

British Library

Annual Report and Accounts

2014/15

British Library

Annual Report and Accounts 2014/15

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 2015

Laid before the Scottish Parliament by the Scottish Ministers 15 July 2015

Laid before the National Assembly for Wales by the [First Secretary] 15 July 2015

Laid before the National Assembly for Northern Ireland 15 July 2015

© **British Library (2015)**

The text of this document (this excludes, where present, the Royal Arms and all departmental or agency logos) may be reproduced free of charge in any format or medium provided 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 related to this publication should be sent to us at customer-services@bl.uk

This publication is available at <https://www.gov.uk/government/publications>

Print ISBN 97814741189392

Web ISBN 9781474118408

ID SGD008217 07/15

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office

Contents

Foreword	4
Trustees' and Accounting Officer's Responsibilities	6
Objectives and Activities	9
Key Performance Indicators	22
Financial Review	24
Sustainability Report	29
Remuneration Report	34
Statement of Trustees' and Directors' Responsibilities	40
Governance Statement	41
Risk Management	47
The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament and the Scottish Parliament	52
Statement of Financial Activities	54
Balance Sheet	56
Cash Flow Statement	58
Notes to the Accounts	59

Foreword

It is always a privilege to be able to pause and reflect on the past year in the life of the British Library. Every day incredible things happen here; exhibitions open the eyes of visitors to British Library treasures they are seeing for the first time, new items are added to the collection that may be consulted on by researchers for decades to come, and people get that piece of advice they need to ensure their fledgling business will be a success.

2014/15 has comprised thousands of small moments that make the British Library a greatly respected and valued national institution. There have also been many events which will be remembered or will continue to have an impact on the life of the Library for decades to come.

We celebrated the completion of one of the largest projects at the Library in recent years, with the opening of the National Newspaper Building at our Boston Spa site in Yorkshire. Over 60 million newspapers spanning more than three centuries are now stored in optimum conditions in this purpose built facility. The Reading Room in Boston Spa was also refurbished, and plans made to enhance access to collection material at the site, making it easier for people across the UK to consult the national collection.

We continue to seek innovative ways to engage new audiences with the Library. The second *Off the Map* competition took place in 2014, a videogame design competition for higher education students, run in partnership with the GameCity festival and video game developer Crytek. Students were given access to our collection material, this year on the theme of Gothic, and the winning team from the University of South Wales created a captivating underwater journey through the Gothic masterpiece of Fonthill Abbey.

Our exhibitions also brought many people to the Library for the first time. *Comics Unmasked: Art and Anarchy in the UK* ran from May to August 2014, offering the first chance to see the British Library's extensive comic book collection, including original artwork and scripts. Alongside it ran a packed events programme that entertained, educated and inspired those who attended.

In October, *Terror and Wonder: The Gothic Imagination* opened to very positive reviews. It was the UK's largest exhibition of Gothic literature, and almost 60,000 people visited during its four month run. From the model of Wallace and Gromit's Were-Rabbit to the manuscript of *Dracula* in Bram Stoker's hand, the breadth and diversity of the exhibition captured the public's imagination.

2015 marks the 800th anniversary of the first signing of Magna Carta in 1215. The British Library is privileged to hold two of these documents, which are being displayed as part of a remarkable exhibition throughout the summer of 2015. In February, they were joined by the two other 1215 Magna Cartas, held by Salisbury and Lincoln Cathedrals. 45,000 members of the public took part in a ballot for 1,215 tickets to view the four together, and the lucky recipients of tickets made a memorable visit to the British Library to hear from our curators and view the documents.

The British Library plays an important part in the international research community. A new bi-lingual, online portal providing access to our archive materials relating to Gulf history and Arabic science was launched by the British Library Qatar Foundation Partnership. It will help teachers and academics to educate students about Arabic cultural heritage and the modern history of the Gulf. 500,000 pages of material, much of it from the India Office Records, are now freely available online, and the project will continue to grow.

With a focus on British literature, our new *Discovering Literature* website was launched in May 2014. The site includes manuscripts by Blake, Wordsworth, Shelley, Keats, Austen, Dickens and Wilde, the largest collection of childhood writings of the Brontë sisters, and other unique artefacts which shed new light on their life and works. Although developed with teachers and university professors, the site appeals to people all over the world of all ages who love literature.

The British Library's support for business development has been extended. A National Network of Business & IP Centres now includes six city libraries, in Birmingham, Leeds, Liverpool, Manchester, Newcastle and Sheffield. At each location, the British Library collaborates with the Intellectual Property Office and the city library to provide advice and support for people starting, developing or running a business. We aim to continue to grow this network across the UK.

As we entered 2015, we began to look ahead in earnest to the British Library's 50th anniversary in 2023, and what we hope to have achieved by then. In January *Living Knowledge* was launched, presenting the Library's vision for this period. *Living Knowledge* clearly defines the Library's purposes, and sets out ambitious priorities across our services.

Achieving these aims will require the dedication and hard work of all our staff. We once again pay tribute to them for what has been achieved over the past year, for their passion and commitment to the Library. We look forward to what will be achieved together in the year to come.

Rt Hon Baroness Blackstone PC
Chairman
July 2015

Roly Keating
Chief Executive and Accounting Officer
July 2015

Trustees' And Accounting Officer's Responsibilities

Structure Governance and Management

Constitution

The British Library is the National Library of the United Kingdom, formed in 1973 under Section 1(1) of the British Library Act 1972 (the Act). Section 1(2) of the Act placed it under the control and management of the British Library Board, the duty of which is to manage the Library as a national centre for reference, study and bibliographical and other information services in relation both to scientific and technological matters and to the humanities. The British Library Board is not constituted as a Trustee Board; however the 'Accounting and Reporting by Charities: Statement of Recommended Practice 2005' convention of referring to Trustees has been followed in the Annual Report and Accounts.

The British Library is a Non-Departmental Public Body funded by a combination of grant-in-aid, allocated by the Department for Culture, Media and Sport (DCMS), and income secured through commercial, fundraising, sponsored and charging activities. The British Library signed a Management Agreement with DCMS in May 2014 and receipt of Grant in Aid is dependent on The British Library's compliance. The British Library is an exempt charity under the Charities Act 1993.

The Trustees have complied with the duty in Section 11 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

Objectives

The objectives of the British Library are set out under Sections 1(3) and 1(4) of the Act. The Board is required to make its services available to the public and in particular to institutions of education and learning, other libraries and industry. It may carry out and sponsor research, contribute to the expenses of library authorities or other persons providing library facilities, and make any part of its collections, or of its premises, available in connection with events of an educational, literary or cultural nature. Under Section 2, the Schedule to the Act empowers the Board to impose charges for any services provided or for the loan or use of any item from its collections subject to the approval of the Secretary of State for Culture, Media and Sport. The key objective categories presented in the statement of Financial Activities are drawn from the Library's Governance documents as interpreted from the Act.

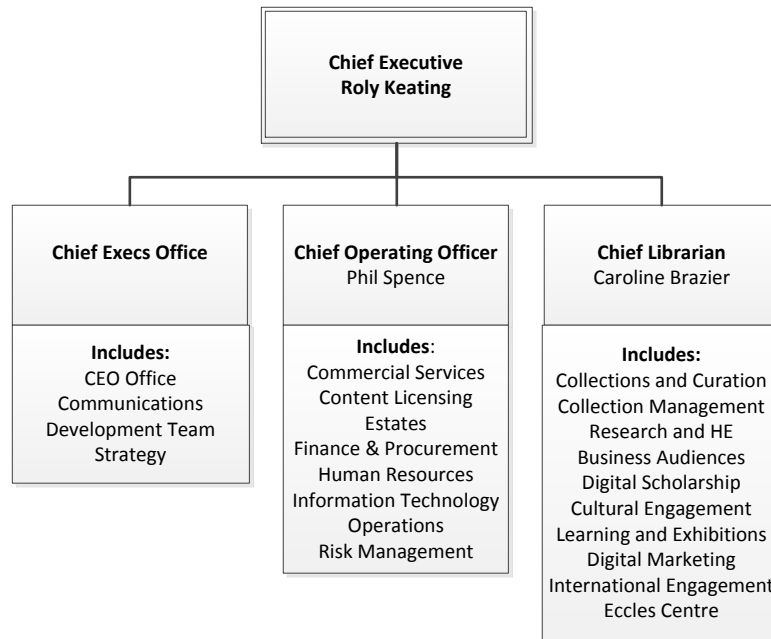
The Library regularly reviews its priorities in delivering against key objectives and it sets out its medium term plan in its strategic priorities. Under the *Living Knowledge* strategy these objectives are set out in the BL's key purposes. Details of the Library's Purposes and Activities can be found on pages 9 to 21.

Board of Trustees and Management

The Board of Trustees is responsible for overseeing the British Library's affairs and determining the overall strategy. A list of Board members who served between 1 April 2014 and 31 March 2015 is set out in the Governance Statement on pages 41 to 51.

During the year responsibility and delegated authority for the management of the British Library rested with the Executive Leadership Team, under the leadership of the Chief Executive, who as Accounting Officer, is responsible to Parliament. In December 2014 the Chief Executive announced a new structure to be effective from 1st April 2015 with a new executive team which will consist of the Chief Executive, the Chief Operating Officer and the Chief Librarian.

The new Executive Team of the British Library consists of:



Staff and Organisation

Equality and Diversity

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

Sickness Absence

The absence average for the British Library for the 12-month period ending 31 March 2015 is 7.03 days (5.69 days in 2013/14). This figure is calculated using the number of week days lost working over headcount and is based per employee on absence data for all active staff but excluding unpaid absence and maternity leave.

Pensions

Staff of the British Library are entitled to join one of the Principal Civil Service Pension

Schemes or a partnership pension account.

During 2014/15 work has been undertaken to move the majority of staff into the Alpha pension scheme from 1st April 2015. Members with less than 10 years until retirement could choose to stay in the current scheme or transfer to the new.

Full details of pensions and contributions are given in note 6a on page 68.

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.

Data Protection

There were no Data Protection incidents to report for 2014/15. The British Library will continue to monitor and assess its information risks in order to identify and address any weaknesses and to ensure continuous improvements of its systems.

Incidents, the disclosure of which would in itself create an unacceptable risk of harm, may be excluded in accordance with the exemptions contained in the Freedom of Information Act 2000 or may be subject to the limitations of other UK information legislation.

Health and Safety

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

- In 2014/15, the number of RIDDOR reports generated was 7 (7 in 2013/14)
- The total number of accidents involving members of staff reported in 2014/15 was 55 (58 in 2013/14)
- The total number of accidents involving non-staff members (visitors, contractors, etc.) reported in 2014/15 was 23 (35 in 2013/14).

The number of reported accidents affecting visitors (12) may be viewed against the backdrop of an annual footfall in excess of 1.6 million. Equally, the number of accidents affecting British Library staff (55) equates very broadly to one accident for every 6,611 working days. All incidents were minor and did not result in long-term injury.

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

Objectives and Activities

1. CUSTODIANSHIP

We build, curate and preserve the UK's national collection of published, written and digital content

The Newspaper Programme

The National Newspaper Building opened at Boston Spa in January 2015, providing a new long-term home for the UK's newspaper collection with 33km of shelves and ideal environmental conditions. The new building will supply newspapers and periodicals to both the new Newsroom at St Pancras and the refurbished on-site Reading Room at Boston Spa.

The £33 million newspaper programme involved one of the largest and most complex sequences of collection moves the Library has ever undertaken. Between March and November 2014, 167 lorries carried more than 280,000 bound volumes of newspapers from the old newspaper library at Colindale to Boston Spa, with an equal number of periodical and other volumes also transferred to the new building.

The Office of Government Commerce, in its final Gateway Review of the Newspaper Programme, called the delivery of the programme over eight years "exemplary". The review noted that despite its complexity, the programme had been well-managed, innovative, and delivered on time and within budget.

Major acquisitions

In November 2014 the Library announced the acquisition of over 100 unseen letters of Nobel Prize-winning playwright Harold Pinter. Written to his childhood friends Henry Woolf and Mick Goldstein when Pinter was aged 18-30, the letters candidly discuss his early play-writing, including the development of what became one of his most famous works, *The Birthday Party*. Documenting a largely unknown period of Pinter's life, the letters add to the Library's existing Harold Pinter archive, and join its unparalleled collection of archives of contemporary British writers. The collection also includes early copies of plays and prose drafts, photographs, audio recordings, programmes, articles and interviews. The new material is available to researchers via the Library's Reading Rooms and one of the letters is now on public display in the Sir John Ritblat Treasures Gallery.

The Library has acquired 50 boxes of material from the archive of the theatre director Sir Peter Hall, who made his name with the British premiere of Samuel Beckett's *Waiting for Godot* in 1955. The collection represents Sir Peter's commercial theatre career and his role as an advocate for the arts, with some material relating to his tenure at the National Theatre from 1973 to 1988.

The Library has acquired the archive of novelist, journalist and travel writer Shiva Naipaul. Sometimes overshadowed by his older brother, the Nobel laureate V.S. Naipaul, Shiva Naipaul has been praised for the formal mastery of his novels and the uniqueness of his vision. As outspoken and at times as controversial as his brother, Shiva Naipaul's writing is characterised by a starkly pessimistic view of post-imperial commonwealth societies. The archive comprises drafts and working material relating to all of Naipaul's novels, short stories, travel writing and journalism, as well as personal and travel diaries, and personal and business correspondence. This acquisition builds on the Library's contemporary literary archives, reflecting the diversity and international nature of contemporary literature.

The Library has also acquired Virginia Woolf's annotated copy of Frances Cornford's *Spring Morning*. This volume includes annotations and drawings by Virginia Woolf on almost every page, inscribed by her in the summer of 1915 during her second sustained period of serious mental illness. Woolf scholars have been aware of the existence of the volume through Quentin Bell's biography of his aunt, but its contents, documenting the disturbing and destructive form in which Woolf's bouts of mental illness found expression, have not been known until now.

The UK Web Archive

Using digital legal deposit powers granted in April 2013, the UK Web Archive has carried out its second annual UK domain crawl, collecting a total of 57 terabytes of data. For the first time, the Archive also collected in its crawl a large quantity of content from 2.5 million non .uk domains. Working together with other legal deposit libraries, the Archive also carried out focused crawls to build thematic collections on major events, including the Scottish independence referendum, the 2014 Commonwealth Games, the European elections, the centenary of the First World War and the Ebola outbreak in West Africa.

The Archive is also a partner in the Arts and Humanities Research Council (AHRC) funded 'Big UK Domain Data for the Arts and Humanities (Buddah)' project, which is working closely with scholars who use archived web material for a wide range of research, and will develop understanding of research requirements and co-developed access services.

