Opening Hours
Monday 9.30 am - 8.00 pm
Tuesday 9.30 am - 8.00 pm
Wednesday 9.30 am - 8.00 pm
Thursday 9.30 am - 5.30 pm
Friday 9.30 am - 5.30 pm
Saturday 9.30 am - 5.30pm
Sunday CLOSED

Closed Dates
The Library will be closed on the following inclusive dates:

2018
Christmas
Monday 24 December – Thursday 27 December

2019
New Year’s Day
Tuesday 1 January

Easter
Friday 19 April – Monday 22 April

Early May Bank Holiday
Saturday 4 May – Monday 6 May

Spring Bank Holiday
Saturday 25 May – Monday 27 May

Summer Bank Holiday
Saturday 24 August – Monday 26 August
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Charity Name
The London Library
Registered office and principal place of business
14 St James’s Square, London SW1Y 4LG
Incorporated by Royal Charter, registration number
RC000325
Charity Registration Number
312175

TRUSTEES
(Note: numbers in brackets refer to membership of committees listed at the foot of this page)

Chairman
Sir Howard Davies (2,4)
Treasurer
Philip Broadley (2,5)
Sven Becker (4) (until 8 November 2017)
Will Harris (2,6)
Philip Hook (2,3,4)
Anthony McGrath (5,6)
Sophie Murray (1,6)
David Reade QC (6,7)
Rick Stroud (1,3,4)

SENIOR STAFF as at 18 July 2018

Executive Team
Director (Chief Executive)
Philip Marshall LLB (Hons) MBA
Deputy Director
Mary Gillies BA (Hons) MA PgDip
Finance Director
Peter Hyde MSci (Hons) FCA DChA
Development Director
Philip Spedding BComm
Membership Director
Felicity Nelson BA (Hons) MA

Heads of Department
Archive, Heritage & Development Librarian
Helen O’Neill BA (Hons) MSc MRes MCLIP
Building & Facilities Manager
Joyal George BSc PGDFM ABIFM
Head of Acquisitions
Gill Turner BA (Hons) MA MCLIP
Head of Bibliographic Services
Dunia García-Ontiveros BA (Hons) MA MCLIP
Head of Collection Care
Kate Sloss BA (Hons) PGDip
Head of Communications
Julian Lloyd BA (Hons) MSc
Head of Development (Fundraising)
Anna Clark BA (Hons)
Head of IT
Will David BA (Hons) MA MSc
Head of Member Services
Amanda Stebbings BA (Hons) MLib MCLIP

ADVISERS

Bankers
Barclays Bank plc
1 Churchill Place, London E14 5HP
Solicitors
Bates Wells & Braithwaite LLP
10 Queen Street Place, London EC4R 1BE
Investment Managers
Newton Investment Management
BNY Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA

Auditors
MHA MacIntyre Hudson
New Bridge Street House, 30-34 Bridge Street, London EC4V 6BJ
Pension consultants
Broadstone Limited
55 Baker Street, Marylebone, London W1U 8EW

Investment Managers
BlackRock
12 Throgmorton Avenue, London EC2N 2DL
This has been a year of significant change across the Library. Over the Summer, on the occasion of his 80th birthday, Tom Stoppard retired as the Library’s President. Tom has been tireless in his efforts which have helped the Library undergo major changes to its building and operations and continue to be recognised as one of the country’s best-loved literary institutions.

We launched the Tom Stoppard Innovation Fund to ensure that Tom’s contribution will live on beyond his stepping down and becoming a Vice-President. Thank you to everyone who has already contributed so generously to the fund. We look forward to putting the fund to very good use.

We were delighted that Tim Rice accepted the Trustees’ invitation to take over as our new President. Tim knows the Library very well and has already been a great supporter: no one can have any doubt about his commitment to the cause. We were equally pleased that Alexandra Shulman agreed to join us as a Vice-President.

Inez Lynn stepped down as Librarian in September, after 15 years in post and 29 in the Library overall. She made an immense contribution to the Library, leading it into the digital world and seeing through complex but hugely successful changes to the building, amongst many other achievements. Inez is embarking on a well-deserved early retirement.

Her successor, Philip Marshall, brings to the Library strong membership and fundraising experience gained at the British Museum, the Royal Albert Hall and Sadler’s Wells. As can be seen from this year’s report, our operating deficit remains substantial and we look forward to working with Philip to put the Library on a sustainable financial footing. To that point, we were recently informed that Drue Heinz, Vice-President of the Library, who sadly passed away at the end of March, has made a substantial provision for the Library’s literary endowment in her will. We are exceptionally grateful to Drue for this wonderful final gift. Without the generosity of our donors, large and small, the Library would simply not be able to operate as it does today.

Howard Davies
I am delighted to have been given the privilege of succeeding Inez Lynn as Director of The London Library. The Library is a truly incredible place – it offers unparalleled access to the most wonderful collection of one million books, a dedicated staff ready to help support all of the Library’s users in their widely varying requests, exceptional places to read and write in this quirky and beautiful historic building, and the most enthusiastic and productive membership imaginable!

For 177 years, the Library has been a tremendous source of both inspiration and support for its members but it remains a “hidden treasure”. We want to share the benefits of our Library as widely as possible, so in the year ahead, we shall be placing a great emphasis on raising our profile. As part of that initiative we shall be developing and adding to the new series of speaker events we launched in January. These events have been a great success, with about half of the attendees being non-members, and demonstrate the part that the Library can play in facilitating the creation and sharing of ideas.

The focus of all our actions for the immediate future is the development of a sustainable operating model for the Library. We are in the process of preparing our strategy for this but it is already clear that increasing the number of members we have, while also increasing the income we receive from donations, will be key to our success. We are hugely grateful to all those who have donated to the Library this year and to all those who have volunteered their time to help the Library in other ways. Without this ongoing support, the Library would be very much diminished.

Philip Marshall
TOM STOPPARD
The London Library Summer Party, held on 22nd June, was a fitting occasion to celebrate Tom Stoppard’s 15 years as President of the Library. Guests joined forces in the Reading Room to hear Vanessa Redgrave, Sheila Hancock, Jeremy Irons, Natascha McElhone and Joely Richardson deliver a range of inspiring readings.
A unique book was produced as a token of the Library’s appreciation, consisting of works suggested by, and in many cases, written by, members, friends and staff of the Library including Michael Palin, David Hare, John le Carré, Jerry Hall, John Simpson, Jeremy Irons, A S Byatt, Mervyn King, Alan Bennett and many others. It is a Library book specially made for a much-admired supporter.

VICE-PATRON
Sir Tom’s Presidency and 80th birthday were also celebrated at Clarence House where the Duchess of Cornwall – Vice-Patron of The London Library – held a special reception with guests including Library member and Travesties star, actor Tom Hollander. We are delighted that in August the Duchess of Cornwall confirmed that she would continue as our Vice-Patron.

VICE-PRESIDENTS
We’re pleased to welcome Alexandra Shulman, Caroline Michel and Paul Boateng as Vice-Presidents and we are grateful for their ongoing support of the Library. We are equally delighted that following his retirement as President, Tom Stoppard will remain with us as Vice-President.

EVENTS
January saw the launch of an exciting programme of public talks that we have begun hosting in the Reading Room.
Miranda Seymour delivered a fascinating talk on the life of Mary Shelley, coinciding with the 200th anniversary of the publication of Frankenstein. In the following weeks, Giles Milton and Joshua Levine gave sell out talks on their latest books – Churchill’s Ministry of Ungentlemanly Warfare and Dunkirk.
The success of these events has been very encouraging, raised our profile and has helped us to create partnerships with the Bloomsbury Institute, Cityread London and Henley Literary festival. We’re looking forward to delivering a packed schedule of talks for the forthcoming year.

THE COLLECTION
Our million strong collection continues to grow and during the year 5,812 volumes were added to it.
We also expanded our growing e-resources with the addition of 7,366 records for open access books collected by the Directory of Open Access Books; 1,250 records of the contents of the British History Online; over 40 new ejournals from the Oxford Journals humanities package and the entire Country Life online archive (1897-2005).

NEW MEMBERS’ FACILITIES
We were pleased to open new members’ space on the 6th floor.
Situated at the top of the Central stacks, the new suite offers thirteen desk/study spaces, created as areas where members can work but can also have conversations, including light telephone conversations, where needed. One of the rooms can be booked for meetings. For members needing to carry out long or involved telephone conversations, there are also two separate mobile phone/communication spaces. These spaces add value to members and facilitate community within the Library.

TOM STOPPARD INNOVATION FUND
Focused on the future of the Library, the Tom Stoppard Innovation Fund is designed to provide the investment funds needed to enable the Library get the best from its building, develop and make its collection as accessible as possible and harness new technology to improve our services for members.

Launched in July 2017, the fund has proved popular and an exceptionally generous donation from one of our regular benefactors meant that about £1.5m was either pledged or close to being pledged within the first few months of the campaign.
EMERGING WRITERS

The Library first started to provide support for people unable to pay for Library membership when T S Eliot and Harold Nicholson launched the Carlyle Membership in 1952. Through the support of Julio Núñez and ongoing support from an endowment gift now called “The Julio and Maria Marta Núñez Memorial Fund” in 2017/18 the Library was able to launch a new programme specifically aimed at emerging writers. This programme was opened to those unable to pay the full membership but who could evidence how access to the Library's unique resources would prove to be invaluable to their writing. Working with partners such as the writer development agency Spread the Word, the Library was able to select eight candidates for this pilot year of the programme. For 2018/19, following some further generous support from others, we are hoping to expand the scheme. During 2017/18 we have also been pleased to host the Sunday Times Young Writer's Award (run in association with Peters Fraser Dunlop), the T S Eliot Summer School closing session and a celebration of the 25th anniversary of Bath Spa University’s Creative Writing programme.

LEWIS GOLDEN

The Library was saddened to learn of the death of Lewis Golden in October 2017, aged 94.

The Library owes an immense amount to him. He served as Treasurer for 19 years (between 1972-1991), Chairman for 4 years (1991-1994) and as Vice-President for the last 13 years. He was also an incredibly generous donor, giving extensively towards the Library's Endowment Campaign in 2012 to form the Jacqueline Golden Endowment in memory of his late wife.

NEW YEAR HONOURS

The Library's New Year got off to the best of starts with this year’s New Year’s Honours List. Antonia Fraser, who joined the Library in 1957 and has been a London Library Vice-President since 2012, was awarded the distinction of being made a Companion of Honour for ‘Services to Literature’.

Alexandra Shulman – who was awarded an OBE in 2004 and appointed Vice-President of The London Library last November – was awarded a CBE for ‘Services to Fashion Journalism’, following a 25-year career as Editor of Vogue.

Inez Lynn, who retired in September 2017 after a 29-year career at The London Library – 15 of which were spent as Librarian/Chief Executive – was awarded an MBE for ‘Services to Literature and Libraries in London’.

MEMBERS’ AWARDS

We congratulate all our members who have had books shortlisted for awards this year. There are too many to list here, but we were proud to see Naomi Alderman’s The Power receive the Baileys Women’s Prize for Fiction and our sincere congratulations go to Kazuo Ishiguro, who in October 2017 was awarded the Nobel Prize in Literature for 2017. Kazuo Ishiguro has been a member of The London Library since 1985 and is now, remarkably, the tenth London Library member to have been awarded the Nobel Prize since it was launched in 1901. Previous Library winners have been Rudyard Kipling, George Bernard Shaw, T S Eliot, Bertrand Russell, Winston Churchill, William Butler Yeats, John Galsworthy, Harold Pinter and V S Naipaul.

FILMING

The Library continues to provide an attractive location for broadcast and film work helping us raise our external profile. During the year we were able to host broadcast interviews with authors Sarah Waters and Michael Morpurgo. Jarvis Cocker and Thomas Keneally joined us for a photoshoot for his interview in Happy Reader Magazine, while Daisy Goodwin filmed a DVD promotion for her second TV series of Victoria, written largely in the Library. We are grateful to her for hosting two fascinating supporter events in London and New York about the making of the series.

