

British Library  
Annual Report and Accounts  
2016/17

# LIBRARY BRITISH



## **British Library**

Annual Report and Accounts 2016/17

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

Laid before the Scottish Parliament by the Scottish Ministers 12 July 2017

Laid before the National Assembly for Wales by the [First Secretary] 12 July 2017

Laid before the National Assembly for Northern Ireland 14 July 2017

Ordered by the House of Commons to be printed on 12 July 2017

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

Print ISBN: 9781474146999

Web ISBN: 9781474147002

ID: 20061744 07/17

Printed on paper containing 75% recycled fibre content minimum

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

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## Chairman and Chief Executive's Introduction



In a year of dramatic events on the global stage, we are proud that this has been an exceptional year for advancing the Library's international purpose, working with partners around the world to advance knowledge and mutual understanding.

Our cultural engagement in China is unprecedented in its depth and breadth, most vividly illustrated with the signing of an exhibition agreement with the National Library of China at 2016's UK-China High Level People to People Dialogue in Shanghai. Some of the Library's most iconic objects, including an early Shakespeare Quarto, will star in exhibitions across China through to 2019. The initiative was launched to acclaim at both the National Library of China in Beijing and here in London, where we were joined by the Chinese Ambassador to the UK.

Our collaboration with Indian institutions continued to prosper through a vibrant programme of research, and cultural exchange. Loans of King George III's edition of Shakespeare's First Folio to the CSMVS Museum in Mumbai and a facsimile of the Magna Carta to the Jaipur Literature Festival were particularly popular. We also hosted a series of workshops and seminars for researchers and library professionals in India, and entered into a memorandum of understanding with the National

Digital Library of India to share metadata and digitised content. We secured additional funding from the Arts and Humanities Research Council and the Newton Fund for our *Two Centuries of Indian Print* project, enabling the digitisation of an additional 3,000 of the earliest Bengali books and 6,000 Vernacular Tracts.

Closer to home, we continued to strengthen relationships in Europe, announcing a major partnership with the Bibliothèque nationale de France, generously funded by The Polonsky Foundation. This will digitise 800 illuminated manuscripts from the period 700–1200 from each respective collection, opening up our shared early medieval heritage to new global audiences.

A similar spirit of collaboration marked the launch of the Living Knowledge Network in September 2016. Funded by Arts Council England, this is a nationwide pilot partnership between the British Library and the National Libraries of Scotland and Wales, Libraries NI (Northern Ireland) and 21 major public libraries across the UK. Building on the successful Business & IP Centre network, it aims to strengthen the collective ability of libraries to deliver services to diverse communities. Early activity has included co-ordinated live screenings of British Library events to Exeter, Leeds and

Above: View of the King's Library from our newly-opened Members' Room. Photo by Luca Sage.

Middlesbrough, and skills sharing days for staff across the network.

And here in King's Cross, the Knowledge Quarter – of which the Library is a founder member – was established as a company limited by guarantee in its second year of operation. That is testament to how rapidly it has grown and the strength of the networks built between 80 local organisations involved in advancing and disseminating knowledge. It is an engine of collaboration in the local area, on topics including improvements to public realm, skills sharing and cultural engagement. Our openness to partnership working is also shaping the development of our estates and buildings. Our 42-acre site in Boston Spa, Yorkshire, at the geographical heart of the UK, is key to the national knowledge infrastructure and stores 70% of the Library's collections. Our vision for the future of Boston Spa is taking shape, envisaging a renewed centre of excellence in physical and digital collection management.

In London, we were delighted that our St Pancras Transformed development vision was approved by the Department for Culture, Media and Sport and HM Treasury. This will ultimately deliver 100,000 square feet of new space, at no cost to the Exchequer, for the Library and The Alan Turing Institute (the national institute for data science, headquartered at the British Library in St Pancras) to grow into. The space will create new opportunities to deliver learning activities for people of all ages, provide spaces for entrepreneurs and small businesses to engage with our thriving Business & IP Centre, and for bold new cultural exhibitions and events.

The transformation of our iconic London building has already begun. This year we opened a Members' Room offering a peaceful retreat from the academic environs of our Reading Rooms and the buzz of our public spaces. Our refurbished Knowledge Centre offers a superb 255-seat Theatre, with a new bar and updated conferencing facilities. A new restaurant and coffee shop improves the catering options available to our users in this landmark building.

This physical transformation is already amplifying the human life of the Library. Major exhibitions ranged from a celebration of the cultural phenomenon that was *Punk 1976–78* to an exploration of 400 years of *Shakespeare in Ten Acts*. Our accompanying cultural programme has brought some of the most inspiring and thought-provoking subjects to life, from the Hip Hop Shakespeare Company's unique storytelling to Margaret Atwood receiving the 2016 PEN Pinter

Prize, and from Grayson Perry's use of maps in his art to Sir John Major's family roots in the music halls of England. We welcomed almost 1.5m people to the Library and continued to deliver excellent service, with around 95% of users expressing satisfaction with our Reading Rooms and exhibitions. In common with many London cultural institutions, we experienced a small but disappointing reduction in our overall visitor numbers. In response, we are making improvements to our Treasures Gallery to ensure that our core offer continues to inspire and engage in future years.

We launched a well-received Membership scheme in November with over 1,700 signing up in the first five months for the unique benefits offered by the scheme. This has been an important step for the Library, helping to cement our status as a leading cultural heritage institution and creating vital financial support to care for our collection.

Underpinning these exciting developments is the continued growth and curatorial development of our collection. This year, that meant adding over 330,000 physical items and 180 terabytes of digital content, and undertaking the preservation of over 18,000 heritage objects. Despite the ceaseless growth in demand each year that our collection and preservation duties entail, we are performing impressively on sustainability, driving down carbon emissions by 37.6% since our baseline year of 2009/10.

All these achievements and more have been made possible through careful financial planning and efficient use of resources; and through the tireless efforts of our staff, steadily bringing to life our *Living Knowledge* vision with energy, creativity and passion.

**Baroness Blackstone**  
Chairman

**Roly Keating**  
Chief Executive





## Our Purposes

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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

Doctor pal's B's has given Henry the wrong  
of medicine, - something that will turn him  
blue or something. Balmukalla! See. Some  
Boggy's Murder! Little Helpers

Henry about to take a trip - want  
stuff to prevent air sickness. This will  
explain why he has not taken the stuff at once

Cont

Try to get a start as in The Making Season,  
when Gussie, expelled at a house, gets in again  
one of her the same situation with a fellow,  
expelled at home, refusing to go home -  
he wants to pursue a girl, then with turns  
him home - what happens then? Does he turn up  
at home?

f. Cont

Here's a great idea. Get a story  
involving Berlin, Jews & Uncle Diet.

← MUCH OBLIGED, JEEVES ↓ ↓

Cont Berlin is sent from by Aunt Agatha to Canada  
for a process, who is starting for Parliament  
He gets into trouble somehow, what consequences?

Cont In the end - the chief has a friend - proposes to Fred - she  
says she will marry him if he is elected.  
Something happens to make his followers & how  
in the end with another girl, and  
Jeeves Smith gets him back at election

## Custodianship

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

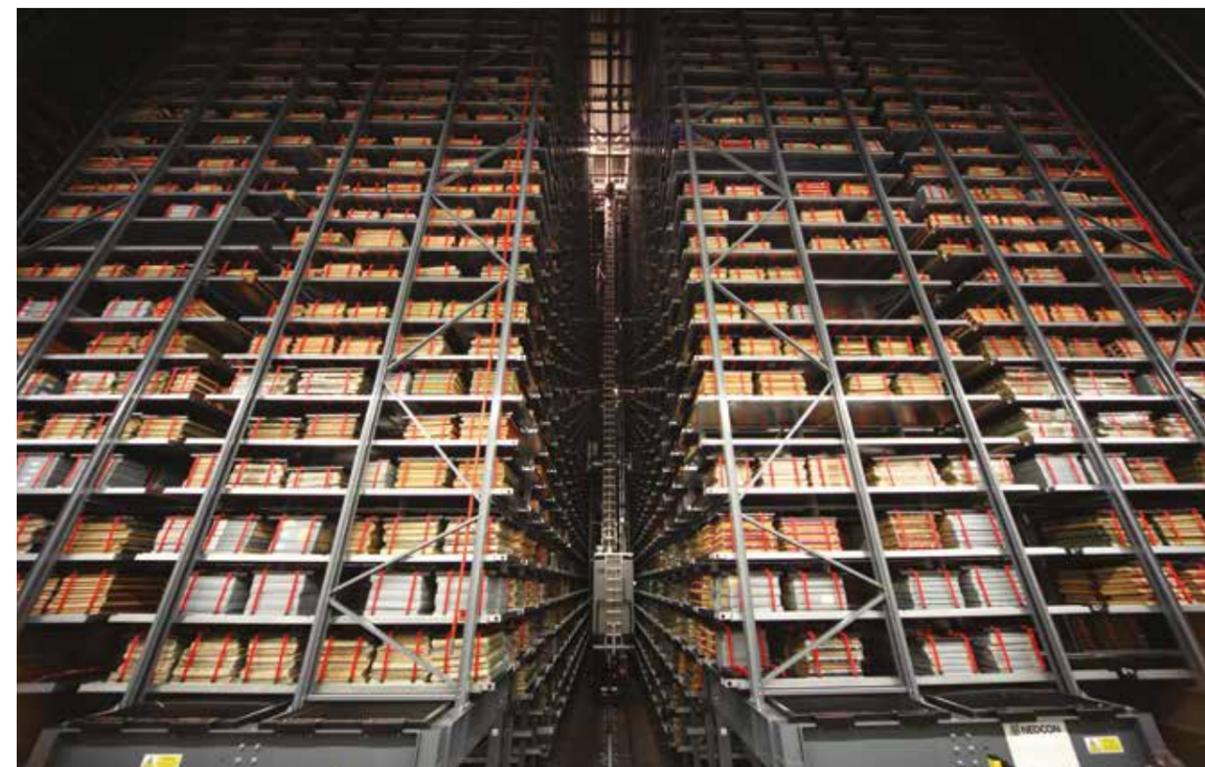
Our role in collecting the nation's intellectual and cultural heritage is at the heart of everything we do, from the millions of items we make available to researchers via our Reading Rooms to the growing suite of material we share online with audiences around the world.

This core purpose includes preserving the nation's sound heritage through the Save Our Sounds programme, which works to protect recordings at risk of degrading or becoming unplayable as formats evolve. This year, we were awarded a £9.5m National Lottery grant toward Unlocking Our Sound Heritage, a major £18.8m preservation and access project. This will create the first ever national network of sound preservation centres, who will work with the British Library to save almost half a million unique and vulnerable recordings. These will be used to create a new web

resource to open up access to audiences, which will go live in 2019. Save Our Sounds is part of our Heritage Made Digital programme of work, which will include in 2017/18 projects working on the digitisation of Indian printed books, key Ethiopic manuscripts, and particularly fragile British newspapers from the 19th century.

The collection of printed works (including books, newspapers, serials, music scores, maps and atlases) continues to grow at pace with over 330,000 items added this year through legal deposit. Our physical collection occupies over 720 linear kilometres of shelf space, 70% of which meets international archival standards. Preservation of the collection is a substantial undertaking, with over 18,000 items preserved this year using techniques such as binding, rebinding, minor repairs and boxing.

Opposite: 'Criterion' hard-back notebook, with notes and scenarios for novels. Part of the P G Wodehouse archive, acquired this year; Below: Storage void of the National Newspaper Building at Boston Spa. Photo by Kippa Matthews.



The growth of our digital collections continues to accelerate. Over the past year we added nearly 73,000 e-books and over 1.12m e-journal articles to our digital library system (bringing our total digital collection of e-books and e-journal articles to more than 120,000 and 2m respectively). The Library also delivers the UK Web Archive and, in 2016, conducted the fourth UK domain web crawl harvesting some 70 terabytes of content. This is estimated at approximately 2 billion web assets (including web pages, images, videos and documents) and some 12m websites. We anticipate continued growing demand pressures in digital collection, storage and preservation; upgrading our capacity is a strategic priority as we build our vision for our Boston Spa site in Yorkshire.

In addition to legal deposit, our expert curatorial teams continued to collect and preserve for the nation a range of inspiring cultural heritage content including:

- **The P G Wodehouse Archive**

The personal archive of P G Wodehouse (1881–1975), best known for his series of comic novels featuring Jeeves and Wooster, has come to the British Library on loan from Sir Edward Cazalet, Wodehouse's step-grandson, and is to be made publicly available for the first time.

- **Elgar's Unfinished Pomp and Circumstance March**

Sketches by Sir Edward Elgar (1857–1934) for an unfinished sixth march in the renowned Pomp and Circumstance series were acquired with assistance from the Friends of the British Library. Originally presented by Elgar to the violinist W H Reed (d. 1942), they supplement the Library's pre-eminent holdings of Elgar manuscripts.

- **The Archive of Will Self**

Will Self's dystopian visions and outrageous scenarios hold up a distorting mirror to contemporary British society. Prolific as a writer of fiction and as a journalist, Self is also prominent as a public intellectual, broadcasting at times controversial views in the national media. The archive acquired by the Library comprises diaries, working notebooks, audio-visual material and the author's computer hard drive and correspondence with authors including J G Ballard, John Banville, Iain Sinclair, Martin Amis and Oliver Sacks.

Below: Will Self is interviewed by Jackie Long for *Channel 4 News* looking through his archive which was acquired by the Library. Photo by Elizabeth Hunter.



- **Poems by Swinburne**

Autograph poems, essays and plays by Algernon Charles Swinburne (1837–1909) were acquired with assistance from the Friends of the British Library, supplementing the Library's pre-eminent collection of Swinburne manuscripts and letters.

- **Archive of Joan Bakewell**

Joining the Library's growing collection of contemporary archives in the field of politics and public life, the archive of broadcaster Joan Bakewell documents her pioneering career in television journalism and her remarkable personal and professional journey from pre-war Stockport to the post-millennial corridors of the House of Lords.

- **One of the earliest known Handel manuscripts.**

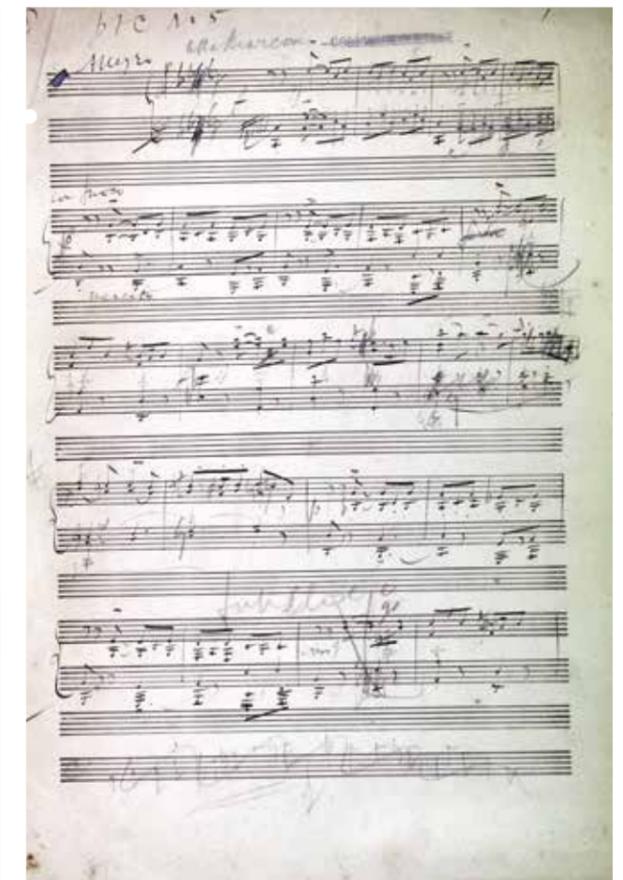
The Library acquired the autograph manuscript of 'Se tu non lasci Amore', by composer Georg Frideric Handel. Written in Naples, it is one of the earliest Handel manuscripts known. It was acquired with assistance from the Friends of the British Library, the Friends of the National Libraries, and The Handel Institute.



## Custodianship: Our plans for 2017/18

- Develop a compelling strategic vision for Boston Spa Renewed as a centre of excellence for physical and digital collection management
- Successfully procure a technology solution that will enhance our technical capacity to collect, preserve and guarantee access to digital items.

Below left: Joan Bakewell signs books after speaking about her archive at an event in the Knowledge Centre. Photo by Sam Lane. Below: Elgar manuscript.





## Research

### We support and stimulate research of all kinds

Our collection continues to support a diverse range of research activity, with the Library playing a key role in the nation's research infrastructure. We provide access to the latest findings across all disciplines alongside vast heritage and legal deposit collections. We meet the information needs of a global audience, including professional researchers from higher education, public sector bodies including the NHS, pharmaceutical and other companies and people undertaking personal research.

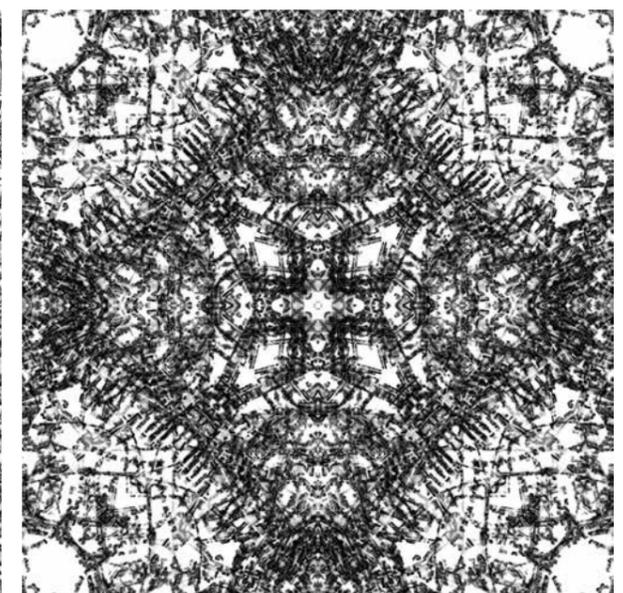
Our Reading Rooms were accessed almost 400,000 times in 2016/17 and satisfaction levels remain consistently high. Just over 95% of Readers described themselves as 'very' or 'quite satisfied' with the Library's services and facilities. Over 1.65m items were accessed on site, and just under 3.7m items were consulted online. Our document supply service, British Library On Demand, provided researchers across the globe from Albania to Zambia with access to some 300,000 documents.