Save Our Sounds

The British Library is home to the nation's sound archive, an extraordinary collection of over 6.5 million recordings of speech, music, wildlife and the environment, from the 1880s to the present day. The sound collections are under threat however, both from physical degradation and as the means of playing them becomes obsolete. Archival consensus is that we have approximately 15 years to digitise our sound collections, before they become unreadable and are effectively lost.

The Save our Sounds programme aims to ensure that our existing archive is properly preserved, and that there are adequate systems in place to collect future sound production in the UK. The programme will preserve as much as possible of the nation's rare and unique sound recordings, not just those in our own collections but also key items from partner collections across the UK. Working with the broadcast and music industries, we also aim to establish a national radio archive to preserve and share the UK's vibrant radio output, and to invest in new technology to enable us to receive music in digital formats.

In May 2015, the Library received Stage 1 approval from the Heritage Lottery Fund to work towards a major grant for the Save Our Sounds programme.

In 2015/16

This year we will continue the Save Our Sounds campaign to address the growing preservation and access challenges for our historic audio and recorded music collections, building on the work of the Library's initial bid to the Heritage Lottery Fund.

The Library's expertise in collection management and custodianship can be leveraged to make further significant efficiencies and economies of scale at national scale. This year we will work to encourage a broad coalition of support for investment in our Boston Spa site as a shared service centre for the ingest, storage, access and digitisation of print collections from cultural and public sector organisations across the UK.

2. RESEARCH

We support and stimulate research of all kinds

British Library Labs

The British Library Labs project continues to work with researchers, artists and software developers to actively engage users with the Library's digital content and data. The winners of the 2014 British Library Labs Competition were showcased at the Library in November 2014. Desmond Schmidt and Anna Gerber of the University of Queensland developed a Text to Image Linking Tool, linking digitised handwritten manuscripts to transcribed texts, while Bob Nicholson of Edge Hill University created the Victorian Meme Machine, creating a database of Victorian jokes from our digital archive and using social media to renew their comic appeal online.

The million illustrations, drawings, and photographs which the Library published to Flickr in December 2013 were viewed over 230 million times by February 2015. Extracted from a public domain collection of 65,000 digitised books, the images have been used for artistic, commercial and research activities worldwide. San Francisco-based artist David Normal used hundreds of images from the collection in a major

installation at the Burning Man festival in September 2014, seen by over 70,000 people; the works will be displayed at the Library in summer 2015.

The Future of the Academic Book

The British Library and the Arts and Humanities Research Council (AHRC) have joined together to launch a research project investigating the future of academic books in an age of open access publishing and digital change. This research is led by Samantha Rayner, Director of the Centre for Publishing at University College London, and will undertake new research, as well as organising a UK-wide showcase of academic book excellence, Academic Book Week, in November 2015. The British Library and AHRC have also set up a Strategy Board, bringing together key representatives from funding bodies, libraries, research communities and publishing to enable innovation in this area.

Alan Turing Institute

In December 2014 it was announced that the British Library had been selected by the Engineering and Physical Sciences Research Council (EPSRC) as the location for the headquarters of the Alan Turing Institute. The future of the British Library is increasingly digital and data-driven, and as well as aligning with the Library's core purposes, the co-location will allow the Institute to benefit from the world-class infrastructure of the Knowledge Quarter and connectivity to the UK and Europe. The Alan Turing Institute will promote the development and use of advanced mathematics, computer science, algorithms and big data, and is headed by the universities of Cambridge, Edinburgh, Oxford, Warwick and UCL. The Institute will initially be based within the Library's main building, and in the long term will occupy a bespoke space in a new development at St Pancras.

ETHOS

The Library's EThOS thesis service saw its busiest ever month in November 2014, with 42,418 open access, full text theses viewed globally. EThOS, which lists almost 400,000 theses, aggregates doctoral thesis records and full theses from all UK universities and provides a single point of access regardless of where the thesis is held. Use of EThOS has continued to grow strongly; in 2014, 410,000 full theses were viewed, more than double the number in 2012.

In early 2015 the Library ran the successful #ShareMyThesis competition, in partnership with Research Councils UK and Vitae. The competition, which received almost 2,000 entries, invites entrants from all disciplines to summarise why their PhD research is important in a single 140-character tweet. Almost 2,000 entries were received from researchers across all disciplines. The competition, which was won by Sarah Wiseman of University College London, promotes EThOS and raises awareness of the important work carried out by PhD candidates.

Collaborative Doctoral Research Programme

The Library continues to open up its collections through collaborative doctoral research, enhancing the research value of collections, and enriching our cultural programme and online resources. With over 30 postgraduate students across all disciplines now co-supervised by Library staff, the programme aims to provide a unique doctoral research and training experience, with clear benefits for students, universities and the Library. Our Doctoral Research Partnership with AHRC has attracted over 130 research proposals across 50 different higher education institutions.

In 2015/16

The imminent re-brand of our document supply service as *British Library On Demand* marks the beginning of a programme of change whose ultimate goal will be to unify all the Library's online provision of content and information in a single, simple service proposition: 'content from the British Library and its partners, direct to your screen.'

We also intend that our engagement with research excellence in the UK will increasingly include active participation in the research process, harnessing the power of the data analytics revolution that is enabling researchers to use our digital collections at scale. This will mean building on the success of projects like British Library Labs, and opening new collaborative avenues through major partnerships such as the Alan Turing Institute, while it takes up residence in our St Pancras building.

3. BUSINESS

We help businesses to innovate and grow

Business & IP Centre National Network

This year has seen the completion of the first phase of the Business & IP Centre network, with four new centres opening their full service in Birmingham, Manchester, Sheffield and Liverpool in addition to centres already operating in Leeds and Newcastle. The first 'wave' of six centres in city libraries, plus the centre at the British Library at St Pancras, is now fully operational. The six city library centres have already created an estimated 960 jobs outside London, and the centres have achieved extraordinary results in hard-to-reach groups: an estimated 31% of the network's users to date were from Black, Asian and Minority Ethnic (BAME) groups, 49% were women and 10% were unemployed.

Following this early success, the Department for Communities and Local Government and Arts Council England have committed further support to the Government's *Enterprising Libraries* programme, including a combined £400k of funding for the Business & IP Centre network for the 2015/16 financial year. As part of the new settlement, *Enterprising Libraries* branches in Northamptonshire and Exeter will be converted into full Business & IP Centres with the British Library's support.

Inspiring Entrepreneurs

Our second series of *Inspiring Entrepreneurs* events, in partnership with Barclays, offered the chance to quiz high-profile entrepreneurs and business leaders on the secrets of their success. The Library held four events across the year, sharing advice on exporting, creating new markets, disrupting markets and coping with fast growth.

Global Entrepreneurship Week

Global Entrepreneurship Week, from 17–22 November 2014, saw an action-packed week of activities designed to help entrepreneurs and small business owners connect to the knowledge and expertise of the Business & IP Centre and the national network. Over 2,000 people took part, both in person and online, via webcasts and webinars. The week's curtain-raising event, *Question Time for Entrepreneurs*, featuring a panel including TalkTalk founder Sir Charles Dunstone and fashion designer Anya Hindmarch MBE, was webcast and live screened in Birmingham, Exeter, Liverpool, Manchester, Newcastle, and Norwich, as well as in New York.

In 2015/16

With 2015/16 funding secured for the Business & IP Centre network, we will focus on making the network as sustainable as possible in the long term, as well as scaling up the network further wherever possible. Our stated ambition is that there should be at least 20 such Centres in UK city libraries by the end of the decade; the pilots in Exeter and Northampton this year will be crucial stepping stone to realising this vision.

4. CULTURE

We engage everyone with memorable cultural experiences

Exhibitions

In 2014 the Library received 911,393 visits to its public programme – a 63% increase on 2013. *Comics Unmasked* attracted 54,324 visitors, exceeding its target, and was hugely successful in attracting new and younger audiences; 48% of visitors to the exhibition were first time visitors to the British Library. *Terror and Wonder* received 64,460 visitors, also exceeding its target of 50,000. The exhibition was accompanied by a major partnership between the Library and BBC, broadcasting a season of programmes exploring gothic literature, architecture, music and art.

Both exhibitions were accompanied by groundbreaking programmes of public events, including two sold-out *LATE at the Library* events, and conversations with a host of notable figures from the worlds of comics, literature and popular culture, including

Susan Hill, Neil Gaiman, Audrey Niffenegger, DBC Pierre and Jamie Hewlett (who also created the artwork for *Comics Unmasked*).

Enduring War, an exhibition forming a major part of the Library's contribution to the First World War centenary commemorations, was the most visited Entrance Hall Gallery exhibition ever, with 93,197 visitors against a target of 40,000. The Library has also worked to make exhibitions more interactive; as part of the *Lines in the Ice* exhibition, the Library's digital research team hosted an interactive writer in residence, supported by CreativeWorks London and the Eccles Centre for American Studies. Rob Sherman's project amalgamated online games, a gallery-based 'digital cairn' and physical artefacts including ships biscuits, inviting visitors to the exhibition to be part of the narrative by participating in events and uploading material to the gallery.

Magna Carta anniversary

The British Library continues to lead celebrations marking the 800th anniversary of the sealing of Magna Carta. The landmark exhibition *Magna Carta: Law, Liberty, Legacy* explores centuries of dramatic history from Runnymede to the present day, and includes two of the four original 1215 Magna Carta documents, as well as major loans including Thomas Jefferson's handwritten copy of the Declaration of Independence and one of the original copies of the US Bill of Rights, both on display in the UK for the first time. The exhibition, open until September 2015, received a record number of advance bookings, and saw nearly 30,000 visitors in its first six weeks after opening.

On 2 February 2015, the British Library, Lincoln Cathedral and Salisbury Cathedral invited 1,215 members of the public to the PACCAR gallery at St Pancras to see the four original surviving Magna Carta manuscripts together for the first time. Over 40,000 people from over 20 countries had applied. From May to July 2015, the Library also hosts a new commission by leading British artist Cornelia Parker, responding to the legacy of Magna Carta in the digital era. *Magna Carta (An Embroidery)*, which measures almost 13 metres long and 1.5 metres wide, was stitched by over 200 people, from prisoners, lawyers and civil rights campaigners to barons and MPs.

First World War centenary activity

In August 2014, the Library joined forces with Europeana to host a World War One family history roadshow at Boston Spa. More than 300 members of the public joined the event to share their families' stories and to have precious items digitised. The event resulted in hundreds of letters, diaries, medals and other memorabilia, passed down through local families, being digitised and uploaded to the Europeana website.

The Library also collaborated with *14-18 NOW*, a major arts and culture programme marking the centenary across the UK, including archiving over 21,000 public submissions to the *Letter to an Unknown Soldier* project created by writers Neil Bartlett and Kate Pullinger. The UK Web Archive is also archiving hundreds of community-run

First World War centenary websites, funded by the Heritage Lottery Fund, preserving them in perpetuity as part of a special First World War Centenary collection.

In 2015/16

In a new exhibition running in autumn 2015, the British Library will celebrate the rich cultural and literary heritage of West Africa. This ambitious show will explore literature, faith, politics and music from Nigeria, Ghana, Mali and other countries in the region. It will showcase West Africa's long literary heritage, and its centuries-old oral traditions, communicated through storytelling, music and sound. The exhibition will reference a millennium of history - from the great empires of the Middle Ages, through colonialism, resistance and independence, to modern day life and culture.

As part of worldwide celebrations marking Alice in Wonderland's 150th birthday, the iconic manuscript of *Alice's Adventures Under Ground*, written and illustrated by Lewis Carroll, will go on display in the US. The manuscript will star in exhibitions at The Morgan Library & Museum in New York and The Rosenbach in Philadelphia, accompanied by a series of events and celebrations. On its return, the British Library will mark the anniversary with our own free exhibition exploring how Alice has been adapted and appropriated by successive generations.

The Library is working to develop an increased programme of loans, touring exhibitions and digital collaborations, with public libraries and others, to open our collections to new audiences across the UK and internationally. From June to September 2015, the Laing Gallery in Newcastle-upon-Tyne hosts a touring version of the Library's exhibition *Picture This: Children's Illustrated Classics*, featuring ten of the most iconic children's books of the 20th century. The exhibition is a new stage in the Library's proactive cultural engagement with partner institutions in North-East England.

Throughout 2016, the Library will also play a leading role in the national commemorations of the 400th anniversary of the death of Shakespeare.

5. LEARNING

We inspire young people and learners of all ages

Learning programme

This year the Library hosted more on-site school visits and digital learning visits than ever before. Over 35,000 people engaged with our on-site learning programme, an annual increase of 4,000, while 3.5 million people benefited from our online learning resources, rising from 2.1 million the previous year. The Library is also in its second year of running a Youth Forum, known as YBL. Aged between 16 and 18, YBL members meet once per month to take part in a range of activities including exhibition tours, focus groups, meeting staff across the Library, study days and LATE events.

Terror and Wonder was accompanied by a highly successful learning programme, with over 8,300 students and teachers visiting the exhibition, and partnership events with both the National Association for the Teaching of English and the English and Media Centre. Almost 70% of school visits to Terror and Wonder were by students studying English in Years 12 and 13, demonstrating the Library's unique capacity to support A Level English Literature.

Discovering Literature

Launched in May 2014, Discovering Literature is a major new website to enhance the study and enjoyment of English literature, aimed at school students, teachers, undergraduates and lifelong learners. Covering the Romantic and Victorian periods, the site brings together for the first time a wealth of the British Library's greatest literary treasures, including numerous original manuscripts, first editions and illustrations, alongside rich contextual material such as newspapers, diaries, letters and photographs.

The project, which also demonstrates proof of concept for the Library's Web Redevelopment Project, provides free access to a substantial body of rich, literature-related primary source material. 7,000 collection items were digitised for the site, covering 50 literary works and 22 authors. *Discovering Literature* was visited by over 630,000 users in its first year, significantly exceeding the Library's target of 500,000 unique users.

Magna Carta: My Digital Rights

Magna Carta: My Digital Rights, launched in January 2015, is a major new national schools' programme inviting young people across the UK and overseas to consider their rights and responsibilities online. Jointly conceived with the World Wide Web Foundation, the Southbank Centre and the British Council, the project celebrates both the 800th anniversary of Magna Carta and the 25th anniversary of the World Wide Web.

Exploring topics such as free speech, censorship, cyberbullying and surveillance, the project provides teachers with a range of lesson plans, films, commentaries and collection items for use by secondary and further education students. Following on from the lessons, the British Library invited young people to contribute a clause towards a 'Magna Carta for the digital age', to be published in June 2015. In February 2015, BBC Radio 1 featured the project on its programme *The Surgery* as part of the BBC's programming to mark Safer Internet Day.

