)	(224)
<b>Net assets</b>		<b>683,256</b>	662,831
<b>Represented by:</b>			
<b>Income funds</b>			
Restricted funds	18	18,003	15,931
Unrestricted funds:			
Fixed Asset reserves	18	404,089	398,082
Revaluation Reserve	19	209,078	197,601
Donated Asset reserve	18	24,603	24,503
Designated Funds	18	5,022	4,695
General funds	18	22,461	22,019
Total funds		<b>683,256</b>	662,831

The notes on pages 65 to 98 form part of these accounts.



The financial statements on pages 60 to 64 and accompanying notes on pages 65 to 98 were approved by the Board/Trustees on 19 June 2013, and were signed on their behalf by:



**Rt Hon Baroness Blackstone PC**  
Chairman  
3 July 2013



**Roly Keating**  
Accounting Officer  
3 July 2013

**The British Library Board**  
**Cash Flow Statement for the year ended 31 March 2013**

	2012/13		2011/12	
	£000	£000	£000	£000
<b>Reconciliation of net movement in funds to net cash inflow from operating activities</b>				
Net movement in funds	<b>20,425</b>		62,305	
Depreciation	<b>17,764</b>		24,222	
Donated Assets	<b>(100)</b>		(284)	
Loss on asset disposals	<b>384</b>		24	
Revaluation of Property & Plant and Machinery	<b>(17,598)</b>		(69,305)	
Provision for liabilities and charges greater than one year	<b>(115)</b>		(381)	
(Increase) / Decrease in stocks	<b>108</b>		2	
(Increase) / Decrease in debtors	<b>(1,340)</b>		2,711	
Increase / (Decrease) in creditors and provisions less than one year	<b>(1,860)</b>		(718)	
<b>Net cash inflow from operating activities</b>		<b>17,668</b>		18,576
<b>Capital expenditure and financial investment</b>				
Purchase of intangible fixed assets	<b>(817)</b>		(87)	
Purchase of tangible fixed assets	<b>(15,458)</b>		(10,972)	
Purchase of heritage assets	<b>(1,779)</b>		(1,297)	
Purchase of investments	<b>(389)</b>		(326)	
<b>Net cash outflow from capital expenditure and financial investment</b>		<b>(18,443)</b>		(12,682)
<b>Returns on Investments and Servicing of Finance</b>				
Unrealised (gain) / loss on investments	<b>(1,171)</b>		(78)	
<b>Net cash inflow from returns on investments and servicing Finance</b>		<b>(1,171)</b>		(78)
<b>(Decrease)/Increase in cash in the year</b>		<b>(1,946)</b>		5,816
<b>Reconciliation of net cash flow to movement in net funds</b>				
(Decrease)/Increase in cash in the year		<b>(1,946)</b>		5,816
Net funds as at 1 April		<b>45,309</b>		39,493
<b>Net funds as at 31 March</b>		<b>43,363</b>		45,309

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, 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 the 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 its exhibitions 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 FRS 15, 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, FRS 15 and FRS 30 (Heritage Assets), assets acquired before 1st 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.

Depreciation is provided on all tangible fixed assets other than freehold land and collection items. Amortisation is provided on all intangible assets.

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 Statement of Financial Activities 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 bookbinding 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 Statement of Financial Activities.

i) **Operating leases**

Costs relating to operating leases are charged to the Statement of Financial Activities over the life of the lease.

j) **Fund accounting**

General funds are available for use at the discretion of the Board in furtherance of the general objectives of the Library.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes.

Restricted funds are resources subject to specific restrictions imposed by donors or by the purpose of the appeal.

Restricted funds are charged for any Library services they utilise and this is shown as a transfer to unrestricted funds (see note 18).

k) **Financial Instruments**

The Library has applied *FRS25 Financial Instruments: Presentation*, *FRS 26 Financial Instruments: Recognition and Measurement* and *FRS 29 Financial Instruments*:

**Financial Assets**

Investments comprise restricted funds which 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. 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.

- 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 to make a national centre for reference, study and bibliographical services, includes cataloguing, curatorial and bibliographic services costs.
  - vi. Public Engagement - exhibition costs and costs for education programmes, running the bookshop and visitor services
  - vii. Web - Costs associated with the operation, content and development of **www.bl.uk** to increase the Library's impact beyond its physical locations.
- 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.

## 2. RESTATEMENT OF COMPARATIVES – REVALUATION RESERVE

During the year the Library undertook a full review of its fixed asset register, including reconciliation between the fixed asset register and the Library's general ledger. This review revealed a number of inconsistencies in the Library's historic application of Modified Historic Accounting and the treatment of revaluations going back over a number of years. The review resulted in a cumulative historic positive adjustment in the value of the British Library Assets which is detailed in the table below. Due to the nature of reconciliation and the information available, it was not possible to disclose the value of the prior year adjustment by prior years and previous years.

