

British Library
Annual Report and Accounts
2015/16

BRITISH LIBRARY



British Library

Annual Report and Accounts 2015/16

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Chairman and Chief Executive's Introduction



In 2015 we celebrated the 800th anniversary of one of the greatest treasures in our collection, Magna Carta, marked with a major exhibition that showcased our two copies of the 1215 charter alongside an array of items that told the story of its global influence down the centuries. *Magna Carta: Law, Liberty, Legacy* was our most successful paid exhibition to date – testament to years of planning by our curatorial and exhibitions teams, and involving input from departments across the Library, in areas of expertise from collection care to marketing and security.

Our other major exhibition, *West Africa: Word, Symbol, Song*, was the first to be dedicated to our extensive African collections, and explored the richness and diversity of West African culture, from the great empires of the medieval period to the literary renaissance of the late 20th century and beyond. Supported by an events programme that encompassed a live celebration of the music of Afrobeat pioneer Fela Kuti, and an appearance by Nobel Laureate Wole Soyinka, the exhibition attracted our most diverse audience ever, with 28% of visitors from a black or minority ethnic background.

Reaching new audiences was also a key objective of our international activities. It included our first ever loan of British Library collection items to India as part of *The Everlasting Flame*, an exhibition on Zoroastrianism at the National Museum New Delhi. We signed Memoranda of Understanding with peer institutions in Argentina, South Africa and China, paving the way to increased collaboration and, in the case of China, a touring display of several of our greatest treasures. We also launched *Two Centuries of Indian Print*, an ambitious project to digitise and make available online millions of pages of books from our South Asian collections.

The architectural excellence of Sir Colin St John Wilson's building at St Pancras was finally recognised in August, when it was granted Grade I Listed status by Historic England. Sandy Wilson devoted 37 years of his career to the design and construction of the Library and it is now justly regarded as one of the great public buildings of the 20th century.

Above: The British Library at St Pancras became one of the youngest buildings ever to be awarded Grade I Listed status, August 2015. Photo by Tony Antoniou.

Against a background of growing visitor numbers – 1.6 million last year – and Reading Rooms that are regularly operating close to capacity, we are advancing our plans to reorient and expand the St Pancras building's capabilities so that we are better able to anticipate and meet the needs of our users, our local community and the wider national and international network of libraries. The St Pancras Transformed programme has developed well this year and our plans received welcome support in the Chancellor's 2016 Budget Statement.

The Alan Turing Institute (ATI) was formally launched in November, with key members of the growing ATI team now onsite at St Pancras and a larger group of research scientists due to join us in summer 2016. For the first time, an independent body undertaking world-class research will be based within the boundaries of our campus, utilising our collections and working collaboratively with our own experts.

Across the wider King's Cross-Euston Road area, the Knowledge Quarter (KQ) – of which the Library was a founder-member – continues to grow, with more than 60 knowledge and research organisations now members of this exciting strategic partnership. An expanding programme of KQ events and activities have marked the partnership's first year of activity and in the coming years we will work together – alongside partners such as Google, The Francis Crick Institute, the Guardian and the University of the Arts London – to promote and further develop our shared neighbourhood, seeking out new opportunities for collaboration and innovation.

It was also an important year for the current and future development of our Boston Spa site. The

Reading Room at Boston Spa began to offer its users access to millions more items from our legal deposit collections, transforming the range and richness of material available to researchers in Yorkshire. In addition, the Department for Culture, Media and Sport (DCMS) and the Treasury gave a positive response to the Outline Business Case for a UK Shared Print Management Hub to be based at the site, with the aim of delivering 250km of archival-standard storage for the print collections of a range of institutions across the cultural sector.

The four-year flat cash settlement we received from the Government Spending Review last November has offered us a welcome and stable planning horizon for the remaining years of this decade. It represents an important opportunity for us to build on our existing vision, reinvest savings achieved through further efficiencies, and leverage additional support for our ambitious objectives.

2015/16 was the first full year in which we were guided by the strategic vision articulated in *Living Knowledge: The British Library 2015–2023*. Published in January last year, *Living Knowledge* set out our key priorities in the run up to the 50th anniversary of the Library in 2023; these were presented through a framework of six purposes that explain the ways in which the funding we receive helps to deliver tangible public value – in custodianship, research, business, culture, learning and international partnership.

As ever, the progress we have made across these activities – and in everything described in the following pages – has been thanks to the efforts of our staff, who have taken the vision and purposes of *Living Knowledge* fully to heart, and are united in their determination to make it a reality.

Baroness Blackstone
Chairman

Roly Keating
Chief Executive





Our Purposes

The British Library's six purposes define everything that we do and explain the enduring ways in which the funding we receive helps deliver tangible public value. By fulfilling each of these purposes we aim to achieve our wider objective of making our intellectual heritage available to everyone, for research, inspiration and enjoyment.

1 Custodianship

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

2 Research

We support and stimulate research of all kinds

3 Business

We help businesses to innovate and grow

4 Culture

We engage everyone with memorable cultural experiences

5 Learning

We inspire young people and learners of all ages

6 International

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



Custodianship

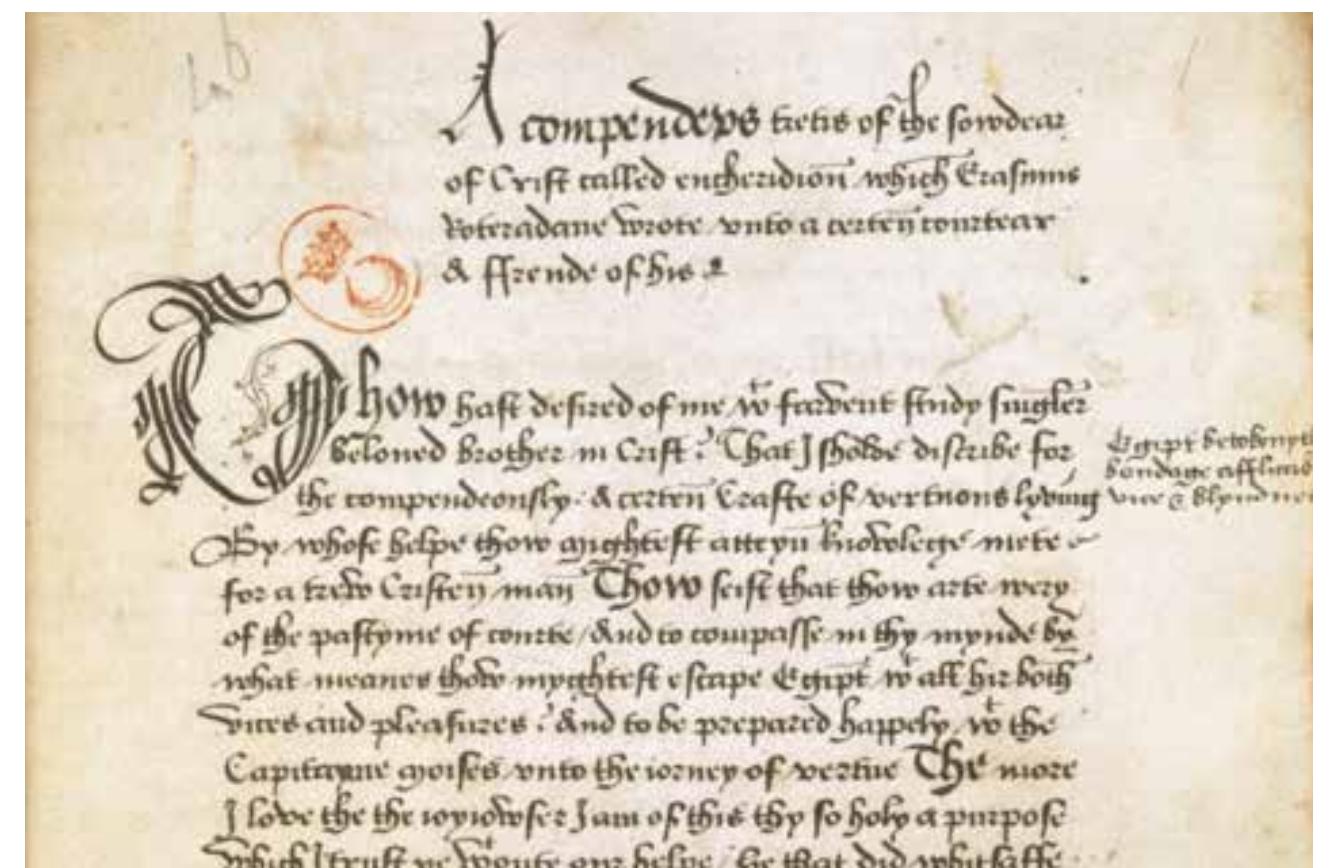
We build, curate and preserve the UK's national collection of published, written and digital content

Our core purpose to collect the nation's intellectual and cultural heritage continues to underpin everything we do, from the millions of items we make available to researchers via our Reading Rooms to the growing suite of material we share online with audiences around the world through our website.

Print collections constitute the bulk of this growth with 597,000 items added to the collection this year through legal deposit, including books, newspapers, serials, music scores, maps and atlases. Our physical collection occupies 718 linear kilometres of shelf space, 70% of which meets international archival standards. The care of this collection is itself a substantial undertaking: we preserved 33,200 items this year, through interventions such as binding, rebinding, minor repairs and boxing.

The number of digital items we receive through legal deposit continues to increase: we received 199,000 items such as e-books and e-journals this year (compared with 158,000 in 2014/15). The third UK domain web crawl, which took place in September 2015, harvested 68 terabytes of content, estimated to comprise in excess of two billion web assets (including web pages, images, videos and documents) and more than ten million websites.

Opposite: Popular Music curator Andy Linehan selects one of the 6.5 million sound recordings in our collections. Photo by Tony Antoniou; Below: The earliest English translation of Erasmus's *Enchiridion militis Christiani* (1523, Add MS 89149, f. 1r) acquired by the Library following a temporary export bar.

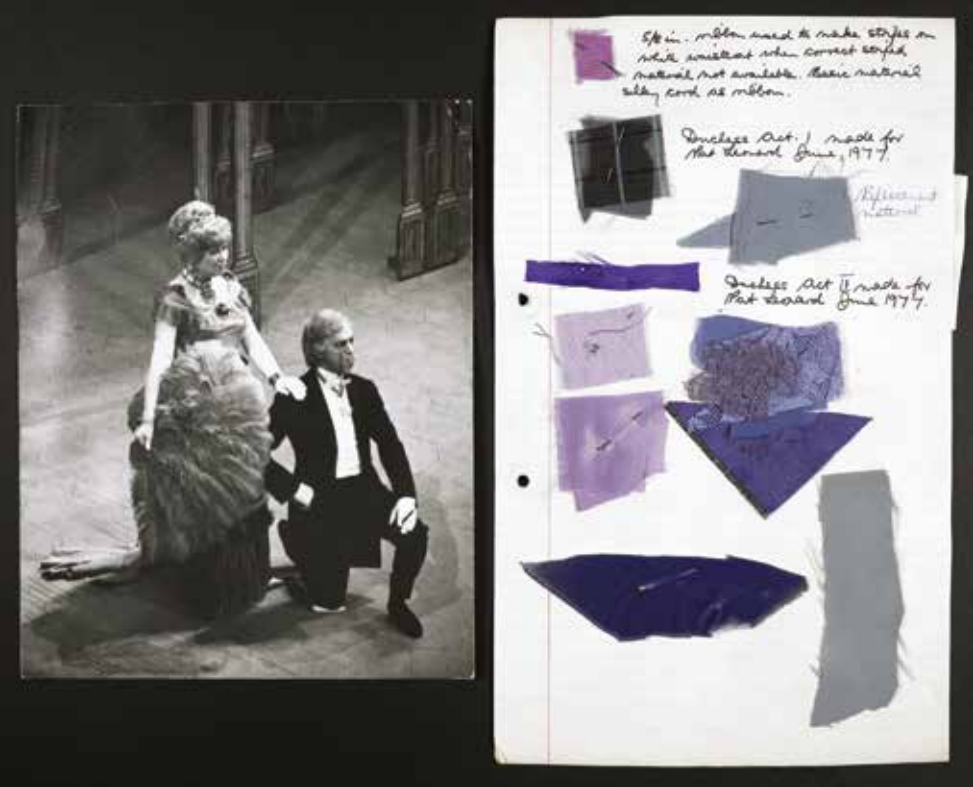


Guided by the expertise of our curatorial teams we made a number of major purchases to build our world-class heritage collections. Highlights included:

- The archive of the D'Oyly Carte Opera Company, containing correspondence and papers relating to the company dating from 1882 to 1998. Adding substantially to our theatrical collections, the archive includes audition notes, photographs, prompt books, ledgers and other material relating to the performance of Gilbert and Sullivan operas in Britain and around the world. Funding to catalogue and preserve the archive was provided by the D'Oyly Carte Charitable Trust and the Friends of the British Library.
- The Boosey and Hawkes Archive, comprising the business archive of the London-based music publisher and its international affiliates, which includes manuscript scores, proofs, correspondence, contracts and ephemera spanning a century from 1880 to 1980. It also includes material related to the publication of works by Stravinsky, Rachmaninov, and Copland, as well as of major British composers such as Elgar, Vaughan Williams, Britten and Maxwell Davies.

Right: A March 1985 entry from the diaries of actor and broadcaster Kenneth Williams, acquired as part of his personal archive. Courtesy of the Kenneth Williams Estate; Below: Costume design working notebook from the 1970s, with photograph and fabric samples relating to a production of Gilbert and Sullivan's *The Gondoliers*. From the D'Oyly Carte Archive.

- A 1523 English translation of Erasmus's *Enchiridion militis Christiani* – following a Government Export Stop, we were able to acquire the earliest known English translation of one of the great Renaissance humanist's works, which pre-dates the first printed edition of the text by some ten years. The purchase was made possible with the support of the National Heritage Memorial Fund.
- In November we announced the acquisition of the personal archive of actor, broadcaster and *Carry On* star Kenneth Williams (1926–1988), which included 43 personal diaries and approximately 2,000 letters spanning his entire life and career.



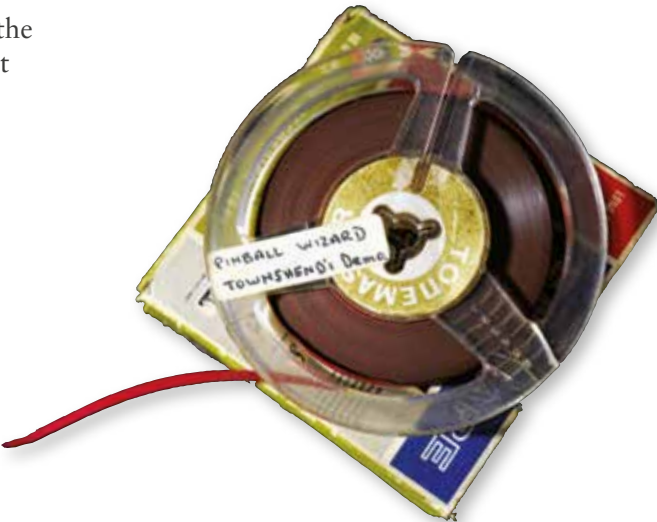
In May, we made a successful Phase 1 bid for £9,568,900 of earmarked funding from the Heritage Lottery Fund to help save the nation's sounds. The funding will enable us to digitise and make available, via the web, 500,000 rare, unique and at-risk sounds – both from the Library's own collection of 6.5 million recordings and from other key collections around the UK.

To underpin the Save Our Sounds programme, we conducted the largest ever audit of the nation's sound heritage, mapping more than 1.9 million recordings held in 3,015 collections. The UK Sound Directory was published online in June 2015 and provides a comprehensive snapshot of the condition, formats, extent, uniqueness and subject matter of sound archive holdings across the UK.

Our plans for a new, high density storage facility at Boston Spa received a boost. The Treasury's Spending Review in November 2015 invited the Library to submit a Full Business Case for the UK Printed Collections Management Hub. The proposed facility would support custodianship across the cultural sector by providing archival-standard storage for the print collections of peer institutions who have experienced similar challenges to the Library. Work continues to secure funding for the facility, which would also incorporate access and engagement facilities for researchers.

**Custodianship:
Our plans for 2016/17**

- Complete a Full Business Case for Treasury, for the UK Printed Collections Management Hub at Boston Spa
- Continue to develop a programme to enhance our technical capacity to collect and access digital items



Above: Reel tape featuring Pete Townshend's demo recording of *Pinball Wizard* (c. 1969) – one of the millions of fragile sound recordings which the Save Our Sounds programme aims to preserve; Below: The storage void of the National Newspaper Building at Boston Spa. Photo © Kippa Matthews.