In 2015/16

We will launch Phase 2 of *Discovering Literature*, including our 20th century collections, in autumn 2015. The site will also expand to include a Shakespeare

collection in spring 2016, as part of the Library's activity to mark the Shakespeare 400 anniversary.

A wide-ranging learning programme accompanies *Magna Carta: Law, Liberty, Legacy*, including the launch of our new Magna Carta website, as well as onsite workshops, and special events and projects for students, teachers and young people.

We will use the exhibition *West Africa* as an opportunity to trial new ways of working with young people, including music/sensory sessions for students with special educational needs, a students' conference in partnership with SOAS, and working with teachers on the use of multicultural books in the classroom.

6. INTERNATIONAL

We work with partners around the world to advance knowledge and mutual understanding

Qatar Digital Library

The Qatar Digital Library launched in October 2014, following three years of collaboration between the British Library and the Qatar Foundation. The online portal, available in both English and Arabic, provides access to previously undigitised British Library archives, and will help teachers and academics to educate students about Arabic cultural heritage and the modern history of the Gulf. The portal includes 475,000 pages from the India Office Records and 25,000 pages of medieval Arabic manuscripts, demonstrating the significant influence of Arabic scholars in the fields of science, medicine, astronomy, mathematics and geography.

The British Library and the Qatar Foundation for Education, Science and Community Development are now extending their partnership to take the project into a second phase until 2018. This will triple the size of the Qatar Digital Library, including over a million pages of historical material related to the Gulf, in addition to the 500,000 pages already digitised.

Endangered Archives Programme

Over four million images from endangered archives around the world are now available online through the Endangered Archives Programme, supported by the Arcadia Fund. The programme reached its tenth anniversary in February 2015, and has funded 246 projects in 78 countries, enabling communities all over the world to locate, preserve and digitise collections, providing local institutions and the British Library with digital copies. Material gathered so far includes rock inscriptions, manuscripts, archival records, newspapers, photographs and sound archives.

Cataloguing and digitising international collections

By the end of 2014, the Library's project team working to digitise Hebrew manuscripts, supported by the Polonsky Foundation, had catalogued more than 750 manuscripts, capturing 265,000 images and making over 400 manuscripts available online. An agreement with the National Library of Israel, signed in November 2014, will extend the project until 2019.

The Library has also digitised more than 45 Persian manuscripts and made them available online as part of a collaborative project. Imaging and cataloguing of Malay manuscripts, in partnership with the National Library Board of Singapore and funded by the Bollinger family, has also been completed, and the images are now available via the Library's *Digitised Manuscripts* service.

3,924 printed books were catalogued by the Library's Asian & African Studies department in 2014, including major cataloguing projects for Tamil and Vietnamese collections, making collections more easily searchable and accessible for readers. The department created new internships for Ethiopic languages, Mongolian, and Korean, focusing on retro-conversion and clearing acquisitions backlogs for those languages.

In 2015/16

We have both a growing opportunity and growing responsibility to use the potential of digital to increase access for people across the world to the intellectual heritage that we safeguard. We will focus especially on those parts of the world where for historic reasons our collections are strongest, not least in South Asia and the Middle East. Our Memorandum of Understanding with the Indian Government sets out a bold vision of collaboration which we look forward to fulfilling, and our partnership with the Qatar Foundation is set to deliver a greatly expanded resource of digitised primary sources relating to Gulf history and Arabic science.

Our relationship with partners in continental Europe has deepened with our close involvement in Europeana's 1914–1918 project. This year, we will work closely with the national libraries of Europe, both to meet public appetite for engagement with European culture, and to ensure that our shared collections play a full role in the emerging global family of digital libraries.

7. ENABLING THE VISION

Fundraising

Our fundraising activity continues to contribute a vital supplement to the Library's Grant in Aid, with a variety of passionate supporters, including trusts, foundations, companies and individuals. At £1.6m, current and future pledges for fundraising income was lower than in some previous years, partly due to the absence of a major acquisition. However, the award of a £300,000 grant from the Andrew W. Mellon Foundation to extend the British Library Labs project, and donations totalling £100,000

toward cataloguing the King's Topographical collection, were major fundraising successes during the year.

The Library's Magna Carta anniversary activity was generously sponsored by the international law firm Linklaters, including the exhibition *Magna Carta: Law, Liberty, Legacy* and the unification event bringing together the four original documents. Global law firm White & Case generously supported exhibition loans, including the Bill of Rights and the Declaration of Independence, with funding of £50,000. Our close supporters, the Friends of the British Library and the American Trust for the British Library, also made grants in support of the exhibition, and the Dorset Foundation in memory of Harry M. Weinrebe supported the associated learning programme.

Digitisation projects continue to attract major support, including the extension of our partnership with the Qatar Foundation, and the Hebrew manuscripts digitisation project, which is funded by the Polonsky Foundation and the National Library of Israel.

Human Resources and Organisation Development

Working with staff and stakeholders, the Library has developed a five-year People Strategy to ensure that the Library is a good place to work, and develops staff to help them deliver against the objectives of Living Knowledge. The strategy, published in Autumn 2014, defines new core working values for the Library, and work to implement it is now underway.

The Library has commenced initial work on a Pay and Grading review, and has renegotiated its Industrial Relations Framework, enabling the Library to reduce its facility time costs whilst maintaining good industrial relations.

Corporate Social Responsibility

The Library continued to deliver our Corporate Social Responsibility agenda, including its partnership with Wetherby High School and the University of York on the Education Trust for Wetherby. In June 2014, as part of this partnership, the Library hosted an event for students from Wetherby High School with children's author Tom Palmer, whose cycling tour between libraries in West Yorkshire formed part of the Tour De France celebrations. The visit gave over 60 students the opportunity to hear first-hand insights from Tom about his love of reading and his journey to becoming an author.

In April 2015, British Library staff at St Pancras and Boston Spa gave away free books to local residents to celebrate World Book Night. The Library's market stalls, at the Crossgates Centre in Leeds and Chalton Street Market in London, handed out copies of World Book Night titles, along with a selection of highlights from the Library's own bestselling Crime Classics series. Since World Book Night began in 2011, more than 250,000 books have been given out across the UK to encourage reading for pleasure. The Library took part as a way of connecting with each of its local communities, and fulfilling its commitment in *Living Knowledge* to be more open, creative and innovative.

Knowledge Quarter

The Knowledge Quarter partnership, developed and chaired by the British Library, launched formally in December 2014. With a membership spanning the culture, research, media, technology and creative sectors, the Knowledge Quarter now includes almost 50 organisations in and around King's Cross. Together, these partners employ over 30,000 people, turn over more than £3 billion, work with 3,500 volunteers and serve well over 8 million visitors per year. Focusing on four priorities, the Knowledge Quarter has initiated a range of projects, including research on the role of innovation districts, a skills audit of its members, and an apprenticeship programme to support the Science, Technology, Engineering and Mathematics (STEM) sectors.

Public Lending Right

This year the Public Lending Right (PLR) scheme, administered from Stockton-on-Tees under the auspices of the British Library, distributed £6 million to 22,053 authors in payment for loans of their books through public libraries. Since its inception in 1979, PLR has distributed over £150 million to authors.

From July 2014, the scheme was extended to include public library loans of audiobooks and ebooks downloaded on library premises, in accordance with the Digital Economy Act. The government-commissioned *Independent Library Report for England*, published in December 2014, recommended amendments to European and UK copyright law to extend PLR to include remote ebook loans.

Key Performance Indicators

Key Performance Indicators (KPIs) measure the performance of the British Library in pursuing its strategic objectives. KPIs are reviewed annually in line with key activities identified through our business planning process.

The measures show the Library is increasingly popular and well-used, with particularly strong growth in the use of its digital resources, exhibitions and learning programmes. In the two years since 2012/13, total annual visits to the Library's onsite facilities and website rose 28%, and visitors to the Library's learning website more than doubled, rising from 1.6 million to 3.6 million.

Customer satisfaction levels remain high, reflecting the Library's continued focus on maintaining high-quality frontline services in the face of funding pressures. And our collections are growing rapidly in both print and digital form, with a 10% increase in items received compared to the previous financial year.

The Library's philanthropic income declined from the previous year's total, largely due to a £3.2m fall in donated assets, and the absence of a major acquisition appeal.

Further information and statistics on the British Library's performance are available on our website at <http://www.bl.uk/aboutus/foi/pubsch/pubscheme3/index.html>.

	Target	Actual	Actual	Actual
	2014/15	2014/15	2013/14	2012/13
Charitable Giving (DCMS indicator)				
Total amount of charitable giving (donations and sponsorship) from sponsors, private benefactors and charitable trusts.	N/A	£6,771k	£11,084k	£5,739k
Ratio of charitable giving (donations and sponsorship) to grant in aid.	N/A	7.2%	11.6%	5.5%
Quality				
Reading Room user satisfaction: percentage of Readers who were either 'very satisfied' or 'quite satisfied' with the services and facilities they used.	92%	94%	94%	92%
Exhibition visitor enjoyment rating: percentage of visitors rating the enjoyment of their visit as either 'excellent' or 'good'	92%	96%	96%	98%
Web user satisfaction: percentage of visitors who described ease of finding information on the Library's website as 'excellent', 'very good' or 'good'	88%	86%	83%	79%

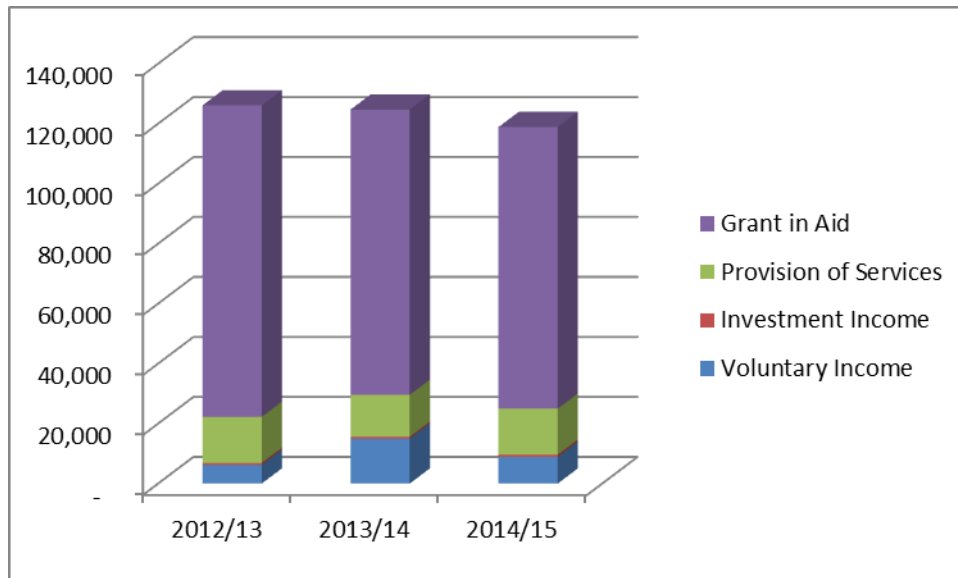
Throughput				
Number of visitors to the Library's Learning website	2,000,000	3,596,996	2,003,915	1,614,165
Number of learners attending educational sessions	25,000	35,272	31,239	23,270
Number of visits to the Library's onsite facilities and website	18,808,644	19,540,936	16,568,946	15,298,200
Number of items supplied / consulted remotely and onsite ¹	4,790,647	4,802,096	4,423,883	N/A
Number of visits to Reading Rooms ¹	393,150	388,756	395,044	N/A
Number of items received	759,615	827,895	753,773	804,847
Percentage of UK legal deposit material acquired	90%	99%	99%	99%
Percentage of material delivered electronically	83%	86%	85%	81%
Exhibition loans to other institutions	40	47	37	36

1. A more accurate method of recording the number of readers and items consulted was introduced during the year. Full details of the performance using the previous measure are included in the further information and statistics available on the British Library website.

Financial Review

Overview of Financial Position

The British Library's income for 2014/15 was £118.9m (£124.7m 2013/14), of which £93.9m (79%) was Grant in Aid from the Department for Culture, Media and Sport.



The primary source of funding is Grant in Aid received from the Department for Culture, Media and Sport. The Grant in Aid received included funding for the first full year of the operation of the Public Lending Right and an additional £150k in funds to develop the proposition for the UK Printed Collections Management Hub.

Income from the provision of services was £15.4m an increase of £1.4m from the previous year (£14.0m). This positive performance is built on a strong increase in commercial sales as a result of the success of the new publishing programme, in particular the success of the reprinted crime novel series and increased income through both the physical and online shop. Income from Information Services held up well this year with an increase in digitisation projects more than offsetting a small shortfall in the performance of Document Supply and Data Licensing services.

Voluntary Income which includes philanthropic donations, research grants and funding for digitisation initiatives dropped to £8.9m (£15.0m in 2013/14) but a major part of this was a c£3.2m drop in the number of donated assets and a shortfall in fundraising partly due to the absence of a major acquisition appeal, whilst investment income increased to £0.7m (£0.6m 2013/14).

The reductions in Grant in Aid mean that the Library has had to continue to make ongoing reductions in its core operating expenditure. However, it continues to make investments in heritage acquisitions and digitisation projects funded by philanthropic donations and grants. Alongside this, the successful delivery of the construction and relocation of the national newspaper collection was made possible through capital funding agreed with the Department for Culture, Media and Sport supplemented by proceeds from the sale of the Colindale site.

The Library's continued focus on efficiency has contributed to the delivery of significant operational savings required in order to match reductions in core Government funding in this and future financial years. The final year of the current Government's Spending Review and an increase in employers' pension contributions required the Library to make further savings through reductions in salary expenditure, (delivered through a headcount reduction facilitated by a "voluntary exit" programme), and operational costs. The budgeted savings were delivered in full and additional in-year savings were redirected to priority areas of spending including a further programme of asbestos remediation. In December 2013, the Secretary of State announced a further 5% real terms' cut in the British Library's Grant in Aid for the financial year 2015/16, which required careful planning in order to deliver a balanced financial plan for next year.

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

In 2013 the Government announced some relaxation in its spending controls for Museums and Galleries across the sector, and the British Library was chosen to take part in a four-year pilot programme of which this is the second year. Under the 'freedoms' the Library is exempt from a number of controls including Government procurement policy, the 1% pay award limit and control on property spend and it also allows the Library to use its reserves in a more flexible way subject to informing the Department for Culture, Media and Sport of any requirement as part of the Treasury's supplementary review processes.

Further discoveries of low levels of asbestos contamination on the Colindale site required the Library to extend its programme of remediation work in full compliance with Health and Safety regulations. This was successfully completed in time for the Library to exit the Colindale site in October 2014. A provision of £3.8m provided for in the 2013/14 Accounts was released in relation to this.