We actively stimulate innovative research methods. The British Library Labs team hosted a series of competitions and received over 400 expressions of

interest from researchers who wanted to explore new digital scholarship approaches to open up the Library's digital collections. We supported researchers with advice, content and resources to discover new insights, such as Hannah Rose-Murray who made use of the Library's newspaper and image archives (via Flickr) to map the 19th-century black abolitionist movement in the UK.

We continue to support the changing needs of our research users. In December 2016, we agreed a new data strategy, built on the vision that data will be as integrated into our services as text is today. This strategy is linked into another important development: our key partner The Alan Turing Institute, the UK's institute for data science, began its first academic year based in their new premises here at St Pancras. Over 100 researchers are now working on a range of data science challenges, including Fin Tech, cyber-security, and computing and data analytics.

Opposite: Researchers in St Pancras. Photo by Pete Carr. Below: Artist Michael Takeo Magruder used our digitised 19th Century Maps as part of an art project called *Imaginary Cities*. He took historic digitised maps and transformed them into compelling 2D, 3D printing and virtual art pieces. © Michael Takeo Magruder, *Imaginary Cities* (London & Paris studies), 2017.



In November 2016, our status as an independent research organisation (IRO) was expanded to give us eligibility to conduct research for all UK Research Councils. The external support that we are able to secure as an IRO enables a wide range of research-driven projects, programmes, studentships, fellowships and placements across the Library.

Arts, Humanities and Research Council (AHRC) projects involving the Library have included Native Routes: Early Americas and the UK, Digital Delius, Reading Aloud in Britain Today and Cross-Language Dynamics: Reshaping Community. Our research capability in the social sciences has also grown through Economic and Social Research Council (ESRC) collaborative doctoral studentships, a strategic partnership with ESRC North West Doctoral Training Partnership, and the launch of a new postdoctoral research fellowship with the British Sociological Association. We renewed



Stills taken from our series of case study videos about the Collaborative PhD programme. Top right: Jeremy Brown researching his project *Maps and the Italian Grand Tour, 1660–ca. 1824*; Right: Christian Poske and Lead Curator World and Traditional Music, Janet Topp Fargion; Below: Ruth Byrne at a Feed the Mind postgraduate event talking about her project *Attitudes to immigrants in the 19th century*.

our involvement as a partner in the Cohort & Longitudinal Studies Enhancement Resources project with co-funding from ESRC and the Medical Research Council. The project brings together a number of longitudinal studies tracking the experiences of people living in the UK, so that researchers can share data, skills and insight.

Our collaborative doctoral programme was extended by further AHRC-funded studentships commencing in 2019 and our current cohort of 30 PhD students continue to provide new, innovative and energetic input into collaborations to enhance our research, culture, international and custodianship purposes. We also launched a new placement scheme offering professional development opportunities to funded PhD students from across the UK and overseas. Our Open Days for first-year PhD students were attended by 600 students from across the UK discovering the resources and services available to them at the Library.

Below: Pocahontas by Simon van de Passe 1616. Image used as part of the *Native Routes: Early Americas and the UK* project; Below right: Dr Rupert Ridgewell, Curator Printed Music, talking to music students at the music doctoral open day in February.

### Research: Our plans for 2017/18

- Improve our digital services to the research community as part of our 'Everything Available' portfolio. This includes piloting new discovery services for publications and data, enhancing remote access to our collections and new tailored delivery models as well as new services for using Library content, for example through machine interfaces
- Develop our partnership with The Alan Turing Institute, formulating key data challenges in the libraries and heritage sectors, with a view to developing a unique, collaborative research programme
- Work with partners in the higher education and culture sectors to improve the UK's digital research infrastructure through new services for curating, sharing and re-using digital heritage objects, data and research outputs.





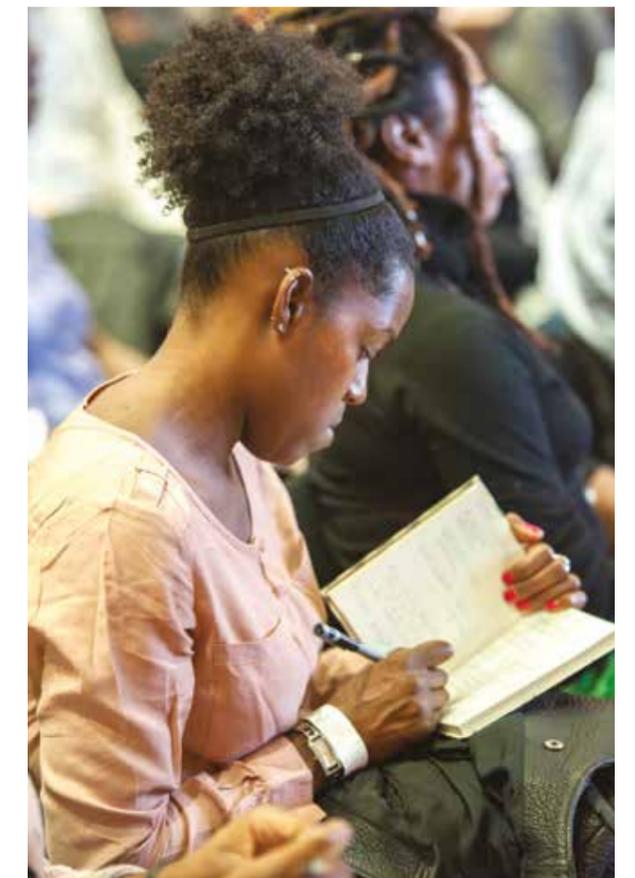
## Business

### We help businesses to innovate and grow

This year over 73,000 people visited the Business & IP Centre in London, and we provided over 8,400 small business owners and aspiring entrepreneurs (up 32% on the previous year) with direct advice, guidance and training through our extensive programme of one-to-one advice sessions, webinars and workshops, covering topics ranging from digital marketing to securing business finance. The Centre celebrated 10 years of supporting London's small business and entrepreneur community, a period in which over half a million people accessed its services, supporting the creation of 5,000 businesses and 12,000 jobs.

We continue to expand the national network of Business & IP Centres, working with 11 public libraries across the UK. This year, new centres opened in Exeter and Northampton and pilots in Hull Central Library and Norwich Millennium Library were launched in addition to existing centres in Leeds, Sheffield, Liverpool, Manchester, Birmingham and Newcastle. Together, the network supported over 16,500 people, with women (59%) and Black and Asian minority ethnic groups (35%) particularly well represented.

Left: Sarah Wood, co-founder of Unruly speaks at an Inspiring Entrepreneurs event. Photo by Luca Sage; Below left: Jonathan Winfield, founder of Letter Box Hamper Company Ltd at the launch of Exeter's Business & IP Centre; Below right: Audience member taking notes. Photo by Sam Lane.



We continued our sell-out series of Inspiring Entrepreneurs networking events featuring high profile business and innovation role models, which were webcast live from St Pancras and screened to our Business & IP Centre partners across the country and around the world. In November 2016, as part of Global Entrepreneurship Week, we featured Chrissie Rucker of the White Company and Nick Wheeler of Charles Tyrwhitt Shirts who managed to set up two global brands whilst raising a family of four children. In February, our Internet Icons event featured Ella Mills, founder of Deliciously Ella, Aron Gelbard, co-founder of Bloom & Wild, Sarah Wood, co-founder of Unruly and Rupert Hunt, founder of SpareRoom.

In June 2016, we were awarded another round of European funding to support our award-winning Innovating for Growth Programme. This is designed to help established businesses to scale up and grow by offering £10,000 worth of bespoke business advice over a three-month period. For example, Emma Hammett's First Aid for Life company, which delivers a full range of practical and online training, has grown by 30% year on year since participating in the programme.

In addition, we are helping start-ups to create robust new businesses through a two-day accelerator programme. We have supported more than 240 businesses over four years and have seen 70% of them either increase their turnover or take on extra staff within one year of completing the programme. These services were successful in reaching a broad and diverse range of people; 43% of businesses supported were owned by women and 39% by Black and Asian minority ethnic entrepreneurs, and together their turnover increased by £77m.

In July 2016, we were delighted to announce that Julie Deane OBE, founder of The Cambridge Satchel Company, had been appointed Entrepreneur in Residence at the British Library. Julie is passionate about the role of libraries in supporting entrepreneurs and was author of the Self-Employment Review, commissioned by the Prime Minister's Office and published by the Department for Business, Energy and Industrial Strategy (formerly Department for Business, Innovation and Skills) in February 2016.

Julie said of her new role:

*'The British Library is one of the iconic institutions of London and is not merely a landmark, but also plays a pivotal role in the life of this great city. I could not feel more honoured to have been offered the role of Entrepreneur in Residence, following in the footsteps of such greats as the late Dame Anita Roddick, who was the first person to take on this role. I am excited that I can play a part in supporting the transformation of libraries into places where small businesses can grow and so help the next generation of entrepreneurs.'*

In September 2016 the Centre marked its 10th anniversary by holding a Start-up Day. We invited London-based people with a business idea to attend a full day of free workshops, information sessions and inspirational talks with role model entrepreneurs. Here they learnt how the Centre could help them turn that business idea into a reality. Over 750 people took part and the next Start-up Day is planned for September 2017.

## Business: Our plans for 2017/18

- Continue to develop the Business & IP Centre National Network toward our long term goal of 20 Centres by 2020
- Continue to develop our unique public-private partnership programme to expand our services and underpin our growth plans
- Continue to enhance the London Centre service to support London-based businesses to grow and create jobs and deliver workshops in libraries in disadvantaged London boroughs
- Deliver a Start-up Day across all national network partner libraries in September 2017, helping to raise the profile of business support resources in libraries and strengthen the case for libraries as engines of economic growth.

Below left: Emma Hammett receives a London Business Award for her First Aid for Life company; Below right: Life coach Rasheed Ogunlaru delivering a Networking for Success workshop. Photo by Sam Lane.

Below: Entrepreneur in Residence Julie Deane OBE, founder of The Cambridge Satchel Company speaking at September's Start-up Day to mark the 10th anniversary of London's Business & IP Centre. Photo by Sam Lane.





## Culture

### We engage everyone with memorable cultural experiences

'Dazzling...a show of shows guaranteed to disarm even the most jaded visitor' was how *Times Literary Supplement* described our *Shakespeare in Ten Acts* exhibition. It showcased ten key performances that have shaped Shakespeare's status as a cultural icon, exploring the diversity of interpretations and media used to bring his texts to life over the past four hundred years. We also collaborated with the Library of Birmingham to open *Our Shakespeare*, an exhibition featuring objects from both institutions including a copy of the First Folio and Laurence Olivier's annotated 1955 screenplay of *Macbeth*.

Our *Maps of the 20th Century: Drawing the Line* exhibition opened in November 2016. It drew upon the Library's incredible collection of over four million maps to shed new light on 20th-century historical narratives. It attracted over 55,000 visitors and was acclaimed by *The Independent* as 'a blockbuster exhibition.'

Opposite: *Quentin Blake: The Roald Dahl Centenary Portraits* exhibition. Photo by Luca Sage; Below: Hip Hop Shakespeare Late event. Photo by Paul Hampartsoumian.



Alongside these major exhibitions, we used our free gallery spaces to tremendous effect to reach new audiences through a diverse programme. *Punk 1976–78* celebrated the 40th anniversary of the musical and cultural phenomenon, starting with the Sex Pistols’ breakthrough in 1976. We celebrated some of the most popular entertainers of Victorian times such as Dan Leno, the original pantomime dame and billed as the ‘funniest man on earth’, through our *Victorian Entertainments: There Will Be Fun* exhibition. Over 100,000 visitors engaged with it before it closed. And we were also privileged to host the inaugural show of a set of *Quentin Blake: The Roald Dahl Centenary Portraits* to mark the 100th anniversary of the birth of Roald Dahl.

Beyond London, our first ever touring programme reached over 40,000 visitors across the UK. Our *Alice in Wonderland* exhibition was hosted by the Laing Art Gallery in Newcastle and the Willis Museum in Basingstoke; *Picture This: Children’s Illustrated Classics* was shown at the River and Rowing Museum in Oxfordshire; *Punk 1976–78* went on tour to the Sunderland Museum & Winter Gardens.



Top: Sir John Major talks about his father and the history of British music hall in January as part of a series of events linked to our *There Will Be Fun* exhibition; Above: John Lydon in conversation as part of our Punk season. Photos by Sam Lane; Below: Our *Alice in Wonderland* exhibition on tour at the Laing Art Gallery.



Alongside our cultural exhibitions, this year saw a significant expansion of our programme of public events. Since October 2016, the number of events we stage has nearly doubled, with talks, discussions, performances and more taking place most evenings and regularly at the weekends. These events are critical to the Library’s ability to open up its unique cultural heritage resources, and create inspiring and engaging moments with audiences. Our wide range of speakers included Sir John Major, John Lydon, Margaret Atwood and Grayson Perry.

Sky Arts ran the first ever TV series dedicated entirely to showcasing the Library’s collection and expertise. *Treasures of the British Library* took the form of six hour-long episodes featuring celebrities such as Lord Winston, Jamie Cullum and Julia Donaldson, uncovering every area of the Library’s collection from sound recordings to newspaper archives. Each featured celebrity donated an item to the collection, for example poet Benjamin Zephaniah donated his poem ‘What Stephen Lawrence Has Taught Us’.

### Culture: Our plans for 2017/18

- Continue to grow and sustain an expanded cultural offer for the Library’s audiences
- Deliver a major exhibition and events programme to mark the centenary of the Russian Revolution: *Russian Revolution: Hope, Tragedy, Myths* from April 2017
- Deliver a major exhibition and events programme for *Harry Potter: A History of Magic* from October 2017
- Continue to expand our reach across the UK with new touring and co-curated cultural experiences and greater engagement with public libraries.

Below: Poet Benjamin Zephaniah – one of six celebrities featured in the Sky Arts series *Treasures of the British Library* – examines a globe with Tom Harper, Lead Curator Antiquarian Maps.





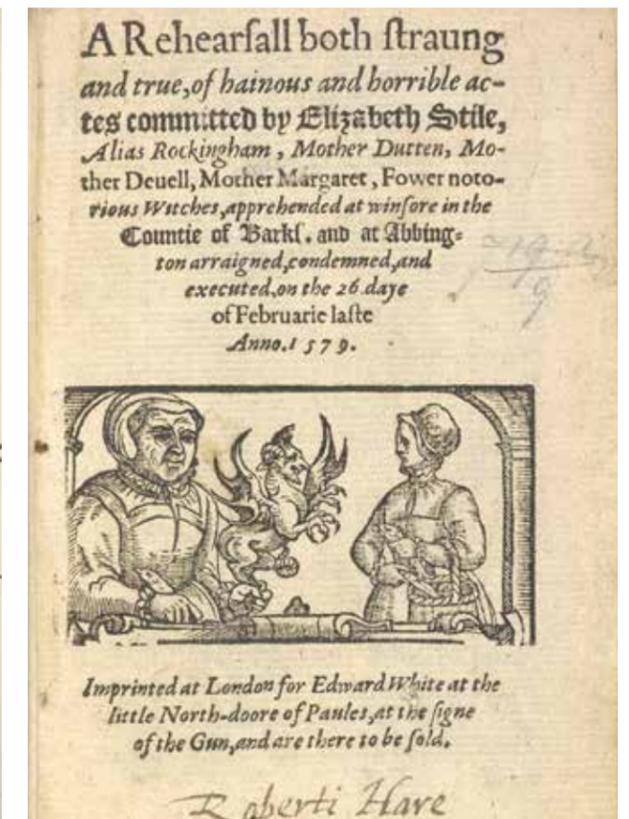
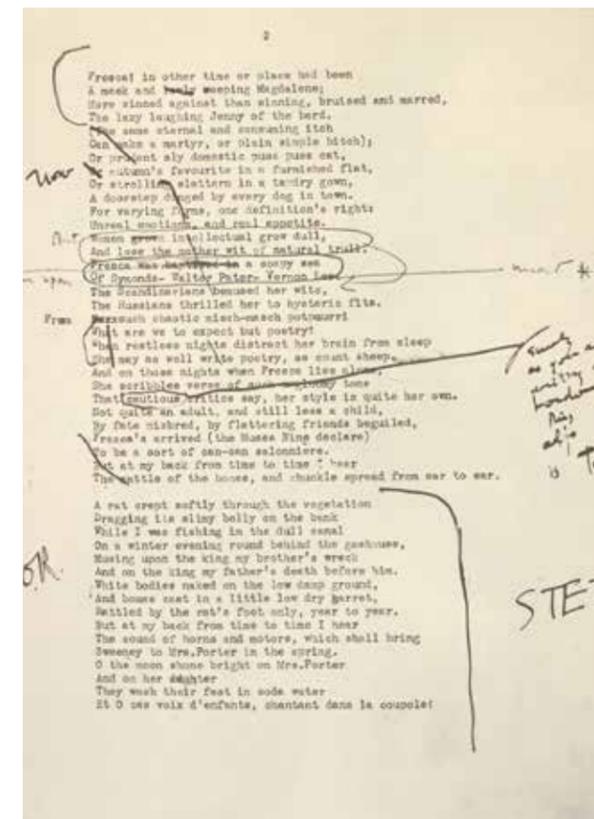
## Learning

# We inspire young people and learners of all ages

In 2016/17 our digital learning resources reached over 7 million unique browsers, significantly exceeding the previous year's figure of 5.7 million and our target of 5.8 million. This is testament both to the increasing popularity of our existing online resources, and also to the wide range of new content exploring Shakespeare, 20th-century literature and Renaissance literature, which launched during the year. The Shakespeare and Renaissance Writers section of *Discovering Literature* now showcases over 300 treasures from our collection, ranging

from a witchcraft pamphlet and a magician's mirror to accounts of shipwrecks and descriptions of the 'New World'. The 20th-century section of *Discovering Literature* also features a rich treasure trove of over 300 items, including T S Eliot's draft of *The Waste Land* with hand-written annotations by Ezra Pound, Virginia Woolf's travel notebook, George Orwell's notes for *Nineteen Eighty-Four* and the draft manuscript of Hanif Kureishi's *The Buddha of Suburbia*.