	Note	Actual	Correction	Corrected Actual
		<b>2011/12</b>		<b>2011/12</b>
<b>Statement of Financials Activities Extract</b>		<b>£'000</b>		<b>£'000</b>
Net (outgoing) / incoming resources before recognised gains and losses		(7,078)		(7,078)
Unrealised gain / (loss) from fixed asset investments	12	78		78
Revaluation of Fixed Assets	10	5,548	63,757	69,305
Net movement in funds after revaluation and gains / (losses)		(1,452)		62,305
Fund balance brought forward at 1 April		600,526		600,526
Fund balances carried forward at 31 March		<b>599,074</b>		<b>662,831</b>
<b>Balance Sheet Extract</b>				
Intangible Assets	9	73	21	94
Tangible Assets	10	503,516	63,715	567,231
Heritage Assets	11	52,820	21	52,841
Investments	12	11,600		11,600
		<b>568,009</b>	<b>63,757</b>	<b>631,766</b>
Net Assets		<b>599,074</b>	<b>63,757</b>	<b>662,831</b>
Income Funds				
Restricted Funds	18	15,931		15,931
Unrestricted Funds:				
Fixed Asset Reserves	18	334,251	63,831	398,082
Revaluation Reserves	19	197,582	19	197,601
Donated Asset Reserve	18	24,503		24,503
Designated Funds	18	4,695		4,695
General Funds	18	22,112	(93)	22,019
		<b>599,074</b>	<b>63,757</b>	<b>662,831</b>



### Charitable Objectives

Within the Accounts, the prior year figures in the Statement of Financial Activities and Note 7 have been restated. This is to show the reclassification of costs against the current Charitable Objectives which are derived from the British Library Act. This change will reduce the requirements to periodically update the charitable objectives as it is based on the primary objectives and not the strategic priorities. No other changes have been reflected in the SOFA.

### 3. VOLUNTARY INCOME

	2012/13	2012/13	2012/13	2011/12
	£000	£000	£000	£000
	Unrestricted	Restricted	Total	
Donated Assets	100	-	100	284
Other Donations and Grants	386	5,779	6,165	6,454
Total Voluntary Income	486	5,779	6,265	6,738

### 4. PROVISION OF SERVICES

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

a)	Classes of Business	2012/13	2011/12 (restated)
		£000	£000
	Access	7,379	9,175
	Content / Acquisitions	192	384
	Developments	754	705
	International	-	1
	Navigation	2,420	3,609
	Public Engagement	2,721	2,669
	Web	14	10
	Other (Support)	1,869	1,066
		15,349	17,619
b)	Geographical Segments	2012/13	2011/12
		£000	£000
	United Kingdom	11,340	11,415
	Overseas	4,009	6,204
		15,349	17,619

## 5. INVESTMENT INCOME

	2012/13	2011/12
	£000	£000
Interest receivable	212	188
Dividends receivable	408	343
Total investment income	620	531

## 6. OTHER INCOMING RESOURCES

### Grant-in-Aid

Total Grant-in-Aid drawn down by the British Library Board was £103.9m, with £17.6m being allocated for capital projects/improvements (£101.9m received in 2011/12, £14.9m for capital). This money is available for running costs, capital improvements and collection purchases.

### Other Income

During 2011/12 the Library successfully challenged the VAT treatment of photocopied printed matter supplied by its Document Supply service and this resulted in a one-off repayment from HM Revenue and Customs (HMRC) of £13.3m for overpaid VAT.

## 7. NET COST OF RESOURCES EXPENDED

	Staff Costs	Other Direct Costs	Deprecia- tion	Allocated Support Costs	Total Cost	Income	Allocated Support Income	2012/13 Net Cost <sup>1</sup>	2011/12 Total Net Cost Restated
	£000	£000	£000	£000	£000	£000		£000	£000
<b>Direct Costs</b>									
Costs of Generating funds	416	108	-	-	524	(2)	-	<b>522</b>	496
Investment Management Fees	-	19	-	-	19	-	-	<b>19</b>	18
Access	16,291	2,099	679	13,436	32,505	(7,760)	(524)	<b>24,221</b>	25,038
Content / Acquisitions	8,209	15,387	718	17,869	42,183	(2,999)	(697)	<b>38,487</b>	45,834
Developments	1,587	830	1,697	11,464	15,578	(800)	(447)	<b>14,331</b>	15,005
International	1,007	874	-	7	1,888	(2,621)	-	<b>(733)</b>	(97)
Navigation	9,400	1,299	-	7,528	18,227	(2,555)	(293)	<b>15,379</b>	14,143
Public Engagement	2,545	3,493	38	4,246	10,322	(3,301)	(165)	<b>6,856</b>	6,121
Web	330	191	597	1,403	2,521	(15)	(55)	<b>2,451</b>	1,645
Governance Costs	161	518	-	-	679	-	-	<b>679</b>	748
	39,946	24,818	3,729	55,953	124,446	(20,053)	(2,181)	<b>102,212</b>	108,951
<b>Support Costs</b>									
Information Systems and Corporate services	18,118	23,800	14,035	(55,953)	-	(2,181)	2,181	-	-
								-	-
	58,064	48,618	17,764	-	124,446	(22,234)	-	<b>102,212</b>	108,951

