

British Library
Annual Report and Accounts
2018/19



BRITISH LIBRARY



British Library

Annual Report and Accounts 2018/19

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The year in review

CUSTODIANSHIP

290,000 PHYSICAL ITEMS collected under legal deposit (everything published in the UK and the Rep of Ireland)

242,000 DIGITAL ITEMS collected under legal deposit (not including a crawl of the entire UK web domain for the UK Web Archive)

LANDMARK ACQUISITIONS including the **personal archive of Tony Benn** and **two rare Beatles demo discs** (*Love Me Do* and *Please Please Me*)

30 GRANTS AWARDED AROUND THE WORLD through the **Endangered Archives Programme** – preserving at-risk archival material from Argentina to Rajasthan

1.1 MILLION VISITORS to our **exhibitions at St Pancras**, on subjects ranging from Anglo-Saxon history to stories of the Windrush generation

OVER 1 MILLION PEOPLE ENGAGED through the two year **Living Knowledge Network** project working with 22 of the UK's largest public libraries and the National Libraries of Scotland and Wales

FIRST INTERNATIONAL TOURING EXHIBITION with *Harry Potter: A History of Magic* shown at **New York Historical Society**

50,000 VISITORS to at least **300 cultural events** including talks, performances, festivals and more

CULTURE

RESEARCH

418,000 visits to our **Reading Rooms** in St Pancras and Boston Spa, and 5.1m items consulted online

£9.2m AWARDED by the UKRI for our **collaborative Living With Machines** research project with the Alan Turing Institute and AHRC

£29m OF CAPITAL SAVINGS DELIVERED for the UK research sector through our **UK Research Reserve project**

FIRST LONDON FASHION WEEK SHOWCASE at the Library, featuring **Nabil Nayal's designs** inspired by the Library collection

10.6 MILLION USERS of our **digital learning resources**

30,000 SCHOOL VISITS by **under-18s and their teachers**

FUNDING SECURED to extend our **Harry M Weinrebe Learning Centre**

NEW ACCESS AND OUTREACH PROGRAMME established to **remove barriers** for people with additional or complex needs

LEARNING

BUSINESS

23,000 PEOPLE SUPPORTED by the **Business & IP Centre** network across the UK

13 BUSINESS & IP CENTRES including three opened during the year in **Cambridgeshire and Peterborough, Nottingham** and **Glasgow**

SUCCESSFUL FUNDING BID for **Start-ups in London Libraries** – a hub-and-spoke model of grassroots business support in ten London boroughs

OVER 2,000 PEOPLE participated in UK-wide **Start-up Day** on 21 September

OVER 500 ENGAGEMENTS relating to over 80 countries, including **80 diplomatic visits**

CHAired CENL the Conference of European National Librarians, made up of **46 peer institutions** from member states of the Council of Europe

ANNOUNCED A TWO YEAR PARTNERSHIP with **Bibliothèque nationale de France** to digitise and make available 800 medieval manuscripts

HOST to international cultural events including **Zee Jaipur Literature Festival, Africa Writes**, and the **Peking Opera**

INTERNATIONAL

Chair's and Chief Executive's introduction

This was a year in which we reached the halfway mark in our *Living Knowledge 2015–2023* strategy, a natural moment for reflection as well as a redoubling of our efforts in pursuit of its goals. Today, as in 2015, the context is as challenging as ever with a revolution in data and technology, increasing expectations from our users, and demand for more collaborative, open models of access to information. As we enter this next phase of Living Knowledge, we do so with a new Chair – Dame Carol Black, appointed in September 2018 – and a new Chief Librarian, Liz Jolly, adding fresh expertise and perspective.

The extraordinary response to our exhibition *Anglo-Saxon Kingdoms: Art, Word, War*, which attracted over 100,000 visitors across its run, was testament to an endeavour that only the British Library could have staged on such a scale and to such effect. Four years in preparation, it was a confident articulation of so many parts of our *Living Knowledge* mission: a landmark cultural event, imaginatively researched and realised; a showcase for some of the most iconic objects we hold; and a complex international collaboration made possible by generous loans from eight institutions around the world alongside 17 UK-based lenders.

It was a once-in-a-generation moment, achieving such rare feats as reuniting the four principal manuscripts of Old English poetry and securing the return to England, for the first time in 1,300 years, of the mighty Codex Amiatinus, the oldest surviving complete Bible in Latin, from Florence.

Windrush: Songs in a Strange Land was equally timely and resonant with audiences. Our exhibitions are commissioned years in advance, yet this one caught a moment of acute national self-examination like few others. Amid the public debate, the exhibition provided a platform for the stories of the Windrush generation and, much like *Anglo-Saxons*, invited audiences to experience a different view of the world and the societies they live in.

Meanwhile, the previous year's blockbuster exhibition, *Harry Potter: A History of Magic* toured to the New York Historical Society, perhaps the highest profile but by no means most significant aspect of the Library's extensive international work

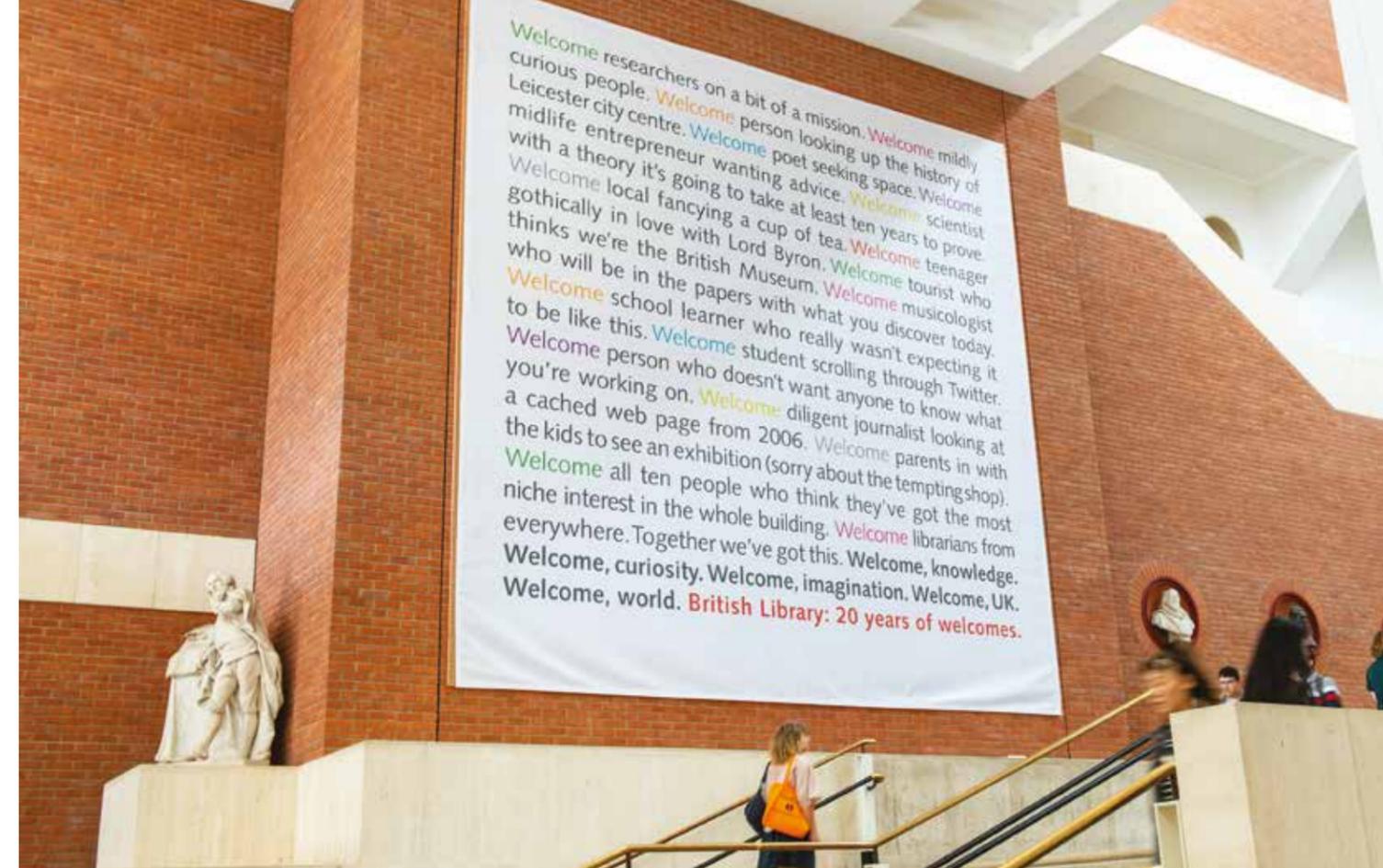
over the past year. We were delighted to announce a further phase of the Endangered Archives Programme, which has delivered over 360 projects in over 90 countries since 2004. This is one of the Library's most transformative contributions to knowledge and culture on a global scale – working with local partners to ensure that archives at risk of destruction, through conflict or environmental conditions, can be preserved in perpetuity. Elsewhere in this report, you can read about the large number of other international partnerships the Library has now established, from France and China to the Middle East. These are an increasingly powerful driver of the UK's cultural engagement with the world.

The Library's work continued to reach audiences throughout the UK through a set of thriving national networks. The Living Knowledge Network (LKN), which brings together 22 public libraries with the National Libraries of Scotland and Wales to share best practice, cultural offers, and networks, has concluded a hugely successful two-year pilot which saw over a million people engaged. The next phase of the network will embed a new sustainable subscription model to underpin its success.

There was an extraordinary response to our exhibition *Anglo-Saxon Kingdoms: Art, Word, War*, which attracted over 100,000 visitors across its run

Our Business & IP (Intellectual Property) Centre national network continued to prosper, reaching 13 centres, with new offers in Nottingham, Cambridgeshire and Peterborough, and Glasgow.

The network brings sector-leading support for entrepreneurs and small business into public libraries across the UK, supporting nearly 23,000 people with their business ambitions. This year



the Library also secured European Regional Development Funding through the GLA in order to deliver Start-ups in London Libraries, with support from JP Morgan and Arts Council England. This will deliver business support across 10 London boroughs.

At the heart of all our national operations is our legal deposit system, working together with the National Libraries of Scotland and Wales, Trinity College Dublin, Bodleian Libraries, and Cambridge University Library. The collection and storage in perpetuity of everything published in the UK is such a well-established principle that it may sometimes be taken for granted, but this year gave us pause to reflect with the Government's publication of a post-implementation review of the introduction of Non-Print Legal Deposit six years ago. This extended the principles of legal deposit to include digital content and the review highlights how effective the collaboration between the legal deposit libraries and the UK publishing industry has been. Over 58% of monographs and 35% of journals are now collected digitally. We look forward to the public consultation that will now follow on potential further improvements to the service.

Above: Our Welcome campaign which ran for six weeks over the summer. Much photographed, it went viral on social media and had its own line of merchandise. Photo by Sam Lane Photography.

This work with the wider libraries sector, and also with international partners, has added new dynamism and potency to our role as the national research library right at the centre of the UK's knowledge economy. Increasingly, this role enables us to support cutting-edge new research initiatives, such as this year's *Living with Machines* collaboration with the Alan Turing Institute – one of the most ambitious digital humanities projects ever to launch in the UK. The project will bring together data scientists, curators and academics to reveal new insights about the first industrial revolution from mining the Library's vast digitised collections of historic newspapers and other content, in search of lessons to help society navigate the 'fourth industrial revolution' of our own era.

The Library's story is also, as ever, one of continuity across all of our purposes. We continue to serve a richly multi-disciplinary community with over 418,000 visits to our Reading Rooms, and 5.1m items consulted online. In all we welcomed over 1.6m visitors through our doors this year and a remarkable 27.5m visits to our website. Our stellar exhibition offer was accompanied by a vibrant cultural events programme that delivered highlights week after week such as the Zee Jaipur Literature Festival, Chimamanda Ngozi Adichie receiving the PEN Pinter Prize, and Margaret Atwood speaking out on the role of women taking action on climate change.

Complementing this activity is our highly-regarded Learning programme which this year hosted almost 30,000 visiting school students, while our online learning resources for teachers and learners were used nearly 11m times.

A programme of this scale requires careful management of our resources and, after much internal work, we have agreed this year a new, four-year financial strategy that absorbs considerable financial pressures. The accelerating revolution in technology and the knowledge economy is the most significant of these pressures, and we have re-prioritised an additional £9m over this four year period to sustain our underlying systems and capability – an urgent investment in core functions. The digital collection now exceeds one petabyte and its rate of growth is increasing, while the evolving nature of data formats creates immediate and future challenges in preservation and access.

Similar challenges face us in our physical infrastructure with urgent improvements required to our estates in St Pancras and Boston Spa after an extended period of reduced capital budgets although, for each of our sites, we already have long-term strategic responses under way.

For our St Pancras plans, a key moment was signing a Development Agreement with SMBL Ltd, a consortium comprising Stanhope plc and Mitsui Fudosan UK Ltd, working with architects Rogers Stirk Harbour + Partners and engineers Arup. This enables us to move forward with plans to deliver a 100,000 ft² extension to our Grade 1-listed building, financed through an innovative partnership (with no additional call on Exchequer funding) that will also provide commercial space for organisations wishing to locate themselves in the heart of London's Knowledge Quarter. This area was recognised in March through a government-sponsored Science and Innovation Audit as having one of the highest densities of knowledge-based business, cultural and scientific organisations anywhere in the world, with an economic output similar to that of the City of London.

Equally important for the Library's long-term future are our plans for our Boston Spa campus in the Leeds city region. Our Boston Spa Renewed programme continued to develop what we believe is a compelling business case for investment to future-proof the storage and preservation of the national collection in perpetuity. Alongside this,

we are working with the City of Leeds and other local partners to deliver an expanded culture and learning programme in the run up to the Leeds 2023 cultural festival – a milestone that accords with our own 50th anniversary as a national institution – as well as exploring options for our future presence in the city.

The financial context is undeniably challenging, but we believe there is a compelling case for renewing the Library's presence as one of the great cultural resources in the north of England.

Ultimately, our careful financial planning has enabled us to make strategic investments across all of our purposes and to build on what has been another year of strong achievements. That we have been able to do so is thanks to those who fund or support our work: the UK taxpayer via Grant in Aid, our donors and supporters, and a wide range of collaborative partners.

In January, our second annual Gender Pay Gap report revealed a fall in the mean average disparity between men and women from 6.22% to 3.89% – encouraging progress that only reinforces our determination to eliminate the gap altogether by 2023 at the very latest¹. This is just one aspect of substantial activity to improve our workforce diversity at all levels and particularly at senior levels. We engaged 33 apprentices and were pleased to see seven of our 2017–18 intake progress to other roles within the Library.

As ever, the achievements described in the pages that follow are the result of dedicated professional effort by staff across every function of this complex and unique organisation. It is their vision and skill that makes all of this possible, and this report is, among other things, a chance to record and express our thanks to them.

Dame Carol Black
Chair



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

¹ The published report is available at: www.bl.uk/press-releases/2019/january/gender-pay-gap-published



Custodianship

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

Six years ago, the introduction of Non-Print Legal Deposit (NPLD) Regulations enabled an exciting evolution of what remains an abiding principle: the need to collect and preserve in perpetuity everything that is published in the UK. It was a bold, forward step and one that was recognised this year in a government Post-Implementation Review as an important success. At the time of the review, this ever-growing collection made up over 140,000 eBooks, 2.5m eJournal articles, and 470TB of archived web content (about 10m websites and 6 billion objects) that have been collected by the six legal deposit libraries of the UK. The Review also puts forward a number of recommended improvements for the libraries and the publishing community to deliver collaboratively which will now be subject to wider consultation next year.

The significance of NPLD's success should not be underestimated. Nearly 50% of web items collected by the UK Web Archive are no longer available as originally published on the open web after just 24 months; in an age of rapid transformation in

knowledge, NPLD stands as a trusted and true record of the UK's published output.

This extraordinary growth has been achieved despite no corresponding decline in physical published output. This year the Library collected 413,000 print items including 290,000 under legal deposit, filling another 8km of shelving and adding to a national collection that occupies more than 746km of shelving space, 70% of which meets international environmental storage conditions. Our Boston Spa Renewed programme seeks to address the growing and increasingly urgent pressures that this perpetual growth places on the Library's storage capacity. We have continued to work with the Department for Digital, Culture, Media & Sport (DCMS) to progress our business case for investment.

Left: Items from the archive of the Granville family. The acquisition was generously supported by the National Heritage Memorial Fund. Photo © The British Library Board; Below: Researching the 470TBs of the UK Web Archive. Photo by Sam Lane Photography.



Beyond collection and storage, we also carried out preservation interventions on over 23,000 individual collection items and prepared hundreds of thousands more for digitisation work including nearly half a million pages of newspapers. Projects included work on the collection's oldest Swahili manuscript, the Livongo Scroll, and the assessment of 750 boxes of material containing the personal archive of Tony Benn.