OPENING OUR DOORS

In September, we participated in Open House weekend where 160 people got to see the Library across seven tours run hourly during the day. Our popular sequence of fortnightly public evening tours ran throughout the year – 23 public tours were held giving 460 people a chance to see the Library at first hand. On top of this our Member Services team hosted 368 people on Prospective Member tours, and we were pleased to host 16 visits from a range of groups including the RAC and Royal Institution.
The Trustees of The London Library present their report and the audited accounts of the charity for the year ended 31 March 2018. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) “Accounting and Reporting by Charities” (FRS 102) in preparing the Annual Report and accounts of the charity.

The accounts have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document (Royal Charter), the Charities Act 2011 and Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, published on 16 July 2014.

INTRODUCTION

The London Library’s charitable object is the advancement of education, learning and knowledge by the provision and maintenance of a Library in London. Founded in 1841 by Thomas Carlyle and others prominent in letters and affairs, the Library’s primary purpose is to provide generations of readers, writers and researchers with the riches of a national library for use in their own homes or workplaces or within its own premises. By acquiring the most important published works in the humanities and arts in each generation and discarding almost nothing from its shelves, the Library has built up a collection of over one million volumes dating from the 16th century to the latest publications. The Library aims to preserve and extend this extraordinary accumulation for future as well as present generations.

The Library seeks to provide the most direct and liberal access to the published written word by maintaining a high proportion of the collection on open-access shelves in its Grade II-listed building in central London where the volumes may be freely browsed by members, with most available for loan. Offering facilities conducive to reading and scholarship, the Library aims to provide a prompt, reliable and courteous service to meet the expectations of users, perpetuating a spirit of willing collaboration between users and its highly qualified and specialist staff.

PUBLIC BENEFIT

Membership is open to all. The Library aims to make its collections, services and facilities available to meet the needs of a broad spectrum of readers, many of whom have no access to other loan collections and online resources of comparable depth and reach, such as may be found in universities or specialist institutes. Its status in the national heritage is well recognised and over the years it has absorbed special collections from a number of other organisations which could no longer house them. Daily or weekly reference tickets can be issued to those who need access to materials not available elsewhere but do not wish to commit to full membership. Furthermore, items from the Library’s collection are made accessible to public library members via the Inter-Library Loan scheme.

Many Library members are writers, and by assisting authors in their researches prior to publication of original work the Library contributes to the cultural enrichment of the whole nation. In this respect it is comparable to other great institutions dedicated to the arts and culture which, if they ceased to exist, would be missed even by many people who make little or no direct use of them. Although not easy to measure, this is an important public benefit, as readers who have seen the tributes to the Library and its staff in the Acknowledgements pages of countless books will be aware. In an age when the written word is available in superabundant quantity, the Library helps to maintain the quality.

Fees are set in the context of the Library’s overall budget and are approved by the members at their Annual General Meeting. The ordinary annual fee for individuals is currently £525, or £43.75 per month, while corporate and charitable bodies pay relatively higher fees and nominate representatives who access the Library’s facilities on their behalf. For an institution which strives to be a centre of excellence in its field, the Library’s fees are not high in relation to the value of the services it provides and a range of payment options is available. Nevertheless there are people who need for their researches the range and depth of available material and the generous access that are the Library’s hallmark but who are unable to afford the full fees, particularly as the financial rewards from writing are generally modest and often unreliable. In such cases our subsidiary charity, The London Library Trust, may be able to assist with top-up grants under the Carlyle Membership scheme. Each grant application is assessed carefully since resources are necessarily limited, but the Library
seeks to provide support where there is clear evidence of need. The majority of grants paid represent a fee subsidy of between 30% and 60%. During the financial year 35 new Carlyle memberships were awarded (2017: 63) bringing the total number of members in receipt of this fee subsidy at 31 March 2018 to 340 or 5.3% of the total membership (2017: 345 or 5.3% of the total membership). The total amount of such fee subsidies paid in the year was £73,555 (2017: £76,004), representing 2.9% of the Library’s total income from annual membership fees (2017: 3.0%).

Young Persons’ membership is available to anyone under the age of 25 at half the ordinary annual rate, and there were 321 members in this category at 31 March 2018, or 4.9% of the total membership (2017: 325 or 4.9%). Separate charges are made for postal loans and for extra books above the standard allowance, but the annual fees due from each member are not dependent on either the nature or the amount of usage made of the Library’s facilities by that member, which can vary considerably. Whilst many of the Library’s members are active writers and researchers, there are many others whose usage is more occasional but who see the Library as a cause worth supporting precisely because of its wider public benefits.

In setting the Library’s objectives and planning its activities, the Trustees give careful consideration to the Charity Commission’s published guidance and other research on public benefit and its reporting.

ACHIEVEMENTS AND PERFORMANCE

COLLECTIONS

Objective: To continue to develop the Library’s collection whilst recognising the financial circumstances in which it currently operates.

We continued to add to the collection in all subject areas, with purchases totalling £313,204 (2017: £333,746). This total includes £61,645 (2017: £58,383) for digital/online resources (reflecting the growing importance of this aspect of the collection) and £83,809 (2017: £96,284) for periodicals. The cost of acquisitions is met in part from the income earned from the Drue Heinz Literary Fund totalling £72,146 (2017: £94,220).

During the year we received donations to the Book Fund totalling £9,824 (2017: £13,475) in addition to £1,100 (2017: £1,225) for the Adopt A Book scheme. We also added to the collection donated books and periodicals worth £9,139 (2017: £16,200). We are most grateful to all the donors listed on pages 38 to 42 for their generosity.

COMMUNICATIONS

Objective: To improve the Library’s communications and to raise its public profile.

We have continued to improve the visibility of the Library to external audiences on social media with encouraging increases in followers and engagement. On Twitter, our messages generated 4.62m impressions (2017: 2.51m) and 94k users engaged with our messages (2017: 53.5k). Our combined follower base across Twitter, Facebook and Instagram is now 36.3k versus 29.8k last year.

SERVICES

Objective: To continue to provide a high quality service to members and where possible to improve the member experience.

66,893 books were loaned during the year (2017: 69,559) including 4,670 (2017: 4,720) sent through the postal loans service and 88 (2017: 95) borrowed through the inter-library loan system on behalf of members. Some 69,103 (2017: 68,698) renewals were made either by members themselves online or by staff on members’ behalf using a variety of methods.

In 2017-18 we added 5,812 volumes to the current catalogue in respect of books purchased or donated (2017: 6,930), and 5,286 volumes from the old printed catalogue to the online catalogue (2017: 7,431).

Until now only 75% of our collections have been visible on Catalyst, our on-line cataloguing system. The “hidden 25%” represents older titles – acquired by the Library before 1950 – which we are in the process of transferring from our print catalogues as part of our Retrospective Cataloguing Project.

Completion of this detailed cataloguing project is still some years away and rather than leave the “hidden 25%” invisible throughout this period, we found a way to put partial information about 120,000 entries onto Catalyst. Taking this step means that in the space of a few months the visibility of our collections on Catalyst has gone up to around 95% helping give unprecedented access to the riches of the Library.
MEMBERSHIP

Objective: To gain a better understanding of members and potential members and ultimately to increase member numbers to ensure the sustainability of the Library.

Total membership numbers began the year at 6,569 and fell to 6,509 at the end of March 2018. The net decrease of 60 in the year comprises:

<table>
<thead>
<tr>
<th></th>
<th>Annual</th>
<th>Life</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>New members</td>
<td>759</td>
<td>15</td>
<td>774</td>
</tr>
<tr>
<td>Commutations</td>
<td>(20)</td>
<td>20</td>
<td>-</td>
</tr>
<tr>
<td>Withdrawals/deaths</td>
<td>(779)</td>
<td>(55)</td>
<td>(834)</td>
</tr>
<tr>
<td>Net</td>
<td>(40)</td>
<td>(20)</td>
<td>(60)</td>
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</table>

Of the new annual members 154 were under the age of 25 (2017: 173).

Membership numbers have again decreased in the year. The 5-year strategic plan, which is in development, will seek to address this decline.

FUNDRAISING

Objective: To strengthen core revenue income generation and develop major campaign donations to support the long term sustainability of the Library.


Events, merchandising and commercial sponsorship added a total of £18,424 (2017: £146,373) with the decrease compared to the prior year being due to the one off *Words in The Square* event that took place in 2016. Legacy and estate income (including royalties from literary estates) totalled £70,381 (2017: £96,477). Income was in line with or exceeded targets in all main fundraising income categories and fundraising costs totalled £340,117 (2017: £339,772).

The London Library manages all solicitations internally, without the involvement of commercial participators or professional fundraisers, or third parties. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the Trustees and fundraising is carried out in compliance with the Library’s formal Ethical Fundraising Policy, which emphasises the respect with which donors and prospective donors should be treated when approaches for donations are being made. The Library is not bound by any undertaking to be compliant with any regulatory scheme, however the charity is a member of the Fundraising Regulator and complies with the relevant codes of practice. The Library reports any fundraising complaints received to the Fundraising Regulator on an annual basis. No complaints were received during the year in relation to fundraising activities.

STAFF AND VOLUNTEERS

In September 2017 Inez Lynn, Librarian and Chief Executive retired after a 29-year career at the Library (fifteen of which were as Librarian). The first female to be appointed Librarian in the Library’s history, Inez made her mark across all areas of the Library’s operations – including the development of our on-line services and the RIBA- award building projects that between 2009-2013 transformed large parts of the Library, creating greatly enhanced facilities for Members.

Philip Marshall took up the new post of Director of The London Library in September 2017, following previous roles at the British Museum, Royal Albert Hall and Sadler’s Wells. Philip is joined on the Executive Team by Felicity Nelson who in the newly-created role of Membership Director helps brings added focus to the Library’s strategic priorities of Member recruitment and Retention.

We would like to thank the students from Camberwell college who joined our preservation work placement scheme this year. Jonathan Ball, Rosemary Coppell, Kiri Douglas and Craig Kamrath made a significant contribution to the preservation of single-section pamphlets from the open shelves, working with Collection Care staff to design a new protective binding wrapper for these vulnerable items.

We are also grateful to Collection Care Volunteer John Perkins who continues to make a valuable contribution to our work and to Marit Tronslin and Karen Horn for their work on retrospective cataloguing.
PLANS FOR 2018-2019

In 2018-19 the Library will finalise its new 5-year strategic plan. This plan will need to articulate the core features of the Library’s identity while seeking to place its finances on the firmest possible footing. Central to the latter will be the continued endeavour to increase membership numbers while increasing fundraising efforts and maximising other income streams.

HOW CAN MEMBERS HELP?

If you are a member there are a number of ways in which you can make a real difference. You can for example:

SPREAD THE WORD

- Social media – get involved online with the growing conversation about the Library and its resources
- Encourage media to contact us about potential coverage or location work
- Let us know about books you are writing or researching in the Library – public acknowledgements can be really useful
- Consider us for your book publicity events and venue hire

[For further information please contact Julian Lloyd (Head of Communications)]

RECRUIT A NEW MEMBER

- Recommend the Library to your friends and encourage them to join
- Use the member gift voucher for £50 off the first year of membership, which can be given by existing members to someone that they think might enjoy becoming a member
- Enrol your spouse, parents, children or grandchildren as members
- Encourage companies and institutions to join as institutional members

SUPPORT OUR FUNDRAISING

- Join the Founders Circle, and/or encourage other members with means and a strong interest in literary and cultural institutions to join
- If you are a US taxpayer, consider supporting the International Friends of The London Library, a registered 501(c) 3 charitable corporation based in New York
- Make a donation to support new acquisitions or to support the Carlyle Membership scheme, helping into membership those who need the Library for their work, but who would otherwise struggle to afford the full fee
- Donate a book you have written or persuade a publisher to donate books to the Library on request
- Make a bequest to the Library in your will or name it as a residuary legatee
- Make a donation to the Tom Stoppard Innovation Fund or introduce a potential donor or grant-making trust to the fundraising team

[For further information please contact Anna Clark (Head of Development – Fundraising)]

GET INVOLVED

- Offer an article to the Library magazine
- Offer to organise a member event

You can also volunteer as a Trustee or committee member. See the announcements in the Spring issue of the Library magazine for details of the process and timetable.