Revenue expenditure on acquisitions for the collections was £12.1m, (£12.6m 2013/14), reflecting delays in the purchase of journals due to a major supplier ceasing trade and the need to retender the contract. Capital expenditure was £2.1m, (£3.6m 2013/14), with the acquisition of a number of heritage items supported by donations and grants.

PLR's Grant in Aid allocation was £6.7million (£6.8 million in 2013/14) which resulted in less funding being available for the author fund but, as a result of a further reduction this year in the number of book loans and further efficiency savings made in operational costs, we were able to increase the rate per loan figure to 6.66 pence (6.20 pence in 2014).

A total sum of £6.0m was paid to 22,051 authors (£6.2m to 22,370 authors in February 2014). 82% of the Fund was distributed in payments of £500 or more. Expenditure includes £42,430 unpaid at the year end because the addresses of some authors are unknown to PLR, or their assignees have not made probate claims. A further £27,030 is a separate PLR reserve which can be used to supplement the future funding available to authors. The PLR reserve is made up of amounts held as creditors and subsequently renounced by authors, or unclaimed and undistributed after six years.

There was a net decrease in the movement of funds before revaluation in the year of £0.1m, of which £0.5m was due to a decrease in the unrestricted funds and £0.4m an increase on the restricted funds.

During the year, the British Library revalued its land and buildings on its site at St Pancras, see note 9 of the Accounts on page 71 resulting in a revaluation adjustment which increased the asset base by £643.9m. The value of land within the St Pancras and Kings Cross development area has tripled since the last valuation in 2010 alongside the replacement cost of the buildings increasing substantially. In line with reporting requirements cumulative depreciation of £43.2m was reversed and in year depreciation reduced by £10.8m which is reflected in the reduction in overall resources expended reported in the SoFA.

Reserves

At 31 March 2015 the British Library's reserves were as follows:

	£m
Restricted funds	20.4
<i>Unrestricted funds:</i>	
Fixed Asset reserves	399.2
Revaluation Reserve	873.2
Donated Asset reserve	28.1
PLR Reserve	0.1
Designated Funds	6.0
General funds	26.2
Total funds	1,353.2

Restricted and Designated Funds are set aside for defined purposes and include £6.9m in capital/endowment funds which cannot be used to fund current expenditure.

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

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

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

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

the context of the assessed financial and business planning environments and taking account of assessed levels of risk.

The target level of general provision will be maintained in a range of 2% to 10% of annual unrestricted fund expenditure. In total, General Reserves at 31 March 2015 were £26.2m, of which £5.1m relates to non-cash prepayment adjustments in relation to journal subscriptions. Taking account of the current level of risk and future commitments, the following reserve levels were agreed by the Board: £2.0m in relation to completing plans and proposals of the St Pancras development programme and £4.6m to start the programme of works prior to any future capital receipt; £1.0m capital contingency; £3.0m restructuring reserve; £3.1m for specific projects started but not completed in 2014/15; £0.2m in relation to asbestos remediation and a general provision of £7.2m, which is 6.6% of the year's unrestricted expenditure and within the Library's target level.

Investments and Financial Risks

The Board of Trustees provided oversight of the British Library's investments during the year.

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

At the start of the year fund values stood at £13.9m having recovered from their lowest point in March 2009 following the financial crisis. An additional £5.8m was invested from Restricted Funds during the year and in addition Funds increased steadily over the year ending the year at £21.3m (up 53%).

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

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

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

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

Payment of Creditors

The British Library observes the principles of the Better Payment Practice Code, and it is the policy of the British Library Board to pay all creditors within 30 days of the invoice receipt unless separate arrangements have been agreed with the supplier. For the year ended 31 March 2015, 95% of invoices were paid within the agreed 30 day period, (95% 2013/14).

Related Party Transactions

Details of related party transactions are disclosed on page 89 at note 23.

Code of Best Practice on Corporate Governance

In accordance with HM Treasury Code of Good Practice and Chapter 3 of *Managing Public Money*, the Annual Governance Statement is included on pages 41 to 51.

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 Roly Keating

Chairman
July 2015

Chief Executive and Accounting Officer
July 2015

Sustainability Report

The British Library recognises that its activities impact on society and the environment at local, regional and global levels through the resources it consumes, the waste it produces, the travel and work patterns it encourages amongst its staff and the products it buys. The British Library needs to provide stable and reliable collection storage while seeking to minimise the impact our buildings and operations have on the environment. The measures undertaken to help with this include: monitoring of energy and utility consumption patterns; using electricity produced from combined heat and power procured from environmentally responsible suppliers; and providing recycling initiatives across all sites.

Greenhouse Gas Emissions

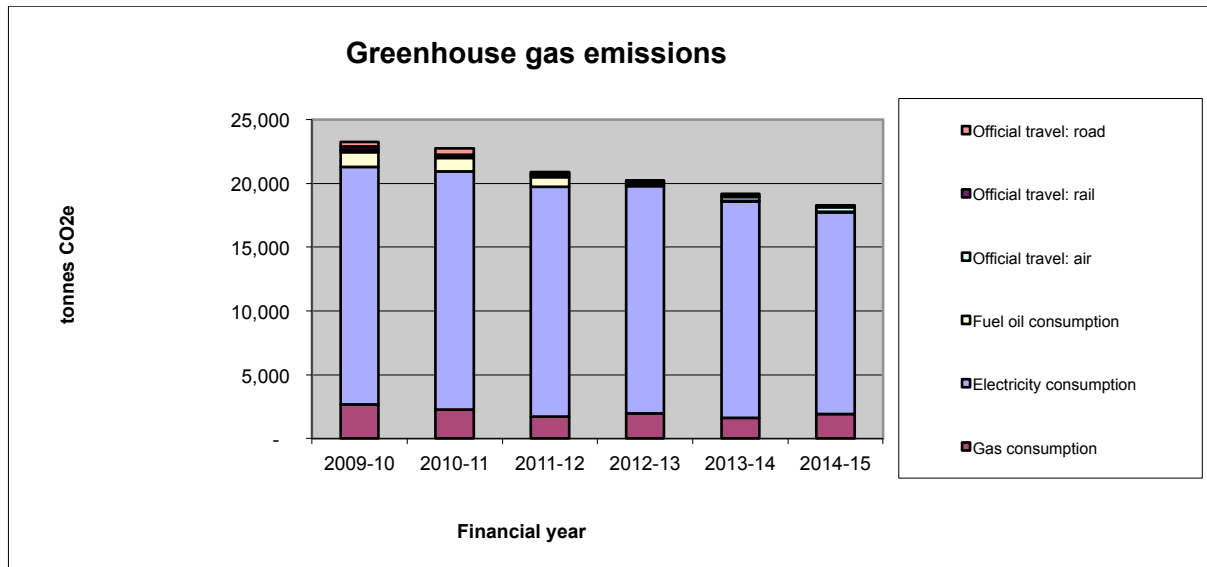
		09-10	10-11	11-12	12-13	13-14	14-15
Non-Financial indicators (1,000 tCO ₂ e)	Gross emissions Scope 1 (direct)	4.0	3.7	2.5	2.1	1.7	2.0
	Gross emissions Scope 2&3 (indirect)	19.4	19.4	18.4	18.2	17.5	16.4
	Total gross emissions	23.4	23.1	20.9	20.3	19.2	18.4
	Total net emissions	23.4	23.1	20.9	20.3	19.2	18.4
Related energy consumption (million kWh)	Electricity: Non-renewable	34.4	34.5	33.3	32.9	31.3	29.2
	Gas	14.7	12.5	9.4	10.7	9.0	10.6
	Gas Oil	4.5	4.1	2.9	3.6	3.0	3.5
	Other	-	-	-	-	-	-
Financial indicators (£million)	Expenditure on energy	2.9	2.8	3.1	3.2	3.3	3.2
	CRC license expenditure (2011-12 onwards)	-	-	0.3	0.2	0.3	-
	Expenditure on official business travel	0.8	0.5	0.5	0.5	0.6	0.6

The British Library has a target to reduce its greenhouse gas emissions by 25% by 2015 from a 2009/10 baseline, for our estate and for business-related transport. At the end of this period net emissions have reduced by 21%.

The new tri-generation plant in the National Newspaper Building has increased consumption of gas but has led to reduced electricity consumption via on-site generated electricity. This has far lower emissions than the grid supplies. We installed new, very high efficiency chillers in St Pancras in 2013/14, which are used in part-load conditions instead of the main chillers resulting in reduced

energy use. Oil use increased during the year due to the need to use oil powered generators, due to a major power outage at the Boston Spa site, whilst remedial works were completed.

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



Waste

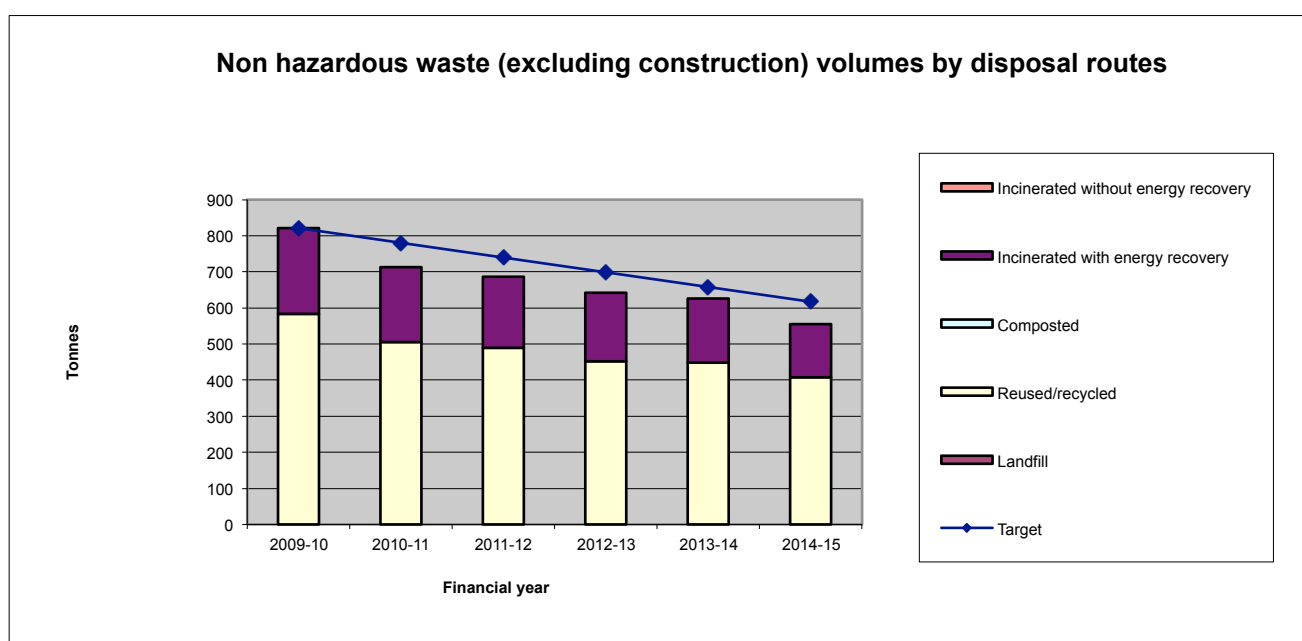
Waste		09-10	10-11	11-12	12-13	13-14	14-15
Non-Financial indicators (tonnes)	Hazardous waste						
	Total	1.1	37.4	90.0	164.0	39.6	60.0
	Non-hazardous waste						
	Construction waste to landfill	-	-	2,509.6	27.6	27.5	64.4
	Landfill	-	-	-	-	-	-
	Reused/recycled	582.9	505.1	518.0	997.0	448.1	408.1
	Composted	-	-	-	-	-	-
	Incinerated with energy recovery	239.2	208.5	197.8	190.7	178.2	147.7
Incinerated without energy recovery	-	-	-	-	-	-	
Total waste		823.1	751.0	3,315.4	1,379.3	693.5	680.2

For the last five years, the British Library Estates team has been working to achieve the government's target of a 25% reduction in the total weight of waste produced by 2015, against the 2009/10 baseline figure of 822 tonnes (excluding hazardous and construction waste).

By the end of 2014/15, with the waste total standing at 556 tonnes, the rate of reduction was 32%, well in excess of the 25% reduction target set.

Over the year 2014/15 we have increased the percentage of waste recycled to 71.6% (against a target of 70%). Waste which is not recycled is incinerated for energy generation. No waste is sent to landfill.

During 2011/12 the Library was engaged in major construction work on a new building which was reflected in the increase of construction waste. The Library has also had to undertake an asbestos removal programme at its Boston Spa and Colindale sites ending in 2014/15 which is reflected in the increased hazardous waste figures for the last four years.



Water Usage

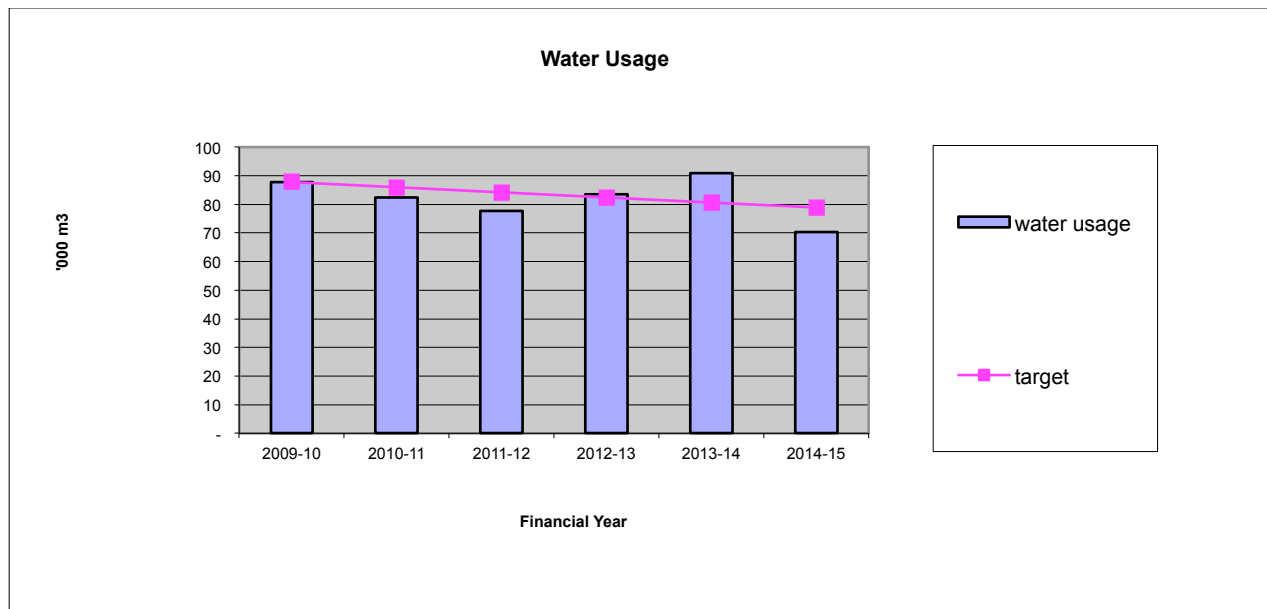
Finite Resource Consumption		09-10	10-11	11-12	12-13	13-14	14-15
Non-Financial indicators ('000m3)	Water consumption	87.7	82.5	77.7	83.5	91.0	70.3
	Supplied	-	-	-	-	-	-
	Abstracted	-	-	-	-	-	-
Financial indicators (£thousand)	Water supply costs	179.8	155.4	152.3	182.3	184.9	171.8
	Collected	-	-	-	-	-	-

The British Library has a target to reduce water consumption by 10% from a 2009/10

baseline. Consumption in 2013/14 included a one-off increase due to the project works associated with installing energy saving plant which required the drainage and refilling of the cooling systems in St Pancras.