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>1</sup> Net cost is calculated by deducting provision of services, donated and investment income from total expenditure  
British Library Annual Report and Accounts 2012/13

## a) Staff costs

	2012/13			2011/12
	Library Staff	Agency	Total	
	£000	£000	£000	£000
Wages & salaries	43,470	2,121	<b>45,591</b>	45,700
Social security costs	3,428	-	<b>3,428</b>	3,490
Pension disbursements	7,777	-	<b>7,777</b>	8,167
Voluntary redundancy/restructuring Programme for former employees				
In year exit costs	1,009	-	<b>1,009</b>	3,535
	55,684	2,121	<b>57,805</b>	60,892
Board Members' remuneration	259	-	<b>259</b>	322
- see (i) on page 75	55,943	2,121	<b>58,064</b>	61,214

*During the year £1.5m (£1.6m 2011/12) of staff costs have been capitalised as part of the Digital Library Programme (£867k) (£835k 2011/12) and the Newspaper Storage Building (AICC) (£588k) (£803k 2011/12) 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	
	2012/13	2011/12	2012/13	2011/12
< £10,000	5	8	5	8
£10,000-£25000	13	36	13	36
£25,000- £50,000	15	48	15	48
£50,000- £100,000	2	15	2	15
£100,000 - £150,000	-	1	-	1
£150,000 - £200,000	-	-	-	-
Total number of exit packages	35	108	35	108
<b>Total Resource cost £</b>	<b>£849,886</b>	<b>£3,513,010</b>	<b>£849,886</b>	<b>£3,513,010</b>

There were no compulsory departures in 2012/13 or 2011/12

Staff of the British Library are eligible to become a member of one of the Principal Civil Service Pension Schemes [PCSPS], these being pension 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 3.9% 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.

All members of staff pay either 1.5% or 3.9% of pensionable earnings to the PCSPS. The rate of 3.9% applies to staff who joined on or after 1 October 2002 and existing staff who have opted for the Premium or Classic Plus pensions, rather than the Classic pension scheme.

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 Principal Civil Service Pension Scheme in respect of existing eligible employees.

For 2012/13, employers' contributions of £7,713,957 were payable to PCSPS (2011/12 £8,107,588) at one of four rates in the range 17.15 % 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 2012/13 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. Employers' contributions of £63,494 were paid to one or more of the four appointed stakeholder pension providers (2011/12 £59,480). 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**

	2012/13	2011/12
	£000	£000
Fees and salaries	239	293
Social security Costs	20	29
	<b>259</b>	322

The Board Members' remuneration shown on page 39 includes all Board members, the

Chairman and the Chief Executive. Details of the Chairman and Chief Executive's remuneration can be found in the remuneration report on page 36.

ii) Senior employees

The following number of employees, excluding the Executive 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:

	2012/13	2011/12
	No.	No.
£60,001 - £70,000	15	17
£70,001 - £80,000	9	7
£80,001 - £90,000	3	1
£90,001 - £100,000	1	2
£100,000 - £110,000	-	-
£110,000 - £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:

	2012/13			2011/12
	Staff directly employed by the British Library	Agency	Total (FTE)	Total (FTE)
Chief Executive's Office	6	-	6	7
e-Strategy and Information Systems	143	5	148	138
Finance and Corporate Services	100	-	100	109
Human Resources	108	6	114	116
Operations and Services	810	34	844	910
Scholarship and Collections	258	1	259	261
Strategic Marketing and Communications	93	4	97	95
	<b>1,518</b>	<b>50</b>	<b>1,568</b>	1,636

## b) Other direct costs

	2012/13	2011/12
	£000	£000
Acquisitions for the collections	13,146	15,109
Conservation and binding services	1,029	1,110
Administration, equipment, supplies and services	33,461	44,957
Non-recoverable VAT (net)	598	542
Loss on disposal of fixed assets	384	24
	48,618	61,742

The above table is exclusive of staff costs.