Finally, you can switch your payment method to direct debit to show your commitment and make administration easier (over 70% already have). [For further information please contact the Membership Office]

The Library has survived and flourished for over 175 years because of the enthusiastic support of its members, and this will continue to be critically important in the future.
FINANCIAL REVIEW

The table below shows the Statement of Financial Activity arranged to separate operational results, fundraising activity and investment income. Full details can be found in the accounts.

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<td>£000</td>
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<td>£000</td>
<td>£000</td>
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<tr>
<td><strong>Operating Result</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership and Trading Income</td>
<td>2,705</td>
<td>2,801</td>
<td>2,599</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: related expenditure</td>
<td>(3,835)</td>
<td>(3,958)</td>
<td>(3,641)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>(1,130)</strong></td>
<td>(1,157)</td>
<td>(1,042)</td>
<td></td>
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<tr>
<td><strong>Fundraising Activity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fundraising income</td>
<td>1,398</td>
<td>1,421</td>
<td>1,330</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: related expenditure</td>
<td>(340)</td>
<td>(340)</td>
<td>(280)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1,058</strong></td>
<td>1,081</td>
<td>1,050</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Net Investment income</strong></td>
<td>240</td>
<td>332</td>
<td>317</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gains/(losses) in the value of investments</strong></td>
<td>(170)</td>
<td>659</td>
<td>503</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Reduction/(increase) in the estimated liability of the pensions deficit under accounting standards</strong></td>
<td>149</td>
<td>116</td>
<td>(137)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net movement in funds</strong></td>
<td>147</td>
<td>1,031</td>
<td>(315)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Membership fees in the year amounted to £2,686k and income from trading activities was £18k, however the costs of operating the Library, including marketing and communications expenditure, were £3,835k. As in the prior year the Library has reported an operating deficit, reducing which remains a significant focus of the Library’s new strategy which is currently in development.

Membership fees, at approximately 64% of total unrestricted income, remain central to the Library’s current business model and relate directly to the provision of services to members, who represent the principal class of beneficiaries. Donations, legacies and other fundraising activities contributed around 33% and investment income 3% of the total.

The Trustees foresee that membership fees alone are unlikely to be able to sustain the Library in fostering the literary life of the capital, so envisage regular fundraising initiatives will be needed to bridge the gap. The 2017-2018 unrestricted fund figures have been improved by a successful fundraising appeal for the new Tom Stoppard Innovation Fund.

The Library accounts for its book collection by charging the costs of acquisitions against income in the year they are made. While this is normal accounting practice a consequence is that the value of the Library’s collection does not appear in these financial statements. The aggregate collection of over one million books is valued for insurance purposes at £25 million (see also note 1(h)).
RESERVES AND INVESTMENT POLICIES

Reserves are defined as the part of a charity’s total funds that is freely available for use without restriction and without having to sell property needed for its operations. They are needed to cover short-term fluctuations in cash flow and to ensure that a charity can meet its obligations if revenue generated falls short of expectations. They also enable it to respond to longer-term threats and opportunities that may emerge.

The table below sets out the structure of target reserves, separated into three tiers according to their purpose. Tier 1 reserves provide short-term working capital. The target for the Tier 2 reserves is calculated by reference to estimated maximum possible shortfalls of core income against expenditure over the next four years, adjusted as appropriate for planned building project works and pension fund commitments. Together Tiers 1 and 2 thus constitute the minimum reserves target which the Trustees consider appropriate given the Library’s risk profile. Tier 3 reserves represent those in excess of the minimum target which are available for growth and development as well as protection.

The table also shows the allocation of investment assets considered appropriate for each tier of reserves. It is widely accepted that equity investments have historically given the best performance of any asset class over the longest time periods, but experience has shown that the returns are highly volatile. The Trustees are mindful of the fact that the Library has high fixed costs and so needs time to respond to changing circumstances, and therefore consider it prudent to retain a substantial part of the total target reserves in assets with low risk and high liquidity, whilst seeking to achieve the highest possible return consistent with these constraints. Occasionally market conditions may make an adjustment to asset allocation desirable, but otherwise dealing and its associated costs are kept to a minimum.

In addition to free reserves, as set out in note 12 to the accounts, the Library holds designated funds of £20.1m, which represent the Library’s buildings (including investment properties) and other tangible fixed assets and the balance held on the Tom Stoppard Innovation Fund. For the purposes of the reserves policy the balance held on the Tom Stoppard Innovation Fund has been added to the free reserves to give the actual reserves figure shown in the table below left, as this fund is available to be spent on Library activity. Free reserves and designated funds together constitute the Operating Fund of £23.6m, which represents unrestricted funds excluding the pension reserve. The latter stands at £1m deficit, so net unrestricted funds total £22.6m.

The Library also has restricted income funds of £0.6m and endowment funds of £3.4m, so its total funds are £26.6m. Because the restricted income funds and endowments support the Library’s activities over the longer term, the Trustees consider it appropriate to invest these funds in assets corresponding to Tier 3 in the table below left.

Subsequent to the balance sheet date, following the death of Drue Heinz, the Trustees were notified of a bequest of US $1.4m to be received in the year ending 31 March 2019 to further augment the Drue Heinz Literary Fund, one of the Library’s endowment funds.

Further details can be found in Note 12 to the accounts on pages 29 to 31 and under Organisational Information on page 43.

REVIEW OF INVESTMENT PERFORMANCE

Following and investment review in the prior year the Library’s Tier 2 and Tier 3 investments are now held in two funds managed by Newton Investment Management.

The Library’s investment objective is to achieve a good income return while protecting the long term real value of the capital. The fund holding the Tier 2 investments is managed to seek a minimum total return of 1 month LIBOR +4% per annum over 5 years and generated a return of -1.3% for the year compared to the benchmark index of 4.4%. The fund holding the Tier 3 and endowment investments has a minimum income yield target of 3% per annum while maintaining the real value of capital and generated a return of 3.9% for the year compared to the benchmark index of 1.5%.

The Library’s financial investments generated income of £237,919 (2017: £296,693) and a net loss in value of £169,551 or about 2.35% (2017: gain of £658,827 or 8.9%). Interest income added a further £1,356 (2017: £843) and rental income from the Library’s investment properties totalled £51,474 (2017: £51,750).

The value of the investment funds shown at the balance sheet date is arrived at after all investment management fees have been deducted. The fees charged to funds are at rates between 0.6% and 0.79% based on the value of the investments.
RISK MANAGEMENT

The Trustees have overall responsibility for ensuring that the Library has appropriate procedures in place to mitigate risks related to strategy, operations, finance or legal compliance. The Library maintains a Risk Register which lists by category the key risks to which the Library is exposed and the monitoring and mitigation measures in place or under consideration. The register is kept under regular review and formally updated at least annually. The summary below explains the principal risks and uncertainties and how these are managed:

Strategy
The Library has robust arrangements to ensure that its strategy is set and implemented appropriately. These include a Strategic Plan, thorough recruitment processes for senior staff, formal Trustee recruitment and induction processes and periodic governance reviews. The Library does, however, recognise that it is in a period of strategic change and the corresponding risk has therefore been given increased prominence in the risk register.

Operational risks cover a wide range, but the two most serious are physical disasters and dissatisfaction with the service provided to members. Protection against physical disasters has been significantly enhanced in recent years through improvements to the fire alarm system and the implementation of both detection and prevention measures in relation to water ingress. A Business Continuity Plan is also in place. Meanwhile close attention is paid to the needs and expectations of members, through training and induction efforts are made to ensure that they make best use of the facilities available, which include additional space from members created during the year in the 6th floor suite.

Finance
The Library is heavily dependent on membership subscriptions to fund its operations. These provide a steady stream of core income but can be subject to attrition from a variety of causes. Fee rates have to keep pace with inflation in order to maintain service levels but to many individual members they represent a significant outlay that requires justification. The Library’s membership marketing and retention strategy therefore seeks to emphasise what makes its offer unique.

However, membership fees are not sufficient on their own and must be supplemented by voluntary and investment income. In recent years the Library has been able to raise regular unrestricted donations at a substantial level mainly through the Founders’ Circle, but maintaining such programmes requires significant effort and marketing. A key fundraising objective is therefore to seek endowment donations that will increase the permanent funds along with the implementation of new fundraising initiatives. Legacies remain an important source of income and future legacy pledges are being encouraged accordingly.

The Library has a defined benefit pension scheme (the Staff Superannuation Fund) which was closed to further accrual in April 2011, as a major step in mitigating the risk associated with it. The scheme remains in deficit, but contributions have been agreed with the actuary to reduce it over the next 8 years.

Legal compliance
The Library regularly monitors new and proposed legislation, taking specialist advice where necessary, so this is not in general considered a major risk area. The area of greatest focus at present is the General Data Protection Regulation (GDPR), which came into force against a backdrop of increased regulatory and media scrutiny of the fundraising practices of charities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The London Library is a registered charity (number 312175), incorporated by Royal Charter dated 6 July 2004. It has its own Byelaws and the power to alter its own Rules. It has a royal Patron and Vice-Patron as well as a President and Vice-Presidents appointed by the Trustees subject to confirmation by members at the next AGM. The Patrons, President and Vice-Presidents are vital and much-valued ambassadors for the Library but play no part in its formal management.

The Library is governed by no fewer than twelve and no more than sixteen trustees, of whom all but the Chairman and Treasurer are elected by members from their number. The Trustees choose their own Chairman and Treasurer, who may or may not already be Trustees at the time of their appointment. Both hold office for up to four years but may be re-elected immediately for one further term.

DELEGATION OF POWERS

The Trustees are responsible for the long-term well-being and effectiveness of the Library and make decisions on the application of its resources, the safeguarding of assets, and the determination of strategies and policies in keeping with its founding aims. The executive management of the Library is delegated to the Librarian who is appointed by the Trustees and takes decisions on matters such as the appointment of staff, the admission and regulation of members, the acquisition of books and other
library materials and the financial management of the Library within budgets recommended by the Finance Committee and approved by the Trustees. The Director, as Chief Executive and Librarian, heads the Executive Team which also includes the Deputy Director, the Finance Director, the Development Director and the Membership Director.

In accordance with the Charter, the Trustees have delegated certain powers to specialist committees under agreed terms of reference. The committees currently in place are the Building and Facilities Committee, the Chairs’ Committee, the Collections Committee, the Development Committee, the Director Search Committee, the Finance Committee, the Membership Committee and the Nominations Committee.

The Library’s specialist committees may include members with specialist skills and experience who are not current Trustees (although some may be former Trustees). In particular the Trustees are grateful to Jocelyn Ridley for the valuable services she provided on the Nominations Committee during 2017-2018. Thanks are also due to those who served as trustees of the Staff Superannuation Fund during the year: Inez Lynn, Rosemary Morgan, Alan Saunders, Alison Sproston, Richard Templeton and Gill Turner.

**REMUNERATION POLICY FOR KEY MANAGEMENT PERSONNEL**

The Trustees consider that the Library’s Key Management Personnel comprise the Trustees and the Executive Team, whose members are defined above. The Trustees give of their time freely and no Trustee received any remuneration during the year. Details of transactions with Trustees and other related parties are disclosed in Note 14 to the accounts.

Salaries for all staff (including Executive Team members except the Director and the Development Director) are based on the single-spine pay scale set by the Universities and Colleges Employers Association (UCEA), and cost-of-living pay awards follow those recommended by UCEA. For certain posts the scale salary may be supplemented by a market addition which is not subject to annual increases. Base salaries for the Director and the Development Director correspond to professorial posts and as such are negotiated separately by reference to appropriate sectoral benchmarks, but cost-of-living pay awards match those of UCEA. Details of the total employee benefits for Key Management Personnel are included in Note 15 to the accounts.

Jobs within the Library are evaluated by specially convened panels using a scoring matrix which takes into account factors such as responsibility, discretion in decision-making, problem-solving and communication with others. The Library operates a Review & Development programme which aims to monitor the performance of staff against agreed objectives while encouraging them to maximise their potential.

