



**British Library**

Annual Report and Accounts 2017/18

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

Copies deposited with the Scottish Parliament, the Library for the  
National Assembly of Wales, and presented to the Northern Ireland Assembly

Ordered by the House of Commons to be printed on 17 July 2018

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This publication is available at [www.gov.uk/government/publications](http://www.gov.uk/government/publications)

ISBN – 978-1-5286-0384-3

CCS no – CCS0518608870

Printed on paper containing 75% recycled fibre content minimum

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

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## Chairman's and Chief Executive's Introduction

This year the Library will celebrate 20 years since the opening of our St Pancras Reading Rooms, and we will do so reflecting on another year of extraordinary impact, both at home and internationally.

The latter was most memorably demonstrated in China, where our HM Treasury-funded programme *The British Library in China: connecting through culture and learning* delivered three remarkable exhibitions in Beijing, Wuzhen and Shanghai. The warm response from Chinese audiences to iconic Library treasures, including Dickens, Bronte, and Conan Doyle manuscripts, has been an inspiring illustration of the power of culture in forging new relationships across the globe.

This has been a year in which our international purpose, to work with partners around the world to advance knowledge and mutual understanding, has flourished as never before. Our teams facilitated a remarkable 410 international engagements across the year, including the visit of Dr Carla Hayden, Librarian of Congress in the United States of America. We were delighted to renew our groundbreaking partnership with the Qatar Foundation and the Qatar National Library, which this year made its millionth digitised page from the Library's unique Gulf region collections freely available to web users.

Our work in India continues to bear fruit, digitising over 1.3 million pages from early Bengali books, underpinned by a programme of knowledge exchange with peer institutions. These are just a few examples of the Library's broad engagement across the world.

Closer to home, the Library has been reaching new audiences far beyond the boundaries of our own buildings in London and Yorkshire. Our network of Business & IP (Intellectual Property) Centres continues to grow, adding Hull and Norwich to a network of 11 public library partners providing sector-leading resources for entrepreneurs and small businesses to thrive and grow, with support and co-ordination from the British Library.

No less exciting has been the rapid development of our new Living Knowledge Network of 22 UK city libraries, together with our colleagues in the National Libraries of Scotland and Wales, all working together to deliver impact none of us could achieve by ourselves. Alongside a growing skills and training programme, and popular live-streamed events from the British Library, we collectively achieved a step change with our collaboration around the Library's *Harry Potter: A History of Magic* exhibition.



In London alone this innovative and beautiful exhibition enchanted over 170,000 people through the course of its run. But the Living Knowledge Network transformed it into a truly national event, with a further 750,000 people engaging with linked exhibitions in some 40 library venues across the UK. This is the first time a London blockbuster has achieved such simultaneous impact in local communities. Each participating library tailored the format to their specific audiences with diverse cultural programming, including a memorable Harry Potter Book Night in partnership with Pottermore. The magic of the physical exhibition now endures globally through our digital version produced in collaboration with Google Arts & Culture.

This was just a part of our richly diverse exhibition programme, in a landmark year for the Library's cultural purpose. *Russian Revolution: Hope, Tragedy, Myths* took a fresh look at the momentous revolution 100 years on, while *Gay UK: Love, Law, and Liberty* told the story of the partial decriminalisation of homosexuality in the UK in 1967 through remarkable personal testimonies and printed artefacts. *Listen: 140 years of recorded sound* brought the Library's Sound Archive to the fore, examining the significance of sound since the invention of the phonograph in 1877. It highlighted the urgent challenge of preserving the nation's sound heritage before it is lost forever. This year we were delighted to launch, with the generous support of the Heritage Lottery Fund and other funders, our ambitious Unlocking Our Sound Heritage programme, in partnership with ten other important sound archives across the country.

Alongside all of this, our reinvigorated cultural events programme provided highlights all year round, from the inspirational Malala Yousafzai speaking at the Lahore Literary Festival, to guests and performers including Philip Pullman, Helen Pankhurst and the Renegade Orchestra.

We engaged new audiences with different aspects of our increasingly diverse cultural offer: growing our Membership scheme to 10,000 by the end of the year, piloting new learning programmes for people with sensory impairments, partnering with the Library of Birmingham on the *Connecting Stories: Our British Asian Heritage* exhibition, and participating in local Pride festivals in York, London, and Leeds for the first time.

Left: *Russian Revolution: Hope, Tragedy, Myths* exhibition; Right: British Library Chairman Baroness Tessa Blackstone and Mr Luo Shugang, Minister of Culture in China, at the opening of the *Shakespeare to Sherlock: Treasures of the British Library* exhibition at the National Library of China, Beijing.

On behalf of the Board and the Library, I would like to thank Tessa Blackstone for her immense contribution as Chair over the past eight years. Tessa has provided sure leadership during a period of unprecedented financial challenge and rapid technological change. As she approaches the end of her second term of office this summer, the Library's standing has never been higher. Her tenure has seen the development of landmark new international partnerships in China, India and the Middle East, the expansion of legal deposit operations to include digital non-print content, the rehousing of the national newspaper collection in state-of-the-art facilities in Boston Spa, and the launch of exciting plans for the renewal and expansion of our St Pancras site.

We are deeply grateful for the skill and commitment which Tessa has shown in leading the Board, representing the Library at home and overseas, and in supporting and counselling the management team under two successive Chief Executives.

David Barclay, Deputy Chairman



In London, the Knowledge Quarter (KQ) partnership, which we helped to found three years ago and continue to host, has gone from strength to strength, with 89 members now part of this influential network of organisations in the Kings Cross area, all engaged in different ways to advance knowledge. The KQ was selected as the focus of one of the Government's Science and Innovation Audits, which will chart the unique economic opportunities created by networks of this kind.

Meanwhile, the heart of the Library's mission, which is the ceaseless collection and circulation of knowledge, both physical and digital, continues to flourish, with impressive levels of activity. Under our legal deposit duty to collect everything published in the UK, we added 298,000 physical items, 248,000 digital items, and over 100 terabytes of UK Web Domain content to the national collection. Five years on from the extension of legal deposit to include digital content, it is clear this has been a vital response to the digital transformation of knowledge, and we await the outcomes of the Government's post-implementation review with interest.

The collection as a whole continues to provide a rich seam of discovery for both researchers and users. From the 424,000 visits to our Reading Rooms in St Pancras and Boston Spa each year, to the 4 million collection items consulted online and the 8 million visits to our *Discovering Literature* learning website; each and every day, the Library's physical and digital spaces are teeming with people working to advance knowledge. The Library welcomed 1.48 million physical visits in 2017/18, and 25.7million visits to its website.

These spaces are evolving too. In April 2017, we announced a consortium led by Stanhope plc as our preferred partner, working with architects Rogers Stirk Harbour + Partners, to develop a 2.8 acre site at the northern end of our Grade I listed St Pancras site. This development will deliver 100,000 ft<sup>2</sup> for the Library to enrich its offer for users across all of our purposes. We expect to begin a formal planning process in the year ahead, working with local residents and Camden Council to refine the final design.

Our vision for our 42 acre Boston Spa site in Yorkshire also continues to develop. This year we began the complex process of integrating Public Lending Right operations into the Boston Spa campus, which will undoubtedly benefit from co-location with the world-class knowledge management on site.

In January, we published our first annual Gender Pay Gap report revealing a mean average disparity of 6.22% between men and women. While this is well below the national mean of 17.4%, the Library is determined to eliminate the gap altogether by 2023 at the latest. This is part of a wider drive to improve our workforce diversity, including at senior levels. This year we reviewed our Recruitment Policy, which will make a number of recommendations for us to work on over the coming year. We have also continued to work on our environmental impact, with CO2 emissions falling by an impressive 50% since 2009/10, and water consumption down by 42%.

In March, the Friends of the British Library voted decisively in favour of merging with the British Library's Membership scheme after 28 years of activity as a separate charity. The Library is very grateful to the Friends for their philanthropic support over that period, including many significant sums of money granted for vital acquisitions and the conservation of important items.

The report which follows tells the story of the Library's year through the frame of the six purposes we set out in our *Living Knowledge* vision, demonstrating the public value the Library delivers through its support for custodianship, research, business, culture, learning and international partnership. This is underpinned by careful financial planning to ensure that we make the very best and most efficient use of the public funds we receive.

The efforts and expertise of our staff make this possible through their hard work, creativity and sheer enthusiasm for the Library's mission, to make our intellectual heritage accessible to everyone, for research, inspiration and enjoyment.

**Baroness Blackstone**  
Chairman

**Roly Keating**  
Chief Executive



## Our Purposes

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

### 1 Custodianship

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

### 2 Research

We support and stimulate research of all kinds

### 3 Business

We help businesses to innovate and grow

### 4 Culture

We engage everyone with memorable cultural experiences

### 5 Learning

We inspire young people and learners of all ages

### 6 International

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





## Custodianship

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

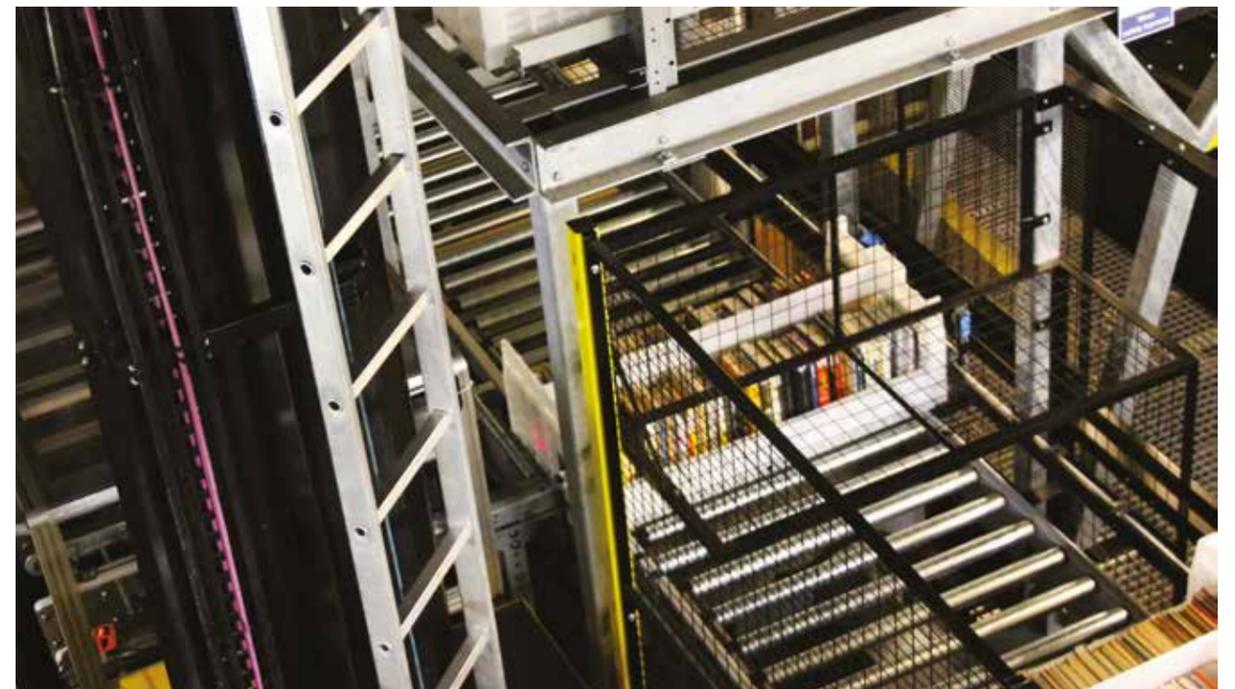
Our founding purpose of stewarding a comprehensive, national collection continues to be the foundation of everything we do. This is as true as ever in the age of digital publishing, and 2018 marks five years since the principles of legal deposit (i.e. to collect for the nation everything published in the UK) were extended to digital content. The Regulations enacted in 2013 have been intensively reviewed with the Department for Digital, Culture, Media and Sport (DCMS), assessing both their remarkable impact and where improvements might be made.

Through legal deposit, we collected 298,000 physical items and 248,000 digital items this year. At March 2018, the Library had collected an astonishing 470 terabytes of the UK Web Domain, in addition to 294,000 eBooks, and over 6 million eJournal articles. The Library's success in collecting, storing, describing and preserving new digital forms of content renews the Library's central purpose of protecting the nation's intellectual heritage. As part

of the DCMS review, the Library, along with other Legal Deposit Libraries in the UK and Ireland and representatives from the publishing industry, have made a number of recommendations to improve the accessibility of the collection. We look forward to collaborating on initiatives to further the success of Non-Print Legal Deposit.

Our Heritage Made Digital portfolio aims to transform digital access to the Library's renowned collection of rare books, manuscripts, early newspapers, sound recordings and other heritage materials. We are digitising parts of our collection that have never been made available online before, or are underrepresented in our online collection. This year, that work included digitising 125,000 pages of fragile 19th-century newspapers and starting to digitise our substantial collection of Ethiopian manuscripts.

Left: Janet Topp Fargion, Lead Curator World and Traditional Music. Photo by Sam Lane Photography; Below: Additional Storage Building, Boston Spa. Photo by Pete Carr.



In 2015, the Library was awarded a £9.35m Heritage Lottery Fund grant to save the nation's sounds and make them accessible. This year we began a programme working with 'hub' partners across the UK to establish a new national preservation network of ten regional centres that can reach into key collections across the country, as well as the Library's own UK Sound Archive. The long term goal is to preserve and increase access to over 400,000 rare, unique and at-risk sound recordings. We expect to launch a new platform with selected content available from 2019. This project is one strand of our Save our Sounds programme, a key Library initiative to protect the nation's sound collections from physical degradation and format obsolescence (i.e. when the means to play them disappears), and establish new ways of acquiring and preserving future sound recordings produced in the UK.

Our collection continued to grow quickly with 478,000 items added, equating to around 8km of new shelving storage. The physical collection now extends to around 746km, 70% of which meets international environmental storage standards. Our Boston Spa Renewed programme has continued this year to develop a business case for investing in our capacity to respond to this continuous growth pressure in the long term, as part of a wider vision for the site that will maintain its position as a world-class collection and knowledge management site.

Storage is only one aspect of our custodianship work. The Library works hard to improve the discoverability of content, and to conserve and preserve collection items through both remedial and preventive actions. Throughout the year, around 27,000 items were preserved through specialist interventions including boxing, repairs, rebinding, and preparing for digitisation. Interventions included conservation work on the Boosey & Hawkes and D'Oyly Carte archives. Benchmarking initiatives undertaken this year confirmed that the Library's stewardship of the national collection is regarded as best practice across the sector.

We continued to add culturally significant items to the collection, ensuring they can be preserved in perpetuity for the nation.

In September we announced the acquisition of the Mostyn-Psalter Hours, a very rare and beautiful 13th-century illuminated volume of psalms. This was made possible through generous funding support from the National Heritage Memorial Fund and other funders including the Friends of the British Library, who this year voted decisively in favour of merging with the British Library's Membership scheme. The Library is very grateful to the Friends for 28 years of philanthropic support, including many significant sums of money granted for vital acquisitions.

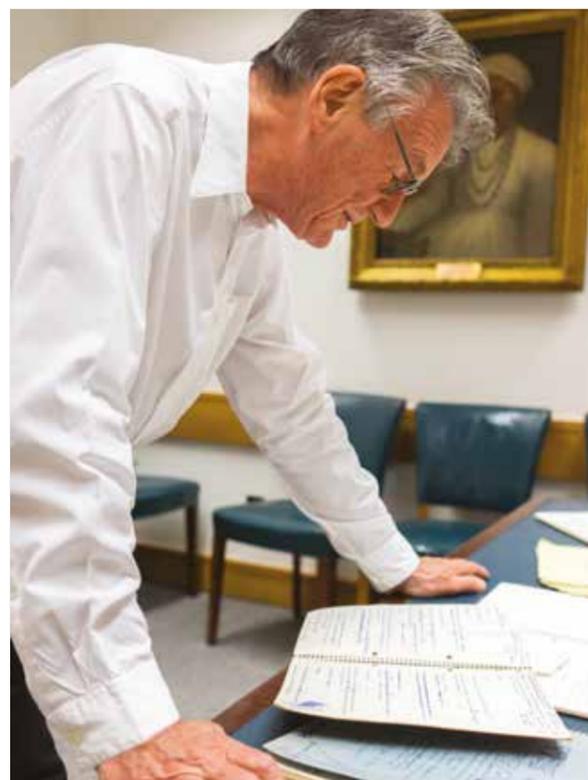
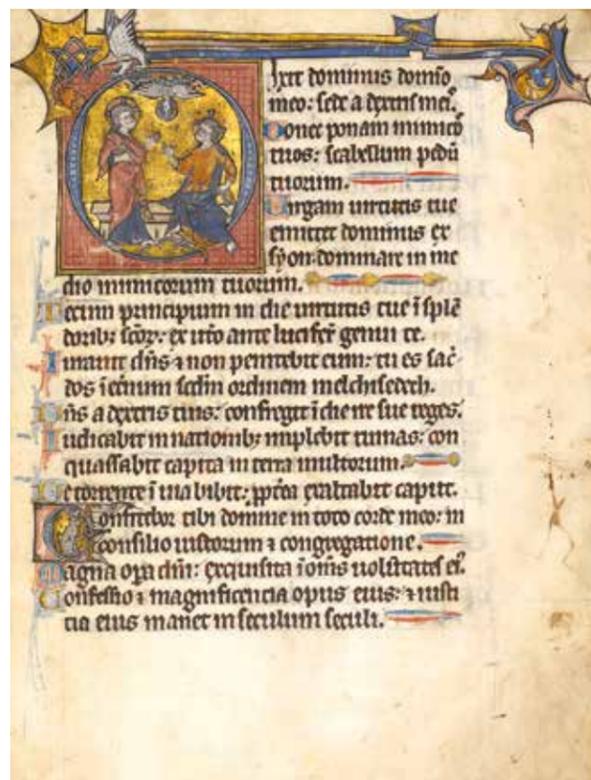
This year we announced the acquisition of the archive of Michael Palin, covering his literary and creative life during the years 1965–1987, including working material from Palin's Monty Python writing. Other acquisitions this year included:

- **John Betjeman Letters**  
A collection of letters from John Betjeman to Liberal MP Margaret Wintringham, along with five letters from Betjeman to her publisher husband Edward Penning-Rowell. The letters complement existing significant Betjeman material held by the Library, including letters and literary drafts
- **Peter Maxwell Davies Archive**  
Peter Maxwell Davies was one of the pre-eminent composers of his generation, of international standing. The Library has previously acquired music scores and journals up to 2011. The material acquired in 2017 constitutes the final tranche of Maxwell Davies's output and completes the collection at the Library.
- **Olwyn Hughes Archive**  
The archive of Olwyn Hughes, literary agent and sister of poet Ted Hughes, includes over 100 unpublished letters and correspondence with authors including Seamus Heaney and Doris Lessing.

The Library is also seeking to digitise its most important and at-risk parts of the collection, both to preserve the content and increase the discoverability of the collection as a whole. This year, the Digital Preservation Coalition (DPC) conducted an intensive review of our digital preservation approach and found it to be world-leading. They have also made useful recommendations for continuous improvements to our work in this area. These improvements will help to underpin our aspirations for 2018/19, where we plan to increase the rate of digitisation and complete the procurement of a platform that can house our digital collections in the longer term, to the highest standards.

## Custodianship: Our plans for 2018/19

- Begin sound digitisation work through our Save Our Sounds network of ten 'hubs' across the UK
- Complete the procurement of a new technology platform to underpin our management of digital content, and begin implementation
- Increase the rate of our digitisation work, including digitisation of 350,000 newspaper pages.



Far left: Illuminated page from the Mostyn-Psalter Hours, Add MS 89250 folio 30v; Right: Michael Palin looks at an item from his archive which he donated to the Library in June 2017 and which covers his literary and creative life during the years 1965–1987; Right: Save our Sounds in action. Photos by Sam Lane Photography.



## Research

### We support and stimulate research of all kinds

As one of the world's largest research libraries, we support, encourage and directly enable the use of our collection by researchers in the UK and across the world. The comprehensive nature of our collection provides a unique resource for researchers across all disciplines.

There were over 424,000 visits to our Reading Rooms in London and Boston Spa, with readers requesting 1.52 million items and a further 3.95 million objects consulted online. British Library On Demand fulfilled 247,000 requests for scanned digital content. There were around 65,000 downloads every month from EThOS, the open access repository for published PhD theses, which now hosts almost half a million records. We are also working with more than 95 organisations to make their research outputs more visible using DataCite UK. This means over one million datasets, theses and other research outputs can now be cited with confidence. Collectively, these services are vital to the national infrastructure for supporting cutting edge research.

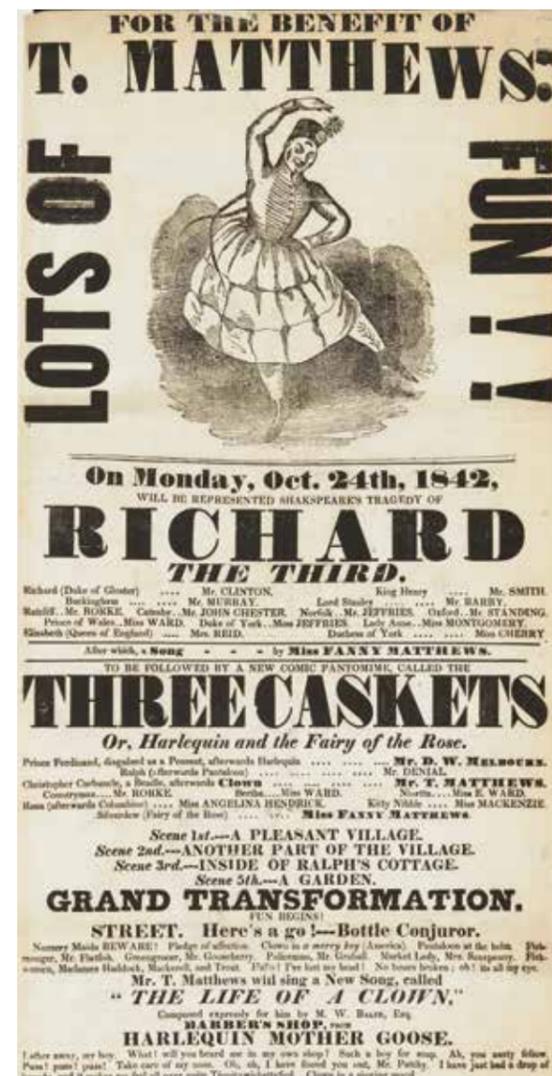
Our Everything Available strategic programme aims to deliver the best national research library service in the world, evolving our infrastructural role in response to the opportunities and challenges of digital disruption. One key element of this is our Research Data Strategy, published this year, which sets out the services we believe UK researchers need to fully exploit the untapped value of data in the future (including that contained within our vast collection). Our wider approach to delivering on our research purpose will be informed by a review of discovery experience for both print and digital content, undertaken this year. We have begun to implement the recommendations, ranging from simplifying Reader Registration to reducing steps for ordering items from the collection.

Left: Postgraduates receive training in how to handle collection items. Below: Luke McKernan, Lead Curator News and Moving Image Collections, at our New and Media Doctoral Open Day. Photos by Sam Lane Photography.