The acquisition of this archive, benefiting from the Acceptance in Lieu scheme, is part of our work to add culturally significant items to the collection and ensure they can be preserved for the nation. It is an extraordinarily rich resource containing extensive video and audio material alongside manuscripts, from one of the UK's most significant political figures of the late 20th century. The Library, generously supported by the National Heritage Memorial Fund, also acquired the Granville Family archive which covers three generations of the Leveson-Gower family and their influential role in British politics from the mid-18th to the late 19th century. Both archives add to a rich seam of research material that includes the archives of Gladstone, Lord Balfour, Jeremy Thorpe, and a substantial collection of oral histories from contemporary parliamentarians.

Other acquisitions this year included:

- Two rare Beatles demonstration discs of 'Love Me Do' and 'Please Please Me'.
- Fragment of a 10th century Anglo-Saxon benedictional leaf, previously not available to researchers
- Sir Edward Elgar's archive (generously donated by the Elgar Foundation)

The Library collected 413,000 print items including 290,000 under legal deposit, adding 8km to a collection that occupies more than 746km of shelving space

Our Save Our Sounds programme is a key area of our custodianship work, responding to the challenge of protecting the nation's sound collections from physical degradation and format obsolescence. The long-term goal is to preserve and increase access to over 400,000 rare, unique and at-risk sound recordings, as well as to establish new ways of acquiring and preserving the UK's future sound heritage. This year has seen our 10 'hub' partners across the UK begin sound digitisation work, with the unique scale of the project only made possible by a £9.35m grant from the National Lottery Heritage Fund back in 2017. With support from the Andrew W Mellon Foundation, the Library is also developing a new open-source Universal Player for heritage audio content, which will drive future engagement with the new digitised resources.

The Library's collection is vibrantly international, with every major language and faith group represented and, as a result, our custodianship responsibilities extend well beyond the UK. The Endangered Archives Programme, generously supported by the Arcadia Fund (a charitable fund of Lisbet Rausing and Peter Baldwin), works with partners in countries around the world to preserve archival material, primarily through digitisation, that is in danger of destruction, neglect or physical deterioration. In 2018 we made 30 grants including a survey of archival material in small Jewish communities in rural Argentina and a project to preserve audio recordings of the music and folklore of western Rajasthan. The programme has been

Custodianship: Our plans for 2019/20

- Launch a new access platform for selected sound content through our Save Our Sounds initiative
- Begin a pilot of the National Radio Archive, working with the radio industry and other partners to protect and share the UK's radio heritage
- Work with DCMS and the Joint Committee for Legal Deposit on the recommendations made in the NPLD Post-Implementation Review.

running since 2004, funding 360 projects in over 90 countries around the world, supporting the digitisation of seven million images and over 25,000 sound files, raising the profile of endangered collections and making them available online for researchers worldwide. This year we were delighted to secure support from the Arcadia Fund for a second phase running until 2025.

Left: Pamphlets from the Tony Benn Archive, acquired in 2018; Photo © The British Library Board; Below left: A rare demonstration disc of The Beatles' 'Love Me Do', showing Paul McCartney's name spelt incorrectly; Below right: Sound digitisation taking place in Northern Ireland hub, one of ten Unlocking Our Sound Heritage partners throughout the UK.





Research

We support and stimulate research of all kinds

The British Library has played a prominent role in what has been a year of significant change in the UK research landscape, playing host to the newly-formed UK Research and Innovation (UKRI) for their launch in May. This marked the bringing together of the seven UK research councils, Research England and Innovate UK with the aim of creating the best possible environment for research and innovation to flourish. Speaking at the event, Secretary of State Greg Clark described the Library as an international symbol of research and innovation for people arriving by Eurostar into St Pancras' Knowledge Quarter.

The Library's role in creating that environment for flourishing research and innovation is extensive. At its core are the Reading Rooms in London and Boston Spa, with over 418,000 visits and Readers requesting 1.47m objects, and a further 5.1m objects consulted online.

Left: London Fashion Week came to the Library showcasing designer Nabil Nayal, whose Spring/Summer collection was inspired by our Elizabethan and Medieval Manuscripts archives. Photo by Jackson Bowley; Below: Secretary of State Greg Clark launched the newly-formed UK Research and Innovation.

Beyond our Reading Rooms, the British Library On Demand service fulfilled over 220,000 requests for scanned digital content. The EThOS open access repository for PhD theses now has over 500,000 records (around 98% of all doctoral theses ever written by UK students), with over 68,000 full-text theses viewed every month. And we continued to work with organisations across the UK through DataCite UK, an initiative which uses Digital Object Identifiers to give researchers greater confidence in citing research data and to make their research outputs more visible.

Meanwhile the UK Research Reserve, a joint project between Higher Education Libraries, the British Library and the Higher Education Funding Council for England (now Research England), has continued to de-duplicate print journal holdings in university collections by providing accessible copies in the national collection. This has delivered significant savings to the UK research sector – £29m in capital savings alone, as well as ongoing estate management savings for participating institutions. In 2019–20, the project will become a service delivered by the Library.



These services form part of the national infrastructure supporting cutting-edge research and innovation in the UK and are the foundation for a number of key strategic collaborations. One is the Library's developing relationship with the Alan Turing Institute (whose headquarters are located in the British Library's St Pancras building), the national centre for data science and artificial intelligence. A major milestone was reached with our first joint funded research project *Living with Machines*, which was awarded £9.2m over five years from the UKRI's Strategic Priorities Fund in collaboration with the Arts and Humanities Research Council. The project will enable radical, interdisciplinary research using data derived from the Library's digital collection and the latest methods in data science and artificial intelligence to gain insight into how the advance of technology brings about changes across all aspects of society. In addition to this project, collaboration with the Alan Turing Institute is taking place in many other areas. Our ongoing collaboration on public Data Debates looking at issues such as trolling, inequalities in algorithms, and healthcare data is one such area.

We are also working with other cultural institutions who undertake research activity, including the British

Our Reading Rooms had over 418,000 visits and readers requesting 1.47m objects and a further 5.1m objects consulted online

Museum, Museum of London Archaeology, Tate and National Museums Scotland, to develop a new shared open access repository service for our collective research outputs. This year we started a pilot project which, subject to successful evaluation, will be taken into service in 2019/20 and we hope will grow with more organisations choosing to make their research outputs accessible in this way.

This will, in the first instance, provide a platform to share research that the British Library itself undertakes in its role as an Independent Research Organisation. This year we were involved in 56 collaborative research projects working with universities, other cultural institutions and international bodies. This included 15

new projects such as *True Echoes: Reconnecting Cultures with Audio from the Beginning of Recorded Sound*, a Library-led research and cultural heritage reconnection programme with indigenous communities and partner organisations in Australia and Oceania, supported by the Leverhulme Trust and BEIS.

As ever, the Library plays host to a vibrant research community. Our staff supervised 29 collaborative doctoral studentships, in partnership with 23 different higher education institutions from across the UK, funded by both the AHRC and the ESRC. New PhD research projects for this year included the role of national libraries in open access publishing, the relationship between Elizabeth I and Mary Queen of Scots, the writing traditions of Islamic Southeast Asia, and the media representation of British military commemorative practices in the digital age.

We also provide a unique environment for professional skills development, and this year we hosted a range of six to twelve-month placements for UK and overseas early career researchers focusing on innovation (AHRC funded), research methodology (ESRC, British Sociological Association funded), and curatorial development (Rutherford Fund). In addition, the Library's own three-month PhD research placement scheme attracted 20 students who undertook specific, embedded projects in departments across the Library.

Promoting the Library as a unique research resource is equally important to us. Our annual Doctoral Open Days season reached over 560 first-year PhD students, providing early career researchers with an introduction to the Library (38% were first time users). Students came from all parts of the UK (76% from outside of London), Europe, Canada and the USA.

In July, we were pleased to renew our partnership with Chevening, the UK Government's international awards scheme for developing global leaders, for a further three years. We have hosted six Chevening Fellows over the last three years, with participants from India, Nigeria, Pakistan, Serbia, Syria and Uzbekistan undertaking projects on a wide range of themes relating to the Library's international strategy and collection.

We have also extended our work with students and universities focused on creative industries and the arts. For the first time ever, the British Library was the venue for a London Fashion Week showcase by designer Nabil Nayal, whose collection drew heavily on his doctorate research in Elizabethan dress. The Library's Elizabethan and Medieval Manuscripts

Research: Our plans for 2019/20

- Complete new shared open access repository service, building on the pilot phase in 2018-19
- Continue expanding our work on emerging digital research in partnership with the Alan Turing Institute and other key partners, including delivering report from Data Driven Libraries project
- Continue to engage with UK Research and Innovation, ensuring the Library continues to be recognised as part of the UK's research and innovation infrastructure.

archives were inspiration for his Spring/Summer 2019 collection, featured in Vogue and other media. Nabil has continued to work with the Library in support of our partnership with the British Fashion Council, to deliver a student fashion competition involving universities across the UK using the Library's collection to underpin their research and creative output.



Left: Researching in Humanities 1 Reading Room. Photo by Mike O'Dwyer; Above: Music Collections doctoral Open Day, December 2018. Photo by Sam Lane Photography.



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. The Centres provide direct advice, guidance and training through a programme of one-to-one advice sessions, webinars and workshops, designed to increase people's skills, confidence and networks. Topics range from digital marketing to business planning and managing cash flow.

This year we reached thirteen Centres outside of London with new additions in Cambridgeshire and Peterborough library services, Nottingham Central Library and Glasgow Mitchell Library, working in partnership with the National Library of Scotland and Glasgow Life.

Left: Mary Portas shared her Work Like a Woman manifesto at an Inspiring Entrepreneurs event in November; Chief Librarian Liz Jolly launched the Cambridge Business & IP Centre alongside Julie Dean, our Entrepreneur in Residence.

The network's long track record of reaching broad and diverse users continues, supporting over 23,000 people across the UK to develop their business skills, knowledge and networks, with an additional 3,500 accessing webinars and live screenings. 60% of the network's users were women (versus 20% of female business owners across the UK), and 37% from a Black and Asian Minority Ethnic (BAME) background (versus 5% of business owners across the UK). The national network was referenced as a 'best practice' support service in the Alison Rose Review for Female Entrepreneurship, published on International Women's Day. This year we also commissioned an extensive impact evaluation of the network and we expect to publish the findings in the summer 2019.

We submitted a successful bid to the Greater London Authority for European Regional Development Funding to deliver grassroots business support through more libraries by working across ten London boroughs, using a hub and spoke model. The programme will act



as a pilot for a long-term vision to deliver business support in high streets in London and across the country and is supported by Arts Council England and JP Morgan.

We also received European Regional Development Funding for our ‘Innovating for Growth’ programme in London. This supported 70 people to scale up their businesses and increase their productivity, of which 46% were women and 26% were from BAME groups. Our Growth Club now comprises over 500 founders and we continued our ‘Start-Up Stars’ events, where seasoned entrepreneurs sit on a panel and share their knowledge and expertise with the next generation of entrepreneurs. We also enhanced our mentoring programme, through which around 50 Growth Club members mentor early stage start-ups. This year also saw our third national Start-up Day on 21 September, supported by Santander, where the entire National Network invited anyone with a business idea to attend a full day of free workshops, information sessions, mentoring and inspirational talks with role model entrepreneurs and business experts. Over 2,000 people took part across the UK.

We supported over 23,000 people across the UK to develop their business skills, knowledge and networks

We continued our *Inspiring Entrepreneurs* events series featuring high-profile business role models and innovators, which were live streamed to our Business & IP Centre partners across the country and viewers around the world. In July, we staged *Feelgood Founders*, where the people behind some of the best-known beauty and wellbeing brands, including Liz Earle, shared their secrets of success. To celebrate Black History Month in October, we held *Black Britain and the Creative Industries* featuring leading lights such as Kanya King, founder of the MOBO Awards and Femi Oguns, founder of the ground-breaking Identity School of Acting.

We marked Global Entrepreneurship Week in November by welcoming renowned retail guru

Mary Portas to talk to a sell-out audience about *Work Like a Woman*, her new manifesto to create an unstoppable feminine force for change in the business world. This event was the culmination of our *Work Like a Woman* day where over 200 attendees discussed the key themes and ideas of the book.

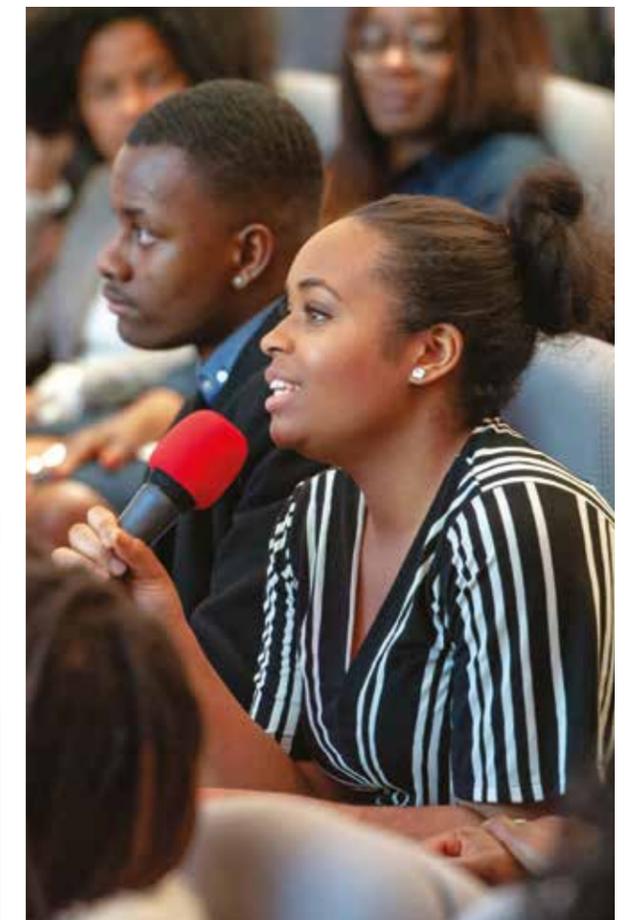
Recognising that emerging technologies are redefining the ways we interact, work and do business we also hosted a *Season of Digital Disruption*. This incorporated a special *Digital Disruptors Inspiring Entrepreneurs* with the founders of trailblazing businesses Citymapper, The Dots, MarketOrders and Lyst. This ran alongside advice for small businesses seeking to challenge the status quo and take advantage of emerging sectors, most notably at our first-ever Day of Disruption where we welcomed keynote speakers from Mintel and UnderTheDoormat.

We also continued to augment our regular programme with the introduction of a monthly Inventors’ Club, a series of Profit With Purpose events to support social impact businesses, and specialist support for BAME women in business through our Precious Nights programme in partnership with The Precious Awards.

Business: Our plans for 2019/20

- Add two – three new Business & IP Centre pilot sites to the Network
- Publish an economic impact evaluation to measure the performance and value of the BIPC Network
- Launch the Start-Ups in London Libraries programme working with ten London boroughs
- Deliver a Start-Up Day across all national network partner libraries in October 2019, helping to raise the profile of business support resources in libraries and strengthen the case for libraries as engines of economic growth.

Left: Elaine Powell speaks to a packed audience at Start-Up Day in September; Below: Kanya King, founder of the MOBO Awards, takes questions at an *Inspiring Entrepreneurs* event to celebrate Black History Month. Photos by Sam Lane Photography.





Culture

We engage everyone with memorable cultural experiences

The Library's unique collection again provided the foundation for a vibrant and memorable year of cultural engagement. Our exhibitions programme in St Pancras attracted 1.1m visitors, taking audiences through more than 1,500 years of history, from the Anglo-Saxon Kingdoms to the voyages of James Cook, through to the people who arrived in the UK on the *Empire Windrush* in 1948. Our Living Knowledge Network initiative continued to engage audiences right across the UK by working with 22 public libraries and the National Libraries of Scotland and Wales. And our international impact reached new audiences around the world.

'By some distance, the most significant exhibition in London' was how the Evening Standard described *Anglo-Saxon Kingdoms: Art, Word, War*. It was a landmark moment that brought together 180 treasures from across Europe to explore the history, literature and culture of Anglo-Saxon England. These ranged from the British Library's *Lindisfarne Gospels* and *Beowulf*, to loans including the giant Bible Codex Amiatinus and

Domesday Book. The exhibition was a significant success, attracting a sell-out audience of over 108,000 visitors.

James Cook: The Voyages, an exhibition generously supported by PONANT Yacht Cruises & Expeditions and the UK Antarctic Heritage Trust, invited audiences to take in 'eye-opening records of colliding worlds' (*The Guardian*) from Cook's journeys in the Pacific and beyond. The Library's unique collection of watercolours painted on board Cook's ship was displayed alongside a series of specially created films exploring the controversial impact and legacy of those journeys.