Research

We support and stimulate research of all kinds

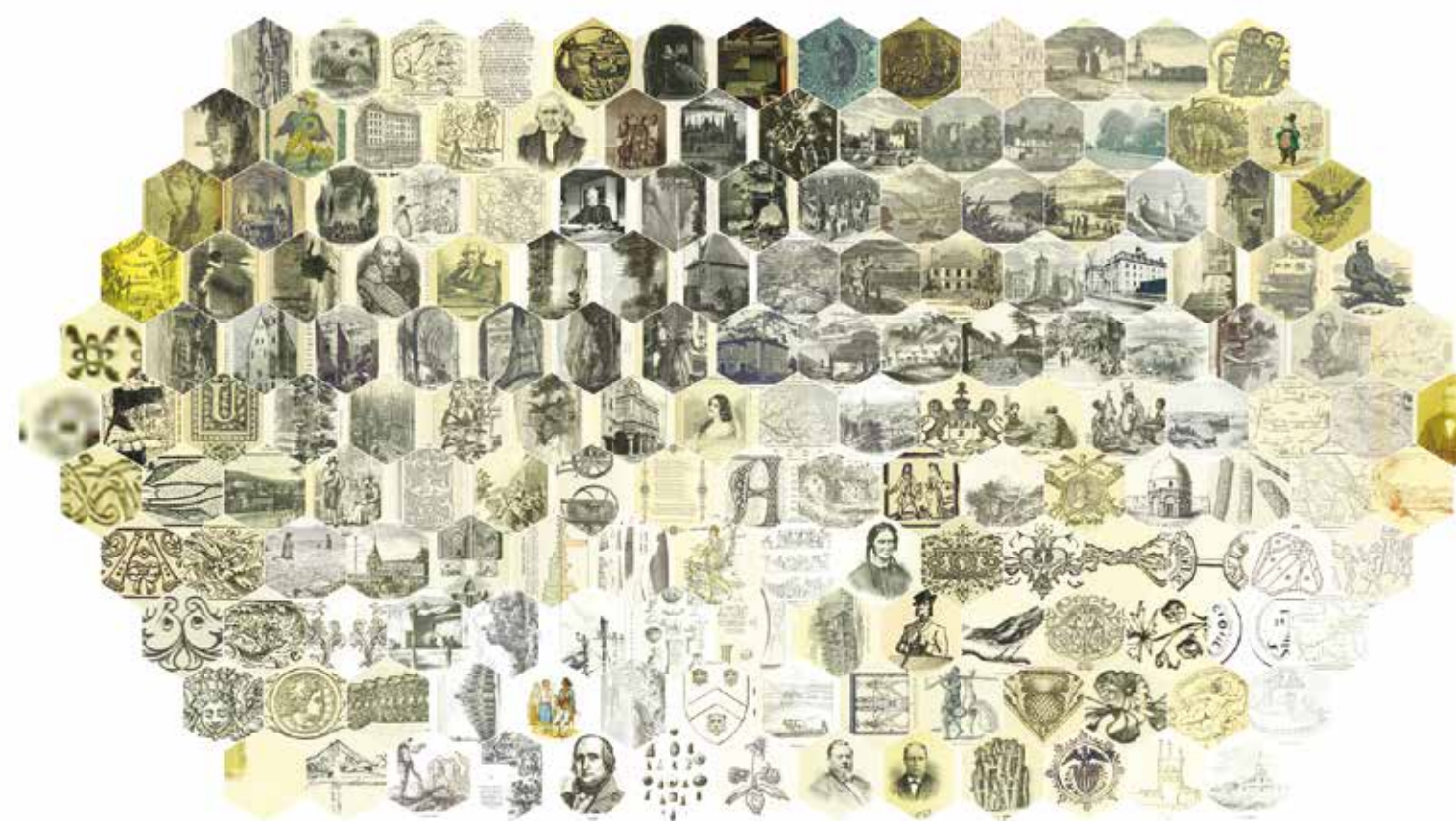
Our Reading Rooms at St Pancras and Boston Spa saw a rise in visitor numbers this year, with a combined total of 414,000 visits by Readers compared to 389,000 in 2014/15. Crucially, our users' experience of the Reading Rooms – from Rare Books and the Newsroom to Humanities 1 and 2 and Asia and Africa – achieved its highest ever satisfaction rating, with 97% of Readers describing themselves as 'very satisfied' or 'quite satisfied' with the services and facilities, and staff service coming in for particular praise.

Online there was a similarly positive story, with the number of items consulted on the British Library website rising from 2.6 million to 3.2 million and user satisfaction with our online services climbing to 88% (from 86% and 83% in 2014/15 and 2013/14 respectively).

Researchers in the North benefited from a substantial increase in the range of materials that could be accessed via the Reading Room at Boston Spa. Following an extensive refurbishment in 2014, and improvements to security and collection care, the Reading Room in Yorkshire began to offer access to legal deposit books and journals held in London for the first time.

Now, along with Document Supply collections and newspapers in digital, microfilm and print formats, Readers can access millions more items held in the Library's general reference collections, with some 85% of the collection that can be requested in London now also available to users in the North. Reader numbers are rising and feedback has been overwhelmingly positive. Dr Dorothea Debus, of the Department of Philosophy, University of York, said of the improvements at Boston Spa: 'It makes a huge difference to working here and has turned what used to be a very good place to work into an amazing research facility.'

Left: The Humanities 1 Reading Room at St Pancras. Photo by Paul Grundy; Below: *Hexagonal Similarity Arrangement* by Mario Klingemann, 2015 winner of the BL Labs Awards Creative/Artistic category, created using tagged images from the one million British Library images on Flickr.com.



In June we continued our involvement in the Arts and Humanities Research Council (AHRC) collaborative doctoral partnership, which gives AHRC-funded PhD students the opportunity to work on research themes relating directly to our own research priorities, under the supervision of Library staff. Around 30 postgraduates are currently researching our collections, often describing them for the first time, helping to catalogue them, developing resources and contributing to online engagement efforts and to current and forthcoming exhibitions.

This year we partnered with the University of Nottingham to offer our first ever MOOC (Massive Open Online Course) on *Propaganda and Ideology in Everyday Life*. The course attracted thousands of learners from over 20 countries around the world and will run again in 2016.

Our doctoral open days, held in January and February 2016, attracted 671 PhD students from across the UK and from overseas. The purpose of these events is to introduce Library collections and services to new postgraduates – following the open days 92% of delegates said that they now felt ‘confident or very confident’ about using our collections.

Above right: Stills from the collaborative PhD programme videos; Below: An image from *The Wondering Lands of Alice*, the winning entry in this year’s ‘Off The Map’ competition, which invited reinterpretations of Lewis Carroll’s *Alice* through the medium of video games. The winning entry was by *Off Our Rockers*, a team of six students from De Montfort University.



A major AHRC-funded project focusing on Magna Carta provided the vital research that underpinned *Magna Carta: Law, Liberty, Legacy*, informing the themes of the exhibition and advising on the loan items that were featured. In turn, the exhibition helped communicate the fruits of this research to the wide public audience that attended. The three-year project culminated with a conference held in June at King’s College London and the British Library.

Former Eccles Centre Writer in Residence Andrea Wulf won the 2015 Costa Prize for Biography for *The Invention of Nature: the Adventures of Alexander von Humboldt, the Lost Hero of Science*, much of which was researched at the Library during her time as Writer in Residence. She said of the Library, ‘I can’t think of a better place to write a book about Alexander von Humboldt who, probably more than anyone else believed in the exchange of knowledge and the connections between thoughts, science and nature.’

Right: Our first ever MOOC, on propaganda and ideology, attracted thousands of participants and drew on materials such as this 1971 poster *Freedom American-style* (HS. 74/2170); Below: The improved Boston Spa Reading Room now offers access to millions of collection items, including newspaper collections and legal deposit books and serial titles. Photo ©Kippa Matthews.

Research: Our plans for 2016/17

- Once the Alan Turing Institute (ATI) is fully operational in Autumn 2016 we plan to hold joint workshops and events. These will explore shared research priorities introducing ATI’s world-leading data scientists to our collections, our curatorial and technical experts and our partners across the arts, humanities and social sciences.
- The AHRC-funded Academic Book of the Future project will deliver its final report early in 2017, providing an overview of the transformations taking place in academic book publishing and exploring new possibilities for digital dissemination of academic research.





Business

We help businesses to innovate and grow

2016 marks the 10th anniversary of the Business & IP Centre, which opened at St Pancras in March 2006. Over the past decade, the service has welcomed more than 500,000 people through its doors, offering free access to our comprehensive business, market research and intellectual property collections and expertise. This year over 60,000 people visited the Centre, and we provided 6,300 small business owners and aspiring entrepreneurs with direct advice, guidance and training through our extensive programme of one-to-one advice sessions, webinars and workshops covering topics ranging from digital marketing to securing business finance.

We continued our sell-out series of *Inspiring Entrepreneurs* networking events featuring business and innovation role models, which were live webcast and screened to our Business & IP Centre partners across the country. In October 2015, to coincide with the *West Africa* exhibition, we staged a successful event aimed at black British entrepreneurs with MOBO founder and CEO Kanya King MBE, and a panel of leading lights in the creative industries including June Sarpong and Levi Roots. In February, our event on becoming a successful online business featured Justine Roberts of Mumsnet, Renaud Visage of Eventbrite and Ning Li of made.com

Left: MOBO Awards founder and CEO, Kanya King MBE speaking at a Business & IP Centre event, June 2015; Below: Ning Li of made.com at the Inspiring Entrepreneurs *Internet Icons* event, February 2016. Photos by Luca Sage.



The Enterprising Libraries programme enabled the Library to develop and maintain Business & IP Centres in six major city libraries in Leeds, Birmingham, Sheffield, Liverpool, Newcastle and Manchester, as well as to collaborate with ten innovative library grant projects across the country. This year, two more pilot Centres emerged from these projects in Exeter and Northamptonshire.

Funded by the Department for Communities and Local Government (DCLG), Arts Council England and the British Library, Enterprising Libraries is helping to transform city libraries into hubs of innovation, entrepreneurship and economic growth.



Left: Showcasing users' products, June 2015; Above: The Business & IP Centre National Network now has eight members, with pilot projects in Exeter and Northamptonshire established this year; Below: Speed mentoring event during Global Entrepreneurship Week, November 2015. Photo by Sam Lane.



An economic impact assessment published in June 2015 highlighted the benefits delivered so far. The most striking of these was that, between April 2013 and March 2015, the Enterprising Libraries together created a total of nearly 1,700 new businesses and 4,200 new jobs (projected to rise to 22,000 jobs by 2017). Of the businesses created, 47% of the founders were women (compared with the national average of 18%), 26% were from black, Asian and minority ethnic backgrounds (compared with the national average of 7%), 14% had a disability (including dyslexia) and a quarter had previously been unemployed or made redundant.

The jobs created were predominantly in the creative industries, technology and professional services sectors. Enterprising Libraries users rated free business and IP information as the most important benefit, closely followed by face-to-face advice and support, and the capacity of libraries to offer a 'one stop shop' for business needs.

One of the Library's Living Knowledge priorities is to secure funding to develop a UK-wide Business & IP Centre network in at least 20 city libraries by 2023.

Right: Paul Pennant, founder and owner of Today's PA, speaks at the Innovating For Growth Showcase event, September 2015. Photo by Kalory; Below: Kerrie Dorman, founder of the UK Association of Business Mentors speaks at The Pram in the Hall panel and networking event, November 2015. Photo by Sam Lane.

Business: Our plans for 2016/17

- Continue to develop the Business & IP Centre National Network, developing the existing eight members, adding two more pilots, and planning for expansion to 10 other cities
- Continue to enhance the London service and launch another 'Innovating for Growth' Programme, funded by the European Regional Development Fund, to help London-based businesses to grow and create jobs.





Culture

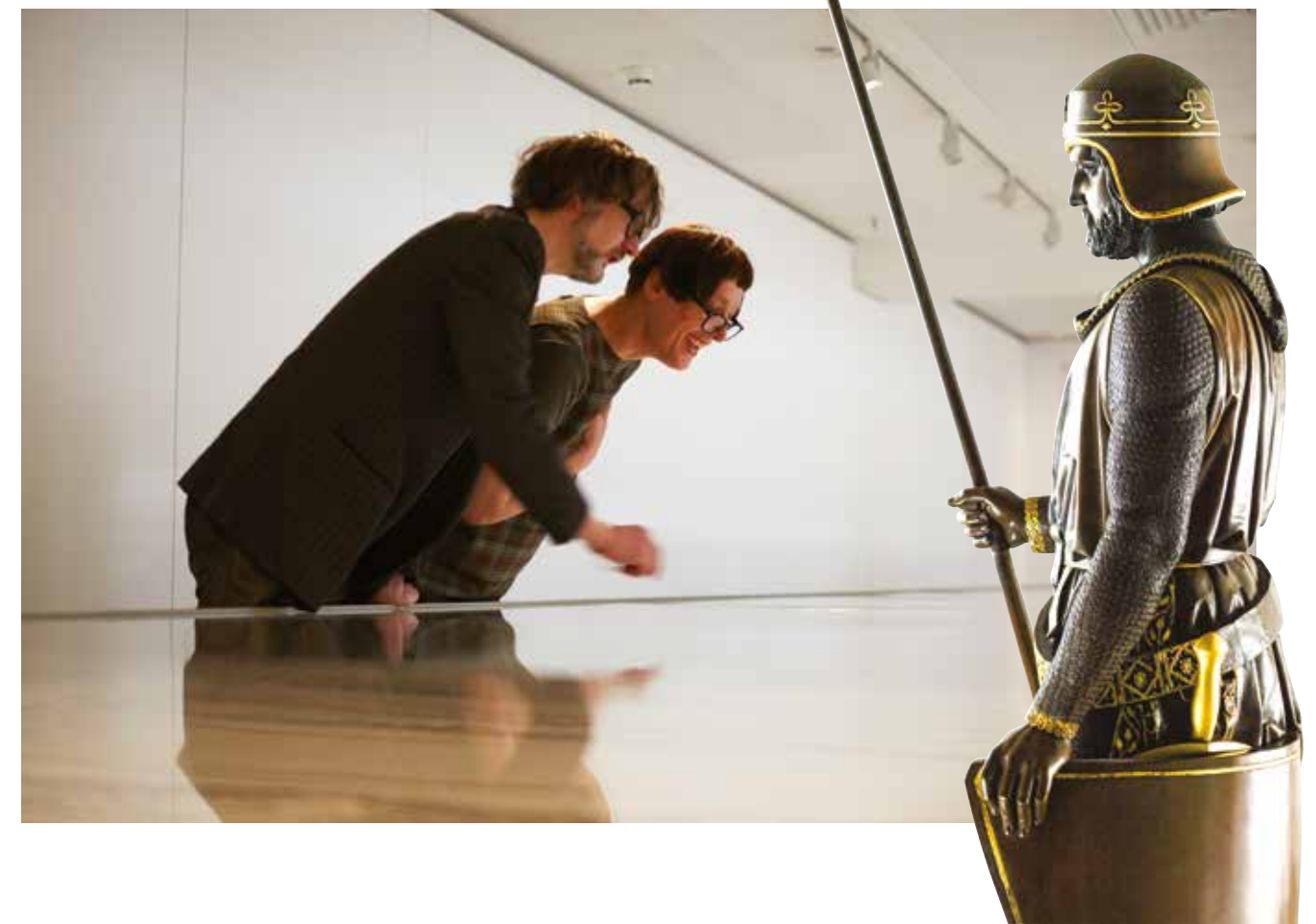
We engage everyone with memorable cultural experiences

‘A thrilling glimpse of freedom itself’ was the *Daily Telegraph*’s verdict on *Magna Carta: Law, Liberty, Legacy*, which ran from March to September 2015 and was the centrepiece of a year of celebrations to mark the 800th anniversary of the charter. In its review of the exhibition, the *Guardian* concurred: ‘these manuscripts, charters, seals, declarations and statutes are as moving as any art,’ wrote Jonathan Jones. ‘The Magna Carta, it turns out, still packs a mighty emotional punch.’

Left: *Felabration!* a tribute to the music of Fela Kuti, was one of the highlights of the West Africa events programme, October 2015. Photo by Toby Keane; Below: Artist Cornelia Parker and musician and broadcaster Jarvis Cocker, examining *Magna Carta (An Embroidery)*. Photo by Joseph Turp; Below right: Statue of Baron Geoffrey de Mandeville by James Sherwood Westmancott, 1848 © Palace of Westminster, which featured in *Magna Carta: Law, Liberty, Legacy*. Photo by Joseph Turp.

It was the most successful paid exhibition the Library has ever staged, attracting 126,283 visitors (against a target of 80,000). Our Magna Carta web pages generated a combined audience of more than 850,000 online visitors.

From May to July, Cornelia Parker’s specially-commissioned artwork, *Magna Carta (An Embroidery)* was on display in the Entrance Hall at St Pancras. The 13-metre-long tapestry depicted in stitch the Wikipedia entry relating to Magna Carta, and drew upon the combined efforts of more than 200 individuals including serving prisoners, lawyers, politicians, campaigners and public figures such as Jarvis Cocker, Edward Snowden and Baroness Doreen Lawrence. The tapestry was seen by 39,792 visitors, with 107,433 more watching the online video about its creation.



Our main winter exhibition, *West Africa: Word, Symbol, Song* was the first major exhibition to showcase the Library's extensive African collections. It featured beautiful objects, manuscripts, artwork and textiles alongside a wealth of sound recordings. One of the main aims of the exhibition was to attract a new and more diverse audience to the Library: 28% of visitors were from a black or minority ethnic background with 14% of a West African background – the most diverse audience ever for a British Library exhibition. The events programme included a sell-out late celebration of the musical legacy of Afrobeat pioneer Fela Kuti, which was live-streamed to an international audience.

Throughout the summer and autumn, our Poets' Circle was lit up by the multi-coloured glow and surreal imagery of artist David Normal's *Crossroads of Curiosity*. The installation was originally created for the Burning Man arts festival in Nevada and drew upon a treasure trove of more than a million illustrations from 19th-century books that the Library made available online in 2014.

Right: Our *Picture This* exhibition on children's book illustration went on tour to the Laing Gallery in Newcastle. Photo © Laing Art Gallery, Tyne & Wear Archives & Museums; Below: Actor Viggo Mortensen reading T S Eliot's *The Waste Land*, September 2015. Photo by Sam Lane.



A succession of events brought the Entrance Hall at St Pancras to life, including a live reading of T S Eliot's *The Waste Land* by actor Viggo Mortensen. As part of the 2015 Radio Festival, an afternoon-long live broadcast by BBC 6 Music celebrating the life and legacy of legendary DJ John Peel, Brian Eno delivered the John Peel Lecture on the future of creativity.

