

Bringing knowledge to life

Annual Report and Accounts 2007/08
www.bl.uk/knowledge



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Bringing knowledge to life

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Thirty-fifth Annual Report and Accounts 2007/08. Annual Report presented in compliance with section 4(3) of the British Library Act 1972 by the Secretary of State for the Department for Culture, Media and Sport. Accounts prepared pursuant to Section 5(3) of the Act and presented by the Comptroller and Auditor General.

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Welcome to the British Library's Annual Report and Accounts 2007/08

This year's Report focuses on how we bring knowledge to life for hundreds of thousands of people. You can read it all here – but we hope you will bring the story to life by visiting our engaging and interactive online version at www.bl.uk/knowledge

The online Report features video clips of users talking about how we have inspired and supported them – from novelists to entrepreneurs, from scientists to young learners. It also offers behind-the-scenes insights into how the expertise of our staff underpins the success of our users, along with examples of collection items and links to related resources.

Every webpage gives you the opportunity to give us feedback, tell us your story or respond to a poll. Animated charts and presentations by our Chairman and Chief Executive offer an overview of how we've performed this year.

Let us inspire you online

www.bl.uk/knowledge

The **true treasure** of a national library is in the collective wisdom of the nation contained within its collections: its history and achievements, its culture, its imaginative literature, its law and commerce, its scientific and technical innovation. The British Library's contribution to national life – secured because of the scale, richness, and range of our collections – is a legacy of the good stewardship exercised by our predecessors over 250 years, which has ensured that the collections have been held intact for the nation and in trust for the global community. Our stewardship obligation is to ensure the continuing importance, integrity, and relevance of these collections for future generations.

My first priority as Chairman was to refresh the membership of the British Library Board. During 2007/08, we recruited six new members and we were able to secure in the new membership the calibre and skills that we were seeking. I am confident that we have the right Board to lead the Library on its continuing journey into the digital age.

The Board welcomed the Library's Comprehensive Spending Review settlement for the three-year period to 2010/11. The inflation-proof revenue allocation and confirmation of our capital allocation came as very positive news, given the highly constrained financial outlook.

The capital allocation is needed to enable the Library to take forward plans for a new storage facility to hold our newspaper collection in the best of archival environmental conditions. Newspapers are an immensely rich source for research. However, they deteriorate quickly because of the poor quality of the paper they are printed on; it is crucial that they are properly preserved for future generations. This is one element of our newspaper strategy – our ambition is to digitise the best of our historical collections, to open them up and make them much more widely accessible on the web.

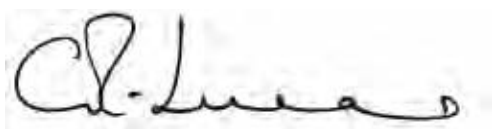
We would like to thank all of our donors to *Sacred: Discover what we share*, particularly the Coexist Foundation, the Moroccan British Society and the Saint Catherine Foundation. Without their generosity, this most successful of exhibitions would never have been possible. We are especially grateful to the trustees of the Coexist Foundation who have subsequently lent their support to our touring plans for *Sacred*. In addition, we would like to thank those who have supported our appeals for acquiring heritage materials, in particular the Art Fund and the National Heritage Memorial Fund.

On behalf of the Board, I should like to express my gratitude and warmest wishes to all of our donors, Patrons, Friends and supporters for their help with these and many other initiatives which serve to sustain and enhance the Library's rich and diverse programme.

During the year we decided that the time was right to make a step-change in our fundraising activities and we have already made good progress in our planning for a major fundraising campaign for the coming five years.

Last year I said that the Library was committed to serious international engagement at all levels. During 2007/08, the Board endorsed an International Engagement Strategy for the Library and a corporate focus for international activity was established. We have engaged with five other UK national cultural institutions, including the British Museum, in the World Collections Programme to make connections between cultures and to share the best of British cultural excellence and expertise with memory institutions in Africa and Asia.

Finally, I was absolutely delighted that the Library's Chief Executive was awarded a DBE in the New Year Honours List 2008. This was, of course, very well-deserved recognition of Dame Lynne Brindley's personal achievements. But I believe – and I know Lynne shares this view – that this honour also represents a tribute to the work of all the staff of the British Library and recognition of the value to the nation of this great UK institution.



Sir Colin Lucas
Chairman



Sir Colin Lucas

Dame Lynne Brindley



Chief Executive

The past year has been one of **challenge and achievement** for the British Library and, as always, we have focused our energies on meeting, and where possible exceeding, the high standards rightly expected of this world-class institution.

We were overwhelmed by the very vocal public support we received as we awaited a decision by Government on the Comprehensive Spending Review, which set our funding levels for the next three years. The outcome of a 2.7% each year increase in our revenue budget was welcome news, particularly set against genuine fears of cuts, and we will also receive a sustained level of capital funding over the next three-year period. Whilst tough choices remain, I am really confident in our continuing ability to deliver an unrivalled service to our users, investing in innovation to ensure long-term success.

The British Library would be nothing without its dedicated staff, who have once again excelled in ensuring the highest levels of service are maintained. The Library won an unprecedented number of awards in 2007, and it was wonderful to see the success of many colleagues publicly recognised.

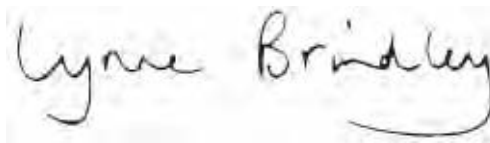
The Library's most successful ever exhibition and public programme, *Sacred: Discover what we share*, was an undoubted highlight of the past year, displaying some of the world's earliest-surviving, most important and beautiful religious texts from the Jewish, Christian and Muslim faiths. Over 200,000 people visited the exhibition and it has left a legacy of resources on the Library's website, and a continuing regional and international programme.

There was considerable interest in our UK-wide competition, *Hidden Treasures Brought to Life*, which offered an opportunity for treasured items in the collections of public libraries to be converted into Turning the Pages 'virtual texts' and revealed to the world via the web.

Returning to the Library, we maintained our focus on building our great research collections on behalf of the nation. In December we acquired the archive of the leading playwright and writer, Harold Pinter. Comprising over 150 boxes of manuscripts, scrapbooks, letters, photographs, programmes and emails, it will be an invaluable resource for researchers and scholars for generations to come. Amongst many other acquisitions were the *Wardington Hours*, a lavishly illuminated medieval manuscript, and the archive of the celebrated photographer Fay Godwin, which includes some 11,000 photographic prints. There was also considerable public interest in the discovery in the Library's collection of a 'lost' early sketch by John Constable.

In 2008 we mark the tenth anniversary of the opening of the British Library's St Pancras building. It will be an opportunity to celebrate the achievements of its architect, Sir Colin St John Wilson – Sandy, to his friends – who died last year. A man of huge determination and vision, his masterpiece continues to be loved by visitors and Readers, and by all who enter and find themselves inspired. The high quality of every detail of the building means that it will stand the test of time.

The British Library though does not stand still. Last autumn we celebrated the official opening of the British Library Centre for Conservation: a jewel of a building offering purpose-built facilities for state of the art and traditional conservation work. With DCMS support, we have recently secured an acre of land right behind the Library for future developments, ensuring that we can continue to meet the evolving needs of our users well into the future.



Dame Lynne Brindley
Chief Executive

We help authors, entrepreneurs, scientists and historians make **discoveries** in every field of research imaginable – generating new knowledge and inspiring outputs from doctoral theses to best-selling novels.

Pinter archive acquired



In December we acquired the archive of Harold Pinter for £1.1 million, ensuring that this invaluable resource remains available to scholars and researchers in the UK. The Pinter archive is one of the British Library's most important post-war literary collections. Highlights include handwritten playscripts, correspondence with Samuel Beckett, Philip Larkin, Arthur Miller and David Mamet, and a draft of Pinter's unpublished memoir of his youth, *The Queen of All the Fairies*.

We exhibited a selection of star items in a temporary display, *His Own Domain: Harold Pinter, A Life in Theatre*, which also included specially commissioned oral history interviews with Pinter's collaborators in the theatre. Cataloguing of the archive will be complete by the end of 2008.

Expanding resource discovery

For many years the Union Catalogue of Books (UCB) was the largest of the Library's card catalogues to remain outside the Integrated Catalogue, comprising 1.4 million cards holding details of Boston Spa's pre-1980 collections. Information held in UCB finally became fully accessible on the online Integrated Catalogue in November 2007, following two years of meticulous conversion work.

Completion of the project enabled the conversion of a number of other card catalogues including the Union Catalogue of Music, British Reports and Theses, and Official Publications.

Another major addition to the Integrated Catalogue was a range of enriched bibliographic data such as book jackets, summaries and tables of contents, offering users much more detailed and sophisticated information on the items they are searching.

Digital items in the Reading Rooms

We now offer our Readers access to a range of digital items received through voluntary schemes. Many are held in the secure digital store that we are developing in anticipation of more extensive legal deposit for electronic publications.

Following negotiations on behalf of legal deposit libraries, Ordnance Survey's OS MasterMap became available in our Maps Reading Room in July 2007.

OS MasterMap exemplifies a new generation of large-scale digital maps. Its 'Topography Layer' of seamless digital mapping identifies and datestamps each feature on the landscape, from railways and utilities to terrain and height – to a degree of detail and richness not possible in printed maps.



“The Library gives you an amazing freedom to develop ideas”

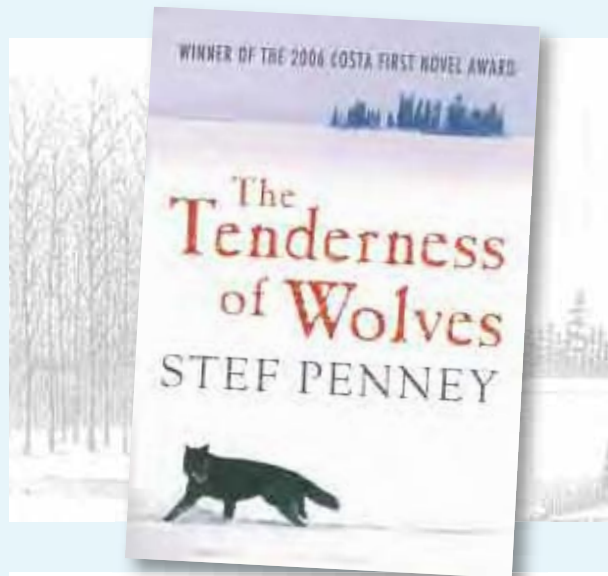


“My name is **Stef Penney** and I wrote a book called *The Tenderness of Wolves*. I came to the British Library to research life in the backwoods in 19th-century Canada.

“When I started I really didn’t know what the story was going to be, but I soon found an amazing wealth of material in the Canadian collections. They have accounts by employees of the Hudson Bay Company and the North West Company; pioneer settlers like Susanna Moodie and her sister, Catherine Parr Traill; and then explorers like James Clark Ross and people who were looking for the Northwest Passage. So, gradually, through all these things, a picture built up and the story took shape.

“The Library gives you an amazing freedom to develop ideas in this open-ended and organic way, which is wonderful. You don’t have to explain yourself to anyone and there are no time constraints and I found books that I just wouldn’t have found anywhere else – so, without that, I couldn’t have written my book.”

Stef’s novel, *The Tenderness of Wolves* won the Costa Book Prize 2006 and went on to become one of the best-selling UK fiction titles of 2007.



Our Americas Collections encompass early printed books, maps, manuscripts, sound recordings, philatelic items and digital resources. It’s our mission to provide access and add value to this material and to raise awareness among writers and researchers of the scope, content and relevance to their work of these vast collections.

DORIAN HAYES
Curator of Canadian and Caribbean Collections



Our exhibitions and events engage diverse audiences, increasing **understanding** of the common threads that bind different cultures across centuries and continents.

Sacred: Discover what we share



Featuring some of the world's most important and beautiful religious texts from Christianity, Islam and Judaism, *Sacred* attracted more than 200,000 visitors during its five month run – the highest total for any of our exhibitions to date.

Some 1,325 visitors a day saw spectacular items like the 12th century *Silos Apocalypse*, four volumes of *Sultan Baybars' Qur'an* and the *Golden Haggadah* displayed alongside rarely-shown treasures such as a Torah from 17th century China and a fragment of the Dead Sea Scrolls.

97% of visitors said they would recommend *Sacred* to a friend and the media were unanimous in their praise, with Rachel Campbell-Johnston of *The Times* describing the exhibition as 'magnificent' and Laura Gascoigne of *The Tablet* declaring it 'an education as well as an aesthetic treat. It should also be a pilgrimage destination for all believers that the truth has more than one face'.



Sacred beyond the galleries

We made 67 texts from *Sacred* available online, along with video of public events, podcasts of our curators and Turning the Pages versions of the *Lisbon Bible* and a 17th century Ethiopian Bible manuscript. The *Sacred* website attracted over 100,000 unique visitors from over 100 countries. 385 websites and 70 blogs linked to the site and it was widely praised by journalists and bloggers for its interactive and comment facilities.

Nearly 6,000 young learners took part in our onsite workshops and our extensive regional programme took elements of the main exhibition out to locations ranging from Glasgow to Glastonbury. The regional activities attracted a further 12,145 visitors.

Sacred on Location has since gone on to Wandsworth Prison, where we trained a group of prisoners to give tours to fellow inmates and lead creative workshops exploring the links between the three Abrahamic faiths.



Breaking the Rules

Our other major exhibition, *Breaking the Rules: The Printed Face of the European Avant Garde 1900 – 1937* provided a dazzling counterpoint to the hallowed texts of *Sacred*. It drew on our unrivalled collection of literary manuscripts, sound recordings, posters, manifestos, and artists' books, and examined artistic movements ranging from Futurism to Dada.

Our themed events gave new audiences the chance to sample the wilder side of avant garde performance art: around 700 people packed into *The Future of Sound* on 9 November, 76% of whom were first-time visitors to the Library.

Advancing

We **advance** access to the intellectual and cultural heritage of the UK, through innovative technologies and by collaborating with public and commercial partners.

Mass digitisation gathers pace

Following a successful pilot of the scanning process, our partnership with Microsoft to digitise thousands of out-of-copyright books progressed to full production by November 2007. The project draws on our 19th century collections, including a range of authors such as Dickens, Eliot, Trollope and Hardy as well as many forgotten literary gems.

In the months that followed we increased scanning rates to a peak of 75,000 pages per day and by the end of 2007/08 we had digitised some 40,000 items, equating to more than nine and a half million pages.

Although Microsoft is to cease its wider book digitisation programme, a further 40,000 out-of-copyright books will be scanned through 2008, as agreed in our contract with Microsoft – and the Library continues to work with a range of partners on some 15 ongoing digitisation projects.



Hidden Treasures Brought to Life



Our competition to uncover the most spectacular treasures from public libraries generated 82 entries from across the UK. Five winners were announced at an awards ceremony held at St Pancras in September, and work began to convert the items into Turning the Pages 2.0 virtual texts – generously funded by Microsoft.

The winning items – which ranged from a lavishly illustrated missal to a wartime yearbook of the Women's Institute – were launched online at the end of January. A series of events followed to showcase the virtual texts at the Scottish Parliament, the Welsh Assembly and Stormont.

By highlighting the treasures held in public libraries, underlining the potential of digital technologies to improve access and encouraging librarians to apply for digitisation funding, the competition promises to leave a lasting legacy.

Historic newspapers online

The 19th century British Newspapers website, launched in October, now makes over two million searchable pages of historic newspapers available online to the UK's Higher and Further Education communities. It will be made available to the general public in autumn 2008.

Funded by JISC (the Joint Information Systems Committee) and developed by Gale/Cengage Learning, the website allows users to search material previously only accessible through our Reading Rooms. Students and academics can explore and repurpose newspapers reports drawn from 46 national and regional titles, covering events that range from the Battle of Trafalgar to the Whitechapel murders.

We are **transforming** the way that we store and care for our unrivalled collections, using purpose-built, state of the art facilities to conserve them for generations to come.

Additional storage progress

Work to transform the storage conditions of millions of collection items made significant progress as the Additional Storage Programme at Boston Spa passed a series of critical milestones. By November 2007, construction of the building was substantially complete and work began on the complex process of installing the innovative automated racking – equivalent to 262 linear kilometres of traditional shelving.

When finished the facility will house low-use material currently stored in a variety of offsite locations in London. For the first time this substantial part of the national collection will be kept in conditions that meet international preservation standards. Associated collection moves will commence later in 2008.



Digital library milestone

An increasing proportion of the publications we receive are in digital formats ranging from CD-Roms to e-journals. To guarantee long-term storage, preservation and access for such items, our Digital Library Programme is developing an infrastructure for electronic materials received through legal deposit and voluntary schemes.

A key element of this infrastructure went live in July 2007 as our technical team installed software at the National Library of Wales (NLW) that will enable them to store digital items that have been received either at St Pancras or at Boston Spa. Adding the NLW to the two existing sites increases the resilience of the system and will strengthen processes such as 'authentication', through which we ensure that digital items are not damaged or altered over time.



Conservation uncovered

Conservation techniques ranging from manuscript repair using sturgeon glue to digital processing of archival sound recordings can now be seen first hand by the visiting public, thanks to a programme of behind-the-scenes tours of the British Library Centre for Conservation.

The tours enable visitors to appreciate fully the care and expertise that goes into conserving our priceless collections for future generations. They have proven immensely popular, with places booked far in advance ever since the Centre for Conservation was officially opened in October 2007 by HRH The Princess Royal.



“I hope to go back and apply and also transfer the skills that I’ve received here”



“My name is **Nkwenkwezi Languza**, I’m from South Africa. I work for the National Film, Video and Sound Archives, which is a government institution under the Department of Arts and Culture.

“I am responsible for sound preservation and am mandated to take care of a collection of about 20,000 items which include recordings of oral history interviews and South African indigenous music.

“At the moment I’m at the British Library, receiving training in sound archiving. The team at the Sound Archives have taken me through different processes of properly preserving material. I’ve been taken through the history of analogue and digital formats and using different equipment to digitise this material.

“I hope to go back and apply and also transfer the skills that I’ve received here and make sure that our collection back at home is available for generations to come.”