**APPOINTMENT AND RETIREMENT OF TRUSTEES**

Trustees other than the Chairman and Treasurer serve for four years before retiring by rotation but are eligible for immediate re-election for one further four-year term. Each year, a Nominations Committee appointed by the Trustees reviews the balance of skills and experience amongst the Trustees and advertises the expertise required to the whole membership in the Spring issue of the Library magazine and on the Library website. The Nominations Committee interviews those candidates most closely matching the requirements before recommending them to the Trustees as suitable candidates for election by members at the AGM. The Nominations Committee includes a non-trustee member of the Library with specialist skills and experience in the field of recruitment and governance.

All new Trustees are given online access to an induction manual covering the duties and responsibilities of trustees, all aspects of the Library’s governance and management procedures, and relevant documents of record, including the minutes of meetings for the past year and recent policy and strategy papers. Introductory meetings are held with key members of staff, and support is available from the Chairman, Treasurer and other Trustees.

**SUBSIDIARY AND RELATED BODIES**

The London Library Trust, a linked charity (registered number 312175-1), was set up in 1952 in order to assist the Library in the achievement of its charitable objectives. The assets of the Trust are held by the Library as a restricted fund and the Library is its sole trustee. The Library also has a wholly-owned subsidiary company, London Library Enterprises Ltd, which has no assets and has not traded since incorporation.

Along with Girton College, Cambridge, the Library is a joint beneficiary of Mrs R M Chambers’ Settlement, which owns and manages an estate of freehold properties in Ealing. Each of the beneficiaries appoints a trustee to manage the Settlement’s affairs and property, and receives grants in equal shares in respect of the net proceeds of property sales and rentals. The R M Chambers’ Settlement had an immaterial impact on The London Library’s financial statements this year.
STATEMENT OF TRUSTEES’ RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees’ Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Royal Charter. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity’s website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities for charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP 2015 (FRS 102), issued on 16 July 2014) and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

The accounts have been prepared to give a ‘true and fair’ view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a ‘true and fair view’. This departure is purely a technicality and is due to the successor Regulations which underpin the Charities SORP 2015 (FRS 102) not yet being issued. This departure has involved following the Charities SORP 2015 (FRS 102) rather than the previous SORP, Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

Approved by the Trustees on 18 July 2018 and signed on their behalf by

Sir Howard Davies  Philip Broadley FCA  Philip Marshall
CHAIRMAN  TREASURER  DIRECTOR
INDEPENDENT AUDITOR’S REPORT TO THE TRUSTEES OF THE LONDON LIBRARY

Opinion
We have audited the financial statements of The London Library (the ‘charity’) for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

■ give a true and fair view of the state of the charity’s affairs as at 31 March 2018, and of its incoming resources and application of resources, for the year then ended;

■ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

■ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

■ the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

■ the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The trustees are responsible for the other information. The other information comprises the information included in the trustees’ annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

■ the information given in the financial statements is inconsistent in any material respect with the trustees’ annual report; or

■ sufficient accounting records have not been kept; or

■ the financial statements are not in agreement with the accounting records; or

■ we have not received all the information and explanations we require for our audit.
Responsibilities of trustees
As explained more fully in the trustees’ responsibilities statement, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements
We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

This report is made solely to the charity’s trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity’s trustees those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity’s trustees as a body, for our audit work, for this report, or for the opinions we have formed.

MHA MacIntyre Hudson
Chartered Accountants and Statutory Auditors
New Bridge Street House
30-34 New Bridge Street
EC4V 6BJ

Date

MHA MacIntyre Hudson is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.
# STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2018

<table>
<thead>
<tr>
<th>Note</th>
<th>Unrestricted Funds 2018</th>
<th>Restricted Funds 2018</th>
<th>Endowment Funds 2018</th>
<th>Total Funds 2018</th>
<th>Total Funds 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>£</strong></td>
<td></td>
<td><strong>£</strong></td>
<td><strong>£</strong></td>
</tr>
<tr>
<td></td>
<td><strong>£4,269,721</strong></td>
<td><strong>£124,041</strong></td>
<td></td>
<td><strong>£4,393,762</strong></td>
<td><strong>£4,572,026</strong></td>
</tr>
</tbody>
</table>

## INCOME AND ENDOWMENTS FROM:

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations and legacies</td>
<td>1,383,621</td>
<td>14,483</td>
<td>1,398,104</td>
</tr>
<tr>
<td>Charitable activities</td>
<td>2,686,485</td>
<td>-</td>
<td>2,686,485</td>
</tr>
<tr>
<td>Other trading activities</td>
<td>18,424</td>
<td>-</td>
<td>18,424</td>
</tr>
<tr>
<td>Investments</td>
<td>181,191</td>
<td>109,558</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>4,269,721</strong></td>
<td><strong>124,041</strong></td>
<td>-</td>
</tr>
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</table>

## EXPENDITURE ON:

<table>
<thead>
<tr>
<th>Description</th>
<th>6.1</th>
<th>6.2</th>
<th></th>
<th>6.6</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Raising funds</td>
<td>648,352</td>
<td>27,271</td>
<td>-</td>
<td>675,623</td>
<td>787,320</td>
<td></td>
</tr>
<tr>
<td>Charitable activities</td>
<td>3,394,663</td>
<td>156,267</td>
<td>-</td>
<td>3,550,930</td>
<td>3,527,856</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>4,043,015</strong></td>
<td><strong>183,538</strong></td>
<td>-</td>
<td><strong>4,226,553</strong></td>
<td><strong>4,315,176</strong></td>
<td></td>
</tr>
</tbody>
</table>

## NET INCOME/(EXPENDITURE) before investment (losses)/gains

<table>
<thead>
<tr>
<th>Description</th>
<th>6.1</th>
<th>6.2</th>
<th></th>
<th>6.6</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
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<td>-</td>
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<td>-</td>
<td><strong>4,226,553</strong></td>
<td><strong>4,315,176</strong></td>
<td></td>
</tr>
</tbody>
</table>

## NET INCOME/(EXPENDITURE)

<table>
<thead>
<tr>
<th>Description</th>
<th>6.1</th>
<th>6.2</th>
<th></th>
<th>6.6</th>
<th></th>
<th></th>
</tr>
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<tr>
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<td>-</td>
<td>675,623</td>
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<td>-</td>
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<td>3,527,856</td>
<td></td>
</tr>
<tr>
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<td><strong>4,043,015</strong></td>
<td><strong>183,538</strong></td>
<td>-</td>
<td><strong>4,226,553</strong></td>
<td><strong>4,315,176</strong></td>
<td></td>
</tr>
</tbody>
</table>

## NET MOVEMENT IN FUNDS

<table>
<thead>
<tr>
<th>Description</th>
<th>12, 19, 20</th>
<th>12, 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds at start of year</td>
<td>22,449,657</td>
<td>22,604,327</td>
</tr>
<tr>
<td>Funds at end of year</td>
<td>608,304</td>
<td>557,337</td>
</tr>
</tbody>
</table>

**The notes on pages 21 to 37 form part of these accounts.**
## BALANCE SHEET
### as at 31 March 2018

<table>
<thead>
<tr>
<th>Note</th>
<th>Description</th>
<th>31 March 2018</th>
<th>31 March 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td></td>
<td><strong>FIXED ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Tangible fixed assets</td>
<td>18,320,140</td>
<td>18,529,282</td>
</tr>
<tr>
<td>8.1</td>
<td>Investment properties</td>
<td>885,833</td>
<td>885,833</td>
</tr>
<tr>
<td>8.2</td>
<td>Financial investments</td>
<td>7,200,802</td>
<td>7,370,354</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL FIXED ASSETS</strong></td>
<td>26,406,775</td>
<td>26,785,469</td>
</tr>
<tr>
<td></td>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Debtors and prepayments</td>
<td>853,600</td>
<td>849,461</td>
</tr>
<tr>
<td></td>
<td>Bank balances and cash in hand</td>
<td>1,292,459</td>
<td>1,117,931</td>
</tr>
<tr>
<td></td>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Creditors: amounts due within one year</td>
<td>(424,899)</td>
<td>(447,876)</td>
</tr>
<tr>
<td></td>
<td><strong>NET CURRENT ASSETS</strong></td>
<td>1,721,160</td>
<td>1,519,516</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL ASSETS LESS CURRENT LIABILITIES</strong></td>
<td>28,127,935</td>
<td>28,304,985</td>
</tr>
<tr>
<td>11</td>
<td>Creditors: amounts due after more than one year</td>
<td>(598,221)</td>
<td>(560,928)</td>
</tr>
<tr>
<td></td>
<td><strong>NET ASSETS excluding pensions liability</strong></td>
<td>27,529,714</td>
<td>27,744,057</td>
</tr>
<tr>
<td></td>
<td>Pension liability</td>
<td>(972,000)</td>
<td>(1,333,000)</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL NET ASSETS</strong></td>
<td><strong>26,557,714</strong></td>
<td><strong>26,411,057</strong></td>
</tr>
</tbody>
</table>

Represented by

- **RESTRICTED INCOME FUNDS**
  - 557,337
  - 608,304

- **ENDOWMENT FUNDS**
  - 3,396,050
  - 3,353,096

- **UNRESTRICTED FUNDS**
  - excluding pension liability
    - 23,576,327
    - 23,782,657
  - Pensions reserve
    - 13
    - (972,000)
    - (1,333,000)
  - Total unrestricted funds
    - 22,604,327
    - 22,449,657

**TOTAL CHARITY FUNDS**
- 26,557,714
- 26,411,057

Approved and authorised for issue by the Trustees on 18 July 2018 and signed on their behalf by

Sir Howard Davies
CHIEF

Philip Broadley FCA
TREASURER

Philip Marshall
DIRECTOR

The notes on pages 21 to 37 form part of these accounts.
### STATEMENT OF CASH FLOWS
for the year ended 31 March 2018

<table>
<thead>
<tr>
<th>Note</th>
<th>2018</th>
<th>2018</th>
<th>2017</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Net cash flow from operating activities</td>
<td>18</td>
<td>(99,442)</td>
<td>186,284</td>
<td></td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends, interest and rent from investments</td>
<td>290,748</td>
<td>349,286</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of investment property</td>
<td>-</td>
<td>61,856</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of tangible fixed assets</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to acquire tangible fixed assets</td>
<td>(16,778)</td>
<td>(12,020)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of investments</td>
<td>-</td>
<td>7,031,725</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to acquire investments</td>
<td>-</td>
<td>(8,002,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash flow from investing activities</td>
<td>273,970</td>
<td>(571,153)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase/(decrease) in cash and cash equivalents</td>
<td>174,528</td>
<td>(384,869)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents at start of year</td>
<td>1,117,931</td>
<td>1,502,800</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>1,292,459</td>
<td>1,117,931</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Analysis of cash and cash equivalents</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash in hand</td>
<td>1,292,459</td>
<td>1,117,931</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notice deposits</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total cash and cash equivalents</td>
<td>1,292,459</td>
<td>1,117,931</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The notes on pages 21 to 37 form part of these accounts.
NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

(a) General information and basis of preparation
The London Library is a registered charity (number 312175) with the Charity Commission in England & Wales, and is incorporated by Royal Charter. It constitutes a public benefit entity as defined by FRS 102. The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a ‘true and fair’ view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a ‘true and fair view’. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The accounts are prepared in sterling which is the functional currency of the charity. The registered office and principal place of business is as stated on page 2.

The significant accounting policies applied in the preparation of these accounts are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Preparation of the accounts on a going concern basis
The accounts are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The Trustees consider that this remains an appropriate basis for the preparation of the accounts as no material uncertainties exist which would threaten the going concern status. The Library is expected to continue in operational existence for the foreseeable future, based on the strategic plans in place, the related financial budgets and forecasts, and its satisfactory reserves position, as detailed in the Trustees’ Annual Report and in note 12.

(c) Fund accounting
The charity’s funds are shown in note 12.

Unrestricted funds are those available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in note 12.

The charity’s Operating Fund comprises the designated funds together with the free reserves (which exclude the pension reserve). Donations and legacies which are not restricted for any other purpose are credited to the Operating Fund.

Endowment funds represent those donations and gifts which have been given to the Library for the purpose of providing a permanent asset base from which investment income is generated. Depending on the terms of the gift, this income may be restricted or unrestricted as detailed in note 12.

Gains and losses arising from the revaluation of investments are allocated to the funds in proportion to the opening carrying value of the fund class.