Finally, the Library celebrated the 150th anniversary of the publication of *Alice's Adventures in Wonderland* with a hugely popular exhibition exploring the many different interpretations of Lewis Carroll's Alice by artists, writers and film makers from Tenniel to Tim Burton. It was the most successful Entrance Hall exhibition the Library has ever staged – attracting 199,745 visitors between November and April.



Culture: Our plans for 2016/17

- Mark the 400th anniversary of the death of William Shakespeare with a major exhibition and events programme
- Collaborate with the Library of Birmingham to deliver a Shakespeare exhibition in Birmingham
- Expand our reach across the UK, with new touring and co-curated exhibitions opening across the country and greater engagement with public libraries
- Substantially expand our cultural events programme at St Pancras, alongside a new membership programme to increase engagement.

Left: Jamie Cullum puts on an impromptu lunchtime performance during the Radio Festival, September 2015; Below right: David Normal's *Crossroads of Curiosity* installation, originally created for the Burning Man festival in Nevada, featured in our Poets' Circle through summer and autumn 2015; Below (detail): *Alice in Wonderland* was our most successful Entrance Hall exhibition ever. All photos by Tony Antoniou.





Learning

We inspire young people and learners of all ages

In total, more than 35,000 young learners and adults took part in our onsite learning programme at St Pancras this year. To coincide with our *West Africa: Word, Symbol, Song* exhibition we worked extensively with students of West African heritage: highlights included collaborations with SOAS University of London and Into Film, and weekend workshops with supplementary schools.

We launched a new onsite learning programme for adults and, with support from John Lyon's Charity, an ambitious new family and community programme that aims to strengthen and expand our offer for the local community, attracting families that are culturally and socially diverse.



Left: Primary students visiting St Pancras. Photo by Richard Eaton. Above and below: Young people taking part in the onsite learning programmes for our *West Africa* and *Magna Carta* exhibitions. Photos by Richard Eaton.





As part of our celebrations to mark the 800th anniversary of Magna Carta, we worked with the World Wide Web Foundation, the Southbank Centre and the British Council to devise a 'Magna Carta for the Digital Age'. The aim of the project was to bring to life the issues of citizenship, rights and free speech associated with Magna Carta, stimulating debate among young learners about rights and responsibilities online and touching on topics ranging from cyberbullying to surveillance.

More than 500 draft clauses were submitted by schools around the world as part of the associated *Magna Carta: My Digital Rights* project, with more than 38,000 votes eventually cast by the public to select the top 10 most popular clauses.

Magna Carta: My Digital Rights engaged thousands of young learners, with more than 38,000 votes cast to create a Magna Carta for the digital age. Image created by Sandra Howgate.



Our online learning platform continues to attract millions of users from around the world and at the end of the year we launched our new *Discovering Literature: Shakespeare* website, which made 300 stunning books, manuscripts, paintings, pamphlets and playbills relating to Shakespeare available online for the first time. The resource attracted worldwide media coverage and more than 15,000 unique visits in the fortnight after launch. Huge interest was generated by pages from the manuscript of *Sir Thomas More*, which is widely believed to be the sole surviving example of a play script in Shakespeare's own hand. The extract, in which the title character makes an impassioned plea on behalf of refugees was subsequently performed on BBC2's *Newsnight* by Dame Harriet Walter.

The Learning website had its highest performing year to date, achieving over 5.7 million unique visits, an increase of 2.2 million. This was due in part to the popularity of the first phase of *Discovering Literature*, which now achieves over 180,000 visits per month, and the re-launch of a number of websites including *Sisterhood*, *Victorian Britain* and *Georgian Britain*.

Learning: Our plans for 2016/17

- Launch of a new *Discovering Literature* website featuring 20th-century authors
- Deliver a learning programme to accompany our major Shakespeare exhibition, including collaborations with the *Guardian* and Shakespeare's Globe.



Above: The *Discovering Literature: Shakespeare* website made more than 300 original items available online. Below: Our new family and community programme aims to strengthen our offer to the local community. Photos by Richard Eaton.





International

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

As part of our increasing engagement with the regions around the world whose cultures and histories are reflected most strongly in our collections, this year saw the first ever loan of British Library items to India as 29 books, manuscripts, paintings and prints relating to Zoroastrianism travelled to the National Museum New Delhi as part of *The Everlasting Flame* exhibition.

The Everlasting Flame was a partnership between SOAS University of London and the Library and followed the signing in January of a Memorandum of Understanding (MOU) between the two institutions. Library experts co-curated the exhibition and loan items included a 15th-century manuscript depiction of Zoroaster in a volume that once belonged to Henry VIII and a 9th-century prayer fragment that is the oldest surviving manuscript relating to this ancient religion.

We strengthened our relationship with the National Library of China, signing a new MOU. We also delivered the first of the projects set out in the MOU – to digitise our collection of Shang dynasty oracle bones, and exchange skills and expertise with Chinese oracle bone experts. MOUs were also agreed with the National Library of Argentina and the National Library of South Africa, each of which paves the way for future knowledge exchange and collaboration.

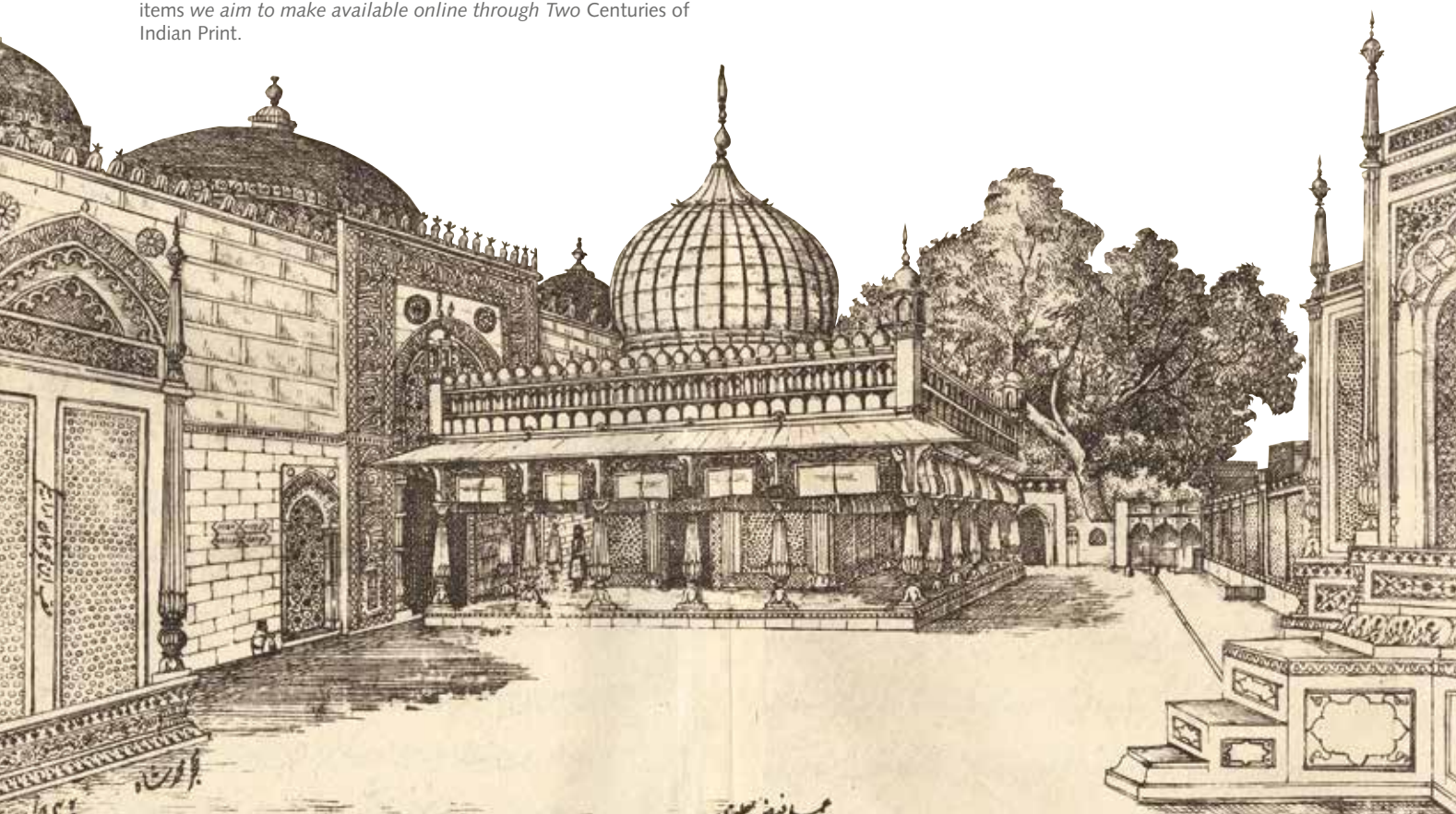
It was a busy year for engaging with overseas contacts, with more than 130 separate interactions relating to 55 different countries. This included hosting and corresponding with diplomatic and governmental representatives, as well as professional visitors to discuss collaborating with the Library at curatorial, strategic and technical levels.

Left: British Library curator Ursula Sims-Williams guides Dr Najma Heptulla, Minister of Minority Affairs, round *The Everlasting Flame* exhibition at the official opening at the National Museum New Delhi, March 2016; Below: A Zoroastrian sacred text, the *Yasna* (MSS Avestan 17), one of the 29 British Library items that travelled to India for the exhibition.





Above: Six Jain saints from a Jain doctrinal text, *Jaina Dharma Siddhanta Sara*; Below: a Lithograph edition of Sir Sayyid Ahmad Khan's history and description of the monuments of Delhi, *Asarussanadid* – both examples of the early printed South Asian items we aim to make available online through *Two Centuries of Indian Print*.



Roly Keating was elected Chair of the Conference of European National Librarians (CENL) at their May 2015 meeting, for a period of three years. CENL aims to develop and support the role of national libraries in Europe, particularly in relation to their responsibilities to protect and share national cultural heritage. The British Library is one of 49 current members from 46 European countries.

A second phase of the British Library's partnership with the Qatar Foundation was announced in January 2015. The partnership will continue for four years to 2018, and will digitise a further 1.1 million images of our collections relating to Gulf history and Arabic science.

The Library's printed collections relating to South Asia are among the finest anywhere and in November we announced a major new initiative to digitise these collections and make them available online to scholars around the world. *Two Centuries of Indian Print* is a hugely ambitious project which seeks to digitise thousands of early printed South Asian language books dating from 1713–1914.

The pilot phase of the project, which is currently underway, involves the digitisation of at least 200,000 pages of Bengali books, and hundreds of thousands of pages of other material, making a rich collection of often unique printed materials available online for the first time. We have also launched a fundraising campaign to enable the digitisation of the full collection of pre-1914 printed books – spanning more than 20 South Asian languages and amounting to some 11 million pages.

We also announced another major digitisation project, the partnership between the Library and the National Library of Israel (NLI) to digitise more than 1,000 Hebrew manuscripts from our collection, in addition to 1,250 already being digitised and made available online through an existing project funded by The Polonsky Foundation. Through these two projects, all 3,200 Hebrew manuscripts in the British Library's collection will be fully catalogued with digitised images of at least 2,250 dating from the Middle Ages to the 19th century made available to researchers worldwide via the NLI's International Digital Library of Hebrew Manuscripts and the British Library's digitised manuscripts website.

As well as collaborating with international partners on exhibitions and digitisation, the Library also aims to share the knowledge and expertise of our staff with institutions and individuals overseas. In November we announced a partnership with Chevening, the international awards scheme funded by the Foreign and Commonwealth Office, to offer applicants from Africa and South Asia the opportunity to take part in year-long professional research placements at the Library. The fellowships on offer in the inaugural year – 2016/17 – will focus on our collections of newspapers and periodicals from South Asia and a placement investigating how the Library could harness the power of big data.

International: Our plans for 2016/17

- An extensive programme of international engagements including pop-up exhibitions in China of Library treasures such as Shakespeare's First Folio and Charlotte Brontë's fair copy manuscript of *Jane Eyre*
- Engagement with CENL on multiple opportunities for skills sharing, training and development, particularly around metadata and copyright.

Below: Conservation work undertaken as part of the Hebrew Manuscripts Digitisation Project: conservator Lea Havelock (left) handling the Library's longest Hebrew scroll – a 16th-century Pentateuch scroll made of leather (Or 1459). Textile conservator Elizabeth Rose (right) working on a Pentateuch scroll mantle made of silk, brocade and linen (Add MS 11829). Photos by Adi Keinan-Schoonbaert.



Public Lending Right

The British Library administers Public Lending Right (PLR), the scheme through which authors are remunerated for loans made by public libraries. The scheme recognises the huge value of such loans to the reading public, and registered UK authors are hugely supportive of PLR.

This year PLR distributed £6.4 million to 22,607 authors, illustrators and other contributors at a Rate Per Loan of 7.67 pence. The maximum payment threshold is £6,600 for the top-lending authors, ensuring an equitable distribution of the fund across a large community of creators.

The 2016 figures included loans of audio-books for the first time which meant that contributors such as producers and narrators were also eligible for PLR. Payments to registered recipients were made shortly after the announcement of the most borrowed authors and titles in February 2016 to coincide with National Libraries Day. As in previous years, crime titles and children's authors proved hugely popular on the 'most loaned' chart, with US thriller writer James Patterson topping the chart of most borrowed authors, closely followed by children's favourites such as Julia Donaldson, Francesca Simon and Jacqueline Wilson.

During its routine audit, the National Audit Office identified an error in the calculation that generated this year's PLR figures. Payments were recalculated and, where appropriate, authors received an additional payment, funded from a combination of PLR and Library funds, with the approval of DCMS. Further information about this process is given on pages 44 and 57.

Efforts to encourage more authors to sign up to the scheme continued via press and social media, with 1,946 authors registering for PLR for the first time during the year. Our social media campaign received a boost thanks to the support of cartoonist, illustrator and Children's Laureate Chris Riddell, who generously created and donated two original cartoons in support of PLR, which we were able to use to publicise registration on Twitter and the Living Knowledge blog.

The PLR Advisory Committee appointed historian and best-selling author Tom Holland as chair for the next three years. He replaced Tracy Chevalier in the role.

In December, Tom and Roly Keating welcomed Minister for Culture and the Digital Economy, Ed Vaizey, to the PLR offices at Stockton-on-Tees, both to see for himself the team's work and to mark the first year of audio-books and on-site e-book loans being included in the scheme.

Importantly, the level of the PLR fund was maintained in the November 2015 Spending Review, ensuring that eligible contributors will continue to benefit for at least the next four years.

Right: Children's Laureate and illustrator Chris Riddell donated this beautiful image to be used in PLR's campaign to encourage more authors to register.



Enabling Living Knowledge

To deliver our *Living Knowledge* purposes we have undertaken a range of ‘enabling’ activities to ensure we maximise the resources at our disposal and continue to deliver a cost-effective service to world-class standards.

Finance and Planning

Given the reduction in our budget over the past five years – a cut of 34% since 2010 – we will continue to pursue substantial efficiencies. In anticipation of the 2015 Government Spending Review we initiated a comprehensive corporate planning process, which applied increased levels of scrutiny to the budgets of each of the members of our Strategic Leadership Team.

The process aimed to ensure that activities and spending in departments across the Library are strategically aligned to our *Living Knowledge* purposes; it highlighted areas of spending that needed to be reconsidered or cut entirely, and supported the transition from old or established ways of doing things to new, more cost-effective ways of working.

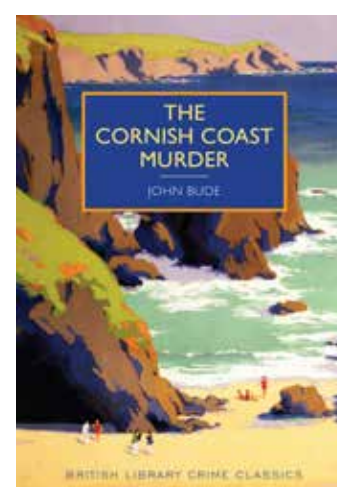
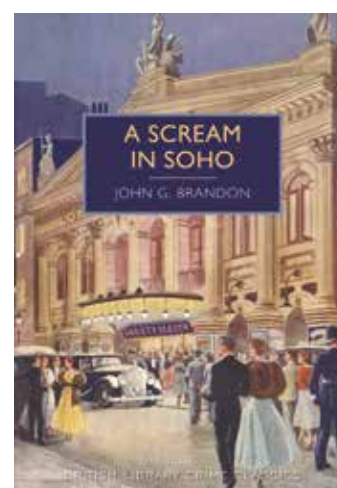
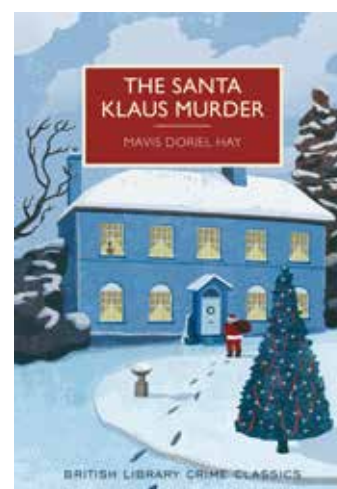
Although the settlement we received in the Spending Review was better than had been anticipated, this approach will be applied again in subsequent years to deliver more benefits from improved scrutiny and the new processes’ effectiveness.

Commercial Strategy

A strengthened commercial focus applied to a range of activities across the Library in 2015/16 with the aim of boosting non-Grant in Aid sources of revenue. This approach met with considerable success: *Magna Carta* was our most successful paid exhibition ever, exceeding targets for ticket sales, merchandise, media coverage and online engagement. Not only was *Alice in Wonderland* our most successful Entrance Hall exhibition ever, but the associated Pop-up Shop far exceeded its revenue targets, generating £417,020 for the Library during the course of the exhibition.