Meanwhile, our free Entrance Hall gallery space showcased the remarkable diversity of the Library's collection. *Windrush: Songs in a Strange Land* looked beyond the mainstream commemorations

Left: We commemorated the arrival of the Empire Windrush in our free *Windrush: Songs in a Strange Land* exhibition. Below: Putting the finishing touches to our *James Cook: The Voyages* exhibition. Photos by Sam Lane Photography.



of the arrival of the Windrush from the Caribbean in 1948 to reveal a richer, more complex and ongoing story. *Cats on the Page*, supported by Animal Friends and described by *Time Out* as ‘simply a brilliant idea turned into a brilliant show’, celebrated mysterious, playful and companionable cats in writing and illustration for all ages. And the Library’s Sound Archive – featuring recordings ranging from Florence Nightingale to the humpback whale – were showcased in the very popular *Listen: 140 Years of Recorded Sound*, supported by Bowers & Wilkins and which attracted over 200,000 visitors during its seven-month run. Meanwhile, our free and permanent Sir John Ritblat Treasures Gallery featured spotlights on Karl and Eleanor Marx, Michael Palin and P G Wodehouse. Our Second Floor Gallery included displays on Harold Pinter as well as the photographic exhibition *Beyond Timbuktu: the manuscripts of Djenne* which showcased the impact of the Library’s Endangered Archives Programme of grants supporting at-risk heritage.

Extending our reach beyond the Library continues to be a core objective. This year has seen the conclusion of a two-year pilot of the Living Knowledge Network (LKN), which brought together 22 of the largest public libraries in the UK with the British Library and the National Libraries of Scotland and Wales, to share cultural offers, skills development and best practice. Evaluation has shown that over a million people have engaged with LKN activity over the two years – a testament to the remarkable reach that public libraries have in communities across the UK. The pilot is transitioning into a new sustainable subscription-based model that will enable it to build on its success so far. This success has included the development of a live-screening programme of 15 Library events, a £350k Arts Council England-supported project working with Poet in the City to deliver *Collections in Verse* (commissioning new poetry and events to augment British Library exhibitions), and the UK-China Library Forum (bringing together ten UK public library leaders with Chinese counterparts in Chengdu).

Below: Leeds Libraries ‘Late’ event, bringing the library to life after hours through an evening of colour and creativity celebrating the explosive impact of Caribbean culture on Leeds and the UK. Based on our *Windrush: Songs in a Strange Land* exhibition, it was created in partnership with Poet and the City and the support of Arts Council England. Photo by Poet in the City



Touring exhibitions are a key part of our national programme. We collaborated with our LKN partners on *Quentin Blake: The Roald Dahl Centenary Portraits*, which was shown at Norwich and Norfolk Millennium Library and Wakefield One, and on *Punk: 1976–78* which was hosted by Liverpool Central Library, both extremely popular.

Over a million people have engaged with LKN activity over the two years – a testament to the remarkable reach that public libraries have in communities across the UK

And for the first time we toured an exhibition internationally, with *Harry Potter: A History of Magic* opening at New York Historical Society in October. Attracting over 145,000 visitors, the exhibition was described in a full feature in the *New York Times* as having ‘something for adults and children, history buffs and science enthusiasts, Potterheads and casual fans’.

Meanwhile, the HM Treasury-funded *The British Library in China: Connecting through Culture and Learning* project continued with a prominent session at the Hong Kong International Literature Festival in November. It explored Oscar Wilde’s legacy alongside the unveiling of a new digital artwork created by Hong Kong-based Dimension Plus inspired by Oscar Wilde’s manuscripts. Our now well-established social media presence in China continued to thrive with over 42,000 followers and nearly 17 million impressions. This three-year project drew to a close in April 2019 and the Library is exploring ways to build on its remarkable success in reaching a huge new audience.

Of equal importance is the work to reach local communities around our sites in St Pancras and Boston Spa. This year we were proud to announce our collaboration with the educational charity

Culture: Our plans for 2019/20

- Continue to grow and sustain an expanded cultural offer for Library audiences including the delivery of a new exhibitions strategy and new spaces within the current St Pancras building
- Deliver major exhibitions including *Writing: Making Your Mark*, *Buddhism*, *Leonardo: A Mind in Motion*, *Young Rebels* and *Imaginary Cities* and 245 live events
- Continue to expand our reach across the UK and internationally developing touring programmes, installations and events, working in partnership with LKN
- Deliver a programme of professional development and exhibitions in China developing new partnerships and revenue models.

Global Generation, opening The Story Garden in St Pancras. This will see the creation of a new temporary community space on the Library’s currently vacant development site, featuring growing plots, an orchard, a kitchen and workshop facilities. And as part of our increasing culture and learning programme in the Leeds city region, we worked with Poet in the City to commission three Leeds-based poets of Caribbean descent to create new poetry in response to our *Windrush: Songs in a Strange Land* exhibition. Their work with local communities formed the basis of a series of creative events from busking on buses to an inaugural ‘Late’ event at Leeds Central Library.

Our cultural events programme continued to grow in scale and ambition reaching a record 50,000 visitors for more than 300 events. Highlights included our popular Season of Sound, with live performances by Saint Etienne and Trojan Sound System and our first ever Food Season, featuring Marcus Wareing, Francisco Migoya and many others. We also played host to talks by leading writers such as Chimamanda Ngozi Adichie, Margaret Atwood and Arundhati Roy. This increasingly rich cultural menu is also shaping the design of new exhibition, events and public spaces which will be delivered through the Library’s St Pancras Transformed development plans.



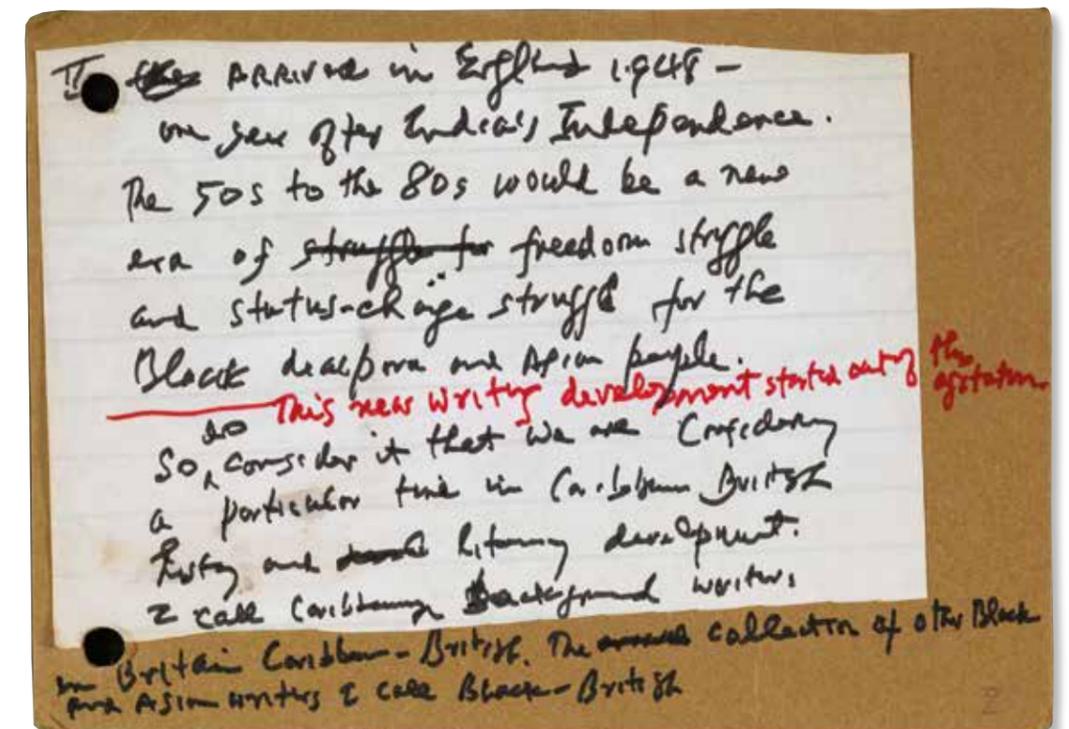
Learning

We inspire young people and learners of all ages

Our learning programme continues to grow and reach new and bigger audiences. Our digital learning resources were accessed by over 10.6 million users, exceeding last year's figure by more than two million. At the heart of these resources is Discovering Literature, which showcases the British Library's extraordinary collection of literary and historical treasures, contextualised through articles, films and teachers' notes to support learners of all ages. We have now launched five phases of the project, which together tell the story of English Literature from the medieval period to the 20th century, bringing to life the social, political and cultural contexts in which some of our greatest literary works were written and set.

And we added new strands to this digital tapestry this year including our *Windrush Stories* website, which brings together a rich mix of voices to explore the stories of Caribbean migrants and their descendants through literary drafts, photographs, posters, notebooks, sound recordings and textiles. The site explores the evolution of black British literature, art and music, focusing on subjects from calypso and sound systems to the works of John Agard, James Berry, Beryl Gilroy and Andrea Levy. It discusses activism and employment, discrimination and identity, decolonisation and slavery. And it features three powerful articles from David Lammy, Amelia Gentleman, and Judy Griffith, examining the Windrush controversy.

Left: Portrait photographer Crystal Te Moananui-Squares' *Tāhuratanga: Voyage of Discovery* display documenting people of Te-Moananui-a-Kiwa (the Pacific Ocean) living in the United Kingdom. Photo by Sam Lane Photography; Below: A notebook from James Berry's Archive, part of the *Windrush Stories* web resource. © James Berry: The Estate of James Berry



In a year that followed the 100th anniversary of the Representation of the People Act (which extended the vote to some women for the first time), our Votes for Women online learning resource, which explores the campaign for women's suffrage in the UK, was visited over 125,000 times. Aimed at secondary school students, teachers and the general public, this webspace combines short articles with original primary sources from the Library's collection to examine how suffragists and suffragettes campaigned for democratic rights in the UK.

Alongside this growing digital reach, we were extremely pleased to receive a generous grant from The Dorset Foundation which will enable us to extend the Harry M Weinrebe Learning Centre and grow our capacity for onsite physical visits by learners and teachers, adults, families and community groups, including those facing a wide range of barriers to access. This new extension will open in September 2019, in time for the new academic year. The Dorset Foundation were among the original funders of the Centre which opened in 2010 and continues to provide a creative and dynamic space for our learning programme, this year welcoming 29,655 visits from under-18

learners and teachers. This included, for the first time, a series of school events delivered at our Boston Spa campus. Five primary and secondary schools took part across two days on the theme of 'The Magic of Libraries', with activities including behind the scenes tours, creative writing and book making workshops and a session with local children's author, Tom Palmer.

Our new Access and Outreach programme aimed partly at audiences with special educational needs and disabilities has established a strong foundation over the past year. We delivered audio-description tours of *Anglo-Saxon Kingdoms: Art, Word, War* for blind and partially-sighted visitors and a number of new partnerships have seen us developing our work with adults and children with learning disabilities. We worked with Choice Support (a charity supporting adults with learning disabilities and autism) on a project inspired by the Sound Archive, and with the Village School on a project focused on the architecture of the Library with pupils with complex needs.

To complement our *James Cook: the Voyages* exhibition we ran a community-led project linked to the collection items within the exhibition, to

Our digital learning resources were accessed by over 10.6 million users, exceeding last year's figure by more than two million

explore the contested legacy of those journeys. Pacific-Arts producer Joe Walsh and Māori photographer Crystal Te Moananui-Squares worked with members of the Pacific community to create the exhibition *Tūhuratanga: Voyage of Discovery*, a series of 20 portraits documenting people of Te-Moananui-a-Kiwa (the Pacific Ocean) living in the United Kingdom today.

Our adult learning course programme has seen 1,270 people attend 46 courses, including a record-breaking study day on Anglo-Saxon life which sold out all 250 spaces. Our enduringly popular courses in bookbinding and Old English continue to sell out, as do experimental new offers including Japanese calligraphy, classic Arabic

Learning: Our plans for 2019/20

- Deliver an engaging and inclusive exhibition-based learning programme for the Library's major exhibitions: *Writing: Making your Mark* and *Buddhism*
- Open our new extension to the Harry M Weinrebe Learning Centre
- Embed a comprehensive programme of accessible events for visitors with complex needs and disabilities
- Launch two new online resources: *Discovering Sacred Texts* and *Children's Literature*.

literature, and Anglo-Saxon inspired life drawing. Participant feedback is very strong, with more returning participants than ever. We have formed a new partnership with CityLit which will enable us to grow the programme further and develop new courses with diverse topics and tutors, an expansion made possible by the extension to the Learning Centre.

Left and below: We provide learning opportunities for everyone through our Schools, Access and Outreach and Adult Learning Programmes.





International

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

Our international engagement work has seen a steady increase this year, with over 500 separate engagements across over 80 countries. We hosted more than 80 diplomatic visits and 170 professional visits to our sites in London and in Boston Spa.

Since 2015 we have chaired the Conference of European National Librarians, providing leadership to a community of 46 peer institutions drawn from the membership of the Council of Europe. This is a vital mechanism for maintaining and fostering strong relationships with European partners, sharing insights on the future of libraries, digital innovation, big data, artificial intelligence and open access.

Further afield, we strengthened bilateral professional engagement with national libraries around the world, signing Memoranda of Understanding with

Left: This Endangered Archives project surveys the archives belonging to social and political leaders (Pattakkarakar and Palaiyakkarakar) of Kongu Nadu, South India. Up until now, there has been limited scholarship on these 'small kings' due to the lack of empirical evidence made available for research. Below: Dr Hirut Kassaw, the Minister of Culture for Ethiopia (third left) at a show and tell.

national libraries and organisations in Argentina, China, Ethiopia, Georgia, Indonesia and Jamaica. These engagements promote skills sharing, knowledge exchange and capacity building with our global partners, helping to advance international cultural dialogue. Formal relationships are underpinned by the active participation of our curators in their international communities through conferences, visits, and other events, with over 140 professional excursions over the year.

The extension of our Endangered Archives Programme was just one aspect of our work to digitise, preserve, and extend access to internationally significant heritage material. Our fruitful partnership with the Qatar Foundation and Qatar National Library to digitise India Office Records, Arabic scientific manuscripts, maps and sound recordings was successfully extended into its third phase. Over the next three years, the Library will make available a further 900,000 images, adding to the 1.5 million already online through the Qatar Digital Library, which has now been visited by over 1.3 million users.



The Javanese Manuscripts from Yogyakarta Digitisation Project, generously supported by Mr S P Lohia, has digitised 75 manuscripts from Yogyakarta, which are now available online for global audiences, while our Hebrew Manuscript Digitisation Project has now digitised and made over 1100 manuscripts available online, with the support of The Polonsky Foundation and the National Library of Israel.

The first phase of our Two Centuries of Indian Print Project successfully digitised 1000 rare and unique early printed Bengali books and is now digitising books printed in Assamese, Sylheti and Urdu languages from our South Asian collection. The project promotes digital humanities research through digital skills workshops and training sessions at Indian institutions.

In November, we saw the launch of two new web resources that are making digitised and re-catalogued versions of 800 medieval manuscripts, dated 700-1200, available to researchers and the public for the first time. The two-year project between the British Library and the Bibliothèque nationale de France was generously sponsored by The Polonsky Foundation and saw teams from

We hosted more than 80 diplomatic visits and 170 professional visits to our sites in St Pancras and in Boston Spa.

both libraries collaborating to digitise, catalogue and make available online 400 manuscripts each from their collections.

The British Library hosted the International Dunhuang Project conference on 2 November, which was attended by representatives of partner institutions in China, Japan, Russia, France, Germany, the US and the UK, as well as a number of international advisors and sponsors. The project is a partnership with the National Library of China, Dunhuang Academy and over 20 collaborating global institutions to digitally reunite collections from Dunhuang held in the British Library and across the world. This includes a project to digitise nearly 800 Lotus Sutra manuscripts in Chinese

language from the Library's Stein Collection by August 2021, with generous funding from the Bei Shan Tang Foundation.

Our vibrant events programme at St Pancras continued to showcase international culture and talent this year, with highlights including the Zee Jaipur Literature Festival, Africa Writes, and the Lahore Literary Festival. We were also thrilled to welcome the prestigious Peking Opera and veteran Chinese-American actor Lisa Lu in October for our China in Focus events. These involved interactive workshops with Chinese opera performers and experts and a performance of an extract from Lisa's Chinese translation of *The Gin Game*. The Library also joined forces with Sinolink Productions to present the world-renowned Chinese National Peking Opera Company performing highlights from famous shows including Peking Opera masterpiece *Farewell My Concubine*.