Opposite: Children's drawings from the Festival of Maps family event. Photo by Nicola Pomery; Below left: Annotated copy of T S Eliot's *The Waste Land*, from *Discovering Literature: 20th century*; Below right: Witchcraft pamphlet: *A Rehearsal both Strange and True*, 1579, from *Discovering Literature: Shakespeare and Renaissance writers*.



We also delivered two MOOCs (Massive Open Online Course), with 8,246 people from around the world participating in free courses on Shakespeare and Propaganda. Overall, we had just over 21.5 million visitors to our website, behind our target of 25 million due in part to some substantial redevelopment work undertaken this year. That work is a long term investment in our digital offer and will enable us to continue engaging large numbers of users around the world.

On-site at St Pancras, 5,000 students and teachers took part in our schools programme accompanying *Shakespeare in Ten Acts* which included workshops, special events and collaborations with Shakespeare's Globe, the Guardian Education Centre and UK Literacy Association. Building on the success of our popular maps workshops for primary schools, this year's *Maps and the 20th Century: Drawing the Line* exhibition engaged over 3,500 students. Both programmes made a significant contribution to the 35,000 teachers and students that engaged in our on-site programmes overall.



We received a grant from The Sackler Trust towards our Family and Community Engagement Programme, which also receives funding through the John Lyon's Charity. This has enabled us to deliver an expanded programme of activities and increase our outreach work within the local community, such as bespoke events for deaf families and a project with looked-after children. The programme continues to grow in strength and popularity.

In 2016/17 we also saw the delivery of the first full year of a new charged-for adult learning programme which offers a broad range of sessional courses, creative master classes and study days. Twenty courses were offered this year on topics including Gothic literature, bookbinding and conservation, sacred texts and illustrations inspired by the exhibitions *Alice in Wonderland* and *Victorian Entertainments: There Will Be Fun*. Feedback from participants has been excellent, with 92% rating the experience as very good or excellent.



## Learning: Our plans for 2017/18

- Complete the next phases of *Discovering Literature* adding content on 20th-century playwrights in May 2017 and completing the final sections on Old and Middle English and the Restoration and 18th century
- Launch a new Chinese language version of the *Discovering Literature* site to accompany our touring exhibitions in China and Hong Kong
- Deliver an ambitious learning programme to accompany *Harry Potter: A History of Magic*.

Opposite top: Young Researchers project with Chocolate Films. Photo by Richard Eaton; Opposite centre: Festival of Maps family event. Photo by Nicola Pomery; Opposite below: School students in *Maps and the 20th Century: Drawing the Line*. Photo by Richard Eaton; Below: Illustration course for adult learners. Photo by Richard Eaton.



## International

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

We have been very active on the global stage this year, with around 250 separate engagements relating to over 50 countries, as well as hosting 33 diplomatic visits and more than 80 professional visits to the Library. We continue to take a leadership role, particularly in Europe, through our Chief Executive's chairmanship of the Conference of European National Librarians (CENL), which comprises 46 national libraries from across Europe.

Left: Cotton Caligula A vii/1 f. 5r – one of 800 illuminated manuscripts digitised thanks to funding by The Polonsky Foundation, with the Bibliothèque nationale de France; Below: Liu Xiaoming, Ambassador to the UK of the People's Republic of China, is shown a facsimile of Jane Austen's *The History of England* at a Foreign and Commonwealth Office reception at Lancaster House celebrating the 45th anniversary of full diplomatic relations between the UK and China, in March 2017.

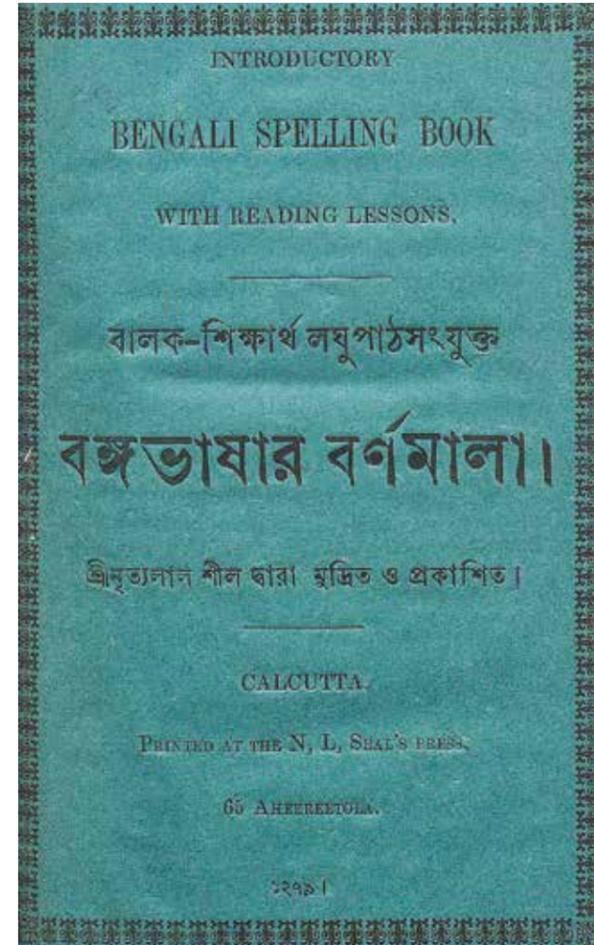
Our already ambitious China activities have expanded further as we took part in a high-level UK delegation to Shanghai as part of the 2016 UK-China High Level People to People Dialogue. The visit also marked the commencement of 'The British Library in China: connecting through culture and learning' project, a three-year long cultural exchange between the UK and China. For the very first time, the British Library will display a number of iconic English literary treasures in mainland China and Hong Kong. Early editions and handwritten manuscripts by writers and playwrights including William Shakespeare, Charlotte Brontë and Arthur Conan Doyle, will feature in a series of exhibitions in cities across China and on the Library's first Chinese language learning platform.



As part of the *Two Centuries of Indian Print* project, which is seeking to digitise thousands of early printed South Asian language books dating from 1713–1914, we have digitised and catalogued 1,000 early printed Bengali books, and scanned over 6,000 Vernacular Tracts, thanks to funding received from the Department for Business, Energy, and Industrial Strategy, the Arts and Humanities Research Council, and the Newton Fund. This work underpins a wider programme of engagement with library professionals and researchers in India.

We presented a digital scholarship workshop at Jadavpur University, hosted a series of seminars on South Asia Book History, and held community workshops to showcase our collection. We have also signed a memorandum of understanding with the National Digital Library of India to share metadata and digitised content, an initiative accompanied by two highly successful loans: King George III's edition of Shakespeare's First Folio to the CSMVS Museum in Mumbai, and a facsimile of the Magna Carta showcased at the Jaipur Literary Festival.

Below: Vernacular Tract: *Introductory Bengali Spelling Book with Reading Lessons*, Calcutta, N L Seal's Press, 1867 – digitised as part of the *Two Centuries of Indian Print* project.



Above top: Shakespeare's First Folio on display in Mumbai; Above: Adrian Edwards, Head of Printed Heritage Collections speaks at a related event in Mumbai.



We entered into a new digitisation partnership, generously funded by The Polonsky Foundation, with the Bibliothèque nationale de France to digitise 800 illuminated manuscripts from the period 700–1200, making them available online for the first time. In addition, our partnership with the Qatar Foundation continued apace in its goal of making newly digitised content relating to the Gulf region, predominantly from the Library's India Office Records archive, available online. The Qatar Digital Library has been viewed by just under half a million users from 222 countries. Our digitisation project with the National Library of Israel has now yielded 68,000 pages of the Library's Hebrew Manuscripts collection.

We were also pleased to welcome our first Chevening Fellows, who have joined us as part of the UK government's international awards scheme for developing global leaders. Our first two Fellows joined us in October from Pakistan and Nigeria to work on their research projects. These are year-long placements which we will be hosting in each of the next three years.

### International: Our plans for 2017/18

- Build on our 'British Library in China' project by touring our literary treasures in Wuzhen from September to November 2017 and Shanghai in February 2018 for the first time
- Further develop our partnerships with Indian institutions, and host the Jaipur Literary Festival at the British Library in London for the first time in May 2017
- Deepen our relationships with international partners in the USA, the Middle East, and across Europe, including hosting a visit from Dr Carla Hayden, the 14th Librarian of Congress.

Below: Local community leaders and residents with curator Arani Ilankuberan during one of our community 'show and tells' of our South Asian Collection in November 2016.



## Public Lending Right

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

For the PLR year from 1 July 2015 to 30 June 2016, PLR registered over 25,000 new ISBNs. Over 2,000 authors and other contributors registered for PLR for the first time and we collected data on over 43 million loans from the 29 library authorities that took part in the sample. The data was converted to national estimates and paid at a Rate Per Loan of 7.82 pence. In total, over £6m was distributed to 22,201 authors, illustrators and other contributors, whose books were borrowed from UK public libraries. The maximum payment threshold is £6,600 for the top-lending authors and the minimum payment is £1, ensuring an equitable distribution of the fund across a large community of creators. In March 2017, the PLR Advisory Committee agreed to maintain the thresholds at the current rates for another year.

The payments in February 2017 were followed up by the announcement of the most borrowed authors and titles for the previous year. As in previous years, crime titles proved hugely popular and US thriller writer James Patterson topped the chart of most borrowed author for the tenth year running. The most borrowed title was *The Girl on the Train* by Paula Hawkins, while childrens' authors once again featured dominantly with seven childrens' authors in the top ten most borrowed authors including Julia Donaldson, Francesca Simon, Jacqueline Wilson and Roald Dahl.

PLR's Advisory Committee Chair, author and historian Tom Holland commented:

*'At a time when cuts to the UK's library service have generated much pessimism about its prospects, the release of the PLR figures serves as a reminder of the tremendous service it continues to provide across the country, and how highly treasured it is by the public. Authors, too, have good reason to be grateful for it: not just for the role it plays in fostering the reading habit, but because PLR constitutes a statement on behalf of the entire country on the value that it places on writing.'*

New legislation enables remote e-lending to be eligible for PLR in future. This has cleared the way for authors and contributors to be paid for remote e-book loans in the same way as for loans of physical books. This is an important change to the scheme which reflects the changing nature of library service provision and ensures that authors and content creators can be compensated fairly for the use of their work. We are now working with stakeholders to ensure a successful implementation within two years.

Following a market research exercise in August, an extensive amount of work has been undertaken on mapping PLR's IT systems with a view to improving user experience, including automated registration and mobile platforms. The new system will also incorporate remote e-book loan data collection and payment. This is all part of a wider strategic review to ensure the long-term future of the PLR service for users.

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



# 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 second year of a comprehensive corporate planning process, which applied increased levels of scrutiny to budgets. This led to the refresh and renewal of the financial strategy originally approved by the British Library Board in 2015/16, ensuring that activities and spending in departments across the Library remain strategically aligned to our Living Knowledge purposes, as well as identifying opportunities for efficiency savings through new ways of working.

## Continuous Improvement

We have a strong emphasis on continuous improvement throughout the Library, across departments and functions ranging from people management to collection care. We collaborate with other public sector bodies to share best practice, and we embed the principles and behaviours of continuous improvement across the Library's normal business, thus enabling services to be provided effectively and efficiently while remaining able to respond to an ever-changing environment.

## Commercial Strategy

We launched a number of initiatives during the year designed to improve the services available to users and deliver improved commercial return. These new and growing revenue streams ultimately ensure the Library can continue to deliver on its *Living Knowledge* aspirations.

Our new Membership programme was launched in October 2016 with a dedicated Members' Room at St Pancras and a Members' Bar in the renovated Knowledge Centre. Membership sales have been strong in the first five months and reached 1,700 by the end of March.

At St Pancras, our catering offer was significantly upgraded with the refurbishment of our Euston Road coffee shop, a new coffee bar in the front entrance hall and the new Terrace Restaurant. Alongside these changes, we recruited a dedicated commercial events team to support a substantial increase in our commercial events activity.

We launched a new Online Shop and a Box Office which are designed to improve online retail and ticketing sales and build our capacity for growth over the next few years. We continue to deliver our strong Crime Classics publishing brand, this year opening a dedicated Pop-up Shop for the Christmas retail period.

## IT Strategy

Our IT strategy seeks to replace many of the Library's core digital systems and infrastructure with new, more flexible solutions that will enable the Library to deliver its purposes.

We implemented new infrastructure and systems to support our commercial strategy along with further improvements to our website.

Development of core digital library systems has delivered new functionality for collections management and our legal deposit library partners, while the implementation of new digitised sound ingest workflows for Save Our Sounds will enable improved preservation of our historic sound collection. Substantial work on specifying requirements for a new digital asset management and preservation system has been undertaken in preparation for procurement in 2017/18.

Upgrades to the Library's internal automated book retrieval system, search and discovery tool and universal viewer technologies have improved users' experience of accessing our collection. In addition, mobile and unified communications solutions, including faster and more reliable public and staff WiFi, have been rolled out.

## People Strategy

This year we were accredited as a Living Wage employer and introduced Open Minds (our inclusive leadership programme) and unconscious bias training for all staff. We have appointed an Apprenticeships Manager to plan and implement our first apprenticeships scheme as well as streamlining a number of harassment policies and introducing a mediation service to help improve the working life of our staff through better employment relations. These steps reflect our commitment to our organisational values, in particular embracing equality, fairness and diversity.

Our People Strategy sets out a vision for the Library to be a workplace that inspires staff, who place users at the heart of everything they do. The past year has seen increasing levels of staff engagement, rising from 3.77 (out of 5.0) in 2015/16 to 4.02 in 2016/17. We have agreed a volunteer policy and are in the early stages of launching this scheme across the Library.

## Fundraising

The British Library is extremely grateful to all its donors and supporters, whose generosity enables us to promote learning and scholarship and share our collection with the public for research, inspiration and enjoyment, as well as maintain our position as one of the world's greatest research libraries.

The Heritage Lottery Fund (HLF) confirmed the £9.5m grant previously earmarked in 2014 for Unlocking Our Sound Heritage and, thanks to generous additional funding received from the Garfield Weston Foundation, Foyle Foundation and many others, we look forward to commencing this major partnership project in 2017 to save almost half a million unique and vulnerable historic sound recordings from across the UK and open them up to the public.

This year saw the end of the HLF Funded Catalyst: Endowments Programme, through which the Library has built up a £2m 'Knowledge Fund' endowment to support access and collections-based activities. As well as several legacy gifts and large individual donations, we received several hundred small donations in response to an appeal to support the fund, which we will continue to grow into a vital additional sustainable income stream.

Thanks to a very generous grant from The Polonsky Foundation, we were able to announce a major new partnership project with the Bibliothèque nationale de France

to digitise 800 illuminated manuscripts from the period 700–1200 from our respective collections and make them freely available online to researchers and the public.

Thanks to a generous donation from the Dr Michael and Anna Brynberg Charitable Foundation, we will be able to employ a spoliation researcher to investigate the history and provenance of two collections we believe might have been spoliated during the Nazi period.

We are very grateful to the Dangoor family who have provided very generous seed funding for the Library's website *Discovering Sacred Texts*. It will explore the richness and diversity of the Library's collection of sacred texts, alongside articles written by academics, faith leaders and practitioners from Buddhism, Christianity, Hinduism, Islam, Judaism, Sikhism as well as other lesser-known faiths which are well represented in the collection. The website will be launched later next year and will follow a similar structure to *Discovering Literature*, also supported by Dangoor Education, with over 2,000 digitised images at its core.

A significant grant from The Sackler Trust has made a huge difference to the number of groups and communities we have been able to reach through our Family and Community Engagement Programme, enabling us to run additional outreach projects, to widen and diversify our audience.

# Key Performance Indicators

	Target 2016/17	Actual 2016/17	Actual 2015/16	Actual 2014/15
<b>CUSTODIANSHIP</b>				
<i>We build, curate and preserve the UK's national collection of published, written and digital content</i>				
Percentage of physical collections in archival storage conditions (BS5454)	70%	70%	70%	70%
<b>RESEARCH</b>				
<i>We support and stimulate research of all kinds</i>				
Items consulted in Reading Rooms <sup>3</sup>	(000) 1,665	(000) 1,655	(000) 1,694	(000) 1,730
British Library website items consulted <sup>3</sup>	4,000	3,689	3,249	2,662
Visitors to the Reading Rooms	415	399	414	389
British Library website visits <sup>3</sup>	25,000	21,517	20,707	18,353
<b>BUSINESS</b>				
<i>We help businesses to innovate and grow</i>				
Jobs created <sup>1</sup>	250	636	390	305
<b>CULTURE</b>				
<i>We engage everyone with memorable cultural experiences</i>				
Culture visitors to St Pancras	(000) 1,045	(000) 915	(000) 967	(000) 1,188
<b>LEARNING</b>				
<i>We inspire young people and learners of all ages</i>				
Visitors to British Library Learning website <sup>3</sup>	(000) 5,883	(000) 7,041	(000) 5,726	(000) 3,597
<b>INTERNATIONAL</b>				
<i>We work with partners around the world to advance knowledge and mutual understanding</i>				
Items digitised through international partnerships <sup>2</sup>	(000) N/A	(000) 1,573	(000) 1,432	(000) 1,306

<sup>1</sup> Data now collated nationally and reported one year in arrears.

<sup>2</sup> New measure added in 2015/16 with data calculated retrospectively.

<sup>3</sup> These measures are included in the British Library's Management Agreement with DCMS for the period 2016–2020.