New products and services were launched including an increased range of public tours and a test launch of commercial events – both of which will deliver increasing contributions in future years. Our Publishing programme continued to generate both revenue and public profile for the Library thanks to the continuing success of the British Library Crime Classics series. *The Santa Klaus Murder* topped *The Times* paperback best-seller list for three weeks over the Christmas period.

The British Library Crime Classics series has helped boost both revenue and public profile for the Library. *The Santa Klaus Murder* topped *The Times* paperback best-seller list for three weeks over Christmas 2015.



IT Strategy

We produced an IT strategy and technology roadmap following a restructure of the Library’s IT department. The strategy flows directly from our *Living Knowledge* purposes. Key priorities include the replacement of our Library Management System and building further our capacity for ingesting, describing, storing and making available both legal deposit digital items and content digitised from our own collections, such as newspapers and heritage sound recordings.

People Strategy

This year we modernised our pay and grading system to eliminate automatic time-served incremental progression and support improved recruitment and retention of Library staff. We also implemented the London Living Wage for contractors, along with the National Living Wage.

We continued to roll out our People Strategy, which sets out a vision for the Library to be a workplace that inspires and provides opportunities for our staff, who place users at the heart of everything they do. It details plans for developing staff, recruiting the skills and knowledge we need now and in the future, motivating people in a fair and affordable way, shaping the organisation and, ultimately, ensuring the Library is a good place to work. The past year has seen increasing levels of staff engagement, rising from 3.58 (out of 5.0) in 2014/15 to 3.77 in 2015/16.

Quality and Continuous Improvement

Satisfaction levels with our services are high, with 97% of our users describing themselves as ‘very satisfied’ or ‘quite satisfied’ for example – and our Customer Services team has been awarded the Government-accredited Customer Service Excellence Standard. In the context of 1.6 million visits to our St Pancras site this year, and 330,000 documents supplied through our British Library On Demand Service, we received just 707 complaints – a 16% decrease from the previous year.

We have a strong emphasis on Continuous Improvement throughout the Library – across departments ranging from Document Supply to Collection Care – and many areas of Library activity have been reengineered to enhance services or to become even more efficient.

Key Performance Indicators

	Target 2015/16	Actual 2015/16	Actual 2014/15	Actual 2013/14
CUSTODIANSHIP				
<i>We build, curate and preserve the UK's national collection of published, written and digital content</i>				
Percentage of physical collections in archival storage conditions (BS5454)	70%	70%	70%	66%
RESEARCH				
<i>We support and stimulate research of all kinds</i>				
	(000)	(000)	(000)	(000)
Number of items consulted in Reading Rooms	1,725	1,694	1,730	1,866
British Library website items consulted	3,000	3,249	2,662	N/A
Number of visitors to the Reading Rooms	393	414	389	395
British Library website visits	21,000	20,707	18,353	N/A
BUSINESS				
<i>We help businesses to innovate and grow</i>				
Number of jobs created	150	320	248	150
CULTURE				
<i>We engage everyone with memorable cultural experiences</i>				
	(000)	(000)	(000)	(000)
Culture visitor numbers to St Pancras	1,260	967	1,188	737
LEARNING				
<i>We inspire young people and learners of all ages</i>				
	(000)	(000)	(000)	(000)
Visitors to British Library Learning website	3,500	5,726	3,597	2,004
INTERNATIONAL				
<i>We work with partners around the world to advance knowledge and mutual understanding</i>				
Number of items digitised through international partnerships (estimated) ¹	N/A	1,431,968	1,306,326	360,268

¹ New measure added in 2015/16 with data calculated retrospectively.

5,726,000
visits to the British Library
Learning web pages
63% above target

	Target 2015/16	Actual 2015/16	Actual 2014/15	Actual 2013/14
CUSTOMER SERVICE – Quality				
Satisfaction with Reading Room services	92%	97%	94%	94%
Customer Satisfaction – ease of finding information on the Library's website	90%	88%	86%	83%
Satisfaction with our exhibitions (customer enjoyment rating)	93%	96%	96%	96%
OUR PEOPLE				
Employee engagement (survey rating out of 5.0)	N/A	3.77	3.58	3.41
FINANCE AND ECONOMIC				
	(000)	(000)	(000)	(000)
Commercial services income generated	£9,492	£9,930	£9,750	£8,490
Information services income generated	£3,337	£3,310	£4,010	£4,690
Charitable giving (donations and sponsorship)	N/A	£5,355	£6,771	£11,084
Rate of charitable giving (donations and sponsorship) to Grant in Aid.	N/A	5.8%	7.2%	11.6%
OPERATIONAL EFFICIENCY				
	(000)	(000)	(000)	(000)
Number of legal deposit items added to the collections – printed	352	373	402	390
Number of legal deposit items added to the collections – digital	68	95	66	28

97%
satisfaction
with Reading
Room services

414,000
visitors to our
Reading Rooms
5.34% above target

Grants and Donations

The British Library would like to thank all those who have given their support during the period January 2014 to March 2016, including:

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And those who wish to remain anonymous.

BRITISH LIBRARY
ANNUAL ACCOUNTS 2015/16

STATEMENT OF DIRECTORS' AND ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the British Library Act 1972, the Department for Culture, Media and Sport (DCMS) 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 DCMS, 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 accounts
- prepare the accounts on a going concern basis
- confirm that, so far as he is aware, there is no relevant audit information of which the British Library's auditors are unaware and that he has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that Library's auditors are aware of that information
- confirm that the annual report and accounts as a whole is fair, balanced and understandable and that he takes personal responsibility for the annual report and accounts and the judgments required for determining that the annual report and accounts are fair, balanced and understandable.

DCMS 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

4 July 2016

Roly Keating
Chief Executive
and Accounting Officer

4 July 2016

FINANCIAL REVIEW

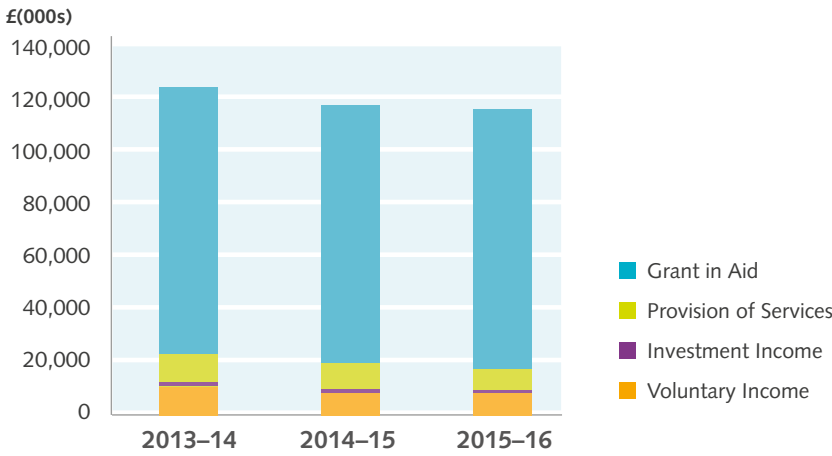
Overview of Financial Position

The British Library's income for 2015/16 was £117.8m (£118.9m in 2014/15), of which £93.0m (79%) was Grant in Aid from the Department for Culture, Media and Sport (DCMS), (£93.9m and 79% in 2014/15). The primary source of funding is Grant in Aid received from DCMS.

Income from the provision of services was £13.8m, (£15.4m in 2014/15). During the year performance in Document Supply and Imaging/Digitisation services was challenging and resulted in a drop in sales, while our commercial services continued to grow. The shop and publishing operations maintained their positive performance from last year and the income streams from brand licensing and commercial events increased. The successful exhibition programme saw a 12.5% increase in ticket sales compared to last year.

Voluntary Income, which includes philanthropic donations, research grants and funding for digitisation projects was increased to £9.9m (£8.9m in 2014/15). As a successful participant in the government's DCMS/HLF Catalyst: Endowments programme, we have been working hard to raise endowment funds to unlock match funding and the Library received a substantial legacy gift to the fund during the year. Investment income increased to £1.0m from £0.7m through improved interest returns on deposits.

In December 2013, the Secretary of State announced a 5% real terms' cut in the British Library's Grant in Aid for the financial year 2015/16. We received notification on 12 June 2015 that the 2015/16



Grant in Aid allocation was to be reduced by a further £0.3m which represented an in-year cut of 0.375%. This resulted in the Library making continued reductions in its core operating expenditure. However, we have been able to continue investing in heritage acquisitions and digitisation projects funded by philanthropic donations and grants.

The Library's continued focus on efficiency has contributed to the delivery of significant operational savings to meet reductions in core Government funding in this and future financial years. In addition, a Voluntary Exit programme was launched during the year to reduce staffing in Document Supply and Imaging Services where a decline in demand resulted in a shortfall against the income target.

Resources expended increased during the year due to additional depreciation charges which increased the allocated support costs by £18m. The additional charges were the result of last year's major revaluation of the St Pancras land and buildings. Increased expenditure in development included the cost of a project to develop land on the St Pancras site and increase public engagement

in the first year of delivering our *Living Knowledge* strategy. Expenditure on the website was reduced due to a reduction in depreciation charges.

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 2015, the Government announced that the pilot scheme to relax its spending controls for the Museums and Galleries sector, in which the British Library is included, would be made permanent. 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. It also allows the Library to use its reserves in a more flexible way subject to informing DCMS of any requirement as part of the Treasury's supplementary estimate.

FINANCIAL REVIEW

Revenue expenditure on acquisitions for the collections was £11.4m, (£12.1m in 2014/15), reflecting the need to pass on cuts in our core Grant in Aid to our acquisitions strategy. Capital expenditure on acquisitions was £2.0m, (£2.1m in 2014/15), with the acquisition of a number of heritage items supported by donations and grants.

The Public Lending Right (PLR) Grant in Aid allocation for the year was £6.6m (£6.7m in 2014/15).

Total payments made during the year were £6.4m, which was paid to 22,607 authors (£6.0m to 22,051 authors in February 2015). The rate per loan approved for the year was 7.67 pence (6.66 pence in 2015). Expenditure includes £38,697 unpaid at the year end because some authors’ addresses are unknown to PLR or because authors’ assignees have not made probate claims.

During its routine annual audit, the National Audit Office identified an error in the calculation that creates the annual PLR figures. As a result of the error the overall loans figure for the London region was under-represented when calculating the total sample. This led to the calculation of an incorrect rate per loan of 7.67 pence instead of 7.27 pence resulting in an initial overpayment to 14,157 authors of £61,509 and an underpayment to 8,201 authors of £64,203. Following consultation with DCMS and with their approval, it was agreed to pay all authors the agreed rate per loan of 7.67 pence. Additional loans using the recalculated figures were recompensed resulting in an additional payment of £0.3m which was funded from a combination of the PLR reserves (£0.2m) and other Library funds (£0.1m).

There was a net reduction in total funds after revaluation in the year of £2.7m, of which £4.3m was due to a decrease in the unrestricted funds and £1.6m an increase on the restricted funds.

Reserves

At 31 March 2016 the British Library’s reserves were as follows:

	£m
Restricted funds	22.1
Unrestricted funds	
Fixed asset reserve	390.7
Revaluation reserve	873.8
Donated asset reserve	28.1
Designated funds	5.9
PLR reserve	–
General funds	30.0
Total funds	1,350.6

Restricted and designated funds are set aside for defined purposes and include £7.7m 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 was utilised in the year to fund the additional payments to authors as a result of the error in the PLR calculation.

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

The overall objective of the Library’s Reserves Policy is to provide continuing assurance that the solvency of the British

Library will not be put at risk by short-term variations in income or expenditure levels and to create an appropriate level of resource capability to allow the Library to respond to unforeseen challenges or opportunities arising within a financial year. Levels of unrestricted funds, both current and forecast, are kept under close scrutiny to ensure that they do not fall below the levels necessary to provide an adequate level of cover, and are reported on as part of the quarterly financial monitoring process. The Reserves Policy, and the financial provision to be made within it, are reviewed annually by the 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 is maintained in a range of between 2% to 10% of annual unrestricted fund expenditure. In total, General Reserves at 31 March 2016 were £30.0m, of which £5.5m relates to non-cash prepayment adjustments in relation to serials. Taking account of the current level of risk, the following reserve levels were agreed by the Board: £3.0m restructuring reserve; £0.2m asbestos remediation reserve; £4.4m in relation to completing the plans of the St Pancras development programme; £1.0m capital contingency; £1.8m for expenditure carried over from the current year; £0.6m planning commitment for IT storage; £0.5m set aside for a major acquisition; £4.5m in response to a request from DCMS to hold a 5% contingency in relation to potential Grant in Aid cuts; a general provision of £8.5m, which is 8% of the year’s unrestricted expenditure and within the Library’s target level.

Investments and Financial Risks

Members of the Board are trustees of funds held in trust in the British Library. The Board provided oversight of the British Library’s investments during the year.

Legal & General Investment Management were appointed as the British Library’s investment manager in November 2006. The Board determines the overall investment return objectives and acceptable risk tolerances. 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 is judged against this target.

At the start of the year fund values stood at £21.3m, having recovered from their lowest point in March 2009 following the financial crisis. Volatility in the UK stock market during the year resulted in a decrease in fund value to £19.7m (down 7.5%).

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:

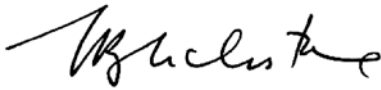
- a broad asset allocation which minimises the exposure to adverse factors which may affect one or more classes of assets
- maintaining a relatively high liquidity level
- regularly monitoring investment performance.

During the year, investment analysts Barnett Waddingham, were engaged to review the Library’s current investment allocation and potential future returns against the target for the portfolio. A subgroup of the Board was set up to advise and review their analysis and concluded that, in the current market, the investment portfolio should be further diversified into other types of asset as well as UK equities and gilts. The process of selecting an investment manager and appropriate funds will be undertaken during 2016.

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



Rt Hon Baroness Blackstone PC
Chairman

4 July 2016

with the supplier. For the year ended 31 March 2016, 95% of invoices were paid within the agreed 30 day period, (95% in 2014/15).

Related Party Transactions

Details of related party transactions are disclosed on page 86 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 55 to 61.

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.

As Accounting Officer, the Chief Executive confirms that the annual report and accounts as a whole is fair, balanced and understandable and that he takes personal responsibility for the annual report and accounts and the judgments required for determining that the annual report and accounts are fair, balanced and understandable.



Roly Keating
Chief Executive
and Accounting Officer

4 July 2016

REFERENCE AND ADMINISTRATIVE DETAILS

The following organisations were the Library’s principal suppliers of professional financial, legal and investment services during 2015/16:

Lloyds Bank
39 Threadneedle Street
London
EC2R 8AU

Barclays Bank
49 High Street
Stockton-on-Tees
TS18 1AH

Government Banking Service
C/O Royal Bank of Scotland
Government Banking CST
280 Bishopsgate
London
EC2M 4RB

Comptroller and Auditor General
National Audit Office
157–197 Buckingham Palace Road
London
SW1W 9SP

Legal & General Investment Management
One Coleman Street
London
EC2R 5AA

Government Legal Department (formerly Treasury Solicitor)
1 Kemble Street
London
WC2B 4TS

SUSTAINABILITY REPORT

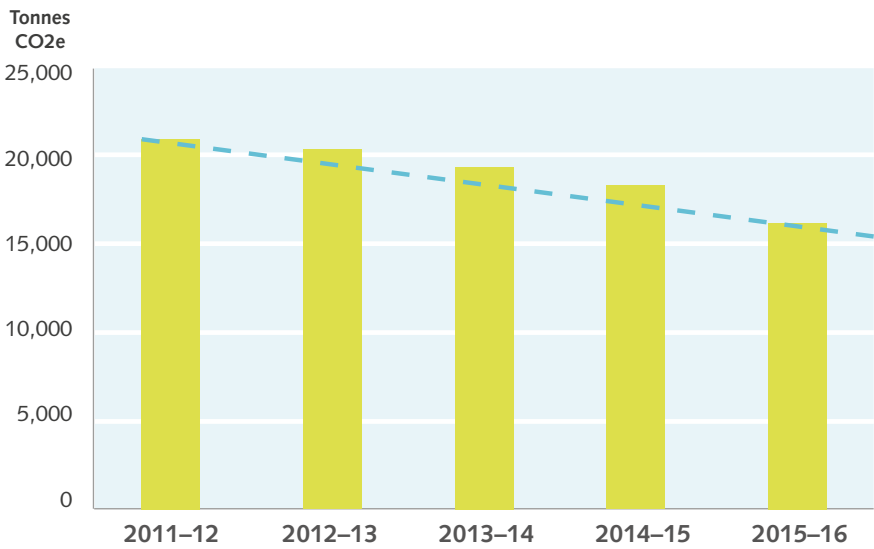
The British Library recognises that its activities impact on society and the environment at local, regional and global levels through the resources it consumes, the waste it produces, the travel and work patterns it encourages amongst its staff and the products it buys. The British Library needs

to provide stable and reliable collection storage while seeking to minimise the impact that its 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

	2011–12	2012–13	2013–14	2014–15	2015–16
Non-Financial indicators (1,000 tCO2e)					
Gross emissions Scope 1 (direct)	2.5	2.1	1.7	2.0	2.2
Gross emissions Scope 2&3 (indirect)	18.4	18.2	17.5	16.4	14.0
Total gross emissions	20.9	20.3	19.2	18.4	16.2
Total net emissions	20.9	20.3	19.2	18.4	16.2
Related energy consumption (million kWh)					
Electricity: Non-renewable	33.3	32.9	31.3	29.2	24.9
Electricity: Renewable	–	–	–	–	–
Gas	9.4	10.7	9.0	10.6	11.7
Gas Oil	2.9	3.6	3.0	3.5	2.6
Other	–	–	–	–	–
Financial indicators (£million)					
Expenditure on energy	3.1	3.2	3.3	3.2	3.0
CRC license expenditure (2011–12 onwards)	0.3	0.2	0.3	0.3	0.2
Expenditure on accredited offsets	–	–	–	–	–
Expenditure on official business travel	0.5	0.5	0.6	0.6	0.6



The British Library adopted the Greening Government Commitments target to reduce its greenhouse gas emissions by 25% by 2014/15 from a 2009/10 baseline, for our estate and for business-related transport. The Library has extended this and now has a target for a 5% year on year reduction from that base. At the end of 2015/16, net emissions have reduced by 30% which has completed the period exactly on target.