## 8. RESOURCES EXPENDED

This is stated after charging:

	2012/13	2011/12
	£000	£000
External Auditors' remuneration	63	57
Rent on land and buildings	75	81
Lease/rental payments on equipment	273	261
Depreciation on other fixed assets	17,764	24,222
Bad debt provision movement	11	58
Stock Provision movement	151	(140)

The auditors' remuneration is for the audit of the Annual Report and Accounts: there was no non audit work performed during 2012/13.

## 9. INTANGIBLE ASSETS (restated)

<b>Licences</b>	
<b>2012/13</b>	
<b>£000</b>	
<b>(restated)</b>	
<b>Cost</b>	
At 1 April 2012	889
Prior Year Adjustment	21
At 1 April 2012	910
Additions	817
At 31 March 2013	1,727
<b>Amortisation</b>	
At 1 April 2012	816
Charge for year	375
Disposals	
At 31 March 2013	1,191
<b>Net Book Value at 31 March 2013</b>	<b>536</b>
<b>Net Book Value at 31 March 2012</b>	<b>94</b>

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 Restated	Plant & Machinery Restated	Office Equipment Restated	Motor Vehicles Restated	Computer Equipment Restated	AICC Restated	Total Restated
	£000	£000	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>							
At 1 April 2012	415,522	193,125	10,549	10	13,810	17,225	<b>650,241</b>
Prior Year Adjustment	1,188	(4,855)	(983)	8	290	355	<b>(3,997)</b>
At 1 April 2012	416,710	188,270	9,566	18	14,100	17,580	<b>646,244</b>
Additions	(57)	1,908	432	19	2,772	10,384	<b>15,458</b>
Adjustment	(154)	2,688	-	-	-	(2,534)	<b>-</b>
Revaluation	4,702	15,395	-	-	-	-	<b>20,097</b>
Disposals	(384)	(30)	(23)	-	-	-	<b>(437)</b>
At 31 March 2013	420,817	208,231	9,975	37	16,872	25,430	<b>681,362</b>
<b>Depreciation</b>							
At 1 April 2012	27,039	99,510	10,271	10	9,895	-	<b>146,725</b>
Prior Year Adjustment	(17,247)	(49,799)	(1,007)	8	333	-	<b>(67,712)</b>
At 1 April 2012	9,792	49,711	9,264	18	10,228	-	<b>79,013</b>
Charge for year	4,557	10,105	138	6	2,583	-	<b>17,389</b>
Adjustments	-	-	-	-	-	-	<b>-</b>
Revaluation	111	2,388	-	-	-	-	<b>2,499</b>
Disposals	-	(30)	(23)	-	-	-	<b>(53)</b>
At 31 March 2013	14,460	62,174	9,379	24	12,811	-	<b>98,848</b>
<b>NBV at 31 March 2013</b>	<b>406,357</b>	<b>146,057</b>	<b>596</b>	<b>13</b>	<b>4,061</b>	<b>25,430</b>	<b>582,514</b>
NBV at 31 March 2012	406,918	138,559	302	-	3,872	17,580	567,231

Assets in the Course of Construction [AICC] represent work on the design, build and planning of the Newspaper Strategy Programme at Boston Spa. During the year the Integrated Request Management and Delivery System (IRMDS) was brought into service and transferred from AICC to Plant and Machinery

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 2013* available from the Office for the National Statistics for Plant and Machinery.

### b) Valuations

The land and buildings as at 31 March 2013 include two properties at Boston Spa and one at Colindale valued at £60.678m on 31 March 2009 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

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	7,660	20,570	28,230
Boston Spa – Additional Storage Building	Freehold	370	25,878	26,248
Colindale Avenue	Freehold	2,100	4,100	6,200
		94,130	435,264	529,394

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 due in March 2015.

The Boston Spa and Colindale sites were revalued as at 31 March 2009 by Drivers Jonas, using the 'Depreciated Replacement Cost' basis of valuation. Next revaluation due in March 2014.

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. The British Library 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: [www.bl.uk/aboutus/stratpolprog/coldevpol/](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 all 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.

Internet/intranet pages relating to preservation policies for the care of the Library's collections are under construction but it is expected policies will be available directly to the public in the near future.

### **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 significant cultural property issues. We have clear policies to govern such acquisitions,

including an ethical acquisitions policy which can be found at [www.bl.uk/aboutus/stratpolprog/coldevpol/ethical.pdf](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 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 for the first time. 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 – to name a few.