Office benchmarks for water consumption and reduction are not suitable for St Pancras, as approximately 60% of water used is for cooling of Reading Rooms, collection storage areas, public exhibition spaces and the Conference Centre despite this we have achieved a 20% reduction in water consumption over the target period, mainly attributable to the use of new, highly efficient chillers in St Pancras.

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



Reference and Administrative Details

The following organisations were the Library's principal suppliers of professional financial, legal and investment services during 2014/15:

Lloyds Bank

39 Threadneedle Street
London EC2R 8AU

Barclays Bank

49 High Street
Stockton-on-Tees
TS18 1AH

Government Banking Service

C/O Citi
Citigroup Centre
London E14 5LB

Comptroller and Auditor General

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

Legal and General Investment Manager

One Coleman Street
London EC2R 5AA

Government Legal Department (formerly Treasury Solicitor)

1 Kemble Street
London WC2B 4TS

REMUNERATION REPORT

Remuneration Policy

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

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

11. The current members of the Remuneration Committee during the year under review were:

Members: Baroness Blackstone
David Barclay
Professor Kate McLuskie (until 31st March 2015)

By invitation: Roly Keating, Chief Executive,

In attendance: Dawn Whelan-Smith, Head of Strategic HR;
Andy Stephens, OBE, Board Secretary and Head of International Engagement

In reaching its decisions, the Committee considers:

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

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

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

All members of the Executive Team waived their contractual bonus payments for 2013/14 (payable 2014/15). For 2014/15 the annual pay award for all staff, including the Chief Executive and the Executive Team, was 1.5%.

Service Contracts

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

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

Remuneration and pension entitlements (audited)

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

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

No benefits in kind were received by the Executive 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 2014/15 was £145k-£150k (2013/14 £140-£145K). This was 5.79 (5.66 2013/14) times the median remuneration of the workforce, which was £25,492 (£25,194 2013/14).

In 2014/15, no employees received remuneration in excess of the highest paid director. Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include employer pension contributions and the cash equivalent transfer of pensions.

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

Remuneration for non-pensionable Board Members (audited):

	2014/15	2013/14	Term Start Date	Term End Date
	£000	£000		
Rt Hon Baroness Blackstone PC	37.0	37.0	01/09/10	31/08/18
Ms Dawn Airey (until 25/9/13)	-	4.4	01/04/11	31/03/15
Mr David Barclay	9.1	9.1	26/01/11	25/01/19
Dr Robert Black CBE	9.1	9.1	20/06/12	19/06/16
Sir Kenneth Calman KCB	9.1	9.1	01/04/11	31/03/15
Lord Fellowes GCVO	9.1	9.1	30/09/12	11/12/16
Professor Dame Wendy Hall DBE	9.1	9.1	01/01/11	31/03/15
Dr Michael Lynch OBE (until 24/5/14)	1.5	9.1	26/01/11	24/05/14
Professor Kate McLuskie	9.1	9.1	01/04/11	31/03/15
Dr Stephen Page	9.1	9.1	26/01/11	25/01/19
Mr Patrick Plant (wef 15/5/12)	9.1	9.1	15/05/12	14/05/16
Dr Maggie Semple OBE	9.1	9.1	01/04/11	31/03/15
	120.4	132.4		

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

During the year, a total of £4,936 (£5,216 in 2013/14) was paid to seven (five in 2013/14) Board members for travel expenses.

Remuneration and Pension Details for the Executive Team (Audited)

	Salary £'000		Bonus Payments £'000		Pension Benefits ¹ £'000	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
Baroness Tessa Blackstone, Chairman	35-40	35-40	-	-	-	-
Roly Keating, Chief Executive	145-150	140-145	-	-	54	56
Richard Boulderstone, Chief Digital Officer	120-125	120-125	-	-	53	36
Steve Morris, Chief Financial Officer	125-130	125-130	-	-	56	5
Philip Spence, Chief Operating Officer	135-140	135-140	-	-	44	44
Frances Brindle, Director	115-120 (FTE 120-125)	120-125	-	-	49	48
Caroline Brazier, Director	120-125	115-120	-	-	32	61
Mary Canavan, Director (until 6/6/13)		130-135 (FTE 105-110) ²		10-15		-1

No bonuses were paid to the Executive Team in 2014/15. In 2013/14 one director received a non - consolidated bonus.

¹ The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

² The 13/14 in year remuneration for M Canavan is made up of salary £15-20k, annual leave payment £0-5k, CILON (compensation in lieu of notice) £20-25k and voluntary exit scheme payment £88,588

	Accrued Pension at pension age as at 31/3/15 £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/3/15 £'000	CETV at 31/3/14 £'000	Real increase in CETV £'000
Roly Keating, Chief Executive (wef 12/9/12)	5-10	2.5-5	110	63	29
Richard Boulderstone, Chief Digital Officer	45-50	2.5-5	872	766	48
Steve Morris, Chief Financial Officer	75-80	2.5-5	1,345	1,234	48
Philip Spence, Chief Operating Officer	20-25	2.5-5	303	251	30
Frances Brindle, Director	15-20	0-2.5	202	162	25
Caroline Brazier, Director	15-20 plus lump sum of 55-60	0-2.5 plus lump sum of 7.5-10	407	355	29

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

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially - assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits 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
July 2015

Roly Keating
Chief Executive and Accounting Officer
July 2015

STATEMENT OF TRUSTEES' AND DIRECTORS' RESPONSIBILITIES

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

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

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

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

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

Rt Hon Baroness Blackstone PC

Chairman
July 2015

Roly Keating

Chief Executive and Accounting Officer
July 2015

GOVERNANCE STATEMENT

The British Library Board – Operation and Membership

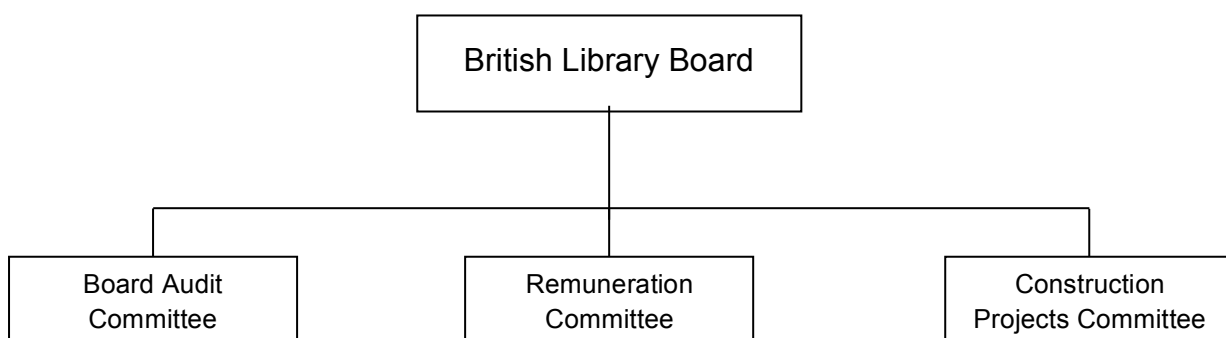
The British Library Act 1972 places the British Library under the control and management of the British Library Board, the duty of which is to manage the Library as a national centre for reference, study and bibliographical and other information services, in relation both to scientific and technological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

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

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

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

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



The Board has not established a nominations and governance committee. Instead, the non-executive members of the Board hold an annual private meeting session to facilitate self-assessment and review, needs assessment and succession planning, development needs assessment, and agenda planning. At the Board's annual private meeting session in May 2014, members discussed the findings of the annual Board effectiveness review, and also considered the expertise, skills, and experience needs of the Board in advance of the public appointments process for the six new members to be recruited later in the year.

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

[<http://www.bl.uk/aboutus/governance/blboard/subsc.pdf>]

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:

[<http://www.bl.uk/aboutus/governance/blboard/BLRG15-02.pdf>].

British Library Board Membership 1 April 2014 – 31 March 2015

Chairman

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

Members

Sir Kenneth Calman KCB DL MD FRCP FRCS FRSE (Chair, National Trust for Scotland and Chancellor, University of Glasgow). Deputy Chairman. Was appointed 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. [*Sir Kenneth completed his second four-year term on 31 March 2015*]

Roly Keating (Chief Executive, The British Library)

David Barclay (formerly non-executive Deputy Chairman of John Lewis Partnership plc) Was appointed to the Board for his experience in corporate business leadership. He chairs the Board Remuneration Committee. [*Mr Barclay was re-appointed during the year under review and his second, four-year term of appointment expires on 25 January 2019*]

Robert Black CBE FRSE (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. He chairs the Board Audit Committee. *[Mr Black's first, four-year term of appointment expires on 19 June 2016]*

The Rt Hon Lord Fellowes GCB GCVO QSO PC (After retiring from the post of Private Secretary to HM The Queen, he served as Chairman of Barclays Private Bank and as a non-executive director of SAB Miller plc) Was appointed to the Board by HM The Queen. *[Lord Fellowes was re-appointed during the year under review and he will now complete his appointment on 11 December 2016.]*

Professor Dame Wendy Hall DBE, FRS, FEng (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 completed her second four-year term on 31 March 2015]*

Dr Mike Lynch OBE *[resigned 24 May 2014]* (formerly the Chief Executive of Autonomy Corporation plc) Was appointed to the Board for his extensive experience of the digital content industry.

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 completed her second four-year term 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 was re-appointed during the year under review and his second, four-year term of appointment expires on 25 January 2019]*

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 of appointment 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 completed her second four-year term on 31 March 2015]*

Secretary to the Board

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

On the 27th March 2015 the following new Board members were appointed:

Jonathan Callaway BA ACIB JP (a senior banker with over 30 years' experience in the banking industry). *[Mr Callaway was appointed for a term of four years commencing 1 April 2015]*

Tracy Chevalier FRSL (historical novelist, best known for her second novel, [Girl with a Pearl Earring](#)). *[Ms Chevalier was appointed for a term of four years commencing 1 April 2015]*

Martin Dickson (formerly Deputy Editor and US Managing Editor of the Financial Times). *[Mr Dickson was appointed for a term of four years commencing 1 April 2015]*

Sir John Ritblat FRICS FSVA (formerly Chairman and CEO of The British Land Company PLC and Chairman of both the Wallace Collection and the London Business School). *[Sir John was appointed for a term of four years commencing 1 April 2015]*

Dr Simon Thurley CBE (formerly Chief Executive of English Heritage and Director of the Museum of London). *[Dr Thurley was appointed for a term of four years commencing 1 April 2015]*

Prof Dame Helen Wallace DBE CMG FBA (Foreign Secretary, British Academy, and formerly Emeritus Professor, London School of Economics and Political Science). *[Dame Helen was appointed for a term of four years commencing 1 April 2015]*

Highlights of the coverage of the work of the Board during 2014/15 are set out below:

- The Board oversaw preparation of [Living Knowledge: the British Library 2015-2023](#). It gave consideration to the strategic issues surrounding the development of the St Pancras Campus and it approved a People Strategy.
- The Board approved the Library's annual Corporate Financial Plan and Corporate Business Plan and during the year it received regular reports on the Library's financial performance and on progress towards the milestones deliverables and targets in the Corporate Business Plan. The Board reviewed the Strategic Risk Register and approved changes to the Library's Management Policy and Strategy.
- The Board received reports on: reading room performance; complaints and complaint handling; the Public Lending Right; the development of the Library's partnership with the Qatar Foundation; and content licensing.

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 and was generally effective with sound processes. The survey also confirmed that Board members agreed or strongly agreed that they receive timely and accurate information for all areas for which they are responsible and have confidence in the robustness of that data. Internal Audit provides assurances on the quality of management information through individual audit reviews as part of the cyclical 3 year programme.

The Library complies with the requirements of [corporate governance in central government departments: Code of good practice 2011](#) as adapted to the circumstances of the Library as a Non Departmental Public Body.

British Library Board Audit Committee

The Board Audit Committee is to comprise at least three non-executive members of the Board, one of whom acts as Chair of the Committee. Membership during 2014/15 was:

Sir Kenneth Calman (Chair until June 2014)
David Barclay
Robert Black (Chair from July 2014)
Lord Fellowes
Stephen Page

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

The Board Audit Committee (BAC) has written terms of reference that are available on our website. The Committee's purview extends to all the operations within the British Library, including the preparation of the Library's financial accounts and its systems of internal control and risk assessment and management. BAC approves the 3-year Internal Audit Plan, it reviews the audit reports and it monitors progress in implementation of recommendations. It also advises the Board on the appointment of the institution's internal auditors. BAC receives reports on the External Audit, it monitors progress in implementation of actions arising, and it recommends the adoption of the Annual Accounts by the Board for signature by the Chief Executive and Chairman. BAC reviews the Library's Strategic Risk Register at each of its meetings and the Directorate and Programme Risk Registers are reviewed over a three-year cycle. The Chief Executive, the Chief Operating Officer and the Chief Financial Officer attend the meetings together with, when appropriate, other executive directors and further executives of the Library. The Board Audit Committee also meets the Internal Auditors and the External Auditors without members of the Executive present. During 2014/15, the Board Audit Committee met four times to discharge its responsibilities.

During the course of its work in 2014/15, the Audit Committee did not identify any particular issues that it wished to draw to the attention of the Board and/or Accounting Officer.

Remuneration Committee

The Remuneration Committee comprises at least three non-executive members of the Board, one of whom acts as Chair of the Committee. Membership during 2014/15 was:

David Barclay (Chair)
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 2014/15, the Remuneration Committee met once to discharge its responsibilities.