The main direct causes for carbon emissions for the Library are

electricity, gas and oil consumption. An energy-saving action plan is in place, and progress is being made as opportunities and budgets allow for investment in energy-saving plant and lighting. The energy reductions in 2015/16 have been achieved by accelerating this programme, including lighting, HVAC controls and plant operating times. This has also been achieved in the first full year of the National Newspaper Building at Boston Spa, which includes a small Tri-Generation plant and cooling tower.

There was an increase in air travel during the year as a result of the increase in our international engagement activities.

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

In 2015/16 the Library produced 574 tonnes of waste, which is a 3% increase (17 tonnes) from the previous year. This increase is due to both a large rise in visitors, which resulted in a 48% increase in food waste (99 tonnes) and a major office refurbishment project at St Pancras, carried out to temporarily accommodate the Alan Turing Institute.

The Library met its target of recycling 75% of its waste (which represents 431 tonnes). During the year the Estates department continued its efforts to minimise

waste generated and to maximise recycling rates. Recent improvements to our waste handling process diverted 5 tonnes of general waste to recycling. The Library continued its zero-to-landfill policy with general waste being incinerated to provide energy and food waste being sent to anaerobic digestion, creating both fertiliser and gas for energy generation.

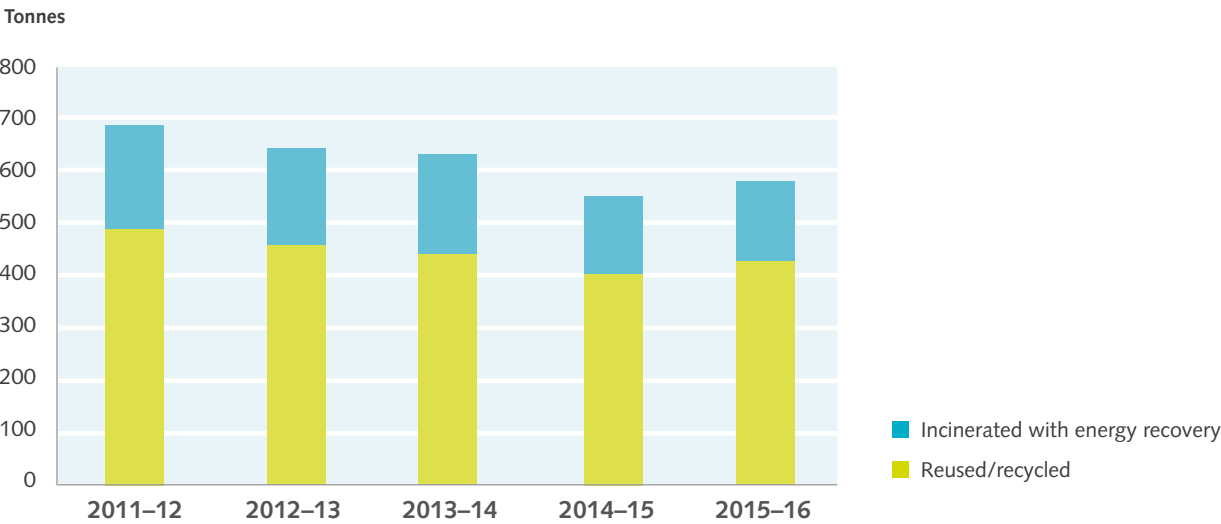
The Library’s Estates department continued to develop relationships with charitable causes to reuse waste. Redundant office material was donated to the Children’s Scrap

Project and around 150 redundant items of furniture were donated to good causes in the Camden area. As a result of these efforts, and other projects such as work placement schemes, the Estates department and its contract partner Emprise won the Premises & Facilities Management Award for ‘Partners in Sustainability’ for 2015/16.

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

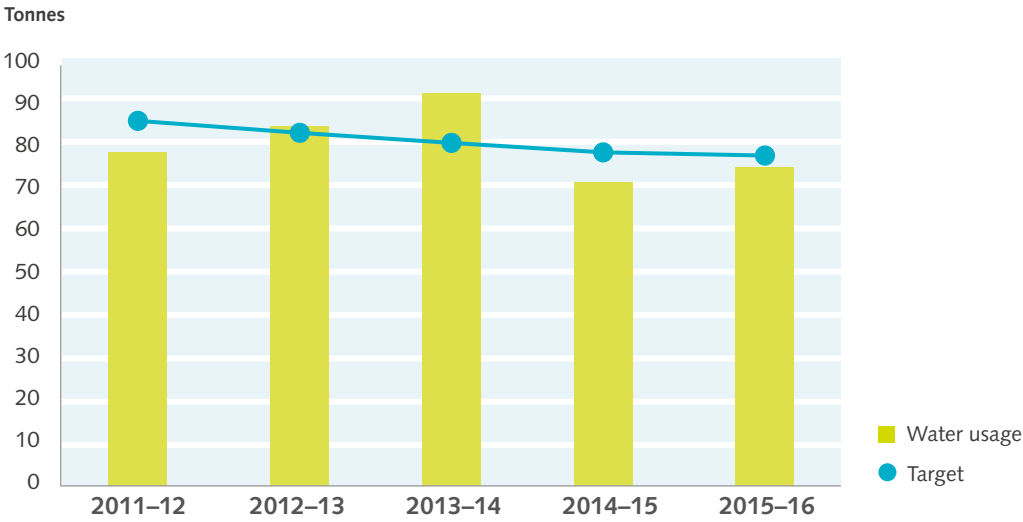
Waste

	2011-12	2012-13	2013-14	2014-15	2015-16
Non-Financial indicators (tonnes)					
Hazardous waste					
Total	90.0	164.0	39.6	60.0	–
Non hazardous waste					
Construction waste to landfill	2,509.6	27.5	27.5	64.4	–
Landfill	–	–	–	–	–
Reused/recycled	518.0	997.0	448.1	408.1	431.2
Composted	–	–	–	–	–
Incinerated with energy recovery	197.8	190.7	178.2	147.7	143.0
Incinerated without energy recovery	–	–	–	–	–
Total waste	3,315.4	1,379.3	693.5	680.2	574.2
Financial indicators (£million)					n/a



Finite Resource Consumption

	2011-12	2012-13	2013-14	2014-15	2015-16
Non-Financial indicators ('000m3)					
Water consumption					
Supplied	77.7	83.5	91.0	70.3	73.7
Abstracted	–	–	–	–	–
Collected	–	–	–	–	–
Financial indicators (£thousand)					
Water supply costs	152.3	182.3	184.9	171.8	156.0



The British Library has a target to reduce water consumption by 2% per year from a 2009/10 baseline. Consumption in 2015/16 includes a one-off increase due to both increased visitor numbers during the year and a HVAC system issue in St Pancras.

Office benchmarks for water consumption and reduction are

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

Our St Pancras building has some built-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 National Newspaper Building at Boston Spa is rated ‘Very Good’ and incorporates a small Tri-Generation plant.

REMUNERATION REPORT

Remuneration Policy

The British Library complies with Civil Service pay guidance issued by HM Treasury and obtains approval from the Department for Culture, Media and Sport for its annual pay remit.

The Remuneration Policy for the Library’s senior managers is set by the Remuneration Committee, a standing committee of the Board without executive powers which fulfils the following responsibilities:

- to keep under regular review the terms and conditions of the Chief Executive
- to undertake an annual review of the Chief Executive’s salary and to determine his performance bonus and inform the Board;
- 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
- to represent the Board in relation to considerations relating to the terms and conditions of all other Library employees and approves the annual pay remit
- 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.

The Remuneration Committee is informed in its decisions by external benchmarking and through the Library’s performance management process.

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 wish to. 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)

Salary 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.

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 2015/16 was £155k–£160k (£145–£150K in 2014/15). This was 6.06 (5.79 in 2014/15) times the median remuneration of the workforce, which was £26,000 (£25,492 in 2014/15).

In 2015/16, no employee 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 following tables show the pension entitlements and salary paid during the year for the Chairman and Board Members and the Executive Team.

Remuneration for Non-pensionable Board Members (audited):

	2015/16	2014/15	Term Start Date	Term End Date
	£000	£000		
Rt Hon Baroness Blackstone PC	37.0	37.0	01/09/10	31/08/18
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
Mr Jonathan Callaway (wef 1/4/15)	9.1	–	01/04/15	31/03/19
Ms Tracy Chevalier (wef 1/4/15)	9.1	–	01/04/15	31/03/19
Mr Martin Dickson (wef 1/4/15)	9.1	–	01/04/15	31/03/19
Lord Fellowes GCVO	9.1	9.1	30/09/12	11/12/16
Dr Stephen Page	9.1	9.1	26/01/11	25/01/19
Mr Patrick Plant	9.1	9.1	15/05/12	14/05/16
Sir John Ritblat (wef 1/4/15)	9.1	–	01/04/15	31/03/19
Dr Simon Thurley (wef 1/4/15)	9.1	–	01/04/15	31/03/19
Professor Dame Helen Wallace (wef 1/4/15)	9.1	–	01/04/15	31/03/19
Sir Kenneth Calman KCB (until 31/3/15)	–	9.1	01/04/11	31/03/15
Professor Dame Wendy Hall DBE (until 31/3/15)	–	9.1	01/01/11	31/03/15
Dr Michael Lynch OBE (until 24/5/14)	–	1.5	26/01/11	24/05/14
Professor Kate McLuskie (until 31/3/15)	–	9.1	01/04/11	31/03/15
Dr Maggie Semple OBE (until 31/3/15)	–	9.1	01/04/11	31/03/15
	137.1	120.4		

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 1972.

During the year, a total of £1,802 (£4,936 in 2014/15) was paid to two (seven in 2014/15) Board members for travel expenses.

Remuneration and Pension Details for the Executive Team (audited):

	Salary £000		Bonus Payments £000		Pension Benefits ² £000		Total £000	
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15
Roly Keating, Chief Executive	150–155	145–150	–	–	59	54	210–215	200–205
Caroline Brazier, Chief Librarian	125–130	120–125	10–15	–	39	32	180–185	150–155
Philip Spence, Chief Operating Officer	140–145	135–140	10–15	–	50	44	200–205	180–185
Richard Boulderstone, Chief Digital Officer until 10 April 2015	5–10 (FTE 120–125)	120–125	–	–	13	54	20–25	175–180
Frances Brindle, Director until 28 February 2015	–	115–120 (FTE 120–125)	5–10	–	–	50	5–10	165–170
Steve Morris, Chief Financial Officer until 30 June 2015	35–40 (FTE 130–135)	125–130	10–15	–	28	57	75–80	180–185

² 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.

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.

Bonuses were paid to four of the Executive Team and two of the Executive Team waived their contractual bonus payment in 2015/16. In 2014/15 no directors received a non-consolidated bonus.

In addition, for 2015/16 the annual pay award agreed by the Remuneration Committee for the Chief Executive was 6.1% and the remainder of the Executive Team was 1.7%, the same percentage as that agreed for all staff and in line with Government Policy.

	Accrued Pension at pension age as at 31/3/16 £000	Real increase in pension and related lump sum at pension age £000	CETV at 31/3/16 £000	CETV at 31/3/15 £000	Real increase in CETV £000
Roly Keating, Chief Executive	5–10	2.5–5	162	110	28
Caroline Brazier, Chief Librarian	20-25 plus lump sum of 60–65	0-2.5 plus lump sum of 5–7.5	480	407	38
Philip Spence, Chief Operating Officer	20–25	2.5–5	377	303	38
Richard Boulderstone, Chief Digital Officer until 10 April 2015	45–50	0–2.5	896	872	12
Frances Brindle, Director until 28 February 2015	–	–	–	–	–
Steve Morris, Chief Financial Officer until 30 June 2015	75–80	0–2.5	1,394	1,345	24

British Library staff are eligible to become a member of one of the Principal Civil Service Pension Schemes (PCSPS), providing retirement and related benefits to all eligible employees. Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member’s State Pension Age (or 65 if higher). From 1 April 2015, all newly appointed staff and the majority of those already in service joined alpha. Prior to that date, staff participated in the Principal Civil Service Pension Scheme (PCSPS).

The PCSPS has four options. Three provide benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60 and one provides benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will move to alpha sometime between 1 June 2015 and 1 February 2022.

All members who switch to alpha have their PCSPS benefits ‘banked’, with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when

they leave alpha. The pension figures quoted for officials show pension earned in PCSPS or alpha as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a ‘money purchase’ stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 3% and 8.05% of pensionable earnings for members of classic (and members of alpha who were members of classic immediately before joining alpha) and between 4.6% and 8.05% for members of premium, classic plus, nuvos and all other members of alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years’ initial pension is payable on retirement. The benefits in premium accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 calculated as in premium.

In nuvos, a member builds up a pension based on his pensionable earnings during his period of scheme membership. At the end of the scheme year (31 March), the member’s earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation.

Benefits in alpha build up in a similar way to nuvos, except that

the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% up to 30 September 2015 and 8% and 14.75% from 1 October 2015 (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer’s basic contribution). Employers also contribute a further 0.8% of pensionable salary up to 30 September 2015 and 0.5% of pensionable salary from 1 October 2015 to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found on the website www.civilservicepensionscheme.org.uk

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 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

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Chairman

4 July 2016

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Chief Executive
and Accounting Officer

4 July 2016

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.

GOVERNANCE STATEMENT

Governance Framework

The British Library

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'). It is an arm's-length 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. A Management Agreement letter from the Secretary of State for Culture, Media and Sport sets out the British Library's Grant in Aid allocation and conditions.

The British Library is an exempt charity under the Charities Act 2011 and complies with the duty under section 17 to have due regard to public benefit guidance published by the Charities Commission.

Objectives and Activities

Section 1(2) of the Act placed the British Library under the control and management of the British Library Board ('the 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 objectives of the British Library are set out under Sections 1(3) and 1(4) of the Act. The British Library 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.

Living Knowledge sets out the British Library's vision for its future development as it looks ahead to 2023, the year of its 50th anniversary as the national library of the United Kingdom. It explains how the British Library contributes to research, culture, education and economic prosperity, for the benefit not just of the UK but of users and partners around the world. The British Library's mission is to 'make our intellectual heritage accessible to everyone, for research, inspiration and enjoyment'.

Living Knowledge sets out six core statements of purpose:

- **Custodianship.** We build, curate and preserve the UK's national collection of published, written and digital content
- **Research.** We support and stimulate research of all kinds
- **Business.** We help businesses to innovate and grow
- **Culture.** We engage everyone with memorable cultural experiences
- **Learning.** We inspire young people and learners of all ages
- **International.** We work with partners around the world to advance knowledge and mutual understanding.

The Board

The constitution and further provisions of the Board are set out in 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. Members are normally appointed for four-year terms, with consecutive appointments restricted

to two terms. All are part-time with the exception of the Chief Executive who is the only full-time executive member of the Board. The Chairman and Board select one of their members to be Deputy Chairman.

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 responsibilities of the Chairman and the Chief Executive are set out in the Statement of Directors' and Accounting Officer's Responsibilities on page 42.

The Board meets five times a year, and one of those meetings is substantially devoted to the review and development of strategy. The Chief Operating Officer and Chief Librarian are normally present during Board meetings.

Board Committees

The Board has delegated certain responsibilities to committees of the Board, as follows.

Committee	Key Responsibilities
Audit Committee	A standing committee without executive powers which supports the Board and the Accounting Officer in their responsibilities for issues of finance, risk, control and governance by reviewing the comprehensiveness, reliability and integrity of assurances provided to them.
Remuneration Committee	A standing committee without executive powers which makes recommendations to the British Library Board with regard to the performance, pay and employment terms and conditions of the Chief Executive, and which considers the recommendations of the Chief Executive in relation to the Chief Librarian, the Chief Operating Officer and other staff.
Construction Project Committee (dissolved May 2015)	A limited-life committee without executive powers, which assisted the Board in satisfying itself as to the adequacy and effectiveness of the arrangements for the project management of the Newspaper Programme and previous construction projects.
Capital Projects Committee	A limited-life committee without executive powers, whose primary responsibility is to assist the Board in overseeing the achievement of the objectives of the St Pancras Transformed Programme.
Investment Committee	A limited-life committee without executive powers, formed to review and make recommendations to the trustees of the British Library’s trust funds with regard to investments.

The Board has not established a Nominations and Governance Committee; instead, the Board holds an annual private meeting session to facilitate self-review, development needs assessment and succession planning.