#### **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 Co-operation 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 collections of the UK (over 8 million items including postal and revenue stamps)
- Multimedia and moving image materials (over 40,000 broadcast and non- broadcast items, including dramatic performances and television news)

An increasing proportion of collection items are being collected solely in digital formats. The extent of our collection acquisition and management policies are being revised 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>2012/13</b>		<b>2011/12</b>		<b>2010/11</b>		<b>2009/10</b>		<b>2008/09</b>	
	<b>Cost £'000)</b>	<b>No. of Items</b>	<b>Cost £'000</b>	<b>No. of Items</b>	<b>Cost £'000</b>	<b>No. of Items</b>	<b>Cost £'000</b>	<b>No. of Items</b>	<b>Cost £'000</b>	<b>No. of Items</b>
			(restated)							
At 1 April	28,338	230	27,020	223	16,974	204	15,291	189	12,841	161
Additions	1,779	27	1,297	7	10,046	19	1,683	15	2,450	28
Disposals	-	-	-	-	-	-	-	-	-	-
<b>At 31 March</b>	<b>30,117</b>	<b>257</b>	<b>28,317</b>	<b>230</b>	<b>27,020</b>	<b>223</b>	<b>16,974</b>	<b>204</b>	<b>15,291</b>	<b>189</b>
<b>Prior Year Adjustment</b>			<b>21</b>							
<b>At 31 March</b>			<b>28,338</b>							

<b>Heritage Assets Donated</b>										
	<b>2012/13</b>		<b>2011/12</b>		<b>2010/11</b>		<b>2009/10</b>		<b>2008/09</b>	
	<b>Valuatio n £'000</b>	<b>No. of Items</b>	<b>Valuatio n £'000</b>	<b>No. of Items</b>	<b>Valuatio n £'000</b>	<b>No. of Items</b>	<b>Valuatio n £'000</b>	<b>No. of Items</b>	<b>Valuatio n £'000</b>	<b>No. of Items</b>
At 1 April	24,503	31	24,749	26	24,102	21	23,679	19	23,060	15
Additions	100	1	284	5	647	5	423	2	619	4
Impairment	-	-	(530)	-	-	-	-	-	-	-
<b>At 31 March</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>23,679</b>	<b>19</b>
<b>Total at 31 March</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>	<b>38,970</b>	<b>208</b>

## 12. INVESTMENTS

	2012/13	2011/12
	<b>£000</b>	£000
Market Value at 1 April	11,600	11,196
Acquisitions funded by dividends reinvested	389	326
Unrealised Gain / (Loss)	1,171	78
Market Value at 31 March	13,160	11,600
	<b>Analysed by:</b>	<b>£000</b>
		<b>£000</b>
	Listed Securities	11,526
	Cash Trusts	74
	13,160	11,600
	<b>Geographical Analysis</b>	
	United Kingdom Investments	11,147
	Overseas Investments	453
	13,160	11,600

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

FRS 29 '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 £2.6m 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 for bad debts amounted to £2k (£63k in 2011-12).

### Liquidity risk

As around 82% 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, and so is subject to some market risk. An unrealised gain of £1.2m has been recorded this year compared to a £0.08m gain in 2011/12. 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 2012/13, net foreign currency exchange losses of £16k were recognised (£4k loss in 2011/12). 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%.

				2012/13	2011/12
	Floating Rate	Cash Trusts	Listed Securities	Total	Total
	£000	£000	£000	£000	£000
Sterling	41,684	74	13,086	54,844	55,910
Dollar	1,121	-	-	1,121	560
Euro	377	-	-	377	273
Yen	181	-	-	181	166
Total	43,363	74	13,086	56,523	56,909

## 14. STOCKS

	2012/13	2011/12
	£000	£000
Stocks for resale	560	666
Raw materials	173	175
Total stocks	733	841

Stocks for resale comprises of 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)

	2012/13	2011/12
	£000	£000
<b>Amounts falling due within one year</b>		
Trade debtors	2,599	2,620
Other debtors	2,993	2,655
Prepayments and accrued income	7,716	6,693
	<b>13,308</b>	11,968

For the purpose of the Whole of Government Accounts (WGA), there is a debtor with HM Revenue and Customs of £2.6m relating to the repayment of VAT. All other debtor balances are external to the government.