Left: Tarjumah-'i 'Ajā'ib al-makhlūqāt Anonymous translator, Or 1621, in Qatar Digital Library; Below: An event in our Piazza Pavillion during the Zee Jaipur Literature Festival.

International: Our plans for 2019/20

- Develop a new international strategy setting out the Library's future approach to its work with international partners and collections
- Complete year 1 of phase 3 of our partnership with Qatar National Library, delivering 300,000 digitised objects
- Continue to provide the Chair and Secretariat for the Conference of European National Librarians.



Public Lending Right

The British Library administers Public Lending Right (PLR), the scheme through which authors are remunerated by the government for loans made by public libraries. In its distribution of the fund, the scheme recognises the value of such loans to the reading public and the right of authors and other contributors to receive payments for them. Registered authors, illustrators, translators, narrators and all others who have contributed to books subsequently benefit and are hugely supportive of it. The Library also administers Irish PLR on behalf of the Irish Government.

For the year from 1 July 2017 to 30 June 2018, PLR collected data on over 42 million loans from the 29 library authorities that were nominated to be part of this year's sample. The data was converted to a national estimate from which a Rate Per Loan of 8.52 pence was calculated. Over £6million was distributed to more than 22,000 authors, a figure which included 1,578 first time recipients, as well as illustrators and other rightsholders whose books were borrowed from UK public libraries in that year. The maximum payment threshold a rightsholder can receive is £6,600 and the minimum payment is £1, ensuring an equitable distribution of the fund across a large community of creators. In March 2019 the PLR Advisory Committee agreed to maintain the thresholds at the current rates for another year.

As in previous years, the popularity of particular authors remains remarkably constant; for the 12th consecutive year, James Patterson retained his status as the most borrowed author from UK public libraries. The top ten most-borrowed authors list was also familiar with several children's authors including Julia Donaldson, Francesca Simon, Roald Dahl and David Walliams appearing for another year running.

On 1 July 2018, following changes made by the Digital Economy Act 2017, PLR was extended to include remote loans of e-books and e-audiobooks. Rightsholders in these books became eligible for PLR in the same way as if their physical works were

borrowed. These loan figures are currently being registered alongside print and audio books for the 2018/19 PLR returns. The first listing of them will be in the 2020 PLR figures.

Then Minister for Arts, Heritage and Tourism Michael Ellis said: 'We want to help our libraries thrive in the digital age. This legislation fulfils a manifesto commitment and recognises the exciting increase in e-lending. By extending the scheme we are ensuring authors are properly compensated as the e-book industry continues to grow into the future.'

Tom Holland, Chair of the PLR Advisory Committee said, 'It is excellent news that the Government is backing a PLR fit for the 21st century. This will be hugely to the benefit of authors, who are fully aware that printed books these days are not the only way of reaching their readers.'

Also in 2018, DCMS passed the necessary PLR Scheme Changes to ensure that authors and other rightsholders resident in the UK would continue to be eligible to register for PLR following the UK's exit from the EU. It also removed an outdated requirement for authors registering for PLR for the first time, including first time posthumous applications, to provide a certificate signed by an independent witness.

In 2018, Tony Bradman and Nick Sharratt reached the end of their terms on the PLR Advisory Committee and have been replaced by translator and author Daniel Hahn and Alexis Deacon, the illustrator of *Beegu* among many other titles. As part of the British Library's strategic planning, activity is underway to upgrade the PLR technology platform and to finalise the move of the PLR office from Stockton-upon-Tees to Boston Spa.

Next year will mark the 40th anniversary of the UK Public Lending Right Act, and the British Library will be hosting the 13th International PLR Conference in September 2019.

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

This has required some difficult choices including a Voluntary Exit round (launched on 6 March 2019 and seeking 70 posts, provision for which is included in the Accounts) and reductions in areas such as content licensing. Crucially though, this refreshed strategy enables us to absorb a range of considerable pressures including technology, increased pensions contributions, and inflation over a four-year period. And it has also enabled us to protect our core services and purposes, and invest strategically across our Living Knowledge transformation programmes.

We have set ambitious but achievable targets for our commercial and philanthropic income over this period. We continue to make judicious use of our reserves within a policy agreed by the British Library Board. And we are working

with DCMS on opportunities to implement one of the recommendations of Neil Mendoza's Strategic Review of DCMS-sponsored museums, which would give the British Library the freedom to borrow, in line with other national museums.

This year we successfully implemented a new cloud-based online system for all finance-related transactions that will better serve the Library's future needs.

Continuous Improvement

New areas across the Library continue to benefit from our commitment to Continuous Improvement activity, and this year this included specific work on our Visitor Experience Group Operations, Research and Business, our Business & IP Centre and Electronic Services. We continue to collaborate with external bodies to share best practice and this year we were invited to speak to Home Office staff at their annual convention in Liverpool.

Commercial Strategy

Our new Financial Strategy sets a stretching target of £71m revenue over four years, challenging us to go even further with a number of commercial endeavours which have shown success in recent years. These include our Membership scheme, increased retail and catering income, and an expanded range of activities around the Library's cultural programme. Alongside these

more traditional commercial interventions, we also look to innovate with our Publishing team achieving top ten status in the Small Publisher Chart with both their *Crime Classics* and *Literary Christmas* titles. This year, the Library also signed its first brand licenses for operating in China, a key future market for us.

In 2018/19, our commercial work generated £17.1m income for the Library, a vital contribution to our overall operating budget. This represents growth of 29.5% since 2015/16, and a 7.8% increase on last year.

Technology Strategy

The Library continued to manage substantial pressures on the digital infrastructure required to store and provide access to the national digital collection. This exceeded one petabyte in size for the first time this year, with the rate of growth continuing to accelerate. This year the Library has re-prioritised an additional £9m from its overall budget over a four-year period in order to renew the systems, platforms and capability required to keep pace.

Significant effort has been invested in maintaining and supporting the Digital Library System, providing more capacity for storing a range of digital formats and preserving unique cultural content, including the UK's sound heritage in support of the Save Our Sounds programme. This is one strand of a technology

transformation programme that aims to consolidate the Library's overall digital infrastructure and phase out old systems.

The scale of this journey and the investment required in the Library's core functions will be a significant challenge over the next five years. The Library currently struggles to recruit sufficient new resources from the IT labour market, increasing the risk of delays to the Library's delivery of strategic programmes. A new salary review will be conducted to help the Library establish new benchmarks and manage this risk in the future.

Our Technology function achieved the Government-backed Cyber Essentials Plus accreditation, an important step in protecting the Library's service delivery, data and systems.

People Strategy

Our People Strategy sets the vision for the Library to be a workplace that inspires staff who place users at the heart of everything we do. The past year has seen staff engagement at a positive level of 3.88 out of 5, marginally down from 3.94 last year. We have engaged three volunteers and 33 apprentices of which 18 are part of our internal future leaders scheme. Two individuals from the 2017/18 intake have continued to higher apprenticeships and seven have secured roles at the Library. We have developed a robust diversity and inclusion action plan that will enable us to work towards a zero gender pay gap by 2023 (and which fell from 6.22% to 3.89% this year) as well as building on the Silver MIND Index Award we received in 2018 to enable us to further embed mental wellbeing across the Library. The lack of diversity in our workforce at a senior level remains a key challenge and recommendations following the recruitment review are currently being brought to life with the introduction of anonymous recruitment and the

development of a new policy and good practice guide. We have concluded the Review of Paid Allowances and have started consultation and negotiations with the Trade Unions to ensure our allowances meet our current and future needs as well as simplifying and streamlining how they are administered. Next year we will begin a review of pay and grading across the organisation.

We have held a number of Open Space workshops with staff to further embed our values. These have been well attended and created new and diverse approaches for us to adopt.

This year has also seen significant change in our team at a strategic level, with the appointment of a new Chair, Dame Carol Black, and a new Chief Librarian, Liz Jolly. There has also been recruitment of new Board Members (with appointments to be made in 2019–20) and the appointment of eight new British Library Advisory Council Members.

Diversity and Inclusion

Diversity and inclusion is at the heart of everything we do. 2018/19 has been a year of increased staff engagement and employee voice with the progression of staff-led LGBTQ+, BAME, gender and disability networks. Over 10% of our workforce are members of at least one of these networks. Key achievements include learning and development initiatives, championing mandatory unconscious bias training, engaging audiences at three local Pride events, attendance at Senior Leadership Team meetings and input into policy change and development. We aim to mirror the diversity of the people we serve, to attract and retain a diverse workforce and seek balance in representation across every job level.

Fundraising

The British Library is extremely grateful to all its donors and supporters – Patrons, individuals who leave a gift in their will, trusts and foundations, companies and members of the public – who cumulatively have committed £27.4m this year in cash and pledges. Their generosity provides us with vital support for all elements of the Library's work and *Living Knowledge* vision and enables us to continue fulfilling our bold ambitions.

Opening up access to our collection remained a key focus of our fundraising. Thanks to the generous support of The Polonsky Foundation, 400 pre-1200 manuscripts are now freely available online alongside 400 from the Bibliothèque nationale de France and we have raised additional funding to develop a Children's Literature section for our popular learning site *Discovering Literature*, due to launch at the end of 2019.

Alongside this, thanks to major support from Dangoor Education, Allchurches Trust and many others, we are developing a major new resource, *Discovering Sacred Texts*, due to launch in Autumn 2019. We will also be converting the phone booths on the Lower Ground Floor at St Pancras into sound booths where the public can hear a selection of recordings from our Sound Archive, thanks to a grant from the American Trust for the British Library.

Support from the National Heritage Memorial Fund and others has enabled us to continue growing our collection and preserving the UK's heritage for future generations with the acquisition of major new heritage items such as the Granville Archive, a vast collection of political papers and correspondence relating to the Leveson-Gower family. A major grant from the Arcadia Fund will allow us to continue the

Endangered Archives Programme for a further seven years, helping to ensure the preservation of important at-risk archives and manuscripts around the world.

Our onsite learning programme goes from strength to strength, with the Harry M Weinrebe Learning Centre now running at capacity. Thanks to renewed support from The Dorset Foundation, we will undertake works in summer 2019 to expand the Centre and welcome an additional 9,500 visitors per year.

It has also been a phenomenal year for exhibitions. *Anglo-Saxon Kingdoms* was a particular success and featured a number of outstanding loans that were supported by many generous individuals. Our thanks also go to PONANT Yacht Cruises and Expeditions and the UK Antarctic Heritage Trust, who supported the *James Cook: The Voyages* exhibition, and Animal Friends, who supported *Cats on the Page*.

The British Library's programme for Entrepreneurs and SMEs, the Business & IP Centre network, has continued to grow thanks to partners including JP Morgan, Santander and THG iNGENUiTY. It enables people across the UK from all backgrounds to set-up and grow their businesses in local, national and international markets and adding greater diversity in entrepreneurship across the UK.



Right: Additional Storage Building, Boston Spa. Photo by Pete Carr.

Key Performance Indicators

	Target 2018/19 000s	Actual 2018/19 000s	Actual 2017/18 000s	Actual 2016/17 000s
CUSTODIANSHIP				
<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	301	290	298	334
Digital items added to the collection through legal deposit	170	242	248	174
RESEARCH				
<i>We support and stimulate research of all kinds</i>				
Items consulted in Reading Rooms ¹	1,500	1,472	1,521	1,655
British Library website items consulted ¹	4,000	5,104	3,946	3,689
Visits to the Reading Rooms	420	418	424	399
BUSINESS				
<i>We help businesses to innovate and grow</i>				
People supported by the network of Business & IP Centres ¹	20	23	19	17
CULTURE				
<i>We engage everyone with memorable cultural experiences</i>				
Visitors to exhibitions in St Pancras	901	1,095	1,091	915
Visitors to events and exhibitions outside London (UK) ¹	17	267	785 ²	62
Items lent to other institutions for events and exhibitions (not 000s) ¹	300	375	294	255
LEARNING				
<i>We inspire young people and learners of all ages</i>				
Under-18 learners (and teachers) attending on-site learning sessions ¹	26	30	33	33
Visitors to British Library Learning website ¹	8,000	10,616	8,088	7,041
INTERNATIONAL				
<i>We work with partners around the world to advance knowledge and mutual understanding</i>				
International engagements hosted (not 000s) ¹	320	523	410	241

	Target 2018/19 000s	Actual 2018/19 000s	Actual 2017/18 000s	Actual 2016/17 000s
VISITORS				
British Library on-site visits	1,500	1,636	1,476	1,460
British Library website visits ¹	23,600	27,178	25,658	21,517
CUSTOMER SERVICE				
Satisfaction with Reading Room services	96%	96%	96%	96%
Satisfaction with ease of finding information on the Library's website	89%	90%	89%	87%
Satisfaction with our exhibitions (customer enjoyment rating)	85%	91%	90%	95%
OUR PEOPLE				
Employee engagement (rating out of 5)	4.00	3.88	3.94	4.02
FINANCE AND ECONOMIC				
Commercial income generated £000s ¹	16,700	17,107	15,858	13,658
Charitable giving: donations and sponsorship £000s ^{1,3}	7,800	7,795	7,687	7,449
Rate of charitable giving i.e. donations and sponsorships to Grant in Aid ^{1,4}	8.3%	8.3%	8.2%	7.9%

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

² Includes a reported visitors to panel displays in public libraries.

³ This measure includes donated assets of £1,210k (2017–18: figure restated to include £55k of donated assets), but excludes pledged future gifts and grants from publicly-funded institutions.

⁴ The 2017–18 figure has been restated to include the value of donated assets.

Grants and Donations

The British Library would like to thank all those who have given their support during the period April 2018 to March 2019, including:

Donors and Supporters

Al-Khoei Foundation
 Allchurches Trust Limited
 The American Trust for the British Library
 Andor Charitable Trust
 Arcadia – a charitable fund of Lisbet Rausing and Peter Baldwin
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 Colwinston Charitable Trust
 The CPF Trust
 The Delius Trust
 The Dorset Foundation
 The Exilarch's Foundation and Dangoor Education
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 The Helen Hamlyn Trust
 The Hintze Family Charitable Foundation
 The Hockerill Educational Foundation
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 Michael and Shirley Hunt Charitable Trust
 The Indigo Trust
 The Inlight Trust
 Professor Heather Jackson
 Sir James Knott Trust
 The Kirby Laing Foundation
 Professor Michael Lapidge
 The Leverhulme Trust
 Sri Prakash Lohia
 Charles and Nicola Manby

The Michael Marks Charitable Trust
 The Andrew W Mellon Foundation
 Brian Mitchell Charitable Settlement
 National Heritage Lottery Fund
 The National Heritage Memorial Fund
 The National Library of Israel and the Friedberg Jewish Manuscript Society
 National Central Library, Taipei
 Normanby Charitable Trust
 Old Possum's Charitable Trust
 The Owen Family Trust
 The P F Charitable Trust
 Mark Pigott KBE, KStJ
 The Austin & Hope Pilkington Trust
 The Polonsky Foundation
 Qatar Foundation
 Research Councils UK
 The David Ross Foundation
 Shouky and Doris Shaheen
 Shandong University
 Shoresh Charitable Trust
 Sino-British Fellowship Trust
 Bei Shan Tang Foundation
 The Tuixen Foundation
 Wates Foundation
 The Wellcome Trust
 Michael Wood and Rebecca Dobbs
 The World Federation of KSIMC

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 Dr Wei Yang

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 Michael G Katakis
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 S and C Westwell
 Andrew G White

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 Ansif Ashraf, British Herald
 The BAND Trust
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 Esther Baroudy
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 Alison Carnwath and Peter Thomson
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 Chris and Eddie Dapr e
 Cisca de Wilde
 The Doughty, Crockett and Rider families
 Andrew Howick
 Matt Jones
 And many others.

Companies

Animal Friends
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 Eventbrite
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 Mintel
 PONANT Yacht Cruises & Expeditions
 RELX Group
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Patrons and Benefactors of National Life Stories

Arcadia – a charitable fund of Lisbet Rausing and Peter Baldwin
 Booker Prize Foundation
 Graham Foundation
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 Royal Commission for the Exhibition of 1851
 Solidspace
 Hodson and Ludmila Thornber
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 Keith Williams
 Yale Center for British Art

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 Mr R Dyke Benjamin
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 Mr Patrick Donovan
 Mr Simon Eccles
 Ms Florence Fearington
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 Mr Richard P Henke
 Mr Garrett Herman
 Mr Arthur Holzheimer
 Ms Cheryl Hurley
 Ms Patricia Klingenstein
 Ms Ada Jung Lamont
 Ms Carol Mon Lee
 Dr Andrew T Nadell and Mrs Eleanore Ramsey Nadell
 Mr and Mrs Richard Oedel
 Mr and Mrs Bernard Picchi
 Mr David Thomas Pritzker
 Ms Mary Coxe Schlosser
 Mr and Mrs Stanley Scott
 Ms Felicia Shapiro
 Ms Merle Shapiro
 Ms Szilvia Szmuk-Tanenbaum
 Mr Winston Tabb
 Ms Susan Jaffe Tane

Foundations and Matching Gifts

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

Governmental Funders

Department for Digital, Culture, Media and Sport (Core Grant in Aid)
 Department for Business Energy & Industrial Strategy
 Ministry for Housing, 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 2018/19

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 Chair and the Chief Executive. The Chair 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.