	Target 2016/17	Actual 2016/17	Actual 2015/16	Actual 2014/15
<b>CUSTOMER SERVICE – Quality</b>				
Satisfaction with Reading Room services	95%	96%	97%	94%
Customer Satisfaction – ease of finding information on the Library's website	90%	87%	88%	86%
Satisfaction with our exhibitions (customer enjoyment rating)	85%	95%	96%	96%
<b>OUR PEOPLE</b>				
Employee engagement (rating out of 5)	3.8	4.02	3.77	3.58
<b>FINANCE AND ECONOMIC</b>				
Commercial income generated <sup>3</sup>	(000) £12,697	(000) £13,658	(000) £13,240	(000) £13,760
Charitable giving: donations and sponsorship <sup>3</sup>	N/A	£7,449	£5,486	£6,771
Rate of charitable giving i.e. donations and sponsorships to Grant in Aid. <sup>3</sup>	N/A	7.9%	5.9%	7.2%
<b>OPERATIONAL EFFICIENCY</b>				
Print items added to the collection through legal deposit	(000) 326	(000) 334	(000) 373	(000) 402
Digital items added to the collection through legal deposit	152	174	95	66

## 7,041,000

visitors to the British Library Learning web pages  
**19% above target**

## 174,000

Digital publications added to the collection through legal deposit  
**14.5% above target –**  
an increase of 83% over last year

# Grants and Donations

The British Library would like to thank all those who have given their support during the period April 2016 to March 2017, including:

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and Local Government  
European Regional Development  
Fund (deployed by Greater  
London Authority)

## And others who wish to remain anonymous.

BRITISH LIBRARY  
ANNUAL ACCOUNTS 2016/17

# STATEMENT OF DIRECTORS' AND ACCOUNTING OFFICER'S RESPONSIBILITIES

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

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

- observe the accounts direction issued by the Department for Culture, Media and Sport, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government *Financial Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements
- 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 Culture, Media and Sport has appointed the Chief Executive as Accounting Officer of the Library. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Library's assets, are set out in *Managing Public Money* published by HM Treasury.

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



**Rt Hon Baroness Blackstone PC**  
Chairman

30 June 2017



**Roly Keating**  
Chief Executive  
and Accounting Officer

30 June 2017

# FINANCIAL REVIEW

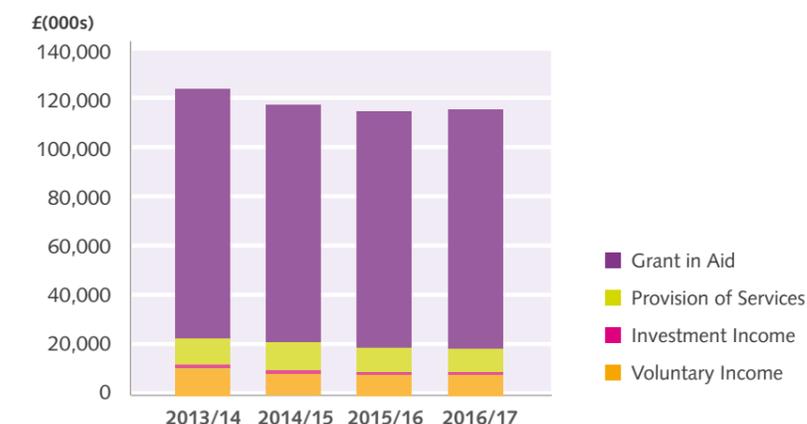
## Overview of Financial Position

The British Library's income for 2016/17 was £118.0m (£117.8m in 2015/16), of which £93.9m (79%), the primary source of funding, was Grant in Aid received from the Department for Culture, Media and Sport (£93.0m (79%) in 2015/16).

Income from the provision of charitable activities was £13.8m (£13.8m in 2015/16), in line with last year. Income from document supply continued to fall during the year, although performance was better than expected and above the target set. Exhibition ticket sales were down on last year, a year which included the very successful Magna Carta exhibition, which also impacted on the performance of the Shop and publishing operations. Income was increased from licensing and royalty activities, sale of commercial events and leasing out office space in our St Pancras building in line with our commercial strategy. A membership scheme was successfully launched in the autumn which will help to increase income in future years.

Voluntary Income was £9.7m (£9.9m in 2015/16), in line with last year. The contributions from philanthropic donations, research grants and funding for digitisation projects continues to provide critical funding in support of the Library's purposes. Investment income was £0.6m (£1.0m in 2015/16). During the year we revisited our investment and treasury management policies which resulted in a small loss of income as we moved our financial investments between investment companies and between banks. Historically low base interest rates also led to reduced returns.

In March 2016 the DCMS Secretary of State announced that the Library's Grant in Aid would be maintained in cash terms over the current spending review period, 2015/16 to 2019/20. In addition,



an extra £1.6m was provided to support the international project to take several literary treasures to China over the same period. Although the Grant in Aid settlement was a positive outcome, in real terms, this represents a 5% reduction to the resource budget by 2019/20 and it still resulted in the Library having to continue to make on-going reductions in its core operating expenditure. However, the Library has been able to continue to make investments in heritage acquisitions and digitisation projects funded by philanthropic donations and grants.

The Library's continued focus on efficiency has contributed to the delivery of significant operational savings required in order to match reductions in core Government funding in this and future financial years. Voluntary Exit programmes were launched during the year to reduce staffing in the Document Supply and Finance areas.

Resources expended were increased to £138.3m in the year (£137.5m in 2015/16) due to higher staffing costs in line with the pay increase and the increase in national insurance contributions due to the ending of the contracting out allowance. Expenditure on developments, including the on-going cost of a project to develop land on the St Pancras site, were

lower than last year's levels although substantial progress in delivering the Living Knowledge strategy was made on a number of fronts.

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 allows certain spending control privileges to organisations in the Museums and Galleries sector. Under these 'freedoms', the Library is exempt from a number of controls including Government procurement policy, the 1% pay award limit and control on property spend. It also allows the Library to use its reserves in a more flexible way, subject to informing the Department for Culture, Media and Sport of any requirement as part of the Treasury's supplementary review estimate.

Revenue expenditure on acquisitions for the collections was £11.5m (£11.4m in 2015/16), reflecting the flat-cash allocation of Grant in Aid to our acquisitions strategy. Capital expenditure was £1.4m (£1.9m in 2015/16), with the acquisition of a number of heritage items supported by donations and grants.

## FINANCIAL REVIEW (continued)

The Public Lending Right (PLR) Grant in Aid allocation for the year was £6.6m (£6.6m in 2015/16). Total PLR payments made in 2017 were £6.1m, paid to 22,201 authors (£6.4m paid to 22,607 authors in 2016). The rate per loan approved for the year was 7.82 pence (7.67 pence in 2016). Expenditure includes £61,442 unpaid at the year end because some authors' addresses are unknown to PLR, or because authors' assignees have not made probate claims. (The payments to authors in 2015/16 included an additional payment of £0.3m due to an error in the original calculation and a decision, approved by DCMS, to pay all authors based on the recalculated figures).

There was a net reduction in the movement of funds before revaluation in the year of £17.6m, of which £19.4m was due to a decrease in the unrestricted funds, offset by a £1.9m increase in the restricted funds.

Revaluations, including the restatement of the value of the St Pancras land and buildings, resulted in a £288.2m gain in the year.

### Reserves

At 31 March 2017 the British Library's reserves were as follows:

	£m
<b>Restricted funds</b>	23.8
<b>Unrestricted funds</b>	
Fixed asset reserve	411.6
Revaluation reserve	1,118.4
Donated asset reserve	29.0
Designated funds	7.1
PLR reserve	-
General funds	31.3
<b>Total funds</b>	<b>1,621.2</b>

Restricted funds and Designated funds are set aside for defined purposes and include £8.7m in capital/endowment funds which cannot be used to fund current expenditure.

The fixed asset, revaluation and donated asset reserves are fully employed in the operation of the 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 objectives of the Library's reserves policy are 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.

In total, General Reserves at 31 March 2017 were £31.3m, of which £4.7m relates to non-cash prepayment adjustments in relation to serials. Taking account of the current level of risk, the following reserve levels were agreed by the British Library Board: £4.0m restructuring reserve; £4.5m in relation to completing the plans of the St Pancras development programme; £1.0m capital contingency; £2.6m for expenditure carried over from the current year; £0.6m planning commitment for IT storage; £0.5m set aside for a major acquisition; £4.5m in response to a request from DCMS to hold 5% contingency; and a general provision of £8.8m, which is 6.8% of the year's unrestricted expenditure and within the Library's target range of 2% to 10% of annual unrestricted expenditure.

### Investments and Financial Risks

The British Library Board oversaw the Library's investments during the year, reviewing the investment policy and considering the performance and risks of its trust fund investments.

A review of our investment portfolio was undertaken by investment analysts Barnett Waddingham in 2016. Following this a subcommittee of the Board was set up to review their analysis; it concluded that, in the current market, the investment portfolio should be further diversified into

other types of asset as well as UK equities and gilts. A successful tender process was undertaken and it was decided to move the portfolio, dividing it equally between two Diversified Growth Funds managed by Baillie Gifford and Investec. The funds were transferred from Legal and General in several instalments during the year.

At the start of the year fund values stood at £19.7m and increased steadily over the year on the back of increases in the UK stock market. A further £1.5m was invested during the year from donations received and placed in the government-supported Catalyst Endowment Scheme. At the end of the year, investments stood at £24.3m; this included a gain of £1.9m which was realised as part of the process of transferring investments to the new investment managers.

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

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

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 receipt of the invoice unless separate arrangements have been agreed with the supplier. For the year ended 31 March 2017, 94% of invoices were paid within the agreed 30-day period (95% in 2015/16).

### Related Party Transactions

Details of related party transactions are disclosed on page 87 at note 23.

### Code of Best Practice on Corporate Governance

In accordance with HM Treasury Code of Good Practice and Chapter 3 of *Managing Public Money*, the Annual Governance Statement is included on pages 55 to 61.

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

Rt Hon Baroness Blackstone PC  
Chairman

30 June 2017

Roly Keating  
Chief Executive  
and Accounting Officer

30 June 2017

## REFERENCE AND ADMINISTRATIVE DETAILS

The following organisations were the Library's principal suppliers of professional financial, legal and investment services during 2016/17:

**Lloyds Bank**  
39 Threadneedle Street  
London  
EC2R 8AU

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

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

**Santander Corporate Banking**  
Bootle  
Merseyside L30 4GB

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

**Legal and General Investment Management**  
One Coleman Street  
London EC2R 5AA

**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

## SUSTAINABILITY REPORT

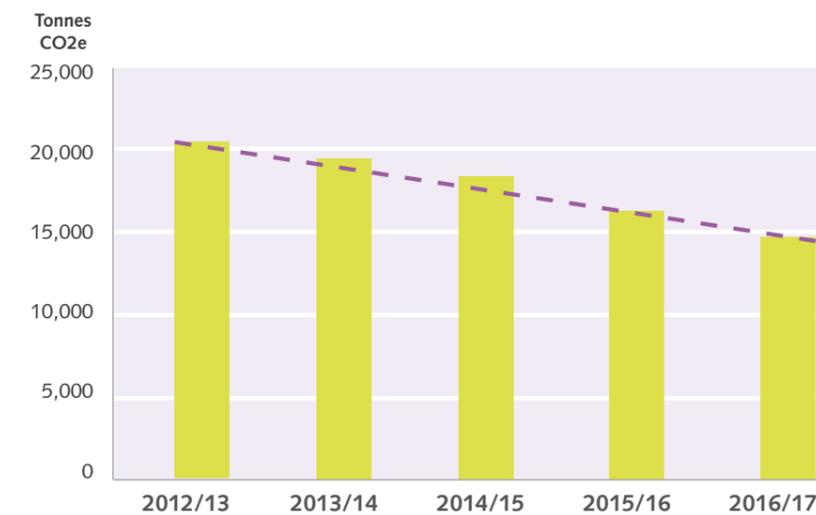
The Library recognises that its activities impact on society and the environment at local, regional and global levels through the resources it consumes, the waste it produces, the travel and work patterns it encourages amongst its staff and the products it buys. The Library needs to provide stable and

reliable collection storage while seeking to minimise the impact that its buildings and operations have on the environment. The measures undertaken to help with this include robust monitoring and targeting of utility consumption and waste production across its estate and investing in energy and

waste reducing initiatives wherever possible. This has resulted in a significant and sustained reduction in greenhouse gas emissions.

### Greenhouse Gas Emissions

	2012/13	2013/14	2014/15	2015/16	2016/17
<b>Non-Financial indicators (1,000 tonnes CO<sub>2</sub> emitted)</b>					
Gross emissions Scope 1 (direct)	2.1	1.7	2.0	2.2	2.3
Gross emissions Scope 2&3 (indirect)	18.2	17.5	16.4	14.0	12.4
<b>Total gross emissions</b>	<b>20.3</b>	<b>19.2</b>	<b>18.4</b>	<b>16.2</b>	<b>14.7</b>
<b>Total net emissions</b>	<b>20.3</b>	<b>19.2</b>	<b>18.4</b>	<b>16.2</b>	<b>14.7</b>
<b>Related energy consumption (million kWh)</b>					
Electricity: Non-renewable	32.9	31.3	29.2	24.9	21.9
Electricity: Renewable	-	-	-	-	-
Gas	10.7	9.0	10.6	11.7	11.9
Gas Oil	3.6	3.0	3.5	2.6	3.0
Other	-	-	-	-	-
<b>Financial indicators (£million)</b>					
Expenditure on energy	3.2	3.3	3.2	3.0	2.7
CRC license expenditure (2011/12 onwards)	0.2	0.3	0.3	0.2	0.3
Expenditure on accredited offsets	-	-	-	-	-
Expenditure on official business travel	0.5	0.6	0.6	0.6	0.6



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. At the end of 2016/17 net emissions have reduced by 37.6%.

The main direct causes of carbon emissions from the Library are electricity, gas and oil consumption. An energy saving action plan is in place and progress is being made as opportunities and budgets allow for investment in energy saving plant and lighting. The energy reductions in 2016/17 have been achieved

by continuing this programme, including lighting, HVAC controls (energy saving control valves) and plant operating times.

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

we shall focus on improving the recycling percentage by closer scrutiny of the waste streams, allowing us to identify and remove recyclable material currently lost in the general waste stream.

The re-use of redundant material continued in 2016/17, though in smaller volumes. The material appropriate for re-use varies, from

the giveaway of coffee grounds for gardens and allotments at our Boston Spa site to redundant furniture being re-homed locally within the Camden area to community centres, business start-ups, educational institutions or charities. The Library is committed to the new 'Greening Government' commitments; we will maintain a 'zero to landfill' policy and are

reflecting on how to meet these targets up to 2020.

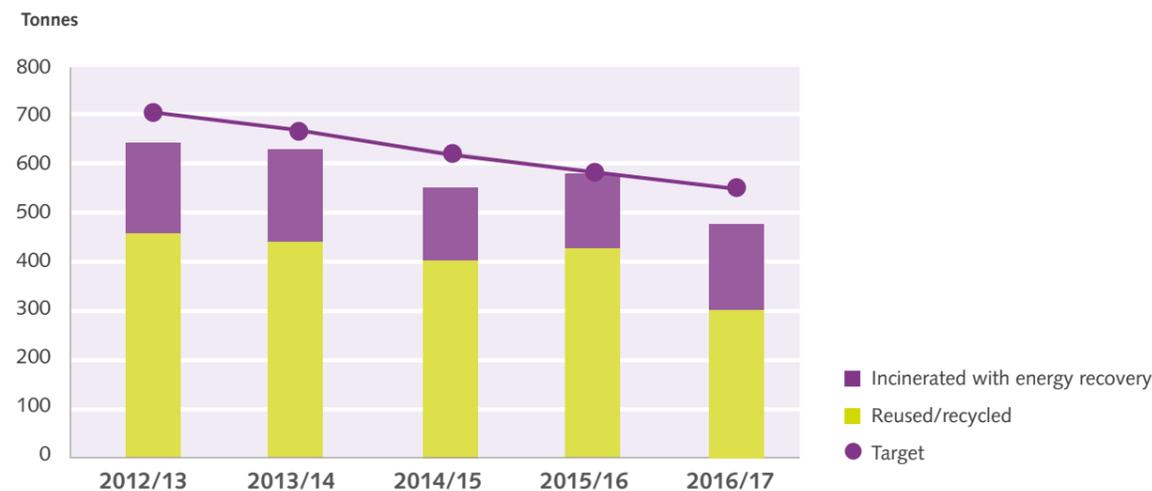
There are no financial indicators for the waste element as these costs are embedded in service contracts and the actual element that relates to the removal of the waste is not identified separately.

## Waste

### Hazardous and non-hazardous volumes by disposal routes

	2012/13	2013/14	2014/15	2015/16	2016/7
<b>Non-Financial indicators (tonnes)</b>					
<b>Hazardous waste</b>					
<b>Total</b>	<b>164.0</b>	<b>39.6</b>	<b>60.0</b>	<b>-</b>	<b>-</b>
<b>Non hazardous waste</b>					
Construction waste to landfill	27.5	27.5	64.4	-	-
Landfill	-	-	-	-	-
Reused/recycled	997.0	448.1	408.1	431.2	301.4
Composted	-	-	-	-	-
Incinerated with energy recovery	190.7	178.2	147.7	143.0	172.0
Incinerated without energy recovery	-	-	-	-	-
<b>Total waste</b>	<b>1,379.2</b>	<b>693.4</b>	<b>680.2</b>	<b>574.2</b>	<b>473.4</b>

### Non-hazardous waste (excluding construction) volumes by disposal routes



In the financial year 2016/17, the Library produced 473 tonnes of waste. This represents a total waste reduction from the previous year of 17.6% with an impressive 42.5% less waste being produced when measured against HM Treasury's 'Greening Government' baseline year of 2009/10.