Nkwenkwezi is one of a number of international and UK interns learning expert techniques at the British Library Centre for Conservation.



The cutting edge facilities at the Centre for Conservation enable us to share our expertise and knowledge through internships in sound archiving and in book conservation. Interns have the opportunity to work with our experienced staff, gain skills, and also confidence, in what they’re doing.

ALISON FARADAY
Training Coordinator, British Library
Centre for Conservation



We **shape** and facilitate public debate on issues ranging from intellectual property (IP) and copyright reform to the future of research in the UK. Our packed programme of public events offers opportunities to address some of the key challenges of our time.

The 'Google Generation' – myth or reality?



A ground-breaking study commissioned by the Library and JISC overturned widespread assumptions about the research habits of the so-called 'Google Generation'.

Launched at St Pancras in January 2008, *Information Behaviour of the Researcher of the Future* found that although young people demonstrate ease and familiarity with computers, many rely too heavily on search engines and often lack the analytical skills to evaluate the information that they find.

The report was hailed as a 'wake-up call' for both the library sector and the Government, highlighting the need to respond urgently to the changing nature of research and adopt a 'digital mindset' to remain relevant to the researchers of the future.

Leading the debate on IP reform

We continue to lead the public debate on reforming intellectual property (IP) regulations for the digital age. Our series of breakfast events at St Pancras has brought together authors, legal experts and prominent figures from UK research and the publishing trade to debate this contentious issue.

The most recent debate, on authors and publishers in the digital age, featured emphatic contributions from novelist Tracy Chevalier, chair of the Society of Authors; Simon Juden, Chief Executive of the Publishers' Association and Web 2.0 guru Charles Leadbeater. It was made available as a podcast and garnered widespread media coverage.

In March 2008 we sought our users' views on IP and copyright reform through a wide-ranging online survey. The results were incorporated into the submission we made to the UK Intellectual Property Office's digital exceptions consultation *Taking Forward the Gowers Review of Intellectual Property*.

Faith leaders in the spotlight

To mark the opening of *Sacred* at the end of April 2007 we invited four major religious leaders to take part in a debate, chaired by Lord Melvyn Bragg, on what it means to live with faith in modern Britain.

The Chief Rabbi, Sir Jonathan Sacks; Dr Rowan Williams, Archbishop of Canterbury; Moulana Mohammad Shahid Raza, Director of the Imams and Mosques Council UK and the Most Reverend Kevin McDonald, Catholic Archbishop of Southwark discussed what Judaism, Christianity and Islam have in common and stressed the need for interaction and understanding.

In front of a sell-out audience the Chief Rabbi deplored the way in which the 'angriest voice' often monopolises media coverage of religious issues – at the expense of the inter-faith dialogue promoted by this kind of event.



Developing

By attracting and **developing** the best people we are building our capability to serve an increasingly diverse audience of users.

Corporate Social Responsibility

This year we developed a Corporate Social Responsibility strategy, focusing specifically on the social, economic and environmental impacts the Library has on the wider community. By gathering existing initiatives into this framework, we now have a better understanding of current strengths and areas in which we need to make more progress.

Our aim annually is to support a Corporate CSR initiative and this year we are proud to be supporting the National Year of Reading, which aims to help build a greater national passion for reading in England – for children, families and adult learners. Through a range of activities and events the British Library will provide an internal and external platform for engaging and promoting the objectives of the National Year of Reading.



Valuing diversity



We trained over 200 frontline staff to raise their awareness of some of the needs of visitors of different faiths during the *Sacred* exhibition. We have also given managers equality impact assessment training to help them deliver services that support and promote equality.

355 staff who have contact with the public were trained to meet the needs of visitors with disabilities, while 50 Reading Room staff are now able to advise users with a visual impairment on how to use the accessibility equipment that is available. These initiatives are part of a wider strategy to support diversity both within our workforce and amongst our audiences.

Our efforts were recognised by the Employers' Forum on Disability, which rated the Library in the top eight of 116 organisations that took part in its Disability Standard benchmarking exercise.

From aspiration to leadership

By March 2008, 90 senior managers had taken part in a programme to identify and develop their leadership potential and compare their aspirations against the future needs of the Library. Half of them also took part in a review of how their qualities might help fill key posts in the future.

As a result we have a much better understanding of staff strengths and development needs at senior level and can plan to ensure we have the people we need to achieve our strategic goals. Over the next year we will roll out the programme to managers at other levels as well as tracking the progress of this year's participants.

We offer **inspiration** and support to inventors, innovators and entrepreneurs. Our Business & IP Centre has earned the reputation of being the essential first port of call for anyone looking to research, develop, protect and market their business ideas.

Building on business success

This year we have welcomed nearly 32,000 people through the doors of the Business & IP Centre. We've held 424 workshops and events, offering direct advice, guidance and training to over 3,000 entrepreneurs and we have issued reader passes to more than 7,500 people describing themselves as business users.

Richard Lambert, Director General of the CBI said, 'The British Library is truly a model of innovation for the public – and the private sector,' while the *Financial Times* described the Business & IP Centre as a 'boiler room for budding entrepreneurs to research their ideas and learn from those who have made fortunes already'.

In November 2007 the London Development Agency (LDA), which provided the original £1 million funding for the Centre, announced a further £2.4 million to fund the further development of the facility and its services because we met or exceeded all our previous targets.



Sell-out entrepreneur events



Our sell-out networking events are a firm fixture on the calendar of hundreds of entrepreneurs. Sponsored by HSBC, the *Inspiring Entrepreneurs* series has featured business icons ranging from Sir Stelios Haji-Ioannou to Martha Lane-Fox. Their advice and insights can be accessed by thousands more through the webcasts and podcasts we make available after each event.

The Library's commitment to supporting women and ethnic minority groups was recognised at the Black Women in Business Awards in October, where we won Best Corporate category. To mark Enterprise Week (12–16 November 2007) we staged a packed programme of workshops, and role model events on hot topics such as social enterprise and teenage entrepreneurship.

Our first Inventor in Residence

In June 2007 we appointed Mark Sheahan to be the Library's first ever Inventor in Residence. Over 12 months Mark is acting as the face of our intellectual property (IP) collections and services, offering free one-to-one advice sessions to aspiring inventors. So far he has advised more than 70 people as they develop products ranging from a fault detector for aeroplane fuselages to a device for decorating cakes.

Ethical entrepreneurs can gain valuable insights from Kresse Wesling, our latest expert to offer one-to-one sessions at the Business & IP Centre. Kresse has no fewer than three eco-businesses to her name and was named Entrepreneur of the Year at the Shell Women of the Future Awards in 2007.

“I had access to business reports and data that would have cost me thousands to buy externally”



“My name is **Dee Wright** and I’m the founder of a company called The Hairforce – Lice Assassins, a nit and head lice hand-removal service, a complete innovation in the UK.

“The British Library has been very significant in the development of my business in a number of crucial ways. It has given me access to the data and information that I needed to put together my business case.

“I met a number of fantastic people here who guided me towards the information that I needed quickly and efficiently – something that was quite important, given I hadn’t been in a library for some time. They also guided me towards the Business & IP Centre, where I had access to business reports and data that would have cost me thousands to buy externally.

“The British Library has also allowed me to attend a whole raft of courses for free that could enable me to develop my skills in areas where I felt I was weaker or I needed reminding that I was a small business, not a big one – and how, therefore, to use my resources more efficiently.

“Crucially, I’ve also attended many talks and events given by important entrepreneurs and that led ultimately to me being mentored by both Anita Roddick and Tim Campbell. All of these resources at the British Library have contributed to where I am today. I am currently cogitating on a new business idea, which is an extension of The Hairforce and it’s to the British Library that I’ll turn to first to do my research.”

Dee’s company now employs 12 staff and she plans to build a network of hundreds of Lice Assassins over the next five years.



We’ve got the largest market research collection in the world and our online resources are second to none. We provide workshops to guide people through our resources, information advice sessions and networking events – we’ve also partnered with a range of agencies that provide specialist business support. I can’t think of anywhere better to start your business research.

JEREMY O’HARE
Information Specialist, Business & IP Centre



STRATEGIC PRIORITIES

Progress against 2007/08 commitments and report on funding agreement projects

Since publishing *Redefining the Library: the British Library's strategy 2005 – 2008*, we have set out our action plans for the coming year in the Annual Report. Each year we also report our progress on these plans.

1. Enrich the user's experience

Seek funding for the long-term preservation and storage of the Newspaper Collection. Subject to Government approval our strategy is to store all hard-copy newspaper material at our Boston Spa site, provide access to microfilm and digital surrogates at St Pancras, close the Colindale site and house non-newspaper materials at Boston Spa or St Pancras, according to use. Following comments from DCMS, the full business case was re-submitted for approval in April 2008. Implementation planning is nearly complete and work has started on implementation projects within the Newspaper Programme.

Continue to generate awareness and usage of the Business & IP Centre. We secured London Development Agency (LDA) funding of £2.4m to cover the period 2007/08 – 2010/11. Footfall was ahead of target at nearly 32,000, and some 4,200 new Reader Passes were issued to business users. We held a highly successful Enterprise Week, Inspiring Entrepreneurs events and a wide range of workshops and seminars. The Centre's in-kind revenue contribution – including time and expertise donated by role model entrepreneurs, and press and publicity – totalled £2.1m, while our Facebook group reached over 1,300 members.

Hold major exhibitions at St Pancras. *Sacred: Discover what we share* provided our best ever visitor numbers – more than 200,000 for the main St Pancras exhibition and 6,600 for the regional touring exhibition. It also generated revenues of £240,000 – our best ever from an exhibition. Our winter exhibition, *Breaking the Rules* received over 123,000 visitors – 50% above target – and attracted a younger audience to the Library with 53% aged 16–44.

Offer support to public libraries. We continue to hold programmes of events and activities in public libraries across the UK. *Sacred on Location*, launched in Glasgow in April 2007, featured family, school and community activities based around the theme of faith. DCMS and the Department for Communities and Local Government are to fund *Sacred on Location 2* next year. A report to DCMS detailing how we have engaged with faith communities led to the announcement in November of £50,000 funding to extend the programme to ten further venues during 2008/09.

We staged two more Champions events at St Pancras. These give colleagues working in public libraries a tour of the building and a briefing about British Library services available to their users. In return, Champions offer feedback to help the Library tailor its services accordingly. The events proved so popular that we have a waiting list for the first Champions event of 2008/09.

Offer support for education. We provided workshops to over 17,500 learners, exceeding our Funding Agreement target of 7,500 for the full year. Visitors to our Learning website are also exceeding our forecast, thanks to the popularity and widespread media coverage of the *Sounds Familiar*, *Food Stories* and *Sacred Texts* resources. We raised £200,000 towards the £500,000 target for re-developing the on-site Learning Space and secured £160,000 from DCMS and the Department for Children, Schools and Families for strategic commissioning. We also secured funds to support the *Taking Liberties* learning programme from the Ministry of Justice.

2. Build the digital research environment

Continue to develop the digital library system to provide storage, preservation and long-term access. Development of our archive service for large-scale digitisation projects has been rescheduled to 2008/09 because of slippage in the Microsoft Digitisation Project and time needed to resolve a technical issue. Reading Room access to the digitised books has been rescheduled to 2008/09. We launched a pilot service for the ingest of e-journals at the end of 2007 and will extend this through 2008, with Reading Room access to e-journals rescheduled to 2008/09.

Continue to lead development of the EC-funded PLANETS project (Preservation and Long-term Access via Networked Services). The PLANETS project, launched in June 2006, aims to ensure long-term access to Europe's digital intellectual heritage. At the CeBIT international trade show we linked with key European digital preservation initiatives to increase awareness of the programme among software vendors. We made a new release of the Plato preservation planning tool and a highly successful workshop in Vienna introduced the tool and planning methodology to over 50 participants.

Implement web archiving initiatives. Work continues on our Smart Crawler project with the Library of Congress, Internet Archive and the Bibliothèque Nationale de France but has been delayed by the resignations of key individuals at the Library and the Internet Archive. We've made substantial progress on defining the Automated Content Access Protocol, which will enable automated targeting and capture of eligible sites, and work to replace the current PANDAS web archiving system is proceeding with the UK Web Archiving Consortium. We have taken over leadership of the Web Curator Tool project to develop a tool to manage the gathering and archiving process. Major partners including the Joint Information Systems Committee (JISC) and the Wellcome Library have expressed interest in the Library's Web Archiving Service.

Develop the legal deposit libraries infrastructure. In July the Library installed the Digital Object Management (DOM) system store and ingest service at the National Library of Wales (NLW). This extends the shared infrastructure for delivering access to UK digital works received through future legal deposit legislation. Recommendations on an interoperable infrastructure for the legal deposit libraries were agreed, subject to final consideration by the Trustees of the National Library of Scotland.

Participate in reviews of Intellectual Property (IP) and copyright.

We contributed to the Gowers Review of IP last year and we're working with the Department for Innovation, Universities and Skills on legislative reform following the review. We are also following up with DCMS on the Creative Industries strategy, which includes recommendations from the Gowers Review. The UK Intellectual Property Office (UKIPO) exceptions consultation was hosted at St Pancras and we've provided briefings on IP issues for political institutions, key MPs and peers, and the media.

Make significant progress towards the digitisation of content from out of copyright printed books in the Library's collection through the Microsoft-funded project. We're in the process of digitising 25 million pages of mainly 19th century material from our historic collections. Last year we ran two pilot projects and, as a result, changed our scanning partner. Although this caused delays initially, by the end of this year we were starting to exceed the quarterly target. In total, we have now digitised 9.6 million pages, delivered against a plan of 12.3 million for the year – however, extra capacity is to be made available in 2008/09 and the project is due to deliver by May 2009.

Digitise and make accessible newspapers and sound recordings through JISC funded projects. We aim to make two million pages of 19th century British newspapers accessible on the web to the higher education (HE) and further education (FE) communities and to deliver a further 1.1 million by the end of 2008/09. The website was launched to the HE and FE users in October and is now available in our Reading Rooms. A launch to the wider public is planned for autumn 2008. We are also working to add a further 4,200 hours of archival sound recordings to the 3,900 already online at www.bl.uk/sounds. This second phase is progressing well with 2,266 hours of material digitised and an IP clearance framework due to be finalised shortly. 217 HE and FE institutions have now signed up to the service.

3. Transform search and navigation

Commence implementation of the Library's new resource discovery strategy. Following a procurement review to identify a successor to the Integrated Library System (ILS), we are now implementing Ex Libris' PRIMO product as an interim solution. Longer term options will be integrated into our next generation library management system. A range of digital materials we received through voluntary deposit can now be viewed in the Reading Rooms, through a pilot project to offer access to digital items.

Contribute to the delivery of the European Commission's vision of a European Digital Library (EDL). This year we signed up to EDLnet, a network of institutions working to develop the shared approach needed to create the European Digital Library. The network is working towards a consensus on issues such as the interoperability of cultural content held by museums, libraries and archives across Europe. We provided test data for a pilot of the EDL website and advised on how EDLnet membership could be extended beyond national libraries.

Develop further the English Short Title Catalogue (ESTC) and the integration of archives and manuscript catalogue records.

ESTC, our international database of pre-1801 books, was made freely available to researchers on the Library's website last year. We are now drafting plans to enable other libraries to augment existing ESTC records or add new records. In May we finalised proposals for the integration of all our automated archive and manuscripts catalogues into a single catalogue using existing Library infrastructure. This work is now underway, with the first phase of development planned for completion in October 2008 and large-scale migration of data from legacy systems scheduled for later this year.

4. Grow and manage the national collection

Construct the Additional Storage Programme (ASP) facility at Boston Spa.

External construction work around the ASP building will be completed by the end of 2008. Installation of the automated shelving is proceeding, with all aspects of automation work to be delivered by the second half of 2008/09. Integration of the ASP and the Library's systems is proceeding subject to full testing, and our schedule for moving collections from their existing locations to the Boston Spa facility has been finalised.

Open the Library's Centre for Conservation at St Pancras. The British Library Centre for Conservation was opened on schedule on 17 May 2007. This world-class facility houses the Library's conservation staff and the British Library Sound Archive's technical services staff. The project received five 'green lights' at the OGC Gateway 4 Review in July. Public tours of the Centre have been hugely popular and work placements relating to the Foundation Degree in Conservation will begin in 2008/09.

Implement the Library's content strategy. Following last year's major consultation on our content strategy for arts and humanities and social sciences, we have developed our approach and we're about to publish details online. Our content experts are now assessing research on publications from China and India and on datasets in these disciplines. Our Content Steering Group continues to implement the transition from print to digital collecting of serials and is undertaking an e-books pilot.

STRATEGIC PRIORITIES

Progress against 2007/08 commitments and report on funding agreement projects

Develop and consult on our strategy for science, technology and medicine (STM). We have also developed a vision statement and broad strategy for STM. Work to implement the strategy has begun and website development, content strategy, UK PubMed Central (UKPMC) and the Research Information Centre (RIC) are key priorities. External consultation is planned for early 2008/09. We have delivered reports on reference datasets and we await funding approval for the next phase of UKPMC.

5. Develop our people

Continue to develop an integrated talent development and succession planning strategy. Our talent development framework was agreed in May 2007 and a review of talent covering 45 senior members of staff took place in March 2008. We now understand better the aspirations of participating managers and have identified talent pools for a range of succession posts. A database to manage the programme was developed and launched, and a series of development workshops and short courses took place throughout the year.

Enhance and promote a proactive employee engagement culture. Results from the Library-wide colleague opinion survey of 2006 were communicated across the organisation in early 2007 and directorates have this year prepared action plans to address key issues raised. These plans were endorsed by the Executive Team and the Library's Board and have now been rolled out to staff.

Design and implement a framework which develops the Library's ongoing commitment to ethical behaviour, improves quality of life for the workforce and impacts positively on the community, wider society and the environment. We are working with colleagues throughout the Library to develop a corporate social responsibility (CSR) framework that will tap into the core values of the Library. We formed a working group and have held initial meetings with partners such as Leeds Council and Camden Council, with whom we are looking into joint activities for 2008's Year of Reading.