(d) Income
All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Donations are recognised on receipt or, if earlier, when the charity has been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the accounts for volunteer time in line with the Charities SORP (FRS 102). Further detail about volunteers is given in the Trustees’ Annual Report.
Legacies are recognised when the charity has entitlement to the legacy (confirmed through the granting of probate), its receipt is probable and the value of the legacy can be measured with reasonable accuracy.

Annual membership subscriptions are recorded in full in the year in which they become due. Life membership fees have been credited to the SOFA over a period of 10 years for new memberships up to 31 March 2016 and over 15 years for new memberships between 1 April 2016 and 31 March 2017 and over 25 years from 1 April 2017.

Income from trading activities includes income earned from events and venue hire, and from merchandising sales, and is recognised in the period the event or sale takes place.

Investment income is earned through holding assets for investment purposes such as listed investments, gilts and property. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. Dividend and rental income is recognised as the charity’s right to receive payment is established. Accrued interest on gilt securities, where there is no intention to sell the investment before the interest is due, is recognised in the SOFA as a component of investment income, as it is not part of the underlying fair value of the related investment.

(e) Expenditure
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the headings shown in note 6.

The charity is registered for VAT. Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(f) Support costs
Support costs are those that assist the work of the charity but do not directly represent charitable activities and include IT costs, administration and governance costs. Support costs are all allocated to charitable activities as shown in note 6. Governance costs comprise those costs which are related to the strategic management of the charity and compliance, and include legal, audit and other professional fees, together with an allocation (20%) of administration costs.

(g) Tangible fixed assets
Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes those directly attributable to making the asset capable of operating as intended.

Assets which are separately identifiable and cost less than £1,000 are not capitalised, except in the case of information and communications technology where a lower threshold of £100 applies.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

- Freehold land: Not depreciated
- Freehold property and improvements: 0.5% per annum
- Plant and equipment: 5% per annum
- Furniture and fittings: 4% per annum
- Information and communications technology: 20% per annum

The depreciation rates take into account the nature and use of the Library’s assets and the continuous maintenance programme to which they are subject.

(h) Heritage assets
The charity’s collection is made up over one million books which have accumulated over its lifetime; details are included in the Trustees’ Annual Report and in note 9. The collection is insured for £25 million, however it is not included on the charity’s balance sheet on the basis that reliable information on its cost (if purchased) or valuation (if donated) is not available or the cost of providing such information significantly outweighs any benefit to the users of these accounts. Additionally the collection is fundamentally a working asset. Where acquisitions or donations of individual items are material, cost or valuation can be measured reliably and the acquisition or donation is deemed to have heritage value these items will be included on the balance sheet and then subsequently depreciated. Fair values for donated assets are estimated by reference to market prices, where available.

(i) Investment properties
Investment properties are measured at fair value at each reporting date. Fair value is attributed on the basis of a yield on the rental income, which is based on surveyors’ estimates. No value is attributed to the underlying land. The Trustees review this valuation annually with any changes in fair value being recognised in ‘net gains / (losses) on investments’ in the SOFA. Sales proceeds from lease extensions are treated as disposals.

(j) Fixed asset investments
Fixed asset investments in quoted shares, traded bonds and similar investments are measured initially at cost and subsequently at fair value (the bid price) at the reporting
date with changes recognised in ‘net gains/(losses) on investments’ in the SOFA.

(q) Consolidation
The Library has a subsidiary trust, The London Library Trust, of which it is the sole Trustee and which has objects narrower than those of the Library itself. The Trust is dealt with in these accounts as a restricted fund. The Library also holds 100% of the share capital of London Library Enterprises Limited, registered in England and Wales (number 08229985). The company has nil net assets and has not traded since it was incorporated in September 2012, hence it is not consolidated in these accounts.

(r) Judgements and key sources of estimation uncertainty
The following judgements have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the accounts:

- Depreciation rates for tangible fixed assets
- Basis of valuation of investment properties and financial investments
- Actuarial assumptions resulting in the valuation of the Defined Benefit pension scheme’s assets and liabilities

(s) Financial instruments
The charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity and their measurement basis are as follows:

- **Financial Assets**
  - Trade and other debtors and accrued income are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 10. Prepayments are not financial instruments.
  - Investments – All investments are classified as basic financial instruments and held at their fair value.
  - Cash at bank – is classified as a basic financial instrument and is measured at face value.

- **Financial Liabilities**
  - Trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 11. Taxation and social security are not included in the financial instruments disclosure. Deferred income and deferred life membership fees are not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver charitable services rather than cash or another financial instrument.

(t) Employee benefits
When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.
### 2 Donations and Legacies

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrestricted funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations</td>
<td>377,151</td>
<td>694,458</td>
</tr>
<tr>
<td>Legacies</td>
<td>70,381</td>
<td>96,477</td>
</tr>
<tr>
<td>Donations to Tom Stoppard Innovation Fund</td>
<td>928,889</td>
<td>14,000</td>
</tr>
<tr>
<td>Gifts in Kind</td>
<td>7,200</td>
<td>7,000</td>
</tr>
<tr>
<td><strong>Subtotal unrestricted</strong></td>
<td><strong>1,383,621</strong></td>
<td><strong>811,935</strong></td>
</tr>
<tr>
<td><strong>Restricted funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations to the Development Appeal Fund</td>
<td>3,791</td>
<td>32,248</td>
</tr>
<tr>
<td>Legacies for the Development Appeal Fund</td>
<td>5,587</td>
<td>52,215</td>
</tr>
<tr>
<td>Donations for supported membership</td>
<td>4,165</td>
<td>28,459</td>
</tr>
<tr>
<td>Other restricted donations</td>
<td>940</td>
<td>19,473</td>
</tr>
<tr>
<td><strong>Subtotal restricted</strong></td>
<td><strong>14,483</strong></td>
<td><strong>132,395</strong></td>
</tr>
<tr>
<td><strong>Endowment funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations for endowments</td>
<td>-</td>
<td>477,050</td>
</tr>
<tr>
<td><strong>Subtotal endowment</strong></td>
<td><strong>-</strong></td>
<td><strong>477,050</strong></td>
</tr>
<tr>
<td><strong>Total income from donations and legacies</strong></td>
<td><strong>1,398,104</strong></td>
<td><strong>1,421,380</strong></td>
</tr>
</tbody>
</table>

### 3 Other Trading Activities

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Events and venue hire</td>
<td>15,943</td>
<td>96,196</td>
</tr>
<tr>
<td>Commercial sponsorship</td>
<td>-</td>
<td>37,100</td>
</tr>
<tr>
<td>Merchandising sales</td>
<td>2,481</td>
<td>5,330</td>
</tr>
<tr>
<td><strong>Total income from other trading activities</strong></td>
<td><strong>18,424</strong></td>
<td><strong>138,626</strong></td>
</tr>
</tbody>
</table>

### 4 Investment Income

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from listed investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>237,919</td>
<td>234,773</td>
</tr>
<tr>
<td>Outside UK</td>
<td>-</td>
<td>61,920</td>
</tr>
<tr>
<td><strong>Total income from listed investments</strong></td>
<td><strong>237,919</strong></td>
<td><strong>296,693</strong></td>
</tr>
<tr>
<td>Interest from deposits</td>
<td>1,356</td>
<td>843</td>
</tr>
<tr>
<td><strong>Total income from investment portfolio</strong></td>
<td><strong>239,275</strong></td>
<td><strong>297,536</strong></td>
</tr>
<tr>
<td>Income from property</td>
<td>51,474</td>
<td>51,750</td>
</tr>
<tr>
<td><strong>Total investment income</strong></td>
<td><strong>290,749</strong></td>
<td><strong>349,286</strong></td>
</tr>
</tbody>
</table>

Where applicable investment income includes an estimate of the income from the underlying assets of pooled accumulation funds.

### 5 Income from Charitable Activities

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual membership fees</td>
<td>2,511,619</td>
<td>2,497,095</td>
</tr>
<tr>
<td>Life membership fees</td>
<td>150,220</td>
<td>148,121</td>
</tr>
<tr>
<td>Temporary overseas membership fees</td>
<td>1,676</td>
<td>1,013</td>
</tr>
<tr>
<td>Reference ticket fees</td>
<td>3,981</td>
<td>2,990</td>
</tr>
<tr>
<td>Inter-Library loan fees</td>
<td>18,989</td>
<td>13,515</td>
</tr>
<tr>
<td><strong>Total income from charitable activities</strong></td>
<td><strong>2,686,485</strong></td>
<td><strong>2,662,734</strong></td>
</tr>
</tbody>
</table>
### 6 EXPENDITURE

<table>
<thead>
<tr>
<th></th>
<th>2018 Staff costs</th>
<th>2018 Other costs</th>
<th>2018 Total</th>
<th>2017 Staff costs</th>
<th>2017 Other costs</th>
<th>2017 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>6.1 Raising funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fundraising</td>
<td>299,283</td>
<td>40,835</td>
<td>340,118</td>
<td>314,518</td>
<td>20,553</td>
<td>335,071</td>
</tr>
<tr>
<td>Marketing &amp; Communications</td>
<td>171,332</td>
<td>112,943</td>
<td>284,275</td>
<td>135,925</td>
<td>294,094</td>
<td>430,019</td>
</tr>
<tr>
<td>Investment Management Fees</td>
<td>-</td>
<td>51,230</td>
<td>51,230</td>
<td>-</td>
<td>22,231</td>
<td>22,231</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>470,615</td>
<td>205,008</td>
<td>675,623</td>
<td>450,443</td>
<td>336,878</td>
<td>787,321</td>
</tr>
<tr>
<td><strong>6.2 Charitable activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Library operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building and Facilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td>235,829</td>
<td>779,123</td>
<td>1,014,952</td>
<td>241,677</td>
<td>729,146</td>
<td>970,823</td>
</tr>
<tr>
<td>Member Services</td>
<td>690,312</td>
<td>-</td>
<td>690,312</td>
<td>649,940</td>
<td>-</td>
<td>649,940</td>
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<tr>
<td>Bibliographic Services</td>
<td>226,120</td>
<td>4,047</td>
<td>230,167</td>
<td>291,095</td>
<td>3,085</td>
<td>294,180</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>173,170</td>
<td>313,204</td>
<td>486,374</td>
<td>173,628</td>
<td>110,944</td>
<td>332,047</td>
</tr>
<tr>
<td>Collection Care</td>
<td>227,330</td>
<td>111,164</td>
<td>338,494</td>
<td>221,103</td>
<td>110,944</td>
<td>332,047</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>1,552,761</td>
<td>1,207,538</td>
<td>2,760,299</td>
<td>1,577,443</td>
<td>1,176,921</td>
<td>3,550,364</td>
</tr>
<tr>
<td><strong>Support costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information Technology</td>
<td>123,282</td>
<td>139,422</td>
<td>262,704</td>
<td>136,849</td>
<td>140,632</td>
<td>277,481</td>
</tr>
<tr>
<td>Administration</td>
<td>324,372</td>
<td>78,315</td>
<td>402,687</td>
<td>313,066</td>
<td>69,348</td>
<td>382,414</td>
</tr>
<tr>
<td>Governance</td>
<td>81,093</td>
<td>44,147</td>
<td>125,240</td>
<td>78,266</td>
<td>35,331</td>
<td>113,597</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>528,747</td>
<td>261,884</td>
<td>790,631</td>
<td>528,181</td>
<td>245,311</td>
<td>773,492</td>
</tr>
<tr>
<td><strong>Total charitable activities</strong></td>
<td>2,081,508</td>
<td>1,469,422</td>
<td>3,550,930</td>
<td>2,105,624</td>
<td>1,422,232</td>
<td>3,527,856</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td>2,552,123</td>
<td>1,674,430</td>
<td>4,226,553</td>
<td>2,556,067</td>
<td>1,759,110</td>
<td>4,315,177</td>
</tr>
</tbody>
</table>

The Library's charitable object is the advancement of education, learning and knowledge by the provision and maintenance in London of a library embracing the arts and humanities. The running of The London Library is a single activity to which various specialist departments contribute, rather than a set of independent activities. The costs attributable to these specialist departments are set out in the table above. Further details can be found in the Trustees’ Annual Report.