These results have been achieved by working very closely with our cleaning and waste management

contractor with both parties adhering to the principles and innovations laid out by the Government's WRAP initiative. We employ a strict hierarchy of prevention, re-use, recycle, energy recovery and treatment/disposal, with prevention then re-use through others being the most favoured options and energy recovery being the last resort for waste from our sites. It is important to note that no waste from the Library is sent direct

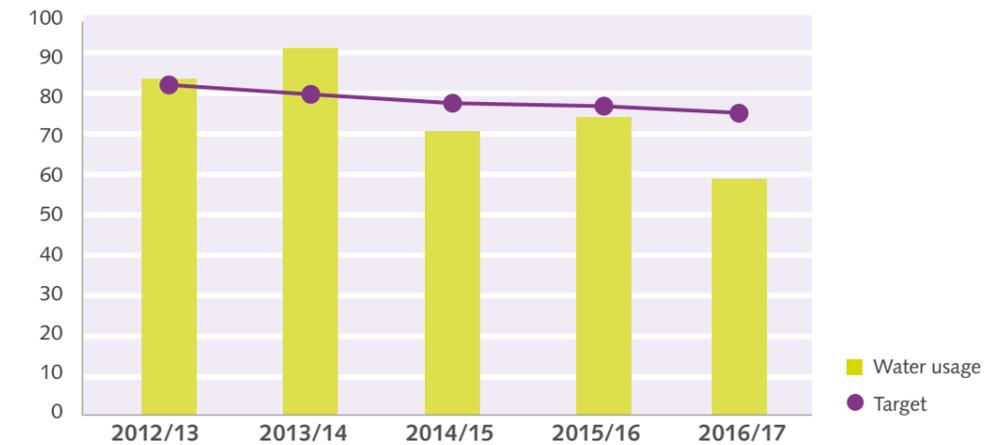
to landfill; all non-recyclable waste is incinerated to provide energy. In addition to this, food waste is sent to anaerobic digestion, creating both fertiliser and gas for energy generation.

The previous year's increase in waste generated, related largely to refurbishment works, has subsided, although this has also decreased commensurately the percentage of waste recycled. In the coming year

## Finite Resource Consumption

	2012/13	2013/14	2014/15	2015/16	2016/17
<b>Non-Financial indicators (000's metres<sup>3</sup>)</b>					
<b>Water consumption</b>					
Supplied	83.5	91.0	70.3	73.7	59.6
Abstracted	-	-	-	-	-
Collected	-	-	-	-	-
<b>Financial indicators (£000s)</b>					
Water supply costs	182.3	184.9	171.8	156.0	137.5

000 metres<sup>3</sup>



Office benchmarks for water consumption and reduction are not suitable for St Pancras as approximately 60% of water used is for cooling of Reading Rooms, collection storage areas, public exhibition spaces and the Knowledge Centre. The increasing number of visits by members of the public to our exhibitions and member facilities in St Pancras is increasing the volume of water consumed by these activities.

The Library has an internal target to reduce water consumption by 2% per year from a 2009/10 baseline. At the end of 2016/17 water consumption had reduced by 32%.

### 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.

### Sustainable Procurement

The Library complies with DCMS/CCS (Crown Commercial Services) sustainable procurement policies, but our existing contracts do not yet contain requirements for supply chain reporting. Our new 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.

# 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 without executive powers which fulfils the following responsibilities:

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

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

## Service Contracts

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

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

## Remuneration and Pension Entitlements (audited)

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

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

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

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

The banded remuneration of the highest-paid director in the organisation in the financial year 2016/17 was £170–175k (2015/16 was £155–£160K). This was 6.56 times (2015/16 was 6.06) the median remuneration of the workforce, which was £26,312 (£26,000 in 2015/16).

In 2016/17, 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 Chairman and Board Members and the Executive Team.

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

	2016/17	2015/16	Term Start Date	Term End Date
	£000	£000		
Rt Hon Baroness Blackstone PC	37.0	37.0	01.09.10	31.08.18
Mr David Barclay	9.1	9.1	26.01.11	25.01.19
Dr Robert Black CBE	9.1	9.1	20.06.12	19.06.20
Mr Jonathan Callaway	9.1	9.1	01.04.15	31.03.19
Ms Tracy Chevalier	9.1	9.1	01.04.15	31.03.19
Mr Martin Dickson	9.1	9.1	01.04.15	31.03.19
Lord Fellowes GCB GCVO PC (until 11.12.16)	6.8	9.1	30.09.12	11.12.16
Lord Janvrin GCB GCVO PC (from 1.1.17)	2.3	–	01.01.17	31.12.20
Dr Stephen Page	9.1	9.1	26.01.11	25.01.19
Mr Patrick Plant	9.1	9.1	15.05.12	14.05.20
Sir John Ritblat	9.1	9.1	01.04.15	31.03.19
Dr Simon Thurley CBE	9.1	9.1	01.04.15	31.03.19
Professor Dame Helen Wallace DBE	9.1	9.1	01.04.15	31.03.19
	<b>137.1</b>	<b>137.1</b>		

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

During the year, a total of £1,739 (£1,802 in 2015/16) was paid to two (two in 2015/16) Board Members for travel expenses.

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

	Salary £000		Bonus Payments £000		Pension Benefits <sup>1</sup> £000		Total £000	
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16
Roly Keating, Chief Executive	155–160	150–155	10–15	–	59	59	230–235	210–215
Caroline Brazier, Chief Librarian	125–130	125–130	10–15	10–15	22	39	155–160	180–185
Philip Spence, Chief Operating Officer	140–145	140–145	10–15	10–15	38	44	190–195	195–200
Richard Boulderstone, Chief Digital Officer until 10 April 2015	–	5–10 (FTE 120–125)	–	–	–	13	–	20–25
Frances Brindle, Director until 28 February 2015	–	–	–	5–10	–	–	–	5–10
Steve Morris, Chief Financial Officer until 30 June 2015	–	35–40 (FTE 130–135)	–	10–15	–	28	–	75–80

<sup>1</sup> 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 2016/17. In 2015/16 bonuses were paid to four of the Executive Team and two of the Executive Team waived their contractual bonus payment.

In addition, for 2016/17 the annual pay award agreed by the Remuneration Committee for the Chief Officers was 2%, the same percentage as that agreed for all staff and in line with Government policy.

	Accrued Pension at pension age as at 31/3/17 £000	Real increase in pension and related lump sum at pension age £000	CETV at 31/3/17 £000	CETV at 31/3/16 £000	Real increase in CETV £000
Roly Keating, Chief Executive	15–20	2.5–5	212	162	33
Caroline Brazier, Chief Librarian	20–25 plus lump sum of 65–70	0–2.5 plus lump sum of 2.5–5	530	480	22
Philip Spence, Chief Operating Officer	20–25	0–2.5	401	353	24

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

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

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

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

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

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

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

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

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

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

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

### Cash Equivalent Transfer Values

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

chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include

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

### Real Increase in CETV

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



**Rt Hon Baroness Blackstone PC**  
Chairman

30 June 2017



**Roly Keating**  
Chief Executive  
and Accounting Officer

30 June 2017

## 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 a non-departmental public body, an arm's-length body funded by a combination of Grant in Aid allocated by the Department for Culture, Media and Sport (DCMS) and income secured through commercial, fundraising, sponsored and charging activities. A management agreement letter from the Secretary of State for Culture, Media and Sport sets out the 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 British Library's vision for its future development as it looks ahead to 2023, the year of its 50th anniversary as the national library of the UK. *Living Knowledge* 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'. *Living Knowledge* sets out six core statements of purpose for custodianship, research, business, culture, learning and international activities.

#### The Board

The constitution and further provisions of the Board are set out in the Act. The Chairman and members of the Board are all appointed by the Secretary of State, with the exception of one member who is appointed by HM The Queen. One member of the Board is appointed after consultation with Scottish Ministers. Members are normally appointed for four-year terms, with consecutive appointments restricted to two terms. All are part time with the exception of the Chief Executive who is the only full-time executive member of the Board. The Chairman and Board select one of their members to be Deputy Chairman.

Members of the Board have corporate responsibility for ensuring that the Library complies with any statutory or administrative requirements for the use of public funds and ensuring that high

standards of corporate governance are observed at all times. The Board establishes the overall strategic direction of the organisation. It approves the Library's annual corporate business plan and annual budget. It also oversees the delivery of planned results by monitoring performance against agreed strategic objectives and targets.

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

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

## Board Committees

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

Committee	Key Responsibilities
<b>Audit Committee</b>	A standing committee without executive powers which supports the Board and the Accounting Officer in their responsibilities for issues of finance, risk, control and governance by reviewing the comprehensiveness, reliability and integrity of assurances provided to them.
<b>Remuneration Committee</b>	A standing committee without executive powers which makes recommendations to the Board with regard to the performance, pay and employment terms and conditions of the Chief Executive, and which considers the recommendations of the Chief Executive in relation to the Chief Librarian, the Chief Operating Officer and other staff.
<b>Capital Projects Committee</b>	A limited-life committee without executive powers, whose primary responsibility is to assist the Board in overseeing the achievement of the objectives of the St Pancras Transformed Programme.
<b>Investment Committee</b>	A limited-life committee without executive powers, formed to review and make recommendations to the trustees of the British Library's trust funds with regard to investments.

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

	Current term	Expires	Board	Audit	Remun.	Cap Pr.	Invest.
<b>Chairman</b>							
Rt Hon Baroness Blackstone PC	2nd	31.8.2018	Chair	–	Member	–	–
<b>Deputy Chairman</b>							
Mr David Barclay	2nd	25.1.2019	Member	Member	Chair	–	Member
<b>Chief Executive</b>							
Mr Roly Keating	1st	11.9.2019	Member	–	–	Member	–
<b>Non-Executive Board Members</b>							
Dr Robert Black CBE	2nd	19.6.2020	Member	Chair	–	–	–
Mr Jonathan Callaway	1st	31.3.2019	Member	–	–	–	Chair
Ms Tracy Chevalier	1st	31.3.2019	Member	–	–	–	–
Mr Martin Dickson	1st	31.3.2019	Member	Member	Member	–	Member
Lord Fellowes GCB GCVO PC (until 11.12.2016)	3rd	11.12.2016	Member	Member	–	–	–
Lord Janvrin GCB GCVO PC (from 1.1.2017)	1st	31.12.2020	Member	–	–	–	–
Dr Stephen Page	2nd	25.1.2019	Member	–	–	Member	–
Mr Patrick Plant	2nd	14.5.2020	Member	–	–	Chair	–
Sir John Ritblat	1st	31.3.2019	Member	–	–	–	–
Dr Simon Thurley CBE	1st	31.3.2019	Member	–	–	Member	–
Professor Dame Helen Wallace DBE	1st	31.3.2019	Member	Member	–	–	–
<b>Committee members with relevant professional experience:</b>							
Ms Berenice Smith	3rd	31.10.2018	–	Member	–	–	–

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

## 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, Capital Projects Committee and Investment Committee. The Board received quarterly reports on financial and business performance, delivery of strategic change initiatives, and risk management. The Board also approved financial and business plans for the next year.

In addition to regular business, significant issues that were considered by the Board during 2016/17 included:

- Plans, and the procurement of a commercial development partner, to adapt and extend the Library's iconic building in St Pancras, making it one of the UK's most open, creative and innovative public spaces for the 21st century
- Developing ideas for the future of the Library's estate and operations in Boston Spa, including a potential range of new storage and collection management facilities
- Progress in the delivery of *Living Knowledge* and key purposes including Business, Learning and Culture
- The creation and launch of a new Membership scheme for individuals wishing to join the Library
- Launch of the Living Knowledge Network, a partnership with national and public libraries in major towns and cities throughout the UK, plus extension of the network of Business & IP Centres to two more libraries in Exeter and Northampton
- New arrangements for volunteers and a strategy for apprenticeships

- Review of the Library's purchasing strategy for the acquisition of digital and printed journal content

- Progress in the implementation of the Library's development strategy and commercial business strategy for the next five years.

The Audit Committee kept the management of risk, and the Library's top strategic risks, under review throughout the year. The Committee reviewed reports from RSM, the Library's internal auditors, including progress reports on the implementation of recommendations. The Committee agreed a suitable programme of work for 2017/18. 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 2016/17, 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, plus the annual pay remit for staff in 2016/17.

The Capital Projects Committee oversaw the selection and procurement, via competitive dialogue, of property developer Stanhope plc as a commercial partner, with architects Rogers Stirk Harbour & Partners, to develop land in the north of the Library's St Pancras estate and provide improved facilities within the current St Pancras building.

The Investment Committee made recommendations to the trustees of the Library's trust funds which resulted in the transfer of assets to two different investment funds.

## Board and Committee Attendance

	Meetings attended / eligible to attend				
	British Library Board	Audit Committee	Remuneration Committee	Capital Projects Committee	Investment Committee
Rt Hon Baroness Blackstone PC	5 / 5	–	1 / 1	–	–
Mr David Barclay	5 / 5	4 / 4	1 / 1	–	1 / 1
Dr Robert Black CBE	5 / 5	4 / 4	–	–	–
Mr Jonathan Callaway	5 / 5	–	–	–	1 / 1
Ms Tracy Chevalier	5 / 5	–	–	–	–
Mr Martin Dickson	5 / 5	1 / 1	1 / 1	–	1 / 1
Lord Fellowes GCB GCVO PC (until 11.12.16)	2 / 4	3 / 3	–	–	–
Lord Janvrin GCB GCVO PC (from 1.1.17)	1 / 1	–	–	–	–
Mr Roly Keating	5 / 5	–	–	8 / 8	–
Dr Stephen Page	5 / 5	–	–	8 / 8	–
Mr Patrick Plant	5 / 5	–	–	8 / 8	–
Sir John Ritblat	4 / 5	–	–	–	–
Dr Simon Thurley CBE	5 / 5	–	–	6 / 8	–
Professor Dame Helen Wallace DBE	5 / 5	4 / 4	–	–	–
<b>Committee members with relevant professional experience:</b>					
Ms Berenice Smith	–	4 / 4	–	–	–

### Board Effectiveness

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

Board members have annual appraisals with the Chairman and the Board undertakes an annual assessment of its own effectiveness on the basis of a self-evaluation questionnaire. The review of 2016/17 confirmed that the Board has good skills-based membership, but members recommended that consideration should be given by the Secretary of State in future appointments to increasing the Board's diversity and to adding

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

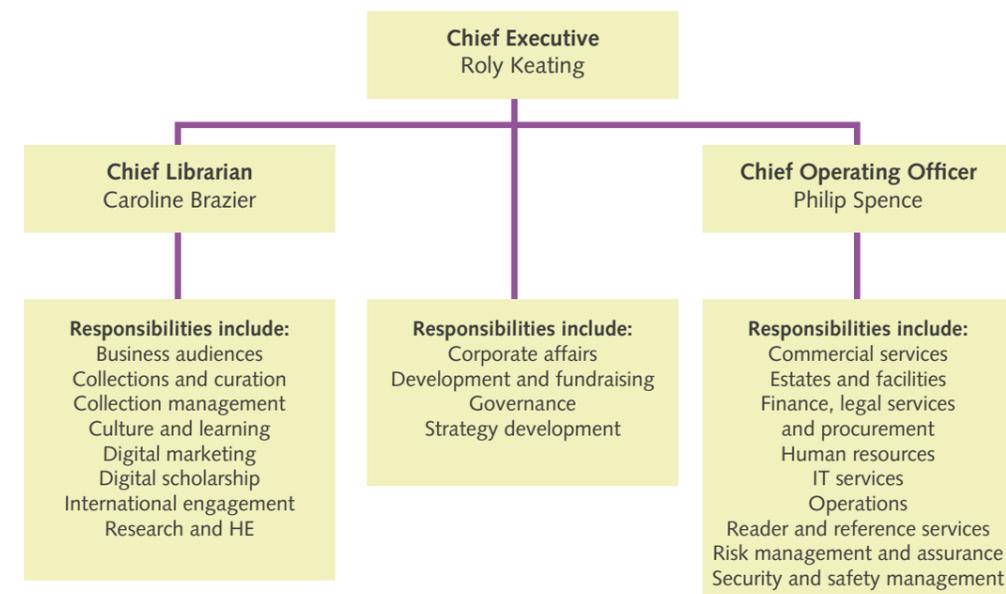
Separately, the Board's Audit Committee also carried out a self-evaluation based upon the National Audit Office's check list, which also confirmed that the Library has good practices and controls and that the work of the Committee is effective. Internal Audit provides assurances on the quality of management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

### Internal Controls and Risk Management Framework

The Chairman is responsible to the Secretary of State for ensuring that: the Library fulfils its statutory purpose as set out in its founding legislation; it complies with charity law; relevant Library policies are consistent with those of the Secretary of State; and the Library's affairs are conducted with probity. The Board assesses the risks facing the Library and satisfies itself that the risk management and internal control systems are effective.

The Accounting Officer is personally responsible for the Governance Statement and for making sure that: a sound system of internal control exists and is maintained; the public funds and assets for which he is personally responsible are safeguarded in accordance with the responsibilities assigned in Managing Public Money; and ensuring compliance with the requirements of the Library's Management Agreement with DCMS.

During 2016/17, in support of the UK Anti-Corruption Plan 2014, the Library responded to a DCMS Counter Fraud Functional Standards Questionnaire and considered how to improve its controls against fraud and bribery. Public accountability training

was delivered to almost 70 staff who regularly make financial and non-financial commitments on the Library's behalf.

The Library adheres to a risk management policy framework endorsed by the Board which, in line with the risk standard ISO 31000 and HM Treasury guidance (*Orange Book: Management of Risk – Principles and Concepts*), lays out its policies and procedures for managing risk. The framework also reflects identified best practices, sets out clear roles and responsibilities in managing risks and includes a statement of the Library's risk appetite. Risk management is increasingly integrated in business planning decisions, whether big or small, rather than being a separate management action. During 2016/17 we focussed on the controls and assurances for risks, giving confidence that risks are being managed effectively and efficiently.

The Library draws a clear distinction between strategic risks and operational risks. Strategic risks are defined as 'those business risks that, if realised, could fundamentally affect the way in which the organisation exists or provides services in the next one to five years. These risks will

have a detrimental effect on the organisation's achievement of its key business objectives. The risk realisation will lead to failure, loss or lost opportunity'. The Strategic Risk Register is reviewed annually by the Board; annually by the Strategic Leadership Team; four times a year by management's Audit and Risk Group; and three times a year by the Board's Audit Committee.

Operational risks are held within risk registers which are regularly reviewed by the management team.

At the end of each financial year, the Chief Executive, Chief Librarian and Chief Operating Officer complete a declaration that they have reviewed and are managing all identified risks. If warranted, operational risks may be escalated to the Strategic Risk Register.