Dame Carol Black
Chair

27 June 2019



Roly Keating
Chief Executive
and Accounting Officer

27 June 2019

FINANCIAL REVIEW

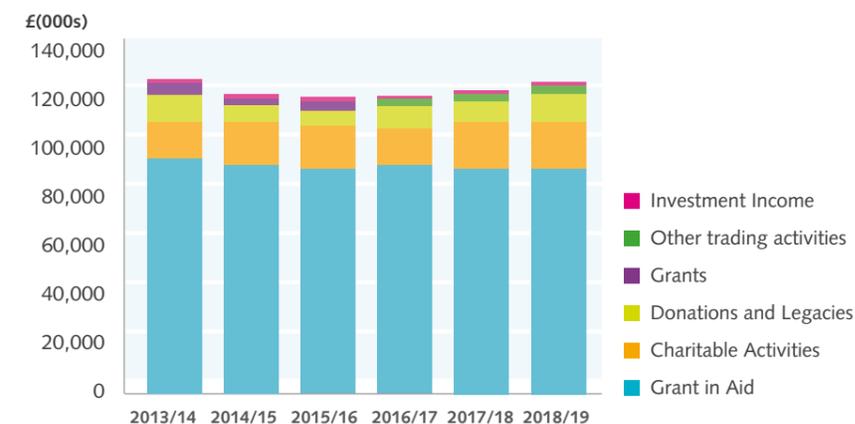
Overview of Financial Position

The British Library's income for 2018/19 was £122.2m (£120.8m in 2017/18), of which £93.4m or 76% was Grant in Aid (£93.4m or 77% in 2017/18). 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 £10.8m (£9.6m in 2017/18), in line with last year. The contributions from philanthropic donations, research grants and funding for major projects, which included a National Lottery Heritage Fund grant towards the Save Our Sounds project and new funding for the Endangered Archives Programme, continue to provide critical funding in support of the Library's purposes.

Income from the provision of charitable and trading activities was £17.7m (£17.5m in 2017/18), an increase of 1% on last year. Although this year's exhibitions were successful they could not match the income of last year's commercial activity which included the *Harry Potter: A History of Magic* exhibition. Income from Document Supply continued to fall during the year as expected,



although 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 continued to grow. The membership scheme continued to expand and we welcomed in members of the Friends of the British Library during the year following a successful merger. The success of the commercial strategy in continuing to increase sales year on year is demonstrated by the achievement of a 1% increase on last year's record figures (last year was 23% up on the previous year).

Investment income was £0.3m (£0.3m in 2017/18) Interest rates remained low during the year but returns were maximised by active management within the constraints of the Treasury Management policy. 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 £169.5m in the year (£145.1m in 2017/18). The charge for depreciation decreased substantially in line with the decrease in fixed asset valuations of the St Pancras land and buildings last year. The major increase was due to impairment costs of £36m on the revaluation of two buildings on the Boston Spa site. Other costs rose by around 2% reflecting the increase in salaries through the pay award and an increase in expenditure from restricted funds. The costs include a £2.1m provision for the Voluntary Exit exercise to be delivered in 2019/20.

Revenue expenditure on acquisitions for the collections was £9.6m (£12.1m in 2017/18). This reduction reflects planned incremental changes and adjustments to how we spend our acquisitions budget, with a focus on protecting the development of the more unique parts of our collections and developing more flexible and cost-effective access routes to contemporary published content. Capital expenditure was £3.3m (£1.4m in 2017/18), with the acquisition of a number of heritage items supported by just over £1.5m in donations and grants. Two donated collections were received and valued at £1.2m.

FINANCIAL REVIEW (continued)

The Public Lending Right (PLR) Grant in Aid allocation for the year was £6.6m (£6.6 m in 2017/18). Total PLR payments made in 2019 were £6m, paid to 22,314 authors (£6m paid to 22,108 authors in 2018). The rate per loan approved for 2019 was 8.52 pence (8.2 pence in 2018). PLR expenditure included £33,683 unpaid at the year end (£42,075 last year) 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 of £47.2m in the movement of funds before revaluation and transfers in the year, of which £2.3m was an increase in general funds, £51.1m a decrease in fixed asset funds, mainly as a result of the in-year depreciation charge and impairments, and £1.6m an increase in the restricted and designated funds.

Revaluations, including a full five-year reassessment of the Boston Spa land and buildings, resulted

in a £62.9m revaluation gain on Fixed Asset Funds in the year. Due to large fluctuations with valuations of the St Pancras land and buildings in previous years a desk top exercise was undertaken at the end of the year. Both exercises were undertaken by professional property advisors. The advisors determined that the whole Boston Spa site should be valued on a Depreciated Replacement Cost (DRC) basis because all buildings on the site were intrinsically linked by the Library's operations and could not be operated separately. This compares with the last valuation where some of the buildings were valued on an Existing Use Value (EUV) basis.

Reserves

At 31 March 2019 the British Library's reserves were as follows:

	£m
Permanent endowment	3.8
Expendable endowment	13.9
Restricted funds	9.2
Unrestricted funds	
Fixed asset reserve	429.8
Revaluation reserve	502.1
Donated asset reserve	30.2
Other designated funds	7.5
General funds	30.6
Total funds	1,027.1

Endowments, restricted and other designated funds are set aside for defined purposes and include £3.8m 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 2019 were £30.6m, of which £3.2m relates to non-cash prepayment adjustments in relation to purchase of serials. Taking account of the current level of risk, the following reserve levels were agreed by the British Library Board:

- £1.5m restructuring reserve
- £7.5m in relation to earmarked funds for the major portfolios and programmes
- £1.6m for expenditure carried over from the current year
- £1.0m 2019/20 financial planning commitment

- £3.4m in response to a request from DCMS to hold 5% contingency
- £12.4m general provision, which is 9% of the year's unrestricted expenditure and within the Library's target level.

Investments and Financial Risks

The Library holds a number of trusts 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 maximise 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 £24.2m. During the year, there were disposals of £0.1m to fund management fees on the funds. The markets continued their negative trajectory in line with the first quarter of the 2018 calendar year but reversed back into positive territory during 2019, leaving the fund values close to their position at the start of the financial year. At the end of the year, investments stood at £24.1m.

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 2019, 94% of invoices were paid within the agreed 30-day period (92% in 2017/18).

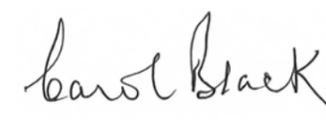
Related Party Transactions

Details of related party transactions are disclosed on page 90 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 57 to 62.

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.



Dame Carol Black
Chair
27 June 2019



Roly Keating
Chief Executive
and Accounting Officer
27 June 2019

REFERENCE AND ADMINISTRATIVE DETAILS

The following organisations were the Library’s principal suppliers of professional financial, legal and investment services during 2018/19:

Lloyds Bank
25 Gresham Street,
London EC2V 7HN

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

Government Banking Service
Southern House 7th Floor,
Wellesley Grove,
Croydon,
Surrey CR9 1WW

Santander Corporate Banking
2 Triton Square,
Regent’s Place,
London NW1 3AN

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

PwC
Central Square,
29 Wellington Street,
Leeds LS1 4DL

KPMG LLP (UK)
1 Sovereign Square
Sovereign Street
Leeds LS1 4DA

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 2018/19 towards Greening Government Commitment Targets for 2019/20 (against a 2009/10 baseline)

Requirement	2009–10 baseline	2018–19	% change	Status
 Reduce GHG emissions by 57% by 2019/20	20,602 tonnes CO ₂	9,501 tonnes CO ₂	54%	On target
 Reduce the number of domestic business flights by 30%	132	41	69%	Target achieved
 Increase the proportion of waste recycled	71%	64%	-7%	See below ¹
 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 ³	70,014 m ³	15%	On target
 Reduce paper consumption by 50%	26,655 A4 reams equivalent	4,190 A4 reams equivalent	84%	Target achieved

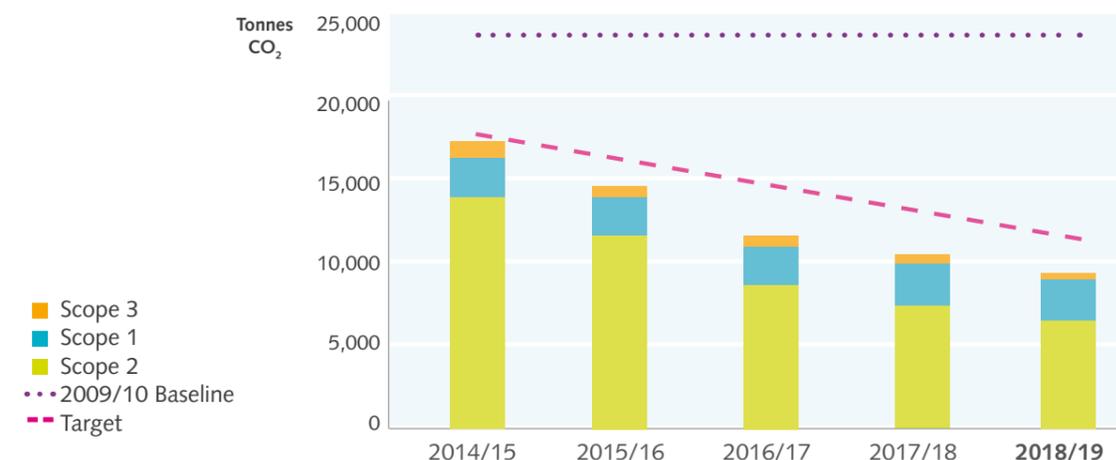
¹ Our success in other areas of waste reduction, such as reducing the overall amount of waste produced and the decrease in paper consumption have adversely affected the percentage of recycled waste. We continue to improve our waste handling systems to capture recyclable materials wherever possible and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

Greenhouse Gas Emissions

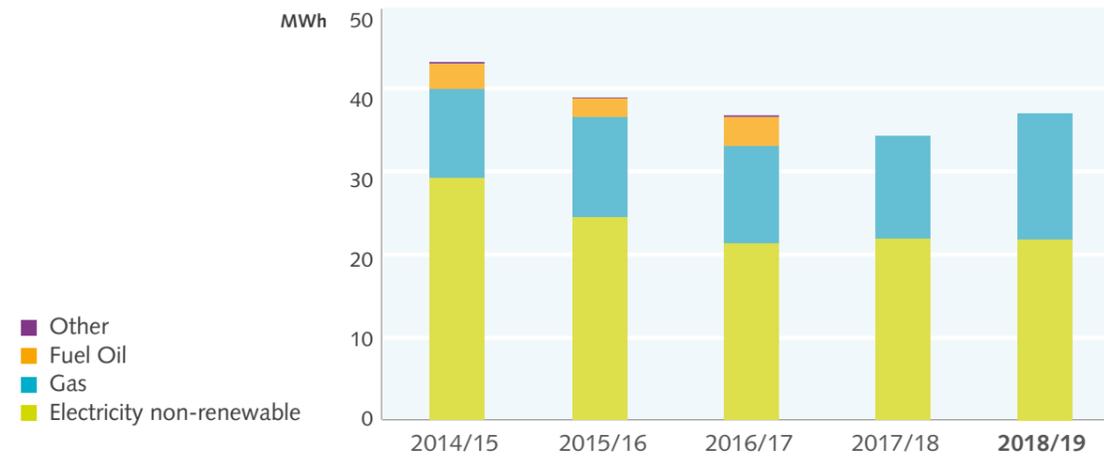
The main direct causes of carbon emissions from the Library are electricity and gas consumption. An energy saving action plan is in place and significant progress has been made as opportunities and budgets allow for investment in

energy saving measures, including increasing the rate of LED lighting replacement. Whilst the volume of energy consumed has risen in 2018/19 compared to the previous year due to weather conditions, our CO₂ reduction target has still

been met by a switch away from oil at Boston Spa. A “spend to save” plant replacement has been agreed for Boston Spa, which will reduce electricity consumed from Q4 2019/20 onwards.



Energy Consumption (MWh)



Greenhouse Gas Emissions		2014/15	2015/16	2016/17	2017/18	2018/19
Non-financial indicators (tonnes CO ₂)	Scope 1					
	Gas	1,958	2,152	2,183	2,208	2,718
	Fuel oil	8	6	8	0	0
	Owned fleet	8	5	5	5	5
	Total scope 1	1,974	2,163	2,196	2,213	2,723
	Scope 2					
	Electricity	14,410	11,525	9,028	7,821	6,281
	Total scope 2	14,410	11,525	9,028	7,821	6,281
	Scope 3					
	Official travel	447	392	408	234	393
Delivery and distribution	191	92	92	104	104	
Total Scope 3	638	484	500	338	497	
Total scope 1,2,3	17,022	14,172	11,734	10,372	9,501	
Related energy consumption (MWh)	Electricity: non-renewable	29,154	24,935	21,907	22,247	22,188
	Gas	10,587	11,663	11,868	11,988	14,774
	Fuel oil	3,492	2,645	3,048	70	167
	Other	29	27	28	27	27
	Total energy consumption	43,262	39,270	36,851	34,332	37,156
Financial indicators (£000)	Expenditure on energy	3,218	2,834	2,574	2,513	2,830
	CRC allowances expenditure	210	274	189	188	168
	Expenditure on official travel	594	576	635	526	678

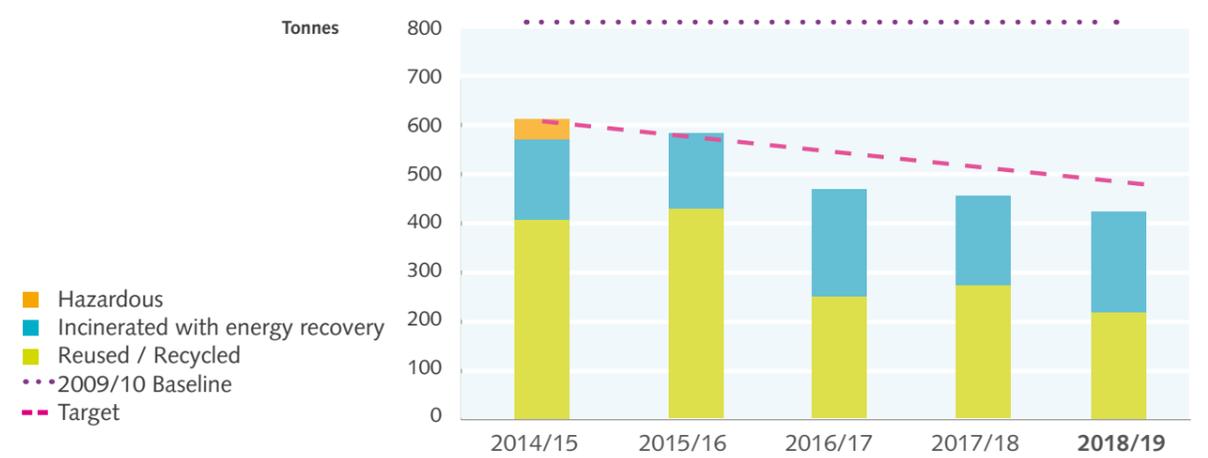
Waste Management

We employ a hierarchy of waste prevention, re-use, recycle, energy recovery & treatment/disposal. No waste 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 increased in 2018/19, including redundant furniture being re-used locally within the Camden

area in London. In total this has meant our Greening Government waste reduction target has once again been met and exceeded in 2018/19.

Waste, excluding construction waste, by disposal route



Waste (excluding construction)		2014/15	2015/16	2016/17	2017/18	2018/19
Non-financial indicators (tonnes)	Hazardous	60	–	–	–	–
	Non-hazardous					
	Reused/recycled	408	431	301	302	265
	Incinerated	148	143	172	155	146
Total waste	616	574	473	457	411	

Costs of waste disposal are embedded within service contracts. The actual element that relates to removal of waste is not identified separately.