(b)

	£'000
<b>Intra Government Balances</b>	
Balances with central government bodies	2,594
Balances with local authorities	-
Balances with NHS bodies	-
Balances with public corporations and trading funds	-
Total of Intra Government Balances	2,594
Balances with bodies external to government	10,714
<b>Total Debtors</b>	<b>13,308</b>

## 16a. CASH AT BANK AND IN HAND

	2012/13	2011/12
	£000	£000
Restricted funds	4,845	4,384
Monies held on deposit for customers	3,325	3,508
Cash balances	15	14
General funds	35,178	37,403
	<b>43,363</b>	45,309

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

## 16b. ANALYSIS OF CHANGE IN NET FUNDS

	As at 1 April 2011	Cash Flows	As at 1 April 2012	Cash Flows	As at 31 March 2013
	£'000	£'000	£'000	£'000	£'000
GBS cash at bank	0		0	4,367	4,367
Commercial cash at bank	39,479	5,816	45,295	(6,314)	38,981
Cash in hand	15	(1)	14	1	15
<b>Total</b>	<b>39,494</b>	<b>5,815</b>	<b>45,309</b>	<b>(1,946)</b>	<b>43,363</b>

## 17. CREDITORS

### (a)

	2012/13	2011/12
	£000	£000
<b>Amounts falling due within one year</b>		
Trade creditors	5,828	12,103
Monies held on deposit for customers	3,325	3,508
Other creditors	3,470	2,010
Accruals	8,320	6,501
Deferred income	2,735	1,056
	<b>23,678</b>	<b>25,178</b>

For the purpose of the Whole of Government Accounts (WGA), there is a creditor with HM Revenue and Customs of £1.2m; this includes £0.59m NI contributions and £0.605m PAYE deductions retained by the Library as part of the PAYE process and a creditor with the Cabinet Office of £0.815m for pension contributions.

### (b)

<b>Intra Government Balances</b>	<b>£'000</b>
Balances with central government bodies	2,015
balances with local authorities	-
balances with NHS bodies	-
balances with public corporations and trading funds	-
<b>Total of Intra Government Balances</b>	<b>2,015</b>
Balances with bodies external to government	21,663
<b>Total Creditors</b>	<b>23,678</b>

(c)

<b>Deferred income</b>	<b>£'000</b>
<b>At 1 April 2012</b>	<b>1,056</b>
Release from previous year	(1,056)
incoming resources deferred in the current year	2,735
<b>At 31 March 2013</b>	<b>2,735</b>

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

### a) Prior Year Adjustment Statement of Funds

<b>Unrestricted Funds</b>	<b>At 1 April 2012</b>	<b>Prior Year Adjustment</b>	<b>At 1 April 2012</b>
	£'000	£'000	£'000
General Funds	22,112	(93)	22,019
Fixed Assets	531,833	63,850	595,683
Designated Funds	4,695	0	4,695
Donated Asset Reserve	24,503	0	24,503
<b>Total Unrestricted Reserve</b>	<b>583,143</b>	<b>63,757</b>	<b>646,900</b>

The Library's restricted funds were not impacted by the Prior Year Adjustment

## 18b. STATEMENT OF FUNDS

	As at 1 April 2012	Transfers To / (From)	Expenditure	Incoming Resources	Realised and Unrealised Gains and (Losses)	As at 31 March 2013
	£000	£000	£000	£000	£000	£000
<b>Unrestricted funds:</b>						
General Funds	22,019	96	(118,220)	118,566	-	<b>22,461</b>
Designated Funds (Fixed Assets)	595,683		(235)	-	17,598	613,046
Designated Funds						
Shaw Fund	4,237	-	-	127	-	<b>4,364</b>
Collection Care Restoration Fund	455	-	-	2	-	<b>457</b>
Membership / General Donations	-	58	(86)	252	-	<b>224</b>
Others	3	689	(762)	47	-	<b>(23)</b>
Donated Asset Reserve	24,503	-	-	100	-	<b>24,603</b>
<b>Total unrestricted funds</b>	<b>646,900</b>	<b>843</b>	<b>(119,303)</b>	<b>119,094</b>	<b>17,598</b>	<b>665,132</b>
<b>Restricted funds</b>						
David and Mary Eccles Centre for American Studies	9,181	-	(249)	353	917	<b>10,202</b>
Dingwall No.2	1,129	-	(2)	39	135	<b>1,301</b>
Ginsburg Legacy	866	(4)	(31)	29	-	<b>860</b>
British Library Digitisation Campaign	535	-	-	48	-	<b>583</b>
Sir Henry Thomas	356	-	(1)	11	38	<b>404</b>
The MEDD Fund	361	-	-	18	-	<b>379</b>
Skinner Legacy	395	-	(39)	2	-	<b>358</b>
The Sir John Ritblat Gallery: Treasures of the British Library	293	-	(13)	1	-	<b>281</b>
Chinese Central Asia Database	196	27	(203)	218	-	<b>238</b>
T S Blakeney	179	-	-	5	17	<b>201</b>
Consolidated Endowment	220	2	(24)	39	5	<b>242</b>