The Library aims to manage risk within risk appetite levels agreed by the Board, rather than eliminating all risks to achievement of its policies, aims and objectives. Five levels of risk appetite have been established: Minimum, Low, Modest, Moderate and Maximum. Management and the Board's Audit Committee review the risk appetite levels annually in the light of any changes within the Library or outside in the external landscape in

order to ensure that the system of internal control remains effective. Any proposals to change risk appetite levels are reviewed and agreed by the Board.

#### Effectiveness of Internal Controls

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

In observance of Public Sector Internal Audit Standards, the Head of Internal Audit provides an annual opinion on the overall adequacy and effectiveness of the Library's risk management, control and governance processes. Based on a plan of sixteen internal audit reviews throughout 2016/17, the Head of Internal Audit rated the Library as having an adequate and effective framework for risk management, governance and internal control but recommended some further enhancements to ensure that the framework remains adequate and effective.

#### Assessment of Principal Risks in 2016/17

A full review and assessment of the Library's register of strategic risks was completed during the year. The updated register included the following themes.

- **Stakeholder Relationships** (Appetite: Modest). The Library maintains regular dialogue and engages at all levels with representatives of Government and external stakeholders in relation to current issues and future changes such as the Digital Economy Bill, general elections and potential impacts on culture and creative industries, PLR and HE policy.
- **Physical Security** (Appetite: Low). The Library remains vigilant about the threat of a major physical security breach or incident, maintaining appropriate

policies and systems for protecting people, collections and premises, and liaising regularly with the police, SO20 Counter Terrorism Protection Command and other external security bodies.

- **Digital Systems Security** (Appetite: Low) In line with ISO27001, the Library has developed an Information Security Framework and utilises a range of software and hardware solutions, staff training and policies to defend against the possibility of cyber-attack, systems failure or data loss. Seeking assurance of effective controls and advice through internal and third party penetration testing and audits, we plan to achieve Cyber Essentials certification in 2017/18.
- **Staff Recruitment and Retention** (Appetite: Moderate). The Library continues to need specialist and skilled staff in a competitive market and so we have started to update our People Policies in line with our new People Strategy. Regular updates to the Board provide assurances that we are largely on track.
- **Staff Engagement** (Appetite: Low). We strive to inspire staff with the vision required for transformational change, through our Living Knowledge purposes and our People Values. We plan effective staff communications through regular Open House briefing sessions and regular online messages. Quarterly pulse surveys with staff indicate areas where we are having the most impact.
- **Major Programmes Governance** (Appetite: Low). While accepting the potential for minor risk in certain aspects, the Library implements strong governance for its major transformational change agenda through a portfolio approach, using best practice methodologies for managing change including dependency and benefits mapping; clear roles and responsibilities including escalation routes; and independent, internal and external assurances.
- **Institutional Reputation** (Appetite: Low). With such rich

and diverse collections, and changes to the external landscape, the Library faces the potential for cultural restitution claims. We maintain and implement appropriate policies, due diligence and governance processes, with guidance and training for staff, in matters of public accountability and cultural property.

- **Finance Budgeting** (Appetite: Modest). The potential risk of future reductions in Grant in Aid affecting delivery of services remained high on our register during the year. This is mitigated through robust financial and business planning of the delivery of Living Knowledge initiatives, most notably the St Pancras Transformed programme and the development of diverse and sustainable fundraising and commercial strategies.
- **Implications of EU exit** (Appetite: Low). As the Government negotiates the terms of exit, including post-exit arrangements, we continue to support the high proportion of our staff who are non-UK EU nationals and might be impacted. We are actively considering potential impacts across all of our activities, for example our legal, contract and procurement environment; our funding opportunities and threats; and our international relationships. We have a team of staff ensuring a proactive and coordinated approach until we have further clarity.

#### Managing Financial Risk

The Library's budgetary framework delegates budget responsibilities from the Chief Executive, as Accounting Officer, to the Chief Officers. As part of this responsibility the Library requires each Strategic Leadership Team manager to review their financial performance regularly, to advise the Chief Officers of any potential deviation from budget and to report any remedial actions being taken to address it.

Financial performance is reported monthly to the Chief Officers and quarterly to the Board. During

the year, our four-year financial strategy was updated as part of the annual corporate planning process. Forecasts are reported to DCMS on a monthly basis and regular contact is maintained with their appointed finance manager. We also implemented a new finance team structure which provides greater resilience by ensuring the right skills and capacity are in place to deliver a fit-for-purpose finance service

#### Managing Information Risk

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 2016/17 the main focus of activity was on:

- Data protection, including preparations for the EU's General Data Protection Regulation 2016 which will take effect in May 2018. The regulation establishes new rules for the use of personal data in the digital era, affecting our custodianship of collections and the operation of customer databases including our members, suppliers and partners.
- Freedom of Information and support of the Government's transparency agenda.
- Information Management through continued improvement in our records management.
- Information Security policy, aligned with ISO 27001/2.
- Improved handling of credit card data, including compliance with the Payment Card Industry Data Security Standard v2.0.

The Library has suffered no significant losses or thefts of personal or other protected data during 2016/17 and has made no report 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 are taking 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 Health and Safety (H&S) team is tasked with ensuring that the Library's legal and moral obligations to safeguard the health, safety and welfare of staff and visitors are met in full. Over the last 12 months across all Library sites 1,304 staff attended nine types of training course on health and safety matters. During the year a total 91 accidents were reported under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) – compared with 95 in 2015/16 – comprising 51 accidents involving members of staff and 40 involving visitors, contractors

and other non-staff members. The majority of these accidents were slips, trips and falls, especially during the winter and wet weather. 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 8.03 days per employee (7.72 days in 2015/16).

#### Whistleblowing

The Library has a whistleblowing policy which was written in consultation with our recognised Trade Unions and is made widely available to all staff on the Library's intranet. In a majority of instances the most appropriate place for a worker to raise concerns will be with their line manager or a more senior manager; in other cases a concern may be reported to the Chair of the Audit Committee as a member of the British Library Board or, in their absence, to the Deputy Chairman. There were no instances of whistleblowing reported in 2016/17.



Rt Hon Baroness Blackstone PC  
Chairman

30 June 2017



Roly Keating  
Chief Executive  
and Accounting Officer

30 June 2017

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

I certify that I have audited the financial statements of the British Library for the year ended 31 March 2017 under the British Library Act 1972. The financial statements comprise: the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

## Respective responsibilities of the Board, Accounting Officer and auditor

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

## Scope of the audit of the financial statements

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

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

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

## Opinion on regularity

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

## Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view, of the state of the British Library's affairs as at 31 March 2017 and of its net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the British Library Act 1972 and Secretary of State directions issued thereunder.

## Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the British Library Act 1972; and
- the information given in the Governance Statement, Financial Review and Sustainability Report sections of the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which I report by exception

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

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

## Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse  
Comptroller and Auditor General

5 July 2017

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 2017

	Notes	Unrestricted funds £000	Restricted funds £000	Total 2016/17 £000	Unrestricted funds £000	Restricted funds £000	Total 2015/16 £000
<b>Income and Endowments from:</b>							
Donations and legacies	2	1,631	8,041	9,672	452	9,467	9,919
Charitable Activities	3	13,500	280	13,780	13,251	548	13,799
Investment Income	4	381	268	649	525	478	1,003
Other Incoming Resources							
Grant in Aid	5	93,911	–	93,911	93,043	–	93,043
<b>Total Income and Endowments</b>		<b>109,423</b>	<b>8,589</b>	<b>118,012</b>	<b>107,271</b>	<b>10,493</b>	<b>117,764</b>
<b>Expenditure on:</b>							
Raising Funds		773	–	773	582	–	582
Investment Management costs		3	11	14	6	20	26
Charitable Activities:							
Access		33,469	591	34,060	32,011	760	32,771
Content / Acquisitions		41,981	1,629	43,610	41,542	1,555	43,097
Developments		11,445	1,937	13,382	15,193	1,633	16,826
International		(632)	2,453	1,821	(578)	2,196	1,618
Navigation		20,620	1,492	22,112	18,959	1,804	20,763
Public Engagement		14,321	601	14,922	13,286	55	13,341
Web		1,486	56	1,542	2,035	18	2,053
Public Lending Right to Authors		6,080	–	6,080	6,400	–	6,400
<b>Total Expenditure</b>	<b>6</b>	<b>129,546</b>	<b>8,770</b>	<b>138,316</b>	<b>129,436</b>	<b>8,041</b>	<b>137,477</b>
Net Gains / (losses) on investments	11	719	1,947	2,666	(275)	(822)	(1,097)
<b>Net income / (expenditure)</b>		<b>(19,404)</b>	<b>1,766</b>	<b>(17,638)</b>	<b>(22,440)</b>	<b>1,630</b>	<b>(20,810)</b>
Transfer between funds	17	29	(29)	–	–	–	–
<b>Other Recognised gains / (losses)</b>							
Gains / (losses) on revaluation of fixed assets	9	288,222	–	288,222	18,139	–	18,139
PLR Reserve movement		9	–	9			
<b>Net movement in funds</b>		<b>268,856</b>	<b>1,737</b>	<b>270,593</b>	<b>(4,301)</b>	<b>1,630</b>	<b>(2,671)</b>
Reconciliation of Funds							
<b>Fund balances brought forward at 1 April</b>		<b>1,328,490</b>	<b>22,086</b>	<b>1,350,576</b>	<b>1,332,791</b>	<b>20,456</b>	<b>1,353,247</b>
<b>Fund balances carried forward at 31 March</b>		<b>1,597,346</b>	<b>23,823</b>	<b>1,621,169</b>	<b>1,328,490</b>	<b>22,086</b>	<b>1,350,576</b>

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

The notes on pages 66 to 88 form part of these accounts.

The British Library Board  
Balance Sheet as at 31 March 2017

	Notes	2016/17 £000	2015/16 £000
<b>Fixed assets</b>			
Intangible assets	8	55	90
Tangible assets	9	1,490,797	1,226,674
Heritage assets	10	68,109	65,848
Investments	11	24,256	19,722
<b>Total fixed assets</b>		<b>1,583,217</b>	<b>1,312,334</b>
<b>Current assets</b>			
Stocks	13	935	1,041
Debtors and prepayments	14	12,042	12,113
Short Term Deposits	15	16,500	27,000
Cash at bank and in hand	15	27,466	17,454
<b>Total current assets</b>		<b>56,943</b>	<b>57,608</b>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	16	(18,819)	(19,212)
Provisions: amounts falling due within one year	20	(172)	(154)
<b>Total current liabilities</b>		<b>(18,991)</b>	<b>(19,366)</b>
<b>Net current assets</b>		<b>37,952</b>	<b>38,242</b>
<b>Total assets less current liabilities</b>		<b>1,621,169</b>	<b>1,350,576</b>
<b>Net assets</b>		<b>1,621,169</b>	<b>1,350,576</b>
<b>Represented by:</b>			
<b>Income funds</b>			
Restricted funds	17	23,823	22,086
Public Lending Right		9	–
<b>Unrestricted funds:</b>			
Fixed Asset reserves	18	411,637	390,737
Revaluation Reserve	17	1,118,366	873,787
Donated Asset reserve	17	28,958	28,088
Designated Funds	17	7,135	5,853
General funds	17	31,241	30,025
<b>Total funds</b>		<b>1,621,169</b>	<b>1,350,576</b>

The notes on pages 66 to 88 form part of these accounts

The financial statements on pages 63 to 65 and accompanying notes on pages 66 to 88 were approved by the Board on 20 June 2017, and were signed on their behalf by:

Rt Hon Baroness Blackstone PC  
Chairman

30 June 2017

Roly Keating  
Chief Executive  
and Accounting Officer

30 June 2017

The British Library Board  
Cash Flow Statement for the year ended 31 March 2017

	Notes	2016/17 £000	2015/16 £000
<b>Cash Flows from operating activities:</b>			
<b>Net Cash provided by (used in) operating activities</b>	15	<b>7,911</b>	<b>4,508</b>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from Investments	4	649	1,003
Purchase of property, plant and machinery	8,9	(4,919)	(2,305)
Purchase of heritage assets	10	(1,391)	(1,933)
Donated assets	10	(870)	–
Disposal of Investments at cost	11	22,058	1,470
Purchase of investments	12	(23,926)	(972)
<b>Net Cash provided by (used in) investing activities</b>		<b>(488)</b>	<b>1,771</b>
Change in cash and cash equivalents		(488)	1,771
Cash and cash equivalent brought forward		44,454	42,683
<b>Cash and Cash equivalents carried forward</b>		<b>43,966</b>	<b>44,454</b>
<b>Analysis of Cash and Cash Equivalents</b>			
Cash in Hand		27,466	17,454
Notice Deposits		16,500	27,000
<b>Total Cash and cash equivalents</b>		<b>43,966</b>	<b>44,454</b>

# NOTES TO THE ACCOUNTS

## 1. ACCOUNTING POLICIES

### a) Accounting convention

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

Accordingly, the Accounts have been prepared under the historical cost convention as modified by the revaluation of land and buildings and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities,' issued January 2015, (the 'SORP'), the Charities Act 1993, the Charities (Accounting and Reports) Regulations 2016, the Financial Reporting Manual, FRS 102 and generally accepted accounting practice so far as considered appropriate or as modified by HM Treasury guidance.

Within the Statement of Financial Activities (SOFA), the Library reflects its costs against its charitable activities as required by the FRS 102 SORP.

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

The Board has considered the implications of recent reductions in the government grant, and believes 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) Incoming resources

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

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

Donations are included in the Statement of Financial Activities on a cash received basis, or where all entitlement criteria of probability and measurability as per the Statement of Recommended Practice (FRS 102 SORP) have been met by the Balance Sheet date.

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

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

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

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

### c) Taxation

The British Library Act 1972 states that 'the Board shall be a body corporate and that, for the purposes of the Charities Act 1960, the Board shall be an exempt charity'. The British Library enjoys exemption

under the Income and Corporation Taxes Act 1988 for profits from primary purpose trading activities as an exempt charity. Income from profits on non-primary purpose activity is subject to Corporation Tax at the prevailing rate.

The British Library is able to recover VAT relating to the expenditure for primary purpose activities; any irrecoverable VAT is apportioned across the strategic priority cost categories detailed in note 6.

### d) Valuations

In accordance with FRS15, regular professional valuations of land and property and structural plant and machinery assets are carried out, having regard to the importance of the estate to the operation of the department but, in any event, at least once in every five years.

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

### e) Fixed assets

The threshold for capitalising assets is £20,000.

The Library holds and conserves a number of collections made up of books, journals, newspapers, magazines, sound and music recordings, patents, databases, maps, manuscripts and much more. In accordance with the Financial Reporting Manual, FRS15 and FRS30 (Heritage Assets), assets acquired before 1 April 2001 have not been capitalised, since reliable estimates of cost or value are not available on a cost benefit basis. Additions to the collection acquired since 1 April 2001 are capitalised and recognised in the Balance Sheet

under Heritage Assets. The assets are classified by whether the items were bought by, or donated to, the Library. The cost or value of the acquisition is used where such a cost or valuation is reasonably obtainable. Such items are not depreciated or re-valued. Collection items with values below the capitalisation threshold are expensed when the expenditure is incurred.

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

An overview of the scope of the British Library Collections is set out at Note 10 on page 76.

Depreciation is provided on all tangible fixed assets other than freehold land and collection items. Amortisation is provided on all intangible assets.

Impairment reviews are carried out at the end of each reporting period in accordance with FRS11 to ensure that the carrying values of the assets do not exceed their recoverable amount.

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

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

Depreciation rates are calculated to write off the cost or valuation of

each asset, less estimated residual value, evenly over its expected useful life, as follows:

#### Freehold buildings

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

#### Plant and Machinery and Office Equipment

3 to 25 years

#### Computer Equipment

3 to 5 years

#### Motor Vehicles

4 years

#### Assets in the course of construction

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

#### Intangible / Licences

3 years or over the life of the licence

### f) Government grant

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

### g) Stocks

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

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

### h) Foreign currencies

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

### i) Operating leases

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

### j) Fund accounting

The Library has the following category of funds:

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

Transfer between funds will occur when Library or Restricted funds services are utilised by an opposite category of fund. Transfers may also occur during the purchase of tangible and heritage assets if a restricted fund is to contribute to the purchase. These transfers are reflected in the transfer column in note 17 on pages 81 and 82.

### k) Financial Instruments

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

### Financial Assets

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

SOFA and taken to a Fair Value Reserve. Recognised gains and losses on disposal of investments are recognised in the SOFA. Trade debtors are recognised at carrying value, reduced by appropriate allowances for estimated irrecoverable amounts.

#### Financial Liabilities

Trade creditors are short-term and are stated at carrying value in recognition that these liabilities fall due within one year. Customer deposits are stated at cost and are repayable on demand. Provision for employees known to be leaving the organisation within one year under early retirement or early severance terms are accounted for under financial liabilities.

#### l) Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category, including an apportionment of overhead and support costs as shown in note 6 on page 70.

- a) Costs of generating funds are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.
- b) Charitable activities are based on the functions of the Library set out in the British Library Act 1972
- i. **Access** – Costs associated with making the British Library services available including Document Supply and Reading Rooms.
- ii. **Content/Acquisitions** – Costs associated with maintaining a comprehensive collection of books, manuscripts, periodicals, films and other recorded matter. Includes legal deposit processing, acquisitions, collection development and storage.
- iii. **Developments** – Major projects / development expenditure including the Newspaper Programme, UK Research Reserve and Digital Initiatives.
- iv. **International** – Costs associated

with the Government priority of active engagement in countries with a resonance with the Library's collections and audiences.

- v. **Navigation** – Costs associated with being a national centre for reference, study and bibliographical services, including cataloguing, curatorial and bibliographic services costs.
- vi. **Public Engagement** – Exhibition costs and costs of Learning programmes, running the British Library Shop and Visitor Services.
- vii. **Web** – Costs associated with the operation, content and development of www.bl.uk to increase the Library's impact beyond its physical locations.
- viii. **Public Lending Right to Authors** – Annual payment to authors under Public Lending Right.
- c) Governance costs includes the costs of Board Membership remuneration, legal fees, internal and external audit fees, and staff costs associated with the preparation of the statutory accounts.