Continue to develop and implement the Library's diversity strategy. We published our Gender Equality Scheme in May 2007 and our Race Equality Scheme is in the final stages of drafting following extensive consultation. We held equality training workshops for front-line staff and managers, and provided equality impact assessment training for senior decision makers. We achieved gold award banding in Disability Standard benchmarking and received diamond awards for access to services and listening to users.

6. Guarantee financial sustainability

Focus the Library's influencing programme for its Comprehensive Spending Review bid on critical priorities. Develop financial planning scenarios to address how we will best deliver our priority programmes. The settlement we received in November 2007 was at the better end of our scenario planning and the Board approved the final budget and financial plan in February. Work continues on the capital programme, particularly in support of the Library's newspaper strategy.

Commence development of a new strategic plan. We are approaching the end of the period covered by *Redefining the Library: the British Library's strategy 2005–2008* and have undertaken detailed work to develop its successor. In February the Board endorsed an approach that set out the Library's key research audiences and identified seven strategic priorities for the next three years. Communications for the strategic plan to 2008–2011 are now being finalised and, following consultation over the summer, it is scheduled to be launched in September 2008.

Generate efficiencies to comply with Gershon recommendations and fund developments. Our funding agreement target for 2007/08 was £13.9m for the full year. Total efficiencies generated by year end were £18.26m – 31% above target. Key areas that contributed to this achievement included headcount reductions across the Library and greater visitor numbers than expected to Reading Rooms and exhibitions, with no corresponding increase in the cost of provision.

Deliver the first phase of the collaborative storage project, funded by the Higher Education Funding Councils. To address the growing shortage of storage space in UK research libraries, we are working with key HE institutions to develop a national storage solution – the UK Research Reserve (UKRR). In addition to the six initial institutions taking part in the project, two more became involved this year and in November we shared our proposed business model with the wider HE community. A bid to the Higher Education Funding Council for England (HEFCE) for phase two was delivered in December, with a decision expected in July 2008.

Implement a sustainable business model for the Library's document supply service. Work to transform the Library's document supply became operational this year and has already achieved significant results. Efficiency has increased ahead of plan and a new resource planning process is delivering a 10% productivity improvement and identifying staff that could be redeployed to projects such as bulk scanning, which is now delivering more than £100,000 per month of income. Plans to upgrade our request management and delivery system, along with our pricing structure, are dependent on the success of the bid to HEFCE for funding for the next phase of UKRR.

Strategic priorities

ACTION PLAN FOR 2008/09

1. Enrich the user's experience

- Develop a case for the creation of a digital centre, based upon the needs of the new generation of researchers. This centre will facilitate the presentation of materials in ways that will involve the written word, sound, film footage and imagery.
- Subject to Government approval, develop a detailed implementation plan for a dedicated newspaper storage building at Boston Spa and state of the art access to newspaper content at our St Pancras site.
- Continue to generate awareness and increased usage of the Library's Business & IP Centre which opened in 2006. The Centre receives funding from the London Development Agency.
- Hold two major exhibitions. *Ramayana*, one of the greatest Indian epic tales, will tell the love story of Rama and Sita. *Taking Liberties* will uncover the struggle for British freedoms and rights by both celebrated and little-known heroes.

2. Build the digital research environment

- Continue to develop the digital library system to provide storage, preservation and long-term access to the digital output of the nation. Develop a full production service for e-journal ingest and develop the capability to ingest additional content streams.
- Continue to lead development of the European Commission funded PLANETS project in which national libraries and other bodies are developing a framework to support the long-term preservation of digital text, images, audio and datasets. Deliver the first release of preservation services which will diagnose and treat problems with digital material.
- Continue to work through the Legal Deposit Advisory Panel and with publishers and the other UK legal deposit libraries to collect offline electronic content, e-journals and public web content through voluntary schemes. Move towards regulations for public web content via the Government's impact assessment process.
- Continue the digitisation of content from out-of-copyright printed books as part of a strategic partnership with Microsoft. Promote ready access to these items.
- Digitise one million pages of 19th century British newspapers to add to the existing two million pages which are being made available on the web. Add 4,200 hours of audio content to the existing 3,900 hours of audio recordings already available online. These digitisation projects are funded by JISC – the Joint Information Systems Committee.

3. Transform search and navigation

- Improve accessibility of our collection items by extending the records of print materials and of archival and manuscript records listed in our catalogues.
- Transform searching across the Library's online catalogues by implementing PRIMO, an enhancement to our current integrated library system.

- Create an integrated system for the provision of access to the Library's archives and manuscripts records currently held in 40 legacy systems. The first phase, in 2008/09, will provide a system to catalogue new records. Through subsequent phases we will migrate data from the current systems, provide public access and give opportunities to share data with other organisations.

4. Grow and manage the national collection

- Complete the development of the fully automated, high-density book storage facility at Boston Spa. The new building will store approximately 260 km of materials in controlled environmental conditions and will enable the Library to rationalise the location of high- and low-use materials. It will also allow the Library to relinquish leasehold storage buildings.
- Continue to implement the Library's content strategy for Arts and Humanities and Social Sciences. Implement the transition from print to digital for acquisitions. Develop the Library's proposition for e-books. Determine the Library's proposition for publications from China and India. Develop an implementation plan for providing access to datasets. Take forward the connecting part of the content strategy by developing further the criteria for selecting partners, reviewing existing partnerships and determining new ones in support of collaborative collecting, access and preservation.
- Develop an engagement plan to work more closely with the Science, Technology and Medicine (STM) community. Develop a content strategy for STM researchers and undertake stakeholder consultation. Develop products and services based upon research needs and the relevance and accessibility of content, focusing upon biosciences and energy/environment.
- Contribute to the foreign cultural diplomacy agenda led by the Department for Culture, Media and Sport. Extend programmes with overseas libraries and archives, including the national libraries of South Africa, China, Iraq and Iran.

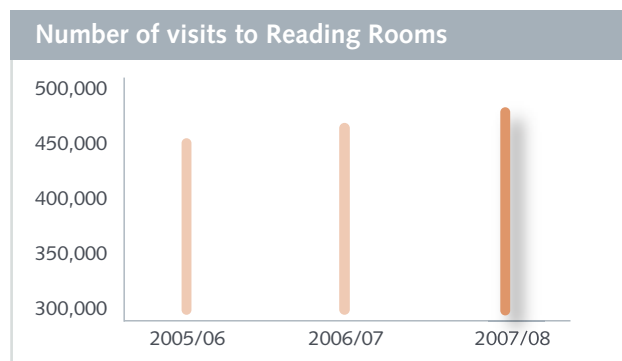
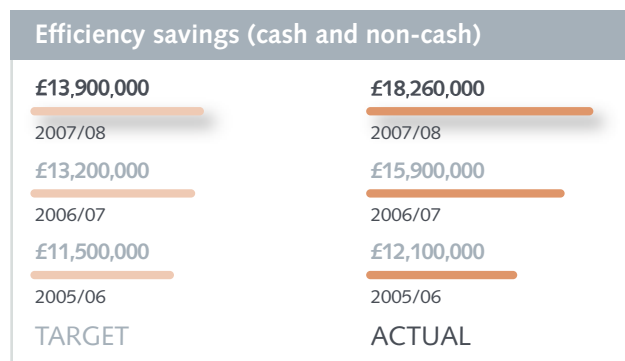
5. Develop our people

- Continue to develop and implement an integrated Talent Development and Succession Planning strategy.
- Design and implement a framework which develops the Library's ongoing support for quality of life of the workforce and which impacts positively on the community, wider society and the environment.
- Continue to develop and implement the Library's diversity strategy to build a diverse workforce and increase engagement with wider communities.

6. Guarantee financial sustainability

- Complete the first phase of the collaborative storage project funded by the Higher Education Funding Councils. This is addressing the growing shortage of storage space in UK research libraries. The prototype service focuses on a collaborative approach to collection management which aims to improve and guarantee future research access. Commence the second phase if funding is approved.

KEY PERFORMANCE INDICATORS
Performance against funding agreement targets



	Target 2007/08	Actual 2007/08	Target 2006/07	Actual 2006/07	Target 2005/06	Actual 2005/06
Quality						
Reading Room user satisfaction: percentage of Readers rating the services and facilities they used as either 'very satisfied' or 'quite satisfied'	90%	93%	90%	94%	90%	96%
Exhibition visitors satisfaction: percentage of visitors rating the quality of their visit as 'excellent', 'very good' or 'good' ¹	98%	94%	98%	98%	98%	98%
UK remote user satisfaction: percentage of users who are 'totally satisfied' with the Document Supply service	82%	82%	82%	83%	82%	84%
Throughput						
Number of visitors to the Library's Learning website ²	210,000	1,106,746	200,000	341,225	65,000	242,203
Number of learners attending educational sessions ³	7,500	17,561	7,500	10,127	7,500	9,564
Number of visitors to the Library's onsite and virtual public access facilities	931,000	1,699,161	880,000	1,625,424	470,200	865,813
Number of searches of the Library's online catalogue ⁴	26,000,000	25,476,829	25,000,000	25,893,440	9,000,000	24,626,166
Number of items supplied/consulted remotely and onsite	5,914,750	8,209,444	6,246,900	8,486,509	5,434,500	5,877,321
Number of visits to Reading Rooms	410,000	486,867	410,000	474,074	400,600	462,207
Number of items acquired/processed	969,700	1,031,931	959,900	1,023,476	938,232	1,009,913
Percentage of UK legal deposit material acquired ⁵	95%	94%	95%	93%	95%	97%
Efficiency savings						
Efficiency savings (cash and non-cash) ⁶	£13,900,000	£18,260,000	£13,200,000	£15,900,000	£11,500,000	£12,100,000

over
1 million
visitors to
our Learning
website

1 The target has not been achieved in 2007/08 due to a change in the method of data collection to collate statistically more robust results. The achieved percentage is also an amalgamation of data from two very different exhibitions. These were *Sacred* where the satisfaction rates were particularly high (97%) and *Breaking the Rules* which achieved high satisfaction rates for new, younger visitors but was rated less highly by more traditional Library visitors.

2 Visitors to the Learning website in 2007/08 far exceeded target mainly as a result of the excellent media coverage and popularity of the *Sounds Familiar* and *Sacred Texts* web resources.

3 Workshops have proved very popular throughout 2007/08 and *Sacred* exhibition workshops were attended by over four times as many young learners as other exhibition workshops.

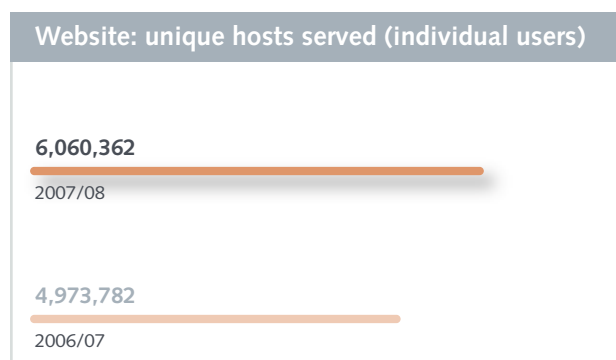
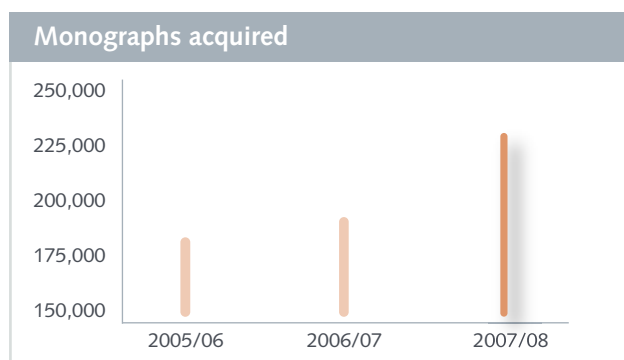
4 Searches of the Library's online catalogue in Reading Rooms have been lower than target as a result of a number of visitors choosing to search the catalogue using personal laptops via the St Pancras WiFi facility, subsequently reducing the number of searches via Reading Room computers. Searches of the Library's online catalogue on the Library's website were also slightly below target, mainly due to the use of alternative search routes and more efficient searching resulting from user familiarity with the system.

5 Figures for 2007/08 and 2006/07 represent monographs only, whereas figures for 2005/06 represent serial and monograph intake.

6 The target for 2007/08 is year three of a three-year Efficiency Delivery Plan and has now been incorporated into the British Library Funding Agreement. The target has been exceeded because of higher staff reductions and visitor numbers to Reading Rooms and exhibitions have been greater than forecast since the plan was set in 2003/04.

KEY PERFORMANCE INDICATORS

Performance against other key performance targets



	Target 2007/08	Actual 2007/08	Target 2006/07	Actual 2006/07	Target 2005/06	Actual 2005/06
Throughput						
Exhibition loans to other institutions ¹	40	50	40	39	40	40
Items acquired ²						
Monographs	193,100	236,069	183,100	195,503	171,000	187,963
Serial titles ³	–	104,161	–	104,972	101,500	106,392
Newspaper issues	158,800	163,133	160,300	167,401	162,500	170,882
Patent specifications	1,950,000	2,306,195	1,900,000	2,274,391	1,850,000	2,095,698
Other special materials	57,365	56,474	61,365	66,144	60,857	75,819
Electronic	35,225	30,787	34,000	32,103	32,621	38,358
Cataloguing backlogs ^{3,4}	–	640,000	–	373,650	396,472	385,756
Catalogue records created ³	–	416,047	–	408,594	362,000	389,006
Digital images created ^{3,5}	–	9,605,492	–	3,122,192	29,526	23,760
Percentage of material delivered electronically ⁶	60%	60%	54%	55%	25%	26%
Efficiency						
Document supply and monograph lending fulfilment rate	85%	81%	82%	81%	82%	80%
Percentage of material held onsite delivered in St Pancras						
Reading Rooms within 70 minutes	90%	92%	90%	92%	90%	94%
Average sick leave in working days per staff member	7.50	7.50	7.94	7.63	8.00	7.83

60%
of material
now delivered
electronically

- 1 These are loans to individual institutions, not numbers of items lent.
- 2 Figures reflect acquisition by purchase, exchange and legal deposit.
- 3 No overall target was set for 2007/08 and 2006/07.
- 4 The increase in cataloguing backlogs in 2007/08 is due to the basis of data collection for this metric changing. It has not been possible to restate prior year comparatives and these have not been amended. Additional resource has been allocated in the future to reduce cataloguing backlogs.
- 5 The first full year of the Microsoft Books Digitisation project was run in 2007/08 for which 9,583,841 pages were digitised. The increase in 2006/07 relates to the JISC-funded British Newspapers project and the second phase of the project to digitise the Burney Collection of early British newspapers.
- 6 Percentage of material delivered electronically covers all forms of electronic delivery. These include secure electronic delivery (digitally scanned copies from printed sources), post to web (item placed on a secure web page for the user to view), direct download (user has access to an e-stored item) and Ariel (scanned item transmitted to user). In 2005/06 the figure covered secure electronic delivery only.

WEBSITE USAGE

Use of www.bl.uk	2007/08	2006/07
Unique hosts served ¹	6,060,362	4,973,782
Successful requests for pages (page hits) ²	69,788,291	60,938,371

- 1 Unique hosts served is the best approximation available to the number of individual users of the website.
- 2 The number of pages of all types viewed on the website. Every landing on every page is counted in this figure.

SERVICE IN THE READING ROOMS

Seats available for users at 31 March 2008 ¹	Reader desks	Other provision ²
Humanities Floor 1 and 2 Reading Rooms	436	85
Rare Books & Music Reading Room	293	74
Maps Reading Room	49	20
Asian & African Studies Reading Room (formerly known as Oriental and India Office Reading Room)	73	52
Manuscripts Reading Room	72	24
Philatelic Collections	1	0
Science Reading Rooms	128	51
Business & IP Centre	32	77
Social Sciences Reading Room	50	27
Newspapers (Colindale)	77	69
Boston Spa Reading Room	76	18
Total	1,287	497

- 1 This figure does not include temporary seats that were made available to Readers during the Easter 2008 busy period.
- 2 This includes seats provided at the British Library Integrated Catalogue screens, electronic database terminals, microform readers and carrels (the individual study booths in the Reading Rooms).

**Nearly
70 million
page hits**

BIBLIOGRAPHIC SERVICES

Records in British Library catalogues and databases at 31 March 2008	2007/08	2006/07
British Library Integrated Catalogue ^{1,2}	12,243,857	11,857,089
Access to archives ^{2,3}	593,338	593,338
Asia, Pacific & Africa Collections – Japanese and Chinese ^{2,4}	58,923	55,414
Allied and Complementary Medicine (AMED)	219,959	208,372
British National Bibliography (BNB)	2,681,836	2,580,606
Sound Archive Catalogue ²	3,102,434	3,076,215
English Short Title Catalogue (ESTC) ²	473,591	469,268
Incunable Short Title Catalogue (ISTC) ²	29,813	29,764
Electronic table of contents ^{2,5}	32,787,442	30,264,915
International Standard Serial Numbers (ISSN) UK Centre	94,202	90,461
Manuscripts ²	809,722	801,091
Newspapers ²	56,049	53,198
Register of Preservation Surrogates	215,095	213,794
Total⁶	53,366,261	50,293,525

- 1 Number of unique records. A project to remove any duplication is ongoing.
- 2 Available from the Library's website.
- 3 Conversion of printed catalogues to electronic versions for inclusion on the Access to Archives website hosted by the National Archives, was completed in 2006/07 and therefore this figure has remained the same in 2007/08. A new system is currently being developed to include new catalogues online via the Library's website.
- 4 All other Asia, Pacific and Africa Collection material, except for Japanese and Chinese material, is included in the British Library Integrated Catalogue.
- 5 A database listing articles and conference papers by title, derived from the top 20,000 research journals. The database is available through British Library Direct and to higher education through zetoc.mimas.ac.uk.
- 6 The total does not represent the number of unique records. There is significant overlap between some files e.g. British National Bibliography and British Library Integrated Catalogue.