Board and Committee Membership³

	Current term	Expires	Board	Audit	Remun.	Constr.	Cap Pr.	Invest.
Chairman								
Rt Hon Baroness Blackstone PC	2nd	31.8.2018	Chair	–	Member	–	–	–
Deputy Chairman								
Mr David Barclay	2nd	25.1.2019	Deputy Chair	Member	Chair	–	–	Member
Chief Executive								
Mr Roly Keating	1st	11.9.2019	Member	–	–	Member	Member	–
Non-Executive Board Members								
Dr Robert Black CBE	1st	19.6.2016	Member	Chair	–	–	–	–
Mr Jonathan Callaway	1st	31.3.2019	Member	–	–	–	–	Chair
Ms Tracy Chevalier	1st	31.3.2019	Member	–	–	–	–	–
Mr Martin Dickson	1st	31.3.2019	Member	–	Member	–	–	Member
Lord Fellowes GCVO	3rd	11.12.2016	Member	Member	–	–	–	–
Dr Stephen Page	2nd	25.1.2019	Member	Member	–	–	Member	–
Mr Patrick Plant	1st	14.5.2016	Member	–	–	Chair	Chair	–
Sir John Ritblat	1st	31.3.2019	Member	–	–	–	–	–
Dr Simon Thurley	1st	31.3.2019	Member	–	–	–	Member	–
Professor Dame Helen Wallace	1st	31.3.2019	Member	Member	–	–	–	–
Committee members with relevant professional experience:								
Berenice Smith	–	–	–	Member	–	–	–	–
Paul Goffin	–	–	–	–	–	Member	–	–

³ Board members’ biographies are available at: www.bl.uk/aboutus/governance/blboard/memberslist/

Board Performance

Board and Committee Reports

The Board received an annual report from the Chair of the Audit Committee and the non-executive members of the Board received an annual report from the Chair of the Remuneration Committee. Minutes of the meetings of the Audit Committee, Construction Project Committee, Capital Projects Committee and Investment Committee were shared with the Board on a timely basis.

The Board received a number of annual stewardship reports and quarterly reports on financial performance, performance against key indicators and business measures, delivery of strategic change initiatives, and risk management. The Board also approved financial and business plans for the next year.

In addition to regular business, significant issues that were considered by the Board during 2015/16 included:

- Finances, in particular the Government Spending Review and its impact upon the Library’s commercial, fundraising and financial strategies for 2016–17 and the next four to five years
- The implementation of *Living Knowledge*, in particular how the Library is delivering its core purposes and proposed ‘invest to grow’ initiatives including the business cases for St Pancras Transformed and the potential development of a UK Printed Collections Management hub in Boston Spa
- International strategy, including digitisation partnerships, the Library’s support for UK cultural diplomacy and its position relative to the Conference of European National Librarians
- Research strategy, including a proposed strategic review of the Library’s approach to journal subscriptions and other purchased acquisitions
- The Library’s collection

management and IT strategies, particularly with regard to digital storage and preservation, incremental improvements to the Library’s IT architecture and digital ingest capabilities and the upgrade, or potentially even future replacement, of entire systems.

The Audit Committee kept the management of risks under review throughout the year and initiated a full review of the Library’s top strategic risks. The Committee reviewed reports from our internal auditors RSM, including progress reports on the implementation of recommendations. The Committee agreed a suitable programme of work for 2016–17. Members of internal and external audit attended each meeting of the Audit Committee and their work was considered by the Committee. During the course of its work in 2015/16, the Audit Committee did not identify any particular issues that it would wish to draw to the attention of the Board and/or Accounting Officer.

In March 2016 the Audit Committee was informed that, during its routine annual audit, the National Audit Office identified an error in the calculation that creates the annual Public Lending Right figures. As a result of the error, the overall loans figure for the London region was under represented, affecting the annual rate per loan calculation. As a result, an incorrect rate per loan of 7.67 pence, instead of the correct figure of 7.27 pence, had been recommended to the Secretary of State for consultation and subsequently approved by Parliament. The sample error also led to some authors receiving smaller payments than were due at this approved rate.

Upon identification of the error, the loans sample was recalculated and, after consultation with DCMS, additional payments at the approved rate of 7.67 pence per loan were made to authors for

whom the recalculated number of loans was higher. The Library also initiated an internal investigation into the error and its causes. As a result of the investigation, the Library has now strengthened Public Lending Right’s management and internal controls, including changing the scope of future internal audit reviews of the author payment process, and is taking additional steps to ensure that such an error cannot occur again.

The Remuneration Committee provided advice to the Board with regard to the remuneration of the Chief Executive, varying the terms of employment of the Chief Operating Officer, and a new Pay Agreement for staff.

The Construction Project Committee was dissolved following the successful completion of the Newspaper Programme with a review of lessons learned.

The Capital Projects Committee was initiated to oversee the achievement of a number of strategic objectives and benefits via the St Pancras Transformed Programme, including the launch of a competitive dialogue process through which the Library will procure a commercial partner to develop land to the north of its St Pancras estate and providing improved facilities within the current St Pancras building.

The Investment Committee was formed for a limited period to review and make investment recommendations to the trustees of the British Library’s trust funds.

Board and Committee Attendance

	Meetings attended / eligible to attend					
	British Library Board	Audit Committee	Remuneration Committee	Construction Project Committee	Capital Projects Committee	Investment Committee
Rt Hon Baroness Blackstone PC	5 / 5	–	2 / 2	–	–	–
Mr David Barclay	5 / 5	4 / 4	2 / 2	–	–	1 / 1
Dr Robert Black CBE	5 / 5	4 / 4	–	–	–	–
Mr Jonathan Callaway	5 / 5	–	–	–	–	1 / 1
Ms Tracy Chevalier	5 / 5	–	–	–	–	–
Mr Martin Dickson	5 / 5	–	–	–	–	1 / 1
Lord Fellowes GCVO	4 / 5	4 / 4	–	–	–	–
Mr Roly Keating	5 / 5	–	–	1 / 1	2 / 2	–
Dr Stephen Page	5 / 5	2 / 3	–	–	2 / 2	–
Mr Patrick Plant	5 / 5	–	–	1 / 1	2 / 2	–
Sir John Ritblat	3 / 5	–	–	–	–	–
Dr Simon Thurley	5 / 5	–	–	–	2 / 2	–
Professor Dame Helen Wallace	5 / 5	1 / 2	–	–	–	–
Committee members with relevant professional experience:						
Berenice Smith	–	4 / 4	–	–	–	–
Paul Goffin	–	–	–	1 / 1	–	–

Board Effectiveness

Six of its 13 members were newly appointed to the Board with effect from 1 April 2015 by the Secretary of State for Culture, Media and Sport. Their induction included interviews with key staff about strategic issues and the services of the Library, briefing material on the governance framework and background, and the offer of training on board members’ responsibilities and the requirements or expectations relevant to the Library as a public body.

The Board undertakes an annual assessment of its own effectiveness on the basis of a

self-evaluation questionnaire. The survey for 2015/16 confirmed that the Board has good skills-based membership but members perceived the potential, in any future appointments, to increase its diversity and to add further strength in digital and commercial matters as these become more central to the Library’s services. The survey also confirmed that the Board was generally effective with sound processes, that Board members receive timely and accurate information for all areas for which they are responsible and that they have confidence in the robustness of that data. The Board considers the quality of information sufficient for it to conduct its role. Separately,

the Board’s Audit Committee also carried out a self-evaluation based upon the National Audit Office’s checklist, which also confirmed that the Library has good practices and controls and that the work of the committee is effective. Internal Audit provides assurances on the quality of management information through individual audit reviews in a cyclical three-year programme.

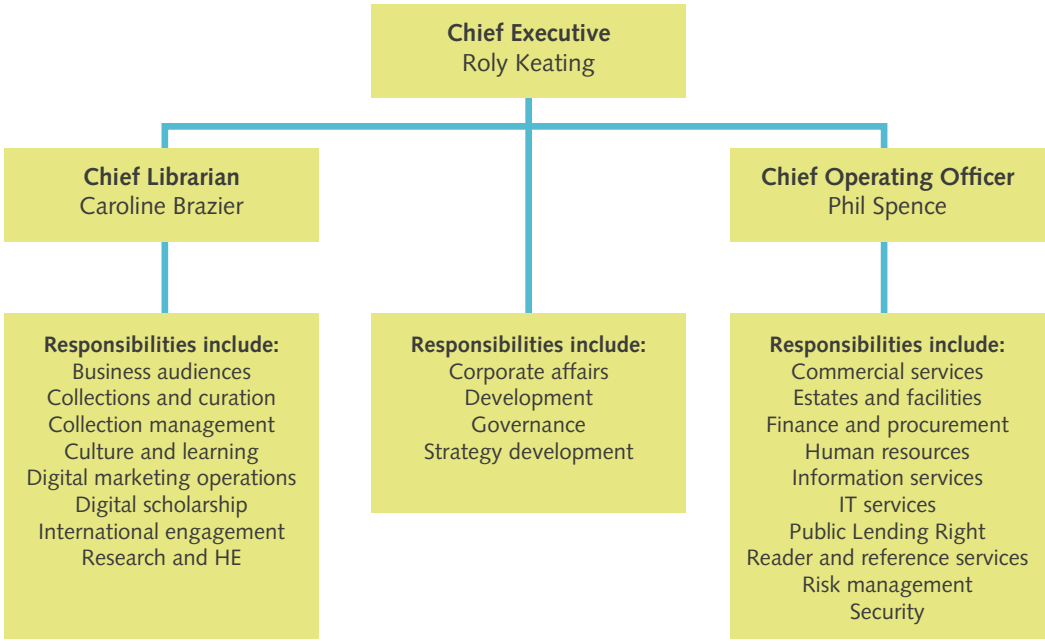
The Library complies with the requirements of *Corporate governance in central government departments: Code of Good Practice*, 2011 as adapted to the circumstances of the Library as an arm’s-length body.

Management

Responsibility for managing the Library is delegated to the Chief Executive who, as Accounting Officer, is personally responsible

to Parliament for the stewardship of public money and the British Library’s assets, and for ensuring that the resources allocated to the British Library under the authority of Parliament are used for the

purposes intended by Parliament. Management of the British Library is led by the Chief Executive, Chief Librarian and Chief Operating Officer, and includes the following areas of responsibility:-



RISK ASSESSMENT

Internal Controls and Risk Management 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 relevant British Library policies are consistent with those of the Secretary of State, and that the British Library’s affairs are conducted with probity. 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, 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.

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 is enhanced by other identified best practices. It outlines 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. 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 management’s Audit and Risk Group four times a year
- by the Board’s Audit Committee in three of its four annual meetings.

Operational risks are held within risk registers which are regularly reviewed by the management team. At the end of each financial year, the Chief Librarian and Chief Operating Officer 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.

The Library aims to manage risk within risk tolerance levels agreed by the Board, rather than eliminating all risks to achievement of its policies, aims and objectives. There are five potential tolerance levels: Minimum, Low, Modest, Moderate and Maximum. The system of internal control is based on an ongoing 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 accords with HM Treasury guidance and was in place throughout 2015/16 and up to the date of signing the Annual Report and Accounts.

Effectiveness of Internal Controls

During the year, the Board and the Board's Audit Committee both completed reviews of their effectiveness by self-assessment. Members were satisfied both that effective internal and financial controls and an institution-wide risk management process were in place and also that they receive appropriate information and reports on a timely basis.

In accordance with Public Sector Internal Audit Standards, the Head of Internal Audit provides an annual opinion on the overall adequacy and effectiveness of the Library's risk management, control and governance processes. Based on a plan of 17 internal audit reviews throughout 2015/16, the Head of Internal Audit rated the Library as having an adequate and effective framework for risk management, governance and internal control, but recommending some further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective. This reflects the second highest rating from the four available.

Assessment of Principal Risks in 2015/16

A full review and assessment of the Library's Strategic Risk Register was completed during the year. The updated Register included the

following themes.

- **Physical Security** (Tolerance level: Low). The Library remains vigilant about the threat of a major physical security breach or incident, maintaining appropriate policies and systems for protecting people, collections and premises, and liaising regularly with the police, SO20 Counter Terrorism Protection Command and other external security bodies.
- **Digital Systems Security** (Tolerance level: Low). The Library employs a range of software and hardware defences, staff training and systems policies to defend against the possibility of cyber-attack, systems failure or data loss. These are audited regularly with penetration tests and other assurance measures.
- **Major Programmes Governance** (Tolerance level: Low). While accepting the potential for minor risk in certain aspects, the Library implements strong governance for its major transformational change programmes, with effective methodologies and best practices for managing change including independent, internal and external means of assurance, in order to ensure that such programmes deliver their benefits.
- **Cultural Restitution** (Tolerance level: Low). With such rich and diverse collections, the Library may be faced from time to time with cultural restitution claims. We maintain and implement appropriate policies and due diligence, with guidance and training for staff, in matters of public accountability and cultural property.
- **Financial Budgeting** (Tolerance level: Modest). The potential risk of future reductions in Grant in Aid affecting delivery of services remained high on our register during the year. It is being mitigated through the Spending Review announcement of a flat cash settlement and the delivery of *Living Knowledge* initiatives, most notably the St Pancras Transformed programme and the development of fundraising and commercial strategies.
- **Stakeholder Relationships** (Tolerance level: Modest). The Library maintains regular dialogue and engages at all levels with representatives of Government and external stakeholders in relation to current issues such as the 2015 Spending Review or copyright and data protection, and potential future issues such as the European referendum in 2016, and a review of the regulations for non-print legal deposit in 2018.
- **Staff Recruitment and Retention** (Tolerance level: Modest). We strive to recruit and retain the best possible staff within the organisation's budgetary limits in order to deliver key priorities and maintain service levels. 2015-16 saw the implementation of a new People Strategy, monitored by the Board via regular progress reports.
- **Staff Engagement** (Tolerance level: Modest). We also strive to inspire staff with the vision required for transformational change. *Living Knowledge* expresses the Library's core purposes and vision for the next seven to eight years, and its core values. This is supported by an effective staff communications strategy and regular Open House briefing sessions.
- **Investment in Digital** (Tolerance level: Modest) The Library continues to invest in effective digital platforms designed to underpin future products and services and its custodianship mandate and is prepared to accept some risk in pursuit of creative and innovative technical solutions. Such investments, subject to robust governance and project management, deliver planned changes and improvements in consultation with users, publishers and other stakeholders.

Managing Financial Risk

The Library's budgetary framework delegates budget responsibilities from the Chief Executive, as Accounting Officer, to Chief Officers. As part of this

responsibility the Library requires each Strategic Leadership Team manager to review their financial performance regularly and to advise the Executive of any potential deviation from budget and to report any remedial actions being taken to address these.

Financial performance is reported monthly to the Chief Officers and quarterly to the Board. During the year a four-year financial plan was developed and this will be updated on a regular basis as part of the business planning processes. Forecasts are reported to DCMS on a monthly basis and regular contact is maintained with their appointed finance manager.

Managing Information Risk

The Library's Senior Information Risk Owner (SIRO) is supported by a Corporate Information Governance Group covering information compliance, information management and information security. During 2015/16, the Library withstood a 'brute force' attack on its systems over a four-day period, in which the attacker attempted to obtain access to customer data. The attack was unsuccessful and no data was lost. There were no reported incidents of personal data loss 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, aligned with ISO 27001/2

- Improved handling of credit card data, including compliance with the Payment Card Industry Data Security Standard v2.0
- Assessment and preparation for the likely implementation in 2018 of the EU's General Data Protection Regulation 2016, establishing new rules adapted to the digital era.

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.

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. Over the last 12 months, across all Library sites, the Health and Safety team has provided ten different types of training course for staff, completed by 1,648 attendees. During this period, the total number of accidents reported, (under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations, RIDDOR), was 95 – an increase of 21% compared with 2014/15 – comprising 60 accidents involving members of staff and 35 involving visitors, contractors and other non-staff members. The majority of these accidents were slips, trips and falls, especially during the wet weather. The Library adheres to all salient points within

the British Standards Institute's BS OHSAS 18001 guidance.

Sickness Absence

The Library monitors the level of staff absence due to sickness. The absence average for the Library for the 12-month period ending 31 March 2016 is 7.72 days (7.03 days in 2014/15). 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. The data is now captured through the Library's time recording system rather than the payroll system which may mean some minor differences in the comparative with last year.

Whistleblowing

The Library has a Whistleblowing Policy which has been revised three times since its inception. Prior to this, the Library looked at staff concerns over issues of impropriety under Appendix 6, Section M – Conduct Discipline and Inefficiency – of the Staff Handbook. We consult with our recognised trade unions on all our People Policies, including whistleblowing, and on all sections of the Staff Handbook. In the majority of instances the most appropriate place for a worker to raise concerns will be with their line manager or a more senior manager; in other cases a concern may be reported to the Chair of the Audit Committee as a member of the Board or, in their absence, to the Deputy Chairman.

The most recent potential whistleblowing concern to be raised occurred in 2014/15; it was reviewed in March 2015 and nothing worthy of action was found. There have been no whistleblowing concerns reported in 2015/16.



Rt Hon Baroness Blackstone PC
Chairman

4 July 2016



Roly Keating
Chief Executive
and Accounting Officer

4 July 2016

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 2016 under the British Library Act 1972. The financial statements comprise: the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Board, Accounting Officer and auditor

As explained more fully in the Statement of Directors’ and Accounting Officer’s Responsibilities, the Board and Chief Executive as Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the British Library Act 1972. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the British Library’s circumstances and have been

consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the British Library; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the British Library’s affairs as at 31 March 2016 and of its net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the British Library Act 1972 and Secretary of State directions issued thereunder.