Beyond the provision of national research services, we directly contribute to research as an Independent Research Organisation. This year we were involved in 47 collaborative research projects working with universities, other cultural institutions, and international bodies. We began 22 new projects this year, including *The Business of Women's Words: Purpose and Profit in Feminist Publishing* in collaboration with the Universities of Sussex and Cambridge.

Our Digital Scholarship team undertake innovative research with digital collections and open up new datasets for use by researchers. The British Library Labs team have now facilitated the use of over 180 terabytes of data including 97 freely-available datasets at data.bl.uk. One example is the *In the Spotlight* project which makes digitised entertainment playbills from the 1730s to the 1950s available as a single dataset. Marking and transcription tasks have been crowd-sourced to make the collection increasingly searchable. Over 630 participants have made an incredible 42,000 contributions.



In November, Minister for Universities, Science, Research and Innovation, Jo Johnson, announced further funding of £500,000 for the Library's *Two Centuries of Indian Print* programme. This will support Rutherford Fellowships leading to a new collaboration with the Archives and Research Centre for Ethnomusicology in Haryana, New Delhi.

Research links with India included hosting Parthasarathi Bhaumik from Jadavpur University, through the UK Government's Chevening Fellowship scheme. Since September 2017, he has been researching our India Office records, examining *Nationalism, Independence and Partition in South Asia, 1900–1950*.

The Library supports a thriving PhD research community. This year staff co-supervised 30 collaborative doctoral studentships in partnership with 22 different universities, funded by both AHRC and ESRC. Partnerships provide a unique development experience for students, who undertake a vast range of collection-based research across the Library. New PhD project themes for this year included British-Caribbean Popular Culture, American Political Pamphlets 1920–45 and Examining Diaspora through Russian Language Publishing.

Left: Playbill, Dover, 1842, part of *In the Spotlight*, a crowdsourcing site to gather information about performance from the last 300 years; Below: Postgraduate students doing research at the Library. Photos by Sam Lane Photography.



We ran another round of 3-month PhD placements providing professional development opportunities 'behind the scenes'. This year 25 students were supervised by Library staff in placements ranging from textile conservation to English accents and dialects.

We hosted nine Doctoral Open Days in St Pancras and Boston Spa, reaching over 500 first-year PhD students (72% based outside of London). The open days provide a forum to understand the Library's collections and research services, meet curators and reference specialists, and network with other students.

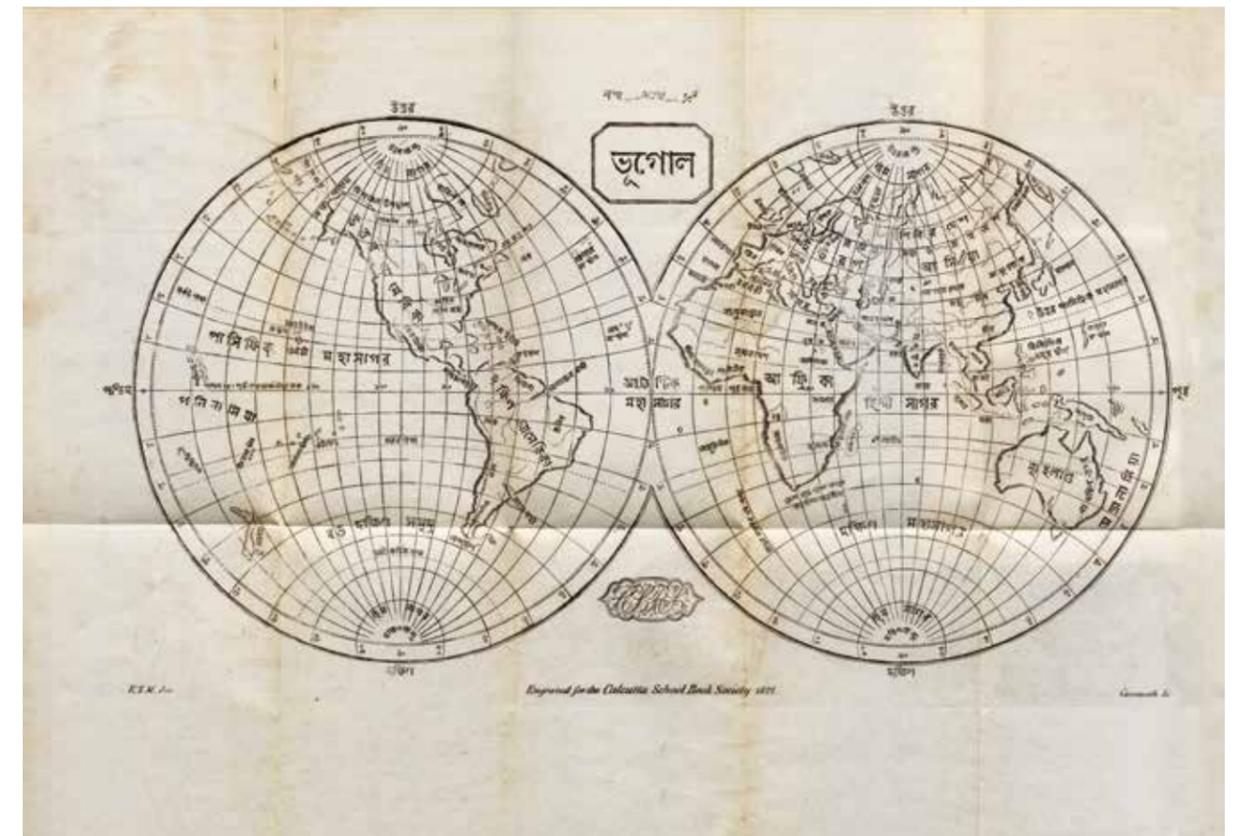
Our partnership with the Alan Turing Institute continued to develop, with a joint workshop and conferences on the future of data in the heritage industry and advancement of the state-of-the-art handwritten Arabic text recognition technologies. The partnership also delivered four public data debates, addressing the latest issues of data's impact on society, from health advancements to the new role of data in political and public life.

The Library also hosted public events around research. These included *A Passage to India: Shipboard Life* in June 2017, where research into experiences of East India Company ship journeys was brought to life by actors as well as presentations by academics and Library staff.

## Research: Our plans for 2018/19

- Develop a pilot repository service for research outputs and data from the British Library and other organisations as part of our Everything Available transformation programme
- We will publish a new strategy for services to researchers, which for the first time looks across all our services for individual researchers and research organisations. This incorporates research with users and non-users of current British Library services
- Continue expanding our work on the emerging forms of digital research in partnership with the Alan Turing Institute and other key partners
- Engage with UK Research and Innovation (UKRI) as it establishes its new role in supporting research and innovation across the UK.

Below: Reverend Pearce's geography of 1819, from *Two Centuries of Indian Print*.





## Business

### We help businesses to innovate and grow

The Library continued to grow its successful national network of Business & IP (Intellectual Property) Centres, working with major public libraries to offer an innovative service for small business owners and aspiring entrepreneurs within their communities. This year was a landmark year, reaching ten Centres outside of London, with new additions in Hull Central Library and Norwich Millennium Library. Centres provide direct advice, guidance and training through a programme of one-to-one advice sessions, webinars and workshops covering topics ranging from digital marketing to securing business finance.

The network's long-running track record of reaching a broad and diverse range of users continues, with the network supporting 18,700 people across the UK to develop their business skills, knowledge and networks. 59% of these were women, and 35% came from a Black, Asian and Minority Ethnic (BAME) background. And it was a record-breaking year for the London Centre, which reached an impressive 98,625 annual visitors.

Our European-funded programme Innovating for Growth in London thrived and we supported 71 people to scale up their businesses, of which 51% were women and 51% were from a BAME background.

This year's cohort included Smartify, an app that enables audiences to scan and identify artworks and artefacts in some of the world's best-known museums and galleries with their own devices. Smartify said:  
*'The programme helped in lots of ways! It gave us the space to think about our company purpose and how to translate that into a sustainable business model. It was also brilliant to have access to the British Library's extensive Business and IP Library. It is an amazing resource for market research and ideas!'*

Left: Rajesh Agrawal, Deputy Mayor of London for Business at Scale-up Summit in July 2017; Below: Launch of the Norfolk Business & IP Centre in October 2017. Photos by Sam Lane Photography.



The Library has subsequently signed up to become a Smartify venue, joining institutions such as the Rijksmuseum and the New York Metropolitan Museum of Art. Visitors to the Library's Treasures Gallery can now use the app to access richer content about the exhibits.

We also participated in the EU-funded Erasmus for Young Entrepreneurs Programme. We organised 38 exchanges for new and aspiring entrepreneurs to work for between one and six months with experienced entrepreneurs in other European countries. Next year, the geographical scope of placements will be broader, including opportunities in Singapore, New York, and Israel.

Our Growth Club now comprises over 300 founders and we launched a new programme of events called 'Start-Up Stars', where seasoned entrepreneurs sit on a panel and share their knowledge and expertise with the next generation. We also launched a mentoring programme, where Growth Club members mentor early stage start-ups.

As part of our support for our growing community of scale-ups, we organised a Scale-up Summit in July, bringing together entrepreneurs and sector experts to share their skills and insights. Our Entrepreneur in Residence, Julie Deane, founder of the Cambridge Satchel Company, took part along with 'alumni' entrepreneurs such as Steve Moore and Paul Barham, founders of the innovative social darts venues, Flight Club.

Building on our inaugural Start-up Day in London last year, we held a national Start-up Day in September across the national network, inviting anyone with a business idea to attend a full day of free workshops, information sessions and inspirational talks with role model entrepreneurs. Over 2,000 people took part across the UK.

Small Business Minister, Margot James, speaking at the British Library on Start-up Day 2017, said: *'We want to make sure Britain is the best place in the world to start and grow a business, and initiatives like the British Library's Start-up Day help make this happen.'*

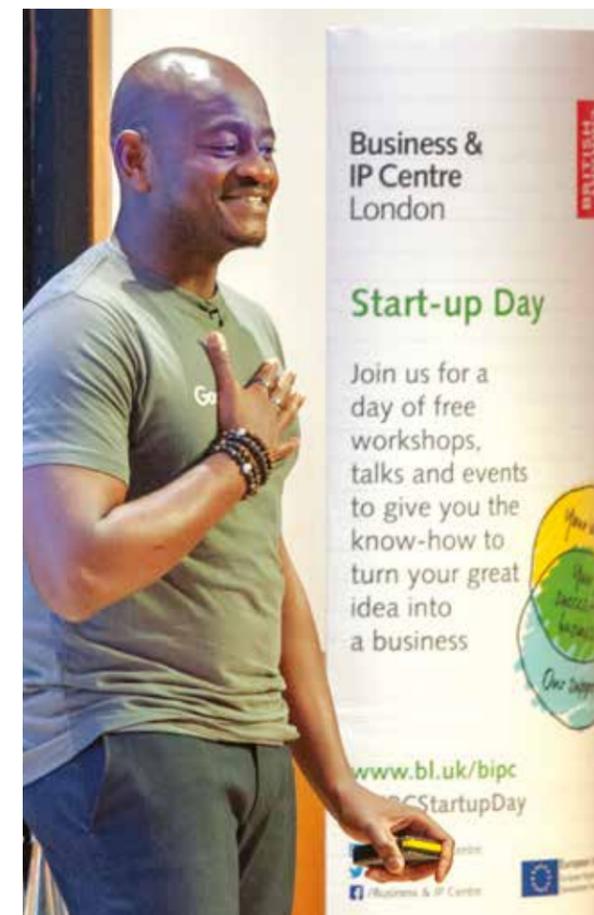
We also continued our *Inspiring Entrepreneurs* networking events featuring high profile business and innovation role models, which were live webcast to our Business & IP Centre partners across the country and online viewers around the world. In June, we staged *Brilliant Brands*, where the people behind some of the best-known food and drinks brands shared their secret recipes for success. To celebrate Global Entrepreneurship in November, we staged Question Time for Entrepreneurs, where budding entrepreneurs were able to put their questions to the founders of some of the UK's leading companies, including Trunki, and Fever-Tree.

We delivered another *Internet Icons* event in February featuring tech trailblazers including Rikke Rosenmund, founder of Borrow My Doggy, and Karen Hanton, founder of Toptable.com. Also on the digital theme, we were pleased to work with DCMS on a specific recommendation in their *Culture is Digital* policy paper for new Intellectual Property Office guidance and training for cultural professionals to be delivered through the network.

## Business: Our plans for 2018/19

- Continue to develop the Business & IP Centre National Network toward our long-term goal of 20 Centres by 2023, by initiating three new city pilots in Cambridge, Glasgow and Nottingham.
- Continue to develop our unique public-private partnership programme to expand our services and underpin our growth plans.
- Continue to enhance the London Centre service to support London-based businesses to grow and create jobs, and work with ten London boroughs to deliver 'grass roots' support.
- Deliver a Start-up Day across all national network partner libraries in September 2018, helping to raise the profile of business support resources in libraries and strengthen the case for libraries as engines of economic growth.

Start-up Day in September 2017.  
Below: Anis Qizilbash; Right: Keye Oduneye from Google Digital.  
Photos by Sam Lane Photography.





## Culture

### We engage everyone with memorable cultural experiences

This year, we opened up more of our collection, to more people, in more places than ever before. *Harry Potter: A History of Magic* was our most successful exhibition yet, but was just one element of a rich cultural year that saw us open three groundbreaking exhibitions in China, double the number of our cultural events, and reach further across the UK. Our galleries in St Pancras attracted nearly 1.1 million visitors, while events and exhibitions outside of London attracted 785,000 visitors.

*Harry Potter: A History of Magic* transported audiences on ‘a spellbinding journey through J.K. Rowling’s magical inspirations’ (*Telegraph*, October 2017). The exhibition combined original J.K. Rowling manuscripts and illustrations with magical artefacts from the Library’s own collection, such as Coronelli’s celestial globe made in 1693

which was reanimated with Augmented Reality in collaboration with Google Arts & Culture. Over 170,000 people visited, 65% experiencing the Library for the first time.

This was just one part of the story, as we collaborated with 20 city libraries, from Exeter to Edinburgh, through our Living Knowledge Network to create specially designed panels based on the London exhibition. Many partners also added their own collections, linking to local folklore and magical tales, engaging over 775,000 people across the country. As the physical exhibition drew to a close in February 2018, a digital exhibition created with Google Arts & Culture was launched to keep the magic alive for audiences around the world.

Left: *Harry Potter: A History of Magic* exhibition. Photo by Tony Antoniou. Below: Part of the Living Knowledge Network, a *Harry Potter: A History of Magic* panel exhibition. Photo: Steve Brock Photography.



Our cultural reach beyond London continues to grow, as part of our Everyone Engaged ambition to make the Library accessible to everyone regardless of their background or location. *Connecting Stories: Our British Asian Heritage* was a partnership with the Library of Birmingham and supported by the Heritage Lottery Fund. It explored the intertwining history of South Asia and the Midlands with diverse collection items from both Libraries' collections, as well as from community partners. Visitors tweeted selfies to generate a large photographic portrait of modern Birmingham, putting themselves at the heart of a show whose audience was 53% of South Asian heritage. Other Library exhibitions outside London included *Quentin Blake: The Roald Dahl Centenary Portraits*, which toured in Hull and Norwich.

Our Living Knowledge Network, which brings together 22 of the largest public libraries in the UK with the British Library and the National Libraries of Scotland and Wales, delivered 30 live-streamed events from the British Library featuring, among others, Vivienne Westwood and Michael Palin. The network also delivers a dynamic programme of skills development, best practice sharing and collaboration with library professionals across the UK. Our work with the public library sector included the announcement in August that we would lead an 18-month scoping project to explore a 'single digital presence'. Funded by the Arts Council and Carnegie UK Trust, the project explores user expectations and demand for a potential universal online platform for the UK's public libraries.



The diversity of our exhibition programme again reflected the scale and breadth of our collection. *Russian Revolution: Hope, Tragedy, Myth*, generously supported by the Blavatnik Family Foundation and the Friends of the British Library, marked the centenary of the 1917 revolution and attracted 47,000 visitors, including 20,000 visiting the Library for the first time.

Above: A Family Day at the *Connecting Stories: Our British Asian Heritage* exhibition, a partnership between the British Library and the Library of Birmingham; Below left: *Gay UK: Love, Law and Liberty* exhibition. Photo by Sam Lane Photography. Below right: Vaya Naidu with Arpan Shiva at the Zee Jaipur Literature Festival in October 2017. Photo by Stuart Armitt.



The Library marked the 50th anniversary of partial decriminalisation of homosexuality in the UK, with the free *Gay UK: Love, Law and Liberty* exhibition, engaging over 88,000 visitors, and catalysing a staff-led initiative to take the Library into its local Pride festivals for the first time. *Listen: 140 years of recorded sound* opened in October, part of a *Season of Sound*, celebrating the Library's Sound Archive. This helped raise awareness of our vital Save Our Sounds programme, supported by a major Heritage Lottery Fund grant, which aims to digitise and save for the nation half a million at-risk recordings.

In the new Second Floor Gallery, our *Canada Through the Lens* exhibition marked the 150th anniversary of Canada's confederation. It followed *Quentin Blake: The Roald Dahl Centenary Portraits*, which featured a series of portraits of the author's most celebrated characters to mark the 100th anniversary of his birth.

Our free permanent Sir John Ritblat Treasures Gallery continues to be at the core of our cultural offer, this year featuring for the first time in a marketing campaign urging audiences to 'discover stories that shape the world'. Alongside iconic items such as Magna Carta and lyrics by The Beatles, we hosted spotlight displays on particular aspects of our collection. These included: *Martin Luther*, marking the 500th anniversary of Martin Luther's posting of his 95 Theses; *Comic and Cartoon Art from the Arabic World*; and *African Scribes: Manuscript Culture of Ethiopia*, showcasing the intellectual and artistic achievements of Ethiopian



## Culture: Our plans for 2018/19

- Continue to grow and sustain an expanded cultural offer for Library audiences including the development of new spaces within the current building
- Deliver major exhibition and events programmes for the Library's *James Cook: The Voyages, Anglo-Saxon Kingdoms* and *Windrush: Songs in a Strange Land* exhibitions
- Continue to expand our reach across the UK with new touring and co-curated cultural experiences and greater engagement with public libraries
- Develop a new, sustainable business model for the Living Knowledge Network once the pilot phase concludes in September 2018.

scribes. The latter is part of wider work to digitise 250 Ethiopian manuscripts and make them available online.

For the first time, iconic British Library collection items were exhibited in Beijing, Wuzhen and Shanghai, to great acclaim. These exhibitions have been the centrepiece of the HM Treasury-sponsored *The British Library in China: connecting through culture and learning* programme, touring items such as George III's copy of a 1599 edition of *Romeo and Juliet*, handwritten Charles Dickens manuscripts, and a Sherlock Holmes story by Arthur Conan Doyle. Over 100,000 people have visited at venues including the Chinese National Library in Beijing.

Our unique exhibition offer was supported by a vibrant cultural events programme ranging from international festivals (including the Lahore Literary Festival featuring Malala Yousafzai and the Shubbak Festival of Arab literature), to Lates at the Library with world renowned DJ Yoda and Huey Morgan, and to Harriet Harman reflecting on 100 years of the vote for women. This rich offer, alongside our exhibition programme, has helped drive the continued popularity of our Membership scheme which passed over 10,000 members by the end of the year.

This burgeoning cultural offer is informing the design of our St Pancras Transformed development plans, which will deliver exciting new spaces for compelling cultural experiences.

Left: David Attenborough at *The Longplayer Conversation* event in November 2017.



## Learning

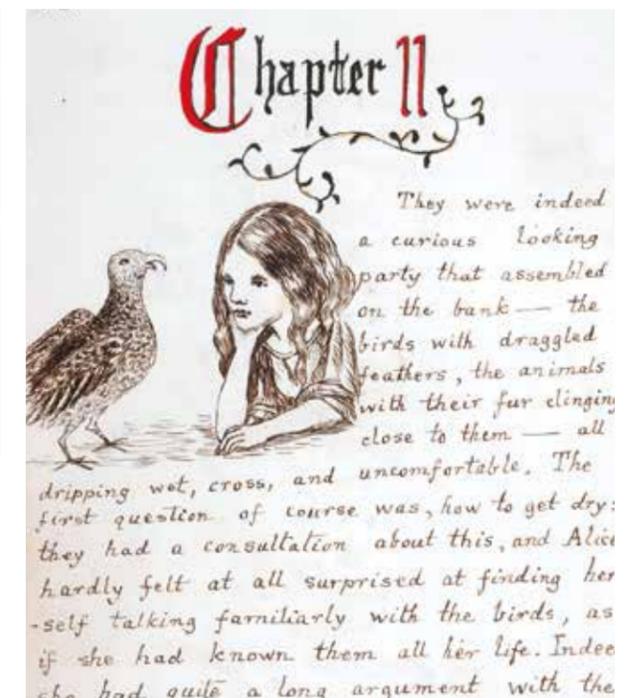
# We inspire young people and learners of all ages

As with each of the Library's purposes, this year was one of digital innovation and achievement for our work to support learners of all ages. Our digital learning resources reached a record-breaking 8 million unique visitors, exceeding our target by 1.4 million. This increase has been driven by new content and the continuing and increasing popularity of our *Discovering Literature* and *World War One* learning sites. At the same time, nearly 33,000 students and teachers participated in our physical on-site schools programme at St Pancras.

We launched the Library's first Chinese language website, a key strand in our ambitious cultural exchange programme: *The British Library in China: connecting through culture and learning*. Presented in traditional and simplified Chinese (and English), the site is introducing brand new audiences to over 35 iconic works of English literature, from *Beowulf* to *The Bloody Chamber*. Augmented by images

of more than 500 collection items, the site's suite of articles explore authors' lives, literary themes, significant genres, historical context and stories of translation, interpretation and reception in China over the last century.

We also launched diverse new modules to our *Discovering Literature* online learning resources. *Discovering Literature: 20th Century* includes a trove of captivating primary sources including manuscripts of works by Harold Pinter, Joe Orton, Shelagh Delaney and C L R James; production notes by Samuel Beckett and Joan Littlewood; and an array of posters, production photographs, letters and reviews. *Discovering Literature: Medieval* provides curated access to over 50 sumptuous manuscript and early printed treasures, while examining a range of topics from epic poetry, monsters and dreams to riddles, heroes and the voices of medieval women. July saw the publication



Left: A *Harry Potter: A History of Magic* schools day. Photo by Richard Eaton; Above: Our *Discovering Literature* online resource website available in both traditional and simplified Chinese. Right: Lewis Carroll's *Alice's Adventures Under Ground*.

of *Asians in Britain*, celebrating the important and diverse contributions Asians have made to British life and society; while, to mark the 100th anniversary of the Representation of the People Act, we launched our *Votes for Women* site investigating the suffragettes' historic campaign through an exploration of their scrapbooks, political pamphlets, photographs and posters.

Onsite at St Pancras, nearly 33,000 students and teachers participated in our schools programme of collection-based workshops supporting literacy, oracy, creativity, and research. This included dedicating the *Harry Potter: A History of Magic* exhibition for a day and a half a week solely for school visitors participating in workshops. Almost 20% of visiting schools came from outside London and we ran specific sessions for Special Educational Needs schools. In addition, we hosted a flagship event in partnership with Bloomsbury to mark Harry Potter Book Night, with six Camden primary schools participating in storytelling performances in the exhibition, the majority of whom had not participated in the programme before.