COLLECTION DEVELOPMENT

Collection Holdings at 31 March 2008	2007/08	2006/07
Monographs ¹	13,706,861	13,758,905
Serial titles (all) ²	828,928	879,320
Newspaper titles (all) ³	–	56,335
Manuscripts (single and volumes)	341,949	327,560
India Office records ⁴	452,150	392,013
Philatelic items	8,261,791	8,261,099
Cartographic items	4,335,542	4,330,660
Music scores	1,601,330	1,597,304
Sound discs	1,430,899	1,399,027
Sound tape items	243,768	242,227
Videos	30,747	29,200
Prints and drawings	33,041	32,779
Photographs	289,891	277,662
Patent specifications	62,508,920	60,602,725
Reports in microform	10,288,915	10,257,901
Theses	164,295	160,467
Total	104,519,027	102,605,184

- 1 The figure for monographs is based on the number of records in the relevant catalogues. This figure includes an estimate of items covered by card catalogues. In 2007/08 the Library's Union Catalogue of Books card catalogue was successfully merged into the British Library Integrated Catalogue. This process allowed the elimination of a significant amount of duplicated content and accounts for the reduced reporting of monograph holdings.
- 2 The figure for serials titles is based on the number of records in the relevant catalogues. Changes of title are therefore counted as separate titles. This figure includes an estimate of items covered by card catalogues. A significant project has been undertaken to de-duplicate serial holdings. This rationalised database more accurately reflects the number of unique titles held.
- 3 Newspapers have been migrated into Aleph in 2007/08 and are now included within the serial titles total.
- 4 The archives of the India Office (1858–1947) and its predecessors, including the East India Company (1600–1858).

ITEMS RECEIVED ON LEGAL DEPOSIT

	2007/08	2006/07
Monographs	111,567	97,144
Serial issues	271,353	283,180
Maps and atlases	2,562	2,078
Music scores	1,944	2,015
Newspaper issues	149,649	151,903
Playscripts	276	297
Total	537,351	536,617
Serial titles received	36,925	38,384
Claims for items not automatically deposited	259,867	240,810

STORAGE

Kilometres of shelving and percentage occupied	2007/08	2006/07
Working capacity: linear km ^{1,2}	655.0	654.5
Extent of collection: linear km	641.4	630.2
Percentage occupied ³	97.92%	96.27%

PRESERVATION

Preservation funding	2007/08	2006/07
	£000	£000
Grant in Aid	6,094	6,106
Donations/external funds ¹	45	583
Sales income	251	242
Total	6,390	6,931

Items preserved	2007/08	2006/07
Conservation and/or rebinding ²	5,460	3,538
New binding ²	36,330	49,650
Minor repairs ³	7,845	2,029
Boxing/other work	9,187	10,669
Preservation microfilming ⁴	18,042	15,481
Total	76,864	81,367

Preservation microfilming⁵	2007/08	2006/07
Newspapers: frames of film	18,702,845	15,653,359
Books, periodicals, record volumes, manuscripts: frames of film	1,367,790	1,568,833
Total	20,070,635	17,222,192

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

2 During 2007/08 an additional 0.5 linear kms of shelving was installed bringing the working capacity to 655 linear kms.

3 The Library's new high-density store at Boston Spa will be completed in 2008/09 and will provide an additional 260 linear kms of storage.

1 There have been no significant external funds received for preservation in 2007/08 compared to previous years when large sums of money were received for the Codex Sinaiticus and from the Mellon Foundation.

2 Fluctuations in figures are due to the normal variations which occur annually when treating a wide range of non-standard items with a varying resource.

3 Minor repairs figures have risen due to an increase in the funding of this work in 2007/08 at Boston Spa.

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

5 One frame equates to one camera exposure. These generally represent either a single or double page of a monograph, newspaper or periodical. For most programmes, a negative, positive and duplicate are taken of each page. Consequently the number of frames shown does not represent the number of pages for which surrogate copies have been made.

GOVERNANCE AND LEADERSHIP

Structure

DAME LYNNE BRINDLEY

Chief Executive

STEVE MORRIS

Finance and Corporate Services**Financial Operations**Financial Accounting and Processing
Financial Systems and Projects**Management Accounting**Central Management Accounts
Directorate Financial Managers**Strategy and Planning**Business Planning
Corporate Programme Office
Information Records Management
Corporate Strategy**Integrated Risk**Security
Health and Safety
Risk
Business Continuity
Emergency Management**Procurement**Purchasing
Contracts
Legal and Contract Services**Estates**Real Estate Services
Construction Projects
Facility Customer Services
Building Services**Corporate Secretariat****Additional Storage Programme**

JILL FINNEY

Strategic Marketing and Communications**Public and Regional Marketing**Public Marketing and Events
Regional Library Programme**Business Marketing****Higher Education****Learning****Sales and Marketing**Publishing and Shop
Document Supply Services
Marketing Operations**Development****Product Development
and Publisher Relations****Communications**Corporate Communications
Internal Communications
Press and Public Affairs**Web Services**Internet
Intranet**Creative Services**Audio Visual Services
Corporate Design
Exhibitions

RONALD MILNE

Scholarship and Collections**Collection Care**Conservation
Preservation
Conservation Research and Training
Storage and Security
Digital Preservation Team**European and American Collections**European Collections
American Collections
Eccles Centre for American Studies
Maps
Music
Philatelic**British Collections**British and Early Printed Collections
Western Manuscripts
Sound Archive
Newspaper collections
Legal deposit
Web archiving
Moving image collections
Loans registry**Social Science Collections and Research**Official Publications
Politics and International Studies
Management Studies and Economics
Business and Intellectual Property
Social Policy, Sociology, Culture,
Media and Sport
Socio-linguistics and Education
Human Geography, Anthropology
and Food Studies
Law and Socio-legal Studies**Asia, Pacific and Africa Collections**India Office Records
East Asian Collections
South and South-East Asian Collections
Near and Middle East Collections
Western Language Collections
Visual Materials
International Dunhuang Project
Endangered Archives Project

RICHARD BOULDERSTONE
e-Strategy and Information Systems

Architecture and Development

Applications Development
Architecture

Technical Operations

Server and Network
Infrastructure Strategy and Development
Desktop Services

Programmes

Integrated Library System
Digitisation
Web Archiving
Digital Object Management

STM (Science, Technology and Medicine)

MARY CANAVAN
Human Resources

Organisation Development

OD strategy
Learning and Development
Talent and Career Development

Pay and Reward

Remuneration
Employee Relations
Job Evaluation
Benefits

Strategic HR Management

Policy Development
Professional HR advice and support
Diversity
HR Operations

**Management Information
and Business Development**

Colleague opinion survey
Wellbeing programme
Business and Financial planning for HR
HR Management Information
Corporate Social Responsibility

PHIL SPENCE
Operations and Services

Document Delivery and Customer Services

Service Delivery
Service Support
Systems Development
Process Development
Customer Services

Collection Acquisition and Description

Collection Processing
Collection Development
Bibliographic Development Implementation

Resource Discovery

ebooks Delivery
Electronic Resources
Catalogue Development

Reader and Reference Services

Reader and Visitor Services
Imaging Services
Reference Services
Research Team
Newspaper Services
Service Improvement
O&S Communications

GOVERNANCE AND LEADERSHIP

Executive Team



STEVE MORRIS

Director, Finance and Corporate Services

Within Finance, the year was dominated by planning for the Library's future financial strategy as we awaited details of the Comprehensive Spending Review. In parallel, we made significant improvements in budget management and financial processes to maintain services and delivery with reduced real-terms resources.

Estates have run three major tender exercises for our engineering and maintenance, cleaning and catering services. We've managed significant property-related issues at St Pancras and begun a site masterplanning exercise for our Boston Spa site. The security team have responded to increasing demands to further strengthen the Library's procedures to ensure the safety of people, collections and buildings.

Our Strategy and Planning Team has led development of the Library's new three-year corporate strategy and priorities, which we hope to launch in autumn 2008. Our Procurement team has supported an array of major procurement exercises, having adopted a Corporate Procurement Strategy with new and rigorous policies and procedures.

Finance and Corporate Services is proud to be an integral part of ensuring that, across the board, the Library's programmes are being delivered to the highest professional standards and at the best possible value for money.



JILL FINNEY

Director, Strategic Marketing and Communications

The *Sacred* exhibition attracted a record-breaking number of visitors and the events, online, learning and regional programmes succeeded in reaching out to people of other faiths and particularly to people beyond our traditional user profile. The achievement of the Business & IP Centre in securing £2.4m additional funding from the LDA owed much to the Centre's ability to attract entrepreneurs from diverse backgrounds – 44% of users last year were from ethnic minority groups, 51% were women and 4.5% were people with disabilities.

Priced Services across the Library performed well, with increased revenues from the Imaging Services team and an improved contribution from our document supply and digitisation services. The newly extended Shop area combined with a strong publications list and high visitor numbers to generate unprecedented sales for the British Library Shop – sales of the *Sacred* catalogue totalled 7,819 copies, making it our biggest selling catalogue ever. As a result of all these activities we exceeded our targets for revenue and gross margin.

Our campaigns had a major impact. Government recognised the importance of the Library by awarding us a Spending Review settlement that, even in a tough financial climate, will enable us to grow and develop our collections and services. We've also positioned ourselves as central to the continuing debate on IP reform; publishers, authors and consumers increasingly look to us for balance and leadership on this contentious issue.



RONALD MILNE

Scholarship and Collections

Scholarship and Collections staff continue to be involved in a very wide range of activities – acquisitions and specialist cataloguing, web archiving, preservation and conservation, curating exhibitions and working collaboratively with the library and research communities.

Many of our curatorial staff are involved in implementing the Library's content strategy after last year's very successful consultation exercise, while our staff in Collection Care have seen the first full year of operation of the British Library Centre for Conservation and have hosted numerous visits from professional visitors, as well as the general public.

Highlights of our heritage acquisitions this year included the archive of Nobel laureate Harold Pinter, a further tranche of the compositions of Sir Peter Maxwell Davies, and the exquisitely illustrated and intricately detailed *Wardington Hours*.

We also launched Digital Lives, the first Arts and Humanities Research Council-funded project to be led by the Library. It investigates how personal digital information, created by leading researchers and authors – and also ordinary individuals – can best be preserved for, and accessed by, future generations.



RICHARD BOULDERSTONE

Director, e-Strategy and Information Systems

As well as making important progress in strengthening our science, technology and medicine (STM) team and adding the National Library of Wales to our Digital Library network, we've also taken some genuinely groundbreaking steps towards our strategic priority of creating the digital research environment.

The Research Information Centre (RIC) is a networked service we're developing to support STM researchers at every stage of the research process. From integrated searching of relevant databases, to alerts from the funding bodies that make research viable; including collaborative project-based working, analysis and modelling – right the way through to publishing and disseminating research findings.

We've focused on biomedical resources for the initial version of the RIC, which we're about to beta-test with research teams in the UK and US. It moves beyond the existing 'self-service' provision of information resources from the British Library, to a model which is much more embedded in the environment that scientists are now working in on a day to day basis.



MARY CANAVAN

Director, Human Resources

Like many colleagues, I believe the British Library is an amazing place to work. Communicating effectively why people want to work here is a key means of attracting and retaining new talent, so this year we've worked hard to develop our employer proposition.

Through focus groups with existing staff we established what the Library means to them as employees and these messages will underpin future recruitment and advertising, challenging preconceptions and positioning us as an employer of choice for recruits ranging from web developers to procurement managers.

Our work on leadership development has given us a better understanding of the ways we might develop managers to meet the organisation's evolving needs and, as we roll this scheme out to managers at other grades, our aim is to be able to address issues such as succession planning in a more strategic way.



PHIL SPENCE

Director, Operations and Services

We have had another strong year with over 93% of St Pancras Reading Room users and 82% of our document supply service customers satisfied with the services provided. We have continued to improve on these services: upgrading technology and telephone systems in our Customer Services department, meaning that calls and queries are answered more efficiently, with more than double the amount of requests handled now than previously.

We have also introduced innovative ways for readers to access our collection, both through the catalogue and remotely, such as the Ex Libris SFX service, which helps researchers by providing direct links to electronic resources from different search engines, such as the Integrated Catalogue.

With the support of JISC we have also digitised two million historic newspapers which are available in our Reading Rooms.

I'm pleased with the directorate's achievements this year, with staff dedicated to the continuous improvement of our services for all customers and actively seeking feedback on what we could do better. I anticipate another excellent year, and look forward to involving our customers in new and exciting projects.

GOVERNANCE AND LEADERSHIP

Corporate governance: the British Library Board

Operation

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

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

There is a clear division of responsibility between the Chairman and the Chief Executive. The Chairman is responsible for the leadership of the Board, ensuring its effectiveness on all aspects of its role. He facilitates both the contribution of the Board members and constructive relations between the Board and the Executive. He 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 she is responsible for its procedures and controls in financial and other matters.

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

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

The Board has delegated certain responsibilities to a number of committees. The standing committees of the Board are: the Board Audit Committee; the Remuneration Committee, the Capital Projects Committee and, since March 2007, the Investment Committee. The minutes of the meetings of the Board Audit Committee, the Capital Projects Committee and the Investment Committee are made available to all the members of the Board on a timely basis. The terms of reference for the Board Committees are available on our website at www.bl.uk/aboutus/governance/blboard/jan2008boardcommittees.pdf

A Register of Interests of members of the Board is maintained and is reviewed by the Board Audit Committee. On specific issues where there may be a potential conflict of interest, members are required to declare their interest and withdraw from the meeting. The register will be made available for inspection on application to the Secretary of the Board who can also provide copies on request.

Membership during 2007/08

CHAIRMAN

Sir Colin Lucas Kt D.Phil FRHistS

[Sir Colin's term of appointment expires on 31 August 2010.]

MEMBERS

Sheila Forbes CBE (Deputy Chair) (Principal, St Hilda's College, Oxford) contributes to the work of the Board on the basis of her experience in the area of human resources and the management of culture change. She chairs the Remuneration Committee. [Ms Forbes's second, four-year term of appointment expires on 19 January 2011.]

Sir Henry Boyd-Carpenter KCVO MA

(Deputy Chairman) (formerly Senior Partner, Farrer and Co.) was appointed to the Board by HM The Queen. [Sir Henry completed his term of appointment on 29 September 2007.]

Dame Lynne Brindley DBE MA FCLIP FRSA

(Chief Executive, the British Library)

Dawn Airey (formerly Director of Global Content, ITV) brings to the Board her leadership experience in a major commercial company. [Ms Airey's first, four-year term of appointment expires on 31 March 2011.]

Robin S Broadhurst CBE FRICS (formerly European Chairman of Jones Lang LaSalle) brings to the Board his high level of expertise in the area of property development and estates management. [Mr Broadhurst's second, four-year term of appointment expires on 31 December 2011.]

Professor Robert G Burgess PhD AcSS

(Vice Chancellor, University of Leicester) was appointed to the British Library Board for his knowledge and experience of higher education and university affairs and his academic background in the social sciences. [Professor Burgess's second, four-year term of appointment expires on 19 December 2010.]

Sir Kenneth Calman KCB DL MD FRCP FRCS

FRSE (Chancellor, University of Glasgow) was appointed to the Board on the basis of his top level experience of leadership and management in a university research environment and as a research scientist. He chairs the Board Audit Committee.

[Sir Kenneth's first four-year term expires on 31 March 2011.]

The Rt Hon Lord Fellowes GCB GCVO

QSO PC (Chairman, Barclays Private Bank) was appointed to the Board by HM The Queen. [Lord Fellowes's first four-year term expires on 29 September 2011.]

Professor Wendy Hall CBE, FREng

(Professor of Computing Science, University of Southampton) was appointed for her leadership experience and business acumen in the IT/internet content sector. [Professor Hall's first four-year term expires on 31 March 2011.]

Eileen Mackay CB FRSE (Formerly

Non-Executive Director, The Royal Bank of Scotland Group and previously principal finance officer at the Scottish Office) brings to the Board her financial and public administration experience. She was appointed after consultation with Scottish ministers. She chairs the Capital Projects Committee. [Ms Mackay's second, four-year term of appointment expires on 16 July 2011.]

Professor Kate McLuskie MA PhD

(Director of The Shakespeare Institute, University of Birmingham) was appointed to the British Library Board for her knowledge and experience of higher education and university affairs and her academic background in the arts and humanities. [Professor McLuskie's first four-year term expires on 31 March 2011.]

Simon Olswang BA Econ, Solicitor, Attorney at Law (California) (formerly Chairman, Olswang) brings to the Board his legal/commercial expertise in the field of intellectual property rights (IPR). [Mr Olswang completed his term of appointment on 31 March 2008.]

Dr Gareth W Roberts BSc PhD MBA FRSA

(CEO NovaThera Ltd, Director, NovaThera Asia Ltd, Director, IsoHelix Ltd and Partner, Opine Consultancy) was appointed for his background and experience in the UK biotechnology industry, one of the key R&D-based sectors served by the Library. [Dr Roberts completed his appointment on 31 December 2007.]

Maggie Semple OBE (Chief Executive

Officer and Director of The Experience Corps Ltd) brings to the Board her experience as an entrepreneur, able to advise the Board on the needs of the Small and Medium-sized Enterprise sector. [Ms Semple's first four-year term expires on 31 March 2011.]

SECRETARY TO THE BOARD

Andrew Stephens BSc (Hons) MCLIP Head, Corporate Secretariat.

British Library Board Audit Committee

The Board Audit Committee comprises at least three non-executive members of the Board, one of whom acts as Chair of the Committee. Membership during 2007/08 was:

Sir Kenneth Calman (Chair)
Sir Henry Boyd-Carpenter (Chair until 29 September 2007)
Eileen Mackay
Lord Fellowes
Gareth Roberts (until 31 December 2007)

The Board Audit Committee has written terms of reference that are available on our website and it meets at least three times a year to review the internal audit plan, progress against that plan, and the summary findings of the internal and external auditors. During 2007/08, the Board Audit Committee met four times to discharge its responsibilities. The Committee's purview extends to all the operations within the British Library, including the preparation of the Library's financial accounts and its systems of internal control and risk assessment and management. By invitation, the Chief Executive and the Director of Finance and Corporate Services attend the meetings together with, when appropriate, other executive directors and further executives of the Library. The Board Audit Committee also meets the Internal Auditors and the External Auditors without members of the Executive present.