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

6 July 2016

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

ANNUAL ACCOUNTS

The British Library Board
Statement of Financial Activities for the year ended 31 March 2016

	Notes	Unrestricted funds	Restricted funds	Total 2015/16	Unrestricted funds	Restricted funds	Total 2014/15 Restated
		£000	£000	£000	£000	£000	£000
Income and Endowments from:							
Donations and legacies	2	452	9,467	9,919	216	8,715	8,931
Charitable activities	3	13,251	548	13,799	14,554	798	15,352
Investment income	4	525	478	1,003	207	500	707
Other incoming resources							
Grant in Aid	5	93,043	–	93,043	93,893	–	93,893
Total		107,271	10,493	117,764	108,870	10,013	118,883
Expenditure on:							
Raising funds		582	–	582	493	–	493
Investment management costs		6	20	26	5	20	25
Charitable activities:							
Access		32,011	760	32,771	28,084	611	28,695
Content / acquisitions		41,542	1,555	43,097	36,244	1,931	38,175
Developments		15,193	1,633	16,826	8,199	487	8,686
International		(578)	2,196	1,618	1,086	3,581	4,667
Navigation		18,959	1,804	20,763	16,018	1,575	17,593
Public engagement		13,286	55	13,341	9,708	1,329	11,037
Web		2,035	18	2,053	3,496	43	3,539
Public Lending Right to authors		6,400	–	6,400	6,030	–	6,030
Total	6	129,436	8,041	137,477	109,363	9,577	118,940
Net Gains / (losses) on investments	11	(275)	(822)	(1,097)	272	841	1,113
Net income / (expenditure)		(22,440)	1,630	(20,810)	(221)	1,277	1,056
Transfer between funds	17	–	–	–	32	(32)	–
Other recognised gains / (losses)							
Gains / (losses) on revaluation of fixed assets	9	18,139	–	18,139	643,954	–	643,954
Net movement in funds		(4,301)	1,630	(2,671)	643,765	1,245	645,010
Reconciliation of Funds							
Fund balances brought forward at 1 April		1,332,791	20,456	1,353,247	689,026	19,211	708,237
Fund balances carried forward at 31 March		1,328,490	22,086	1,350,576	1,332,791	20,456	1,353,247

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

The notes on pages 66 to 87 form part of these accounts.

The British Library Board
Balance Sheet as at 31 March 2016

	Notes	2015/16 £000	2014/15 £000
Fixed assets			
Intangible assets	8	90	10
Tangible fixed assets	9	1,226,674	1,236,526
Heritage assets	10	65,848	63,915
Investments	11	19,722	21,317
Total fixed assets		1,312,334	1,321,768
Current assets			
Stocks	13	1,041	1,033
Debtors and prepayments	14	12,113	10,001
Short term deposits	15	27,000	27,000
Cash at bank and in hand	15	17,454	15,683
Total current assets		57,608	53,717
Current liabilities			
Creditors: amounts falling due within one year	16	(19,212)	(21,819)
Provisions: amounts falling due within one year	20	(154)	(392)
Total current liabilities		(19,366)	(22,211)
Net current assets		38,242	31,506
Total assets less current liabilities		1,350,576	1,353,274
Provision for liabilities and charges falling due after one year	20	–	(27)
Net assets		1,350,576	1,353,247
Represented by:		£000	£000
Income funds			
Restricted funds	17	22,086	20,456
Public Lending Right		–	71
Unrestricted funds:			
Fixed asset reserves	17	390,737	399,161
Revaluation reserve	18	873,787	873,202
Donated asset reserve	17	28,088	28,088
Designated funds	17	5,853	6,054
General funds	17	30,025	26,215
Total funds		1,350,576	1,353,247

The notes on pages 66 to 87 form part of these accounts

The financial statements on pages 63 to 65 and accompanying notes on pages 66 to 87 were approved by the Board on 23 June 2016 and were signed on their behalf by:

Rt Hon Baroness Blackstone PC
Chairman

4 July 2016

Roly Keating
Chief Executive
and Accounting Officer

4 July 2016

The British Library Board
Cash Flow Statement for the year ended 31 March 2016

	Notes	2015/16 £000	2014/15 £000
Cash flows from operating activities:			
Net cash provided by (used in) operating activities			
Cash flows from investing activities:	15b	4,508	7,251
Dividends, interest and rents from Investments		1,003	707
Purchase of property, plant and equipment		(4,238)	(6,476)
Disposal of investments at cost		1,470	
Donated assets		–	(182)
Purchase of investments		(972)	(6,284)
Net Cash provided by (used in) investing activities		1,771	(4,984)
Change in cash and cash equivalents		1,771	(4,984)
Cash and cash equivalent brought forward		42,683	47,667
Cash and cash equivalents carried forward		44,454	42,683
Analysis of cash and cash equivalents			
Cash in hand		17,454	15,683
Notice deposits		27,000	27,000
Total Cash and cash equivalents		44,454	42,683

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 January 2015, (the “SORP”), the Charities Act 1993, the Charities (Accounting and Reports) Regulations 2016, the *Financial Reporting Manual*, FRS 102 and generally accepted accounting practice so far as considered appropriate or as modified by HM Treasury guidance.

The adoption of FRS 102 SORP has resulted in no prior year restatement. Some prior year data has been restated for formatting but no change to opening balances.

Within the Statement of Financial Activities (SOFA), the Library reflects its costs against its charitable activities as required by FRS 102 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 (VAT) 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 probability and measurability as per the Statement of Recommended Practice (FRS 102 SORP) 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 the *Financial Reporting Manual*, 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 Library 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 £20,000 (£10,000 in 2014/15). 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.

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 (Impairment of Fixed Assets and Goodwill) 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, including web development, 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 and 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 or over the life of the licence

f) Government grant

Grant in Aid from DCMS 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 bookbinding activities are recorded at cost. As this stock is not of a general nature it would not be cost-effective to test the realisable value in determining which provides the lower valuation.

h) Foreign currencies

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

i) Operating leases

Costs relating to operating leases are charged to the SOFA over the life of the lease. The Library currently has no finance leases.

j) Fund Accounting

The British Library has the following categories 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 services or restricted funds services are utilised by another 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 80.

k) Financial Instruments

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

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.

I) 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 70.
- 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 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 are revalued using an appropriate index provided by the Royal Institute of Chartered Surveyors 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.

o) Contingent Liabilities
Contingent liabilities are disclosed in line with FRS 102 SORP. Contingent liabilities are recognised when there is either a possible but uncertain obligation or a present obligation that is not recognised because a transfer of economic benefit to settle the possible obligation is not probable; or the amount of the obligation cannot be estimated reliably.

p) Early Departures
All redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme and are accounted for in full in the year of departure.

q) Pensions
Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) and Civil Servants and Others Pension Scheme (alpha). The defined benefit schemes are unfunded and are contributory public service occupational pension schemes made under the Superannuation Act 1972. We recognise the expected cost of these elements, on a systematic and rational basis, over the period during which it benefits from employees’ services by payment to the PCSPS/alpha of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS/alpha. In respect of the defined contribution schemes, we recognise the contributions payable for the year.

2. VOLUNTARY INCOME

	£000 Unrestricted	£000 Restricted	2015/16 £000 Total	2014/15 £000
Donated assets	–	–	–	182
Other donations and UK grants	452	7,365	7,817	8,067
EU Grants	–	2,102	2,102	682
Total Voluntary Income	452	9,467	9,919	8,931

The £2.1m received in EU grants relates to six grants. The Library is the lead partner for two of these projects and therefore receives the gross grant from the EU funding body for these projects and then distributes payment to other EU partners. In the year the Library made payments totalling £1.6m 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

	2015/16 £000	2014/15 £000
Access	5,116	6,278
Content / acquisitions	88	77
Developments	523	321
International	–	1
Navigation	1,440	1,506
Public engagement	5,484	5,383
Web	10	6
Other (Support)	1,138	1,780
	13,799	15,352

B) GEOGRAPHICAL SEGMENTS

United Kingdom	11,224	12,321
Overseas	2,575	3,031
	13,799	15,352

4. INVESTMENT INCOME

	2015/16 £000	2014/15 £000
Interest receivable	380	155
Dividends receivable	623	552
Total investment income	1,003	707

5. OTHER INCOMING RESOURCES

GRANT IN AID

Total Grant in Aid drawdown by the British Library Board was £93m, with £3.2m allocated for capital projects/improvements (£93.9m received in 2014/15, £691k for capital). The Library's Grant in Aid total also included £6.6m for the Public Lending Right. Grant in Aid funding is available for running costs, capital improvements and collection purchases.

6. NET COST OF RESOURCES EXPENDED

	Staff Costs	Other Direct Costs	Depreci- ation	Allocated Support Costs	Total Cost	Income	Allocated Support Income	2015/16 Net Cost ⁴	2014/15 Total Net Cost Restated £000
	£000	£000	£000	£000	£000	£000	£000	£000	
Direct costs									
Costs of generating funds	426	156	–	–	582	–	–	582	493
Investment management fees	–	26	–	–	26	–	–	26	25
Access	14,481	1,681	390	16,219	32,771	(5,743)	(239)	26,789	21,696
Content / acquisitions	7,607	13,841	549	21,100	43,097	(2,134)	(310)	40,653	34,979
Developments	2,359	3,138	3,205	8,124	16,826	(3,013)	(119)	13,694	7,752
International	1,462	156	–	–	1,618	(2,283)	–	(665)	833
Navigation	8,892	2,096	–	9,775	20,763	(4,419)	(144)	16,200	14,296
Public engagement	2,369	4,449	10	6,513	13,341	(6,153)	(96)	7,092	4,385
Web	475	278	269	1,031	2,053	(53)	(15)	1,985	3,461
Public Lending Right to authors	–	6,400	–	–	6,400	–	–	6,400	6,030
	38,071	32,221	4,423	62,762	137,477	(23,798)	(923)	112,756	93,950
Support costs									
Information systems and corporate services	18,415	18,375	25,506	(62,296)	–	(923)	923	–	–
Governance costs	178	288	–	(466)	–	–	–	–	–
	56,664	50,884	29,929	–	137,477	(24,721)	–	112,756	93,950

In accordance with the FRS 102 SORP, 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 1972. 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. 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.

⁴ Net cost is calculated by deducting provision of services, donated and investment income from total expenditure.

a) staff costs

	Library Staff £000	Agency £000	2015/16 Total £000	2014/15 £000
Wages and salaries	42,193	1,584	43,777	44,682
Social security costs	3,180	–	3,180	3,319
Employer contributions	8,181	–	8,181	7,708
Voluntary redundancy/restructuring programme for former employees – In-year exit costs	1,212	–	1,212	3,398
	54,766	1,584	56,350	59,107
Board Members' remuneration – see (ii) on page 72	314	–	314	289
	55,080	1,584	56,664	59,396

No employees received benefits in kind in excess of £10,000 during the year.

i) Civil Service compensation scheme exit packages.

Exit package cost band	Number of non-compulsory departures agreed		Number of compulsory departures agreed		Total number of exit packages by cost band	
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15
< £10,000	2	2	–	–	2	2
£10,001–£25,000	9	28	–	–	9	28
£25,001–£50,000	17	43	1	–	18	43
£50,001–£100,000	3	17	–	–	3	17
Total number of exit packages	31	90	1	–	32	90
Total Resource cost £	£1,022,422	£3,231,440	£36,448	–	£1,058,870	£3,231,440

There was one compulsory departure in 2015/16 (nil in 2014/15).

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme in which the British Library is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2012. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2015/16, employers' contributions of £8,058,664 were

payable to the PCSPS (£7,617,123 in 2014/15) at one of four rates in the range 20.0% to 24.5% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £121,979 (£90,559 in 2014/15) were paid to one

or more of the four appointed stakeholder pension providers. Employer contributions are age-related and ranged from 3% to 12.5% of pensionable pay up to 30 September 2015 and 8% and 14.75% from 1 October 2015. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of between 0.5% and 0.8% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill-health retirement of these employees.

ii) Board Members' remuneration

	2015/16 £000	2014/15 £000
Fees and salaries	290	266
Social security costs	24	23
	314	289

The Board Members' remuneration shown on page 51 of the Remuneration Report includes all Board members, and the Chairman.

iii) Senior employees

The following number of employees, (excluding the Executive Team for whom details of remuneration are contained in the Remuneration Report on page 52 members of the British Library Board and the Chairman) received remuneration falling within the following ranges:

	2015/16 No. of employees	2014/15 No. of employees
£60,001 – £70,000	12	16
£70,001 – £80,000	12	8
£80,001 – £90,000	6	4
£90,001 – £100,000	1	2
£100,001 – £110,000	–	–
£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 scheme.

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

	Staff directly employed by the British Library	Agency	2015/16 Total (FTE)	2014/15 Total (FTE) Restated
Chief Executive's Office	18	–	18	28
Chief Librarian's Office	568	10	578	595
Chief Operating Officer's Office	788	23	811	872
	1,374	33	1,407	1,495

b) Other direct costs

	2015/16 £000	2014/15 £000
Acquisitions for the collections	11,449	12,093
Research and grants	1,044	619
Conservation and binding services	146	1,092
Administration, equipment, supplies and services	31,556	29,685
Non-recoverable VAT (net)	194	126
Loss on disposal of fixed assets	95	188
Author payments	6,400	6,031
	50,884	49,834

The above table is exclusive of staff costs.

7. RESOURCES EXPENDED

This is stated after charging:

	2015/16 £000	2014/15 £000
External Auditors' remuneration	69	68
Rent on land and buildings	339	219
Lease/rental payments on equipment	289	347
Depreciation on fixed assets	29,929	9,710
Bad debt provision movement	34	22
Stock provision movement	18	79

The Auditors' remuneration is for the audit of the Annual Report and Accounts: there was no non-audit work performed during 2015/16, (nil in 2014/15). During the year the Library also took advice on taxation matters totalling £50,752.

8. INTANGIBLE ASSETS

	Development 2015/16 £000
Cost	
At 1 April 2015	2,594
Additions	333
Disposals	(44)
At 31 March 2016	2,883
Amortisation	
At 1 April 2015	2,584
Charge for year	230
Disposals	(21)
At 31 March 2016	2,793
Net Book Value at 31 March 2016	90
Net Book Value at 31 March 2015	10

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 and Buildings £000	Plant and Machinery £000	Office Equipment £000	Motor Vehicles £000	Computer Equipment £000	AICC £000	Total £000
Cost or Valuation							
At 1 April 2015	931,024	344,515	10,077	38	22,262	215	1,308,131
Additions	–	1,298	25	–	621	28	1,972
Transfers	–	59	–	–	161	(220)	–
Revaluation	17,161	1,048	–	–	–	–	18,209
Disposals	–	(720)	(59)	–	(1,169)	–	(1,948)
At 31 March 2016	948,185	346,200	10,043	38	21,875	23	1,326,364
Depreciation							
At 1 April 2015	1,230	44,336	9,516	20	16,503	–	71,605
Charge for year	9,340	16,423	222	5	3,709	–	29,699
Revaluation	23	47	–	–	–	–	70
Disposals	–	(456)	(59)	–	(1,169)	–	(1,684)
At 31 March 2016	10,593	60,350	9,679	25	19,043	–	99,690
NBV At 31 March 2016	937,592	285,850	364	13	2,832	23	1,226,674
NBV At 31 March 2015	929,794	300,179	561	18	5,759	215	1,236,526

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 DCMS. 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 Library’s significant land and buildings include properties at Boston Spa and St Pancras and the methodology of valuing properties is in line with HM Treasury and DCMS guidance to arm’s-length bodies.

The St Pancras site, including the Centre for Conservation at St Pancras, was valued at £849m (including £265m of mechanical equipment that has been classified as Plant and Machinery) on 31 March 2015 by Deloitte Real Estate Chartered Surveyors, using the ‘Depreciated Replacement Cost’ basis of valuation. In addition to the main St Pancras building, the Centre for Conservation at St Pancras was valued at £15m (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. The next revaluation is due on 31 March 2020.

The Boston Spa site was revalued at £51m as at 31 March 2014 by Deloitte Real Estate, using the ‘Depreciated Replacement Cost’ basis of valuation. The next revaluation is due on 31 March 2019.

Site		Land £000	Buildings £000	Totals £000
St Pancras – Main building	Freehold	258,651	860,872	1,119,523
St Pancras – Centre for Conservation	Freehold	11,324	15,507	26,831
Boston Spa	Freehold	9,187	22,833	32,020
Boston Spa – Additional Storage Building	Freehold	–	22,635	22,635
Boston Spa – Newspaper storage building	Freehold	–	14,805	14,805
		279,162	936,652	1,215,814

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

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

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 1972 and by the policy of the 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. 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 our website at 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

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 on our website at www.bl.uk/aboutus/stratpolprog/coldevpol/ethical.pdf

Catalogues

The Library has a duty to catalogue items in the collection. All catalogues are listed on our website.

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 £750 per day. Rare heritage items can take many days (if not weeks, in the case of our 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

	2015/16		2014/15		2013/14		2012/13		2011/12	
	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	35,827	290	33,710	274	30,117	257	28,338	230	27,020	223
Additions	1,933	15	2,117	16	2,732	17	1,779	27	1,318	7
Transfers	–	–	–	–	861	–	–	–	–	–
Disposals	–	–	–	–	–	–	–	–	–	–
At 31 March	37,760	305	35,827	290	33,710	274	30,117	257	28,338	230

Heritage Assets Donated

	2015/16		2014/15		2013/14		2012/13		2011/12	
	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	28,088	39	27,906	36	24,603	32	24,503	31	24,749	26
Additions	–	–	182	3	3,303	4	100	1	284	5
Impairment	–	–	–	–	–	–	–	–	(530)	–
At 31 March	28,088	39	28,088	39	27,906	36	24,603	32	24,503	31
Total at 31 March	65,848	344	63,915	329	61,616	310	54,720	289	52,841	261

11. INVESTMENTS

	2015/16 £000	2014/15 £000
Market Value at 1 April	21,317	13,921
Acquisitions funded by dividends reinvested	598	526
Purchases at cost	374	5,757
Disposals at cost	(1,470)	–
Unrealised gain / (loss)	(1,183)	1,113
Realised gain on disposal	86	–
Market Value at 31 March	19,722	21,317
Listed securities		
Fixed income	4,397	4,228
Equities	15,065	16,842
Cash trusts	260	247
	19,722	21,317
Geographical analysis		
United Kingdom investments	17,589	19,219
Overseas investments	2,133	2,098
	19,722	21,317

Investments are only held for 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 (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. All 'Financial Instruments' are recorded at fair value as per the requirement of FRS 102.