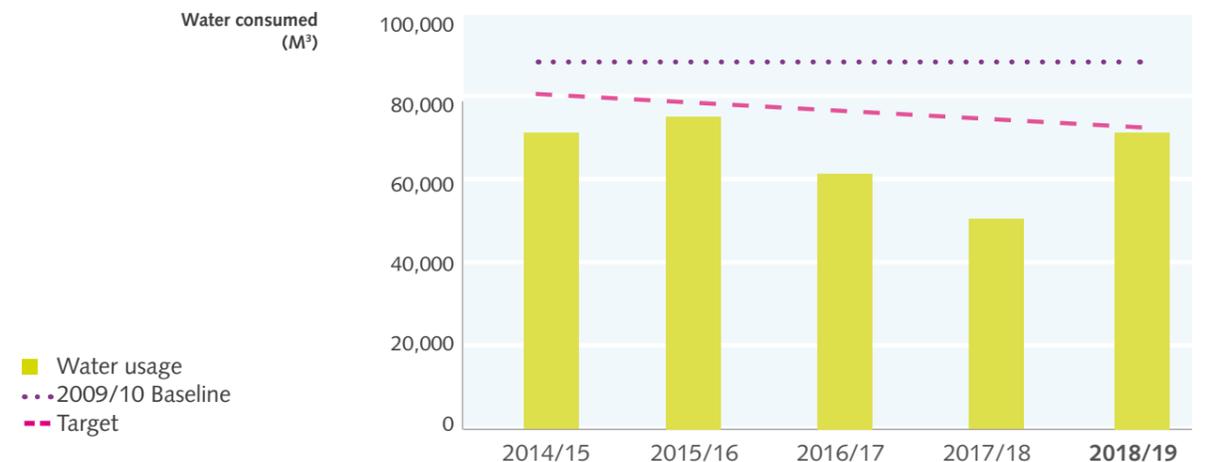
Water consumption

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. Whilst the increased number of visits by members of the public to our exhibitions and member facilities in St Pancras, and the replacement

of our cooling towers has increased the volume of water consumed by these activities in 2018/19 compared to the previous year, the reduction target has still been met.

Water consumption



Finite Resource Consumption			2014/15	2015/16	2016/17	2017/18	2018/19
Non-financial indicators (M³)	Water Consumption	Supplied	70,262	73,700	59,600	50,699	70,014
	Water supply and disposal costs		172	156	138	114	165

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.

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. 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.

Biodiversity Action Planning

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

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 considerations relating to the terms and conditions of all other Library employees and in approving 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 Chair.

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 2018/19 was £170–175k (£170–175k in 2017/18). This was 6.31 times (6.42 times in 2017/18) the median remuneration of the workforce, which was £27,342 (£26,849 in 2017/18).

In 2018/19, no-one received remuneration in excess of the highest-paid director. Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include employer pension contributions and the cash equivalent transfer of pensions.

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

Remuneration for Non-pensionable Board Members (audited):

	2018/19 £000	2017/18 £000	Term Started	Term Ends
Rt Hon Baroness Blackstone PC	15.4	37.0	01.09.10	31.08.18
Dame Carol Black	20.5	–	01.09.18	31.08.22
Mr David Barclay	7.5	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 Janvrin GCB GCVO PC	9.1	9.1	01.01.17	31.12.20
Dr Stephen Page	7.5	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
	132.8	137.1		

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 £3,869 (£2,333 in 2017/18) was paid to five (three in 2017/18) Board members for travel expenses.

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

	Salary £000		Bonus Payments £000		Pension Benefits £000		Total £000	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Roly Keating, Chief Executive	155–160	155–160	15–20	10–15	60	59	230–235	230–235
Caroline Brazier, (retired 31.08.18)	50–55 (FTE 125–130)	125–130	10–15	10–15	6	11	70–75	150–155
Liz Jolly, Chief Librarian (joined 24.09.18)	65–70 (FTE 125–130)	–	–	–	25	–	90–95	–
Philip Spence, Chief Operating Officer	140–145	140–145	10–15	10–15	58	45	210–215	190–195

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 2018/19 (three in 2017/18).

	Accrued Pension at pension age as at 31/3/19 £000	Real increase in pension and related lump sum at pension age £000	CETV at 31/3/19 £000	CETV at 31/3/18 £000	Real increase in CETV £000
Roly Keating, Chief Executive	20–25	2.5–5	347	266	38
Caroline Brazier, Chief Librarian (retired 31.08.18)	20–25 plus lump sum of 75–80	0–2.5 plus lump sum of 0–2.5	576	561	6
Liz Jolly, Chief Librarian (joined 24.09.18)	0–5	0–2.5	19	–	15
Philip Spence, Chief Operating Officer	30–35	2.5–5	553	455	35

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 updated 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

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially-assessed, capitalised value of the pension scheme benefits accrued by a

member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include

any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

Real Increase in CETV

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

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	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
£0-£10,000	3	-	2	-	5	-
£10,001-£25,000	3	5	-	-	3	5
£25,001-£50,000	1	1	-	-	1	1
£50,001-£100,000	4	5	-	-	4	5
Total number of exit packages	11	11	2	-	13	11
Total cost £000	403	495	14	-	417	495

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.



Dame Carol Black
Chair

27 June 2019



Roly Keating
Chief Executive
and Accounting Officer

27 June 2019

GOVERNANCE STATEMENT

Governance Framework

The British Library

The British Library is the national library of the United Kingdom, formed in 1973 under Section 1(1) of the British Library Act 1972 ('the Act'). It is an arm's-length, 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 covering 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 Chair 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 Chair 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 Chair and the Chief Executive are set out in the Statement of the British Library Board's and Accounting Officer's Responsibilities on page 44.

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
Audit Committee	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.
Remuneration Committee	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.
Capital Projects Committee	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 Membership¹

	Current term	Expires	Board	Audit	Remun.	Cap Pr.
Chair						
Baroness Blackstone PC (until 31.08.18)	2nd	31.8.2018	Chair	–	Member	–
Dame Carol Black (from 01.09.18)	1st	31.08.2022	Chair	–	–	–
Deputy Chairman						
Mr David Barclay (until 25.01.19) ³	2nd	25.1.2019	Member	Member	Chair	–
Chief Executive						
Mr Roly Keating	1st	11.9.2019	Member	–	–	Member
Non-Executive Board Members						
Dr Robert Black CBE	2nd	19.6.2020	Member	Chair	–	–
Mr Jonathan Callaway ³	1st	31.3.2019	Member	–	–	–
Ms Tracy Chevalier ²	1st	31.3.2019	Member	–	–	–
Mr Martin Dickson ³	1st	31.3.2019	Member	Member	–	–
Lord Janvrin GCB GCVO PC	1st	31.12.2020	Member	–	Member	–
Dr Stephen Page (until 25.01.19) ³	2nd	25.1.2019	Member	–	–	Member
Mr Patrick Plant	2nd	14.5.2020	Member	–	–	Chair
Sir John Ritblat ³	1st	31.3.2019	Member	–	–	–
Dr Simon Thurley CBE ²	1st	31.3.2019	Member	–	–	Member
Professor Dame Helen Wallace DBE ³	1st	31.3.2019	Member	Member	–	–
Committee members with relevant professional experience:						
Ms Berenice Smith (until 31.10.18)	3rd	31.10.2018	–	Member	–	–
Ms Lynn Brown	1st	30.09.2022	–	Member	–	–
Mr Nicholas Deyes	1st	30.09.2022	–	Member	–	–

¹ Current Board members' biographies are available under: www.bl.uk/about-us/governance/british-library-board/

² Board members renewed for a second term on 01.04.2019 whose second term will expire on 31.03.23

³ Board members whose terms of appointment ended during the financial year 2018/19. On 13 May 2019, the Secretary of State appointed five new members to the Board, each for a four-year term ending on 12 May 2023.

A register of Board Members' interests is maintained by the Head of Governance and is available at: www.bl.uk/britishlibrary/~media/bl/global/about%20us/board/register%20of%20interests.pdf. 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, fundraising and the delivery of strategic change initiatives. The Board also approved financial and business plans for the next year and members participated in a thorough review of strategic risks.

In addition to regular business, significant issues that were considered by the Board during 2018/19 included:

- key areas to prioritise in the delivery of *Living Knowledge* over the next four years
- a potential strategy for the Library's future research services
- our collection-based engagement with communities in Asia and Africa
- our approach to fundraising and development, including agreement of an ethics policy and framework for offering name recognition opportunities
- the Library's state of compliance with the new General Data Protection Regulation which came into effect in May 2018
- agreement of terms and the subsequent signing of a conditional development agreement for part of the Library's St Pancras estate with

Stanhope plc and Mitsui-Fudosan UK Ltd, subject to further negotiations with Transport for London on provisions for the proposed Crossrail2 infrastructure

- a proposed bid to HM Treasury for investment to expand the Library's archival-standard collection storage and preservation facilities in Boston Spa, with the refurbishment of outdated areas
- future work with Leeds City Council and other local partners to deliver an expanded culture and learning programme, leading up to the Leeds 2023 cultural festival, plus the exploration of potential subsequent opportunities to embed a British Library presence in the city after 2023
- agreement of a Code of Conduct and delivery of the Library's people strategy 2014–2019, plus potential issues for inclusion in plans for the next four years, such as improving the diversity of the Library's staff
- initial preparations for the Government's next comprehensive spending review, likely to commence in 2019, and
- the Library's preparations for the UK's planned departure from 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 KPMG, the Library's internal auditors, including progress reports on the implementation of

recommendations and agreed a suitable programme of work for 2019/20. 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 2018/19, 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 2017/18, and the annual pay remit for staff in 2018/19.

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 final negotiations, and ultimately the signing, of a conditional Development Agreement with Stanhope plc and Mitsui-Fudosan UK. The Committee also oversaw further negotiations with Crossrail2 for a supporting agreement, and future planning considerations.

Board and Committee Attendance

	Meetings attended / eligible to attend			
	British Library Board	Audit Committee	Remuneration Committee	Capital Projects Committee
Rt Hon Baroness Blackstone PC	2 / 2	–	1 / 1	–
Dame Carol Black	3 / 3	–	–	–
Mr David Barclay	4 / 4	3 / 3	1 / 1	–
Dr Robert Black CBE	5 / 5	4 / 4	–	–
Mr Jonathan Callaway	5 / 5	–	–	–
Ms Tracy Chevalier	5 / 5	–	–	–
Mr Martin Dickson	5 / 5	4 / 4	–	–
Lord Janvrin GCB GCVO PC	5 / 5	–	0 / 1	–
Mr Roly Keating	5 / 5	–	–	5 / 5
Dr Stephen Page	4 / 4	–	–	4 / 4
Mr Patrick Plant	5 / 5	–	–	5 / 5
Sir John Ritblat	3 / 5	–	–	–
Dr Simon Thurley CBE	5 / 5	–	–	5 / 5
Professor Dame Helen Wallace DBE	5 / 5	4 / 4	–	–
Committee members with relevant professional experience:				
Ms Lynn Brown	–	4 / 4	–	–
Mr Nicholas Deyes	–	4 / 4	–	–
Ms Berenice Smith	–	3 / 3	–	–

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 Chair and the Board undertakes an annual assessment of its own effectiveness on the basis of a self-evaluation questionnaire. In May 2018, members recommended again 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. Also in May 2018, a separate governance review of

the Board's effectiveness was undertaken by KPMG, newly appointed internal auditors. Their report confirmed that the Board was generally effective with sound processes, that the quality of information provided was sufficient for the Board to conduct its role, and that the Board could take significant assurance with some minor improvement opportunities offered for consideration to the new Chair, Dame Carol Black, following her appointment in September 2018.

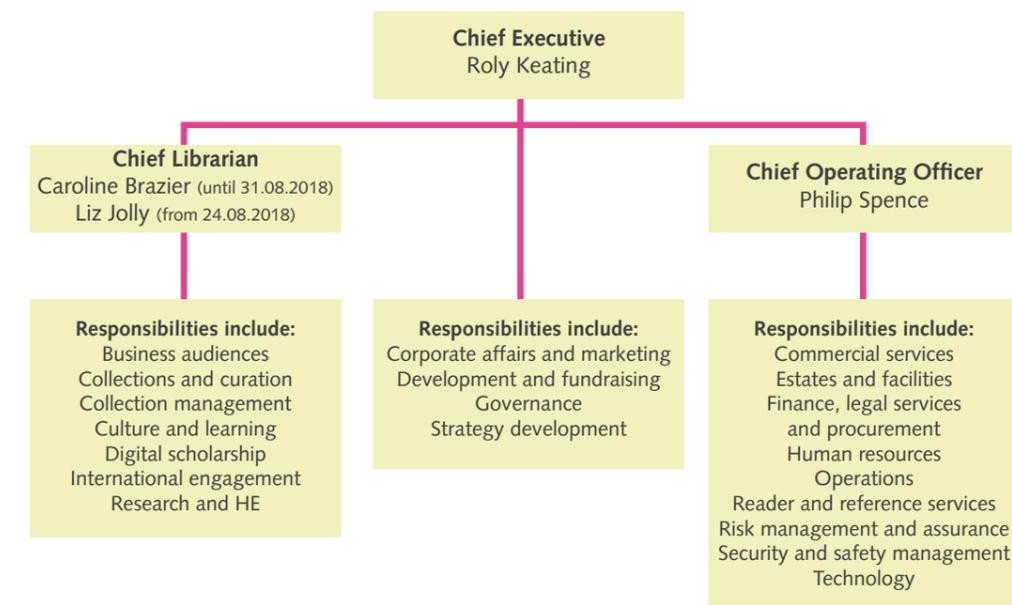
Separately, the Audit Committee carried out a self-evaluation based upon the National Audit Office's check list, which also confirmed that the Library has good practices and controls and that the work of the Committee is effective. Internal Audit provides assurances on the quality of management information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



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 categories such as brand, financial stewardship, governance or service delivery, the Board is prepared to accept risk at one of the following levels: 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. In an annual cycle, the Audit Committee receives an in-depth review of the controls and assurances for each strategic risk. Operational risks are managed and reviewed regularly by the management team and are escalated to the strategic leadership team whenever they score outside the level of tolerance set by the Board.

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. During 2018/19, 14 internal audit reviews were carried out, resulting in 52 audit recommendations. Based on the areas considered within their scope of work for the year, and

management’s implementation of their recommendations, the Head of Internal Audit’s opinion was that the Board could take “significant assurance with minor improvement opportunities”.

Principal risks

During the year, the Chief Officers, Board members and Audit Committee members participated in a risk workshop, as a result of which some changes will be made to the Library’s register of strategic risks in 2019/20. During 2018/19, 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: Low)
- **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: Modest)

Two of our strategic risk themes remain just above appetite and have future activities planned. To improve our *stakeholder relationships* our community engagement strategy will include extending our activities and long-term relationships with the neighbouring area stakeholders, including other partners within the Knowledge Quarter. Improvement in our *physical security* will focus on ‘Stay Safe’ training for front line staff and a review of our physical access controls.

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.

Fundraising and Development

Development activity within the Library is directed by the Library’s Director of Development, who manages a team directly employed by the Library, 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, the General Data Protection Regulation, and the Fundraising Ethics policy approved by the British Library Board. The Library’s fundraising activity is also governed by the Library’s Code of Conduct and other policies including those for Complaints, Anti-Fraud and Anti-Bribery, and the Library’s Finance Code. 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. These measures ensure that donors’ rights are protected; no complaints were received in the financial year concerning the Library’s fundraising activities.

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 2018/19 the main focus of activity was on compliance with the General Data Protection Regulation (GDPR), implemented in May 2018:

- A statutory Data Protection Officer was appointed to provide independent advice to the Chief Officers and the Board on their obligations under the law, and to support customers and staff in the exercise of their rights in relation to their personal data
- All existing Data Protection controls were reviewed and, where appropriate, updated and re-implemented.
- Bespoke, face-to-face GDPR training was given to all customer-facing staff (60% during 2018 and the remaining 40% by February 2019).
- 222 separate data flows involving customers’ personal data were audited and documented.
- All data processing arrangements with suppliers were reviewed and amended to ensure compliance.
- Several process improvements were made to the handling of staff personal data, prior to the Library’s anticipated replacement of its employee data supporting systems and a thorough redesign of relevant processes in 2022/23.

During 2018, the Library processed 172 statutory Data Subject rights requests (28 in 2017). Two complaints were made to the external regulator (0 in 2017), but the ICO endorsed the Library’s compliance in both cases.

The Library has suffered no significant losses or thefts of personal or other protected data during 2018/19 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

The Chief Operating Officer chairs a Health and Safety Board, comprising the Head of Safety and Security, Head of Estates and Facilities Management and TUS representatives, who meet quarterly and provide annual reports for SLT and the British Library Board.

Throughout the year members of SLT and TUS jointly attend site-specific Health and Safety visits outside of the SLT members’ normal area of work.

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, three accidents were reported under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) – compared with two in 2017/18. In total, there were 186 staff attendances at 8 different aspects of health and safety training during 2018/19. 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 7.28 days per employee (7.40 days in 2017/18).

Whistleblowing

The Library's whistleblowing policy was reviewed and updated in August 2017/18 in consultation with our recognised Trade Unions. It is made widely available to all staff on the Library's intranet and was communicated directly to all staff following the update. There were no instances of whistleblowing reported in 2018/19.