Remuneration Committee

The Remuneration Committee comprises at least three non-executive members of the Board, one of whom acts as Chair of the Committee. Membership during 2007/08 was:

Sheila Forbes (Chair)
Dawn Airey
Professor Robert Burgess
Sir Colin Lucas

The Remuneration Committee has as its main task consideration annually of the performance of the Chief Executive, the Executive Team and certain other senior staff and determination of their remuneration levels. The Remuneration Committee has written terms of reference that are available on our website. Further details of the work of the Committee are given in the Remuneration Report on pages 39 to 40.

Capital Projects Committee

At its meeting in May 2005 the Board agreed to establish a limited-life Capital Projects Committee. The Committee has written terms of reference that are available on our website. The Committee comprises at least two non-executive members of the Board, one of whom acts as Chair of the Committee, and the Chief Executive. Membership during 2007/08 was:

Eileen Mackay (Chair)
Dame Lynne Brindley
Robin Broadhurst
Paul Goffin (Director of Estates, University of Leicester)

The role of the Capital Projects Committee is to assist the Board to satisfy itself as to the adequacy and effectiveness of the arrangements for project management of the Library's current multi-million pound capital construction project, the Additional Storage Programme. During 2007/08, the Committee met five times to discharge its responsibilities.

Investment Committee

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

Sir Colin Lucas (Chair)
Robin Broadhurst
Eileen Mackay
Dame Lynne Brindley
Danny Truell (Chief Investment Officer, Wellcome Trust)

The role of the Committee is to recommend to the Board the appointment of Investment Managers and to keep their performance under review, and also to formulate and keep under review the investment policy and spending policy arrangements governing the Board's trust funds and to make recommendations to the Board. During 2007/08 the Committee met once to discharge its responsibilities.

GRANTS AND DONATIONS

Here we celebrate highlights from the past year which came about thanks to the vital support of companies, grant-making bodies and individual donors.

The continuing contribution of the British Library's many supporters ensures that we are able to maintain our position as one of the world's greatest research libraries. Our most spectacular acquisitions and many of our most ambitious projects simply would not be possible without such generosity.

Sacred: Discover what we share

Funding from each of the faith groups represented – Judaism, Islam and Christianity – helped make *Sacred* the library's most successful exhibition to date. The generosity of donors also made possible an array of related public events, regional touring and learning programmes.

We are very grateful to everyone who supported *Sacred*, including the Coexist Foundation, the Moroccan British Society, the Saint Catherine Foundation, the Clore Duffield Foundation and Sami Shamoon. Through the vision and support of the Coexist Foundation, we plan to tour the exhibition in future years.

The Wardington Hours

We were able to acquire the *Wardington Hours* thanks to the generous support of The Art Fund, the Friends of the British Library and the Friends of the National Libraries and the Breslauer Bequest

The *Wardington Hours* is part of a Book of Hours – a collection of Christian devotions based on the Psalms for recitation at different times of the day. Produced in Paris in the 15th century, it is exquisitely painted, incorporating intricate detail and a wealth of colourful imagery. It joins a wealth of important manuscripts produced by the Bedford group of artists in our collections, allowing scholars to research its complex style and dating in the context of other related manuscripts.



The Harold Pinter Archive

The support of the National Heritage Memorial Fund (NHMF) and generous donations from Dr Alice Griffin, the American Trust for the British Library, the Michael Marks Charitable Trust and other private trusts and donors enabled us, in December 2007, to purchase the playscripts archive of the Nobel Prize-winning playwright and writer Harold Pinter. The playscripts will now remain in the Library alongside the rest of the Pinter archive, bought by the Library earlier in the year.

The archive is one of the most significant post-War literary collections and represents an invaluable resource for scholars of Pinter's work for the stage, cinema and poetry.

The Folio Society Gallery

We remain grateful to the Folio Society for their continuing support of the Folio Society Gallery, which enables us to create lively and accessible themed displays for visitors.

A highlight of this year's programme was *Bloomsbury Below Stairs: Grace Higgs at Charleston 1920–1970*, which drew on the recently acquired Grace Higgs papers to provide an insight into the domestic lives of the Bloomsbury Group, as witnessed by their long-serving housekeeper. We were also able to catalogue Grace Higgs' papers, thanks to the generosity of Alastair Kirkpatrick, who supported the project in memory of his aunt, Brownlee Kirkpatrick.



The British Library Centre for Conservation

This year saw the successful completion of the first year-long book conservation internship, supported by the Heritage Lottery Fund, at the British Library Centre for Conservation.

Two further interns began internships in November, generously supported by the Ernest Cook Trust and the Headley Trust. A sound archiving internship programme, with bursaries supported by the Heritage Lottery Fund, the Ernest Cook Trust, the D'Oyly Carte Charitable Trust and the American Trust for the British Library, was launched in September. The scheme has attracted applicants from sound archives around the world.

A new programme of events for the public to discover more about conservation launched in Autumn 2007. Visitors can join behind-the-scenes tours, advisory days and workshops, and explore a new dedicated exhibition space in the Foyle Visitor and Learning Centre.

Conservation Research

The Andrew W. Mellon Foundation is generously supporting a three-year project between the British Library and the other UK legal deposit libraries to research the deterioration of paper and books in libraries. 350 identical books have been gathered in each library and the project team is analysing tiny samples from each to work out the effect of their differing storage conditions. Ultimately we hope to use the data to develop tools that give an early warning that books are becoming fragile and to design storage facilities that will minimise the rate of paper degradation.

Pearson Creative Research Fellows

This year's Pearson Creative Research Fellow is the last in a five-year collaboration with Pearson. Based within the Learning team, the Fellows have researched the collections and shared their findings through creative projects and workshops with young people.

This year's fellow was fine art photographer Chino Otsuka, and the main subject of her creative research was the exploration of memory. She was particularly interested in photographs from the Asian and African collections and soundscapes in the British Library Sound Archive. During the year, Chino led two Young Researchers projects for groups of learners, inspired by *Breaking the Rules*. She will showcase images and sounds in an exhibition at the Library in September 2008.

Learning Space

We wish to transform the Education Room at St Pancras by extending into two smaller rooms and creating a fully-equipped Learning Space almost three-times the size of the existing facility. Enhanced by new furniture, internet-connected laptops and interactive whiteboards, the new Learning Space will significantly increase the range and number of activities we can run for learners of all ages. Fundraising is underway for this project and we are very grateful to the Wolfson Foundation and John Lyon's Charity, who have pledged their support.

Patrons

British Library Patrons gifted unrestricted funds which have benefited a range of inspiring projects, including the *Breaking the Rules* exhibition. Throughout the year we welcomed Patrons to a range of events offering them special access to our outstanding collections. These have included a tour of the Sound Archive's treasure trove of historical recordings, a breakfast visit focusing on our historic Chinese collections, and a lively presentation by Lord Baker on bawdy and irreverent satirical cartoons from the reign of George III.



American Trust for the British Library (ATBL)

We are most grateful to all of our friends who continue to support the Library through the American Trust and, in particular, to the late William T Golden, Co-Chairman, who died in 2007 at the age of 97 and who had been a leading light in the ATBL since the 1970s.

Mr Golden, along with the late Arthur Houghton, the late Viscount Eccles and the late Douglas Bryant, the ATBL's founding director, was instrumental in nurturing the American Trust in its fledgling days. The group's greatest achievement was to lead a successful campaign to restore the Library's American collections which had suffered severe bomb damage in WWII.

Corporate Partners

We are grateful to our Corporate Partners for their continuing support. Corporate Partnership offers a select group of companies the opportunity to benefit from the Library's collections, expertise and facilities in a way which is carefully tailored to meet their specific requirements. During the year, we have been delighted to welcome our Corporate Partners to bespoke events, showcasing the very best of the Library's collections.

GRANTS AND DONATIONS

The British Library would like to thank all those who have given their support, including:

The American Trust for the British Library
 The Andor Charitable Trust
 Arcadia Trust
 Arts Council England
 The Art Fund
 The Nicholas Bacon Charitable Trust
 The Charlotte Bonham-Carter Charitable Trust
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 Dr Alice Griffin
 The Headley Trust
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 Mrs Cicely Hodgson
 The Innovation Unit, funded by the Department
 for Education and Skills
 The International Research Institute of Advanced
 Buddhology at Soka University, Japan
 The Gladys Kriebel Delmas Foundation
 The A G Leventis Foundation
 The Leverhulme Trust
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 The Royal Thai Embassy
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The Stockman Family Foundation Trust
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Plus all those who have given anonymously,
 provided gifts-in-kind and made legacy pledges.

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 Rt Hon Lord Young of Graffham
 Dr Bill Zachs

and others who wish to remain anonymous.

Adopt a Book Benefactors

Gamboe Fine Art Society
Graham Harris
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Hugo Musson
Sikh Education Council UK

and others who wish to remain anonymous.

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The Stockman Family Foundation
The John L and Sue Ann Weinberg Foundation

Legacies and Bequests

Marian Speyer

The Friends of the British Library

Friends Council
The Lord Hameed of Hampstead CBE DL
Dr Christopher Wright
Graham Allatt FCA
Linda Viger-Brown
Peter Barber
Amanda Benton
Sally Brown
Dr Ruth Coman
The Lord Hemingford
Ed King
Robert Kirton
Professor Kate McLuskie
Michael Leapman
David Marcus
Sir Henry Boyd-Carpenter
Nicholas Poole-Wilson
Paul Stevenson
Kathy Wrennall

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Annual Accounts 2007/08

TRUSTEES' ANNUAL REPORT 2007/08

Financial Review

Constitution

The British Library was established under Section 1(1) of the British Library Act 1972 (the Act) as the national library of the United Kingdom. Section 1(2) of the Act placed it under the control and management of the British Library Board, the duty of which is to manage the Library as a national centre for reference, study and bibliographical and other information services, in relation both to scientific and technological matters and to the humanities. The British Library is a Non Departmental Public Body (NDPB) sponsored by the Department for Culture, Media and Sport and has exempt charitable status. The British Library Board is not constituted as a Trustee Board; however the Statement of Recommended Practice (SORP) 2005 *Accounting for Charities* convention of referring to Trustees has been followed in the Accounts.

Objectives

Under Sections 1(3) and 1(4) of the Act the Board is required to make the services of the British Library available to the public (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.

Board membership

Details of Board members who served between 1 April 2007 and 31 March 2008 are as published on pages 28 to 29.

Accounting conventions

The basis on which the accounts have been prepared is stated on page 48 at note 1a.

Financial results

The Accounts provide a Statement of the Financial Activities (SOFA) of the British Library during the year ended 31 March 2008. In accordance with Section 5(1) of the Act, as amended by Statutory Instrument 1986 No 600, the Secretary of State paid to the British Library such sums as were necessary to defray expenditure incurred with his approval, so far as that expenditure exceeded the receipts derived from the exercise of the Board's functions and applied in such manner as required by Section 5(2) of the Act.

The Accounts have been prepared in accordance with the Statement of Recommended Practice (SORP) 2005 *Accounting for Charities* and HM Treasury's *Financial Reporting Manual* (FREM) Statement of Financial Activities for the year is set out on page 45. This shows all resources made available to the British Library Board and all expenditure incurred by it and reconciles all changes in its funds.

The British Library's income for 2007/08 was £141.2m (£159.2m 2006/07), of which £106.4m (75%) was Grant in Aid (GIA) from the Department for Culture, Media and Sport. £94.3m of this was revenue Grant in Aid, with the balance of £12.1m for capital programmes. The Department holds £13.2m (£7.4m capital, £5.8m revenue) of funding from previous years under 'End Year Flexibility' rules which is not included in the British Library financial statements.

Income from the provision of services was £23.1m (£22.8m 2006/07). Document Supply income, the Library's principal source of commercial revenue, declined less than forecast and a stronger than anticipated performance was achieved from imaging services. The overall position was also balanced by continued improvements in operational efficiency and close management of costs.

The Library maintained its efficiency programmes in line with the recommendations of the Gershon Review into public sector efficiencies, resulting in a modest rise in net resources expended of £6.4m to £139.1m. The Library has continued to invest heavily in building its infrastructure and major building works at Boston Spa, relating to its Additional Storage Programme, are expected to be completed by the end of calendar year 2008.

The major *Sacred* exhibition proved to be the most popular and successful exhibition yet staged by the Library, attracting over 200,000 visitors and rated top of the Top 20 London exhibitions in summer 2007. Reading Room usage has continued to grow and further steps taken to handle the extra demand. Total page hits on the British Library website rose to 70 million, an increase of ten million from the previous year.

Revenue expenditure on acquisitions for the collections was £16.7m (£15.3m 2006/07), and capital expenditure £2.4m (£3.8m 2006/07).

There was a net increase in the movement of funds after revaluation in the year of £47.7m, of which £47.3m related to unrestricted funds and £0.4m to restricted funds.

Reserves

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

Although GIA accounts for around 75% of the Library's income, which provides limited exposure to liquidity risk, the remainder of operational costs must be financed by self-generated income, which is volatile.

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

General Reserves at 31 March 2008 were £6.7m, of which Designated Reserves accounted for £4.3m and Free Reserves £2.4m. In 2008/09 the Library will aim to hold a minimum of £3.5m in Free Reserves to provide contingency provision, by targeting efficiencies in income and expenditure budgets.

Payment of creditors

It is the policy of the British Library Board to pay all creditors within 30 days of the invoice date unless there is a specific payment date agreed with the supplier. For the year ended 31 March 2008, 88% of invoices were paid within 30 days (89% 2006/07). Compliance in this matter is in accordance with the Better Payment Practice Code.

Bankers, External Auditors, Solicitors and Investment Managers

The following organisations were the Library's principal suppliers of professional financial, legal and investment services during 2007/08:

Lloyds TSB Bank plc
39 Threadneedle Street
London
EC2R 8AU

Treasury Solicitor
1 Kemble Street
London
WC2B 4TS

Comptroller and Auditor General
National Audit Office
151 Buckingham Palace Road
London
SW1W 9SS

Legal & General Investment Manager Limited
One Coleman Street
London
EC2R 5AA

Investments

Legal & General were appointed as the Trust Fund investment manager in November 2006. The Board Investment Committee (BIC) met once during the year to give oversight to the Library's investment portfolios and to review the Investment Policy. The BIC determines the overall investment return objectives and acceptable risk tolerances. To meet these objectives the BIC currently aims to achieve an absolute return from investments of RPI plus 3% on a rolling five year basis. The performance of the portfolio will be judged against this target.

The year to 31 March 2008 was a turbulent time for investment markets. Steady growth in the first half of the year was followed by the onset of the subprime mortgage crisis and the 'credit crunch' resulting in heavy losses during the first quarter of 2008. As a consequence, the net yield achieved at December 2007 of 3.07% was reduced to a negative 4.3% at 31 March 2008.

The BIC targets an annual Value at Risk of the portfolio so as not to exceed 15%, that is a loss which could be expected in one of every six years. The BIC recognises the risk of short-term volatility or longer term depression in values associated with investing in equities and certain other asset classes and has taken the opportunity to review future investment strategy in 2008/09.

Equality and diversity

The British Library Board is an equal opportunities employer and is committed to promoting diversity. The Library employs a Policy and Diversity Manager, an HR Diversity Business Partner and an HR Advisor. The Library has six strategic areas of priority of which one is 'Develop our People' and equality and diversity is a major driver.

The Library's policies for recruitment and selection, training, pay, performance management, career development and promotion are in line with its diversity policy and, in this regard, disabled employees are treated the same as all other staff with respect to their aptitudes and abilities. The Library aims to have a diverse workforce, possessing a complex blend of knowledge and skills in managerial, technical, scholarly and specialist disciplines where individual contributions are valued. The Library has published its Equality Schemes on Disability and Gender and work is being taken forward on progressing the actions plans.

Data protection

The Library has used the following prescribed format as required following Cabinet Office guidance on the reporting of personal data related incidents in 2007/08 resource accounts. Incidents, the disclosure of which would in itself create an acceptable risk of harm, may be excluded in accordance with the exemptions contained in the Freedom of Information Act 2000 or may be subject to the limitations of other UK information legislation.

TABLE 1:
SUMMARY OF PROTECTED PERSONAL DATA RELATED INCIDENTS FORMALLY REPORTED TO THE INFORMATION COMMISSIONER'S OFFICE IN 2007/08

Date of incident (month)	–
Nature of incident	No incidents reported
Nature of data involved	–
Number of people potentially affected	–
Notification steps	–

Further action on information risk

The British Library will continue to monitor and assess its information risks in order to identify and address any weaknesses and ensure continuous improvement of its systems.

Planned steps for the coming year include:

- Installation of encryption software on Library-owned laptops;
- Internal audit of Library compliance with the Data Protection Act;
- Review of existing procedures for reporting and managing incidents involving protected personal data

TABLE 2:
SUMMARY OF OTHER PROTECTED PERSONAL DATA RELATED INCIDENTS IN 2007/08

Incidents deemed by the Data Controller not to fall within the criteria for report to the Information Commissioner's Office but recorded centrally within the Department are set out in the table below. Small, localised incidents are not recorded centrally and are not cited in these figures.

Category	Nature of incident	Total
i	Loss of inadequately protected electronic equipment, devices or paper documents from secured Government premises	–
ii	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured Government premises	–
iii	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	–
iv	Unauthorised disclosure	1
v	Other	–

TABLE 3:
YEAR ON YEAR TOTAL NUMBERS OF PROTECTED PERSONAL DATA RELATED INCIDENTS PRIOR TO 2007/08

Total number of personal protected data related incidents formally reported to the Information Commissioner's Office, by category number

	i	ii	iii	iv	v	TOTAL
2006/07	–	–	–	–	–	NIL
2005/06	–	–	–	–	–	NIL

Total number of other protected personal data related incidents, by category number

	i	ii	iii	iv	v	TOTAL
2006/07	–	–	–	–	–	NIL
2005/06	–	–	–	–	–	NIL

Communications with employees

The Library is committed to developing effective communications between all employees in order to keep them informed, motivated and able to support the Library's users. Main communications channels include a staff newsletter, team briefing system and employee Intranet.