Further details of the work of the Committee are given in the Remuneration Report on pages 34 to 39 of the Annual Report and Accounts.

Construction Projects Committee

The Construction Projects Committee is a limited-life committee with 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 2014/15 was:

Patrick Plant (Chair)
 Professor Kate McLuskie
 Roly Keating
 Member with relevant professional experience: Paul Goffin, Director of Estates, University of Oxford

The role of the Construction Projects Committee is to assist the Board to satisfy itself as to the adequacy and effectiveness of the arrangements for project management of the Library’s multi-million pound construction projects. During 2014/15, the Committee met twice to discharge its responsibilities. During the year under review, the main focus of the Committee’s oversight was the Newspaper Programme.

Meeting Attendance

Board and Other Board Committees Meeting attendance, 2014/15				
	Board	Audit	RemCo	CPC
Baroness Blackstone	5/5		1/1	
Sir Kenneth Calman	5/5	2/2		
David Barclay	5/5	4/4	1/1	
Robert Black	5/5	4/4		
Lord Fellowes	4/5	4/4		
Dame Wendy Hall	4/5			
Roly Keating	5/5			2/2
Prof Kate McLuskie	5/5		1/1	2/2
Stephen Page	4/5	4/4		
Patrick Plant	5/5			2/2
Maggie Semple	2/5			
Berenice Smith *		4/4		
Paul Goffin **				2/2

* Berenice Smith (Non Executive Director and Chair of Audit Committee, Bettys & Taylors of Harrogate) is Member with relevant professional experience, Board Audit Committee.

** Paul Goffin (Director of Estates, University of Oxford) is Member with relevant professional experience, Construction Projects Committee.

RISK MANAGEMENT 2014/15

Internal Control Framework

The Chairman is responsible to the Secretary of State for ensuring that the Library fulfils its statutory purpose as set out in its founding legislation, that it complies with charity law, that where relevant the British Library policies are consistent with those of the Secretary of State, and that the British Library's affairs are conducted with probity. In preparing the annual Governance Statement, the Board assesses the risks facing the Library and satisfies itself that the risk management and internal control systems are effective. The Accounting Officer is personally responsible for the Governance Statement and for making sure that a sound system of internal control exists and is maintained, and that the public funds and assets for which he is personally responsible are safeguarded in accordance with the responsibilities assigned in Managing Public Money, and for ensuring compliance with the requirements of the British Library's Management Statement and Financial Memorandum.

During 2014/15 the Library has undertaken a strategic level restructure and has realigned its internal controls through a review of its decision making groups. This has resulted in a new governance framework with effect from June 2015, which incorporates three specific strategic leadership groups who will each provide more focussed insights into business performance; major programmes and projects; and audit and risk.

Risk Framework

The British Library adheres to a Risk Management Policy Framework, endorsed by the Board, which, in line with the risk standard, ISO 31000, lays out its policies and procedures for managing risk.

This framework meets the requirements of the HM Treasury guidance on Management of Risk – A Strategic Overview (“The Orange Book”) and it is enhanced by any other identified best practice. It outlines the roles and responsibilities in managing risks and includes a statement of the Library's risk appetite. 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 identified and assessed. The British Library draws a clear distinction between strategic risks and operational risks. Operational risks are held within risk registers within the portfolios of each of the Directors where they are regularly reviewed by each management team. At the end of each financial year each Director is required to complete a declaration that they have reviewed and are managing all identified risks. If warranted operational risks may be escalated to the Strategic Risk Register. Strategic Risks are defined 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:

- Annually by the Board;
- Annually by the Strategic Leadership Team;
- By the new Audit and Risk Group at each of its meetings; and
- By the Board Audit Committee at 3 of its 4 annual meetings

This Risk Framework reflects the changes resulting from the strategic restructure of autumn of 2014 and to be effective from April 2015. The change from four separate Divisions has resulted in the migration of operational risks to the portfolios of the Chief Librarian and the Chief Operating Officer and a review of the ownership of all risks held on the Strategic Risk Register.

The changing structure of the British Library in 2014 and 2015 will be reflected in the arrangement of the Library's risk structure. The risks previously shared by the four divisions will migrate to appropriate owners within the new portfolios that undertake the Library's activities in achieving the objectives outlined in "Living Knowledge".

Managing Risk

The Library aims to manage risk to the risk appetite levels agreed by the Board rather than to eliminate all risks to achievement of its policies, aims and objectives. The system of internal control is based on an on-going process designed to identify and evaluate the likelihood of risks and the impact should they be realised, and to manage them efficiently, effectively and economically. This system of internal control has been in place in the British Library for the year ended 31 March 2015 and up to the date of the approval of the Annual Report and Accounts, and it accords with HM Treasury guidance.

Assessment of Principal Risks during the year

We are currently reviewing our risk register in light of our new Living Knowledge purposes with those risks worthy of note including:

- ***'The Library does not develop an effective and appropriate digital strategy'***. One of our key imperatives is to continue to develop our digital capabilities and capacity to ensure the Library continues to keep pace with the volume of digital content, keeping it safe and secure, so that we are able to deliver the next generation search, discovery and access services to our rapidly growing audiences.
- ***'The Library fails to diversify funding or gain advantage by doing so'*** remains high on our register and major mitigations are intended through the delivery of Living Knowledge initiatives, most notable being the St Pancras Transformed Programme and the development of a commercial strategy.
- ***'The Library does not adequately protect its assets including collections, property and systems'*** has been further developed with the refinement of Collection Risk Appetite levels, for physical and digital items. The Library is aware of the risks facing its digital collections and the effectiveness of curation

of digital collection items is clearly a factor that will contribute to how researchers discover digital content in the future. It is an appreciation of the risks surrounding digital preservation that has committed the Library to the development of the Save Our Sounds Programme within Living Knowledge.

Business Continuity Management

Business Continuity Management (BCM) is an established part of the Library's preparations for managing risk, whether from internal system failures or from external emergencies.

The British Library bases its BCM on the framework guidance laid out in ISO 22301 Societal Security – Business Continuity Management systems. Effectiveness is confirmed by completion of crisis management exercises which test our business continuity arrangements at both tactical and strategic levels, with the most recent taking place in April 2015.

Health and Safety

The Health and Safety (H&S) 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 H&S team concentrate on the substantive cultural change from reactive to proactive management of H&S within the Library. They provide an internal focus on improving the efficiency of the H&S team as a service provider to the organisation by further enhancing the quality and utility of support systems, the provision of more immediate and timely data support to managers, and better communication of H&S matters.

Over the last 12 months across all Library sites, the Health and Safety team has provided ten different types of staff training courses that have been attended by 1,451 colleagues. During this period the number of accidents involving members of staff was 44 (64 during 13/14), the total number of accidents involving non-staff members (visitors, contractors, etc.) for the same period was 27 (35 during 13/14).

Managing Information risk

The Senior Information Risk Owner (SIRO) at the Library is supported by its Corporate Information Governance Group covering information compliance, information management and information security.

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

- Freedom of Information and support of the Government's Transparency agenda.
- Data Protection, especially in respect of use of personal data across our collections and customer databases, including working with our suppliers and partners.
- Information Management through continued improvement in our records management.
- Information Security policy is now aligned with ISO 27001/2 and organisational wide online training was refreshed and rolled out in 2014/15.

- Improved handling of credit card data, including compliance with the Payment Card Industry Data Security Standard v2.0.

Capacity to handle risk

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

- **Assurance through Internal audit reviews to confirm robust controls.**

For the twelve months ending 31 March 2015, 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 plan is produced following discussions with our strategic leadership teams; a review against Living Knowledge purposes and our Corporate Business Plan; the Library's risk profile; and taking into account changes in the external environment.

The British Library has a proactive approach to Internal Audit, seeking out imperfections which can be improved upon and ensuring the full and efficient implementation of all agreed recommendations, rather than seeking to only be assured of good controls in the routine areas of our work. This approach has significantly increased levels of engagement, transparency and accountability throughout the organisation.

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

- positive assurances in risk based and core assurance reviews;
- internal audit attendance at and engagement with Board Audit Committee alongside Risk Management as a regular agenda item;
- internal audit engagement with Strategic Leadership Teams via regular meetings where the management of risks is regularly discussed; and
- regular reviews between Internal Audit and our Head of Planning and Compliance to ensure that the reviews continue to align to those key activities set out in our Corporate Business Plan.

- **Providing assurance across programmes and projects**

The Library has embedded portfolio management of its programmes and projects through the roles of Project Portfolio Managers. During the year assurance was provided to our Executive Leadership Team, acting as the portfolio board in line with Major Projects Authority (MPA) principles of the Gateway Review Process and the frameworks of PRINCE2 and Managing Successful Programmes (MSP) and during April 2015 our Newspaper Strategy Programme received a GREEN rating from an externally led OGC Gate 5 Operations Review and Benefits Realisation. With effect from April 2015 portfolio management will be undertaken by the new Major Programmes and Projects group who will actively manage against the baselines agreed during business planning. Our corporate business plan for 2015/16 recognises the

need for transformational change as we seek to deliver our purposes outlined in Living Knowledge. The Library's Planning and Compliance team is working with colleagues across the portfolio of programmes and projects to ensure value is clearly demonstrated through robust benefits, risks and resource management and learnings are actively shared.

- **Efficiency reviews**

The Library continues to undertake continuous improvement activities across the organisation as well as a number of restructuring and re-alignment exercises following on from voluntary exit programmes. One area of significant continuous improvement during 2014/15 has been Employee Services who have sought to utilise core systems functionality; reduce manual entry and double handling; and improve exception reporting in order to improve efficiency whilst simultaneously reducing the risks of error. Further changes will continue into 2015/16.

Review of effectiveness of the system of internal control

Alongside the activities and responsibilities set out above, the Accounting Officer gains additional assurance from:

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.

Strategic Leadership Team – The Strategic Leadership Team is responsible for operational and change management and for managing risks in each of their respective areas of responsibility and for championing risk management. Strategic Leaders further 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 and that they are accountable for delivery of the Library's Purposes via the Corporate Business plan.

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 Finance Manager and their line manager.

All staff are required to complete a Register of Business Interest declaration on taking up employment with the Library. There is a requirement on all staff to declare any subsequent changes with strategic leaders also required to make an annual declaration.

Rt Hon Baroness Blackstone PC
Chairman
July 2015

Roly Keating
Chief Executive and Accounting Officer
July 2015

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 2015 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 Statement of Trustees' and Directors' 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on Regularity

In my opinion, in all material respects, the 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 2015 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 made under the British Library Act 1972; and
- the information given in the Governance Statement, Financial Review and Sustainability Report sections of the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse
Comptroller and Auditor General

Date

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 2015

	Notes	Unrestricted funds	Restricted funds	Total 2014/15	Total 2013/14
		£000	£000	£000	£000
Incoming resources					
Incoming Resources from generated funds					
Voluntary Income	2	216	8,715	8,931	14,993
Investment Income	4	207	500	707	623
Incoming Resources from Charitable Activities					
Provision of Services	3	14,554	798	15,352	13,980
Other Incoming Resources					
Grant in Aid	5	93,893	-	93,893	95,106
Total incoming resources		108,870	10,013	118,883	124,702
Resources Expended					
Costs of Generating Funds					
Costs of generating voluntary income		493	-	493	553
Investment Management costs		5	20	25	19
Charitable Activities:					
Access		27,915	609	28,524	32,115
Content / Acquisitions		36,023	1,925	37,948	46,151
Developments		8,150	485	8,635	16,530
International		1,067	3,572	4,639	2,708
Navigation		15,917	1,571	17,488	18,831
Public Engagement		9,645	1,327	10,972	10,056
Web		3,474	43	3,517	3,616
Public Lending Right to Authors		6,030	-	6,030	6,190
Governance Costs		644	25	669	635
Total resources expended	6	109,363	9,577	118,940	137,404
Net (outgoing) / (incoming) in resources before transfers		(493)	436	(57)	(12,702)
Transfer between funds	17	32	(32)	-	-
Net (outgoing) / incoming resources before recognised gains and losses	6	(461)	404	(57)	(12,702)
Other Recognised gains / (losses)					
Unrealised gain / (loss) from fixed asset investments	11	272	841	1,113	358
PLR reserve transfer in		-	-	-	82
Revaluation of fixed assets	9	643,954	-	643,954	28,429
Gain from sale of assets		-	-	-	8,814
Net movement in funds		643,765	1,245	645,010	24,981

Reconciliation of Funds				
Fund balances brought forward at 1 April	689,026	19,211	708,237	683,256
Fund balances carried forward at 31 March	1,332,791	20,456	1,353,247	708,237

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 59 to 91 form part of these accounts.

The British Library Board
Balance Sheet as at 31 March 2015

	Notes	2014/15	2013/14
		£000	£000
Fixed assets			
Intangible assets	8	10	446
Tangible assets	9	1,236,526	597,675
Heritage assets	10	63,915	61,616
Investments	11	21,317	13,921
Total fixed assets		1,321,768	673,658
Current assets			
Stocks	13	1,033	808
Debtors and prepayments	14	10,001	15,561
Short Term Deposits	15	30,000	-
Cash at bank and in hand	15	12,683	47,667
Total current assets		53,717	64,036
Current liabilities			
Creditors: amounts falling due within one year	16	(21,819)	(25,265)
Provisions: amounts falling due within one year	20	(392)	(4,152)
Total current liabilities		(22,211)	(29,417)
Net current assets		31,506	34,619
Total assets less current liabilities		1,353,274	708,277
Provision for liabilities and charges falling due after 1 year	20	(27)	(40)
Net assets		1,353,247	708,237
Represented by:		£000	£000
Income funds			
Restricted funds	17	20,456	19,211
Public Lending Right		71	82
Unrestricted funds:			
Fixed Asset reserves	17	399,161	401,877
Revaluation Reserve	17	873,202	229,954
Donated Asset reserve	17	28,088	27,906
Designated Funds	17	6,054	5,728
General funds	17	26,215	23,479
Total funds		1,353,247	708,237

The notes on pages 59 to 91 form part of these accounts.