EC Fund: The European Library	182	-	-	1	-	<b>183</b>
Anthony Panizzi Foundation	152	-	(3)	5	19	<b>173</b>
English Online Project	140	-	(1)	21	-	<b>160</b>
Business & IP Centre	183	-	(32)	1	-	<b>152</b>
Spratt-Bigot Request	123	-	-	1	-	<b>124</b>
Educational Projects	51	35	(102)	133	-	<b>117</b>
Bridgewater	90	-	-	3	10	<b>103</b>
Music Collections	90	(2)	(6)	18	-	<b>100</b>
Professional Services						
Others	1,478	(917)	(2,976)	4,872	30	<b>2,487</b>
Other (deficit funds)	(269)	16	(1,582)	1,190	-	<b>(645)</b>
<b>Total restricted funds</b>	<b>15,931</b>	<b>(843)</b>	<b>(5,264)</b>	<b>7,008</b>	<b>1,171</b>	<b>18,003</b>
Transfer to unrestricted Fixed asset reserves	-		121			<b>121</b>
<b>Total funds</b>	<b>662,831</b>	<b>-</b>	<b>(124,446)</b>	<b>126,102</b>	<b>18,769</b>	<b>683,256</b>

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

	As at 1 April 2012	Unrealised gains / losses under Fair Value	As at 31 March 2013	Reserve / Fund net of Fair Value as at 31 March 2013	Reserve / Fund (including Fair Value) as at 31 March 2013
	£'000	£'000	£'000	£'000	
Eccles FVR	200	917	1,117	9,085	10,202
Dingwall No 2 FVR	35	135	170	1,131	1,301
Consolidated Endowment FVR	1	5	6	236	242
Sir Henry Thomas FVR	10	38	48	356	404
T S Blakeney FVR	5	17	22	179	201
Anthony Panizzi Foundation FVR	7	19	26	147	173
Others FVR	10	40	50	2,437	2,487
<b>Restricted Fair Value Reserve</b>	<b>268</b>	<b>1,171</b>	<b>1,439</b>	<b>13,571</b>	<b>15,010</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 which 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 2013 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 12 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 £121,000. These assets have been transferred from the restricted funds reserve to the unrestricted fixed asset reserve.

The transfers of £0.8m 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 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.

***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 Mr J H Ritblat for the Treasures Gallery.

***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.

***T S Blakeney***

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

***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.

***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.

***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.

***English Online Project***

Philanthropic donation from the Exilarch's Foundation for development of online learning resources to support the teaching and study of English literature.

***Business & IP Centre***

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.

***Spratt-Bigot Bequest***

For the purchase of works in French by French authors

***Educational Projects***

Funds raised from external sources to support the Library's learning activities with schools and young people.

***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.

***Music Collections Professional Services***

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

## 19. REVALUATION RESERVE MOVEMENT

	£'000
At 1 April 2012	197,582
Prior year adjustment	19
As 1 April 2012	197,601
Arising in year	20,097
Realised	(6,121)
Backlog	(2,499)
At 31 March 2013	209,078

## 20. 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 that have left and staff that are known to be leaving in 2012/13.

			2012/13	2011/12
	Early Retirement /Severance Provision	Other Liability and Charges	Total	Total
	£000	£000	£000	£000
At 1 April	475	1,400	1,875	973
Additional Provision	10	1,178	1,188	1,430
Release of Provision		(1,400)	(1,400)	(150)
Utilisation of Provision	(263)		(263)	(378)
At 31 March	222	1,178	1,400	1,875
Less: Provisions falling due within one year	(113)	(1,178)	(1,291)	(1,651)
Amounts falling due after one year	109	-	109	224

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 department has agreed early retirements, the additional costs are met by the department 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 £1.2m is for asbestos remediation works which the Library is contracted to complete in 2013/14 at the Boston Spa site.



Following receipt of a VAT reclaim in 2011/12 resulting from a successful challenge on the VAT treatment of printed matter, a provision was created against potential claims from third parties in relation to their claim for overpaid tax. No such requests have been received to date; therefore the £1.4m provision for estimated future costs has been released.

## 21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total
<b>Fund balances at 31 March 2013</b>	£000	£000	<b>£000</b>
<b>are represented by:</b>			
Intangible fixed assets	536	-	<b>536</b>
Tangible fixed assets	582,514	-	<b>582,514</b>
Heritage assets	54,720	-	<b>54,720</b>
Investments	-	13,160	<b>13,160</b>
Current assets	52,560	4,844	<b>57,404</b>
Current liabilities	(24,968)	(1)	<b>(24,969)</b>
Non-current liabilities	(109)	-	<b>(109)</b>
<b>Total net assets</b>	<b>665,253</b>	<b>18,003</b>	<b>683,256</b>

## 22. CAPITAL COMMITMENTS

	2012/13	2011/12
	<b>£000</b>	£000
Contracted and not provided for	<b>4,568</b>	10,225
Authorised, but not contracted for	<b>3,593</b>	7,016

The capital commitment figures include the planning and building of the Newspaper Storage Building at Boston Spa. £4.6m of the commitments will be spent within one year.