Our Family and Community programme hosted two large-scale events engaging over 1500 participants. While the first event was open to

the public, the second was invitation-only, targeting under-represented audience groups through partnerships with organisations in our local community, including the Royal Society for Blind Children, Great Ormond Street Hospital, and Coram's Fields. Seven hundred children, parents and carers, many of whom were first-time visitors, took part in a range of creative, accessible learning activities across the building and in the exhibition.

The programme as a whole was particularly effective in attracting a diverse audience, with over 44% of participants identifying as Black, Asian and Minority Ethnic (BAME).



Access and inclusion was a strong theme throughout the year. We worked with Sense (a national disability charity supporting people who are deafblind) on a project inspired by the UK Sound Archive, and with Elfrida Rathbone Camden to deliver a storytelling project for families with disabled children. We also formed new partnerships with RNIB to provide braille exhibition guides and tactile images for blind and partially-sighted visitors to *Harry Potter: A History of Magic*, and with VocalEyes to run two audio-description tours together with the exhibition curators.

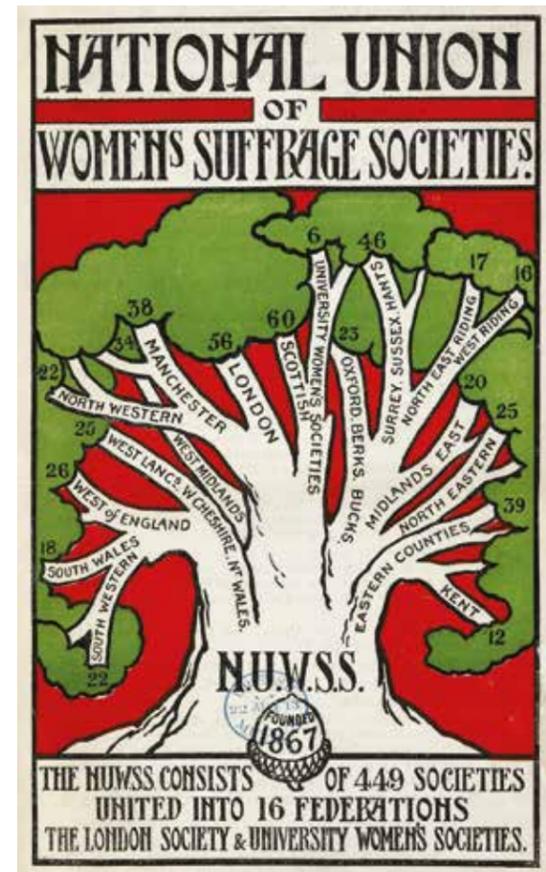
Our learning purpose extends to learners of all ages, and this year has seen our adult education programme go from strength to strength. In its second full year, it has generated over £100,000 of income from courses offered on genealogy, accents and dialects, medieval literature, conservation and architectural photography to around 2,400 learners. This is an increase of over 50% and reflects the appeal of the British Library's offer. We also ran a series of theoretical and creative courses inspired by our exhibitions, *Russian Revolution: Hope, Tragedy, Myths* and *Harry Potter: A History of Magic* and developed new collaborations with partners to deliver courses, such as RIBA (Royal Institute of British Architects), Birkbeck, University of London, and University of the Third Age.



## Learning: Our plans for 2018/19

- Deliver engaging and inclusive exhibition-based learning programmes for the Library's major exhibitions, *James Cook: The Voyages* and *Anglo-Saxon Kingdoms*
- Complete the next phases of Discovering Literature online resources, including new content on the Restoration and 18th Century and Children's Literature
- Launch a new Access and Inclusion programme to engage audiences with special educational needs and disabilities.

Far left: National Union of Women's Suffrage Societies pamphlet from the *Votes for Women* online resource; Left: Schools workshops; Below left: Bookbinding Masterclass, part of our Adult Learning programme; Below: An audio-described tour of the *Harry Potter: A History of Magic* exhibition run by Vocal Eyes. Photos by Richard Eaton.





## International

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

Our work with China represents the Library's most high-profile international engagement to date. The HM Treasury-sponsored *The British Library in China: connecting through culture and learning* programme has enabled the Library to tour iconic collection items to venues in Beijing, Wuzhen and Shanghai with extraordinary success. Over 100,000 visitors have experienced inspirational items including the manuscripts of Charles Dickens, Charlotte Brontë and Arthur Conan Doyle. We engaged an even wider Chinese audience through our first ever Chinese language online learning site and social media strategy, and a cycle-trail competition across Beijing working with the Mobike bike-hire scheme. And our work in China has an important strand of mutual knowledge exchange, through reciprocal staff exchange with partner institutions and participation in the 2017 UK-China High-Level People to People Dialogue and the GREAT Festival of Innovation in Hong Kong.

Our engagement with China demonstrates the international appeal of our collection and our ability to engage with institutions and audiences around the world. We facilitated 410 international engagements last year (up 70% on the previous year), through a rich and diverse programme ranging from hosting visiting professional or diplomatic delegations, to visiting peer institutions overseas, and knowledge exchange with professionals from China, India, Taiwan, and the US among many others.

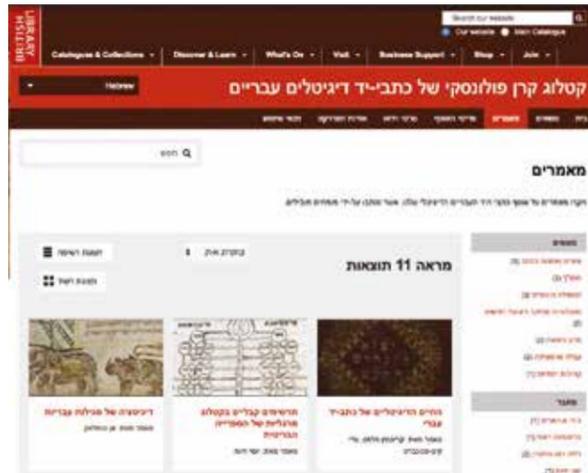
We again worked closely with peers across Europe and our Chief Executive Roly Keating continued to chair the Conference of European National Librarians in another fruitful year of collaboration between 50 European national libraries. The Annual General Meeting saw 33 countries represented in London to discuss the theme of *Transformative Library Spaces* as well as other areas of mutual values and interest.

Left: The opening of the *In Mu Xin's Words: Treasures of the British Library* exhibition in October 2017 in Wuzhen, China, as part of *The British Library in China* project; Below: Curator Alexandra Ault at the press view of the *In Mu Xin's Words: Treasures of the British Library* exhibition.



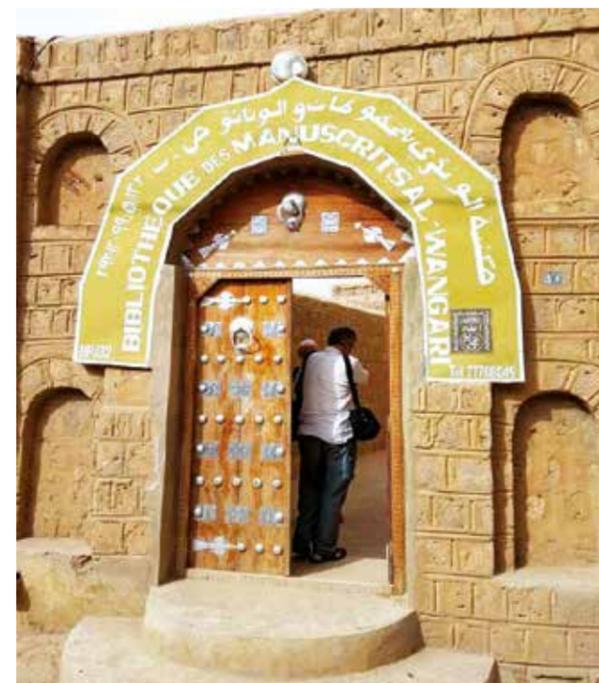
A particular highlight this year was the two-day visit of Dr Carla Hayden, Librarian of Congress in the United States of America, and the first African-American woman to ever hold this office. The visit enabled knowledge exchange between the world's two most pre-eminent national libraries, as well as a free discussion event open to the public.

A major driver of our international work is our responsibility to exploit the opportunities of digital technology to open up our international collections to global audiences. New initiatives announced this year included a fully bi-lingual web resource to make The Polonsky Foundation Catalogue of Digitised Hebrew Manuscripts available worldwide, and a new Javanese Manuscript Digitisation project which will conserve and digitise 75 rare and significant treasures from Yogyakarta, Indonesia with generous support from Mr SP Lohia.



Longer running landmark digitisation programmes continued to deliver both high quality content and audience engagement. The *Two Centuries of Indian Print* programme has made available over a million pages of early South Asian material, as well as running skills sharing and professional placements for Indian institutions and professionals. The Qatar Foundation Partnership programme has now yielded an incredible 1.3 million pages of digital content from the Library's Gulf history and Arabic science collections, all available freely on the web and bi-lingually in English and Arabic. And our partnership with the Bibliothèque nationale de France has begun to digitise 800 English and French pre-1200 manuscripts from our respective collections, and will make these beautiful illuminated texts viewable online through a bi-lingual platform.

Our international purpose supports all others. This year, our extensive cultural events programme featured major international festivals in St Pancras including the Zee Jaipur Literature Festival and the Lahore Literary Festival, as well as a smaller celebration in partnership with Camden Council to mark Bangladesh Victory Day. Our research programme includes international fellowships, including the Foreign and Commonwealth Office's



Left: The Polonsky Foundation Catalogue of Hebrew Digitised Manuscripts available in Hebrew; Below left: The Northern French Hebrew Miscellany, Add MS 11639; Below: The Al Wangara Library, part of the Endangered Archives Programme in Timbuktu.

Chevening programme. And our public exhibitions programme again reflected the international nature of our collections, with *Russian Revolution: Hope, Tragedy, Myths*, and *Canada Through The Lens*, as well as temporary spotlight displays in our Treasures Gallery including *African Scribes: Manuscript Culture of Ethiopia, Comic and Cartoon Art from the Arabic World*, and *Martin Luther*.

Our Endangered Archives Programme, generously funded by Arcadia Fund, is a critical part of our timeless custodianship purpose and one that is almost uniquely international thanks to the nature of our collection. The programme aims to preserve archival material that is in danger of destruction, neglect or physical deterioration world-wide, primarily through awarding grants to local partners in relevant countries to enable the digitisation of at-risk material. In 2017, the programme made 25 awards, including a first ever project in Tunisia and a collaborative award with the Hill Museum and Manuscript Library to digitise three library collections that remained in Timbuktu during the Jihadist occupation. Since it launched, the Endangered Archives Programme has funded 339 projects in 90 countries worldwide and has resulted in 6.5 million images and 25,000 soundtracks being made available online.



### International: Our plans for 2018/19

- Build on our 'British Library in China' project with a further exhibition in Hong Kong in late 2018, and connecting the Living Knowledge Network of UK libraries with library networks in China
- Provide the Chair and Secretariat for the Conference of European National Librarians for the next three years
- Begin delivering a third phase of our well-established and successful Qatar Foundation Partnership programme.

Below: Illuminated pages from a Javanese manuscript, Serat Jaya Lengka Wulang, Yogyakarta, 1803.

## Public Lending Right

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

For the PLR year from 1 July 2016 to 30 June 2017, PLR registered over 21,900 new ISBNs, over 2,000 authors and other contributors registered for PLR for the first time and we collected data on nearly 41 million loans from the 33 library authorities that took part in the sample. The data was converted to national estimates and paid at a Rate Per Loan of 8.2 pence. In total, over £6 million was distributed to over 22,000 authors, illustrators and other contributors, whose books were borrowed from UK public libraries. The maximum payment threshold is £6,600 for the top-lending authors and the minimum payment is £1, ensuring an equitable distribution of the fund across a large community of creators. In March 2018, the PLR Advisory Committee agreed to maintain the thresholds at the current rates for another year.

In July 2017, PLR published its first list of the 50 most-borrowed children's illustrators from UK public libraries. The list included pre-school favourites such as Quentin Blake and Shirley Hughes as well the current Children's Laureate Lauren Child. The top three illustrators Tony Ross, Nick Sharratt and Axel Scheffler all had over one million loans.

*"The PLR list of the top 50 most borrowed illustrators recognises the vital role that illustrations play in books... Pictures transform the reading experience: they stimulate, inform and entertain in ways that words alone just cannot do. Most essentially illustrations motivate children to read. This list is a celebration of the illustrator's craft and will help draw welcome attention to the importance of pictures in books."*

Nick Sharratt, Illustrator and member of PLR Advisory Committee.

Over the course of this year we have been working

with DCMS on updating the PLR scheme to reflect new legislation (the Digital Economy Act 2017) enabling remote e-lending to be eligible for PLR payments in the future. We are working toward implementing this new scope from July 2018. This is an important evolution of the scheme which ensures it continues to reflect how people are using public libraries today and in future, ensuring that authors and content creators can be compensated fairly for the use of their work.

This year we also began the complex process of integrating PLR operations from Stockton-on-Tees into the Library's Boston Spa campus in Yorkshire. This is part of a wider strategic approach to update PLR IT infrastructure, incorporate expanded data collection and payment for eBook loans, and ensure the long-term future of the PLR service for users. We expect this process to conclude by March 2020.



Above: Nick Sharratt's Tracy Beaker

## Enabling Living Knowledge

Delivery of our Living Knowledge purposes is underpinned by a range of enabling activities which ensure that we maximise the resources at our disposal and continue to deliver a cost-effective service to world-class standards.

### Finance and Planning

Our Strategic Leadership Team engaged in the third year of a comprehensive corporate planning process, which continues to apply tight scrutiny to budgets. This led to the refresh and renewal of the financial strategy originally approved by the British Library Board in 2015/16, ensuring that activities and spending in departments across the Library remain strategically aligned to our Living Knowledge purposes, as well as identifying opportunities for efficiency savings through new ways of working.

### Continuous Improvement

The embedding of CI continues across the Library, from HR reviewing and improving the understanding of the Library's Policies to Finance analysing all their procedures, producing SIPOCs (suppliers, inputs, process, outputs and customers) to assist in this. We continue to collaborate with external bodies inviting them to visit both sites to see examples of the work we have been undertaking. This work was acknowledged by the Institute of Continuous Improvement in Public Services (ICiPS) this year with the Library being awarded the CEO's Award for Exemplary Commitment to Embedding CI.

### Commercial Strategy

A major focus this year was our *Harry Potter: a History of Magic* exhibition, which delivered the highest sales revenue ever from ticket sales and retail. Two highly successful books, co-published with Bloomsbury, accompanied the exhibition with strong UK distribution and foreign rights sales into fourteen overseas territories. The exhibition catalogue won the Association of Cultural Enterprises award for 'Best Exhibition Catalogue' for the large UK cultural venues category.

Broader commercial revenue grew across the board with significant increases in new and growing service areas such as commercial events and Membership. Thanks to renewals, new Memberships, and the integration of the Friends of the British Library, we ended the year with Membership approaching 10,000. During the year we also managed to register our trade mark in China which will enable us to start significantly expanding our Brand Licensing scheme.

### Technology Strategy

This year has seen the appointment of a new Head of Technology and a revised Technology strategy. A Technology Transformation programme is underway to deliver on the strategy and a new target operating model. This will look at new opportunities and technologies to bring into the Library.

The Library has passed the 'Cyber Essentials' qualification standard and is continuing to review and deliver further Cyber security changes including aiming for the 'Cyber Essentials Plus' standard in 2018/19.

A new public Wi-Fi service was rolled out in 2017/18 delivering better customer registration, higher bandwidth and service quality. Network links have been improved and work has been undertaken to improve the efficiency with which content is shared with the Legal Deposit Libraries. Web site consolidation has brought together much of the Library's content into a more coherent web experience.

Further work has seen the Library ingest more digital content than ever before with new automated ingest processes in place to support the growing digital sound archive.

### People Strategy

Our People Strategy sets out a vision for the Library to be a workplace that inspires staff who place users at the heart of everything they do. The past year has seen a slightly reduced level of staff engagement, falling marginally from 4.02 (out of 5.0) in 2016/17 to 3.94 in 2017/18.

We have engaged a number of volunteers to support Save Our Sounds and appointed 34 very enthusiastic apprentices across the Library of which 13 are part of our internal Future Leaders Scheme. We are making good progress with partners to fulfil our Living Wage accreditation commitment and we have continued to roll out Open Minds, our inclusive leadership programme, and unconscious bias training for all staff.

A Medicash wellbeing benefit has been provided to all staff and has seen a positive take up in the early months. We have undertaken the Mind Index Survey and commenced a review of our Managing Attendance, Restructure, Redundancy and Redeployment and Recruitment policies to enable us to streamline them and improve their effectiveness. These steps reflect our commitment to our organisational values, in particular embracing equality, fairness and diversity.

### Fundraising

The British Library is extremely grateful to all its donors and supporters, whose generosity supports us in our ambitions to share the Library's rich collection with the widest possible audience for research, inspiration and enjoyment.

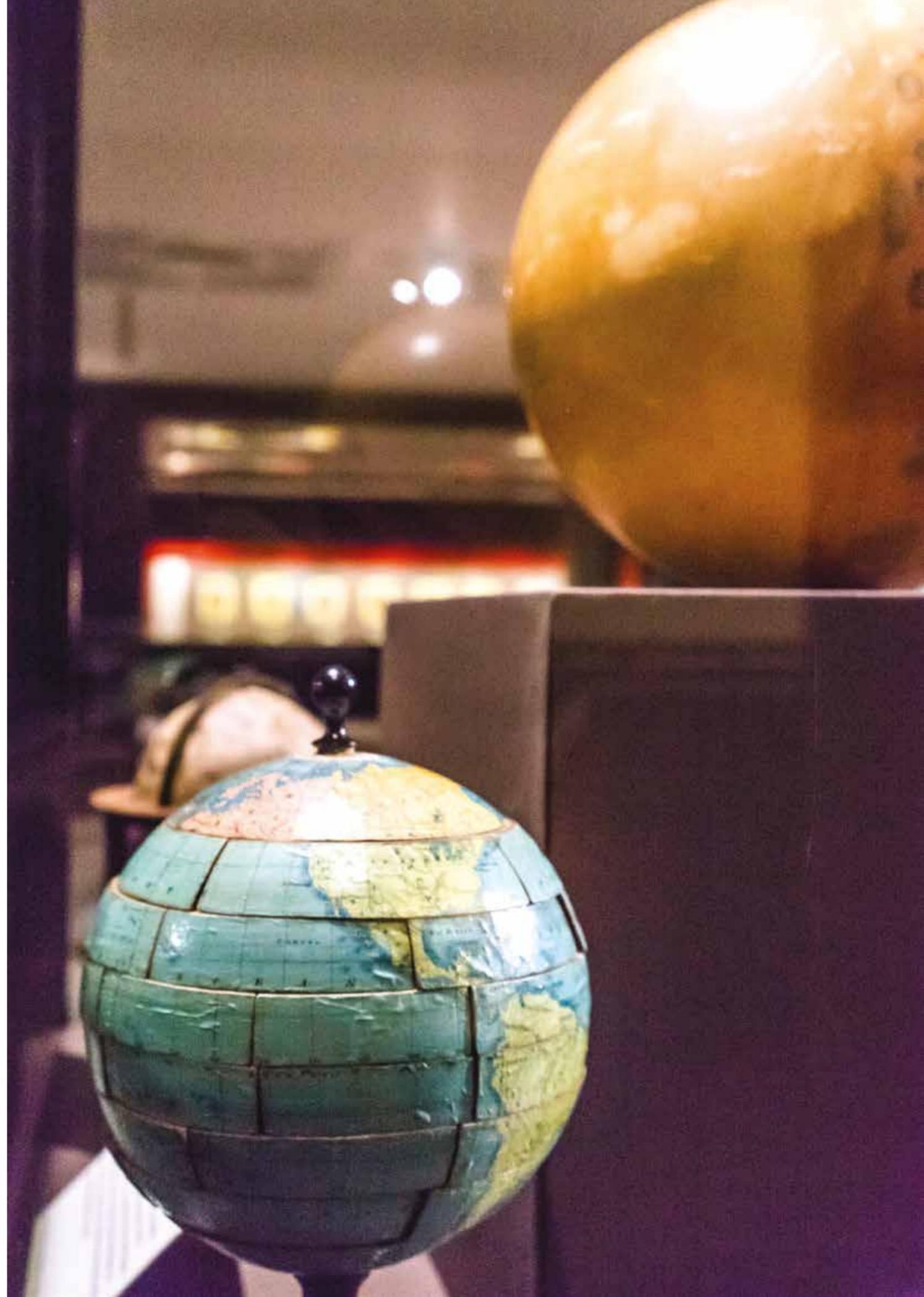
Thanks to a major grant from the National Heritage Memorial Fund and additional support from other grant-makers, we were able to acquire the Mostyn Psalter-Hours, a 13th-century Illuminated Volume of Psalms produced in London, and an outstanding example of English illumination. We were also delighted to receive a collection of letters by Mary, Queen of Scots, gifted to the American Trust for the British Library (ATBL) by Mark Pigott KBE and placed on loan by the ATBL to the Library.

We are grateful for a number of grants in support of our digitisation work, including one from Mr SP Lohia to digitise 75 Javanese manuscripts from the Royal Library of the Palace of Yogyakarta, and one from the Department for Business, Energy and Industrial Strategy which builds on our existing Bengali books digitisation project.

Our *Listen: 140 Years of Recorded Sound* exhibition and accompanying *Season of Sounds* programme, was significantly enhanced by a sound system supplied by partners Bowers and Wilkins, whilst our *Harry Potter: A History of Magic* exhibition was greatly enhanced by major support from Google Arts & Culture, who provided an Augmented Reality experience in the gallery and supported the creation of a major online version of our exhibition on their Arts & Culture platform. We were also delighted to receive support from the Helen Hamlyn Trust for a three-year Exhibition Touring Co-ordinator post to work on our expanding touring capacity.

Finally, we would like to thank Sir John Ritblat for his major gift in support of St Pancras Transformed, our major capital development project to develop new galleries and learning spaces and enhance existing parts of our St Pancras building.

Right: Globes on display in the Sir John Ritblat Gallery: Treasures of the British Library. Photo by Tony Antoniou.