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 2018/19 (headcount)	36
Number of employees who were relevant union officials during 2018/19 (full time equivalent)	35

Percentage of time spent on facility time

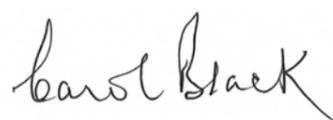
Percentage of time	Number of employees
0%	0
1–50%	36
51–99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£48,311.13
Total pay bill	£60,280,867
Percentage of the total pay bill spent on facility time	0.08%

Paid trade union activities

Time spent by relevant employees on paid trade union activities as a percentage of total paid facility time	72.60%
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Dame Carol Black
Chair

27 June 2019



Roly Keating
Chief Executive
and Accounting Officer

27 June 2019

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 2019 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 as adopted by the European Union. 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 2019 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.

Conclusions relating to going concern

I am required to 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 for a period of at least twelve months from the date of approval of the financial statements. 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. I have nothing to report in these respects.

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.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated 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, but does not include the Remuneration Report, 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 I 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.

Gareth Davies
Comptroller and Auditor General

3 July 2019

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 2019

	Notes	Unrestricted funds			Restricted funds	Endowed funds		Total 2018/19
		General Funds	Designated Funds	Fixed Asset Funds		Permanent	Expendable	
		£000	£000	£000	£000	£000	£000	£000
Income and Endowments from:								
Grant in Aid	2	93,443	–	–	–	–	–	93,443
Donations and legacies	3	433	155	2,446	7,579	–	141	10,754
Charitable activities	4	11,852	21	–	2,670	–	15	14,558
Other trading activities		3,116	–	–	–	–	–	3,116
Investment Income	5	332	–	–	–	–	–	332
Total Income and Endowments		109,176	176	2,446	10,249	–	156	122,203
Expenditure on:								
Raising Funds								
Raising donations and legacies		(2,689)	–	–	–	–	–	(2,689)
Other trading activities		(3,519)	–	–	–	–	–	(3,519)
Investment management costs		–	(31)	–	(5)	(20)	(77)	(133)
Charitable Activities		(100,640)	(137)	(53,588)	(8,314)	(51)	(405)	(163,135)
Total Expenditure	7	(106,848)	(168)	(53,588)	(8,319)	(71)	(482)	(169,476)
Net Gains/(losses) on investments	11	–	5	–	1	4	14	24
Net income/(expenditure)	6	2,328	13	(51,142)	1,931	(67)	(312)	(47,249)
Transfer between funds	18	(4,642)	(405)	6,034	(932)	(48)	(7)	–
Other recognised gains/(losses)								
Gains / (losses) on revaluation of fixed assets	9	–	–	62,910	–	–	–	62,910
Net movement in funds		(2,314)	(392)	17,802	999	(115)	(319)	15,661
Reconciliation of Funds:								
Total funds brought forward at 1 April 2018		32,951	7,856	944,321	8,198	3,948	14,215	1,011,489
Total funds carried forward at 31 March 2019		30,637	7,464	962,123	9,197	3,833	13,896	1,027,150

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
Income and Endowments from:							
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
Total Income and Endowments		109,384	485	258	10,684	–	120,826
Expenditure on:							
Raising Funds							
Raising donations and legacies		(1,623)	–	–	–	–	(1,623)
Other trading activities		(1,287)	–	–	–	–	(1,287)
Investment management costs		–	(32)	–	(6)	(21)	(79)
Charitable Activities		(102,881)	(94)	(32,071)	(6,664)	(42)	(142,036)
Total Expenditure	7	(105,791)	(126)	(32,071)	(6,670)	(63)	(145,084)
Net Gains/(losses) on investments	11	–	236	–	31	161	631
Net income/(expenditure)	6	3,593	595	(31,813)	4,045	98	283
Transfer between funds	18	(1,883)	(228)	3,654	(1,491)	–	(52)
Other recognised gains/(losses)							
Gains / (losses) on revaluation of fixed assets	9	–	–	(586,481)	–	–	–
Net movement in funds		1,710	367	(614,640)	2,554	98	231
Reconciliation of Funds:							
Total funds brought forward at 1 April 2017		31,241	7,489	1,558,961	5,644	3,850	13,984
Total funds carried forward at 31 March 2018		32,951	7,856	944,321	8,198	3,948	14,215

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 71 to 93 form part of these accounts.

The British Library Board
Balance Sheet as at 31 March 2019

Notes	2018/19 £000	2017/18 £000
Fixed assets		
Intangible assets	8	2,326
Tangible assets	9	885,735
Heritage assets	10	74,062
Investments	11	24,134
Total fixed assets	986,257	968,564
Current assets		
Stocks	12	864
Debtors and prepayments	13	12,359
Investments	14	18,000
Cash at bank and in hand	15	27,600
Total current assets	58,823	61,909
Current liabilities		
Creditors: amounts falling due within one year	16	(15,062)
Provisions: amounts falling due within one year	17	(2,868)
Total current liabilities	(17,930)	(18,984)
Net current assets	40,893	42,925
Total assets less current liabilities	1,027,150	1,011,489
Total net assets	1,027,150	1,011,489
Funds of the Charity:		
Permanent Endowments	3,833	3,948
Expendable Endowments	13,896	14,215
Restricted funds	9,197	8,198
Unrestricted funds		
Designated funds		
Fixed asset reserves	429,795	410,475
Revaluation reserve	502,105	504,833
Donated asset reserve	30,223	29,013
Other designated funds	7,464	7,856
General funds	30,637	32,951
Total funds	18	1,027,150
		1,011,489

The notes on pages 71 to 93 form part of these accounts.

The financial statements on pages 67 to 70 and accompanying notes on pages 71 to 93 were approved by the British Library Board on 27 June 2019, and were signed on their behalf by:



Dame Carol Black
Chair

27 June 2019



Roly Keating
Chief Executive
and Accounting Officer

27 June 2019

	Notes	2018/19 £000	2017/18 £000
Cash Flows from operating activities:			
Net Cash provided by (used in) operating activities	15	3,735	8,711
Cash flows from investing activities:			
Dividends, interest and rents from Investments	5	332	269
Purchase of property, plant and machinery	8,9	(4,104)	(2,561)
Purchase of heritage assets	10	(3,304)	(1,384)
Donated assets	10	(1,210)	(55)
Disposal of Investments at cost	11	133	1,272
Purchase of investments	11	–	(200)
Net Cash provided by (used in) investing activities		(4,418)	6,052
Change in cash and cash equivalents		(4,418)	6,052
Cash and cash equivalent brought forward		50,018	43,966
Cash and Cash equivalents carried forward		45,600	50,018
Analysis of Cash and Cash Equivalents:			
Cash at bank and in hand		27,600	32,018
Notice deposits		18,000	18,000
Total Cash and cash equivalents		45,600	50,018

The notes on pages 71 to 93 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 recent reductions in the government grant, 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 and 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.

Grants are recognised when the formal offer of funding is received unless there are terms and conditions related to performance, timing or raising of matched funding which must be met before entitlement, in which case income is recognised as those conditions are met.

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. 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:

Freehold buildings

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

Plant and Machinery and Office Equipment

3 to 25 years

Computer Equipment

3 to 5 years

Motor Vehicles

4 years

Assets in the course of construction

No depreciation is charged until the 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:

Licences:

Over the contractual period

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 published the results of the revaluation as at 31 March 2016 in summer 2018. Increases to the contribution rates arising from that valuation have been implemented in April 2019. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation (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 87.

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.

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

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

2. GRANT IN AID

Total Grant in Aid drawdown by the British Library Board in 2018/9 was £93.4m, with £3.2m allocated for capital projects, improvements and heritage asset acquisitions (£93.4m received in 2017/18, £3.2m for capital). The Library's Grant in Aid also included £6.6m for Public Lending Right of which £6m was for distribution to authors.

3. DONATIONS AND LEGACIES

	2018/19 £000	2018/19 £000	2018/19 £000	2017/18 £000
	Unrestricted	Restricted	Total	Total
Donated Assets	1,210	–	1,210	55
Other Donations and Grants	1,824	7,720	9,544	9,579
	3,034	7,720	10,754	9,634

Included in donations and grants is £1,567k received in EU grants relating to six projects (2017–18: £1,028k relating to five projects). The Library is the lead partner in one project (2017–18: two 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 the year the Library made payments totalling £825k (2017–18: £311k) to other EU partners.

4. INCOME FROM CHARITABLE ACTIVITIES

	2018/19 £000	2017/18 £000
Custodianship	1,182	789
Research	5,131	4,642
Business	609	404
Culture	4,987	7,483
Learning	479	182
International	597	1,410
Enabling activities	1,573	1,242
	14,558	16,152

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.

5. INVESTMENT INCOME

	2018/19 £000	2017/18 £000
Interest from UK bank deposits	332	271
Income from UK equities and investment funds	–	(2)
	332	269

6. NET EXPENDITURE

Net expenditure is stated after charging:

	2018/19 £000	2017/18 £000
External audit fee	70	68
Operating lease rentals: land and buildings	92	100
Operating lease rentals: other	194	279
Loss on disposal of fixed assets	138	88
Movement on bad debt provision	(3)	(10)
Movement on stock provision	75	63

There were no non-audit services provided by the external auditors during 2018/19 (2017/18: nil). During the year the Library took advice on taxation matters totalling £24k (2017/18: £19k).

7. ANALYSIS OF EXPENDITURE

a) Cost by activity

	Direct Costs £000	Depreciation and Impairment £000	Allocated Support Costs £000	Total 2018/19 £000
Charitable activities				
Custodianship	27,004	21,794	20,411	69,209
Research	24,817	20,028	12,331	57,176
Business	2,400	1,937	1,186	5,523
Culture	6,964	5,620	4,890	17,474
Learning	941	760	476	2,177
International	2,413	1,947	1,143	5,503
Public Lending Right – payment to authors	6,073	–	–	6,073
Total Charitable activities	70,612	52,086	40,437	163,135
Raising donations and legacies	1,257	1,015	417	2,689
Investment management costs	133	–	–	133
Other trading activities	2,771	487	261	3,519
	74,773	53,588	41,115	169,476

a) Cost by activity – continued

	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
Total Charitable activities	74,562	31,545	35,929	142,036
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

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.

	Estates and Security £000s	Human Resources £000s	Finance £000s	IT and other Central Costs £000s	Total 2018/19 £000s
Charitable activities					
Custodianship	10,759	601	1,398	7,653	20,411
Research	3,549	536	1,213	7,033	12,331
Business	325	40	141	680	1,186
Culture	2,079	119	719	1,973	4,890
Learning	111	37	61	267	476
International	172	58	229	684	1,143
Public Lending Right – payment to authors	–	–	–	–	–
Total Charitable activities	16,995	1,391	3,761	18,290	40,437
Raising donation and legacies	–	–	61	356	417
Investment management costs	–	–	–	–	–
Other trading activities	46	16	28	171	261
	17,041	1,407	3,850	18,817	41,115

	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	–	–	–	–	–
Total Charitable activities	13,329	1,287	4,121	17,192	35,929
Raising donation and legacies	29	12	40	226	307
Investment management costs	–	–	–	–	–
Other trading activities	3	1	20	60	84
	13,361	1,300	4,181	17,478	36,320

c) Governance costs

	2018/19 £000	2017/18 Restated £000
Board members' fees	144	150
Board members' reimbursed expenses	8	11
Cost of Board and Committee meetings	7	4
BL Advisory Council expenses	1	3
Auditors' remuneration	70	68
Internal audit costs	122	95
Annual report and accounts production	4	5
	356	336

d) Staff costs

	2018/19 £000	2017/18 £000
Wages and salaries	46,689	44,778
Social security costs	4,475	4,431
Employer pension costs	9,117	8,739
Agency staff costs	1,860	1,972
Early retirement, voluntary exit and redundancy costs	2,263	724
	64,404	60,644
Board Members' remuneration		
Fees and salaries (including CEO)	305	310
Social security costs	28	28
Pension costs	–	–
	333	338
	64,737	60,982

During the year £1,151,873 (2017/18: £273,723) of staff costs have been capitalised in relation to IT systems development.

The Board Members' remuneration shown on page 54 of the Remuneration Report covers all Board members, including the Chair, apart from the Chief Executive.

d) Staff costs – continued

For 2018/19, employers' contributions of £9,043,839 were payable to the PCSPS (2017/18: £8,577,768) at one of four rates in the range 20.0% to 24.5% of pensionable pay, based on salary bands. The scheme's actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees can opt to open a partnership pension account which is a stakeholder pension with an employer contribution. Employers' contributions of £73,190 (2017/18: £160,766) were paid to one or more of the four appointed stakeholder pension providers. Employer contributions are age-related and ranged from 8% to 14.75%. Employers also match employee contributions up to 3 per cent 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

	2018/19	2017/18
£60,000 – £70,000	14	20
£70,001 – £80,000	11	9
£80,001 – £90,000	8	4
£90,001 – £100,000	2	2
£100,001 – £110,000	2	2
£110,001 – £120,000	1	1
£120,001 – £130,000	1	–

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

The individual in the £120,001 – £130,000 bracket left during the financial year. Their remuneration includes the value of their compensation package.

e) Full time equivalents by activity

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

	2018/19			2017/18		
	Staff	Agency	Total	Staff	Agency	Total
Charitable activities						
Custodianship	496	4	500	462	4	466
Research	442	23	465	430	19	449
Business	33	–	33	30	–	30
Culture	97	2	99	83	7	90
Learning	31	–	31	32	1	33
International	47	2	49	58	2	60
Total Charitable activities	1,146	31	1,177	1,095	33	1,128
Raising donations and legacies	13	–	13	10	–	10
Other trading activities	1	–	1	1	–	1
Enabling activities	353	11	364	356	12	368
	1,513	42	1,555	1,462	45	1,507

The average head count during the year excluding agency and contract staff was 1,646 (2017/18: 1,579).

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 2019 for more than £245 per day and that last for longer than six months:

	2018/19
Number that have existed for less than one year at time of reporting	5
Number that have existed for between one and two years at time of reporting	–
Number that have existed for between two and three years at time of reporting	1
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	–
TOTAL	6

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 2018 and 31 March 2019, for more than £245 per day and that last for longer than six months:

	2018/19
Number of new engagements, or those reaching 6 months in duration, during the period	5
Of which:	
Number assessed as caught by IR35	–
Number assessed as not caught by IR35	3
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 2018 and 31 March 2019:

	2018/19
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	18

8. INTANGIBLE ASSETS

	IT Systems	AICC	Total
Cost	£000	£000	£000
At 1 April 2018	2,965	453	3,418
Additions	228	1,603	1,831
Disposals	–	–	–
Transfers	160	(160)	–
At 31 March 2019	3,353	1,896	5,249
Amortisation			
At 1 April 2018	2,870	–	2,870
Charge for year	53	–	53
Disposals	–	–	–
At 31 March 2019	2,923	–	2,923
Net Book Value at 31 March 2019	430	1,896	2,326
Net Book Value at 31 March 2018	95	453	548

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
Cost or Valuation							
At 1 April 2018	683,401	246,319	9,877	19	22,714	3,150	965,480
Additions	–	1,559	28	–	253	433	2,273
Transfers	–	3,152	175	–	–	(3,327)	–
Revaluation	(5,296)	2,698	–	–	–	–	(2,598)
Impairment	(19,212)	(16,690)	–	–	–	–	(35,902)
Disposals	–	(1,652)	(329)	–	(139)	–	(2,120)
At 31 March 2019	658,893	235,386	9,751	19	22,828	256	927,133
Depreciation							
At 1 April 2018	6,516	53,534	9,671	15	21,519	–	91,255
Charge for year	6,028	10,827	63	4	711	–	17,633
Revaluation	(12,544)	(52,964)	–	–	–	–	(65,508)
Disposals	–	(1,514)	(329)	–	(139)	–	(1,982)
At 31 March 2019	–	9,883	9,405	19	22,091	–	41,398
NBV At 31 March 2019	658,893	225,503	346	–	737	256	885,735
NBV At 31 March 2018	676,885	192,785	206	4	1,195	3,150	874,225

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

b) Valuations

The St Pancras site was revalued using the Depreciated Replacement Cost basis by Deloitte Real Estates Chartered Surveyors as at 31 March 2015. The next full revaluation is due on 31 March 2020. An interim desktop valuation has been obtained from Carter Jonas Chartered Surveyors to update the values of land, buildings and fit out plant and machinery at 31 March 2019.

All buildings on the Boston Spa site are considered to be intrinsically linked: the newer, most specialised buildings could not operate in isolation if the rest of the buildings and site infrastructure did not exist. Nor are there any directly comparable alternatives. The site is therefore considered to be 'specialised' in nature and, in accordance with HM Government Financial Reporting Manual ('FRM'), has been revalued using the Depreciated Replacement Cost method by Carter Jonas Chartered Surveyors as at 31 March 2019. The next full revaluation is due on 31 March 2024.