Credit Risk

The Library is exposed to credit risk of £1.4m 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 a recovery of £4k (£24k in 2014/15).

Liquidity Risk

As around 79% of the cash requirements of the Library are met through Grant in Aid from DCMS, 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 76, and so is subject to some market risk. An unrealised loss of £1.2m has been recorded this year (compared to a £1.1m gain in 2014/15). Additional information on the Library's Investment Policy is given in the Financial Review on page 43.

Foreign Currency Risk

The Library has an international customer and supplier base and is subject to a degree of foreign currency risk. In 2015/16, net foreign currency exchange losses of £43k were recognised (£110k gain in 2014/15). 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.

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 0.35%, 15 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%.

	2015/16 Floating/ Fixed Rate £000	Cash Trusts £000	Listed Securities £000	Total £000	2014/15 Total £000
Sterling	44,106	260	19,462	63,828	62,650
Dollar	69	–	–	69	616
Euro	204	–	–	204	631
Yen	75	–	–	75	103
Total	44,454	260	19,462	64,176	64,000

13. STOCKS

	2015/16 £000	2014/15 £000
Stocks for resale	874	860
Raw materials	167	173
Total stocks	1,041	1,033

Stocks for resale comprise printed, microfiche, CD-ROM publications and exhibition-related merchandise and are available from the British Library Shop and website. Raw materials stocks are items for the conservation of books including leathers, hides and papers.

14. DEBTORS AND PREPAYMENTS

	2015/16 £000	2014/15 £000
Amounts falling due within one year		
Trade debtors	1,389	2,119
Other debtors	2,533	2,339
Prepayments and accrued income	8,191	5,543
	12,113	10,001

For the purpose of the Whole of Government Accounts (WGA), there is a debtor with HM Revenue and Customs of £2.2m relating to the repayment of VAT.

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

	2015/16 £000	2014/15 £000
Restricted funds	9,801	5,365
Monies held on deposit for customers	3,422	3,253
Cash balances	11	23
Cash and cash equivalents	4,220	7,042
Short term deposits	27,000	27,000
	44,454	42,683

Customer deposit account balances represent payments from customers in advance of supply of goods/services. The Library holds a number of fixed term deposits with varying maturity dates and interest rates.

a) Analysis of change in net funds

	As at 1 April 2014 £'000	Cash Flows £'000	As at 1 April 2015 £'000	Cash Flows £'000	As at 31 Mar 2016 £'000
Government Banking Services (GBS) cash at bank	92	(86)	6	-	6
Commercial cash at bank	47,559	(4,905)	42,654	1,783	44,437
Cash in hand	16	7	23	(12)	11
Total	47,667	(4,984)	42,683	1,771	44,454

b) Statement of Cash Flow notes – Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2015/16 £'000	2014/15 £'000
Net income/(expenditure) for the reporting period as per the SOFA	(2,671)	645,010
Depreciation charges	29,929	9,711
(Gains) /Losses on investments	1,097	(1,113)
Dividends, interest and rents from investments	(1,003)	(707)
Loss/(profit) on the sale of fixed assets	287	188
Revaluation of fixed assets	(18,139)	(643,954)
(Increase) /decrease in stocks	(8)	(225)
(Increase) /decrease in debtors	(2,112)	5,560
Increase /(decrease) in creditors	(2,845)	(7,206)
Increase /(decrease) in provisions	(27)	(13)
Net Cash provided by (used in) operating activities	4,508	7,251

16. CREDITORS

	2015/16 £000	2014/15 £000
Amounts falling due within one year		
Trade creditors	4,274	4,817
Monies held on deposit for customers	3,422	3,253
Other creditors	2,718	2,764
Accruals	5,857	8,725
Deferred income	2,941	2,260
	19,212	21,819

For the purpose of the Whole of Government Accounts (WGA), there is a creditor with HM Revenue and Customs of £1.008m; this includes £0.502m NI contributions, £0.456m PAYE deductions retained by the Library as part of the PAYE process and £0.050m for Corporation Tax and a creditor with the Cabinet Office of £0.876m for pension contributions.

b) Deferred Income

	£000
At 1 April 2015	2,260
Release from previous year	(2,260)
Incoming resources deferred in the current year	2,941
At 31 March 2016	2,941

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 in which the activity takes place.

17. STATEMENT OF FUNDS

	As at 1 April 2015	Transfers To / (From)	Expenditure	Incoming Resources	Unrealised Gains and (Losses)	As at 31 March 2016
	£000	£000	£000	£000	£000	£000
Unrestricted funds						
General funds	26,215	1,143	(103,998)	106,665	–	30,025
Designated funds (fixed assets)	399,161	–	(8,424)	–	–	390,737
Designated funds (revaluation reserve)	873,202	–	(17,554)	–	18,139	873,787
Public Lending Right reserve	71	–	(81)	10	–	–
Designated Funds						
Shaw Fund	4,867	(24)	(6)	223	(275)	4,785
Collection Care restoration fund	459	–	(2)	–	–	457
Membership/general donations	689	(309)	–	151	–	531
Others	39	(49)	(132)	222	–	80
Donated asset reserve	28,088	–	–	–	–	28,088
Total unrestricted funds	1,332,791	761	(130,197)	107,271	17,864	1,328,490

17. STATEMENT OF FUNDS (continued)

	As at 1 April 2015	Transfers To / (From)	Expenditure	Incoming Resources	Unrealised Gains and (Losses)	As at 31 March 2016
	£000	£000	£000	£000	£000	£000
Restricted funds						
David and Mary Eccles Centre for American Studies	11,165	(20)	(328)	368	(587)	10,598
Dingwall No.2	1,520	–	(47)	44	(82)	1,435
HLF/DCMS Catalyst Endowments (Neighbour)	–	–	–	1,125	–	1,125
HLF/DCMS Catalyst Endowments	502	–	(1)	260	(9)	752
Ginsburg Legacy	742	–	(29)	25	(44)	694
Sir Henry Thomas	456	–	(8)	15	(20)	443
The MEDD Fund	420	–	(1)	11	(22)	408
Save our Sounds Fundraising	–	–	–	349	–	349
Hebrew Manuscripts Digitisation Project phase 2	–	–	(24)	363	–	339
Helen Wallis	405	(144)	(130)	198	–	329
Two Centuries of Indian Print	–	19	–	305	–	324
British Library Digitisation Campaign	554	(252)	–	–	–	302
Qatar project	194	(551)	(1,642)	2,284	–	285
Educational Projects	151	342	(238)	27	–	282
Consolidated Endowment Account	236	–	–	12	(7)	241
Skinner Legacy	254	–	(24)	–	–	230
The Sir John Ritblat Gallery: Treasures of the British Library	234	–	(7)	–	–	227
The Jacob Fund	192	–	–	19	–	211
T S Blakeney	228	(25)	–	6	(8)	201
Hebrew Manuscripts Project	368	(202)	(183)	216	–	199
Magna Carta	40	154	(4)	3	–	193
Anthony Panizzi Foundation	197	–	(3)	6	(10)	190
THOR Project	–	–	(962)	1,146	–	184
C&P Restricted Fund	183	14	(68)	53	–	182
Exhibitions Public Services	54	106	(53)	67	–	174
BL LABS Project (Digital Scholarship initiative)	311	(1)	(149)	1	–	162
Chinese Central Asia Database	253	–	(305)	212	–	160
Business & IP Centre Phase 2	190	–	(32)	–	–	158
UK PubMed	147	–	(174)	184	–	157
Business & IP Centre – ERDF Shared Operation	75	–	(158)	229	–	146
Legal Deposit Libraries Committee Project	212	(69)	–	(1)	–	142
Early Printed Collections	165	(5)	(25)	–	–	135
BL City Partners (cultural partnership with the Library of Birmingham)	–	(20)	(30)	180	–	130
Business & IP Centre Blueprint	83	–	(357)	398	–	124
Spratt-Bigot Request	130	–	(5)	3	(6)	122
Bridgewater	118	–	–	3	(9)	112
Social Sciences Restricted Fund	141	(21)	(39)	28	–	109
Sir Adrian Boulton	106	–	–	2	(3)	105
Fitzgerald Air Mail Fund	109	–	–	3	(8)	104
Catalogue of Illuminated Manuscripts	101	–	1	–	–	102
Music Collections Professional Services	95	14	(21)	12	–	100
Others	1,809	(104)	(2,216)	2,808	(7)	2,290
Other (deficit funds) ⁵	(1,684)	4	(18)	(471)	–	(2,169)
Total restricted funds	20,456	(761)	(7,280)	10,493	(822)	22,086
Total Funds	1,353,247	–	(137,477)	117,764	17,042	1,350,576

⁵ See explanation on page 82 for deficit funds

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

	As at 1 April 2015	Unrealised gains/losses under Fair Value	As at 31 March 2016	Reserve/ Fund net of Fair Value at 31 March 2016	Reserve/ Fund (including as Fair Value) as at 31 March 2016
	£000	£000	£000	£000	£000
Eccles FVR	1,964	(663)	1,301	9,297	10,598
Shaw Fund	272	(274)	(2)	4,787	4,785
Dingwall No. 2 FVR	312	(88)	224	1,211	1,435
HLF/DCMS Catalyst Endowments	13	(9)	4	748	752
Ginsburg Legacy	43	(44)	(1)	695	694
Sir Henry Thomas FVR	88	(20)	68	375	443
The Medd Fund	22	(22)	–	408	408
Consolidated Endowment FVR	11	(8)	3	238	241
T S Blakeney FVR	40	(8)	32	169	201
Anthony Panizzi Foundation FVR	46	(9)	37	153	190
Spratt-Bigot Bequest	6	(6)	–	122	122
Bridgewater	23	(9)	14	98	112
Sir Adrian Boulton	14	(3)	11	94	105
Fitzgerald Air Mail Fund	20	(8)	12	92	104
Others FVR	36	(12)	24	2,266	2,290
Restricted Fair Value Reserve	2,910	(1,183)	1,727	20,753	22,480

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 Board for a specific purpose. All the funds with balances of over £100,000 at 31 March

2016 are listed above, with a brief description as to the aims of the fund shown below. Other restricted funds comprise individual amounts of less than £100,000.

The restricted funds in deficit at the year-end represent five funds for which, due to the administration restrictions of these funds, costs are expended first and subsequently reclaimed from the external funding organisations. Future income

streams should more than cover the shortfall and future costs involved in the projects.

The transfers of £0.8m relate to internal charges or income applied to the restricted funds for the use of Library facilities and services.

Designated Funds
Shaw Fund

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

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

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

Membership and General Donations
A range of externally-received funds, with the funds being available for the general purpose of the British Library, as decided upon by the Executive Team.

Restricted Funds
The David and Mary Eccles Centre for American Studies
Founded by the late Viscount and Viscountess Eccles, to further the establishment of a Centre for American Studies.

Dingwall No. 2
Founded by Dr Eric John Dingwall, for the purchase of fine editions or the subscription of foreign periodicals.

HLF/DCMS Catalyst Endowments (Neighbour)
A bequest left to the Library for the purchase of musical manuscripts printed edition and documents of musical interest to supplement (not replace) the Library’s normal yearly allotment of funds for that purpose.

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

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’.

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.

Save our Sounds (SOS) Fundraising
A fund to support the main SOS programme, to ensure existing archives are properly preserved and that there are adequate systems in place for the acquisition of future sound production in the UK.

Hebrew Manuscripts Digitisation Phase 2
Partnership with the National Library of Israel to digitise over 1,000 Hebrew manuscripts.

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

Two Centuries of Indian Print
The fund’s aims are to catalogue and digitise the British Library’s early printed South Asian books, dating from 1713–1914, as well as to fund innovation research into Indian book history and the digital humanities and capacity-building workshops for partner institutions in India.

British Library Digitisation Campaign
To raise funds from external sources to support the Library’s digitisation programme.

Qatar Fund
For the British Library and the Qatar Foundation to develop a long-term partnership, digitising geographically scattered collections of archives and manuscripts relating to modern Gulf History and the development and transmission of scientific knowledge in the Islamic world.

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

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 Grant in Aid.

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

The Sir John Ritblat Gallery: Treasures of the British Library
A donation from Sir John H Ritblat for the Treasures Gallery.

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

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

Hebrew Manuscripts
Polonsky Foundation and other grant funding for the digitisation of 1,250 Hebrew Manuscripts from the British Library Collection.

Magna Carta
To support research for the development of Medieval Manuscripts exhibitions, currently *Magna Carta : Law, Liberty, Legacy* in 2015 and the Anglo-Saxons exhibition in 2018–19.

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.

THOR (Technical and Human Infrastructure for Open Research)
A 30 month EU-funded project to establish seamless integration between articles, data and researches across the research lifecycle.

Collection and Preservation Fund
Donations and grants to assist preservation.

Exhibitions Public Service
The fund is used for the development of future exhibition projects and as a reserve fund.

BL Labs (Digital Scholarship initiative)
Funding received from the Andrew W Mellon Foundation, to achieve three transformational steps that will change the way the Library provides access to its digital collections and enables 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.

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

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

Business & IP Centre – ERDF Shared Operation
The fund is to support entrepreneurial growth for the Business & IP Centre.

Legal Deposit Libraries Committee Project
Cost sharing agreement with five other Legal Deposit Libraries, to fund a Legal Deposit Liaison Manager’s post and ongoing costs.

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.

BL City Partners (cultural partnership with the Library of Birmingham)
The fund will allow the British Library and the Library of Birmingham to deliver a 12 month pilot of cultural partnership to allow us to share our collections, knowledge and expertise with staff and users of the Library of Birmingham.

Business & IP Centre Blueprint
To analyse the rollout of Business & IP Centre blueprint to the

remainder of the country.
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.

Social Sciences Restricted Fund
Fund to manage Social Sciences-related projects and some incomes.

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

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.

Catalogue of Illuminated Manuscripts
Funding from various sources, including the Getty Foundation, and AHRC to provide images for and cataloguing of illuminated manuscripts.

Music Collections Professional Services
For the purchase of heritage or other music acquisition items for which there is no Grant in Aid funding, in line with the intentions of the original funding sources.

18. REVALUATION RESERVE MOVEMENT

	£000
At 1 April 2015	873,202
Arising in year	18,209
Realised	(17,540)
Backlog	(70)
Disposals	(14)
At 31 March 2016	873,787

19. COMMITMENTS UNDER OPERATING LEASES

Operating Leases which expire	Buildings £000	Equipment £000
Within one year	40	37
Two to five years	120	–
More than five years	200	–
Total	360	37

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 2016/17.

	Early Retirement/ Severance Provision £'000	Other Liability and Charges £'000	2015/16 Total Total £'000	2014/15 Total Total £'000
At 1 April	272	147	419	4,192
Additional provision	–	43	43	206
Release of provision	(190)	(53)	(243)	–
Utilisation of provision	(65)	–	(65)	(3,979)
At 31 March	17	137	154	419
Less: Provisions falling due within one year	(17)	(137)	(154)	(392)
Amounts falling due after one year	–	–	–	27

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 £000	Restricted Funds £000	Total £000
Fund balances at 31 March 2016			
are represented by:			
Intangible fixed assets	90	–	90
Tangible fixed assets	1,226,674	–	1,226,674
Heritage assets	65,848	–	65,848
Investments	4,611	15,111	19,722
Current assets	47,760	9,848	57,608
Current liabilities	(16,493)	(2,873)	(19,366)
Non-current liabilities	–	–	–
Total net assets	1,328,490	22,086	1,350,576

22. CAPITAL COMMITMENTS

	2015/16 £000	2014/15 £000
Contracted and not provided for	–	–
Authorised, but not contracted for	–	183

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

23. RELATED PARTY TRANSACTIONS

The British Library is an arm’s-length body sponsored by DCMS.

DCMS 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 12 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 2015/16 £000	Expenditure 2015/16 £000	Relationship
House of Lords	Document Supply Transactions	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	2	57	Dr Robert Black CBE, a member of the British Library Board, is a member of the related party
The Society of Authors	Royalty income	78	3	Ms Tracy Chevalier, a member of the British Library Board, is a member of the Advisory Council at the related party
American Trust for the British Library (ATBL)	Hospitality reimbursement		2	Mr Roly Keating, Chief Executive of the British Library, is a Trustee for the Related Party
Price Waterhouse Coopers	Consultancy work for Finance System		13	Dr Stephen Page, a member of the British Library Board, is a senior advisor to PwC
David Higham Associates	Royalty Payments		31	Dr Simon Thurley, a member of the British Library Board, is an author with contracts signed through the related party
The British Library Trust	Management Fee income and repayment of excess grant	46	20	Mr 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 result of the referendum held on 23 June was in favour of the UK leaving the European Union. This is a non-adjusting event. A reasonable estimate of the financial effect of this event cannot be made

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

25. CONTINGENT LIABILITIES

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 £5m.

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

The British Library extends thanks to everyone who has contributed to the development of the Annual Report and Accounts 2015/16.

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West Africa: Word, Symbol, Song was the first major British Library exhibition to showcase our extensive African collections. It attracted the most diverse audience ever for one of our exhibitions and was accompanied by a wide-ranging events programme. Shingai Shoniwa, vocalist with The Noisettes, performed with the Dele Sosimi Orchestra at *Felabration!* a tribute to the music of Nigerian Afrobeat pioneer Fela Kuti, October 2015. Photo by Stephen Budd.

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