The financial statements on pages 54 to 58 and accompanying notes on pages 59 to 91 were approved by the Board/Trustees on 25 June 2015, and were signed on their behalf by:

Rt Hon Baroness Blackstone PC
Chairman
July 2015

Roly Keating
Chief Executive and Accounting Officer
July 2015

The British Library Board
Cash Flow Statement for the year ended 31 March 2015

	2014/15	2013/14
	£000	£000
Reconciliation of net movement in funds to net cash inflow from operating activities		
Net movement in funds	(57)	(12,702)
Depreciation	9,710	15,437
Donated Assets	(182)	(3,303)
(Gain) / Loss on asset disposals	188	
Impairment of National Newspaper Building	-	1,443
Investment Income	(707)	(623)
Provision for liabilities and charges greater than one year	(13)	(69)
(Increase) / Decrease in stocks	(225)	(75)
Decrease / (Increase) in debtors	3,376	(71)
(Decrease) / Increase in creditors and provisions less than one year	(7,206)	4,448
Transfer of Public Lending Right Reserve		82
Net cash inflow from operating activities	4,884	4,567
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(790)	(879)
Purchase of tangible fixed assets	(3,569)	(8,011)
Purchase of heritage assets	(2,117)	(3,593)
Purchase of investments	(6,283)	(403)
Proceeds from sale of asset	2,184	12,000
Net cash outflow from capital expenditure and financial investment	(10,575)	(886)
Returns on Investments and Servicing of Finance		
Investment income	707	623
Net cash inflow from returns on investments and servicing Finance	707	623
(Decrease) / Increase in cash in the year	(4,984)	4,304
Reconciliation of net cash flow to movement in net funds		
Increase in cash in the year	(4,984)	4,304
Net funds as at 1 April	47,667	43,363
Net funds as at 31 March	42,683	47,667

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

Notes to the Accounts

1. ACCOUNTING POLICIES

a) Accounting convention

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

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

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

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

b) Incoming resources

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

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

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

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

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

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

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

c) **Taxation**

The British Library Act 1972 states that ‘the Board shall be a body corporate and that, for the purposes of the Charities Act 1960, the Board shall be an exempt charity’. The British Library enjoys exemption under the Income and Corporation Taxes Act 1988 for profits from primary purpose trading activities as an exempt charity. Income from profits on non-primary purpose activity is subject to Corporation Tax at the prevailing rate.

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 6.

d) **Valuations**

In accordance with FRS15, regular professional valuations of land and property and structural plant and machinery assets 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.

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

e) **Fixed assets**

The threshold for capitalising assets is £10,000.

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

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

An overview of the scope of the British Library Collections is set out at Note 10 on page 72.

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

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

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

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

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

f) Government grant

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

g) Stocks

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

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

h) Foreign currencies

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

i) **Operating leases**

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

j) **Fund accounting**

The British Library has the following category of funds:

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

Transfer between funds will occur when Library or Restricted funds services are utilised by an opposite category of fund. Transfers may also occur during the purchase of tangible and heritage assets if a restricted fund is to contribute to the purchase. These transfers are reflected in the transfer column in note 17 on page 82.

k) **Financial Instruments**

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

Financial Assets

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

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

Financial Liabilities

Trade creditors are short - term and are stated at carrying value in recognition that these liabilities fall due within one year. Customer deposits are stated at cost and are

repayable on demand. Provision for employees known to be leaving the organisation within one year under early retirement or early severance terms are accounted for under financial liabilities.

l) Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category, including an apportionment of overhead and support costs as shown in note 6 on page 66.

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

m) Provisions

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

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

n) Estimation Techniques

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

- Index linked revaluations, in the interim years between professional revaluations, the British Library's Land and Building and Plant and Machinery assets are revalued using an appropriate index provided by the Office for National Statistics.
- To establish that the correct costs are included in the correct period, it is assumed that, as over 96% of the Library's serial subscriptions operate on a calendar year renewal, the same allocation is applied to all serial expenditure.
- The financial statements include an accrual for outstanding holiday pay due to employees as at 31 March. The accrual is calculated by pro-rating remaining leave over the holiday calendar period and 31 March.

2. VOLUNTARY INCOME

	2014/15	2014/15	2014/15	2013/14
	£000	£000	£000	£000
	Unrestricted	Restricted	Total	
Donated Assets	182	-	182	3,303
Other Donations and UK Grants	34	8,033	8,067	8,966
EU Grants	-	682	682	2,724
Total Voluntary Income	216	8,715	8,931	14,993

The £0.68m received in EU grants relates to nine grants. The Library is the lead partner for one of these projects, therefore the Library receives the gross grant from the EU funding body for these projects and then distributes payment to other EU partners. In year the library made payments totalling £152k to the other EU partners.

3. PROVISION OF SERVICES

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

a) Classes of Business	2014/15	2013/14
	£000	£000
Access	6,278	6,720
Content / Acquisitions	77	164
Developments	321	687
International	1	-
Navigation	1,506	1,927
Public Engagement	5,383	3,683
Web	6	47
Other (Support)	1,780	752
	15,352	13,980
b) Geographical Segments	2014/15	2013/14
	£000	£000
United Kingdom	12,321	10,465
Overseas	3,031	3,515
	15,352	13,980

In the 2013/14 accounts the figures for Web and Public Engagement were transposed they have been corrected in the current year accounts.

4. INVESTMENT INCOME

	2014/15	2013/14
	£000	£000
Interest receivable	155	200
Dividends receivable	552	423
Total investment income	707	623

5. OTHER INCOMING RESOURCES

GRANT IN AID

Total Grant in Aid drawdown by the British Library Board was £93.9m, with £691k allocated for capital projects/improvements (£95.1m received in 2013/14, £97k for capital). The Library's Grant in Aid total also included £6.4m for the absorption of the Public lending right. This money is available for running costs, capital improvements and collection purchases.

6. NET COST OF RESOURCES EXPENDED

	Staff Costs	Other Direct Costs	Depre- ci- ation	Allocate d Support Costs	Total Cost	Income	Allocated Support Income	2014/15 Net Cost ³	2013/14 Total Net Cost
	£000	£000	£000	£000	£000	£000		£000	£000
Direct Costs									
Costs of Generating Funds	410	83	-	-	493	-	-	493	553
Investment Management Fees	-	25	-	-	25	-	-	25	19
Access	15,035	1,839	376	11,274	28,524	(6,807)	(191)	21,526	24,287
Content / Acquisitions	7,858	14,355	736	14,999	37,948	(2,943)	(254)	34,751	39,288
Developments	1,281	863	3,078	3,413	8,635	(876)	(58)	7,701	13,588
International Navigation	1,960	845	-	1,834	4,639	(3,804)	(31)	804	(759)
Public Engagement	9,386	1,190	-	6,912	17,488	(3,180)	(117)	14,191	15,484
Web Public Lending	2,142	4,470	23	4,337	10,972	(6,578)	(73)	4,321	5,050
Right to Authors	578	290	1,259	1,390	3,517	(54)	(24)	3,439	3,473
Governance Costs	155	514	-	-	669	-	-	669	635
	38,805	30,504	5,472	44,159	118,940	(24,242)	(748)	93,950	107,808
Support Costs									
Information Systems & Corporate Services	20,591	19,329	4,239	(44,159)	-	(748)	748	-	-
	59,396	49,833	9,711	-	118,940	(24,990)	-	93,950	107,808

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.

³ Net cost is calculated by deducting provision of services, donated and investment income from total expenditure

a) **Staff costs**

	2014/15			2013/14
	Library Staff £000	Agency £000	Total £000	£000
Wages & salaries	43,555	1,127	44,682	46,747
Social security costs	3,319	-	3,319	3,515
Employer Contributions	7,708	-	7,708	8,107
Voluntary redundancy/restructuring programme for former employees				
- In-year exit costs	3,398	-	3,398	2,934
	57,980	1,127	59,107	61,303
Board Members' remuneration	289	-	289	300
- see (i) on page 36	58,269	1,127	59,396	61,603

During the year, a total of £0.784m, (£1.563m 2013/14) of staff costs have been capitalised which equates to 17.3FTE. For the Digital Library Programme £0.594 of staff cost were capitalised, 13.1 FTE (£1.010m 2013/14) and for the Newspaper Storage Building £0.190m were capitalised, 4.2FTE (£0.553m 2013/14) 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	
	2014/15	2013/14	2014/15	2013/14
< £10,000	2	1	2	1
£10,001-£25,000	28	20	28	20
£25,001-£50,000	43	31	43	31
£50,001-£100,000	17	17	17	17
£100,001-£150,000	-	2	-	2
Total number of exit packages	90	71	90	71
Total Resource cost £	£3,231,440	£2,839,798	£3,231,440	£2,839,798

There were no compulsory departures in 2014/15 or 2013/14.

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

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

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

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

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

For 2014/15, employer's contributions of £7,617,123 were payable to PCSPS (2013/14 £8,025,117) at one of four rates in the range 16.7% to 24.3 % 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 2014/15 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees joining after 1 October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer's contributions of £90,559 were paid to one or more of the four appointed stakeholder pension providers (2013/14 £82,055). 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**

	2014/15	2013/14
	£000	£000
Fees and salaries	266	276
Social Security Costs	23	24
	289	300

The Board Members' remuneration shown on page 36 of the Remuneration Report includes all Board members, and the Chairman.

ii) **Senior employees**

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

	2014/15	2013/14
	No.	No.
£60,001 - £70,000	16	19
£70,001 - £80,000	8	10
£80,001 - £90,000	4	2
£90,001 - £100,000	2	-
£100,001 - £110,000	-	1
£110,001 - £120,000	-	1

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

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

	2014/15			2013/14
	Staff directly employed by the British Library	Agency	Total (FTE)	Total (FTE)
Audiences	125	4	129	112
Collections	560	7	567	317
Chief Executive's Office	10	-	10	9
Finance	177	2	179	178
Operations	598	12	610	975
	1,470	25	1,495	1,591

b) **Other direct costs**

	2014/15	2013/14
	£000	£000
Acquisitions for the collections	12,093	12,626
Research & Grants	619	714
Conservation and binding services	1,092	1,038
Administration, equipment, supplies and services	29,684	37,863
Non-recoverable VAT (net)	126	490
Loss on disposal of fixed assets	188	-
Author Payments	6,031	6,190
	49,833	58,921

The above table is exclusive of staff costs.

7. RESOURCES EXPENDED

This is stated after charging:

	2014/15 £000	2013/14 £000
External Auditors' remuneration	68	68
Rent on land and buildings	219	130
Lease/rental payments on equipment	347	310
Depreciation on fixed assets	9,711	15,437
Bad debt provision movement	22	36
Stock Provision movement	79	12

The auditors' remuneration is for the audit of the Annual Report and Accounts: there was no non - audit work performed during 2014/15, (nil in 2013/14).

8. INTANGIBLE ASSETS

	Development 2014/15 £000
Cost	
At 1 April 2014	2,460
Additions	790
Disposals	(656)
At 31 March 2015	2,594
Amortisation	
At 1 April 2014	2,014
Charge for year	1,226
Disposals	(656)
At 31 March 2015	2,584
Net Book Value at 31 March 2015	10
Net Book Value at 31 March 2014	446

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.

9. TANGIBLE FIXED ASSETS

a) Movements

	Land & Buildings	Plant & Machinery	Office Equipment	Motor Vehicles	Computer Equipment	AICC	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation							
At 1 April 2014	463,177	211,218	9,994	37	22,064	1,339	707,829
Additions	98	2,282	120	19	850	200	3,569
Transfers	-	-	-	-	1,324	(1,324)	-
Revaluation	467,749	133,024	-	-	-	-	600,773
Disposals	-	(2,009)	(37)	(18)	(1,976)	-	(4,040)
At 31 March 2015	931,024	344,515	10,077	38	22,262	215	1,308,131
Depreciation							
At 1 April 2014	16,080	69,976	9,350	32	14,716	-	110,154
Charge for year	1,232	3,305	203	6	3,738	-	8,484
Revaluation	(16,082)	(27,099)	-	-	-	-	(43,181)
Disposals	-	(1,846)	(37)	(18)	(1,951)	-	(3,852)
At 31 March 2015	1,230	44,336	9,516	20	16,503	-	71,605
NBV At 31 March 2015	929,794	300,179	561	18	5,759	215	1,236,526
NBV At 31 March 2014	447,097	141,242	644	5	7,348	1,339	597,675

Assets in the Course of Construction (AICC) represent work on the development of internal computer systems.

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

b) Valuations

The land and buildings as at 31 March 2015 include properties at Boston Spa valued at £59.312m on 31 March 2014 and one building, St Pancras, valued at £849m (including £266m of mechanical equipment that has been classified as Plant and Machinery) on 31 March 2015. In addition to the main St Pancras building, the Centre for Conservation at St Pancras was valued at £14.8m (including £4m of mechanical equipment that has been classified as Plant and Machinery) on 31 March 2015, for which title has been vested in the British Library Board.

Site		Land	Buildings	Totals
		£000	£000	£000
St Pancras – Main building	Freehold	253,970	849,227	1,103,197
St Pancras – Conservation Centre	Freehold	11,119	14,843	25,962
Boston Spa	Freehold	9,021	22,420	31,441
Boston Spa – Additional Storage Building	Freehold	-	22,226	22,226
Boston Spa- Newspaper storage building		-	13,719	13,719
		274,110	922,435	1,196,545

The St Pancras site including the Centre for Conservation at St Pancras was valued as at 31 March 2015 by Deloitte Real Estate Chartered Surveyors, using the 'Depreciated Replacement Cost' basis of valuation. The next revaluation is due 31/3/2020.

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

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

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

10. HERITAGE ASSETS

The British Library

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

Heritage Assets in the British Library

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

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

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

Preservation and management of the Library's assets

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

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

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

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

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

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

Acquisitions

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

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

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

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

Catalogues

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

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

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

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

British Library Collection Areas:

Arts and Humanities

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

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

Science, Technology and Medicine

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

Social Sciences

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

Specialist format collections

The Library holds many specialist format collections including:

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

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

Valuation of Heritage Assets

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

Heritage Assets Purchased										
	2014/15		2013/14		2012/13		2011/12		2010/11	
	Cost £'000	No. of Items	Cost £'000	No. of Items	Cost £'000	No. of Items	Cost £'000	No. of Items	Cost £'000	No. of Items
At 1 April	33,710	274	30,117	257	28,338	230	27,020	223	16,974	204
Additions	2,117	16	2,732	17	1,779	27	1,318	7	10,046	19
Transfers	-	-	861	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March	35,827	290	33,710	274	30,117	257	28,338	230	27,020	223
Heritage Assets Donated										
	2014/15		2013/14		2012/13		2011/12		2010/11	
	Valuation £'000	No. of Items	Valuation £'000	No. of Items	Valuation £'000	No. of Items	Valuation £'000	No. of Items	Valuation £'000	No. of Items
At 1 April	27,906	36	24,603	32	24,503	31	24,749	26	24,102	21
Additions	182	3	3,303	4	100	1	284	5	647	5
Impairment	-	-	-	-	-	-	(530)	-	-	-
At 31 March	28,088	39	27,906	36	24,603	32	24,503	31	24,749	26
Total at 31 March	63,915	329	61,616	310	54,720	289	52,841	261	51,769	249

11. INVESTMENTS

	2014/15	2013/14
	£000	£000
Market Value at 1 April	13,921	13,160
Acquisitions funded by dividends reinvested	526	403
Purchases at Cost	5,757	-
Unrealised Gain / (Loss)	1,113	358
Market Value at 31 March	21,317	13,921
Analysed by:	£000	£000
Listed Securities	21,070	13,847
Cash Trusts	247	74
	21,317	13,921
Geographical Analysis		
United Kingdom Investments	19,219	13,348
Overseas Investments	2,098	573
	21,317	13,921

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

12. FINANCIAL INSTRUMENTS

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

Credit Risk

The Library is exposed to credit risk of £2.1m of trade debtors. However this risk is not considered significant as major customers are familiar to the Library. The Library has recovered 99% of trade debtors over the last two years. Bad and doubtful debts are provided for on an individual basis. Write-offs in the year for bad debts amounted to £24k (£18k in 2013-14).