Key objectives

Details of the Library's strategic priorities can be found on pages 16 to 19.

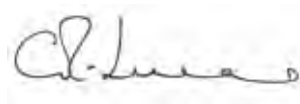
Related party transactions

Details of related party transactions are disclosed on pages 62 at note 23.

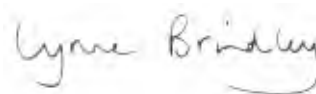
Code of best practice on corporate governance

A Statement on Internal Control is included on pages 42 to 44 and the Library has achieved full compliance in this respect, as at March 2008.

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



SIR COLIN LUCAS
CHAIRMAN
7 JULY 2008



DAME LYNNE BRINDLEY
ACCOUNTING OFFICER
7 JULY 2008

REMUNERATION REPORT

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

1. The Remuneration Committee is a main committee of the Board without executive powers, comprising three non-executive Board members and chaired by an independent non-executive Board member. The Committee reports to the Board.

2. Members of the Committee are appointed by the Board.

3. The Director of Human Resources acts as Secretary to the Committee.

4. At the request of the Chairman of the Committee, the Chief Executive and other Executives of the Library may be in attendance at meetings of the Committee, or for selected agenda items. No Executive of the Library will be in attendance or play any part in discussions and decisions about their own remuneration.

5. The Committee is able to obtain external professional advice and, if necessary, to invite external advisors to its meetings.

6. The Committee normally meets twice a year.

7. The quorum necessary for the transaction of business shall be two.

8. Minutes of Committee meetings will be circulated promptly to all members of the Committee and, once agreed, to all members of the Board.

9. The Committee fulfils the following responsibilities:

- (i) to keep under continuous review the terms and conditions of the Chief Executive
- (ii) to undertake an annual review of the Chief Executive's salary and performance bonus and make recommendations to the Board
- (iii) to consider the recommendations of the Chief Executive in relation to the annual review of the salary and performance bonuses of the Executive Team and similarly for any other equivalent paid senior staff
- (iv) to represent the Board in relation to considerations relating to the terms and conditions of all other Library employees

(v) to carry out any other review, and make any other recommendations, which in its opinion, or at the request of the Chief Executive, it believes to be relevant to the Board's statutory responsibilities in relation to the terms and conditions of the Library's employees.

10. The Committee will, at least once a year, review its own performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

11. The current members of the Remuneration Committee are:

Sheila Forbes (Chair)

Sir Colin Lucas

Professor Robert Burgess

Dawn Airey (from 1.4.07)

In attendance: Mary Canavan (Secretary)

Director of Human Resources

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

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

The Remuneration Committee is informed in its decisions by external benchmarking and through the Library's performance management process. The Chief Executive and members of the Executive Team are eligible for contractual non-consolidated annual bonus payments; in the case of the Chief Executive this is up to 25% of basic salary with up to 3% available for consolidation for pension purposes. Members of the Executive Team are eligible for non consolidated annual bonuses of up to 10% of basic salary and in addition are eligible for a share of an annual team bonus of

£24,000 based on the achievement of four corporate key performance objectives. In addition they are also eligible for a share of an additional discretionary sum of £6,000 if the Remuneration Committee considers that a high level of performance has been achieved.

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

Service contracts

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

The Library's senior managers covered by this report hold appointments which are open ended until they reach the normal retiring age, which since 1 October 2006 is age 65. However those in post prior to 1 October 2006 have a contractual right to retire at age 60, should they choose to do so. 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.

Salary and pension entitlements (audited)

Salary includes: gross salary; performance pay or bonuses; 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.

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

The table overleaf shows the pension entitlements of, and the salary paid during the year to, the Chairman and Executive Team.

THE REMUNERATION PAID AND PENSION ENTITLEMENTS OF THE EXECUTIVE TEAM AND CHAIRMAN

		Remuneration paid to 31 March 2008 £000	Real increase in pension at 60 £000	Total accrued pension at age 60 as at 1 April 2008 £000	Cash Equivalent Transfer Value		
					CETV as at 1 April 2007 £000	CETV as at 31 March 2008 £000	CETV real increase £000
Sir Colin Lucas, Chairman from 1.9.06	2007/08 2006/07	35 – 40 20 – 25					
Dame Lynne Brindley DBE, Chief Executive	2007/08 2006/07	175 – 180 175 – 180	2.5 – 5 Plus lump sum of 2.5 – 5 2.5 – 5 Plus lump sum of 0 – 2.5	60 – 65 145 – 150 55 – 60 135 – 140	1,211 1124	1,448 1217	80 46
Richard Boulderstone, Director	2007/08 2006/07	115 – 120 115 – 120	2.5 – 5 2.5 – 5	15 – 20 15 – 20	238 195	315 238	27 23
Mary Canavan, Director	2007/08 2006/07	105 – 110 105 – 110	0 – 2.5 0 – 2.5	45 – 50 40 – 45	662 614	780 652	21 19
Jill Finney, Director	2007/08 2006/07	120 – 125 120 – 125	0 – 2.5 0 – 2.5	10 – 15 10 – 15	149 123	200 149	24 21
Steve Morris, Director	2007/08 2006/07	125 – 130 110 – 115	0 – 2.5 0 – 2.5	45 – 50 45 – 50	642 6	773 642	25 74
Philip Spence, Director from 23.10.06	2007/08 2006/07	105 – 110 40 – 45	0 – 2.5 0 – 2.5	0 – 5 0 – 5	9 0	33 9	19 7
Ronald Milne, Director from 5.2.07	2007/08 2006/07	100 – 105 10 – 15	35 – 37.5 0 – 2.5	35 – 40 0 – 5	4 0	604 4	596 0

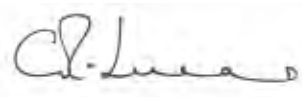
The increase in Ronald Milne's CETV value in the year and Steve Morris's CETV value in 2006/07 are due to the transfer in of entitlements from other public sector pension schemes.

Cash Equivalent Transfer Values

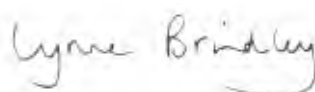
A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

Real increase in CETV

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



SIR COLIN LUCAS
CHAIRMAN
7 JULY 2008

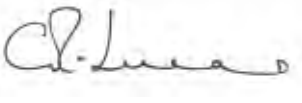


DAME LYNNE BRINDLEY
ACCOUNTING OFFICER
7 JULY 2008

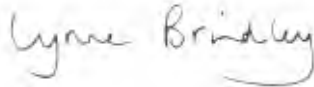
BOARD AND ACCOUNTING OFFICER'S RESPONSIBILITIES

The British Library's Management Statement and Financial Memorandum with DCMS sets out the roles and responsibilities of the Board, the Chair and the Accounting Officer. It includes the following points:

- Board members have a corporate responsibility to the Secretary of State for ensuring that the Library fulfils the aims and objectives set out in legislation and complies with any statutory or administrative requirements for the use of public funds.
- The Chair is responsible to the Secretary of State, on behalf of the Board, for ensuring that where appropriate the Library's policies are consistent with those of the Secretary of State, and that the Library's affairs are conducted with probity. (S)he will ensure that all members of the Board, when taking up office, are fully briefed on the terms of their appointment and on their other duties, rights and responsibilities. (S)he is responsible for advising the Secretary of State of the needs of the Library with a view to ensuring a proper balance of professional and financial expertise.
- The Accounting Officer is personally responsible for safeguarding the public funds for which (s)he has charge, for propriety and regularity in the handling of those public funds and for the day to day operations and management of the Library. (S)he should act in accordance with the terms of the Management Statement and Financial Memorandum and with the instructions and guidance in *Managing Public Money* and other instructions and guidance issued from time to time by the Department, the Treasury and the Cabinet Office – in particular, the Treasury documents *The Responsibilities of an NDPB Accounting Officer and Regularity and Propriety*.



SIR COLIN LUCAS
CHAIRMAN
7 JULY 2008



DAME LYNNE BRINDLEY
ACCOUNTING OFFICER
7 JULY 2008

STATEMENT ON INTERNAL CONTROL 2007/08

1. Scope of responsibility

In line with the responsibilities as set out above, the Chair, on behalf of the Board, is responsible for ensuring that appropriate arrangements exist to implement and maintain the Library's internal control framework. The Accounting Officer is responsible for making sure that a sound system of internal control exists and is maintained and that the public funds and assets for which she is personally responsible are safeguarded in accordance with the responsibilities assigned to her in *Managing Public Money*; and ensuring compliance with the requirements of the British Library's Management Statement and Financial Memorandum.

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of British Library policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the British Library for the year ended 31 March 2008 and up to the date of approval of the Annual Report and Accounts, and it accords with HM Treasury guidance.

3. Capacity to handle risk

The Library is conscious of its responsibility for the stewardship of its unique collections. As part of our commitment to transparent reporting, we have set out below some of the key actions taken to manage the risks faced in that context. Activities undertaken this year include:

■ Managing risk of the major Sacred exhibition

A risk register was established as a control device in the management and control of all risks associated with the design, implementation and delivery of the exhibition. A risk scenario-planning workshop was held 12 months prior to the exhibition opening. This brought together key internal stakeholders to discuss issues that might have affected the success of the exhibition.

In the months leading up to the exhibition, a number of potential risk scenarios were presented to the Executive Team to alert them to the type of situations that might have occurred, and to give assurance that processes and action plans were in place to manage the risks.

■ Work carried out in developing Project Management across the organisation through Small Project Toolkit

The Corporate Programme Office developed project management methodology across the organisation. A number of project health-checks, gateway reviews, workshops and training programmes took place during the year. The Small Project Toolkit was developed as a delivery method for small pieces of work that would benefit from a proper project approach incorporating the best principles of PRINCE 2, but summarised down to basic principles and expressed in non-project terminology.

■ Internal audit reviews to confirm robust controls

Following a competitive tendering process, RSM Bentley Jennison was appointed as Internal Auditors to the Library in April 2007. A three year strategic plan was *immediately* developed and during the first year of the plan 29 assurance reviews took place, with a further five advisory reviews. There were two limited assurance ratings out of the final reports issued during the year, and follow up reviews in the last quarter confirmed that good progress had been made in implementing the recommendations of both those reviews.

■ Managing the threat to funding levels posed by 2007 Comprehensive Spending Review

A major risk for the Library throughout 2007 was the potential threat to funding levels posed by the 2007 Comprehensive Spending Review (CSR) which the Library had been advised could result in future Grant in Aid falling in real terms. From the summer of 2006 onwards the Library was active in making the case for a funding settlement that at least notionally maintained the real terms value of our Grant in Aid over the three years of settlement period (2008/09 – 2010/11).

The delay in announcement of the settlement (from its normal timing in July to November) served to exacerbate the risk to business and financial planning. There was a risk of 'planning blight' and a potential budget crisis in 2008/09 caused by a lack of effective and timely financial planning. To mitigate this risk, the Library worked throughout the year looking at different potential funding scenarios, assessing and planning how we might respond to each, engaging with the Board on the implications. As a result, when details of the settlement were received, the Library was in a position to move quickly to draw up a detailed budget and financial/business planning proposals for submission to the Board at its February 2008 meeting.

■ Progress on Collection Security Steering Group

The Collection Security Steering Group (CSSG), chaired by the Director of Human Resources and reporting to the Executive Team, exercises cross-Directorate oversight over the development of the Library's corporate collection security policy and collection security strategy, it reviews implementation of the Collection Security Plan, and it reviews the effectiveness of the Library's collection security control processes. The Board Audit Committee receives an annual stewardship report from the Chair of CSSG.

■ Developing security arrangements in the light of the opening of the St Pancras Eurostar terminal

The Library raised its security levels during 2007/08 by adopting a number of measures, including increased bag and vehicle searching, in response to police advice and the opening of the neighbouring St Pancras International rail terminal. During 2008/09 the Library intends to continue with its planned programme of upgrading physical security around perimeter and site entrances.

■ Pandemic flu planning

The corporate and directorate emergency response plans cover three broad incident outcomes: denial of access to the building, loss of IT, and staff shortages. Staff shortages result from a number of incidents such as fuel shortages, industrial action or sickness e.g. pandemic, norovirus, etc. Extensive cross-directorate planning has taken place in preparation for a pandemic flu outbreak, including the purchase of alcohol hand gels, the development of internal communication messages and the identification of key workers. The Integrated Risk and Human Resources departments have recently presented to Trade Union Side (TUS) on the pandemic topic and as a result further meetings have been arranged to discuss implications on some of the Library's current policies.

■ Managing reputational risk e.g. FOI and Data Protection

A series of high-profile data losses in the public and private sectors has resulted in the management of personal data being the subject of increasing public and Government scrutiny. The Library's Corporate Information Management Unit (CIMU) in collaboration with e-Strategy and Information Systems (eIS) have adopted a risk-based approach to data security which focuses on the integration of organisational and technical measures to protect the Library's information from unauthorised loss or damage. This includes personal data that might be embedded within the Library's collections.

■ Developing counter fraud strategy, policy and control (specific case of payroll fraud leading to criminal conviction and recovery of losses)

In conjunction with Internal Audit, a Counter Fraud and Security Healthcheck was carried out to review procedures and controls in support of the Library's determination to stamp out fraud. Criminal proceedings in a case of payroll fraud led to a conviction and full recovery of losses.

■ Evaluation of insurance costs and benefits in managing risk

The Board received a report from the Cultural Property Manager in January 2008 into the insurance of valuable items in the possession of the Library. The report identified three categories of property – that belonging to the Board, Third party property, and Contested property – and considered if there is any duty to insure, where exceptions and special obligations might apply, and where liability for the Library might lie.

■ Annual stewardship reports

The Board Audit Committee received annual stewardship reports on Health and Safety, Security, Freedom of Information, Data Protection, and Pension Scheme activity as well as a formal report on the stewardship of the Library's collections.

4. The risk and control framework

The Library's risk management policy seeks to meet the requirements in paragraph 2 and to embed them within its strategic and operational plans. The approach adopted meets the requirements of the HM Treasury guidance on *Management of Risk – A Strategic Overview* ('The Orange Book') and will be enhanced with best practice from other organisations as opportunities arise.

Risks are assessed against estimation criteria approved by the Board. These criteria cover the potential impact of the risk and the likelihood of its occurrence. The risk is considered for its effect on strategy, operations, finances or reputation and whether it is external or internal.

Risks are managed in accordance with an agreed approach decided for each risk ranging from terminating the risk, through possible reduction measures, acceptance and monitoring or passing the risk on.

The Library's major areas of risk identified by this process are its funding streams, its adaptability to changing market conditions and its management of the impacts of legislation.

Each level of the Library has a responsibility for risk awareness and management. Risk reviews are carried out by the assigned manager responsible.

In conjunction with Internal Audit, further progress has been made in improving the identification, reporting and management of risk. Workshops and presentations have taken place and specialist risk management software procured to improve the quality, effectiveness and availability of information to users across the Library.

Risks are reviewed:

- Annually by the Board;
- Half yearly by the Executive Team in the context of the Business Plan;
- By the Board Audit Committee at each of its meetings;
- By the Executive Team on an exception basis;
- By Directorate Management teams for their own subset of risks.

STATEMENT ON INTERNAL CONTROL 2007/08

5. Review of effectiveness

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

Additional assurance is gained from:

Internal audit

An annual internal audit programme is drawn from the three year programme which has been developed based on the risk register.

External audit

The National Audit Office reviews the Library's accounts and produces an annual management letter. NAO also carries out value for money reviews on Library activities.

Board

The Board is responsible for confirming that the risk management approach will aid the achievement of policy aims and for advice and guidance on proposals.

Board Audit Committee (BAC)

The Board Audit Committee advises the Board on:

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

The members of BAC, being non-executive members of the British Library Board, are:

- Sir Kenneth Calman (Chairman) (from 30 September 2007)
- Sir Henry Boyd-Carpenter (Chairman) (to 29 September 2007)
- E Mackay CB
- G Roberts (to 31 December 2007)
- Lord Fellows (from 30 September 2007)

The Chief Executive, the Director of Finance and Corporate Services, and the Compliance Officer are in attendance at BAC meetings, and representatives of the Library's internal and external auditors are also in attendance. The Board Secretary is Secretary to the BAC.

BAC approves the three year Strategic Internal Audit Plan and Annual Operational Internal Audit Plans. It receives reports on the reviews completed and monitors progress made in completing the annual internal audit plan and also advises the Board on the appointment of the institution's internal auditors. It also reviews, and advises the Board on, the Library's statutory accounts prior to their formal sign off by the Chief Executive and the Board Chairman.

Capital Projects Committee (CPC)

The Capital Projects Committee, a sub-committee of the Board, assists the Board of the British Library to satisfy itself as to the adequacy and effectiveness of the arrangements for project management of the Library's £ multi-million capital construction projects, currently the Additional Storage Programme (ASP) project. The Committee meets four times a year and reports regularly to the Board.

The current members of CPC:

- E Mackay CB (Chairman)
- R Broadhurst
- Dame L J Brindley
- K McLuskie
- P Goffin (External professional advisor)

Board Investment Committee (BIC)

The Board Investment Committee, a sub-committee of the Board chaired by Sir Colin Lucas, assists the Board of the British Library to satisfy itself as to the adequacy and effectiveness of the Library's investments. The Committee recommends to the Board the appointment of Investment Managers, receives investment reports and reviews performance, and formulates and keeps under review investment policy and strategy taking due account of associated areas of risk. The Committee normally meets once a year.