The Modified Historic Cost Accounting indices, used to value plant and machinery not subject to revaluation, are taken from the Producer Prices Index (MM22) March 2019 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 £525m.

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/about-us/freedom-of-information/5-our-policies-and-procedures.

i. Acquisitions

Within the Library's acquisition policies, there is a distinction made between unique heritage items and contemporary, research – level academic publications. 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 at www.bl.uk/britishlibrary/~media/bl/global/about%20us/freedom%20of%20

www.bl.uk/about-us/freedom-of-information/publication%20scheme/5%20policies/2%20provision%20of%20services/ethicalfutureacquisitionspolicy.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. The 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 reading the Conservation Policy at

www.bl.uk/about-us/freedom-of-information/5-our-policies-and-procedures.

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 Deaccessioning Policy of the British Library Board which can be found at www.bl.uk/britishlibrary/~media/bl/global/about%20us/freedom%20of%20information/publication%20scheme/5%20policies/2%20provision%20of%20services/deaccessioning%20policy.pdf.

c) Heritage assets capitalised

Heritage Assets Purchased

	2018/19		2017/18		2016/17		2015/16		2014/15	
	Cost £000	No. of Items								
At 1 April	40,535	324	39,151	314	37,760	305	35,827	290	33,710	274
Additions	3,304	19	1,384	10	1,391	9	1,933	15	2,117	16
Transfers	–	–	–	–	–	–	–	–	–	–
Disposals	–	–	–	–	–	–	–	–	–	–
At 31 March	43,839	343	40,535	324	39,151	314	37,760	305	35,827	290

Heritage Assets Donated

	2018/19		2017/18		2016/17		2015/16		2014/15	
	Cost £000	No. of Items								
At 1 April	29,013	44	28,958	42	28,088	39	28,088	39	27,906	36
Additions	1,210	2	55	2	870	3	–	–	182	3
Impairments	–	(2)	–	–	–	–	–	–	–	–
Disposals	–	–	–	–	–	–	–	–	–	–
At 31 March	30,223	44	29,013	44	28,958	42	28,088	39	28,088	39
Total At 31 March	74,062	387	69,548	368	68,109	356	65,848	344	63,915	329

11. INVESTMENTS

	2018/19 £000	2017/18 £000
Market Value at 1 April	24,243	24,256
Additions	–	200
Disposals	(133)	(1,272)
Unrealised Gain / (Loss)	24	963
Realised Gain on Disposal	–	96
Market Value at 31 March	24,134	24,243

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 47.

12. STOCKS

	2018/19 £000	2017/18 £000
Stocks for resale	704	889
Raw materials	160	162
	864	1,051

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

	2018/19 £000	2017/18 £000
Amounts falling due within one year		
Trade debtors	1,488	1,520
Other debtors	299	303
Taxation and social security	2,274	1,978
Prepayments	4,777	4,955
Accrued income	3,521	2,084
	12,359	10,840

14. CURRENT ASSET INVESTMENTS

	2018/19 £000	2017/18 £000
Short term deposits	18,000	18,000

15. CASH AT BANK AND IN HAND

	2018/19				2017/18			
	General £000	Restricted £000	Customer deposits £000	Total £000	General £000	Restricted £000	Customer deposits £000	Total £000
Cash at bank	17,223	7,929	2,442	27,594	20,183	8,949	2,875	32,007
Cash in hand	6	–	–	6	11	–	–	11
	17,229	7,929	2,442	27,600	20,194	8,949	2,875	32,018

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 2017 £000	Cash Flows £000	As at 1 April 2018 £000	Cash Flows £000	As at March 2019 £000
Short term deposits	16,500	1,500	18,000	–	18,000
Government Banking Services cash at bank	5	–	5	–	5
Commercial cash at bank	27,450	4,552	32,002	(4,413)	27,589
Cash in hand	11	–	11	(5)	6
	43,966	6,052	50,018	(4,418)	45,600

b) Cash flow information

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

	2018/19 £000	2017/18 £000
Net Expenditure for the year	(47,249)	(23,199)
Depreciation and Amortisation Charges	17,686	32,071
Impairment	35,902	–
Gains on investments	(24)	(1,059)
Investment income	(332)	(269)
Loss on the sale of Fixed Assets	138	88
(Increase) / Decrease in stocks	187	(116)
(Increase) / Decrease in debtors	(1,519)	1,202
(Decrease) in creditors	(2,616)	(1,141)
Increase in provisions	1,562	1,134
Net Cash provided by/ (used in) operating activities	3,735	8,711

16. CREDITORS

	2018/19 £000	2017/18 £000
Amounts falling due within one year		
Trade Creditors	45	3,009
Monies held on deposit for customers	2,442	2,875
Other creditors	1,499	1,645
Taxation and social security	1,204	1,183
Accruals	6,522	5,651
Deferred income	3,350	3,315
	15,062	17,678

The movement on the deferred income account is as follows:

	2018/19 £000	2017/18 £000
Deferred income brought forward	3,315	4,068
Release from previous year	(3,304)	(4,048)
Incomine deferred in the current year	3,339	3,295
Deferred income carried forward	3,350	3,315

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	2018/19 Other Liabilities and Charges £000	Total £000	Early Retirement /Severance Provision £000	2017/18 Other Liabilities and Charges £000	Total £000
At 1 April	226	1,080	1,306	16	156	172
Additional Provision	2,100	373	2,473	226	983	1,209
Release of Provision	–	(640)	(640)	(16)	–	(16)
Utilisation of Provision	(226)	(45)	(271)	–	(59)	(59)
At 31 March	2,100	768	2,868	226	1,080	1,306
Less provisions falling due within one year	(2,100)	(768)	(2,868)	(226)	(1,080)	(1,306)
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 for the number of staff planned to be leaving in 2019/20.

The other provisions relate to £695k unclaimed balances owed to authors and customers with credit balances on their accounts (£857k in 2017/18), £30k costs related to 3rd party claims against the Library (£180k in 2017/18) and £43k contribution required towards the acquisition of bequeathed collection items (£43k in 2017/18).

18. STATEMENT OF FUNDS

a)

	At 1 April 2018 Restated £000	Income £000	Expenditure £000	Net movement on investments and revaluation £000	Transfers £000	At 31 March 2019 £000
Permanent endowment funds	3,948	–	(71)	4	(48)	3,833
Expendable endowment funds	14,215	156	(482)	14	(7)	13,896
Restricted funds by purpose						
Custodianship	4,773	3,978	(3,705)	1	(22)	5,025
Research	592	1,080	(1,062)	–	(18)	592
Business	304	826	(555)	–	(1)	574
Culture	493	396	(316)	–	(36)	537
Learning	230	307	(135)	–	(61)	341
International	786	3,123	(2,289)	–	(797)	823
PLR	19	–	–	–	3	22
Overheads and support	1,001	539	(257)	–	–	1,283
Total restricted funds	8,198	10,249	(8,319)	1	(932)	9,197
Unrestricted funds						
Designated funds						
Revaluation reserve	504,833	–	–	62,910	(65,638)	502,105
Fixed asset reserve	410,475	1,236	(53,588)	–	71,672	429,795
Donated asset reserve	29,013	1,210	–	–	–	30,223
Shaw fund	5,846	69	(31)	5	(175)	5,714
Other designated funds	2,010	107	(137)	–	(230)	1,750
Total designated funds	952,177	2,622	(53,756)	62,915	5,629	969,587
General funds	32,951	109,176	(106,848)	–	(4,642)	30,637
Total unrestricted funds	985,128	111,798	(160,604)	62,915	987	1,000,224
Total funds	1,011,489	122,203	(169,476)	62,934	–	1,027,150

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

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:

Endowment – sponsorship	for the sponsorship of programmes and projects in the area of Scholarship & Collections
Bridgewater Fund 292636–1	for the purchase of manuscripts for addition to the Bridgewater collection
Hazlitt Fund 292636–6	for the purchase of early English books printed before 1650
Dingwall Fund 292636–3	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
T S Blakeney 291711	for the purchase of Western manuscripts which meet collection strategy
Sir Anthony Panizzi 286081	for the advancement of public education by funding a lecture or series of lectures in the subject of bibliography
Sir Henry Thomas Trust 292636–10	for the purchase of books relating to the culture and literature of Spain
Dingwall No 2 Fund 292636–11	to buy fine editions or to subscribe to foreign periodicals
Ginsberg Legacy	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:

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

Collection Care Restoration Fund	to be used to cover the costs of repair/replacement of damaged Collection items
Shaw fund	to be applied as an addition to other sources of funding, for the benefit of the readership of the British Library
Membership and General Donations	for the general purpose of the British Library, as decided upon by the Executive Team
Revaluation reserve	funds representing the revaluation of fixed assets
Fixed asset reserve	funds relating to capital assets
Donated asset reserve	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 2018/19	Total Funds 2017/18
	£000	£000	£000	£000	£000	£000
Intangible fixed assets	–	–	2,326	–	2,326	548
Tangible fixed assets	–	–	885,735	–	885,735	874,225
Heritage assets	–	–	74,062	–	74,062	69,548
Investments	3,678	13,900	5,576	980	24,134	24,243
Current assets	155	–	50,331	8,337	58,823	61,909
Current liabilities	–	(4)	(17,806)	(120)	(17,930)	(18,984)
Non-current liabilities	–	–	–	–	–	–
Total net assets	3,833	13,896	1,000,224	9,197	1,027,150	1,011,489

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 2018	Unrealised Gains / Losses under Fair Value	As at 31 March 2019	Reserve / Fund net of Fair Value as at 31 March 2019	Reserve / Fund (including Fair Value) as at 31 March 2019
	£000	£000	£000	£000	£000
Eccles	1,004	12	1,016	10,394	11,410
Shaw Fund	273	5	278	5,436	5,714
Dingwall No 2	141	2	143	1,567	1,710
HLF/DCMS Catalyst Endowment	101	2	103	2,361	2,464
Ginsburg Legacy	40	–	40	710	750
Sir Henry Thomas	42	1	43	469	512
The Medd Fund	21	–	21	454	475
Consolidated Endowment	2	–	2	22	24
T S.Blakeney	18	–	18	197	215
Anthony Panizzi Foundation	19	–	19	200	219
Spratt-Bigot Bequest	10	–	10	118	128
Bridgewater	11	–	11	123	134
Sir Adrian Boulton	7	–	7	113	120
Fitzgerald	9	–	9	98	107
Others	7	2	9	371	380
Restricted Fair Value Reserve	1,705	24	1,729	22,633	24,362

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 2018	504,833
Arising in year	(2,598)
Realised	(64)
Backlog depreciation	(56)
Disposals	(10)
At 31 March 2018	502,105

20. COMMITMENTS UNDER OPERATING LEASES

Operating Leases which expire:	Buildings		Equipment	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Within one year	40	40	71	10
Two to five years	120	120	71	–
More than five years	64	104	12	–
Total	224	264	154	10

21. CAPITAL COMMITMENTS

	2018/19	2017/18
	£000	£000
Contracted and not provided for	917	403
Authorised but not contracted for	–	–

The contracted capital commitment figure relates to the development of software systems, installation of hearing loops and upgrade of lighting and the fire alarm detection system.

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.

Until the transfer of the Friends of the British Library to the

membership scheme, the Library set aside office space and equipment for the Friends of the British Library to undertake some of their duties. However there was 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		As at	
			31 March 2019	31 March 2019	31 March 2019	31 March 2019
			Income £000	Expenditure £000	Debtor balance £000	Creditor balance £000
American Trust for the British Library	Mr Roly Keating, Chief Executive of the British Library is a trustee of the related party	Donations	105	–	–	–
BSI Group	Mr Stephen Page, a member of the British Library Board (until 25.01.19), is a Non-Executive Director of the related party.	Document Supply transactions	–	56	–	–
Clore Leadership Foundation	Mr Roly Keating, Chief Executive of the British Library is a trustee of the related party	Training	–	7	–	–
Conference of European National Libraries	Mr Roly Keating, Chief Executive of the British Library is the Chair of the related party	Membership	–	5	–	–
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	–	15	–	–
Franco-British Council	Baroness Blackstone, Chairman of the British Library Board (until 31.8.18), is Chair of the related party	Licence fees	7	–	–	–
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	14	–	–	–
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 Board (until 31.8.18), 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.	12	12	12	–
London School of Economics and Political Science	Mr Nicholas Deyes, committee member with relevant professional experience, provides consultancy services to the related party	Document Supply transactions	11	2	–	–
Public Health England	Professor Dame Carol Black, Chair of the British Library Board, is an expert adviser to the related party.	Advisory Contract	–	2	–	–

Price Waterhouse Coopers (PWC)	Mr Stephen Page, a member of the British Library Board (until 25.01.19), is a senior advisor to the related party.	Taxation advisory services	–	24	–	–
Royal Literary Fund	Ms Tracy Chevalier, a member of the British Library Board, is President of the related party	Licence costs	15	–	–	–
Society of Authors	Ms Tracy Chevalier, a member of the British Library Board, is member of the Advisory Council of the related party	Royalty payments	12	10	–	–
University of Cambridge	Professor Dame Carol Black, Chair of the British Library Board, was Deputy Vice-Chancellor of the related party.	Document Supply transactions	188	83	(2)	–
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	34	44	8	–
University of Manchester	Mr Patrick Plant, a member of the British Library Board, is an honorary lecturer at the related party	Document Supply transactions	9	21	1	–
University of Oxford	Lord Janvrin, a member of the British Library Board, is an honorary fellow at the related party.	Document Supply Transactions	144	210	–	3
University of St Andrews	Lynn Brown, committee member with relevant professional expertise, is a non-executive member of the Audit and Risk Committee at the related party	Document Supply transactions	51	–	5	–
Wallace Collection Foundation	Sir John Ritblat, a member of the British Library Board, is Chairman of the related party	Document Supply transactions	4	–	–	–

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 2019 are set out by category below:

Financial Assets	At Amortised Cost	At Fair Value through profit or loss	Total
	£000	£000	£000
Investments	–	24,134	24,134
Trade and Other Debtors	1,787	–	1,787
Short Term Deposits	18,000	–	18,000
Cash at Bank and in Hand	27,600	–	27,600
	47,387	24,134	71,521
Financial Liabilities	At Amortised Cost	At Fair Value through profit or loss	Total
	£000	£000	£000
Trade and Other Creditors	1,544	–	1,544
Monies held on deposit	2,442	–	2,442
	3,986	–	3,986

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 £5k (£78k in 2017/18).

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 76% (77% in 2017/18) 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 £46m at 31 March 2019 (£50m in 2017/18) 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	2018/19 Total £000	2017/18 Total £000
Sterling	27,530	18,000	–	45,530	49,609
US Dollar	26	–	–	26	278
Euro	(9)	–	–	(9)	61
Yen	53	–	–	53	70
Total	27,600	18,000	–	45,600	50,018

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 1.070% (0.77% in 2017/18) and the weighted average period of deposit is 360 days (365 days in 2017/18).

Investment income for the year was 0.003% (0.002% in 2017/18) 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.

The amount considered to be exposed to currency risk as 31 March was:

	Debtors £000	Cash at bank and in hand £000	2018/19 Short term deposits £000	Creditors £000	Total £000	2017/18 Total £000
US dollar	305	26	–	(348)	(17)	114
Euro	137	(9)	–	(390)	(262)	18
Yen	3	53	–	(77)	(21)	175

In 2018/19, net foreign currency exchange losses of £78k were recognised (£111k losses in 2017/18).

Market Risk – other price risk

The Library is subject to risks associated with market fluctuations on its investments. The Library's investments are held in two Diversified Growth Bonds having different but complementary market outlooks to manage this risk. Further details of the investment policy and risk management are disclosed in the "investment and financial risks" section of the Financial Review on page 47.

An unrealised gain of £24k has been recorded this year (£33k gain in 2017/18). Additional information on the Library's investment policy is given in the Trustees' 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 most likely outcome.

Since the year end the British Library has received details of personal injury claim. This has been passed on to the Library's solicitors. At this early stage there has not been sufficient time to investigate and assess how likely it is that the Library is at fault or to estimate the likely value of the claim.

25. POST BALANCE SHEET EVENTS

There were no reportable events between 31 March 2019 and the date the accounts were authorised for issue.

The accounts were authorised for issue by the Accounting Officer and the British Library Board 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 2018/19.

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Cover image: Codex Amiatinus, the giant Northumbrian Bible that returned to England (on loan from Firenze, Biblioteca Medicea Laurenziana) for the first time in over 1,300 years to feature in our sell-out *Anglo-Saxon Kingdoms* exhibition.
Photo by Tony Antoniou.

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