# Key Performance Indicators

	Target 2017/18 000s	Actual 2017/18 000s	Actual 2016/17 000s	Actual 2015/16 000s
<b>CUSTODIANSHIP</b>				
<i>We build, curate and preserve the UK's national collection of published, written and digital content</i>				
Printed items added to the collection through legal deposit	322	298	334	373
Digital items added to the collection through legal deposit	160	248	174	95
<b>RESEARCH</b>				
<i>We support and stimulate research of all kinds</i>				
Items consulted in Reading Rooms <sup>1</sup>	1,660	1,521	1,655	1,694
British Library website items consulted <sup>1</sup>	4,000	3,946	3,689	3,249
Visits to the Reading Rooms	415	424	399	414
<b>BUSINESS</b>				
<i>We help businesses to innovate and grow</i>				
People supported by the network of Business & IP Centres <sup>1</sup>	18	19	17	N/A
<b>CULTURE</b>				
<i>We engage everyone with memorable cultural experiences</i>				
Visitors to exhibitions in St Pancras	1,027	1,091	915	967
Visitors to events and exhibitions outside London (UK) <sup>1</sup>	18	785 <sup>2</sup>	62	N/A
Items lent to other institutions for events and exhibitions (not 000s) <sup>1</sup>	500	294	255	N/A
<b>LEARNING</b>				
<i>We inspire young people and learners of all ages</i>				
Under-18 learners (and teachers) attending on-site learning sessions <sup>1</sup>	32	33	33	N/A
Visitors to British Library Learning website <sup>1</sup>	6,600	8,088	7,041	5,726
<b>INTERNATIONAL</b>				
<i>We work with partners around the world to advance knowledge and mutual understanding</i>				
International engagements hosted (not 000s) <sup>1</sup>	240	410	241	N/A

	Target 2017/18 000s	Actual 2017/18 000s	Actual 2016/17 000s	Actual 2015/16 000s
<b>VISITORS</b>				
British Library on-site visits	1,600	1,476	1,460	1,574
British Library website visits <sup>1</sup>	25,000	25,658	21,517	20,707
<b>CUSTOMER SERVICE</b>				
Satisfaction with Reading Room services	96%	96%	96%	97%
Satisfaction with ease of finding information on the Library's website	90%	89%	87%	88%
Satisfaction with our exhibitions (customer enjoyment rating)	85%	90%	95%	96%
<b>OUR PEOPLE</b>				
Employee engagement (rating out of 5)	4.00	3.94	4.02	3.77
<b>FINANCE AND ECONOMIC</b>				
Commercial income generated £000s <sup>1</sup>	15,550	15,858	13,658	13,240
Charitable giving: donations and sponsorship £000s <sup>1</sup>	9,000	7,632	7,449	5,486
Rate of charitable giving i.e. donations and sponsorships to Grant in Aid <sup>1</sup>	9.6%	8.1%	7.9%	5.9%

<sup>1</sup> These measures are included in the British Library's Management Agreement with DCMS for the period 2016–2020.

<sup>2</sup> Includes a reported 768,556 visitors to *Harry Potter: A History of Magic* panel displays in 40 public libraries.

The KPIs table had been updated this year to include all KPIs included in the Management agreement with DCMS for the period 2016–2020. Not all of these were reported last year.

# Grants and Donations

The British Library would like to thank all those who have given their support during the period April 2017 to March 2018, including:

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Mr Jon A Lindseth  
Ms Judith Ogden Thomson

## Benefactors

Ms Virginia Barbato  
Mr Stephen J Bury  
Mr William Zachs

## Patrons

Ms Catherine Morrison Golden  
Mr J Kevin Graffagnino  
Mr Richard P Henke  
Mr Arthur Holzheimer  
Ms Cheryl Hurley  
Mr Alistair Kirkpatrick  
Ms Patricia Klingenstein  
Ms Ada Jung Lamont  
Mr Andrew Nadell  
Mr David Thomas Pritzker  
Ms Mary Coxe Schlosser  
Mr and Mrs Stanley Scott  
Dr Barbara A Shailor  
Ms Tessa Smith  
Mr David Solo  
Ms Szilvia Szmuk-Tanenbaum  
Mr Winston Tabb  
Ms Susan Jaffe Tane  
Mr J Thomas Touchton

## Foundations and Matching Gifts

Caritas Foundation of Western Kansas  
The Gladys Krieble Delmas Foundation  
The Philip and Irene Toll Gage Foundation  
The Samuel H Kress Foundation  
Peck Stacpoole Foundation

## The Friends of the British Library Friends Council

Chairman: Ferdinand Mount  
Deputy Chairman: Graham Allatt  
Treasurer: Keith Stephenson  
Secretary: Edmund King  
Council members:  
David Beech MBE  
Nicolas Bell  
Caroline Brazier  
Martin Dickson  
Lindsay Duguid  
Celia Gould  
The Lord Hemingford  
Jo Hunt  
Norman James  
Stephanie Kenna  
Anthony Payne  
Andrew Prescott  
David Shaw  
Christopher Wright

## Governmental Funders

Department for Digital, Culture, Media and Sport (Core Grant-in-Aid)  
Department for Business, Energy and Industrial Strategy  
Department for Communities and Local Government  
European Regional Development Fund (deployed by Greater London Authority)  
London Growth Hub

And others who wish to remain anonymous.

BRITISH LIBRARY  
ANNUAL ACCOUNTS 2017/18

# STATEMENT OF THE BRITISH LIBRARY BOARD'S AND ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the British Library Act 1972, the Department for Digital, Culture, Media and Sport has directed the British Library to prepare for each financial year a statement of accounts in the form and on the basis set out in the accounts direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Library and of its net incoming resources, recognised gains and losses, and cash flows for the financial year.

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

- observe the accounts direction issued by the Department for Digital, Culture, Media and Sport, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government *Financial Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements
- prepare the financial statements on a going concern basis
- confirm that, so far as they are aware, there is no relevant audit information of which the British Library's auditors are unaware and that they have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Library's auditors are aware of that information
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and that they take personal responsibility for the Annual Report and Accounts and the judgements required for determining that the Annual Report and Accounts are fair, balanced and understandable.

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

There is a clear division of responsibility between the Chairman and the Chief Executive. The Chairman is responsible for the leadership of the British Library Board, ensuring its effectiveness on all aspects of its role. They facilitate both the contribution of Board members and also constructive relations between the Board and the Executive. They represent 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, they are responsible for its procedures and controls in financial and other matters.



**Rt Hon Baroness Blackstone PC**  
Chairman

27 June 2018



**Roly Keating**  
Chief Executive  
and Accounting Officer

27 June 2018

## FINANCIAL REVIEW

### Overview of Financial Position

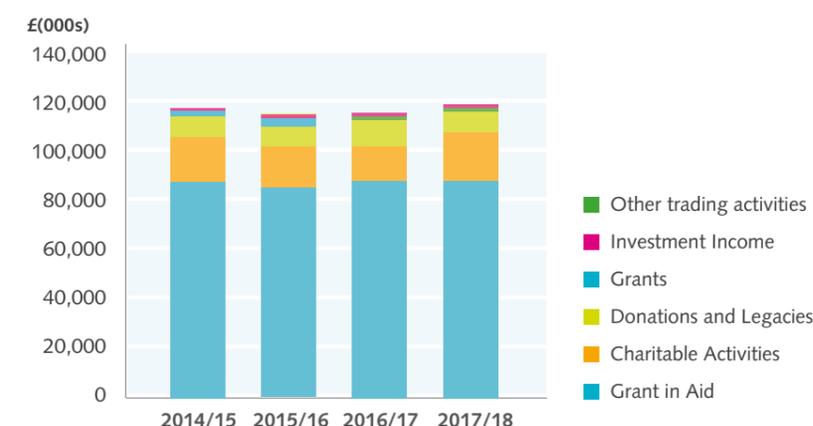
The British Library's income for 2017/18 was £120.8m (£118.0m in 2016/17), of which £93.4m or 77% was Grant in Aid (£93.9m or 80% in 2016/17). Grant in Aid is the Library's primary source of funding, received from the Department for Digital, Culture, Media and Sport (DCMS).

In March 2016, the Secretary of State announced that the Library's Grant in Aid over the current spending review period, 2016/17 to 2019/20, would be maintained in cash terms over the period, although an extra £1.6m was provided specifically in order to support an international project to take several literary treasures to China over the same period. In real terms, this settlement represents a 7% reduction to the resource budget by 2019/20; although the Grant in Aid settlement was a positive outcome, it still resulted in the Library having to continue to make on-going reductions in its core operating expenditure.

Donations and legacy Income was £9.6m (£9.2m in 2016/17), in line with last year. The contributions from philanthropic donations, research grants and funding for digitisation projects, which included a Heritage Lottery Fund grant towards the *Save our Sounds* project, continue to provide critical funding in support of the Library's purposes.

Development activity within the Library is directed by the Library's Director of Development, who manages a team of professional fundraisers directly employed by the Library. This team is assisted by consultant advisors working for the Library on short term contracts to deliver strategic support.

Fundraising by the Library's Development team is undertaken in line with the Code of Fundraising Practice and data protection and



freedom of information regulations as well as within the values approved by the British Library Board. A number of Library policies determine how fundraising is directed and delivered: Anti-Fraud and Anti-Bribery, Restricted Funds, Whistleblowing, Complaints Handling and Compensation. Work is also in progress to secure Board approval for a new Ethical Fundraising policy. These policies ensure that donors' rights are protected and that we do not contact people unless they have specifically opted in to receive fundraising information or where there is a legitimate interest to contact them. All fundraising staff have periodic one to one meetings with their line managers and their approaches are monitored regularly to ensure their activity is professional and appropriate at all times.

The Director of Development submits a quarterly report to the British Library Board providing detailed information about progress by all members of the fundraising team, narrative about the prospects developed by the different fundraising teams and donations received in the previous quarter. The Library's Internal Audit function provides scrutiny and assurance on fundraising activities and their conclusions are reviewed by the Board Audit Committee.

No complaints were received in the last financial year concerning the Library's fundraising activities.

Income from the provision of charitable and trading activities was £17.5m (£14.2m in 2016/17), an increase of 23% on last year. Exhibition ticket sales were greatly increased due to the highly successful *Harry Potter: A History of Magic* exhibition, which also generated increased sales in the shops and publishing operations. Income from Document Supply continued to fall during the year, although performance was better than expected and above the target set. Income from licensing and royalty activities was in line with last year whilst sales of commercial and cultural events, and leasing out office space in our St Pancras building, both continued to grow in line with our commercial strategy. The membership scheme which was successfully launched in autumn 2016 continued to grow and generated the first full year of subscriptions.

Investment income was £0.3m (£0.6m in 2016/17), the decrease reflecting the move of investments last year into Diversified Growth Funds where the growth value is maintained within the fund and realised on sale, rather than paid as in-year dividends.

## FINANCIAL REVIEW (continued)

The Library's continued focus on efficiency and continuous improvement has contributed to the delivery of significant operational savings, required in order both to meet reductions in core Government funding and also to re-invest in our *Living Knowledge* strategy in this and future financial years. In such an ambitious strategy, there has been some slippage in major programmes during the year, with the associated funding being held in reserves.

Resources expended were increased to £145.1m in the year (£138.3m in 2016/17) due to an increase in staffing costs resulting from a 2.1% pay award during the year, and as expenditure on the major programmes was increased in order to ramp up delivery of the *Living Knowledge* strategy. An apprenticeships scheme was introduced in line with Government policy. The charge for depreciation also increased in line with the increase in fixed asset valuations last year.

Revenue expenditure on acquisitions for the collections was £12.1m (£11.5m 2016/17). This included the purchase of journal back files in line with a new acquisitions strategy for contemporary materials. Capital expenditure was £1.4m (£1.4m 2016/17), with the acquisition of a number of heritage items supported by donations and grants. Two donated collections were received and valued at £0.1m.

The Public Lending Right (PLR) Grant in Aid allocation for the year was £6.6m (£6.6m in 2016/17). Total PLR payments made in 2018 were £6m, paid to 22,108 authors (£6.1m paid to 22,201 authors in 2017). The rate per loan approved for 2018 was 8.20 pence (7.82 pence in 2017). PLR expenditure included £42,075 unpaid at the

year end because some authors' addresses and/or bank details are unknown to PLR, or because authors' assignees have not made probate claims.

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

The Library is included in a Government scheme which gives exemption from certain spending controls to organisations in the Museums and Galleries sector. Under these 'Museum freedoms', the Library is exempt from the Government procurement policy, the 1% pay award limit and the control on property spend. The Library is also permitted to keep reserves and to use them in a more flexible way, subject to informing DCMS of any requirement as part of HM Treasury's supplementary review estimate.

There was a net reduction in the movement of funds before revaluation and transfers in the year of £23.2m, of which £3.6m was due to an increase in general funds, £31.8m a decrease in fixed asset funds, mainly as a result of the in-year depreciation charge and a £5.0m increase in the restricted and designated funds.

Revaluations, including the restatement of the value of the St Pancras land and buildings, resulted in a £586.5m reduction in the revaluation reserve in the year. In early 2018, following a competitive tender exercise, a new property advisor was engaged. They were commissioned to provide a valuation for the St Pancras land and buildings as at the 31 March 2018 and due to a change in the method used the valuation reduced by £647m. The new approach

was accepted by British Library management and will be used as the basis of revaluations in future years.

### Reserves

At 31 March 2018 the British Library's reserves were as follows:

	£m
Permanent endowment	3.9
Expendable endowment	14.2
Restricted funds	8.2
<b>Unrestricted funds</b>	
Fixed asset reserve	410.5
Revaluation reserve	504.8
Donated asset reserve	29.0
Other designated funds	7.9
General funds	33.0
<b>Total funds</b>	<b>1,011.5</b>

Endowments, restricted and other designated funds are set aside for defined purposes and include £3.9m in permanent endowment funds which cannot be used to fund current expenditure.

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

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

The overall objective of the Library's Reserves Policy is to provide continuing assurance that the solvency of the 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 and opportunities arising within a

financial year. Levels of unrestricted funds, both current and forecast, are kept under close scrutiny to ensure that they do not fall below the levels necessary to provide an adequate level of cover, and are reported on as part of the quarterly financial monitoring process. The Reserves Policy, and the financial provision to be made within it, is reviewed annually by the British Library Board within the context of the assessed financial and business planning environments and taking account of assessed levels of risk.

The target level of general provision will be maintained in a range of 2% to 10% of annual unrestricted fund expenditure. In total, General Reserves at 31 March 2018 were £33.0m, of which £3.4m relates to non-cash prepayment adjustments in relation to serials. Taking account of the current level of risk, the following reserve levels were agreed by the British Library Board:

- £3.8m restructuring reserve;
- £3.4m in relation to completing the plans of the St Pancras development programme;
- £6.4m for expenditure carried over from the current year;
- £0.6m planning contingency for IT storage;
- £0.5m set aside for a major acquisition;
- £3.9m in response to a request from DCMS to hold 5% contingency; and
- £11.0m general provision, which is 8.0% of the year's unrestricted expenditure and within the Library's target level.

### Investments and Financial Risks

The Library holds a number of Trust and Restricted funds which, although each is self-contained, are pooled under the title of a Common Investment Fund for investment purposes. The Board determines the overall investment return objectives

and acceptable risk tolerances for the Common Investment Fund. The Board recognises the risk of short term volatility or longer term depression in values associated with investing in equities and other asset classes and maintains a relatively conservative attitude to risk. The Library's investments are held in two Diversified Growth Funds, managed by Baillie Gifford and Investec, having different but complementary market outlooks to manage this risk.

The Library's goals are firstly to preserve at least the real purchasing power of its investment portfolio over time whilst secondly setting spending policies at a level that maximises sustainable spend without prejudicing the first goal. The overall investment objective is to achieve a total return on investments of RPI plus 3% per annum over a rolling five-year period. Performance is monitored annually against target and the investment policy and strategy is reviewed every three years.

At the start of the year, fund values stood at £24.3m. During the year, there were realised and unrealised gains of £1.1m, offset by disposals of £1.3m to fund activities on the funds, and the Library purchased £0.2m of new investments. Following a strong performance in the first three quarters of the year fund values fell back in the final quarter due to the challenging market environment on equities. At the end of the year, investments stood at £24.2m.

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

### Payment of Creditors

The Library observes the principles of the Better Payment Practice Code, and it is the policy of the British Library Board to pay all creditors within 30 days of the invoice receipt unless separate arrangements have been agreed with the supplier. For the year ended 31 March 2018, 92% of invoices were paid within the agreed 30-day period (94% in 2016/17).

### Related Party Transactions

Details of related party transactions are disclosed on page 88 at note 22.

### Code of Best Practice on Corporate Governance

In accordance with HM Treasury Code of Good Practice and Chapter 3 of *Managing Public Money*, the Annual Governance Statement is included on pages 55 to 60.

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



**Rt Hon Baroness Blackstone PC**  
Chairman  
27 June 2018



**Roly Keating**

Chief Executive  
and Accounting Officer  
27 June 2018

## REFERENCE AND ADMINISTRATIVE DETAILS

The following organisations were the Library's principal suppliers of professional financial, legal and investment services during 2017/18:

**Lloyds Bank**  
25 Gresham Street,  
London. EC2V 7HN

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

**Government Banking Service**  
HMRC S1713,  
9th Floor, Government Banking,  
Central Mail Unit,  
Newcastle. NE98 1ZZ

**Santander Corporate Banking**  
Bridle Road,  
Bootle,  
Merseyside. L30 4GB

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

**Baillie Gifford & Co Edinburgh**  
Calton Square,  
1 Greenside Row,  
Edinburgh. EH1 3AN

**Investec Asset Management Limited**  
Woolgate Exchange,  
25 Basinghall Street,  
London. EC2V 5HA

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

**Farrer & Co**  
66 Lincoln's Inn Fields,  
London. WC2A 3LH

## SUSTAINABILITY REPORT

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

Library needs to provide stable and reliable collection storage while seeking to minimise the impact that its buildings and operations have on the environment.

The Library adopted the 'Greening Government' target to reduce its

greenhouse gas emissions by 25% from a 2009/10 baseline, for our estate and for business-related transport. This target has now been extended to cut emissions by 57% by 2020.

### Progress in 2017/18 towards Greening Government Commitment Targets for 2019/20 (against a 2009/10 baseline)

Requirement	2009–10 baseline	2017–18	% change	Status
 Reduce GHG emissions by 57% by 2019/20	20,602 tonnes CO <sub>2</sub>	10,372 tonnes CO <sub>2</sub>	50%	On target
 Reduce the number of domestic business flights by 30%	132	28	79%	Target achieved
 Increase the proportion of waste recycled	71%	66%	-7%	See below <sup>1</sup>
 Reduce waste sent to landfill to less than 10% of overall waste	0%	0%	0%	Target achieved
 Continue to reduce water consumption	87,682 m <sup>3</sup>	50,699 m <sup>3</sup>	42%	On target
 Reduce paper consumption by 50%	26,655 A4 reams equivalent	3,412 A4 reams equivalent	87%	Target achieved

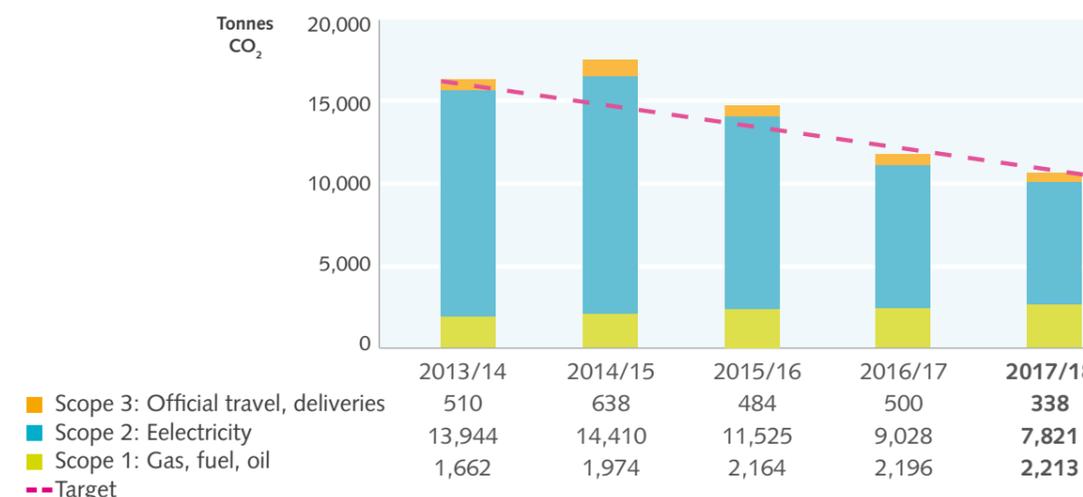
<sup>1</sup> Our success in other areas of waste reduction, such as reducing the overall amount of waste produced and the decrease in paper consumption have adversely affected the percentage of recycled waste. We continue to improve our waste handling systems to capture recyclable materials wherever possible and are actively pursuing innovations to improve the percentage of waste recycled.

### Greenhouse Gas Emissions

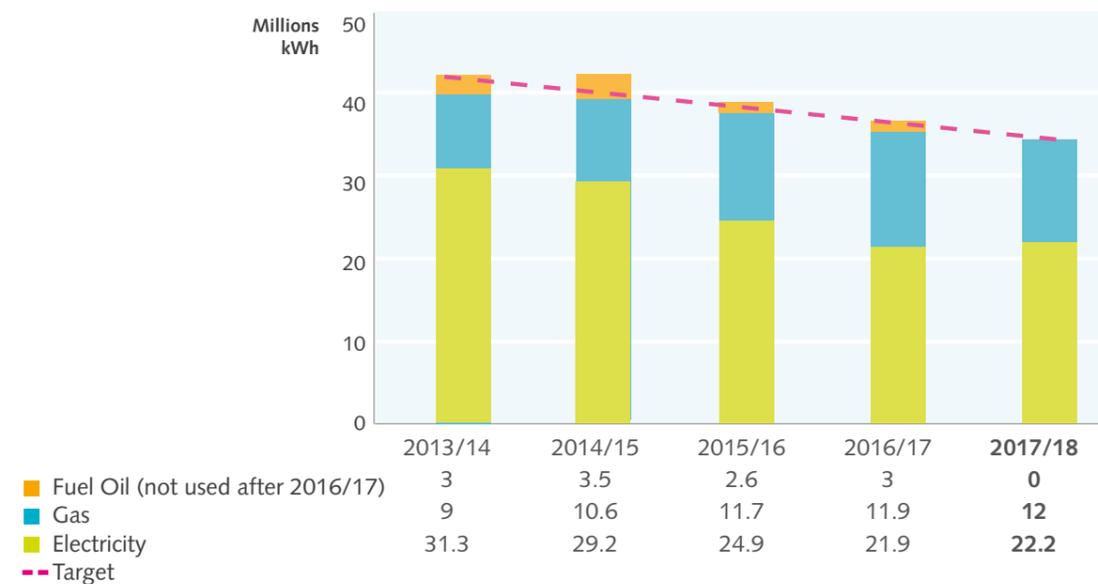
The measures undertaken to help with this include robust monitoring and targeting of utility consumption and waste production across our estate and investing in energy and

waste-reducing initiatives wherever possible. This has resulted in a significant and sustained reduction in greenhouse gas emissions. The energy reductions in 2017/18 have

been achieved by continuing this programme, including LED lighting and converting our boilers in Boston Spa from fuel oil to gas.