Liquidity risk

As around 79% 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 11 on page 77, and so is subject to some market risk. An unrealised gain of £1.1m has been recorded this year compared to a £0.4 gain in 2013/14. 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 2014/15, net foreign currency exchange gains of £110k were recognised (£151k loss in 2013/14). 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 0.3%, 20 basis points below 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 20 basis points below the Bank of England base rate at 0.3%.

	2014/15			2013/14	
	Floating/Fixed Rate	Cash Trusts	Listed Securities	Total	Total
	£000	£000	£000	£000	£000
Sterling	41,333	247	21,070	62,650	59,893
Dollar	616	-	-	616	1,307
Euro	631	-	-	631	262
Yen	103	-	-	103	126
Total	42,683	247	21,070	64,000	61,588

13. STOCKS

	2014/15	2013/14
	£000	£000
Stocks for resale	860	640
Raw materials	173	168
Total stocks	1,033	808

Stocks for resale comprise printed, microfiche, CD-ROM publications and exhibition related merchandise 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.

14. DEBTORS AND PREPAYMENTS

a)	2014/15	2013/14
	£000	£000
Amounts falling due within one year		
Trade debtors	2,119	1,602
Other debtors	2,339	2,514
Prepayments and accrued income	5,543	11,445
	10,001	15,561

For the purpose of the Whole of Government Accounts (WGA), there is a debtor with HM Revenue and Customs of £2.03m relating to the repayment of VAT.

b)

Intra Government Balances	£'000
Balances with central government bodies	2,047
Balances with local authorities	11
Balances with NHS bodies	2
Balances with public corporations and trading funds	-
Total of Intra Government Balances	2,060
Balances with bodies external to government	7,941
Total Debtors	10,001

15. a) CASH AT BANK, IN HAND AND SHORT-TERM INVESTMENTS

	2014/15	2013/14
	£000	£000
Restricted funds	5,365	5,166
Monies held on deposit for customers	3,253	3,362
Cash balances	23	16
General funds	34,042	39,123
	42,683	47,667

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

b) Analysis of change in net funds

	As at 1 April 2013	Cash Flows	As at 1 April 2014	Cash Flows	As at 31 March 2015
	£'000	£'000	£'000	£'000	£'000
Government Banking Services (GBS) cash at bank	4,367	(4,275)	92	(86)	6
Commercial cash at bank	38,981	8,578	47,559	(4,905)	42,654
Cash in hand	15	1	16	7	23
Total	43,363	4,304	47,667	(4,984)	42,683

16. CREDITORS

a)	2014/15	2013/14
	£000	£000
Amounts falling due within one year		
Trade creditors	4,817	5,702
Monies held on deposit for customers	3,253	3,362
Other creditors	2,764	3,272
Accruals	8,725	9,086
Deferred income	2,260	3,843
	21,819	25,265

For the purpose of the Whole of Government Accounts (WGA), there is a creditor with HM Revenue and Customs of £1.042m; this includes £0.504m NI contributions, £0.473m PAYE deductions retained by the Library as part of the PAYE process and £0.066m for Corporation Tax and a creditor with the Cabinet Office of £0.823m for pension contributions.

b)

Intra Government Balances	£'000
Balances with central government bodies	1,866
Balances with local authorities	22
Balances with NHS bodies	-
Balances with public corporations and trading funds	-
Total of Intra Government Balances	1,888
Balances with bodies external to government	19,931
Total Creditors	21,819

c) DEFERRED INCOME

	£'000
At 1 April 2014	3,840
Release from previous year	(3,840)
Incoming resources deferred in the current year	2,260
At 31 March 2015	2,260

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

17. STATEMENT OF FUNDS

	As at 1 April 2014	Transfers To / (From)	Expenditure	Incoming Resources	Unrealised Gains and (Losses)	As at 31 March 2015
	£000	£000	£000	£000	£000	£000
Unrestricted funds:						
General Funds	23,479	1,931	(107,746)	108,551	-	26,215
Designated Funds (Fixed Assets)	631,831	-	(3,454)	-	643,954	1,272,331
Public Lending right reserve	82	-	(11)	-	-	71
Designated Funds						
Shaw Fund	4,469	(24)	(6)	156	272	4,867
Collection Care Restoration Fund	459	-	(2)	2	-	459
Membership / General Donations	774	-	-	(85)	-	689
Others	26	(73)	22	64	-	39
Donated Asset Reserve	27,906	-	-	182	-	28,088
Total unrestricted funds	689,026	1,834	(111,197)	108,870	644,226	1,332,759
Restricted funds						
David and Mary Eccles Centre for American Studies	10,515	(12)	(300)	380	582	11,165
Dingwall No.2	1,390	-	(8)	45	93	1,520
Ginsburg Legacy	734	-	(33)	(2)	43	742
British Library Digitisation Campaign	573	-	-	(19)	-	554
Catalyst Endowment	207	-	-	282	13	502
Sir Henry Thomas	421	-	(4)	13	26	456
The MEDD Fund	392	-	(1)	7	22	420
Helen Wallis	-	(32)	(144)	581	-	405
Hebrew Manuscripts Project	-	(443)	(10)	821	-	368
British Library LABS Project	-	(1)	(136)	448	-	311
Chinese Central Asia Database	202	7	(279)	323	-	253
Skinner Legacy	293	-	(40)	1	-	254
Consolidated Endowment	239	-	(32)	26	3	236
The Sir John Ritblat Gallery: Treasures of the British Library	244	-	(11)	1	-	234
T S Blakeney	210	-	-	6	12	228
Legal Deposit Libraries Committee Project	-	-	-	212	-	212
Anthony Panizzi Foundation	181	-	(3)	6	13	197
Qatar project	-	(662)	(2,606)	3,462	-	194
The Jacob Fund	220	-	(29)	1	-	192
Business and IP Centre	171	(1)	(69)	89	-	190
C&P Restricted Fund	87	16	(47)	127	-	183
Early Printed Collections	169	(18)	13	1	-	165
English Online Project	-	(5)	(213)	376	-	158
Educational Projects	83	80	(13)	1	-	151
UK Pubmed	-	(1)	(193)	341	-	147
Social Sciences Restricted Fund	87	50	(5)	9	-	141
Spratt-Bigot Request	123	-	(1)	2	6	130
Bridgewater	108	-	-	3	7	118
Fitzgerald	100	-	-	3	6	109
Boult	100	-	-	2	4	106
Ginsburg Southeast Asia	107	(4)	-	-	-	103
Catalogue of Illuminated Manuscripts	81	-	-	20	-	101
Others	2,092	(470)	(1,910)	2,474	11	2,197
Other (deficit funds)	82	(338)	(1,701)	(29)	-	(1,986)
Total restricted funds	19,211	(1,834)	(7,775)	10,013	841	20,456
Transfer to unrestricted Fixed asset reserves	-	-	32	-	-	32
Total Funds	708,237	-	(118,940)	118,883	645,067	1,353,247

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

	As at 1 April 2014 £'000	Unrealised gains /losses under Fair Value £'000	As at 31 March 2015 £'000	Reserve / Fund net of Fair Value as at 31 March 2015 £'000	Reserve / Fund (including Fair Value) as at 31 March 2015 £'000
Eccles FVR	1,382	582	1,964	9,201	11,165
Shaw Fund	-	272	272	4,595	4,867
Dingwall No 2 FVR	219	93	312	1,208	1,520
Ginsburg Legacy	-	43	43	699	742
Catalyst Endowment	-	13	13	489	502
Sir Henry Thomas FVR	62	26	88	368	456
The Medd Fund	-	22	22	398	420
Consolidated Endowment FVR	8	3	11	225	236
T S.Blakeney FVR	28	12	40	188	228
Anthony Panizzi Foundation FVR	33	13	46	151	197
Spratt-Bigot Bequest	-	6	6	124	130
Bridgewater	16	7	23	95	118
Fitzgerald	14	6	20	90	110
Sir Adrian Boulton	10	4	14	92	106
Others FVR	25	11	36	2,160	2,196
Restricted Fair Value Reserve	1,797	1,113	2,910	20,083	22,993

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

Restricted funds are given to the Library for specific purchases for the collection or for projects that are related to the aims and objectives of the Library. Designated funds are monies which have been identified by the British Library Board for a specific purpose. All the funds with balances of over £100,000 at 31 March 2015 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 eleven 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 £32k. These assets have been transferred from the restricted funds reserve to the unrestricted fixed asset reserve.

The transfers of £1.8m 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.

Catalyst Endowment (RSW)

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

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.

Helen Wallis

Donations in memory of Helen Wallis (1925-1995) the first British Library Map Librarian. Primary purpose of the fund is to finance the Wallis fellowships.

Hebrew Manuscripts

Polonsky Foundation Grant funding for the digitisation of 1250 Hebrew Manuscripts from the British Library Collection.

British Library LABS (Digital Scholarship Initiative)

Funding received from the Andrea W Mellon Foundation, to achieve three transformational steps that will change the way the Library provides access to its

digital collections and enable scholars to research entire collections rather than just individual items.

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.

Skinner Legacy

A legacy from Dr Joyce Skinner to be used for conservation.

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.

The Sir John Ritblat Gallery: Treasures of the British Library

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

T S Blakeney

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

Legal Deposit Libraries Committee Project

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

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.

Qatar Fund

For the British Library and the Qatar Foundation to develop a long-term partnership to act as regional hubs delivering geographically scattered collections of archives and manuscripts relating to modern Gulf History and the development and transmission of scientific knowledge in the islamic world.

Jacob Fund

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

Business & IP Centre (BIPC)

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

Collection and Preservation Fund

Donations and grants to assist preservation.

Early Printed Collections

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

English On Line

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

Educational Projects

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

UK PUBMED Project

To fund a new online resource to promote free access to research and further biomedical discovery.

Social Sciences Restricted Fund

Fund to manage Social Sciences related projects and some incomes.

Spratt-Bigot Bequest

For the purchase of works in French by French authors.

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.

Fitzgerald Air Mail Fund

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

Sir Adrian Boult

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

Ginsburg Southeast Asia

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

Catalogue of Illuminated Manuscripts

Funding from various sources, Getty Foundation, AHRC to provide images for and cataloguing of illuminated manuscripts

18. REVALUATION RESERVE MOVEMENT

	£'000
At 1 April 2014	229,954
Arising in year	644,117
Realised	(681)
Backlog	(163)
Retirements	(25)
At 31 March 2015	873,202

19. COMMITMENTS UNDER OPERATING LEASES

Operating Leases which expire	Equipment
	£'000
Within one year	87
Two to five years	37
More than five years	-
Total	124

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 who have left and staff who are known to be leaving in 2015/16.

	2014/15		2013/14	
	Early Retirement /Severance Provision £'000	Other Liability and Charges £'000	Total £'000	Total £'000
At 1 April	106	4,086	4,192	1,400
Additional Provision	206	-	206	4,086
Release of Provision	-	-	-	-
Utilisation of Provision	(40)	(3,939)	(3,979)	(1,294)
At 31 March	272	147	419	4,192
Less: Provisions falling due within one year	(245)	(147)	(392)	(4,152)
Amounts falling due after one year	27	-	27	40

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

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total
	£000	£000	£000
Fund balances at 31 March 2015 are represented by:			
Intangible fixed assets	10	-	10
Tangible fixed assets	1,236,526	-	1,236,526
Heritage assets	63,915	-	63,915
Investments	6,210	15,107	21,317
Current assets	48,353	5,364	53,717
Current liabilities	(22,196)	(15)	(22,211)
Non-current liabilities	(27)	-	(27)
Total net assets	1,332,791,	20,456	1,353,247

22. CAPITAL COMMITMENTS

	2014/15	2013/14
	£000	£000
Contracted and not provided for	-	1,649
Authorised, but not contracted for	183	71

The capital commitment figures include Heritage Assets with sale agreement and lift upgrade work.

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 23 DCMS - sponsored bodies in relation to the lending of objects for exhibitions.

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

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

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

Related Party	Nature of Transaction	Income 2014/15 £000	Expenditure 2014/15 £000	Relationship
House of Lords	Conservation Work	2		Baroness Blackstone, Chairman of the British Library, and Lord Fellowes a member of the British Library Board are members of the related party.
University of Edinburgh	Document Supply Transactions	19	33	Robert Black CBE, a Board member of the British Library, is a member of the related party
University of Glasgow	Document Supply Transactions Eccles centre fellowship payment	41	1	Sir Kenneth Calman, Chancellor of the related party, is a Board member of the British Library.
Defence	Document supply	7		Dame Wendy Hall DBE, a non -

Science and Technology laboratory	Transactions			executive Director of the related party, served as a Board member of the British Library.
University of Southampton	Document Supply Transactions	41		Dame Wendy Hall DBE, employed by the related party, is a Board member of the British Library
Idox Information Solutions Ltd	License payments and membership fees		1	Dame Wendy Hall DBE, a non - executive Director of the related party, is a Board member of the British Library.
The British Library Trust	Management Fee	51		Roly Keating, Chief Executive of the British Library, and Lord Fellowes a member of the British Library Board are Trustees of the related party

24. POST BALANCE SHEET EVENTS

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

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

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

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:

	2014/15	2013/14
	£000	£000
Income	9	9
Expenditure	(6)	(17)
Unrealised gains / (losses) on investments	7	6
Surplus / (deficit) for the year	10	(2)
Investments	39	343
Short Term Deposits	5	5
Net Debtors / (Creditors)	-	-
Cash at Bank	25	44
Net Assets	379	392

The British Library extends thanks to everyone who has contributed to the development of the Annual Report and Accounts 2014/15.

British Library
96 Euston Road
London
NW1 2DB
T +44 (0)330 333 1144
www.bl.uk

ISBN 978-1-4741-1839-2