## 23. 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 11 DCMS - sponsored bodies in relation to the loaning of objects for exhibitions.

During the year a number of Board members contributed to the Library's Adopt a Book appeal and Dame Lynne Brindley 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 2012/13 £000	Expenditure	Relationship
House of Lords	Conservation work	3		Baroness Blackstone Chairman of the British Library Board and Lord Fellowes a member of the British Library are members of the related party.
Cancer Research UK	Document Supply Transactions	5		Dr Michael Lynch OBE, Board member of the British Library is also a Board Member of the related party.
University of Glasgow	Document Supply Transactions	65		Sir Kenneth Calman Chancellor of the related party, served as a Board member of the British Library
University of Southampton	Document Supply Transactions	82		Dame Wendy Hall DBE, employed by the related party, served as a Board member of the British Library
University of Edinburgh	Document Supply Transactions	30		Robert Black CBE, a Board member of the British Library is a member of the related party
Defence Science and Technology Laboratory	Document Supply Transactions	11		Dame Wendy Hall DBE, a non executive Director to the related party, served as a Board member of the British Library
Great Ormond Street Hospital Foundation Trust	Document Supply Transactions	1		Baroness Blackstone Chairman of the British Library is also the Chair of the related party
Idox Information Solutions Ltd	License payments and training costs		9	Dame Wendy Hall DBE, a non executive Director to the related party, served as a Board member of the British Library
The British Library Trust	Grant payment from the British Library Board to The British Library Trust		950	Lord Fellowes a Board Member of the British Library and Roly Keating the Chief Executive and Accounting Officer, the British Library (wef 12/9/12) are both Trustees of the related party
Royal Botanic Gardens, Kew	Document Supply Transactions	3		Dr Michael Lynch OBE, Board Member of the British Library, is also a Trustee of the related party

## **24. POST BALANCE SHEET EVENTS**

The Library exchanged contracts with Fairview Homes on 31 May for the sale of the Colindale Site.

At the end of March 2013, the Culture Minister confirmed that, following a public consultation, the Government is to go ahead with the transfer of the running of the Public Lending Right (PLR) scheme to the British Library. (PLR is the right of authors to receive payment under legislation for the loans of their books by public libraries). At the time of writing, The Public Bodies (Abolition of the Registrar of Public Lending Right) Order 2013, the purpose of which is to abolish the Registrar of Public Lending Right ("Registrar") and transfer its functions to the British Library Board as part of the Government's public bodies reform programme, was progressing through Parliament. The transfer is scheduled for 1 October 2013, subject to Parliamentary approval

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

## **25. 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 the 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.

The Library is aware of a liability it has for Asbestos remediation works relating to collection items held at the Colindale site. The work needs to be completed before the items can be transferred to the new building at Boston Spa. However, at the Balance Sheet date, due the fragile nature of the some of the collection items involved, the methodology and timing of the remediation works is unknown and therefore no provision has been made in the accounts but the contingent liability disclosed.

## 26. 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:

	2012/13	2011/12
	£000	£000
Income	12	9
Expenditure	(28)	(18)
Unrealised gains / (losses) on investments	12	14
Surplus / (deficit) for the year	(4)	5
Investments	339	314
Short Term Deposits	5	5
Net Debtors / (Creditors)	-	-
Cash at Bank	34	92
Net Assets	378	411

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

The British Library  
96 Euston Road  
London NW1 2DB  
T +44 (0)843 2081144

**[www.bl.uk/annualreport2012-13](http://www.bl.uk/annualreport2012-13)**







information & publishing solutions

Published by TSO (The Stationery Office) and available from:

**Online [www.tsoshop.co.uk](http://www.tsoshop.co.uk)**

Mail, telephone, fax and email

TSO

PO Box 29, Norwich NR3 1GN

Telephone orders/general enquiries: 0870 600 5522

Order through the Parliamentary Hotline Lo-Call 0845 7 023474

Fax orders: 0870 600 5533

Email: [customer.services@tso.co.uk](mailto:customer.services@tso.co.uk)

Textphone: 0870 240 3701

**The Houses of Parliament Shop**

12 Bridge Street, Parliament Square, London SW1A 2JX

Telephone orders/general enquiries: 020 7219 3890

Fax orders: 020 7219 3866

Email: [shop@parliament.uk](mailto:shop@parliament.uk)

Internet: <http://www.shop.parliament.uk>

**TSO@Blackwell and other accredited agents**

ISBN 978-0-10-298414-9



9 780102 984149