## Related Energy Consumption



Greenhouse gas financial indicators (£000s)	2013/14	2014/15	2015/16	2016/17	2017/18
Expenditure on energy	3,282	3,218	2,834	2,574	2,513
CRC allowances expenditure	310	210	274	189	188
Expenditure on official travel	574	594	576	635	526

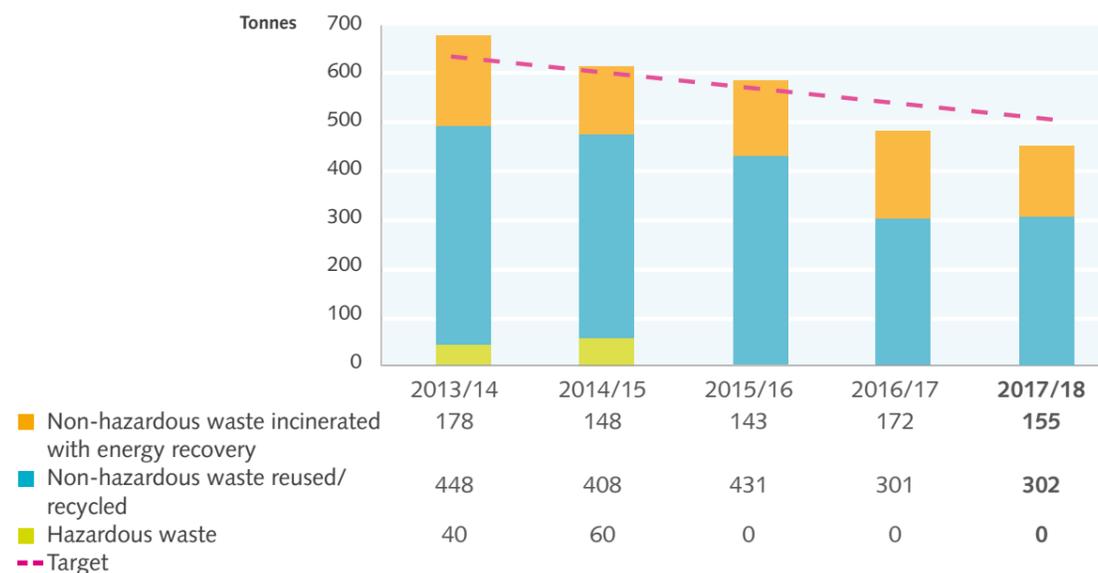
## Waste Management

In 2017/18, the Library produced 457 tonnes of waste, 3.4% less than in 2016/17 and 31% less than in 2009/10, the 'Greening Government' baseline year. We work closely with our cleaning and waste management contractor, both guided by the Government's WRAP initiative. We employ a strict hierarchy of prevention, re-use,

recycling, energy recovery, and treatment/disposal, with waste prevention then re-use through others being preferred and energy recovery being the last resort for waste from our sites. No waste from the Library is sent direct to landfill; all non-recyclable waste is incinerated to provide energy. Food waste is sent to anaerobic digestion,

creating both fertiliser and gas for energy generation. The re-use of redundant material continued in 2017/18, including use of coffee grounds for gardens and allotments at our Boston Spa site, and redundant furniture being re-homed locally within the Camden area.

## Waste, excluding construction waste, by disposal route



## Water consumption

Office benchmarks for water consumption and reduction are not suitable for St Pancras as approximately 60% of water used is for cooling of Reading Rooms,

collection storage areas, public exhibition spaces and the Knowledge Centre. The increasing number of visits by members of the public to our exhibitions and

member facilities in St Pancras is increasing the volume of water consumed by these activities.

## Water consumption



## Sustainable Procurement

The Library complies with DCMS/CCS sustainable procurement policies, but our existing contracts do not yet contain requirements for supply chain reporting. Our procurement policy states our commitment to responsible procurement including promotion of continuous improvement in the reduction and efficient use of energy, water and raw materials and to verify suppliers' environmental policies and procedures, working towards continuous improvements in sustainability.

Heating plant has been reduced and cooling plant increased. An energy reduction plan is in progress as described elsewhere.

Our Boston Spa site is not located in an area of flood risk. It has good groundwater drainage including underground water attenuation and a swale to manage storm events. The new storage buildings constructed in the past 10 years are highly insulated, air conditioned and air tight. The older buildings dating from the 1940s to 1980s are not well insulated and have suffered from rainwater ingress in extreme weather (c.1 event per 3 years). A master plan has been developed for the site to upgrade and replace these buildings over time, subject to an application to Government for funding.

environment features. We seek to achieve appropriate BREEAM ratings for new buildings; the British Library Centre for Conservation building at St Pancras is rated 'Excellent' and the Newspaper Storage Building at Boston Spa, which incorporates a small Tri-Generation plant, has a 'Very Good' rating.

## Procurement of food and catering services

The British Library's agreements for the provision of food and catering services across both public and staff facilities currently meet the majority of the Government buying standards. These include compliance with the key impact areas such as Production Standards, Traceability, Authenticity, Origin of Meat and Dairy and Animal Welfare. In other areas the British Library will continue to engage with all contractors and their supply chains and work towards achieving all minimum standards.

## Climate Change Adaptation

Our St Pancras site is not located in an area of flood risk. Nevertheless the building design incorporates extensive flood defence measures to protect its deep basements. There are other measures including substantial solar shading, landscaping and planting and some rainwater harvesting. The building is well insulated and able to adapt to increased external temperatures.

## Biodiversity Action Planning

Our St Pancras building has some designed-in climate change adaptations. Our Boston Spa site has biodiversity and natural

# REMUNERATION REPORT

## Remuneration Policy

The remuneration policy for the British Library's senior managers is set by the Remuneration Committee, a standing committee of the British Library Board which fulfils the following responsibilities:

- to keep under regular review the terms and conditions of the Chief Executive;
- to undertake an annual review of the Chief Executive's salary and to determine their performance bonus and inform the Board;
- to consider the recommendations of the Chief Executive in relation to the annual review of the salary and performance bonuses of the Executive Team and similarly for any other equivalent paid senior staff;
- to represent the Board in relation to considerations relating to the terms and conditions of all other Library employees and approve the annual pay remit; and
- to carry out any other review and make any other recommendations which, in its opinion or at the request of the Chief Executive, it believes to be relevant to the Board's statutory responsibilities in relation to the terms and conditions of the Library's employees.

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

## Service Contracts

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

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

## Remuneration and Pension Entitlements (audited)

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

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

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

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

The banded remuneration of the highest-paid director in the organisation in the financial year 2017/18 was £170–175k (£170–175k in 2016/17). See remuneration and pension details for the Executive Team on page 52. This was 6.42 times (6.56 times in 2016/17) the median remuneration of the workforce, which was £26,849 (£26,312 in 2016/17).

In 2017/18, no-one received remuneration in excess of the highest-paid director. Remuneration ranged from £13,697 to £170,000 (2016/17: £17,085 to £170,000). Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include employer pension contributions and the cash equivalent transfer of pensions.

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

## Remuneration for Non-pensionable Board Members (audited):

	2017/18 £000	2016/17 £000	Term Started	Term Ends
Rt Hon Baroness Blackstone PC	37.0	37.0	01.09.10	31.08.18
Mr David Barclay	9.1	9.1	26.01.11	25.01.19
Dr Robert Black CBE	9.1	9.1	20.06.12	19.06.20
Mr Jonathan Callaway	9.1	9.1	01.04.15	31.03.19
Ms Tracy Chevalier	9.1	9.1	01.04.15	31.03.19
Mr Martin Dickson	9.1	9.1	01.04.15	31.03.19
Lord Fellowes GCB GCVO PC (until 11.12.16)	–	6.8	30.09.12	11.12.16
Lord Janvrin GCB GCVO PC (from 1.1.17)	9.1	2.3	01.01.17	31.12.20
Dr Stephen Page	9.1	9.1	26.01.11	25.01.19
Mr Patrick Plant	9.1	9.1	15.05.12	14.05.20
Sir John Ritblat	9.1	9.1	01.04.15	31.03.19
Dr Simon Thurley CBE	9.1	9.1	01.04.15	31.03.19
Professor Dame Helen Wallace DBE	9.1	9.1	01.04.15	31.03.19
	<b>137.1</b>	<b>137.1</b>		

No pension contributions were made on behalf of the above Board Members in the year. The Board Members' remuneration is in accordance with the British Library Act 1972.

During the year, a total of £2,333 (£1,739 in 2016/17) was paid to three (two in 2016/17) Board Members for travel expenses.

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

	Salary £000		Bonus Payments £000		Pension Benefits £000		Total £000	
	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17
Roly Keating, Chief Executive	155–160	155–160	10–15	10–15	59	59	230–235	230–235
Caroline Brazier, Chief Librarian <sup>1</sup>	125–130	125–130	10–15	10–15	11	22	150–155	155–160
Philip Spence, Chief Operating Officer	140–145	140–145	10–15	10–15	45	38	190–195	190–195

<sup>1</sup> Caroline Brazier will be retiring from the office of Chief Librarian on 31 August 2018.

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

The Chief Executive and members of the Executive Team are eligible for contractual non-consolidated annual bonus payments of up to 10% of basic salary. Bonuses were paid to three of the Executive Team in 2017/18 (three in 2016/17).

	Accrued Pension at pension age as at 31/3/18 £000	Real increase in pension and related lump sum at pension age £000	CETV at 31/3/18 £000	CETV at 31/3/17 £000	Real increase in CETV £000
Roly Keating, Chief Executive	15–20	2.5–5	266	212	34
Caroline Brazier, Chief Librarian	20–25 plus lump sum of 70–75	0–2.5 plus lump sum of 2.5–5	561	530	11
Philip Spence, Chief Operating Officer	25–30	2.5–5	455	401	21

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

The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

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

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

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

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

Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age

for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages).

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

Further details about the Civil Service pension arrangements can be found at the website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

### Cash Equivalent Transfer Values

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

# GOVERNANCE STATEMENT

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.

### Civil Service compensation scheme exit packages (audited)

The numbers of exit packages agreed during the year are shown by cost band in the table below:

Exit package cost band	Number of non-compulsory departures agreed		Number of compulsory redundancies agreed		Total number of exit packages by cost band	
	2017/18	2016/17 restated	2017/18	2016/17	2017/18	2016/17 restated
£0–£10,000	–	2	–	–	–	2
£10,001–£25,000	5	5	–	–	5	5
£25,001–£50,000	1	16	–	–	1	16
£50,001–£100,000	5	2	–	–	5	2
Total number of exit packages	11	25	–	–	11	25
Total cost £000	495	857	–	–	495	857

Redundancy and other departure costs are payable in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972, for individuals employed by the Library. Where the Library has agreed early retirements, the additional costs are met by the Library and not the Civil Service pension scheme.

The 2016/17 figures have been restated to reflect top-up payments that have been made following the quashing at Judicial Review of the 2016 amendments to the Civil Service Compensation Scheme.



Rt Hon Baroness Blackstone PC  
Chairman

27 June 2018



Roly Keating  
Chief Executive  
and Accounting Officer

27 June 2018

### Governance Framework

#### The British Library

The British Library is the national library of the United Kingdom, formed in 1973 under Section 1(1) of the British Library Act 1972 ('the Act'). It is an arm's-length, non-departmental public body funded by a combination of Grant in Aid allocated by the Department for Digital, Culture, Media and Sport (DCMS) and income secured through commercial, fundraising, sponsored and charging activities. A management agreement letter from the Secretary of State sets out the Library's Grant in Aid allocation and conditions.

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

#### Objectives and Activities

Section 1(2) of the Act placed the Library under the control and management of the British Library Board ('the Board'), the duty of which is to manage the Library as a national centre for reference, study and bibliographical and other information services in relation both to scientific and technological matters and to the humanities.

The objectives of the Library are set out under Sections 1(3) and 1(4) of the Act. The Library is required to make its services available to the public and, in particular,

to institutions of education and learning, other libraries and industry. It may carry out and sponsor research, contribute to the expenses of library authorities or other persons providing library facilities, and make any part of its collections, or of its premises, available in connection with events of an educational, literary or cultural nature. Under Section 2, the Schedule to the Act empowers the Board to impose charges for any services provided, or for the loan or use of any item from its collections, subject to the approval of the Secretary of State.

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

#### The Board

The constitution and further provisions of the Board are set out in the Act. The Chairman and members of the Board are all appointed by the Secretary of State,

with the exception of one member who is appointed by HM The Queen. One member of the Board is appointed after consultation with Scottish Ministers. Members are normally appointed for four-year terms, with consecutive appointments restricted to two terms. The Chief Executive is the only full-time, executive member of the Board. The Chairman and Board select one of their members to be Deputy Chairman.

Members of the Board have corporate responsibility for ensuring that the Library complies with all statutory or administrative requirements for the use of public funds and for 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 annual budget and oversees the delivery of planned results by monitoring performance against agreed strategic objectives and targets.

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

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

## Board Committees

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

Committee	Key Responsibilities
<b>Audit Committee</b>	A standing committee which supports the Board and the Accounting Officer in their responsibilities for issues of finance, risk, control and governance by reviewing the comprehensiveness, reliability and integrity of assurances provided to them.
<b>Remuneration Committee</b>	A standing committee which makes determinations on behalf of the Board with regard to the performance, pay and employment terms and conditions of the Chief Executive, and which considers the recommendations of the Chief Executive in relation to the Chief Librarian, the Chief Operating Officer and other staff.
<b>Capital Projects Committee</b>	A limited-life committee, whose primary responsibility is to assist the Board in overseeing the achievement of the objectives of the St Pancras Transformed Programme.

## Board and Committee Membership<sup>2</sup>

	Current term	Expires	Board	Audit	Remun.	Cap Pr.
<b>Chairman</b>						
Rt Hon Baroness Blackstone PC	2nd	31.8.2018	Chair	–	Member	–
<b>Deputy Chairman</b>						
Mr David Barclay	2nd	25.1.2019	Member	Member	Chair	–
<b>Chief Executive</b>						
Mr Roly Keating	1st	11.9.2019	Member	–	–	Member
<b>Non-Executive Board Members</b>						
Dr Robert Black CBE	2nd	19.6.2020	Member	Chair	–	–
Mr Jonathan Callaway	1st	31.3.2019	Member	–	–	–
Ms Tracy Chevalier	1st	31.3.2019	Member	–	–	–
Mr Martin Dickson	1st	31.3.2019	Member	Member	–	–
Lord Janvrin GCB GCVO PC	1st	31.12.2020	Member	–	Member	–
Dr Stephen Page	2nd	25.1.2019	Member	–	–	Member
Mr Patrick Plant	2nd	14.5.2020	Member	–	–	Chair
Sir John Ritblat	1st	31.3.2019	Member	–	–	–
Dr Simon Thurley CBE	1st	31.3.2019	Member	–	–	Member
Professor Dame Helen Wallace DBE	1st	31.3.2019	Member	Member	–	–
<b>Committee members with relevant professional experience:</b>						
Ms Berenice Smith	3rd	31.10.2018	–	Member	–	–

<sup>2</sup> Board members' biographies are available at: [www.bl.uk/aboutus/governance/blboard/memberslist/](http://www.bl.uk/aboutus/governance/blboard/memberslist/)

Two new committee members with relevant professional experience have been appointed to the Audit Committee with effect from 1 April 2018: Ms L Brown (finance) and Mr N Deyes (technology).

A register of Board Members' interests is maintained by the Head of Governance and is open to inspection at the Library on application to him. Details of related party transactions are disclosed in note 22 to the accounts.

## Board Performance

### Board and Committee Business

The Board received annual reports from the Chairs of the Audit Committee and Remuneration Committee, plus minutes of each meeting of the Audit Committee and Capital Projects Committee. The Board received quarterly reports on financial and business performance, plus delivery of strategic change initiatives. The Board also approved financial and business plans for the next year.

In addition to regular business, significant issues that were considered by the Board during 2017/18 included:

- a request to the Secretary of State for new legislation to amend section 2, paragraph 11(1) of the Act so as to give the Board power to borrow money
- development of a new Public Lending Right system and a proposal to transfer the operation from Stockton-upon-Tees to Boston Spa
- progress updates on the strategies for information technology, digital research services, people (staff), safety and security, fundraising, commercial activities, the international purpose in *Living Knowledge*, and Everyone Engaged
- following HM Treasury's approval of the full business case, reports of progress towards a Development Agreement for the land to the north of the Library's estate in St Pancras ('St Pancras Transformed')
- potential future options for refreshing the Library's activities and estate in Boston Spa
- the Library's role in supporting development of a 'single digital presence' for public libraries
- a proposal for integrating the Friends of the British Library with the Library's own membership scheme

- preparations for DCMS' review, in 2018, of the Legal Deposit Libraries (Non-Print Works) Regulations 2013
- preparations for implementation of the new General Data Protection Regulations in May 2018
- and potential implications and risks for the Library arising from the UK's decision to leave the EU.

The Audit Committee kept the management of risk, and the Library's top strategic risks, under review throughout the year. The Committee reviewed reports from RSM, the Library's internal auditors in 2017/18, including progress reports on the implementation of recommendations. The Committee appointed KPMG as new internal auditors and agreed a suitable programme of work for 2018/19. Members of internal and external audit attended each meeting of the Audit Committee and their work was considered by the Committee. During the course of its work in 2017/18, the Committee did not identify any particular issues to draw to the attention of the Board or Accounting Officer.

The Remuneration Committee approved, on behalf of the Board, annual bonus recommendations for the Chief Executive, Chief Librarian and Chief Operating Officer in relation to their performance in 2016/17, plus the annual pay remit for staff in 2017/18.

Following HM Treasury's approval, in April 2017, of the full business case for developing land in the north of the Library's St Pancras estate, the Capital Projects Committee oversaw progress in negotiations for a Development Agreement with property developer, Stanhope plc. Issues included the provision of improved facilities for the Library, how to satisfy planning and local community needs, providing for the anticipated future requirements of Crossrail2, and mutual agreement of a viable commercial and financial model.

## Board and Committee Attendance

	Meetings attended / eligible to attend			
	British Library Board	Audit Committee	Remuneration Committee	Capital Projects Committee
Rt Hon Baroness Blackstone PC	5 / 5	–	1 / 1	–
Mr David Barclay	5 / 5	4 / 4	1 / 1	–
Dr Robert Black CBE	5 / 5	4 / 4	–	–
Mr Jonathan Callaway	5 / 5	–	–	–
Ms Tracy Chevalier	4 / 5	–	–	–
Mr Martin Dickson	5 / 5	4 / 4	–	–
Lord Janvrin GCB GCVO PC	5 / 5	–	1 / 1	–
Mr Roly Keating	5 / 5	–	–	6 / 6
Dr Stephen Page	5 / 5	–	–	6 / 6
Mr Patrick Plant	5 / 5	–	–	6 / 6
Sir John Ritblat	2 / 5	–	–	–
Dr Simon Thurley CBE	5 / 5	–	–	5 / 6
Professor Dame Helen Wallace DBE	5 / 5	4 / 4	–	–
<b>Committee members with relevant professional experience:</b>				
Ms Berenice Smith	–	4 / 4	–	–

### Board Effectiveness

New board appointees' induction includes interviews with key staff about strategic issues and the services of the Library, briefing material on the Library's governance framework and background, and the offer of training on board members' responsibilities and requirements or expectations relevant to the Library as a public body.

Board members have annual appraisals with the Chairman and the Board undertakes an annual assessment of its own effectiveness on the basis of a self-evaluation questionnaire. The review of 2017/18 confirmed that the Board has good skills-based membership, but members recommended that consideration should be given by the Secretary of State in future appointments to increasing the Board's diversity and to adding more digital expertise as the

Library's business continues to evolve. The review also confirmed that the Board was generally effective with sound processes, that Board members receive timely and accurate information in all areas for which they are responsible and that they have confidence in the robustness of data. The Board considers the quality of information sufficient for it to conduct its role.

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

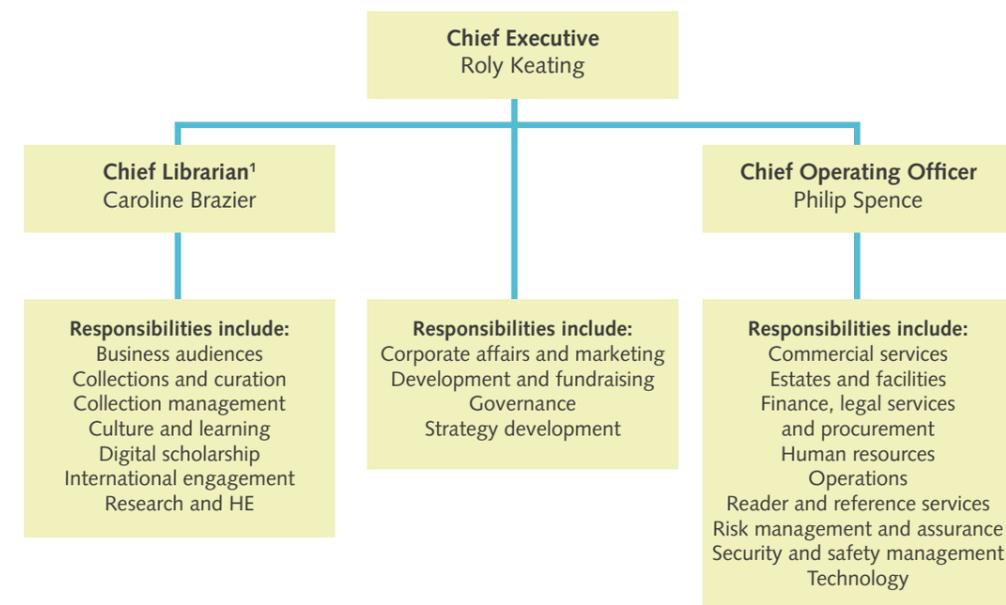
The Library complies with the requirements of *Corporate governance in central government*

*departments: code of good practice, 2017* as adapted to the circumstances of the Library as an arm's-length body.

### Management

Responsibility for managing the Library is delegated to the Chief Executive who, as Accounting Officer, is personally responsible to Parliament for the stewardship of public money and the Library's assets, and for ensuring that the resources allocated to the Library under the authority of Parliament are used for the purposes intended by Parliament.

Management of the Library is led by the Chief Executive, Chief Librarian and Chief Operating Officer, and includes the following areas of responsibility:



<sup>1</sup> Caroline Brazier will be retiring from the office of Chief Librarian on 31 August 2018.

### Risk management and controls

Risk is a key component in Board and Executive decision making and we continue to develop our risk management systems. Risk management is increasingly integrated in business planning decisions, whether big or small, rather than being a separate management activity. We seek to mitigate risks where it is reasonably practical and cost effective to do so. However, as resources are finite we recognise that some risk taking will always be necessary, especially if we are to exploit opportunities as they present themselves. The Board has established a framework in which, for different types of risk such as brand, financial stewardship, governance or service delivery, the Board is prepared to accept one of the following levels of risk: Minimum, Low, Modest, Moderate or Maximum.

The Library draws a clear distinction between the Library's principal, strategic risks and operational risks. Each risk has a named owner – a Chief Officer or the Head of Governance, in the case of strategic risks – who is responsible for reviewing the risk on a regular basis and for identifying and ensuring

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

In addition to management reviews, each year the Board and the Board's Audit Committee both review the strategic risks register. For each strategic risk, the Audit Committee also receives at least once during the year an in-depth review and assurance about its controls and management. Operational risks are managed and reviewed regularly by the management team. If warranted, operational risks may be escalated to the strategic risks register.

Our internal control activities aim to ensure that policies and procedures across the organisation and our governance arrangements are efficient and effective. Overall assurance in the effectiveness of our internal controls is achieved through a combination of: process

controls within workflows; clear roles and responsibilities; management level monitoring; active risk management; use of management information and exception reporting; and accountability for decision-making.

Day-to-day activities and controls are managed at a local level (sometimes referred to as the 'first line of defence'). Senior leaders and internal management groups provide oversight, using management information and key performance indicators to monitor their effectiveness (second line of defence). Our outsourced Internal Audit service and other external experts or comparators enable an independent assessment of the effectiveness of our controls at all levels (third line of defence).