#### m) Provisions

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

#### n) Estimation Techniques

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

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

index provided by the Office for National Statistics.

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

#### o) Contingent Liabilities

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

#### p) Early Departures

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

#### q) Pensions

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

## 2. VOLUNTARY INCOME

	2016/17 £000 Unrestricted	2016/17 £000 Restricted	2016/17 £000 Total	2015/16 £000
Donated Assets	870	–	870	–
Other Donations and UK Grants	761	6,642	7,403	7,817
EU Grants	–	1,399	1,399	2,102
<b>Total Voluntary Income</b>	<b>1,631</b>	<b>8,041</b>	<b>9,672</b>	<b>9,919</b>

The £1.4m received in EU grants relates to five grants. The Library is the lead partner for two of these projects, therefore the Library receives the gross grant from the EU funding body for these projects and then distributes payment to other EU partners. In year the library made payments totalling £1.2m to the other EU partners.

## 3. INCOME FROM CHARITABLE ACTIVITIES

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

#### A) CLASSES OF BUSINESS

	2016/17 £000	2015/16 £000
Access	5,013	5,116
Content / Acquisitions	82	88
Developments	1,217	523
International	–	–
Navigation	1,156	1,440
Public Engagement	5,057	5,484
Web	–	10
Other (Support)	1,255	1,138
	<b>13,780</b>	<b>13,799</b>
Geographical Segments:		
United Kingdom	10,907	11,224
Overseas	2,873	2,575
	<b>13,780</b>	<b>13,799</b>

#### 4. INVESTMENT INCOME

	2016/17 £000	2015/16 £000
Interest receivable	237	380
Dividends receivable	412	623
<b>Total investment income</b>	<b>649</b>	<b>1,003</b>

#### 5. OTHER INCOMING RESOURCES

##### GRANT IN AID

Total Grant in Aid drawdown by the British Library Board was £93.9m, with £3.3m allocated for capital projects/improvements (£93m received in 2015/16, £3.2m for capital). The Library's Grant in Aid total also included £6m for distribution to authors by Public Lending Right. Grant in Aid funding is available for running costs, capital improvements and collection purchases.

#### 6. NET COST OF RESOURCES EXPENDED

	Staff Costs £000	Other Direct Costs £000	Depreci- ation £000	Allocated Support Costs £000	Total Cost £000	Income £000	Allocated Support Income £000	2016/17 Net Cost <sup>3</sup> £000	2015/16 Total Net Cost £000
<b>Direct costs</b>									
Costs of Generating Funds	536	237	–	–	773	–	–	773	582
Investment Management Fees	–	14	–	–	14	–	–	14	26
Access	14,710	1,512	387	17,451	34,060	(5,546)	63	28,577	26,789
Content / Acquisitions	8,065	13,634	36	21,875	43,610	(2,824)	79	40,865	40,653
Developments	3,164	2,621	825	6,772	13,382	(4,756)	24	8,650	13,694
International	1,663	158	–	–	1,821	(2,452)	–	(631)	(665)
Navigation	9,588	1,714	–	10,810	22,112	(2,919)	39	19,232	16,200
Public Engagement	2,808	4,492	16	7,606	14,922	(5,788)	27	9,161	7,092
Web	421	322	21	778	1,542	(51)	3	1,494	1,985
Public Lending Right to Authors	–	6,080	–	–	6,080	–	–	6,080	6,400
	<b>40,955</b>	<b>30,784</b>	<b>1,285</b>	<b>65,292</b>	<b>138,316</b>	<b>(24,336)</b>	<b>235</b>	<b>114,215</b>	<b>112,756</b>
<b>Support Costs</b>									
Information Systems and Corporate Services	17,788	18,623	27,640	(64,051)	–	235	(235)	–	–
Governance Costs	211	1,030	–	(1,241)	–	–	–	–	–
	<b>58,954</b>	<b>50,437</b>	<b>28,925</b>	<b>–</b>	<b>138,316</b>	<b>(24,101)</b>	<b>–</b>	<b>114,215</b>	<b>112,756</b>

In accordance with the *FRS 102 SORP*, the non-Grant in Aid income and total costs of the organisation have been categorised by the Library's activities as set out in the British Library Act 1972. When costs cannot be directly attributed to one of the Library's objectives, they have been allocated to activities on a basis consistent with the use of resources. The support costs have been allocated using the overhead allocation model in place within the Library. The model allocates the costs based on usage and percentage expenditure incurred in directly undertaking an activity.

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

#### a) staff costs

	Library Staff £000	Agency £000	2016/17 Total £000	2015/16 £000
Wages and salaries	42,984	2,092	45,076	43,777
Social security costs	4,224	–	4,224	3,180
Employer Contributions	8,431	–	8,431	8,181
Voluntary redundancy/restructuring programme for former employees – In-year exit costs	886	–	886	1,212
	56,525	2,092	58,617	56,350
Board Members' remuneration – see (i) on page 72	337	–	337	314
	<b>56,862</b>	<b>2,092</b>	<b>58,954</b>	<b>56,664</b>

#### Civil Service compensation scheme exit packages

Exit package cost band	Number of non-compulsory departures agreed		Number of compulsory departures agreed		Total number of exit packages by cost band	
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16
< £10,000	2	2	–	–	2	2
£10,001 – £25,000	5	9	–	–	5	9
£25,001 – £50,000	16	17	–	1	16	18
£50,001 – £100,000	2	3	–	–	2	3
<b>Total number of exit packages</b>	<b>25</b>	<b>31</b>	<b>–</b>	<b>1</b>	<b>25</b>	<b>32</b>
Total Resource cost £	£846,643	£1,022,422	–	£36,448	£846,643	£1,058,870

There were no compulsory departures in 2016/17 (one in 2015/16).

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

For 2016/17, employers' contributions of £8,307,173 were payable to the PCSPS (2015/16: £8,058,664) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The scheme's actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees can opt to open a partnership pension account which is a stakeholder pension with an employer contribution. Employers'

contributions of £123,605 (2015/16: £121,979) were paid to one or more of the four appointed stakeholder pension providers. Employer contributions are age-related and ranged from 3% to 12.5% of pensionable pay up to 30 September 2015 and 8% and 14.75% from 1 October 2015. Employers also match employee contributions up to 3 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.

### i) Board Members' remuneration

	2016/17 £000	2015/16 £000
Fees and salaries	309	290
Social security costs	28	24
	<b>337</b>	<b>314</b>

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

### ii) Senior employees

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

	2016/17 No. of employees	2015/16 No. of employees
£60,001 – £70,000	9	12
£70,001 – £80,000	11	12
£80,001 – £90,000	6	6
£90,001 – £100,000	1	1
£100,001 – £110,000	1	–
£110,001 – £120,000	1	1

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

### iii) 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.

#### a. For all off-payroll engagements as of 31 March 2017, for more than £220 per day and that last for longer than six months:

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

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

#### b. For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2016 and 31 March 2017, for more than £220 per day and that last for longer than six months:

Number of new engagements, or those reaching 6 months in duration, during the period	2
Number of the above which include contractual clauses giving the department the right to request assurance in relation to income tax and National Insurance obligations	2
Number for which assurance has been requested	2
<i>Of which:</i>	
Number for whom assurance has been received	2
Number for whom assurance has not been received	–
Number that have been terminated as a result of assurance not being received	–

#### c. For any off-payroll engagements of board members and/or senior officials with significant financial responsibility between 1 April 2016 and 31 March 2017:

Number of off-payroll engagements of board members and/or senior officials with significant financial responsibility during the financial year	–
Number of individuals that have been deemed board members and/or senior officials with significant financial responsibility during the financial year	2

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

	Staff directly employed by the British Library	Agency	2016/17 Total (FTE)	2015/16 Total (FTE) Restated
Chief Executive's Office	19	–	19	18
Chief Librarian's Office	682	10	692	578
Chief Operating Officer's Office	815	35	850	811
	<b>1,516</b>	<b>45</b>	<b>1,561</b>	<b>1,407</b>

## b) Other direct costs

	2016/17 £000	2015/16 £000
Acquisitions for the collections	11,514	11,449
Research & Grants	822	1,044
Conservation and binding services	847	146
Administration, equipment, supplies and services	30,990	31,556
Non-recoverable VAT	56	194
Loss on disposal of fixed assets	128	95
Author Payments	6,080	6,400
	<b>50,437</b>	<b>50,884</b>

The above table is exclusive of staff costs.

## 7. RESOURCES EXPENDED

This is stated after charging:

	2016/17 £000	2015/16 £000
External Auditors' remuneration	68	69
Rent on land and buildings	126	339
Lease/rental payments on equipment	247	289
Depreciation on fixed assets	28,925	29,929
Bad debt provision movement	30	34
Stock Provision movement	32	18

The auditors' remuneration is for the audit of the Annual Report and Accounts: there was no non-audit work performed during 2016/17, (nil in 2015/16). During the year the Library took advice on taxation matters totalling £32k.

## 8. INTANGIBLE ASSETS

	Development 2016/17 £000
<b>Cost</b>	
At 1 April 2016	2,883
Additions	(5)
Disposals	–
<b>At 31 March 2017</b>	<b>2,878</b>
<b>Amortisation</b>	
At 1 April 2016	2,793
Charge for year	30
Disposals	–
<b>At 31 March 2017</b>	<b>2,823</b>
<b>Net Book Value at 31 March 2017</b>	<b>55</b>
Net Book Value at 31 March 2016	90

Intangible assets comprise development work and technical architecture costs for the British Library website. All intangible assets have been valued on the basis of purchase price. The assets are all depreciated over a period of three years, consistent with the IT equipment policy.

## 9. TANGIBLE FIXED ASSETS

### a) Movements

	Land and Buildings £000	Plant and Machinery £000	Office Equipment £000	Motor Vehicles £000	Computer Equipment £000	AICC £000	Total £000
<b>Cost or Valuation</b>							
At 1 April 2016	948,185	346,200	10,043	38	21,875	23	1,326,364
Additions	–	1,631	–	–	1,064	2,229	4,924
Transfers	–	–	–	–	–	–	–
Revaluation	187,479	58,546	–	–	–	–	246,025
Disposals	–	(411)	(245)	–	(675)	–	(1,331)
<b>At 31 March 2017</b>	<b>1,135,664</b>	<b>405,966</b>	<b>9,798</b>	<b>38</b>	<b>22,264</b>	<b>2,252</b>	<b>1,575,982</b>
<b>Depreciation</b>							
At 1 April 2016	10,593	60,350	9,679	25	19,043	–	99,690
Charge for year	9,436	16,905	135	4	2,415	–	28,895
Revaluation	(16,096)	(26,101)	–	–	–	–	(42,197)
Disposals	–	(320)	(208)	–	(675)	–	(1,203)
At 31 March 2017	3,933	50,834	9,606	29	20,783	–	85,185
<b>NBV At 31 March 2017</b>	<b>1,131,731</b>	<b>355,132</b>	<b>192</b>	<b>9</b>	<b>1,481</b>	<b>2,252</b>	<b>1,490,797</b>
NBV At 31 March 2016	937,592	285,850	364	13	2,832	23	1,226,674

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

The Modified Historic Cost Accounting indices for the land and building adjustments are provided by the Department for Culture, Media and Sport. For the Building Structural Fit Out adjustment, the indices are taken from the *Producer Prices Index (MM22) March 2015* available from the Office for National Statistics for Plant and Machinery. Valuations are provided by Deloitte Real Estate.

### b) Valuations

On 31 March 2017 a desktop valuation of the Library's freehold properties at St Pancras was carried out by an external valuer, Deloitte Real Estate, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with HM Government *Financial Reporting Manual* ('FReM') Guidance, *International Valuation Standards* ('IVS') and the requirements of the *RICS Valuation – Professional Standards January 2014 (revised April 2015) (Global and UK Edition)*. The St Pancras properties are treated as specialised properties and were valued on a Depreciated Replacement Cost (DRC) basis. The land and main building was valued at £1,361m and the Centre for Conservation at £28.2m. These valuations include some plant and machinery that is included in Fixtures & Fittings and Equipment.

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

All land and buildings are freehold. The historic cost of the land and buildings is £465m.

## 10. HERITAGE ASSETS

### The British Library

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

### Heritage Assets in the British Library

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

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

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

### Preservation and Management of the Library's Assets

The Preservation Department's role is to safeguard the collections from harm while enabling continued and appropriate access to them. All activities are underpinned by the Library's core preservation principle of risk management and mitigation. The general public can learn more about this by visiting the Preservation web pages. This is available in hard copy and on our web pages at [www.bl.uk/aboutus/stratpolprog/collectioncare/discovermore](http://www.bl.uk/aboutus/stratpolprog/collectioncare/discovermore)

### Acquisitions

Within the Library's acquisition policies, there is a distinction made between unique heritage items and contemporary, research-level academic publications. In our Heritage Acquisitions Policy, heritage items are defined as items acquired to be used preponderantly as primary sources for research, forming part of the Library's collection of unique materials. Under this definition, all heritage items are major acquisitions, whether purchased or donated. All such major acquisitions require significant due diligence and many have cultural property issues. We have clear policies to govern such acquisitions, including an ethical acquisitions policy which can be found at [www.bl.uk/aboutus/stratpolprog/coldevpol/ethical.pdf](http://www.bl.uk/aboutus/stratpolprog/coldevpol/ethical.pdf).

### Catalogues

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

### Valuation of Heritage Assets

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

## Heritage Assets Purchased

	2016/17		2015/16		2014/15		2013/14		2012/13	
	Cost £000	No. of Items								
At 1 April	37,760	305	35,827	290	33,710	274	30,117	257	28,338	230
Additions	1,391	9	1,933	15	2,117	16	2,732	17	1,779	27
Transfers	–	–	–	–	–	–	861	–	–	–
Disposals	–	–	–	–	–	–	–	–	–	–
<b>At 31 March</b>	<b>39,151</b>	<b>314</b>	<b>37,760</b>	<b>305</b>	<b>35,827</b>	<b>290</b>	<b>33,710</b>	<b>274</b>	<b>30,117</b>	<b>257</b>

## Heritage Assets Donated

	2016/17		2015/16		2014/15		2013/14		2012/13	
	Valuation £000	No. of Items								
At 1 April	28,088	39	28,088	39	27,906	36	24,603	32	24,503	31
Additions	870	3	–	–	182	3	3,303	4	100	1
Impairment	–	–	–	–	–	–	–	–	–	–
<b>At 31 March</b>	<b>28,958</b>	<b>42</b>	<b>28,088</b>	<b>39</b>	<b>28,088</b>	<b>39</b>	<b>27,906</b>	<b>36</b>	<b>24,603</b>	<b>32</b>
<b>Total at 31 March</b>	<b>68,109</b>	<b>356</b>	<b>65,848</b>	<b>344</b>	<b>63,915</b>	<b>329</b>	<b>61,616</b>	<b>310</b>	<b>54,720</b>	<b>289</b>

## 11. INVESTMENTS

	2016/17 £000	2015/16 £000
Market Value at 1 April	19,722	21,317
Acquisitions funded by dividends reinvested	412	598
Purchases at Cost	23,514	374
Disposals at Cost	(22,058)	(1,470)
Unrealised Gain / (Loss)	741	(1,183)
Realised Gain on Disposal	1,925	86
<b>Market Value at 31 March</b>	<b>24,256</b>	<b>19,722</b>
Analysed by:	£000	£000
Listed Securities	24,256	–
Fixed Income	–	4,397
Equities	–	15,065
Cash Trusts	–	260
	<b>24,256</b>	<b>19,722</b>
Geographical Analysis		
United Kingdom Investments	24,256	17,589
Overseas Investments	–	2,133
	<b>24,256</b>	<b>19,722</b>

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

## 12. FINANCIAL INSTRUMENTS

FRS29 'Financial Instruments: Disclosures' requires entities to provide disclosures which allow users of the accounts to evaluate the significance of financial instruments for the entity's financial position and performance and the nature and extent of risks arising from financial instruments during the period. The majority of financial instruments relate to contracts to buy non-financial items in line with the Library's expected purchase and usage requirements and the Library is therefore exposed to little credit or liquidity risk. The Library holds a portfolio of quoted investments and therefore is subject to some market risk. All 'Financial Instruments' are recorded at fair value as per the requirement of FRS 102.

### Credit Risk

The Library is exposed to credit risk of £1.7m of trade debtors. However this risk is not considered significant as major customers are familiar to the Library. The Library has recovered 99% of trade debtors over the last two years. Bad and doubtful debts are provided for on an individual basis. Write-offs in the year for bad debts amounted to a recovery of £26k (£4k recovery in 2015-16).

### Liquidity Risk

As around 79% of the cash requirements of the Library are met through Grant in Aid from the Department for Culture, Media and Sport, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size. The remaining income is self-generated and is volatile. Remote Document Supply is still the major source of self-generated income. The Library has sufficient unrestricted funds to cover its current liabilities.

### Market Risk

The Library holds some restricted fund balances in unit trust investments, as shown in note 11 on page 77, and so is subject to some market risk. An unrealised gain of £741k has been recorded this year compared to a £1.2m loss in 2015/16. Additional information on the Library's investment policy is given in the Trustees' Annual Report.

### Foreign Currency Risk

The Library has an international customer and supplier base and so is subject to a degree of foreign currency risk. In 2016/17, net foreign currency exchange gains of £40k were recognised (£43k

loss in 2015/16). As part of the Library's treasury management strategy, the risk of fluctuations is managed through a variety of policies, including holding bank accounts in foreign currencies, to enable us to match our foreign currency transactions as a means of mitigating our currency risk.

### Interest Rate Risk

Risks relating to interest rates are managed by budgeting conservatively for investment income. The table below shows the interest rate profile of the Library's financial assets. The benchmark for the Library's floating rate investments is 0.1%, 15 basis points below the Bank of England base rate.

### Investment Income Profile

The table below shows the interest rate profile of the Library's financial assets. As the Library has no finance leases or loans, financial liabilities have been omitted from this table. The benchmark for the Library's floating rate investments is 15 basis points below the Bank of England base rate at 0.1%.