The Library's Administration department comprises finance and human resources staff as well as the Director, the Deputy Director and the Finance Director, who are all members of the Executive Team. 20% of the expenditure incurred by this department is considered attributable to governance and is allocated accordingly.

<table>
<thead>
<tr>
<th>Governance costs</th>
<th>2018 Staff costs</th>
<th>2018 Other costs</th>
<th>2018 Total</th>
<th>2017 Staff costs</th>
<th>2017 Other costs</th>
<th>2017 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration allocation</td>
<td>81,093</td>
<td>19,579</td>
<td>100,672</td>
<td>78,266</td>
<td>17,337</td>
<td>95,603</td>
</tr>
<tr>
<td>Audit fees</td>
<td>-</td>
<td>15,325</td>
<td>15,325</td>
<td>-</td>
<td>14,700</td>
<td>14,700</td>
</tr>
<tr>
<td>Legal &amp; professional fees</td>
<td>-</td>
<td>9,243</td>
<td>9,243</td>
<td>-</td>
<td>3,294</td>
<td>3,294</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>81,093</td>
<td>44,147</td>
<td>125,240</td>
<td>78,266</td>
<td>35,331</td>
<td>113,597</td>
</tr>
</tbody>
</table>
6 EXPENDITURE continued

As explained in Note 9, the capital value of the Library's collection is not included in the accounts, but the cost of acquisitions is charged against income in the year that they are made. The table below summarises these acquisitions over the last five financial years. The acquisitions comprise monographs and periodicals but not digital or online materials.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Purchases</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Donations</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Items added</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>to current</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>catalogue</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
</tbody>
</table>

7 TANGIBLE FIXED ASSETS

<table>
<thead>
<tr>
<th>Cost</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freehold Property</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Furniture and Fittings</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Information Technology</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Total</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Market value at end of year</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Depreciation</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>At 1 April 2017</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Additions</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Disposals</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>At 31 March 2018</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>At 1 April 2017</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>At 31 March 2018</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
</tbody>
</table>

8 FIXED ASSET INVESTMENTS

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
</tr>
</tbody>
</table>

| Market value at beginning of year | £     | £     |
| Sale proceeds                     | £     | £     |
| Revaluation gains                 | £     | £     |
| Market value at end of year       | £     | £     |

Investment properties comprise a café and a commercial art gallery rented to tenants on short leases, along with six long leasehold flats. All these properties are contiguous to the Library's operational property and share some structure and services with it.
8.2 Financial investments

<table>
<thead>
<tr>
<th>Listed investments:</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market value at beginning of year</td>
<td>£ 7,370,354</td>
<td>£ 5,783,107</td>
</tr>
<tr>
<td>Cost of purchases</td>
<td>£</td>
<td>£ 8,002,000</td>
</tr>
<tr>
<td>Disposals</td>
<td>£</td>
<td>(7,031,725)</td>
</tr>
<tr>
<td>Revaluation (losses)/gains</td>
<td>(169,552)</td>
<td>£616,972</td>
</tr>
<tr>
<td><strong>Market value at end of year</strong></td>
<td>£ 7,200,802</td>
<td>£ 7,370,354</td>
</tr>
</tbody>
</table>

All the above investments are pooled funds valued by reference to such investments.

<table>
<thead>
<tr>
<th>Listed investments:</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>£ 7,200,803</td>
<td>£ 7,370,354</td>
</tr>
<tr>
<td>Outside UK</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>£ 7,200,802</td>
<td>£ 7,370,354</td>
</tr>
</tbody>
</table>

9 HERITAGE ASSETS

The Library’s collection comprises over one million books, mainly in the humanities, and its historic core reflects the world view of its Victorian founders. The Collection Development policy seeks to ensure that the Library acquires newly-published works of lasting value rather than ephemeral interest, as well as older materials which enhance its coverage of particular areas. The Library may also accept important items at risk of loss to scholars through the dispersal of other collections. The vast majority of books in the collection are available for loan, but some 40,000 of the oldest, rarest and most vulnerable items are secured within closed stacks and available for supervised consultation.

Although the Library takes great pride in its institutional heritage, fundamentally its collection is a working asset which is intended to be used by readers, writers and researchers rather than simply admired from a distance. The Collection Care team is responsible for ensuring that the collection is housed, maintained and preserved in a manner appropriate to this objective, as well as within the constraints imposed by a Grade II listed building and a degree of compromise between the needs of readers and the books themselves. Given these factors, as well as the fact that the cost of individual assets is below the capitalisation threshold, and most importantly the expense and difficulty of obtaining detailed valuations of the materials in its collection, the Trustees believe it is appropriate not to place a capital value on it in the accounts.

The Library’s unique subject-based catalogue lends itself particularly well to serendipitous discoveries from browsing, although it can create certain challenges. The implementation in 2014-2015 of the Primo/SFX discovery tool under the name Catalyst significantly enhanced the functionality of the online catalogue. The Bibliographic Services team are responsible for adding all new acquisitions to the online catalogue as well as the retrospective creation of digital records for items in the historic collection.

10 DEBTORS

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>£ 38,743</td>
<td>£ 32,762</td>
</tr>
<tr>
<td>Other debtors</td>
<td>£ 130,072</td>
<td>£ 140,793</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>£ 684,785</td>
<td>£ 675,906</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>£ 853,600</td>
<td>£ 849,461</td>
</tr>
</tbody>
</table>
11 CREDITORS

Amounts due within one year:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>£157,852</td>
<td>£162,581</td>
</tr>
<tr>
<td>Taxes and social security</td>
<td>£53,309</td>
<td>£50,000</td>
</tr>
<tr>
<td>Other creditors</td>
<td>£41,701</td>
<td>£46,185</td>
</tr>
<tr>
<td>Accruals and deferred income*</td>
<td>£47,437</td>
<td>£50,997</td>
</tr>
<tr>
<td>Life membership fees deferred</td>
<td>£124,600</td>
<td>£138,113</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£424,899</strong></td>
<td><strong>£447,876</strong></td>
</tr>
</tbody>
</table>

Amounts due after more than one year:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life membership fees deferred</td>
<td>£598,221</td>
<td>£560,928</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£598,221</strong></td>
<td><strong>£560,928</strong></td>
</tr>
</tbody>
</table>

Income from life membership fees has been recognised over ten years from the year of receipt for new memberships up to 31 March 2016, over 15 years for new memberships between 1 April 2016 and 31 March 2017 and over 25 years for new memberships from 1 April 2018. The Trustees keep this policy under review in the light of operational experience and general trends in life expectancy.

The movements in deferred life membership income are set out below:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred income at start of year</td>
<td>£699,041</td>
<td>£689,739</td>
</tr>
<tr>
<td>Life membership fees received in year</td>
<td>£174,000</td>
<td>£157,423</td>
</tr>
<tr>
<td>Income recognised in year</td>
<td>(£150,220)</td>
<td>(£148,121)</td>
</tr>
<tr>
<td><strong>Deferred income at and of year</strong></td>
<td><strong>£722,821</strong></td>
<td><strong>£699,041</strong></td>
</tr>
</tbody>
</table>

| To be recognised within one year | £124,600 | £138,113 |
| To be recognised after more than one year | £598,221 | £560,928 |
| **Total as above**               | **£722,821** | **£699,041** |

* The movements in other deferred income, being comprised of rental and event income, are set out below:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred income at start of year</td>
<td>£6,137</td>
<td>£62,226</td>
</tr>
<tr>
<td>Amount released to income in the year</td>
<td>(£6,137)</td>
<td>(£62,226)</td>
</tr>
<tr>
<td>Amount deferred in the year</td>
<td>£6,620</td>
<td>£6,137</td>
</tr>
<tr>
<td><strong>Deferred income at the end of year</strong></td>
<td><strong>£6,620</strong></td>
<td><strong>£6,137</strong></td>
</tr>
</tbody>
</table>
### 12 ANALYSIS OF FUNDS

<table>
<thead>
<tr>
<th></th>
<th>B/fwd 01 April 17</th>
<th>Income 2018</th>
<th>Expenditure 2018</th>
<th>Revaluations 2018</th>
<th>Transfers 2018</th>
<th>C/fwd 31 March 18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>Unrestricted funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Designated funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>18,529,281</td>
<td>-</td>
<td>(225,920)</td>
<td>-</td>
<td>16,778</td>
<td>18,320,139</td>
</tr>
<tr>
<td>Investment properties</td>
<td>885,833</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>885,833</td>
</tr>
<tr>
<td>Tom Stoppard Innovation Fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>942,889</td>
<td>942,889</td>
</tr>
<tr>
<td><strong>Total designated funds</strong></td>
<td>19,415,114</td>
<td>-</td>
<td>(225,920)</td>
<td>-</td>
<td>959,667</td>
<td>20,148,861</td>
</tr>
<tr>
<td><strong>Free reserves</strong></td>
<td>4,367,543</td>
<td>4,269,721</td>
<td>(4,029,015)</td>
<td>(174,189)</td>
<td>(46,847)</td>
<td>3,427,466</td>
</tr>
<tr>
<td><strong>Subtotal Operating Fund</strong></td>
<td>23,782,657</td>
<td>4,269,721</td>
<td>(4,255,015)</td>
<td>(174,189)</td>
<td>(46,847)</td>
<td>23,576,327</td>
</tr>
<tr>
<td>Pension reserve</td>
<td>(1,333,000)</td>
<td>-</td>
<td>212,000</td>
<td>149,000</td>
<td>-</td>
<td>(972,000)</td>
</tr>
<tr>
<td><strong>Total unrestricted funds</strong></td>
<td>22,449,657</td>
<td>4,269,721</td>
<td>(4,043,015)</td>
<td>(25,189)</td>
<td>(46,847)</td>
<td>22,604,327</td>
</tr>
<tr>
<td><strong>Restricted funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development Appeal Fund</td>
<td>214,117</td>
<td>15,859</td>
<td>(1,198)</td>
<td>165</td>
<td>1,263</td>
<td>230,206</td>
</tr>
<tr>
<td>The London Library Trust</td>
<td>323,351</td>
<td>10,231</td>
<td>(75,376)</td>
<td>250</td>
<td>3,879</td>
<td>262,335</td>
</tr>
<tr>
<td>Supported memberships</td>
<td>-</td>
<td>3,781</td>
<td>(3,781)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Staff Benefit Fund</td>
<td>54,673</td>
<td>-</td>
<td>(3,130)</td>
<td>1,613</td>
<td>-</td>
<td>53,156</td>
</tr>
<tr>
<td>Drue Heinz Literary Fund</td>
<td>-</td>
<td>88,511</td>
<td>(88,511)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Westminster School Memberships</td>
<td>-</td>
<td>873</td>
<td>(2,731)</td>
<td>-</td>
<td>1,858</td>
<td>-</td>
</tr>
<tr>
<td>Julio and Maria Marta Núñez</td>
<td>4,788</td>
<td>3,504</td>
<td>(713)</td>
<td>-</td>
<td>(498)</td>
<td>7,081</td>
</tr>
<tr>
<td>Memorial Fund</td>
<td>110,559</td>
<td>-</td>
<td>-</td>
<td>98</td>
<td>1,623</td>
<td>112,280</td>
</tr>
<tr>
<td>Other restricted funds</td>
<td>11,375</td>
<td>1,282</td>
<td>(8,098)</td>
<td>-</td>
<td>-</td>
<td>4,559</td>
</tr>
<tr>
<td><strong>Total restricted funds</strong></td>
<td>608,304</td>
<td>124,041</td>
<td>(183,538)</td>
<td>2,028</td>
<td>6,502</td>
<td>557,337</td>
</tr>
<tr>
<td><strong>Endowment funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drue Heinz Literary Fund</td>
<td>2,905,740</td>
<td>-</td>
<td>-</td>
<td>2,250</td>
<td>35,638</td>
<td>2,943,628</td>
</tr>
<tr>
<td>Jacqueline Golden Endowment</td>
<td>308,241</td>
<td>-</td>
<td>-</td>
<td>239</td>
<td>4,524</td>
<td>313,004</td>
</tr>
<tr>
<td>Westminster School Memberships</td>
<td>28,556</td>
<td>-</td>
<td>-</td>
<td>22</td>
<td>(1,440)</td>
<td>27,138</td>
</tr>
<tr>
<td>Julio and Maria Marta Núñez</td>
<td>110,559</td>
<td>-</td>
<td>-</td>
<td>98</td>
<td>1,623</td>
<td>112,280</td>
</tr>
<tr>
<td>Memorial Fund</td>
<td>110,559</td>
<td>-</td>
<td>-</td>
<td>98</td>
<td>1,623</td>
<td>112,280</td>
</tr>
<tr>
<td><strong>Total endowment funds</strong></td>
<td>3,353,096</td>
<td>-</td>
<td>-</td>
<td>2,609</td>
<td>40,345</td>
<td>3,396,050</td>
</tr>
<tr>
<td><strong>Total funds</strong></td>
<td>26,411,057</td>
<td>4,393,762</td>
<td>(4,226,553)</td>
<td>(20,552)</td>
<td>-</td>
<td>26,557,714</td>
</tr>
</tbody>
</table>
12 ANALYSIS OF FUNDS continued

Transfers
Transfers from free reserves to tangible fixed assets represent capital expenditure, as shown in Note 7 on page 26. Transfers from investment properties to free reserves in 2016/17 represent the net gain/loss from the sale of such properties, as shown in Note 8. Transfers from free reserves to the designated Tom Stoppard Innovation Fund in 2017/18 represent the income received and earmarked for the fund. Transfers from restricted or endowment funds to free reserves reflect the discharge of the conditions applicable to the respective funds. Transfers from free reserves to restricted and endowment funds are to provide a fair and reasonable apportionment of the investment returns attributable to each fund.