In line with Public Sector Internal Audit Standards, the Head of Internal Audit provides an annual opinion on the overall adequacy and effectiveness of the Library's risk management, control and governance processes. Based on the 22 internal audit reviews carried out and the implementation of 63 audit recommendations in 2017/18, the Head of Internal Audit rated the Library as having an adequate

and effective framework for risk management, governance and internal control but recommended some further enhancements to ensure that the framework remains adequate and effective.

### Principal risks

In 2017/18, an additional strategic risk was identified as work began to define, procure and deliver major new systems which will transform the Library's technical infrastructure. The Library's register of principal, strategic risks contained the following ten themes:

- **Stakeholder Relationships:** The risk that we fail to comprehend stakeholders' interests or communicate the Library's position effectively. (Appetite: Modest)
- **Physical Security:** The risk of a major physical security breach or incident, including the threat of terrorist attack. (Appetite: Low)
- **Digital Systems Security:** The risk of cyber-attack resulting in systems failure or a major loss of information. (Appetite: Low)
- **Technology:** The risk that the digital platforms underpinning core products and services are not effective. (Appetite: Modest)
- **Recruitment and Retention:** The risk that we are unable to retain and or recruit staff with the skills we need. (Appetite: Moderate)
- **Engaged Staff:** The risk of failing to motivate staff or to communicate an inspiring vision. (Appetite: Low)

- **Transformational Change:** The risk that we have not embarked upon, or that we fail to deliver, the right transformational change we need. (Appetite: Low)
- **Cultural Property Claims:** The risk that the diversity of the Library's collections will give rise to restitution claims, especially in the light of a changing political climate and increasing cultural awareness, for which the Library is unprepared. (Appetite: Low)
- **Financial Resources:** The potential risk of future reductions in Grant in Aid, and of failing to develop sustainable and diverse alternative sources of funding. (Appetite: Modest)
- **Implications of EU Exit:** Potential threats, and the risk of being unprepared for opportunities, arising from Britain's exit from the EU. (Appetite: Low)

## OTHER DISCLOSURES

### Public Benefit

The British Library Board believe that the British Library meets the public benefit requirements, and they confirm that they have taken into account the guidance contained in the Charity Commission's general guidance on public benefit where applicable.

### Managing Information

The Senior Information Risk Owner (SIRO) of the Library is supported by a Corporate Information Governance Group covering information compliance, information management and information security. During 2017/18 the main focus of activity was on:

- Data protection, including preparations for the implementation of the General Data Protection Regulation in May 2018. The regulation establishes new rules for the use of personal data in the digital era, affecting our custodianship of collections and the operation of customer databases including our members, suppliers and partners
- Freedom of Information and support of the Government's transparency agenda
- Information management through continued improvements in our records management and development of our corporate archive
- Information security policy and controls, aligned with ISO 27001/2

- Improved handling of credit card data, including compliance with the Payment Card Industry Data Security Standard v3.2.

The Library has suffered no significant losses or thefts of personal or other protected data during 2017/18 and has reported no incidents to the Information Commissioner's Office.

### Modern Slavery Act

Respecting the rights of the people that we interact with has always been integral to the British Library, and addressing modern slavery is a core part of our human rights and responsible sourcing strategy. The Library's trading turnover is not sufficient for the provisions of the Modern Slavery Act to apply. Nevertheless, in line with our corporate social responsibilities, we have taken steps within HR and Procurement to update policies, standards and procedures.

### Business Continuity Management

Business Continuity Management (BCM) is an established part of the Library's preparations for managing risk, whether from internal system failures or from external emergencies. The British Library bases its BCM on the framework guidance laid out in ISO 22301 Societal Security – Business Continuity Management systems. Effectiveness is confirmed by completion of crisis management exercises which test our business continuity arrangements at both tactical and strategic levels.

### Health and Safety

A Health and Safety team helps ensure that the Library's legal and moral obligations to safeguard the health, safety and welfare of staff and visitors are met in full. During the year, two accidents were reported under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) – compared with two<sup>1</sup> in 2016/17. In total, there were 2,481 staff attendances at thirteen types of health and safety training during 2017/18. The Library adheres to all salient points within the British Standards Institute's BS OHSAS 18001 guidance.

The average sickness absence for staff during the year, excluding unpaid absence and maternity leave, was 7.40 days per employee (8.03 days in 2016/17).

<sup>1</sup>The Annual Report & Accounts 2016/17 and 2015/16 stated incorrectly that 91 incidents and 95 incidents respectively were reported as accidents under RIDDOR

### Whistleblowing

The Library's whistleblowing policy was reviewed and updated in August 2017/18 in consultation with our recognised Trade Unions. It was also considered as part of an advisory Fraud Risk assessment review undertaken by our Internal Auditors during the year. It is made widely available to all staff on the Library's intranet and was communicated directly to all staff following the update. In a majority of instances the most appropriate place for a worker to raise concerns will be with their line manager or a more senior manager; in other cases a concern may be reported to the Chair of the Audit Committee as a member of the British Library Board or, in their absence, to the Deputy Chairman. There were no instances of whistleblowing reported in 2017/18.

### Trade Union Facility Time

The following information is published under the Trade Union (Facility Time Publication Requirements) Regulations 2017.

#### Relevant union officials and percentage of working hours spent on facility time

Number of employees who were relevant union officials during 2017/18 (headcount)	36
Number of employees who were relevant union officials during 2017/18 (full time equivalent)	34.7

#### Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1–50%	36
51–99%	0
100%	0

#### Percentage of pay bill spent on facility time

Total cost of facility time	£54,900
Total pay bill	£57,947,803
Percentage of the total pay bill spent on facility time	0.09%

#### Paid trade union activities

Time spent by relevant employees on paid trade union activities as a percentage of total paid facility time	73%
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Rt Hon Baroness Blackstone PC  
Chairman

27 June 2018



Roly Keating  
Chief Executive  
and Accounting Officer

27 June 2018

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

### Opinion on financial statements

I certify that I have audited the financial statements of British Library for the year ended 31 March 2018 under the British Library Act 1972. The financial statements comprise: the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the Charities SORP and FRS 102. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the British Library's affairs as at 31 March 2018 and of its net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the British Library Act 1972 and Secretary of State directions issued thereunder.

### Opinion on regularity

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

### Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those

standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the British Library in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Responsibilities of the Board and Accounting Officer

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

### Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the British Library Act 1972. An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the British Library's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the British Library's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained

up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

#### Other Information

The Board and Accounting Officer are responsible for the other information. The other information comprises information included in the Annual Report, other than the financial statements and my auditor's report thereon. My opinion on the financial

statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

#### Opinion on other matters

In my opinion:

- the parts of the Remuneration Report to be audited have been properly prepared in accordance with Secretary of State directions made under the British Library Act 1972;
- in the light of the knowledge and understanding of the British Library and its environment obtained in the course of the audit, I have not identified any material misstatements in the Annual Report; and
- the information given in the Annual Report which we provide a positive consistency opinion on for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### Matters on which I report by exception

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

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

#### Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse  
Comptroller and Auditor General

5 July 2018

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

## ANNUAL ACCOUNTS

### The British Library Board

#### Statement of Financial Activities for the year ended 31 March 2018

Notes	Unrestricted funds			Restricted funds	Endowed funds		Total 2017/18
	General Funds	Designated Funds	Fixed Asset Funds		Permanent	Expendable	
	£000	£000	£000	£000	£000	£000	£000
<b>Income and Endowments from:</b>							
Grant in Aid	2	93,443	–	–	–	–	93,443
Donations and legacies	3	621	455	258	8,291	–	9,634
Charitable activities	4	13,843	30	–	2,271	–	16,152
Other trading activities		1,206	–	–	122	–	1,328
Investment Income	5	271	–	–	–	(2)	269
<b>Total Income and Endowments</b>		<b>109,384</b>	<b>485</b>	<b>258</b>	<b>10,684</b>	<b>–</b>	<b>120,826</b>
<b>Expenditure on:</b>							
<b>Raising Funds</b>							
Raising donations and legacies		(1,623)	–	–	–	–	(1,623)
Other trading activities		(1,287)	–	–	–	–	(1,287)
Investment management costs		–	(32)	–	(6)	(21)	(79)
<b>Charitable Activities</b>		<b>(102,881)</b>	<b>(94)</b>	<b>(32,071)</b>	<b>(6,664)</b>	<b>(42)</b>	<b>(284)</b>
<b>Total Expenditure</b>	<b>7</b>	<b>(105,791)</b>	<b>(126)</b>	<b>(32,071)</b>	<b>(6,670)</b>	<b>(63)</b>	<b>(145,084)</b>
Net Gains/(losses) on investments	11	–	236	–	31	161	631
<b>Net income/(expenditure)</b>	<b>6</b>	<b>3,593</b>	<b>595</b>	<b>(31,813)</b>	<b>4,045</b>	<b>98</b>	<b>283</b>
<b>Transfer between funds</b>	<b>18</b>	<b>(1,883)</b>	<b>(228)</b>	<b>3,654</b>	<b>(1,491)</b>	<b>–</b>	<b>(52)</b>
<b>Other recognised gains/(losses)</b>							
Gains / (losses) on revaluation of fixed assets	9	–	–	(586,481)	–	–	–
<b>Net movement in funds</b>		<b>1,710</b>	<b>367</b>	<b>(614,640)</b>	<b>2,554</b>	<b>98</b>	<b>231</b>
<b>Reconciliation of Funds:</b>							
Total funds brought forward at 1 April		31,241	7,489	1,558,961	5,644	3,850	13,984
<b>Total funds carried forward at 31 March</b>		<b>32,951</b>	<b>7,856</b>	<b>944,321</b>	<b>8,198</b>	<b>3,948</b>	<b>14,215</b>
							<b>1,011,489</b>

The British Library Board  
Statement of Financial Activities for the year ended 31 March 2017 – Restated

Notes	Unrestricted funds			Restricted funds	Endowed funds		Total 2016/17	
	General Funds	Designated Funds	Fixed Asset Funds		Permanent	Expendable		
	£000	£000	£000	£000	£000	£000	£000	
<b>Income and Endowments from:</b>								
Grant in Aid	2	93,911	–	–	–	–	93,911	
Donations and legacies	3	109	141	930	7,700	–	334	9,214
Charitable activities	4	12,113	38	–	728	–	13	12,892
Other trading activities		1,179	156	–	13	–	–	1,348
Investment Income	5	237	144	–	18	65	185	649
<b>Total Income and Endowments</b>		<b>107,549</b>	<b>479</b>	<b>930</b>	<b>8,459</b>	<b>65</b>	<b>532</b>	<b>118,014</b>
<b>Expenditure on:</b>								
<b>Raising Funds</b>								
Raising donations and legacies		(1,372)	–	–	–	–	–	(1,372)
Other trading activities		(1,546)	–	–	–	–	–	(1,546)
Investment management costs		–	(3)	–	(1)	(2)	(8)	(14)
<b>Charitable Activities</b>		<b>(98,727)</b>	<b>(245)</b>	<b>(28,925)</b>	<b>(7,068)</b>	<b>(43)</b>	<b>(368)</b>	<b>(135,376)</b>
<b>Total Expenditure</b>	<b>7</b>	<b>(101,645)</b>	<b>(248)</b>	<b>(28,925)</b>	<b>(7,069)</b>	<b>(45)</b>	<b>(376)</b>	<b>(138,308)</b>
Net Gains/(losses) on investments	11	–	719	–	104	477	1,365	2,665
<b>Net income/(expenditure)</b>	<b>6</b>	<b>5,904</b>	<b>950</b>	<b>(27,995)</b>	<b>1,494</b>	<b>497</b>	<b>1,521</b>	<b>(17,629)</b>
<b>Transfer between funds</b>	<b>18</b>	<b>(4,688)</b>	<b>(209)</b>	<b>6,122</b>	<b>(1,187)</b>	<b>(6)</b>	<b>(32)</b>	<b>–</b>
<b>Other recognised gains/(losses)</b>								
Gains / (losses) on revaluation of fixed assets	9	–	–	288,222	–	–	–	288,222
<b>Net movement in funds</b>		<b>1,216</b>	<b>741</b>	<b>266,349</b>	<b>307</b>	<b>491</b>	<b>1,489</b>	<b>270,593</b>
<b>Reconciliation of Funds:</b>								
Total funds brought forward at 1 April		30,025	6,748	1,292,612	5,337	3,359	12,495	1,350,576
<b>Total funds carried forward at 31 March</b>		<b>31,241</b>	<b>7,489</b>	<b>1,558,961</b>	<b>5,644</b>	<b>3,850</b>	<b>13,984</b>	<b>1,621,169</b>

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 69 to 91 form part of these accounts.

The Statement of Financial Activities for the year ended 31 March 2017 has been restated to improve the information provided on the nature of the various categories of funds and to separate out income from and expenditure on other trading activities which the Library is developing as a funding source.

The British Library Board  
Balance Sheet as at 31 March 2018

Notes	2017/18 £000	2016/17 restated £000
<b>Fixed assets</b>		
Intangible assets	8	548
Tangible assets	9	874,225
Heritage assets	10	69,548
Investments	11	24,243
<b>Total fixed assets</b>		<b>968,564</b>
<b>Current assets</b>		
Stocks	12	1,051
Debtors and prepayments	13	10,840
Investments	14	18,000
Cash at bank and in hand	15	32,018
<b>Total current assets</b>		<b>61,909</b>
<b>Current liabilities</b>		
Creditors: amounts falling due within one year	16	(17,678)
Provisions: amounts falling due within one year	17	(1,306)
<b>Total current liabilities</b>		<b>(18,984)</b>
<b>Net current assets</b>		<b>42,925</b>
<b>Total assets less current liabilities</b>		<b>1,011,489</b>
<b>Total net assets</b>		<b>1,011,489</b>
<b>Funds of the Charity:</b>		
<b>Permanent Endowments</b>		<b>3,948</b>
<b>Expendable Endowments</b>		<b>14,215</b>
<b>Restricted funds</b>		<b>8,198</b>
<b>Unrestricted funds</b>		
Designated funds		
Fixed asset reserves		410,475
Revaluation reserve		504,833
Donated asset reserve		29,013
Other designated funds		7,856
General funds		32,951
<b>Total funds</b>	<b>18</b>	<b>1,011,489</b>
		<b>1,621,169</b>

The 2016/17 figures have been restated to reflect the improved breakdown of funds categories adopted in the Statement of Funds Application.

The notes on pages 69 to 91 form part of these accounts.

The financial statements on pages 65 to 68 and accompanying notes on pages 69 to 91 were approved by the Board on 27 June 2018, and were signed on their behalf by:

Rt Hon Baroness Blackstone PC  
Chairman

27 June 2018

Roly Keating  
Chief Executive  
and Accounting Officer

27 June 2018

	Notes	2017/18 £000	2016/17 £000
<b>Cash Flows from operating activities:</b>			
<b>Net Cash provided by (used in) operating activities</b>	<b>15</b>	<b>8,711</b>	7,911
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from Investments	5	269	649
Purchase of property, plant and machinery	8,9	(2,561)	(4,919)
Purchase of heritage assets	10	(1,384)	(1,391)
Donated assets	10	(55)	(870)
Disposal of Investments at cost	11	1,272	22,058
Purchase of investments	11	(200)	(23,926)
<b>Net Cash provided by (used in) investing activities</b>		<b>6,052</b>	(488)
<b>Change in cash and cash equivalents</b>		<b>6,052</b>	(488)
Cash and cash equivalent brought forward		43,966	44,454
<b>Cash and Cash equivalents carried forward</b>		<b>50,018</b>	43,966
<b>Analysis of Cash and Cash Equivalents:</b>			
Cash at bank and in hand		32,018	27,466
Notice deposits		18,000	16,500
<b>Total Cash and cash equivalents</b>		<b>50,018</b>	43,966

The notes on pages 69 to 91 form part of these accounts

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES

#### a) Accounting convention

The accounts comply with the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (effective 1 January 2015), FRS 102, the Government Financial Reporting Manual (FRM), the British Library Act 1972 and the Accounts Direction issued by the Secretary of State for Digital, Culture, Media and Sport. A copy of the Direction is available from the Department for Digital, Culture, Media and Sport. Where there is a conflict between the requirements of the SORP and the FRM, the SORP has been followed with additional disclosure provided to comply with the FRM.

The Accounts have been prepared under the historical cost convention as modified by the revaluation of land and buildings and the treatment of investments which have been included at fair value.

The Board have considered the implications of the spending review settlement on our Grant in Aid, and believe that there are no material uncertainties about the Library's ability to continue and the accounts have therefore been prepared on the going concern basis.

#### b) Statement of Financial Activities (SOFA)

This statement discloses the totality of the resources receivable by the British Library during the year and their disposition.

#### i. Income

In general, income is accounted for when a transaction or other event results in an increase in the Library's assets or a reduction in its liabilities. Grant-in-aid is taken to the SOFA in the year in which it is received.

Income from grants is recognised in the SOFA when the conditions for their receipt have been met.

Income from donations is recognised in the SOFA when there is evidence of entitlement, receipt is probable and its amount can be reliably measured. Legacies are recognised as income when there has been grant of probate, there are sufficient assets in the estate, evidence of entitlement has been received from the executor, and the amount receivable can be measured with sufficient accuracy.

Contractual and trading income is recognised, net of VAT, as income to the extent that the Library has provided the associated goods or services. Where income is received in advance and the Library does not have entitlement to these resources until the goods or services have been provided, the income is deferred.

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

#### ii. Expenditure

Expenditure is recognised in the financial statements when a present legal or constructive obligation exists, it is more likely than not that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured or estimated reliably.

Expenditure is classified in the SOFA under the principal categories of expenditure on raising funds and expenditure on charitable activities.

Where costs cannot be directly attributed, they are allocated to activities according to the method described in note 7. Expenditure on other trading activities relates to those trading activities chargeable to corporation tax, sponsorship and membership including direct and allocated support costs. Expenditure

on charitable activities comprises resources applied to meet the charitable purposes of the Library, namely Custodianship, Research, Business, Culture, Learning, International and Public Lending Right payments to authors.

Governance costs are those costs incurred in connection with the general governance of the Library including compliance with constitutional and statutory requirements.

The British Library is able to recover VAT relating to the expenditure for primary purpose activities. Any irrecoverable VAT is treated as a support cost and apportioned over the activities of the Library as described in note 7.

#### c) Heritage Assets

The Library accounts for the objects in its collection as non-operational heritage assets, in accordance with SORP Module 18 Accounting for Heritage Assets. A heritage asset is defined as "a tangible or intangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture."

Capitalised heritage assets are not depreciated because they are deemed to have indefinite lives, but are subject to impairment reviews where damage or deterioration is reported.

#### i. Heritage assets acquired since 1 April 2001

The Library includes donated or purchased heritage assets acquired since 1 April 2001 on the balance sheet at cost or valuation at the time of acquisition. Valuations are performed during the year of acquisition by internal curatorial experts based on their expert knowledge and, where appropriate, with reference to recent sales of similar objects. The cost or valuation

is not subject to revaluation because such information cannot be obtained at a cost commensurate with the benefit to users of the financial statements.

#### ii. Heritage assets acquired before 1 April 2001

The Library has not capitalised heritage assets acquired prior to 1 April 2001. This is because comprehensive valuation, as illustrated below, would not provide a meaningful figure for users of the financial statements and the cost of doing so is not commensurate with the benefits to users of the financial statements.

Historic cost – while it may be possible to assign a cost to items purchased within a financial year, historic cost quickly becomes obsolete and meaningless, not only because of general price movements where markets for similar items do exist, but also because of changing opinions about attribution and authenticity, subsequent research into objects that reveals new value, the emergence of new information about the provenance of an item or changes in taste.

Valuation – attempting to value heritage assets acquired historically raises a number of further conceptual concerns. Valuation of heritage assets is complicated by the nature of many such assets. They are rarely sold and often have a value enhanced above the intrinsic through their association with a person, event or collection, there are a very limited number of buyers, no homogeneous population of assets on the market, and imperfect information about the items for sale. In contrast with many commercial assets, therefore, there is seldom an active market to provide indicative values of similar objects. This makes materially accurate valuations impossible to achieve for many heritage assets. Individual expert valuation would therefore be required, the cost of which would be prohibitive.

#### d) Tangible Assets

Assets with an economic life of more than one year and value greater than £20,000 are capitalised.

The Library's land, buildings and structural plant and machinery at St Pancras and Boston Spa are revalued for accounting purposes every five years by external chartered surveyors. The sites are valued on a depreciated replacement cost basis. Between the quinquennial valuations the Boston Spa site is revalued annually using relevant indices. The St Pancras site is subject to interim desk top revaluations because general indices available do not accurately reflect changes in such a specialist site.

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

Impairment reviews are carried out at the end of each reporting period in accordance with FRS102 to ensure that the carrying values of the assets do not exceed their recoverable amount.

Depreciation is provided on all tangible fixed assets other than freehold land. 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:

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##### Freehold buildings

Over the remaining useful life as at the valuation date, up to a maximum of 75 years.

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##### Plant and Machinery and Office Equipment

3 to 25 years

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##### Computer Equipment

3 to 5 years

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##### Motor Vehicles

4 years

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##### Assets in the course of construction

No depreciation is charged until the asset is operational and supporting the activities of the Library

#### e) Intangible Assets

Intangible assets with an economic life of more than one year and value greater than £20,000 are capitalised. All intangible assets are measured at cost.

Any costs associated with the development of internal systems, including web redevelopment, are capitalised in accordance with the requirements of FRS102.

Amortisation is provided on all intangible assets as follows:

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##### Licences:

Over the contractual period

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##### Websites and developed software:

3 years

#### f) Financial Instruments

The Library only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. All fall due within one year. These have been accounted for in accordance with FRS102.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognised on the Library's balance sheet when the Library becomes a party to the contractual provisions of the instrument. Assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Library has transferred substantially all risks and rewards of ownership. Liabilities are derecognised when all obligations in respect of them have been discharged. Where material, assets and liabilities falling due after more than one year are discounted to their present value.

The Library's investments comprise restricted funds that have been invested in unit trusts traded on an active market. These have been classified as available for sale and recognised at fair value, with any gains or losses reflected in the SOFA in the period in which they arise. Other financial instruments (notably trade debtors, current

asset investments, cash at bank and in hand, and trade creditors) are initially recognised at fair value (i.e. cost) plus or minus material transaction costs directly attributable to their acquisition or issue; and subsequently measured at cost, less impairment where material.

An assessment of whether there is objective evidence of impairment is carried out for material financial assets at the balance sheet date. Objective evidence includes, for example, significant financial difficulty of the issuer or debtor, disappearance of an active market for the financial asset, or data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition. Where there is objective evidence that a financial instrument is impaired, its loss is reflected in the SOFA.

#### g) Stocks

Stocks for re-sale are stated at the lower of cost and net realisable value. Provision is made against slow-moving and obsolete stock. Stocks held in respect of book-binding activities are recorded at cost. As this stock is not of a general nature it would not be cost-effective to test the realisable value in determining which provides the lower valuation.

Any stocks of consumables held are considered written off at the time of purchase.

#### h) Provisions

The Library provides for legal or constructive obligations which are of uncertain timing or amount on the balance sheet date on the basis of best estimate of the expenditure required to settle the obligation. Provisions are recognised where there is a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

#### i) Foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate at that date. Foreign exchange differences arising on translation are reflected in the SOFA.