	Floating/ Fixed Rate £000	Cash Trusts £000	Listed Securities £000	2016/17 Total £000	2015/16 Total £000
Sterling	43,252	–	24,256	67,508	63,828
Dollar	461	–	–	461	69
Euro	127	–	–	127	204
Yen	126	–	–	126	75
<b>Total</b>	<b>43,966</b>	<b>–</b>	<b>24,256</b>	<b>68,222</b>	<b>64,176</b>

## 13. STOCKS

	2016/17 £000	2015/16 £000
Stocks for resale	776	874
Raw materials	159	167
<b>Total stocks</b>	<b>935</b>	<b>1,041</b>

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

## 14. DEBTORS AND PREPAYMENTS

	2016/17 £000	2015/16 £000
<b>Amounts falling due within one year</b>		
Trade debtors	1,714	1,389
Other debtors	332	301
VAT	2,431	2,232
Prepayments and accrued income	7,565	8,191
	<b>12,042</b>	<b>12,113</b>

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

	2016/17 £000	2015/16 £000
Restricted funds	12,065	9,801
Monies held on deposit for customers	3,483	3,422
Cash balances	11	11
Cash and Cash Equivalents	11,907	4,220
Fixed Term Deposits	16,500	27,000
	<b>43,966</b>	<b>44,454</b>

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

### a) Analysis of change in net funds

	As at 1 April 2015 £000	Cash Flows £000	As at 1 April 2016 £000	Cash Flows £000	As at 31 Mar 2017 £000
Government Banking Services (GBS) cash at bank	6	–	6	(1)	5
Commercial cash at bank	42,654	1,783	44,437	(487)	43,950
Cash in hand	23	(12)	11	–	11
<b>Total</b>	<b>42,683</b>	<b>1,771</b>	<b>44,454</b>	<b>(488)</b>	<b>43,966</b>

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

	2016/17 £000	2015/16 £000
Net income / (expenditure) for the reporting period as per the SOFA	270,593	(2,671)
Depreciation Charges	28,925	29,929
(Gains) / Losses on investments	(2,666)	1,097
Dividends, interest & rents from investments	(649)	(1,003)
Loss / (profit) on the sale of Fixed Assets	128	287
Revaluation of Fixed Assets	(288,222)	(18,139)
Decrease / (increase) in stocks	106	(8)
Decrease / (increase) in debtors	71	(2,112)
Increase / (decrease) in creditors	(375)	(2,845)
Increase / (decrease) in provisions	–	(27)
<b>Net Cash provided by (used in) operating activities</b>	<b>7,911</b>	<b>4,508</b>

### 16. CREDITORS

	2016/17 £000	2015/16 £000
Amounts falling due within one year		
Trade creditors	2,187	4,274
Monies held on deposit for customers	3,483	3,422
Other creditors	730	882
Taxation and social security	2,035	1,836
Accruals	6,316	5,857
Deferred income	4,068	2,941
	<b>18,819</b>	<b>19,212</b>

### b) Deferred Income

	£000
<b>At 1 April 2016</b>	2,941
Release from previous year	(2,941)
Incoming resources deferred in the current year	4,068
<b>At 31 March 2016</b>	<b>4,068</b>

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

### 17. STATEMENT OF FUNDS

	As at 1 April 2016 £000	Transfers To / (From) £000	Expenditure £000	Incoming Resources £000	Unrealised Gains and (Losses) £000	As at 31 March 2017 £000
<b>Unrestricted funds</b>						
General Funds	30,025	1,412	(86,905)	86,709	–	31,241
Designated Funds (Fixed Assets)	390,737	–	(29)	20,900	–	411,608
Designated Funds (Revaluation Reserve)	873,787	–	(43,643)	–	288,222	1,118,366
Public Lending Right Reserve	–	–	–	9	–	9
<b>Designated Funds</b>						
Shaw Fund	4,785	(150)	(3)	221	719	5,572
Collection Care Restoration Fund	457	–	(33)	–	–	424
Membership and General Donations	531	(7)	–	156	–	680
Others	80	(53)	(135)	567	–	459
Donated Asset Reserve	28,088	–	–	870	–	28,958
<b>Total unrestricted funds</b>	<b>1,328,490</b>	<b>1,202</b>	<b>(130,748)</b>	<b>109,432</b>	<b>288,941</b>	<b>1,597,317</b>

## 17. STATEMENT OF FUNDS (continued)

	As at 1 April 2016	Transfers To / (From)	Expenditure	Incoming Resources	Unrealised Gains and (Losses)	As at 31 March 2017
	£000	£000	£000	£000	£000	£000
<b>Restricted funds</b>						
David and Mary Eccles Centre for American Studies	10,598	(1)	(376)	199	1,267	11,687
Dingwall No.2	1,435	–	(1)	24	211	1,669
Save our Sounds Fundraising	349	–	–	864	–	1,213
HLF/DCMS Catalyst Endowment (Neighbour)	1,125	(30)	–	116	–	1,211
HLF/DCMS Catalyst Endowment	752	–	(1)	217	95	1,063
Ginsburg Legacy	694	–	(36)	23	114	795
Polonsky Pre-1200	–	(18)	(79)	720	–	623
Two Centuries of Indian Print	324	(234)	(199)	699	–	590
Sir Henry Thomas	443	–	(6)	7	64	508
The Medd Fund	408	–	–	13	57	478
Hebrew Manuscripts Digitisation Project Phase 2	339	(122)	(164)	397	–	450
Mellon Save Our Sounds IT Project	–	–	(26)	455	–	429
British Library Digitisation Campaign	302	–	–	24	–	326
Qatar project	285	(605)	(1,841)	2,452	–	291
Helen Wallis	329	(15)	(70)	48	–	292
Exhibitions Public Services	174	–	(167)	271	–	278
Consolidated Endowment	241	–	–	6	3	250
T S Blakeney	201	–	–	4	29	234
Anthony Panizzi Foundation	190	–	(2)	3	28	219
Skinner Legacy	230	–	(14)	–	–	216
The Jacob Fund	211	–	–	–	–	211
Discovering Sacred	–	–	–	200	–	200
Collection and Preservation Restricted Fund	182	1	(62)	72	–	193
Technical and Human Infrastructure for Open Research (THOR) EC-Funded Project	184	–	(742)	747	–	189
Business & IP Centre (BIPC) – European Regional Development Fund (ERDF) Shared Operation	146	–	(364)	385	–	167
The Sir John Ritblat Gallery: Treasures of the British Library	227	–	(65)	–	–	162
UK PubMed	157	–	(1)	–	–	156
Educational Projects	282	(8)	(181)	57	–	150
Business & IP Centre Phase 2	158	18	(84)	53	–	145
Medieval Manuscripts Exhibitions	193	(2)	(54)	–	–	137
Spratt-Bigot Request	122	–	(8)	3	16	133
Bridgewater	112	–	–	2	17	131
Legal Deposit Libraries Committee Project	142	(45)	–	32	–	129
Family and Community	5	(1)	(23)	140	–	121
Fitzgerald	104	–	(3)	2	15	118
Boult	105	–	–	1	11	117
American Trust for the British Library	76	–	(2)	39	–	113
BL City Partners	130	(2)	(56)	35	–	107
Others	3,285	(133)	(2,935)	2,469	20	2,706
Other (deficit funds) <sup>4</sup>	(2,154)	(5)	(35)	(2,190)	–	(4,384)
<b>Total restricted funds</b>	<b>22,086</b>	<b>(1,202)</b>	<b>(7,597)</b>	<b>8,589</b>	<b>1,947</b>	<b>23,823</b>
<b>Transfer to unrestricted Fixed Asset reserves</b>	<b>–</b>	<b>–</b>	<b>29</b>	<b>–</b>	<b>–</b>	<b>29</b>
<b>Total Funds</b>	<b>1,350,576</b>	<b>–</b>	<b>(138,316)</b>	<b>118,021</b>	<b>290,888</b>	<b>1,621,169</b>

<sup>4</sup> See explanation on page 83 for deficit funds

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

	As at 1 April 2016	Unrealised gains/losses under Fair Value	As at 31 March 2017	Reserve/ Fund net of Fair Value at 31 March 2017	Reserve/ Fund (including as Fair Value) as at 31 March 2017
	£000	£000	£000	£000	£000
Eccles	–	540	540	11,147	11,687
Shaw Fund	–	44	44	5,528	5,572
Dingwall No 2	–	73	73	1,596	1,669
HLF/DCMS Catalyst Endowment	–	8	8	1,055	1,063
Ginsburg Legacy	–	7	7	788	795
Sir Henry Thomas	–	22	22	486	508
The Medd Fund	–	3	3	475	478
Consolidated Endowment	–	1	1	249	250
T S.Blakeney	–	10	10	222	232
Anthony Panizzi Foundation	–	10	10	209	219
Spratt-Bigot Bequest	–	6	6	129	135
Bridgewater	–	6	6	125	131
Sir Adrian Boult	–	4	4	113	117
Fitzgerald	–	5	5	113	118
Others	–	2	2	2,551	2,553
<b>Restricted Fair Value Reserve</b>	<b>–</b>	<b>741</b>	<b>741</b>	<b>24,786</b>	<b>25,527</b>

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

Restricted funds are given to the Library for specific purchases for the collection or for projects that are related to the aims and objectives of the Library. Designated funds are monies which have been identified by the British Library Board for a specific purpose. All

the funds with balances of over £100,000 at 31 March 2017 are listed above, with a brief description as to the aims of the fund shown below. Other restricted funds comprise individual amounts less than £100,000.

The restricted funds in deficit at the year end represent four funds for which, due to the administration restrictions of these funds, costs are expended first and subsequently

reclaimed from the external funding organisations. Future income streams should more than cover the shortfall and future costs involved in the projects.

The transfers of £1.2m relate to internal charges or income applied to the restricted funds for the use of Library facilities and services.

### **Designated Funds** **Shaw Fund**

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

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

### **Collection Care Restoration Fund**

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

### **Membership and General Donations**

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

### **Restricted Funds**

#### **The David and Mary Eccles Centre for American Studies**

Founded by the late Viscount and Viscountess Eccles, to further the establishment of a Centre for American Studies.

#### **Dingwall No. 2**

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

#### **Save our Sounds Fundraising**

Income raised externally to support the Save Our Sounds programme.

### **HLF/DCMS Catalyst Endowment (Neighbour)**

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

### **HLF/DCMS Catalyst Endowment**

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

### **Ginsburg Legacy**

An endowment from the estate of Henry Ginsburg to fund the full time permanent post of ‘Henry Ginsburg Curator for Thai, Lao and Cambodian Collections’.

### **Polonsky Pre-1200**

A collaborative project funded by The Polonsky Foundation with the Bibliothèque nationale de France to digitise 800 pre-1200 manuscripts and provide free online access.

### **Two Centuries of Indian Print**

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

### **Sir Henry Thomas**

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

### **The Medd Fund**

For the conservation of manuscripts in the Board’s collections written by British composers working since 1950.

### **Hebrew Manuscripts Digitisation Phase 2**

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

### **Mellon Save Our Sounds IT Project**

Andrew W Mellon-funded project called Enhancing Discovery and Access for Sound collections, part of the wider Save Our Sounds programme.

### **British Library Digitisation Campaign**

To raise funds from external sources to support the Library’s Digitisation Programme.

### **Qatar Fund**

For the British Library and the Qatar Foundation ten-year partnership delivering online access to archives and manuscripts relating to modern Gulf History and the development and transmission of scientific knowledge in the Islamic world.

### **Helen Wallis**

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

### **Exhibitions Public Service**

The fund is used for the development of future exhibition projects.

### **Consolidated Endowment Account**

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

### **T S Blakeney**

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

### **Anthony Panizzi Foundation**

Founded in 1982 by an anonymous donor, for the advancement of public education by funding a lecture or series of lectures in the subject of advanced bibliography.

### **Skinner Legacy**

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

### **Jacob Fund**

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

### **Discovering Sacred**

Donation from the Exilarch’s Foundation to fund the Library’s online learning resource called *Discovering Sacred Texts*.

### **Collection and Preservation Restricted Fund**

Donations and grants to assist preservation.

### **Technical and Human Infrastructure for Open Research (THOR) EC Funded Project**

A 30 month EC Funded project to establish seamless integration between articles, data and researches across the research lifecycle.

### **Business & IP Centre (BIPC) – European Regional Development Fund (ERDF) Shared Operation**

The fund is to support entrepreneurial growth for the Business & IP Centre.

### **The Sir John Ritblat Gallery: Treasures of the British Library**

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

### **UK PubMed Project**

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

### **Educational Projects**

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

### **Business & IP Centre (BIPC) Phase 2**

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

### **Medieval Manuscripts Exhibitions**

To support research for the development of Medieval Manuscripts Exhibitions, currently the Anglo-Saxons exhibition in 2018/19.

### **Spratt-Bigot Bequest**

For the purchase of works in French by French authors.

### **Bridgewater**

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

### **Legal Deposit Libraries Committee Project**

Cost sharing agreement with five other Legal Deposit Libraries, to fund Legal Deposit Libraries Liaison manager’s post and on-going costs.

### **Family and Community**

A grant-funded family and community programme, which will increase the Library’s engagement with new audiences, and make the Library more accessible for hard-to-reach families.

### **Fitzgerald Air Mail Fund**

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

### **Sir Adrian Boulton**

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

### **American Trust for the British Library (ATBL)**

Donations from ATBL to pursue Library objectives, such as acquisitions or cataloguing.

### **British Library City Partners**

The fund will allow the British Library and the Library of Birmingham to deliver a cultural partnership to allow the British Library to share its collections, knowledge and expertise with staff and users of the Library of Birmingham.

## 18. REVALUATION RESERVE MOVEMENT

	£000
At 1 April 2016	873,777
Arising in year	246,025
Realised	(752)
Backlog	(673)
Disposals	(11)
<b>At 31 March 2017</b>	<b>1,118,366</b>

## 19. COMMITMENTS UNDER OPERATING LEASES

Operating Leases which expire	Buildings		Equipment	
	2016/17 £000	2015/16 £000	2016/17 £000	2015/16 £000
Within one year	40	40	118	37
Two to five years	120	120	10	–
More than five years	144	200	–	–
<b>Total</b>	<b>304</b>	<b>360</b>	<b>128</b>	<b>37</b>

## 20. PROVISION FOR LIABILITIES AND CHARGES

A provision has been made in full for employees leaving the organisation under early retirement or Civil Service Compensation Scheme terms. The provision represents the estimated future costs to the Library, for both staff who have left and staff who are known to be leaving in 2016/17.

	Early Retirement/ Severance Provision £000	Other Liability and Charges £000	2016/17 Total £000	2015/16 Total £000
At 1 April	17	137	154	419
Additional Provision	–	19	19	43
Release of Provision	–	–	–	(243)
Utilisation of Provision	(1)	–	(1)	(65)
<b>At 31 March</b>	<b>16</b>	<b>156</b>	<b>172</b>	<b>154</b>
Less: Provisions falling due within one year	(16)	(156)	(172)	(154)
Amounts falling due after one year	–	–	–	–

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

## 21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £000	Restricted Funds £000	Total £000
<b>Fund balances at 31 March 2017</b>			
<b>are represented by:</b>			
Intangible fixed assets	55	–	55
Tangible fixed assets	1,490,797	–	1,490,797
Heritage assets	68,109	–	68,109
Investments	5,471	18,785	24,256
Current assets	42,774	14,169	56,943
Current liabilities	(9,860)	(9,131)	(18,991)
Non-current liabilities	–	–	–
<b>Total net assets</b>	<b>1,597,346</b>	<b>23,823</b>	<b>1,621,169</b>

## 22. CAPITAL COMMITMENTS

	2016/17 £000	2015/16 £000
Contracted and not provided for	234	–
Authorised, but not contracted for	80	–

The contracted capital commitment figure relates to a gas main replacement project and software development.

The authorised but not contracted item relates to software development.

## 23. RELATED PARTY TRANSACTIONS

The British Library is a Non-Departmental Public Body, sponsored by the Department for Culture, Media and Sport. The Department for Culture, Media and Sport is regarded as a related party. During the year the Library has had a number of 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, Historic England, the Imperial War Museum, the Natural History Museum, the Science Museums Group, the Victoria and Albert Museum, the Royal Museums Greenwich – National Maritime Museum, The National Archives and the National Portrait Gallery.

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

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

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

Related Party	Nature of Transaction	Income 2016/17 £000	Expenditure 2016/17 £000	Relationship
David Higham Associates	Royalty payments		28	Dr Simon Thurley, a member of the British Library Board, is an author with contracts signed through the related party
Higher Education Policy Institute	Membership		2	Professor Dame Helen Wallace, a member of the British Library Board, is a trustee for the related party
House of Lords	Document Supply transactions	1		Baroness Blackstone, Chairman of the British Library, and Lord Fellowes and Lord Janvrin, members of the British Library Board, are members of the related party
Institute of Historical Research London	Document Supply transactions	2		Dr Simon Thurley, a member of the British Library Board, is a senior research fellow of the related party
Knowledge Quarter	Rental income, Membership expenditure.	7	10	Mr Roly Keating, Chief Executive of the British Library, is the Chairman of the related party
Price Waterhouse Coopers	Consultancy work		87	Dr Stephen Page, a member of the British Library Board, is a senior adviser to the related party
Society of Authors	Royalty payments		14	Ms Tracy Chevalier, a member of the British Library Board, is member of the Advisory Council of the related party
University of Edinburgh	Document Supply transactions	24	21	Dr Robert Black, a member of the British Library Board, is a member of the Court of the related party
University of Manchester	Document Supply transactions	35	23	Mr Patrick Plant, a member of the British Library Board, is an honorary lecturer at the related party

## 24. POST BALANCE SHEET EVENTS

There were no reportable events between 31 March 2017 and the date the accounts were authorised for issue.

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

## 25. CONTINGENT LIABILITIES

### British Library Newspaper Digitisation project.

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

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

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

The British Library extends thanks to everyone who has contributed to the development of the Annual Report and Accounts 2016/17.

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Cover image: British Western Front Trench Model, 1917 displayed in our *Maps of the 20th Century: Drawing the Line* exhibition which opened in November 2016. It drew upon the Library's incredible collection of over four million maps to shed new light on 20th-century historical narratives. Photo by Tony Antoniou.