The current members of BIC:

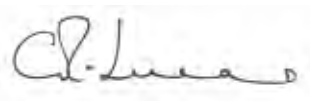
- Sir Colin Lucas (Chairman)
- E Mackay CB
- R Broadhurst
- Dame L J Brindley
- D Truell (External professional adviser)

Executive Team

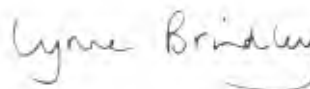
The Executive Team is responsible for operational management and for risk review in their own areas of responsibility and for championing the required culture change. Each Director is required to support the Accounting Officer by submitting a Self Certificate confirming that the Library's systems of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

Managers

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



SIR COLIN LUCAS
CHAIRMAN
7 JULY 2008



DAME LYNNE BRINDLEY
ACCOUNTING OFFICER
7 JULY 2008

THE BRITISH LIBRARY BOARD

Statement of financial activities

FOR THE YEAR ENDED 31 MARCH 2008

	Notes	Unrestricted funds	Restricted funds	Total 2007/08	Total 2006/07 Restated
		£000	£000	£000	£000
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	1,498	8,291	9,789	31,879
Investment income	4	920	958	1,878	1,904
Incoming resources from charitable activities					
Provision of services	3	21,986	1,090	23,076	22,768
Other incoming resources					
Grant in Aid	5	106,411	–	106,411	102,639
Total incoming resources		130,815	10,339	141,154	159,190
Resources expended					
Costs of generating funds					
Costs of generating voluntary income		588	–	588	631
Investment management costs		–	11	11	4
Charitable activities:					
Enrich the users experience		39,644	2,250	41,894	45,532
Build the digital research environment		3,751	2,463	6,214	6,770
Transform search and navigation		6,454	10	6,464	6,653
Grow and manage the national collection		80,345	3,127	83,472	72,600
Governance costs		461	–	461	554
Total resources expended	6	131,243	7,861	139,104	132,744
Net increase in resources before notional costs and transfers					
		(428)	2,478	2,050	26,446
Notional cost of capital	7	(20,929)	–	(20,929)	(19,334)
Transfer between funds	18	1,403	(1,403)	–	–
Net (outgoing)/incoming resources after notional costs and transfers		(19,954)	1,075	(18,879)	7,112
Reversal of notional cost of capital		20,929	–	20,929	19,334
Net (outgoing)/incoming resources before recognised gains and losses	8	975	1,075	2,050	26,446
Other recognised gains/(losses)					
Realised gain/(loss) from fixed asset investments		–	–	–	1,547
Unrealised gain/(loss) from fixed asset investments	12	–	(719)	(719)	(1,076)
Revaluation of fixed assets	10	–	–	–	8,814
Current cost adjustment	10	46,347	–	46,347	4,618
Net movement in funds after revaluation and gains/(losses)		47,322	356	47,678	40,349
Reconciliation of funds					
Fund balances brought forward at 1 April		569,877	22,226	592,103	551,754
Fund balances carried forward at 31 March		617,199	22,582	639,781	592,103

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 48 to 63 form part of these accounts.

THE BRITISH LIBRARY BOARD

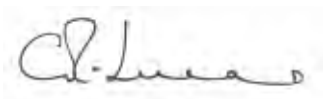
Balance Sheet

FOR THE YEAR ENDED 31 MARCH 2008

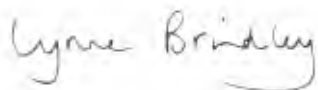
	Notes	2007/08	2006/07
		£000	£000
Fixed assets			
Intangible assets	9	–	4
Tangible assets	10	574,585	532,851
Heritage assets	11	35,901	32,135
Investments	12	9,516	9,947
		620,002	574,937
Current assets			
Stocks	14	829	723
Debtors and prepayments	15	9,751	10,148
Cash at bank and in hand	16	31,699	28,390
		42,279	39,261
Current liabilities			
Creditors: amounts falling due within one year	17	(20,379)	(19,273)
Net current assets		21,900	19,988
Total assets less current liabilities		641,902	594,925
Provision for liabilities and charges	19	(2,121)	(2,822)
Net assets		639,781	592,103
Represented by:			
Income funds			
Restricted funds	18	22,582	22,226
Unrestricted funds:			
Fixed Asset reserves	18	587,426	543,329
Donated Asset reserve	18	23,060	21,657
General funds	18	6,713	4,891
Total funds		639,781	592,103

The notes on pages 48 to 63 form part of these accounts.

The financial statements on pages 45 to 47 were approved by the Board/Trustees on 24 June 2008, and were signed on their behalf by:



SIR COLIN LUCAS
CHAIRMAN
7 JULY 2008



DAME LYNNE BRINDLEY
ACCOUNTING OFFICER
7 JULY 2008

THE BRITISH LIBRARY BOARD

Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2008

	2007/08		2006/07	
	£000	£000	£000	£000
Reconciliation of net movement in funds to net cash inflow from operating activities				
Net movement in funds inflow	47,678		40,349	
Depreciation	16,633		14,528	
Donated assets	(1,403)		(21,276)	
Loss on asset disposals	11		48	
Realised (gain) on investments	–		(1,547)	
Unrealised loss on investments	719		1,076	
MHCA adjustment net	(46,347)		(4,618)	
Revaluation of property	–		(8,814)	
Provision for liabilities and charges	(701)		(1,417)	
(Increase)/decrease in stocks	(106)		252	
(Increase)/decrease in debtors	397		(96)	
Increase/(decrease) in creditors	1,106		(1,092)	
Net cash inflow from operating activities		17,987		17,393
Capital expenditure and financial investment				
Purchase of tangible fixed assets	(12,027)		(19,038)	
Purchase of heritage assets	(2,363)		(3,774)	
Purchase of investments	(288)		(11,258)	
Receipts from sale of tangible fixed assets	–		–	
Receipts from sales of investments	–		11,079	
Net cash outflow from capital expenditure		(14,678)		(22,991)
Increase in cash in the year		3,309		(5,598)
Reconciliation of net cash flow to movement in net funds				
Increase in cash in the year		3,309		(5,598)
Net funds as at 1 April		28,390		33,988
Net funds as at 31 March		31,699		28,390

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 the Treasury, in accordance with Section 5(3) of the British Library Act 1972. A copy of the accounts direction can be obtained from The British Library, 96 Euston Road, London NW1 2DB.

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

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

b) Incoming resources

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

Provision of Services income is recorded on an accruals basis and is shown net of Value Added Tax.

Donations are included in the Statement of Financial Activities on a cash received basis, or where they are assured with certainty and receivable by the Balance Sheet date.

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

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.

d) Valuations

Regular professional valuations of land and property are carried out having regard to the importance of the estate to the operation of the department, but in any event, at least once in every five years.

e) Fixed assets

The threshold for capitalising assets is £10,000.

In accordance with the *Financial Reporting Manual*, additions to the collection acquired since 1 April 2001 are capitalised and recognised in the Balance Sheet under Heritage Assets. 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 written off when the expenditure is incurred.

Depreciation is provided on all intangible and tangible fixed assets costing £10,000 and above, other than freehold land and collection items. 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 50 years.

Leasehold buildings

Over the lease term, up to a maximum of 25 years.

Plant and machinery, office and computer equipment

3 to 20 years.

Motor vehicles

4 years.

Assets in the course of construction

No depreciation is charged, until the building is operational and supporting the activities of the Library.

Intangible/licences

3 years.

f) Government grant

Grant in Aid from the Department for Culture, Media and Sport is allocated to general purposes and is taken to the Statement of Financial Activities and recognised in the appropriate period.

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, unless a corresponding forward exchange contract is in place. Transactions in foreign currencies are translated at the rate ruling at the time of the transaction. All exchange differences are taken to the Statement of Financial Activities.

i) Operating leases

Costs relating to operating leases are charged to the income and expenditure account over the life of the lease.

j) Fund accounting

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

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

Restricted funds are charged for any library services they utilise.

k) Notional costs

In accordance with Treasury guidance a notional cost of capital of 3.5% is charged to the Statement of Financial Activities (SOFA) in arriving at a net incoming/ (outgoing) resources figure.

2. Voluntary income

	2007/08 £000	2006/07 £000
Bequest to the Eccles fund	455	–
Donated assets	1,403	21,276
Other donations and grants	7,931	10,603
Total Voluntary Income	9,789	31,879

3. Provision of services

Provision of services includes document supply services and associated activities, computer information search and retrieval and publications. The provision of services income can be further analysed by both business and geographical segments.

A) CLASSES OF BUSINESS

	2007/08 £000	2006/07 £000
Enrich the user's experience	18,350	18,678
Build the digital research environment	491	676
Transform search and navigation	1,725	1,800
Grow and manage the national collection	1,229	744
Other	1,281	870
	23,076	22,768

B) GEOGRAPHICAL SEGMENTS

	2007/08 £000	2006/07 £000
United Kingdom	15,097	13,323
Overseas	7,979	9,445
	23,076	22,768

4. Investment income

	2007/08 £000	2006/07 £000
Interest receivable	1,579	1,518
Dividends receivable	299	386
Total interest	1,878	1,904

5. Other incoming resources

Grant in Aid

Total Grant in Aid drawn down by the British Library Board was £106.4m, with £12.1m being allocated for capital projects/improvements (£102.6m received in 2006/07, £12.1m re capital). This money is available for running costs, capital improvements and collection purchases.

6. Net cost of resources expended

	Staff costs	Other direct costs	Depreciation	Income	Allocated support cost	2007/08 Net cost ¹	2006/07 Net cost restated
	£000	£000	£000	£000	£000	£000	£000
Direct costs							
Costs of generating funds	450	138	–	(10)	–	578	628
Investment management fees	–	11	–	–	–	11	4
Enrich the user's experience	18,854	7,264	425	(20,055)	14,737	21,225	23,896
Build the digital research environment	2,030	1,832	443	(4,199)	1,832	1,938	2,241
Transform search and navigation	3,140	867	–	(1,766)	2,358	4,599	4,722
Grow and manage the national collection	17,299	22,300	1,014	(6,212)	41,148	75,549	44,149
Governance costs ²	173	288	–	–	–	461	554
	41,946	32,700	1,882	(32,242)	60,075	104,361	76,194
Support costs							
Information systems	4,333	2,852	45	(77)	(7,153)	–	–
Corporate services	19,805	20,835	14,706	(2,424)	(52,922)	–	–
	66,084	56,387	16,633	(34,743)	–	104,361	76,194

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

¹ Net cost is calculated by deducting provision of services, donated and investment income from total expenditure.

² Governance costs includes the costs of Board Membership remuneration, legal fees, internal and external audit fees, staff costs associated with the preparation of the statutory accounts.

The 2006/07 net cost figures have been restated to include the St Pancras depreciation.

A) STAFF COSTS

	2007/08			2006/07
	BL Staff £000	Agency £000	Total £000	£000
Wages and salaries	49,740	3,216	52,956	50,049
Social security costs	3,587	–	3,587	3,689
Pension disbursements	8,999	–	8,999	8,940
Voluntary redundancy/restructuring programme for former employees				
Current year costs	1,061	–	1,061	5,092
Release of provision	(1,104)	–	(1,104)	(5,057)
Provision for future costs	232	–	232	1,059
	62,515	3,216	65,731	63,772
Board Members' remuneration	353	–	353	311
See (i) on following page				
	62,868	3,216	66,084	64,083

Staff of the British Library are eligible to become a member of one of the Principal Civil Service Pension Schemes (PCSPS), these being pension schemes that provide retirement and related benefits to all eligible employees. Pension benefits are provided on a final salary basis, at a normal retirement age of 60 except for staff joining after 30 July 2007. These staff will join the Nuvos scheme which has a normal pension age of 65 and the benefits are based on earnings throughout a career and then index linked. Benefits accrue, depending upon the pension scheme chosen, at the rate of one sixtieth or one eightieth of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. Members pay contributions of 1.5 or 3.5% of pensionable earnings, depending upon the respective scheme the member is in.

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

All staff pay either 1.5 or 3.5% of pensionable earnings to the PCSPS. The rate of 3.5% applies to staff who joined on or after 1 October 2002 and existing staff who have opted for the Premium or Classic Plus pensions, rather than the Classic pension scheme.

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

Pension disbursements relate to:

- The Accruing Superannuation Liability Contributions payable to the Principal Civil Service Pension Scheme in respect of existing eligible employees.

For 2007/08, employers' contributions of £8,578,744 were payable to PCSPS (2006/07 £8,876,234) at one of four rates in the range 17.1 to 25.5% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full valuation. From 2008/09, the salary bands will be revised but the rates will remain the same. The contribution rates are set to meet the cost of the benefits accruing during 2007/08 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

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

i) BOARD MEMBERS' REMUNERATION

		2007/08 £000	2006/07 £000
Fees and salaries		319	283
Other emoluments		34	28
		353	311
Remuneration for non-pensionable Board Members:			
Sir Henry Boyd-Carpenter KCVO	To 29.9.2007	4.4	8.9
Robin Broadhurst CBE		8.7	8.9
Professor Robert G Burgess		8.7	8.9
Sheila Forbes CBE		8.7	8.9
Eileen Mackay CB		8.7	8.9
Simon Olswang	To 31.3.2008	8.7	8.9
Dr Gareth W Roberts	To 31.12.2007	6.5	8.9
Dawn Airey	From 1.4.2007	8.7	–
Professor Wendy Hall CBE	From 1.4.2007	8.7	–
Dr Kate McLuskie	From 1.4.2007	8.7	–
Dr Maggie Semple OBE	From 1.4.2007	8.7	–
Sir Kenneth Calman	From 1.4.2007	8.7	–
Lord Fellowes	From 30.9.2007	4.4	–
Duncan Lewis	To 25.6.2006	–	2.2
		102.3	64.5

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

During the year, a total of £5,700 (£3,200 in 2006/07) has been paid to eight (six in 2006/07) Board members for travel expenses.

ii) SENIOR EMPLOYEES

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

	2007/08 No.	2006/07 No.
£60,001 – £70,000	11	12
£70,001 – £80,000	7	5
£80,001 – £90,000	3	3

THE AVERAGE FULL TIME EQUIVALENT (FTE) STAFF DURING THE YEAR WAS:

			2007/08 Total (FTE)	2006/07 Total (FTE)
	Staff directly employed by the British Library	Agency		
Chief Executive's Office	4	–	4	4
e-Strategy and Information Systems	126	5	131	123
Finance and Corporate Services	212	36	248	234
Human Resources	32	8	40	36
Operations and Services	1,026	16	1,042	919
Scholarship and Collections	399	4	403	578
Strategic Marketing and Communications	124	4	128	117
	1,923	73	1,996	2,011

B) OTHER DIRECT COSTS

	2007/08 £000	2006/07 £000
Acquisitions for the collections	16,676	15,334
Conservation and binding services	2,632	2,593
Administration, equipment, supplies and services	36,457	35,577
Non-recoverable VAT (net)	611	580
Loss on disposal of fixed assets	11	48
	56,387	54,132

The above table is exclusive of staff costs.

7. Notional cost of capital

Notional cost of capital is calculated as 3.5% of the average capital employed in the year, excluding collection assets purchased and donated and is required by the Financial Reporting Manual. The cost for 2007/08 was £20.9m (£19.3m 2006/07).

8. Resources expended

THIS IS STATED AFTER CHARGING:

	2007/08 £000	2006/07 £000
External auditors' remuneration	50	49
Rent on land and buildings	1,302	1,423
Lease/rental payments on equipment	237	335
Depreciation on intangible assets	4	101
Depreciation on other fixed assets	16,629	14,427

The auditors' remuneration is for the audit of the annual report and accounts: there was no non-audit work performed during 2007/08.

9. Intangible assets

	Licences 2007/08 £000	Licences 2006/07 £000
Cost		
At 1 April	942	1,182
Additions	–	–
Disposals	–	(240)
At 31 March	942	942
Depreciation		
At 1 April	938	1,077
Charge for year	4	101
Disposals	–	(240)
At 31 March	942	938
Net book value at 31 March	–	4

All intangible assets have been valued on the basis of purchase price. The assets are all depreciated over a period of three years which is consistent with the IT equipment that the licence supports.

10. 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 2007	426,373	150,827	10,977	126	7,565	10,643	606,511
Additions	5,309	1,851	151	–	1,314	8,384	17,009
Modified Historic Cost Accounting (MHCA) adjustment	47,838	4,248	(841)	–	–	–	51,245
Disposals	(4,982)	(96)	(10)	(50)	(748)	–	(5,886)
At 31 March 2008	474,538	156,830	10,277	76	8,131	19,027	668,879
Depreciation							
At 1 April 2007	14,471	43,824	10,045	68	5,252	–	73,660
Charge for year	6,132	9,636	141	18	702	–	16,629
MHCA adjustment	1,889	3,286	(277)	–	–	–	4,898
Disposals	–	(89)	(10)	(46)	(748)	–	(893)
At 31 March 2008	22,492	56,657	9,899	40	5,206	–	94,294
At 31 March 2008	452,046	100,173	378	36	2,925	19,027	574,585
At 31 March 2007	411,902	107,003	932	58	2,313	10,643	532,851

Assets in the Course of Construction (AICC) represent work on the design and build of the Additional Storage Building Programme at Boston Spa.

B) VALUATIONS

The land and buildings as at 31 March 2008 include two properties valued at £31,720,000 on 31 March 2004 and one building, St Pancras, valued at £441,660,000 (including £102.7m of mechanical equipment that has been classified as Plant and machinery) on 31 March 2005. In addition to the main St Pancras building the St Pancras Centre for Conservation was valued at £17,270,000 on 31 March 2007, for which title has been vested in the British Library Board.

Site		Land £000	Buildings £000	Totals £000
St Pancras – Main building	Freehold	63,000	378,660	441,660
St Pancras – Conservation Centre	Freehold	4,500	12,770	17,270
Boston Spa	Freehold	4,000	22,200	26,200
Colindale Avenue	Freehold	2,425	3,095	5,520
		73,925	416,725	490,650

The St Pancras site was valued as at 31 March 2005 by Drivers Jonas, Chartered Surveyors, using the 'Depreciated Replacement Cost' basis of valuation. In March 2008 the British Library successfully completed the formal land swap of approximately 0.571 acres at the rear of the St Pancras site with DCMS. The disposals recorded at book value amounted to £4,982m. A full revaluation will take place in 2010.

The Boston Spa and Colindale sites were revalued as at 31 March 2004 by Drivers Jonas, using the 'Worth for Existing Use' basis of valuation.

The St Pancras Centre for Conservation was valued as at 31 March 2007 by Drivers Jonas, Chartered Surveyors, using the 'Depreciated Replacement Cost' basis of valuation.