#### j) Leases

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

#### k) Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “alpha”. These are unfunded multi-employer defined benefit schemes but the Library is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2012. The next quadrennial valuation of the Scheme as at 31 March 2016 is underway and is expected to be published in summer 2018. This includes a long-term financial projection for the Scheme and will influence the contributions needed to fund it. Changes to the contribution rates arising from the valuation are expected to be implemented in April 2019. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)).

The expected cost of these elements is recognised on a systematic and rational basis over the period during which the Library benefits from employees' services by payment to the PCSPS/alpha of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS/alpha.

In respect of the defined contribution schemes, we recognise the contributions payable for the year. Further details can be found in note 7(d) to the accounts.

#### l) Taxation

The Library is exempt from corporation tax on its charitable activities under the provisions of the Corporation Taxes Act 2010. Income from non-charitable activities is subject to corporation tax at the prevailing rate.

#### m) Fund accounting

The Library has the following categories of funds:

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

Transfer between funds will occur when Library or Restricted funds services are utilised by an opposite category of fund. Transfers may also occur during the purchase of tangible and heritage assets if a restricted fund is to contribute to the purchase. These transfers are reflected in the transfer column in note 18 on page 85.

#### n) Estimation Techniques

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

- Index-linked revaluations are used in the interim years between professional revaluations. The Library's land and buildings are re-valued using an appropriate index provided by the Royal Institute of Chartered Surveyors. Plant and Machinery assets are re-valued using an appropriate index provided by the Office for National Statistics

- To establish that the correct costs are included in the correct period, it is assumed that, as over 96% of the Library's serial subscriptions operate on a calendar year renewal, the same allocation is applied to all serial expenditure
- The financial statements include an accrual for outstanding holiday pay due to employees as at 31 March. The accrual is calculated

by pro-rating remaining leave over the holiday calendar period and 31 March.

#### o) Contingent liabilities

Contingent liabilities are disclosed in line with FRS 102 SORP.

Contingent liabilities are recognised when there is either: a possible but uncertain obligation, or a present obligation that is not recognised

because a transfer of economic benefit to settle the possible obligation is not probable; or the amount of the obligation cannot be estimated reliably.

## 2. GRANT IN AID

Total Grant in Aid drawdown by the British Library Board was £93.4m, with £3.2m allocated for capital projects, improvements and heritage asset acquisitions (£93.9m received in 2016/17, £3.3m for capital). The Library's Grant in Aid also included £6.0m for distribution to authors by Public Lending Right.

## 3. DONATIONS AND LEGACIES

	2017/18 £000	2017/18 £000	2017/18 £000	2016/17 restated £000
	Unrestricted	Restricted	Total	Total
Donated Assets	55	–	55	870
Other Donations and Grants	1,279	8,300	9,579	8,344
	1,334	8,300	9,634	9,214

Included in donations and grants is £1,028k received in EU grants relating to five projects. The Library is the lead partner for two of these projects, therefore the Library receives the gross grant from the EU funding body for these projects and then distributes payment to other EU partners. In year the library made payments totalling £311k to the other EU partners.

The 2016/17 figure has been restated to remove performance-related grant income which is now included within income from charitable activities.

## 4. INCOME FROM CHARITABLE ACTIVITIES

	2017/18 £000	2016/17 restated £000
Custodianship	789	477
Research	4,642	5,326
Business	404	489
Culture	7,483	4,750
Learning	182	61
International	1,410	143
Enabling activities	1,242	1,646
	16,152	12,892

Income from Charitable Activities includes Document Supply and other information services, sponsorship income, licensing and royalties, publication sales, exhibition entrance fees, retail income, income for performing Public Lending Right facilities for the Irish Government and income from performance-related grants.

Income from Charitable Activities has been restated for 2016/17 to exclude income from other trading activities, which is now separately disclosed on the Statement of Financial Activities, and to re-categorise the income to the Library's charitable purposes as described on page 7.

## 5. INVESTMENT INCOME

	2017/18 £000	2016/17 £000
Interest from UK bank deposits	271	237
Income from UK equities and investment funds	(2)	412
	269	649

## 6. NET EXPENDITURE

Net expenditure is stated after charging:

	2017/18 £000	2016/17 restated £000
External audit fee	68	68
Operating lease rentals: land and buildings	100	126
Operating lease rentals: other	279	247
Loss on disposal of fixed assets	88	–
Movement on bad debt provision	(10)	15
Movement on stock provision	63	32

There were no non-audit services provided by the external auditors during 2017/18 (2016/17: nil). During the year the Library took advice on taxation matters totalling £19k (2016/17: £32k).

The 2016/17 movement on bad debt provision has been restated because last year the total provision was included not the movement.

## 7. ANALYSIS OF EXPENDITURE

### a) Cost by activity

2017/18	Direct Costs £000	Depreciation £000	Allocated Support Costs £000	Total 2017/18 £000
Charitable activities				
Custodianship	28,264	13,013	17,700	58,977
Research	25,579	11,776	10,915	48,270
Business	1,687	776	824	3,287
Culture	8,975	4,132	4,744	17,851
Learning	1,151	530	483	2,164
International	2,863	1,318	1,263	5,444
Public Lending Right – payment to authors	6,043	–	–	6,043
<b>Total Charitable activities</b>	<b>74,562</b>	<b>31,545</b>	<b>35,929</b>	<b>142,036</b>
Raising donations and legacies	901	415	307	1,623
Investment management costs	138	–	–	138
Other trading activities	1,092	111	84	1,287
	76,693	32,071	36,320	145,084

a) Cost by activity – continued

2016/17 restated	Direct Depreciation Costs £000	Allocated Support Costs £000	Total 2016/17 restated £000
Charitable activities			
Custodianship	24,874	10,783	53,077
Research	27,465	11,906	50,576
Business	2,412	1,046	4,462
Culture	7,406	3,211	14,717
Learning	928	402	1,628
International	2,628	1,139	4,836
Public Lending Right – payment to authors	6,080	–	6,080
<b>Total Charitable activities</b>	<b>71,793</b>	<b>28,487</b>	<b>135,376</b>
Raising donations and legacies	787	341	1,372
Investment management costs	14	–	14
Other trading activities	1,380	97	1,546
	<b>73,974</b>	<b>28,925</b>	<b>138,308</b>

The analysis of expenditure has been restated for 2016/17 to separate out expenditure on other trading activities which are now disclosed separately on the Statement of Financial Activities and to re-categorise the expenditure on Charitable Activities by the Library's charitable purposes as described on page 7.

b) Cost allocation

Costs that cannot be directly attributed to one of the Library's charitable purposes are allocated to purposes on a basis consistent with the use of resources. Improved methods of allocation have been introduced this year to better match the application of support costs to the Library's purposes.

Finance costs including irrecoverable VAT are allocated using the proportion of direct expenditure and, where applicable, direct income spent and received for each of the objectives. Human resources costs are allocated based on staff numbers. Estates and security costs are allocated based on the

proportion of space occupied by each activity. Information Systems costs and other corporate costs are allocated using the proportion of direct expenditure of each purpose.

Figures for 2016/17 have been restated to reflect the new allocation method.

2017/18	Estates and Security £000s	Human Resources £000s	Finance £000s	IT and other Central Costs £000s	Total 2017/18 £000s
Charitable activities					
Custodianship	8,517	543	1,548	7,092	17,700
Research	2,729	505	1,262	6,419	10,915
Business	248	35	118	423	824
Culture	1,577	99	817	2,251	4,744
Learning	91	37	66	289	483
International	167	68	310	718	1,263
Public Lending Right – payment to authors	–	–	–	–	–
<b>Total Charitable activities</b>	<b>13,329</b>	<b>1,287</b>	<b>4,121</b>	<b>17,192</b>	<b>35,929</b>
Raising donation and legacies	29	12	40	226	307
Investment management costs	–	–	–	–	–
Other trading activities	3	1	20	60	84
	<b>13,361</b>	<b>1,300</b>	<b>4,181</b>	<b>17,478</b>	<b>36,320</b>

2016/17 restated	Estates and Security £000s	Human Resources £000s	Finance £000s	IT and other Central Costs £000s	Total 2016/17 restated £000s
Charitable activities					
Custodianship	10,164	524	1,363	5,369	17,420
Research	3,265	501	1,510	5,929	11,205
Business	304	36	143	521	1,004
Culture	1,838	88	575	1,599	4,100
Learning	38	13	47	200	298
International	191	62	249	567	1,069
Public Lending Right – payment to authors	–	–	–	–	–
<b>Total Charitable activities</b>	<b>15,800</b>	<b>1,224</b>	<b>3,887</b>	<b>14,185</b>	<b>35,096</b>
Raising donations and legacies	32	10	32	170	244
Investment management costs	–	–	–	–	–
Other trading activities	4	1	16	48	69
	<b>15,836</b>	<b>1,235</b>	<b>3,935</b>	<b>14,403</b>	<b>35,409</b>

c) Governance costs

	2017/18 £000	2016/17 £000
Board members' fees	150	147
Board members' reimbursed expenses	18	19
Auditors' remuneration	68	68
Internal audit costs	95	95
Annual report and accounts production	5	9
	<b>336</b>	<b>338</b>

d) Staff costs

	2017/18 £000	2016/17 £000
Wages and salaries	44,778	42,984
Social security costs	4,431	4,224
Employer pension costs	8,739	8,431
Agency staff costs	1,972	2,092
Early retirement, voluntary exit and redundancy costs	724	886
	<b>60,644</b>	<b>58,617</b>
Board Members' remuneration		
Fees and salaries (including CEO)	310	309
Social security costs	28	28
Pension costs	–	–
	<b>338</b>	<b>337</b>
	<b>60,982</b>	<b>58,954</b>

During the year £273,723 (2016/17 Nil) of staff costs have been capitalised in relation to IT systems development.

The Board Members' remuneration shown on page 51 of the Remuneration Report covers all Board members including the Chairman.

#### d) Staff costs – continued

For 2017/18, employers' contributions of £8,577,768 were payable to the PCSPS (2016/17: £8,307,173) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The scheme's actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme. Employees can opt to open a partnership pension account

which is a stakeholder pension with an employer contribution. Employers' contributions of £160,766 (2016/17: £123,605) were paid to one or more of the four appointed stakeholder pension providers. Employer contributions are age-related and ranged from 3% to 12.5% of pensionable pay up to 30 September 2015 and 8% and 14.75% from 1 October 2015. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of between 0.5% and 0.8% of pensionable

pay, were payable to the PCSPS to cover the cost of the future provision of lump-sum benefits on death in service and ill-health retirement of these employees.

The number of employees, (excluding the Executive Leadership Team for whom details of remuneration are contained in the Remuneration Report) whose full time equivalent emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	2017/18	2016/17
£60,001 – £70,000	20	9
£70,001 – £80,000	9	11
£80,001 – £90,000	4	6
£90,001 – £100,000	2	1
£100,001 – £110,000	2	1
£110,001 – £120,000	1	1

All of the above employees are members of the PCSPS pension scheme except one who has opted to be in a partnership scheme.

#### e) Full time equivalents by activity

The average number of full time equivalent employees analysed by activity was:

	2017/18			2016/17 restated		
	Staff	Agency	Total	Staff	Agency	Total
Charitable activities						
Custodianship	462	4	466	454	7	461
Research	430	19	449	433	19	452
Business	30	–	30	31	–	31
Culture	83	7	90	75	6	81
Learning	32	1	33	11	1	12
International	58	2	60	54	3	57
<b>Total Charitable activities</b>	<b>1,095</b>	<b>33</b>	<b>1,128</b>	<b>1,058</b>	<b>36</b>	<b>1,094</b>
Raising donations and legacies	10	–	10	9	–	9
Other trading activities	1	–	1	1	–	1
Enabling activities	356	12	368	335	9	344
	<b>1,462</b>	<b>45</b>	<b>1,507</b>	<b>1,403</b>	<b>45</b>	<b>1,448</b>

The figures for 2016/17 have been restated because head count instead of full time equivalent numbers were reported last year. The presentation has also been updated to provide information by charitable purpose.

The average head count during the year excluding agency and contract staff was 1,579 (2016/17 1,516).

#### f) Off-payroll engagements

Following the *Review of Tax Arrangements of Public Sector Appointees* published by the Chief Secretary to the Treasury on 23 May 2012 and implemented on 23 August 2012, departments and their arm's-length bodies must publish information on their highly paid and/or senior off-payroll engagements.

##### i. Off-payroll engagements as at 31 March 2018 for more than £220 per day and that last for longer than six months:

	2017/18
Number that have existed for less than one year at time of reporting	–
Number that have existed for between one and two years at time of reporting	1
Number that have existed for between two and three years at time of reporting	–
Number that have existed for between three and four years at time of reporting	–
Number that have existed for four or more years at time of reporting	1
<b>TOTAL</b>	<b>2</b>

The required evidence and declarations were obtained for all off-payroll engagements.

##### ii. New off-payroll engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018, for more than £220 per day and that last for longer than six months:

	2017/18
Number of new engagements, or those reaching 6 months in duration, during the period	2
Of which:	
Number assessed as caught by IR35	2
Number assessed as not caught by IR35	–
Number engaged directly (via PSC contracted to department) and are on the departmental payroll	–
Number of engagements reassessed for consistency/assurance purposes during the year	–
Number of engagements that saw a change to IR35 status following the consistency review	–

##### iii. Off-payroll engagements of board members and/or senior officials with significant financial responsibility between 1 April 2017 and 31 March 2018:

	2017/18
Number of off-payroll engagements of board members and/or senior officials with significant financial responsibility during the financial year	–
Total number of individuals that have been deemed board members and/or senior officials with significant financial responsibility during the financial year	12

## 8. INTANGIBLE ASSETS

	IT Systems	AICC	Total
Cost	£000	£000	£000
At 1 April 2017	2,878	–	2,878
Additions	87	453	540
Disposals	–	–	–
<b>At 31 March 2018</b>	<b>2,965</b>	<b>453</b>	<b>3,418</b>
<b>Amortisation</b>			
At 1 April 2017	2,823	–	2,823
Charge for year	47	–	47
Disposals	–	–	–
<b>At 31 March 2018</b>	<b>2,870</b>	<b>–</b>	<b>2,870</b>
<b>Net Book Value at 31 March 2018</b>	<b>95</b>	<b>453</b>	<b>548</b>
Net Book Value at 31 March 2017	55	–	55

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

## 9. TANGIBLE FIXED ASSETS

### a) Movements

	Land & Buildings £000	Plant & Machinery £000	Office Equipment £000	Motor Vehicles £000	Computer Equipment £000	AICC £000	Total £000
<b>Cost or Valuation</b>							
At 1 April 2017	1,135,664	405,966	9,798	38	22,264	2,252	<b>1,575,982</b>
Additions	41	297	81	–	704	898	<b>2,021</b>
Transfers	–	–	–	–	–	–	–
Revaluation	(452,304)	(159,879)	–	–	–	–	<b>(612,183)</b>
Disposals	–	(65)	(2)	(19)	(254)	–	<b>(340)</b>
<b>At 31 March 2018</b>	<b>683,401</b>	<b>246,319</b>	<b>9,877</b>	<b>19</b>	<b>22,714</b>	<b>3,150</b>	<b>965,480</b>
<b>Depreciation</b>							
At 1 April 2017	3,933	50,834	9,606	29	20,783	–	<b>85,185</b>
Charge for year	11,842	19,208	67	5	902	–	<b>32,024</b>
Revaluation	(9,259)	(16,443)	–	–	–	–	<b>(25,702)</b>
Disposals	–	(65)	(2)	(19)	(166)	–	<b>(252)</b>
<b>At 31 March 2018</b>	<b>6,516</b>	<b>53,534</b>	<b>9,671</b>	<b>15</b>	<b>21,519</b>	<b>–</b>	<b>91,255</b>
<b>NBV At 31 March 2018</b>	<b>676,885</b>	<b>192,785</b>	<b>206</b>	<b>4</b>	<b>1,195</b>	<b>3,150</b>	<b>874,225</b>
NBV At 31 March 2017	1,131,731	355,132	192	9	1,481	2,252	1,490,797

Assets in the Course of Construction (AICC) represent work on building enhancements.

### b) Valuations

During 2017/18, the British Library engaged a new property advisor, Carter Jonas, a regulated firm of Chartered Surveyors. On 31 March 2018 they carried out a desktop valuation of the Library's freehold properties at St Pancras. The valuation was prepared in accordance with HM Government Financial Reporting Manual ('FRM') Guidance, International Valuation Standards ('IVS') and the requirements of the RICS Valuation – Professional Standards January 2014 (revised April 2015) (Global and UK Edition). The St Pancras properties are treated as specialised properties and were valued on a Depreciated Replacement Cost (DRC) basis. A zero-based approach was adopted and, although the same RICS approved valuation basis (DRC modern equivalent value) was used, the method applied was different, as a result of which there has been a significant decrease in value. The land and main building was valued at £573m and the Centre for Conservation at £21m. The next revaluation of St Pancras is due on 31 March 2020.

The Boston Spa site was revalued at £59m as at 31 March 2014 by Deloitte Real Estate, using the 'Depreciated Replacement Cost' basis of valuation. The values for Boston Spa buildings have been subsequently impacted by indexation, capitalised additions and improvements and depreciation. The next revaluation of Boston Spa is due 31 March 2019.

The Modified Historic Cost Accounting indices for the land and building adjustments between revaluations are taken from the Public Sector Tender Price Index for Public Sector Buildings (non-Housing). For the Building Structural Fit Out adjustment, the indices are taken from the *Producer Prices Index (MM22) March 2018* for Plant and Machinery available from the Office for National Statistics.

All land and buildings are freehold.

The historic cost of the land, buildings and structural plant and machinery is £470m.

## 10. HERITAGE ASSETS

### a) Nature and scale of the Collection

The British Library is the national library of the United Kingdom and one of the world's greatest research libraries. It is one of the six legal deposit libraries of the United Kingdom and it receives copies of all publications produced in the United Kingdom and the Republic of Ireland. The Library's collection is one of the largest in the world, holding over 170 million items, but in the absence of a consensus about what constitutes a single item it is not possible to reach a definitive statement of the size of the collection. The collection includes material from across the world, covering a wide range of languages, formats and materials including books, journals, newspapers, magazines, sound and music recordings, patents, databases, maps, manuscripts, stamps, prints, drawings and much more. It is unique in its breadth, depth and scope. Many items are priceless and irreplaceable.

The Library's collections constitute a unity, although they are managed through four curatorial departments:

- Asian and African Collections comprise collections in all languages from Asia and Africa and also includes the Visual Arts section which has special responsibility for the Library's public art collection as well as photography and art from the India Office
- Contemporary British Collections cover collections of material of a relatively recent (post 1999 for published works, post 1949 for manuscripts and archives) British origin including

digital and printed publications, manuscripts, archives and sound recordings

- European and American Collections include collections in all languages from continental Europe, the Americas, the Caribbean, Australia, the Pacific and also English language Asian material
- Western Heritage Collections cover over 2000 years of printed, manuscript and archival resources from around Britain and the wider world in a wide array of formats and also includes the Library's collections of manuscript, printed and digitally published music.

The British Library records its collection in publicly accessible catalogues. The main catalogues are digital and accessible through the Library's website. The Library continuously upgrades its digital catalogues and includes items previously described only in printed or other analogue catalogues.

The Library actively seeks to make its collections accessible in digital form and currently above 140,000,000 pages of the collection are accessible digitally either through the Library's own systems or via commercial partners who give access to the materials through time-limited licence agreements. The vast majority of these digital images are of items which one would classify as heritage items.

The Library does not segregate its information on items which may be classified as heritage items from other collection items, but it affords higher degrees of protection to categories of materials. This stratified approach to protection is managed through a system of reading categories which assigns various levels of protection to the items of the collection, restricting their use to higher security Reading Rooms etc.

The collection is accessible to registered readers in our reading rooms. The overwhelming majority of the collection can be consulted by registered readers without any specific permission. A small number of highly valuable or vulnerable heritage items are restricted in order to protect them from deterioration through excessive use. Probably amounting to less than one per cent of the collection, they can be consulted upon application which will be assessed on the basis of the research needs and the need for responsible protection of the item. Access to a small part of the heritage collection is restricted for legal reasons, the main cause being data protection issues, for instance in contemporary archives of authors or politicians.

#### b) Policies on acquisitions, preservation, management and disposal

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

#### i. Acquisitions

Within the Library's acquisition policies, there is a distinction made between unique heritage items and contemporary, research-level academic publications.

In our Heritage Acquisitions Policy, heritage items are defined as items acquired to be used preponderantly as primary sources for research, forming part of the Library's collection of unique materials. Under this definition, all heritage items are major acquisitions, whether purchased or donated.

The Library continues to develop its heritage collection for the benefit of current and future generations of researchers. Heritage acquisitions are made in accordance with the Library's Ethical Acquisitions Policy which can be found on the Library's website, [www.bl.uk/aboutus/stratpolprog/contstrat/ethical.pdf](http://www.bl.uk/aboutus/stratpolprog/contstrat/ethical.pdf). A Due Diligence policy and a due diligence process are followed to ensure legal and ethical concerns surrounding acquisitions have been identified and addressed. To ensure accountability these acquisitions are managed through the Library's Heritage Acquisitions Policy; the Library's Heritage Acquisitions Group assess and score each proposed acquisition according to established criteria and also challenge valuations. Their decisions are minuted and the associated documentation is archived as due diligence documentation.

#### ii. Preservation and management

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

A dedicated Collection Management division manages both digital and physical collections with constituent departments undertaking selection, acquisition, ingest/metadata capture, preservation and discovery and access functions.

All activities are underpinned by the Library's core preservation principle of risk management and mitigation. The general public can learn more about this by visiting the Collection Care web pages at [www.bl.uk/aboutus/stratpolprog/collectioncare/](http://www.bl.uk/aboutus/stratpolprog/collectioncare/)

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

#### iii. Disposal

The Library exists to preserve and make available the national printed archive of the UK together with purchased and donated material. It does not normally dispose of material in its collections and never disposes of items from the collection accepted under legal deposit. Disposal is governed by the British Library Act and by the policy of the British Library Board which can be found at [www.bl.uk/aboutus/stratpolprog/coldevpol/deaccessioning/](http://www.bl.uk/aboutus/stratpolprog/coldevpol/deaccessioning/)

### c) Heritage assets capitalised

#### Heritage Assets Purchased

	2017/18		2016/17		2015/16		2014/15		2013/14	
	Cost £000	No. of Items								
At 1 April	39,151	314	37,760	305	35,827	290	33,710	274	30,117	257
Additions	1,384	10	1,391	9	1,933	15	2,117	16	2,732	17
Transfers	-	-	-	-	-	-	-	-	861	-
Disposals	-	-	-	-	-	-	-	-	-	-
<b>At 31 March</b>	<b>40,535</b>	<b>324</b>	<b>39,151</b>	<b>314</b>	<b>37,760</b>	<b>305</b>	<b>35,827</b>	<b>290</b>	<b>33,710</b>	<b>274</b>

#### Heritage Assets Donated

	2017/18		2016/17		2015/16		2014/15		2013/14	
	Cost £000	No. of Items								
At 1 April	28,958	42	28,088	39	28,088	39	27,906	36	24,603	32
Additions	55	2	870	3	-	-	182	3	3,303	4
Impairments	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
<b>At 31 March</b>	<b>29,013</b>	<b>44</b>	<b>28,958</b>	<b>42</b>	<b>28,088</b>	<b>39</b>	<b>28,088</b>	<b>39</b>	<b>27,906</b>	<b>36</b>
<b>Total At 31 March</b>	<b>69,548</b>	<b>368</b>	<b>68,109</b>	<b>356</b>	<b>65,848</b>	<b>344</b>	<b>63,915</b>	<b>329</b>	<b>61,616</b>	<b>310</b>

### 11. INVESTMENTS

	2017/18 £000	2016/17 £000
Market Value at 1 April	24,256	19,722
Acquisitions funded by dividends reinvested	-	412
Additions	200	23,514
Disposals	(1,272)	(22,058)
Unrealised Gain / (Loss)	963	741
Realised Gain on Disposal	96	1,925
<b>Market Value at 31 March</b>	<b>24,243</b>	<b>24,256</b>

Fixed asset investments are held for the purpose of generating income and/or capital growth appropriate to the Library's restricted and designated funds.