Unrestricted funds
Unrestricted funds comprise free reserves, designated funds and the pension reserve.

Free reserves are funds which are not subject to any legal or operational restriction as to their application. Designated funds are not subject to any externally imposed restriction but have been set aside for specific purposes and thus are not immediately available to be spent as income. They represent tangible fixed assets used in the business (Note 7) and investment properties (Note 8) and the Tom Stoppard Innovation Fund. The Tom Stoppard Innovation Fund was created to mark the standing down of Sir Tom Stoppard as the Library's President and will fund innovative ways to get the most from the Library building, get the most from the collection and harness new technology.

Free reserves and designated funds together comprise the Operating Fund, which derives from the accumulated net surplus since inception.

The pension reserve represents the net actuarial surplus or deficit on the defined benefit pension scheme, calculated on the basis set out in Note 13.

Restricted funds
The Development Appeal Fund was launched in 2004 to meet the costs of the Library's purchase of Duchess House (renamed "T S Eliot House" in 2008), its fitting out and other development works to the Library (The Development Project).

The Staff Benefit Fund has been built from gifts and investment income. It is used to make discretionary payments to or on behalf of staff in cases of need or hardship.

Funds held within The London Library Trust (LLT) are restricted for the provision of Carlyle memberships, a particular category of supported membership. Since April 2012 the assets of LLT, a subsidiary linked charity (registered number 312175-1), have been held as a restricted fund within the Library which is its sole trustee.

The Drue Heinz Literary Fund, the Westminster School Memberships and the Julio and Maria Marta Núñez Memorial Fund represent the investment income, along with the associated expenditure, generated from the corresponding invested endowment funds detailed below.

Other restricted funds comprise grants, donations and legacies received for specific purposes, of which supported membership is among the most important.

Endowment funds
The Drue Heinz Literary Fund comprises gifts made by the Drue Heinz Foundation to provide an endowment yielding investment income which meets the cost of many of the Library's book purchases. As such the income from it is treated as restricted, but is fully spent each year. Subsequent to the balance sheet date, following the death of Drue Heinz, the Trustees were notified of a bequest of US $1.4m to be received in the year ending 31 March 2019 to further augment fund.

The Jacqueline Golden endowment was established by a gift from Lewis Golden, a distinguished former Treasurer and Chairman of the Library, in memory of his late wife Jacqueline, and has been supplemented by subsequent donations. The income from this endowment is available for the general purposes of the Library and included within free reserves.

A donation from Basil Postan during 2013-2014 established an expendable endowment to fund a membership award scheme for students at Westminster School. The notional fee income relating to these memberships is included in restricted expenditure for the five-year duration of the scheme, after which the balance in the fund will be added to the Jacqueline Golden Endowment.

The Julio and Maria Marta Núñez Memorial Fund, established in 2015-16 is to provide financial support to applicants for Library membership aged between 18 and 30, particularly those from Latin America.
13 PENSION ARRANGEMENTS

(a) Group Personal Pension Plan (GPPP)

The Group Personal Pension Plan is provided by Scottish Widows and commenced on 1 April 2011 when the Library’s defined benefit scheme closed to further accrual. Costs for the year ended 31 March 2018 totalled £88,655 (2017: £89,624).

(b) Staff Superannuation Fund of The London Library (SSF)

The SSF is a defined benefit scheme established under a definitive trust deed, which closed to new entrants and to further accrual on 1 April 2011. The assets of the scheme are held independently from those of the Library, and are vested in six named trustees, including two nominated by members of staff.

In the year ended 31 March 2018, the contribution by the Library was £243,000 (2017: £235,500), in accordance with the recommendations of the Fund’s actuary. With effect from 1 April 2011 scheme expenses are paid direct by The London Library and the contribution therefore relates purely to reduction in past service deficits. The expected contribution for the financial year ending 31 March 2019 is £249,800.

A valuation of the Fund has been prepared as at 31 March 2018 in accordance with FRS102. The major assumptions used are as follows:

<table>
<thead>
<tr>
<th>Assumption</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>2.6% per annum</td>
<td>2.6% per annum</td>
</tr>
<tr>
<td>Price inflation (RPI)</td>
<td>3.3% per annum</td>
<td>3.4% per annum</td>
</tr>
<tr>
<td>Price inflation (CPI)</td>
<td>2.3% per annum</td>
<td>2.4% per annum</td>
</tr>
<tr>
<td>Increases to pensionable pay</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Increases to pensions in payment:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Before 30/4/2007 (RPI capped at 5%)</td>
<td>3.1% per annum</td>
<td>3.2% per annum</td>
</tr>
<tr>
<td>From 1/5/2007 (RPI capped at 2.5%)</td>
<td>2.1% per annum</td>
<td>2.1% per annum</td>
</tr>
<tr>
<td>Guaranteed Minimum Pension (GMP) accrued after 6/4/1988 (CPI capped at 3%)</td>
<td>1.9% per annum</td>
<td>2.0% per annum</td>
</tr>
<tr>
<td>Increases to pensions in deferment (employed members):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-GMP earned before 6/4/2009 (RPI capped at 5%)</td>
<td>3.3% per annum</td>
<td>3.4% per annum</td>
</tr>
<tr>
<td>Non-GMP earned after 6/4/2009 (RPI capped at 2.5%)</td>
<td>2.5% per annum</td>
<td>2.5% per annum</td>
</tr>
</tbody>
</table>
13 PENSION ARRANGEMENTS continued

GMP

Increases to pensions in deferment (non-employed members):

Non-GMP earned before 6/4/2009 (CPI capped at 5%)  2.3% per annum  2.4% per annum
Non-GMP earned after 6/4/2009 (CPI capped at 2.5%)  2.3% per annum  2.4% per annum
GMP

Mortality

- Before retirement  No allowance  No allowance
- After retirement  S2PA year of birth tables with CMI_2017 projections and a 1.25% pa long-term rate of improvement

Commutation

100% of members commute 25% of their pension at current rates

Life expectancies from age 65:

Male currently aged 65  88  88
Female currently aged 65  89  89
Male currently aged 45  89  89
Female currently aged 45  91  91

Reconciliation of funded status to Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>2018 £</th>
<th>2017 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit obligation</td>
<td>10,730,000</td>
<td>10,733,000</td>
</tr>
<tr>
<td>Less: Fair value of plan assets</td>
<td>9,758,000</td>
<td>9,400,000</td>
</tr>
<tr>
<td><strong>Net defined benefit liability</strong></td>
<td><strong>972,000</strong></td>
<td><strong>1,333,000</strong></td>
</tr>
</tbody>
</table>

The fair value of the assets held and their relative weightings for the year commencing 31 March were:

<table>
<thead>
<tr>
<th></th>
<th>2018 £</th>
<th>% weight</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>9,758,000</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

The following amounts have been recognised in the Statement of Financial Activities as part of Total Expenditure

<table>
<thead>
<tr>
<th></th>
<th>2018 £</th>
<th>2017 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest expense on defined benefit liability</td>
<td>31,000</td>
<td>52,000</td>
</tr>
<tr>
<td><strong>Total net expense / (income) recognised</strong></td>
<td><strong>31,000</strong></td>
<td><strong>52,000</strong></td>
</tr>
</tbody>
</table>
The following amounts have been recognised in the Statement of Financial Activities below Total Expenditure as Actuarial gains and losses:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Remeasurement – gain/(loss) on liabilities due to experience</td>
<td>(166,000)</td>
<td>573,000</td>
</tr>
<tr>
<td>Remeasurement – (loss)/gain on liabilities due to assumption changes</td>
<td>215,000</td>
<td>(1,877,000)</td>
</tr>
<tr>
<td>Remeasurement – return on assets excluding interest income</td>
<td>100,000</td>
<td>1,420,000</td>
</tr>
<tr>
<td><strong>Actuarial (loss)/gain for the year</strong></td>
<td><strong>149,000</strong></td>
<td><strong>116,000</strong></td>
</tr>
</tbody>
</table>

Reconciliation of defined benefit obligation over the year:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Defined benefit obligation at start of year</td>
<td>10,733,000</td>
<td>9,356,000</td>
</tr>
<tr>
<td>Interest expense on defined benefit obligation</td>
<td>276,000</td>
<td>314,000</td>
</tr>
<tr>
<td>Remeasurement – (gain)/loss on liabilities due to experience</td>
<td>166,000</td>
<td>(573,000)</td>
</tr>
<tr>
<td>Remeasurement – loss/(gain) on liabilities due to assumption changes</td>
<td>(215,000)</td>
<td>1,877,000</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(230,000)</td>
<td>(241,000)</td>
</tr>
<tr>
<td><strong>Liabilities at end of year</strong></td>
<td><strong>10,730,000</strong></td>
<td><strong>10,733,000</strong></td>
</tr>
</tbody>
</table>

Reconciliation of fair value of assets over the year:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Fair value of assets at start of year</td>
<td>9,400,000</td>
<td>7,723,000</td>
</tr>
<tr>
<td>Interest income on assets</td>
<td>245,000</td>
<td>262,000</td>
</tr>
<tr>
<td>Remeasurement – return on assets excluding interest income</td>
<td>100,000</td>
<td>1,420,000</td>
</tr>
<tr>
<td>Contributions by employer</td>
<td>243,000</td>
<td>236,000</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(230,000)</td>
<td>(241,000)</td>
</tr>
<tr>
<td><strong>Fair value of assets at end of year</strong></td>
<td><strong>9,758,000</strong></td>
<td><strong>9,400,000</strong></td>
</tr>
<tr>
<td><strong>Return on assets</strong></td>
<td><strong>345,000</strong></td>
<td><strong>1,682,000</strong></td>
</tr>
</tbody>
</table>

Reconciliation of funded position

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Net defined benefit liability at start of year</td>
<td>1,333,000</td>
<td>1,633,000</td>
</tr>
<tr>
<td>Expense recognised in total expenditure</td>
<td>31,000</td>
<td>52,000</td>
</tr>
<tr>
<td>Actuarial (gain)/loss recognised below total expenditure</td>
<td>(149,000)</td>
<td>(116,000)</td>
</tr>
<tr>
<td>Contributions by employer</td>
<td>(243,000)</td>
<td>(236,000)</td>
</tr>
<tr>
<td><strong>972,000</strong></td>
<td><strong>1,333,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

14 TRANSACTIONS WITH TRUSTEES AND OTHER RELATED PARTIES

Trustees received no remuneration in connection with their trusteeship (2017: £Nil). No reimbursements were paid to trustees for expenses incurred on Library business (2017: £Nil). All Trustees are members of the Library and enjoy the associated benefits on the same basis as all other members. Unrestricted donations from Trustees and other related parties during the year totalled £25,203 (2017: £25,488).
14 TRANSACTIONS WITH TRUSTEES AND OTHER RELATED PARTIES continued

Related parties include Key Management Personnel, which comprises the Trustees and the Executive Team. Aggregate benefits for these staff are shown in Note 15 below. The Library's Defined Benefit pension scheme (the Staff Superannuation Fund) constitutes a related party, and full details are set out in Note 13 on page 31. Otherwise the Trustees believe there are no transactions with related parties that require disclosure.