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

11. Heritage assets

Heritage assets	Collections purchased £000	Collections donated £000	Total £000
Cost or valuation			
At 1 April 2007	10,478	21,657	32,135
Additions	2,363	1,403	3,766
Disposals			
At 31 March 2008	12,841	23,060	35,901

In accordance with the FREM, additions to the collection acquired/donated since 1 April 2001 are capitalised and recognised in the Balance Sheet under Heritage assets. Heritage Assets are items held by the Library for preservation and conservation purposes and do not attract any depreciation as they have an infinite life.

Donated assets are valued using an independent valuation.

12. Investments

	2007/08 £000	2006/07 £000
Market value at 1 April	9,947	9,297
Purchases at cost	–	11,258
Disposals at book value	–	(9,532)
Acquisitions funded by dividends reinvested	288	–
Unrealised (loss)	(719)	(1,076)
Market value at 31 March	9,516	9,947
Analysed by:		
Listed securities	9,447	9,881
Cash trusts	69	66
	9,516	9,947
Geographical analysis		
United Kingdom investments	9,129	9,549
Overseas investments	387	398
	9,516	9,947

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

There was significant purchase and disposal activity within the investments during 2006/07 due to the Library changing investment managers. The change resulted in the old portfolio being liquidated to purchase the new portfolio.

13. Financial Instruments

FRS 13 'Derivatives and other financial instruments', requires disclosure of the role which financial instruments have had during the period, in creating or changing the risks the Library faces in undertaking its activities. As permitted by FRS 13, debtors and creditors, which mature or become payable within 12 months of the Balance Sheet, have been omitted from this note.

Liquidity risk

Grant in Aid accounts for 75% of the Library's total incoming resources. Remote document supply continues to provide the major source of income from services and viability continues to be maintained at gross contribution level. In addition strong performances were achieved from new and existing income sources.

Interest rate risk

The Library has financial investments which are identified in the table below. In addition, the Library budgets conservatively for investment income and is therefore not exposed to significant interest rate risk.

Investment income profile

The following table 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 0.3% below the Bank of England Base Rate.

	Floating rate £000	Cash trusts £000	Listed securities £000	2007/08 Total £000	2006/07 Total £000
Sterling	28,647	69	9,447	38,163	36,486
Dollar	640	–	–	640	158
Euro	2,361	–	–	2,361	1,652
Yen	51	–	–	51	41
Total	31,699	69	9,447	41,215	38,337

FOREIGN CURRENCY RISK

The British Library has an international customer and supplier base. Accordingly, the Library both receives and makes payment for goods and services in a number of foreign currencies.

As part of the Library's Treasury Management Strategy, the risk of fluctuations in currency values is minimised through a variety of policies including currency accounts.

Foreign currency balances are reviewed on a regular basis and these are either re-cycled to meet the Library's immediate foreign payment commitments or, they are translated into sterling and returned to the Library's interest-bearing sterling bank account.

14. Stocks

	2007/08 £000	2006/07 £000
Stocks for resale	593	436
Raw materials	236	287
Total Stocks	829	723

Stocks for resale comprises of printed, microfiche and CD-Rom publications and are available from the British Library Shop and website.

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

15. Debtors and prepayments

	2007/08 £000	2006/07 £000
Amounts falling due within one year		
Trade debtors	2,816	3,131
Other debtors	2,004	2,037
Prepayments and accrued income	4,931	4,980
	9,751	10,148

For the purpose of the Whole of Government Accounts (WGA), there are no material debtors.

16. Cash at bank and in hand

	2007/08 £000	2006/07 £000
Restricted funds	13,256	12,654
Monies held on deposit for customers	4,154	4,247
Cash balances	13	11
General funds	14,276	11,478
	31,699	28,390

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

17. Creditors

	2007/08 £000	2006/07 £000
Amounts falling due within one year		
Trade creditors	3,343	2,695
Monies held on deposit for customers	4,154	4,247
Other creditors	4,017	4,180
Accruals	7,788	6,727
Deferred income	274	600
Provisions due within 1 year	803	824
	20,379	19,273

For the purpose of the Whole of Government Accounts (WGA), there are no material creditors.

18. Statement of funds

	As at 1 April 2007 £000	Transfers £000	Expenditure to/(from) £000	Incoming resources £000	Realised and unrealised gains and (losses) £000	As at 31 March 2008 £000
Unrestricted funds:						
General funds	4,891	440	131,683	133,065	–	6,713
Designated funds (fixed assets)	543,329	–	–	42,694	–	586,023
Donated asset reserve	21,657	–	–	1,403	–	23,060
Total unrestricted funds	569,877	440	131,683	177,162	–	615,796
Restricted funds						
Eccles	8,180	–	199	736	(580)	8,137
Shaw Fund	4,633	(225)	–	325	–	4,733
Planets	870	–	782	1,818	–	1,906
Dingwall No 2	1,079	–	44	30	(74)	991
Membership/general donations	205	(30)	–	235	–	410
JISC: British Newspapers	–	27	163	537	–	401
Centre for Conservation (Construction)	668	61	472	109	–	366
Consolidated Endowment	243	–	107	197	(3)	330
The Sir John Ritblat Gallery: Treasures of the British Library	249	–	8	75	–	316
Sir Henry Thomas	312	–	–	9	(21)	300
Condition of identical books in national libraries	177	196	91	16	–	298
EThOS	(2)	–	39	325	–	284
Codex Sinaiticus	269	–	89	38	–	218
Chinese Central Asia database	198	1	377	382	–	204
Cataloguing Projects Fund	219	181	902	681	–	179
European Co-operation Fund	165	–	–	9	–	174
Endangered Archives	173	–	764	762	–	171
JISC: Archival Sound Recordings	–	(54)	270	486	–	162
Special Exhibitions	149	–	1	8	–	156
T S Blakeney	156	–	–	5	(9)	152
Business & IP Centre	50	4	457	622	–	219
Anthony Panizzi Foundation	147	(1)	3	4	(10)	137
Bigot French Acquisitions	193	(45)	19	3	–	132
Impact Project	–	–	1	128	–	127
Turning the Pages	133	(5)	62	47	–	113
Centre for Conservation	(16)	–	71	188	–	101
Survey of illuminated manuscripts	156	(10)	57	10	–	99
Co-operation and Partnership	124	–	41	5	–	88
Higher Education Storage	17	–	5	74	–	86
Music Collections	32	44	5	10	–	81
Sir Adrian Boulton	81	–	–	3	(3)	81
Warwick Festivals	73	–	–	4	–	77
Bridgewater Fund	80	–	–	2	(5)	77
Codex Sinaiticus Project II	70	–	–	4	–	74
North American Collections	86	–	17	4	–	73
Research Information Network	328	–	643	387	–	72
Fitzgerald Airmail Fund	75	–	–	2	(5)	72
The Folio Society	47	(1)	79	101	–	68
AHRC: Digital Lives	–	–	18	75	–	57
Web Archive Consortium	54	–	52	55	–	57
Malvine Project	32	22	–	2	–	56
Hazlitt Fund	54	–	–	2	(4)	52
Workshop Gallery	86	75	118	7	–	50
Collections Fund	53	(2)	3	3	–	51
Others	2,199	(574)	1,729	1,024	(5)	915
Total restricted funds	22,097	(336)	7,688	9,549	(719)	22,903
Other (deficit funds)	129	(104)	1,136	790	–	(321)
Transfer to unrestricted fixed asset reserves	–	–	(1,403)	–	–	1,403
Total funds	592,103	–	139,104	187,501	(719)	639,781

18. Statement of funds continued

Restricted funds are given to the Library for specific purchases for the collection or for projects which are related to the aims and objectives of the Library. All the funds with balances of over £50,000 at 31 March 2008 are listed above, with a brief description as to the aims of the fund shown below. 'Other' restricted funds comprise individual amounts less than £50,000.

The restricted funds in deficit at the year end represent 15 funds for which, due to the administration restrictions of these funds, costs are expended first and then reclaimed from the external funding organisations, and all future income streams should more than cover the shortfall and future costs involved in the projects.

Included within the Restricted Fund expenditure are costs in relation to the purchase of fixed assets totalling £1.4m. These assets have been transferred from the restricted funds reserve to the unrestricted fixed asset reserve.

The transfers of £440,000 relate to internal charges or income applied to the restricted funds for the use of Library facilities and services.

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.

Shaw Fund

Established by a Charity Commission order dated 13 September 2000, with the income being available for the general purpose 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.

Planets

Funded through the Information Society Technologies (IST) R&D Programme, the Planets Project aims to reduce the loss of digital information and improve our ability to provide access to digital information over the long term.

Dingwall No. 2

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

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.

JISC: British Newspapers 1800 – 1900

To digitise 1.1 million pages of British, regional, local and specialist newspapers from microfilm and to offer access to that collection via a sophisticated searching and browsing interface on the Web.

Centre for Conservation (Construction)

Funds raised from external sources for the construction of British Library Centre for Conservation.

Consolidated Endowment Account

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

The Sir John Ritblat Gallery: Treasures of the British Library

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

Sir Henry Thomas

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

Condition of identical books in different nationally significant libraries

The project will involve assessing the condition of identical books stored in different libraries, and correlating their condition with the environment they have experienced.

ETHOS

This fund consists of monies awarded by JISC to the UK Thesis Digitisation Project to digitise up to 20,000 theses which will be loaded to the new ETHOS service to give downloadable content from day one of the service.

Codex Sinaiticus

A team of experts from the UK, Europe, Egypt, Russia and the US have joined together to reunite the Codex in virtual form. This unprecedented collaborative approach to achieve reunification involves all four of the institutions at which parts of the manuscript are held: St Catherine's Monastery, Sinai, the British Library, the University of Leipzig and the National Library of Russia.

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.

Cataloguing Projects Fund

A collection of 'mini' projects to support scholarship and collection cataloguing activities

EC Fund: The European Library

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

Endangered Archives

The Programme's aim is to safeguard archival material relating to societies before 'modernisation' or 'industrialisation' generated institutional and record-keeping structures for the systematic preservation of historical records. The time period will therefore vary according to the society. Any theme or regional interest will be considered, although particularly welcome are applications concerned with non-western societies.

18. Statement of funds continued

JISC: Archival Sound Recordings

Archival Sound Recordings 2 will digitise, clear and make available online, approximately 24,000 recordings of audio content, supported by images and added value features, to the learning, teaching and research communities of the UK, and the general public by March 2009.

Special Exhibitions

Funding for future exhibitions.

T S Blakeney

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

Business & IP Centre

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

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.

Spratt-Bigot Bequest

For the purchase of works in French by French authors.

Impact project

IMPACT is a project funded by the European Commission. It aims to significantly improve access to historical text and to take away the barriers that stand in the way of the mass digitization of the European cultural heritage.

Turning the Pages

To fund the development of the Turning the Pages electronic facsimile and licence to Northumberland County Council.

Centre for Conservation

Funds raised from external sources to assist with the running of activities at the British Library Centre for Conservation.

Survey of Illuminated manuscripts

These funds represent a grant from the Getty Foundation for two catalogues to catalogue the illuminated manuscripts in the Harley collection for the Catalogue of Illuminated Manuscripts.

Co-operation and Partnership

Used for fees in respect of advice given by British Library staff on library related lottery applications.

UK Research Reserve (UKRR)

Funded through HEFCE, the UKRR aims to offer a shared, integrated storage and access solution for library services in Higher Education which will generate efficiencies for the UK research network.

Music Collections

Funding for specialist services not otherwise provided for, including cataloguing projects and My Ladye Nevells Booke outreach programme.

Sir Adrian Boulton

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

Warwick Festivals

An Arts and Humanities Research Board funded project with the University of Warwick to aid the digitisation of Renaissance Festival books in the collections of the British Library.

Bridgewater Fund

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

Workshop Gallery

Sponsorship from commercial companies, used to assist the running and maintenance of the Gallery.

Codex Sinaiticus Project II

For the preservation of Greek written heritage.

North American Collections

A fund to enable the strengthening of the resources for American studies in the British Library.

Research Information Network

Arising from the recommendations of the Research Support Libraries Group, a new body, the Research Libraries Network has been created. The British Library has three partners in network the UK higher Education Funding Council and the National Libraries of Wales and Scotland. The Network's aim is to develop, prioritise and lead the implementation of a UK-wide strategy for research information provision and is funded for three years.

Fitzgerald Airmail Fund

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

The Folio Society

Sponsorship for the Folio Gallery to improve Front Hall exhibitions.

AHRC: Digital Lives

The AHRC-funded Digital Lives research project is a study addressing gaps in research and thinking on personal digital collections. It considers not only how collections currently being deposited are changing but also the fate of the research collections of the future being created now and implications for collection development and practice.

Web Archive Consortium

A programme to review the capability to discover and select, capture and store material relevant to the national collection published only in web form. The Programme is to be developed via a series of collaborative projects with international partners.

Malvine Project

A partnership with the Malvine project, whereby the British Library contributes data and expertise to the development of an online access system to the modern manuscript holdings of European Libraries.

Hazlitt

For the purchase of Early English books.

Workshop Gallery

Sponsorship from commercial companies used to assist the running and maintenance of the Gallery.

General Restricted funds for the British Library Collections

To support the work of Scholarship and Collections.

19. Provision for liabilities and charges

A provision has been made in full for employees leaving the organisation under early retirement or early severance terms. The provision represents the estimated future costs to the Library, for both staff that have left and staff that are known to be leaving in 2008/09.

	Early retirement/ severance provision £000	Other liability and charges £000	2007/08 Total £000	2006/07 Total £000
At 1 April	3,646	–	3,646	7,644
Additional provision	232	150	382	1,059
Utilisation of provision	(1,104)	–	(1,104)	(5,057)
At 31 March	2,774	150	2,924	3,646
Less: portion included in creditors due within one year	(803)	–	(803)	(824)
Amounts falling due after one year	1,971	150	2,121	2,822

20. Commitments under operating leases

	Land and buildings		Equipment	
	2007/08 £000	2006/07 £000	2007/08 £000	2006/07 £000
Amounts payable within one year relating to operating leases which expire:				
Within one year	–	–	7	7
Two to five years	1,193	1,238	18	18
More than five years	8	8	–	–
	1,201	1,246	25	25

21. Analysis of net assets between funds

	Unrestricted funds £000	Restricted funds £000	Total £000
Fund balances at 31 March 2008 are represented by:			
Intangible fixed assets	–	–	–
Tangible fixed assets	574,585	–	574,585
Heritage assets	35,901	–	35,901
Investments	–	9,516	9,516
Current assets	29,023	13,256	42,279
Current liabilities	(20,189)	(190)	(20,379)
Non-current liabilities	(2,121)	–	(2,121)
Total net assets	617,199	22,582	639,781

22. Capital commitments

	2007/08 £000	2006/07 £000
Contracted and not provided for	7,278	14,536
Authorised, but not contracted for	274	598

The capital commitment figures include the contracted and authorised costs (£7.2m) for the building in the course of construction, the Additional Storage Programme at Boston Spa.

23. Related party transactions

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

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

The Library has also had a number of transactions in the normal course of business and at full arm's length with a number of DCMS-sponsored bodies: the British Museum, the Geffrye Museum, the Imperial War Museum, the National Portrait Gallery, the Natural History Museum, Royal Armouries and the Victoria and Albert Museum.

During the year a number of Board members have contributed to the Library's *Adopt a Book* appeal and Dame Lynne Brindley and Ronald Milne are Trustees of the Gilson and Saga Trusts respectively.

The Library sets aside space 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 2007/08 £000	Expenditure 2007/08 £000	Relationship
Sir Robert McAlpine Ltd	Contract payments for the construction of the British Library Centre for Conservation.		337	Robin Broadhurst a Consultant and Advisor to the related party served as a Trustee to the British Library
Friends of the British Library	Donations towards manuscript purchases and exhibition running costs.	51		Dr Kate McLuskie a Trustee of the related party also served as a Trustee to the British Library
Perpetuity Research and Consultancy International (PRCI)	Payments for assessment projects of security risk, mystery shopping and physical security testing.		81	Professor Robert Burgess committee member of the Finance Committee and Council at the University of Leicester which the related party reports through served as a Trustee to the British Library

There were no Debtor or Creditor balances for the Related Parties at 31 March 2008.

24. Post Balance Sheet events

There were no adjusting Post Balance Sheet events.

The accounts were authorised for issue on 11 July 2008 by the Accounting Officer.

25. Contingent liabilities

The British Library has no contingent liabilities.

26. Trust funds (unaudited)

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

	2007/08 £000	2006/07 £000
Income	10	13
Expenditure	(1)	(15)
Unrealised gains/(losses) on investments	(17)	–
(Deficit) for the year	(8)	(2)
Investments	299	309
Short-term deposits	5	4
Net debtors/(creditors)	–	–
Cash at bank	50	39
Net assets	354	352

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 2008 under the British Library Act 1972. These comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Board, Chief Executive and auditor

The Board and Chief Executive, as Accounting Officer, are responsible for preparing the Annual Report, which includes the Remuneration Report and the financial statements in accordance with the British Library Act 1972 and Secretary of State directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Board and Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the British Library Act 1972 and Secretary of State directions made thereunder. I report to you whether, in my opinion, the information, which comprises the Financial Review, included in the Annual Report, is consistent with the financial statements. I also report whether in all material respects the incoming and outgoing resources funded by Parliament have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the British Library has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified

by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal control reflects the British Library's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the British Library's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This information comprises all sections of the Annual Report except for the Financial Review and the unaudited parts of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Board and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the British Library's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the incoming and outgoing resources funded by Parliament have been applied to the purposes intended by Parliament and the financial transactions conform to the

authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the British Library Act 1972 and directions made thereunder by Secretary of State, of the state of the British Library's affairs as at 31 March 2008 and of its incoming resources and application of resources for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the British Library Act 1972 and Secretary of State directions made thereunder; and
- information, which comprises the Financial Review, included within the Annual Report, is consistent with the financial statements.

Opinion on Regularity

In my opinion, in all material respects, incoming and outgoing resources funded by Parliament have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

T J BURR
COMPTROLLER AND
AUDITOR GENERAL
11 JULY 2008

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