All investments are held in investment funds traded on the UK stock exchange.

Details of the Library's investment policy can be found in the investments and financial risks section of the financial review on page 45.

## 12. STOCKS

	2017/18 £000	2016/17 £000
Stocks for resale	889	776
Raw materials	162	159
	<b>1,051</b>	<b>935</b>

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

## 13. DEBTORS AND PREPAYMENTS

	2017/18 £000	2016/17 £000
<b>Amounts falling due within one year</b>		
Trade debtors	1,520	1,714
Other debtors	303	332
Taxation and social security	1,978	2,431
Prepayments and accrued income	7,039	7,565
	<b>10,840</b>	<b>12,042</b>

## 14. CURRENT ASSET INVESTMENTS

	2017/18 £000	2016/17 £000
Short term deposits	18,000	16,500

## 15. CASH AT BANK AND IN HAND

	2017/18				2016/17			
	General £000	Restricted £000	Customer deposits £000	Total £000	General £000	Restricted £000	Customer deposits £000	Total £000
Cash at bank	20,183	8,949	2,875	32,007	11,907	12,065	3,483	27,455
Cash in hand	11	-	-	11	11	-	-	11
	<b>20,194</b>	<b>8,949</b>	<b>2,875</b>	<b>32,018</b>	<b>11,918</b>	<b>12,065</b>	<b>3,483</b>	<b>27,466</b>

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

### a) Analysis of change in net funds

	As at 1 April 2016 £000	Cash Flows £000	As at 1 April 2017 £000	Cash Flows £000	As at March 2018 £000
Short term deposits	27,000	(10,500)	16,500	1,500	<b>18,000</b>
Government Banking Services cash at bank	6	(1)	-	5	
Commercial cash at bank	17,437	10,013	27,450	4,552	<b>32,002</b>
Cash in hand	11	-	11	-	<b>11</b>
	<b>44,454</b>	<b>(488)</b>	<b>43,966</b>	<b>6,052</b>	<b>50,018</b>

## b) Cash flow information

Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2017/18 £000	2016/17 restated £000
Net Expenditure for the year	(23,199)	(17,629)
Depreciation and Amortisation Charges	32,071	28,925
Gains on investments	(1,059)	(2,666)
Investment income	(269)	(649)
Loss on the sale of Fixed Assets	88	128
(Increase) / Decrease in stocks	(116)	106
Decrease in debtors	1,202	71
Decrease in creditors	(1,141)	(393)
Increase in provisions	1,134	18
<b>Net Cash provided by/ (used in) operating activities</b>	<b>8,711</b>	<b>7,911</b>

The 2016/17 figures have been restated to separate out the movement on creditors and movement on provisions previously disclosed as one figure.

## 16. CREDITORS

	2017/18 £000	2016/17 £000
<b>Amounts falling due within one year</b>		
Trade creditors	3,009	2,187
Monies held on deposit for customers	2,875	3,483
Other creditors	1,645	730
Taxation and social security	1,183	2,035
Accruals	5,651	6,316
Deferred income	3,315	4,068
	<b>17,678</b>	<b>18,819</b>

The movement on the deferred income account is as follows:

	2017/18 £000	2016/17 £000
Deferred income brought forward	4,068	2,941
Release from previous year	(4,048)	(2,941)
Incomine deferred in the current year	3,295	4,068
<b>Deferred income carried forward</b>	<b>3,315</b>	<b>4,068</b>

Deferred income relates to grants received and voluntary income recognised against project milestones and progress, and membership and subscription fees which are recognised over the period of the contract.

## 17. PROVISION FOR LIABILITIES AND CHARGES

	Early Retirement /Severance Provision £000	2017/18 Other Liabilities and Charges £000	Total £000	Early Retirement /Severance Provision £000	2016/17 Other Liabilities and Charges £000	Total £000
At 1 April	16	156	172	17	137	154
Additional Provision	226	983	1,209	–	19	19
Release of Provision	(16)	–	(16)	–	–	–
Utilisation of Provision	–	(59)	(59)	(1)	–	(1)
At 31 March	226	1,080	1,306	16	156	172
Less provisions falling due within one year	(226)	(1,080)	(1,306)	(16)	(156)	(172)
Amounts falling due after one year	–	–	–	–	–	–

A provision has been made in full for employees leaving the organisation under early retirement or Civil Service Compensation Scheme terms. The provision represents the estimated future costs to the Library, for both staff who have left and staff who are known to be leaving in 2018/19.

The other provisions relate to £857k unclaimed balances owed to authors and customers with credit balances on their accounts (2016/17 £113k), £180k costs related to 3rd party claims against the Library (2016/17 Nil) and £43k contribution required towards the acquisition of bequeathed collection items (2016/17 £43k).

## 18. STATEMENT OF FUNDS

a)

	At 1 April 2017 Restated £000	Income £000	Expenditure £000	Net movement on investments and revaluation £000	Transfers £000	At 31 March 2018 £000
<b>Permanent endowment funds</b>	<b>3,850</b>	<b>–</b>	<b>(63)</b>	<b>161</b>	<b>–</b>	<b>3,948</b>
<b>Expendable endowment funds</b>	<b>13,984</b>	<b>15</b>	<b>(363)</b>	<b>631</b>	<b>(52)</b>	<b>14,215</b>
Restricted funds by purpose						
Custodianship	3,919	3,615	(2,529)	35	(267)	4773
Research	573	911	(671)	(4)	(217)	592
Business	353	429	(478)	–	–	304
Culture	470	417	(331)	–	(63)	493
Learning	259	224	(265)	–	12	230
International	61	4,084	(2,393)	–	(966)	786
PLR	9	–	–	–	10	19
Overheads and support	–	1,004	(3)	–	–	1,001
<b>Total restricted funds</b>	<b>5,644</b>	<b>10,684</b>	<b>(6,670)</b>	<b>31</b>	<b>(1,491)</b>	<b>8,198</b>
Unrestricted funds	–	–	–	–	–	–
Designated funds						
Revaluation reserve	1,118,366	–	–	(586,481)	(27,052)	504,833
Fixed asset reserve	411,637	203	(32,071)	–	30,706	410,475
Donated asset reserve	28,958	55	–	–	–	29,013
Shaw fund	5,572	70	(32)	236	–	5,846
Other designated funds	1,917	415	(94)	–	(228)	2,010
<b>Total designated funds</b>	<b>1,566,450</b>	<b>743</b>	<b>(32,197)</b>	<b>(586,245)</b>	<b>3,426</b>	<b>952,177</b>
<b>General funds</b>	<b>31,241</b>	<b>109,384</b>	<b>(105,791)</b>	<b>–</b>	<b>(1,883)</b>	<b>32,951</b>
<b>Total unrestricted funds</b>	<b>1,597,691</b>	<b>110,127</b>	<b>(137,988)</b>	<b>(586,245)</b>	<b>1,543</b>	<b>985,128</b>
<b>Total funds</b>	<b>1,621,169</b>	<b>120,826</b>	<b>(145,084)</b>	<b>(585,422)</b>	<b>0</b>	<b>1,011,489</b>

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

The 1 April 2017 balances have been restated and the Statement of Funds presentation improved to provide clearer information on the nature of funds and the purposes for which they may be applied.

### Permanent endowment funds

These comprise funds donated on the condition that the capital value of the donation is held in perpetuity. The income alone can be used for the following purposes:

<b>Endowment – sponsorship</b>	for the sponsorship of programmes and projects in the area of Scholarship & Collections
<b>Bridgewater Fund 292636–1</b>	for the purchase of manuscripts for addition to the Bridgewater collection
<b>Hazlitt Fund 292636–6</b>	for the purchase of early English books printed before 1650
<b>Dingwall Fund 292636–3</b>	for the advancement of public education in literature by purchasing for the benefit of bona fide scholars or students of literature those works of an obscene or erotic nature which the trustees shall consider to be of educational worth
<b>T S Blakeney 291711</b>	for the purchase of Western manuscripts which meet collection strategy
<b>Sir Anthony Panizzi 286081</b>	for the advancement of public education by funding a lecture or series of lectures in the subject of bibliography
<b>Sir Henry Thomas Trust 292636–10</b>	for the purchase of books relating to the culture and literature of Spain
<b>Dingwall No 2 Fund 292636–11</b>	to buy fine editions or to subscribe to foreign periodicals
<b>Ginsberg Legacy</b>	to fund a full time curatorial post for Thai, Lao and Cambodian collections

### Expendable endowment funds

These comprise funds donated on condition that the capital value of the donation is held for the long term. The Board have discretionary power to use the funds as income for the following purposes:

<b>HLF/DCMS Catalyst Endowment Fund</b>	to provide a sustainable annual income stream that will be used to enhance the Library's collections, increasing access and engagement to them.
<b>HLF/DCMS Catalyst Endowment Fund – Neighbour</b>	for the purchase of musical manuscripts, printed editions and documents of musical interest
<b>Consolidated Endowment Account</b>	for any purpose approved by the British Library Board where there has not been adequate provision made through government Grant in Aid
<b>David and Mary Eccles Centre for American Studies</b>	for the establishment of a Centre for American Studies within the British Library

### Restricted funds

These are funds where the donors have specified the uses to which they may be put.

### Unrestricted designated funds

These are unrestricted funds which the Board have set aside for a specific purpose.

<b>Collection Care Restoration Fund</b>	to be used to cover the costs of repair/replacement of damaged Collection items
<b>Shaw fund</b>	to be applied as an addition to other sources of funding, for the benefit of the readership of the British Library
<b>Membership and General Donations</b>	for the general purpose of the British Library, as decided upon by the Executive Team
<b>Revaluation reserve</b>	funds representing the revaluation of fixed assets
<b>Fixed asset reserve</b>	funds relating to capital assets
<b>Donated asset reserve</b>	funds relating to donated assets

### Unrestricted general funds

These are expendable unrestricted funds.

### b) Analysis of net assets between funds

Fund balances at 31 March are represented by:	Permanent Endowments	Expendable Endowments	Unrestricted Funds	Restricted Funds	Total Funds 2017/18	Total Funds 2016/17
	£000	£000	£000	£000	£000	£000
Intangible fixed assets	–	–	548	–	548	55
Tangible fixed assets	–	–	874,225	–	874,225	1,490,797
Heritage assets	–	–	69,548	–	69,548	68,109
Investments	3,694	13,963	5,602	984	24,243	24,256
Current assets	254	263	52,013	9,379	61,909	56,943
Current liabilities	–	(11)	(16,808)	(2,165)	(18,984)	(18,991)
Non-current liabilities	–	–	–	–	–	–
<b>Total net assets</b>	<b>3,948</b>	<b>14,215</b>	<b>985,128</b>	<b>8,198</b>	<b>1,011,489</b>	<b>1,621,169</b>

### c) Fair value reserves

Funds include investments stated at fair value. The fair value reserves included within the funds stated above are:

	As at 1 April 2017	Unrealised Gains / Losses under Fair Value	As at 31 March 2018	Reserve / Fund net of Fair Value as at 31 March 2018	Reserve / Fund (including Fair Value) as at 31 March 2018
	£000	£000	£000	£000	£000
Eccles	540	464	1,004	10,837	11,841
Shaw Fund	44	229	273	5,573	5,846
Dingwall No 2	73	68	141	1,591	1,732
HLF/DCMS Catalyst Endowment	8	93	101	2,248	2,349
Ginsburg Legacy	7	33	40	756	796
Sir Henry Thomas	22	20	42	479	521
The Medd Fund	3	18	21	468	489
Consolidated Endowment	1	1	2	22	24
T S.Blakeney	10	8	18	223	241
Anthony Panizzi Foundation	10	9	19	202	221
Spratt-Bigot Bequest	6	4	10	122	132
Bridgewater	6	5	11	124	135
Sir Adrian Boulton	4	3	7	113	120
Fitzgerald	5	4	9	106	115
Others	2	5	7	401	408
<b>Restricted Fair Value Reserve</b>	<b>741</b>	<b>964</b>	<b>1,705</b>	<b>23,265</b>	<b>24,970</b>

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

### 19. REVALUATION RESERVE MOVEMENT

	£000
At 1 April 2017	1,118,366
Arising in year	(612,183)
Realised	(920)
Backlog depreciation	(430)
Disposals	–
<b>At 31 March 2018</b>	<b>504,833</b>

### 20. COMMITMENTS UNDER OPERATING LEASES

Operating Leases which expire:	Buildings		Equipment	
	2017/18	2016/17	2017/18	2016/17
	£000	£000	£000	£000
Within one year	40	40	10	118
Two to five years	120	120	–	10
More than five years	104	144	–	–
<b>Total</b>	<b>264</b>	<b>304</b>	<b>10</b>	<b>128</b>

### 21. CAPITAL COMMITMENTS

	2017/18	2016/17
	£000	£000
Contracted and not provided for	403	234
Authorised but not contracted for	–	80

The contracted capital commitment figure relates to the upgrade of CCTV and lifts.

## 22. RELATED PARTY TRANSACTIONS

The British Library is a Non-Departmental Public Body, sponsored by the Department for Digital, Culture, Media and Sport. The Department for Digital, Culture, Media and Sport is regarded as a related party. During the year the Library has had a number of material transactions with the Department and other entities for which the Department is the sponsor, for example: Arts Council England, the BBC-PSG group, the British Film Institute, the British Museum, the Heritage Lottery Fund, the Imperial War Museum, the Natural History Museum, the Science Museums Group, the Victoria and Albert Museum, the National Portrait Gallery and Tate Britain.

During the year a number of Board members contributed to the Library's Membership Scheme.

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

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

Related Party	Relationship	Nature of Transaction	For the year ended 31 March 2018		As at 31 March 2018	
			Income £000	Expenditure £000	Debtor balance £000	Creditor balance £000
Clare Leadership Foundation	Mr Roly Keating, Chief Executive of the British Library is a trustee of the related party	Training	-	6	-	-
Conference of European National Libraries	Mr Roly Keating, Chief Executive of the British Library is the Chair of the related party	Membership	47	4	-	-
David Higham Associates	Dr Simon Thurley, a member of the British Library Board, is an author with contracts signed through the related party	Royalty payments	-	11	-	-
Higher Education Policy Institute	Professor Dame Helen Wallace, a member of the British Library Board, is a trustee for the related party	Membership	-	2	-	-
House of Lords	Baroness Blackstone, Chairman of the British Library, and Lord Janvrin, member of the British Library Board, are members of the related party	Document Supply transactions	2	-	-	-
Knowledge Quarter	Mr Roly Keating, Chief Executive of the British Library, is the Chairman of the related party	Rental income, Membership	17	24	-	-
Society of Authors	Ms Tracy Chevalier, a member of the British Library Board, is a member of the Advisory Council of the related party	Royalty payments	-	18	-	-
University of Edinburgh	Dr Robert Black, a member of the British Library Board, is a member of the Court of the related party	Document Supply transactions	37	34	7	1
University of Manchester	Mr Patrick Plant, a member of the British Library Board, is an honorary lecturer at the related party	Document Supply transactions	70	13	0	3
Friends of the British Library	Mr Martin Dickson, a member of the British Library Board, is a trustee of the related party	Recharge of costs incurred by the Library on behalf of the related party	23	23	-	-

## 23. FINANCIAL INSTRUMENTS

FRS102 'Financial Instruments: Disclosures' requires entities to provide disclosures which allow users of the accounts to evaluate the significance of financial instruments for the entity's financial position and performance and the nature and extent of risks arising from financial instruments during the period.

Financial assets and liabilities at 31 March 2018 are set out by category below:

Financial Assets	At Amortised Cost £000	At Fair Value through profit or loss £000	Total £000
Investments	-	24,243	24,243
Trade and Other Debtors	1,823	-	1,823
Short Term Deposits	18,000	-	18,000
Cash at Bank and in Hand	32,018	-	32,018
	<b>51,841</b>	<b>24,243</b>	<b>76,084</b>
Financial Liabilities	At Amortised Cost £000	At Fair Value through profit or loss £000	Total £000
Trade and Other Creditors	4,645	-	4,645
Monies Held on Deposit	2,875	-	2,875
	<b>7,520</b>	<b>-</b>	<b>7,520</b>

Information on the Library's approach to financial risk management is disclosed in the 'Reserves' and 'Investments and Financial Risks' sections of the Financial Review and in the Governance Statement.

### Credit Risk

The Library is exposed to credit risk of £1.8m of trade and other debtors. This risk is not considered significant because most major customers are familiar to the Library. The Library has recovered 99% of trade debtors over the last two years. Bad and doubtful debts are provided for on an individual basis. Write-offs in the year for bad debts amounted to £78k (£26k recovery in 2016/17).

Term deposits and cash holdings are placed with approved UK banks with at least A-1, P-1 or F-1 rating. Holdings are spread across several institutions. The Library has not suffered any loss in relation to cash held by banks.

### Liquidity Risk

Approximately 77% (2016/17: 79%) of the Library's income is provided by Grant in Aid from the Department for Digital, Culture, Media and Sport which is drawn down according to need. The remaining income is self-generated and is volatile. Remote Document Supply is still the major source of self-generated income. As the majority of the Library's cash requirements are met through Grant in Aid, financial instruments have less potential for creating risk than would be the case for a non-public sector body of similar size.

The Library holds highly liquid assets amounting to £50m at 31 March 2018 (2016/17: £44m) which are comprised of cash at bank and in hand and short term deposits. The Library regularly monitors the deposit portfolio to manage exposure to liquidity risk.

#### Market Risk – interest rate risk

Risks relating to interest rates are managed by budgeting conservatively for investment income. The table below shows the interest rate profile of the Library's financial assets.

	Floating Rate £000	Fixed rate £000	Non-interest £000	2017/18 Total £000	2016/17 Total £000
Sterling	31,609	18,000	-	49,609	67,508
US Dollar	278	-	-	278	461
Euro	61	-	-	61	127
Yen	70	-	-	70	126
<b>Total</b>	<b>32,018</b>	<b>18,000</b>	<b>-</b>	<b>50,018</b>	<b>68,222</b>

The benchmark for the Library's floating rate investments is 0.35%, 15 basis points below the Bank of England base rate.

The weighted average interest rate on fixed rate financial assets is 0.77% (2016/17: 1.0%) and the weighted average period of deposit is 365 days (2016/17: 365 days).

Investment income for the year was 0.002% (2016/17: 0.005%) of the Library's income.

#### Market Risk – foreign currency risk

The Library has an international customer and supplier base and so is subject to a degree of foreign currency risk. As part of the Library's Treasury Management Strategy, the risk of fluctuations is managed through a variety of policies, including holding bank accounts in foreign currencies, to enable us to match our foreign currency purchases and sales as a means of mitigating our currency risk.

Approximately 0.007% (2016/17 0.002%) of the Library's financial assets are denominated in currencies other than Pounds sterling. The amount considered to be exposed to currency risk at 31 March was:

	Debtors £000	Cash at bank and in hand £000	2017/18 Short term deposits £000	Creditors £000	2017/18 Total £000	2016/17 Total £000
US dollar	105	278	-	(66)	114	551
Euro	(104)	61	-	(78)	18	(1,116)
Yen	35	70	-	-	175	627

In 2017/18, net foreign currency exchange losses of £111k were recognised (£40k gain in 2016/17).

#### Market Risk – other price risk

The Library is subject to risks associated with market fluctuations on its investments. Details of the investment policy and risk management are disclosed in the 'investment and financial risks' section of the Financial Review on page 45.

An unrealised gain of £33k has been recorded this year (2016/17: £741k gain). Additional information on the Library's investment policy is given in the Board's Annual Report. For non-investment transactions, exposure to wider market price risks is reduced by competitive tendering and securing multi-year fixed price contracts where possible.

## 24. CONTINGENT LIABILITIES

#### British Library Newspaper Digitisation Project

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

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

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

#### Legal Dispute

The British Library is in legal dispute with a third party over a terminated contract. There are a range of alternative possible outcomes so it isn't currently possible to quantify the potential liability. A provision has been made in the accounts for the best possible outcome.

## 25. POST BALANCE SHEET EVENTS

There were no reportable events between 31 March 2018 and the date the accounts were authorised for issue.

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

The British Library extends thanks to everyone who has contributed to the development of the Annual Report and Accounts 2017/18.

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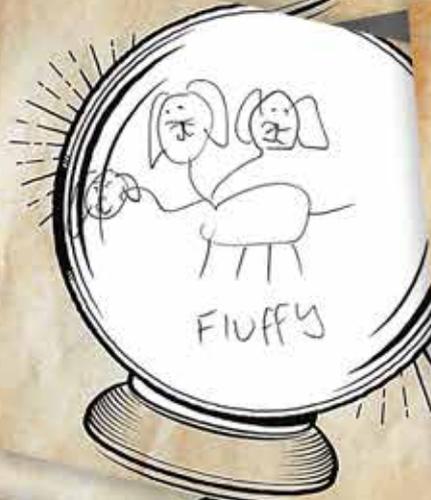
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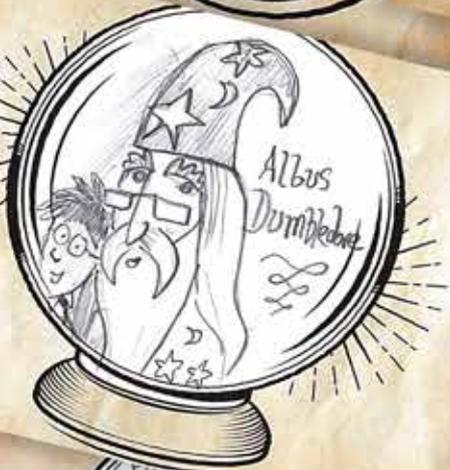


I hope you enjoyed visiting our Harry Potter exhibition as much as we enjoyed curating it - and yes, it is MAGICAL!!!  
Julian Harrison  
LEAD CURATOR  
Harry Potter: A History of Magic

I thought this exhibition was brilliant.  
100% Perfect.  
yours sincerely  
Cecilia



Harry Potter is very magical. There is nothing like it.



Harry Potter will never not be fascinating. PS Hufflepuff!

Magical, inspiring, beautiful  
love it  
love everything about Harry Potter  
AMAZING!!!

好评 2017  
以最佳折扣  
到这里看这本书  
It's amazing!!!  
From China  
Oct-2017



When in doubt go to the (British) Library

How beautifully made and presented, an amazing collection of forgotten manuscripts, rescued and returned to the world with love and kindness. I'm a fan of the British Library!



Cover image: Magical musings from our Harry Potter: A History of Magic feedback wall.

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ISBN - 978-1-5286-0384-3  
CCS - CCS0518608870