15 STAFF COSTS

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Gross salaries and wages</td>
<td>2,059,526</td>
<td>2,106,421</td>
</tr>
<tr>
<td>Termination payments</td>
<td>62,066</td>
<td>-</td>
</tr>
<tr>
<td>National Insurance</td>
<td>194,524</td>
<td>194,522</td>
</tr>
<tr>
<td>Pension costs</td>
<td>236,007</td>
<td>255,124</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,552,123</strong></td>
<td><strong>2,556,067</strong></td>
</tr>
</tbody>
</table>

Total employee benefits for Key Management Personnel totalled £382,127 (2017: £319,592). In addition, the balance of interest-free season ticket loans due from Key Management Personnel at 31 March 2018 totalled £4,209 (2017: £378).

As disclosed above, redundancy and termination payments totalling £62,066 (2017: £Nil) were made in the year. The costs arose due to a restructuring of the charity.

In addition to the above, expenditure totalling £20,874 (2017: £17,671) on staff training and related consultancy is included within other costs under Administration in Note 6 to these accounts.

16 EMPLOYEES

The average number of employees for the year was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and Facilities Management</td>
<td>6.5</td>
<td>7.0</td>
</tr>
<tr>
<td>Member Services</td>
<td>22.6</td>
<td>23.7</td>
</tr>
<tr>
<td>Bibliographic Services</td>
<td>5.8</td>
<td>6.7</td>
</tr>
<tr>
<td>Books, periodicals and online subscriptions</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Collection Care</td>
<td>8.9</td>
<td>9.7</td>
</tr>
<tr>
<td>Information Technology</td>
<td>2.4</td>
<td>3.0</td>
</tr>
<tr>
<td>Administration and Finance</td>
<td>5.6</td>
<td>6.7</td>
</tr>
<tr>
<td>Marketing &amp; Communications</td>
<td>2.8</td>
<td>2.7</td>
</tr>
<tr>
<td>Fundraising</td>
<td>5.6</td>
<td>5.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>64.2</strong></td>
<td><strong>68.6</strong></td>
</tr>
</tbody>
</table>

The number of employees who received remuneration exceeding £60,000 and their pension benefits are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Range £60,000 – £70,000</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of employees</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Employer's contributions to Group Personal Pension Plan</td>
<td>£7,350</td>
<td>-</td>
</tr>
<tr>
<td><strong>Range £70,000 – £80,000</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of employees</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Employer's contributions to Group Personal Pension Plan</td>
<td>£4,296</td>
<td>£8,741</td>
</tr>
</tbody>
</table>
17 COMMITMENTS UNDER OPERATING LEASES

Future minimum lease payments under non-cancellable operating leases are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due within one year</td>
<td>4,212</td>
<td>5,172</td>
</tr>
<tr>
<td>Due between two and five years</td>
<td>-</td>
<td>4,212</td>
</tr>
<tr>
<td>Total</td>
<td>4,212</td>
<td>9,384</td>
</tr>
</tbody>
</table>

The operating lease expense in the year was £4,212 (2017: £5,172).

18 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income/(expenditure)</td>
<td>(2,343)</td>
<td>915,677</td>
</tr>
<tr>
<td>Depreciation</td>
<td>225,920</td>
<td>228,933</td>
</tr>
<tr>
<td>(Gains)/losses on investments</td>
<td>169,552</td>
<td>(658,828)</td>
</tr>
<tr>
<td>Dividends, interest and rent from investments</td>
<td>(290,749)</td>
<td>(349,286)</td>
</tr>
<tr>
<td>Decrease/(increase) in debtors</td>
<td>(4,139)</td>
<td>250,896</td>
</tr>
<tr>
<td>(Decrease)/increase in creditors</td>
<td>14,316</td>
<td>(17,108)</td>
</tr>
<tr>
<td>Pension contributions less expense recognised</td>
<td>(212,000)</td>
<td>(184,000)</td>
</tr>
<tr>
<td><strong>Net cash flow from operating activities</strong></td>
<td><strong>99,442</strong></td>
<td><strong>186,284</strong></td>
</tr>
</tbody>
</table>
## 19 PRIOR YEAR ANALYSIS OF FUNDS

<table>
<thead>
<tr>
<th></th>
<th>B/fwd 01 April 16</th>
<th>Income 2017</th>
<th>Expenditure 2017</th>
<th>Revaluations 2017</th>
<th>Transfers 2017</th>
<th>C/fwd 31 March 17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrestricted funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Designated funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>18,746,194</td>
<td>-</td>
<td>(228,933)</td>
<td>-</td>
<td>12,020</td>
<td>18,529,281</td>
</tr>
<tr>
<td>Investment properties</td>
<td>905,833</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(20,000)</td>
<td>885,833</td>
</tr>
<tr>
<td><strong>Total designated funds</strong></td>
<td>19,652,027</td>
<td>-</td>
<td>(228,933)</td>
<td>-</td>
<td>(7,980)</td>
<td>19,415,114</td>
</tr>
<tr>
<td><strong>Free reserves</strong></td>
<td>4,257,986</td>
<td>3,806,772</td>
<td>(4,029,402)</td>
<td>324,207</td>
<td>7,980</td>
<td>4,367,543</td>
</tr>
<tr>
<td><strong>Subtotal Operating Fund</strong></td>
<td>23,910,013</td>
<td>3,806,772</td>
<td>(4,258,335)</td>
<td>324,207</td>
<td>-</td>
<td>23,782,657</td>
</tr>
<tr>
<td>Pension reserve</td>
<td>(1,633,000)</td>
<td>-</td>
<td>184,000</td>
<td>116,000</td>
<td>-</td>
<td>(1,333,000)</td>
</tr>
<tr>
<td><strong>Total unrestricted funds</strong></td>
<td>22,277,013</td>
<td>3,806,772</td>
<td>(4,074,335)</td>
<td>440,207</td>
<td>-</td>
<td>22,449,657</td>
</tr>
<tr>
<td><strong>Restricted funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development Appeal Fund</td>
<td>112,403</td>
<td>90,188</td>
<td>(344)</td>
<td>11,869</td>
<td>-</td>
<td>214,117</td>
</tr>
<tr>
<td>The London Library Trust</td>
<td>345,291</td>
<td>18,659</td>
<td>(77,060)</td>
<td>36,460</td>
<td>-</td>
<td>323,351</td>
</tr>
<tr>
<td>Supported memberships</td>
<td>-</td>
<td>27,386</td>
<td>(27,386)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Staff Benefit Fund</td>
<td>43,310</td>
<td>-</td>
<td>(245)</td>
<td>11,608</td>
<td>-</td>
<td>54,673</td>
</tr>
<tr>
<td>Drue Heinz Literary Fund</td>
<td>-</td>
<td>111,885</td>
<td>(111,885)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Jaqueline Golden Endowment</td>
<td>-</td>
<td>14,200</td>
<td>(14,200)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Westminster School Memberships</td>
<td>-</td>
<td>1,316</td>
<td>(1,316)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other restricted funds</td>
<td>-</td>
<td>24,567</td>
<td>(8,404)</td>
<td>-</td>
<td>-</td>
<td>16,163</td>
</tr>
<tr>
<td><strong>Total restricted funds</strong></td>
<td>501,004</td>
<td>288,202</td>
<td>(240,840)</td>
<td>59,937</td>
<td>-</td>
<td>608,304</td>
</tr>
<tr>
<td><strong>Endowment funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drue Heinz Literary Fund</td>
<td>2,196,732</td>
<td>477,050</td>
<td>-</td>
<td>231,958</td>
<td>-</td>
<td>2,905,740</td>
</tr>
<tr>
<td>Jaqueline Golden Endowment</td>
<td>278,802</td>
<td>-</td>
<td>-</td>
<td>29,439</td>
<td>-</td>
<td>308,241</td>
</tr>
<tr>
<td>Westminster School Memberships</td>
<td>25,829</td>
<td>-</td>
<td>-</td>
<td>2,727</td>
<td>-</td>
<td>28,556</td>
</tr>
<tr>
<td>Other endowments</td>
<td>100,000</td>
<td>-</td>
<td>-</td>
<td>10,559</td>
<td>-</td>
<td>110,559</td>
</tr>
<tr>
<td><strong>Total restricted funds</strong></td>
<td>2,601,363</td>
<td>477,050</td>
<td>-</td>
<td>274,683</td>
<td>-</td>
<td>3,353,096</td>
</tr>
<tr>
<td><strong>Total funds</strong></td>
<td>25,379,380</td>
<td>4,572,025</td>
<td>(4,315,175)</td>
<td>774,827</td>
<td>-</td>
<td>26,411,057</td>
</tr>
</tbody>
</table>
## 20 PRIOR YEAR NET ASSETS BY FUND

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2017</th>
<th>2017</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>18,529,282</td>
<td>-</td>
<td>-</td>
<td>18,529,282</td>
</tr>
<tr>
<td>Investment properties</td>
<td>885,833</td>
<td>-</td>
<td>-</td>
<td>885,833</td>
</tr>
<tr>
<td>Financial investments</td>
<td>3,498,550</td>
<td>518,708</td>
<td>3,353,096</td>
<td>7,370,354</td>
</tr>
<tr>
<td>Debtors and prepayments</td>
<td>849,461</td>
<td>-</td>
<td>-</td>
<td>849,461</td>
</tr>
<tr>
<td>Bank balances and cash in hand</td>
<td>1,028,335</td>
<td>89,596</td>
<td>-</td>
<td>1,117,931</td>
</tr>
<tr>
<td>Creditors: due within one year</td>
<td>(447,876)</td>
<td>-</td>
<td>-</td>
<td>(447,876)</td>
</tr>
<tr>
<td>Creditors: due after more than one year</td>
<td>(560,928)</td>
<td>-</td>
<td>-</td>
<td>(560,928)</td>
</tr>
<tr>
<td>Pension liability</td>
<td>(1,333,000)</td>
<td>-</td>
<td>-</td>
<td>(1,333,000)</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td><strong>22,449,657</strong></td>
<td><strong>608,304</strong></td>
<td><strong>3,353,096</strong></td>
<td><strong>26,411,057</strong></td>
</tr>
</tbody>
</table>
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TEN-YEAR FINANCIAL SUMMARIES
Unrestricted funds only (prior to gains/losses on investments)

<table>
<thead>
<tr>
<th>Year</th>
<th>Membership income £</th>
<th>Investment income £</th>
<th>Other income £</th>
<th>Library expenses £</th>
<th>Net surplus/(deficit) £</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>2,515,403</td>
<td>296,077</td>
<td>265,762</td>
<td>3,121,744</td>
<td>(44,502)</td>
</tr>
<tr>
<td>2010</td>
<td>2,490,112</td>
<td>183,910</td>
<td>323,286</td>
<td>3,182,323</td>
<td>(185,015)</td>
</tr>
<tr>
<td>2011</td>
<td>2,496,530</td>
<td>227,826</td>
<td>815,023</td>
<td>2,766,310</td>
<td>773,069</td>
</tr>
<tr>
<td>2012</td>
<td>2,575,253</td>
<td>241,450</td>
<td>413,897</td>
<td>2,953,277</td>
<td>277,323</td>
</tr>
<tr>
<td>2013</td>
<td>3,121,744</td>
<td>296,077</td>
<td>265,762</td>
<td>3,121,744</td>
<td>(44,502)</td>
</tr>
<tr>
<td>2014</td>
<td>2,490,112</td>
<td>183,910</td>
<td>323,286</td>
<td>3,182,323</td>
<td>(185,015)</td>
</tr>
<tr>
<td>2015</td>
<td>2,496,530</td>
<td>227,826</td>
<td>815,023</td>
<td>2,766,310</td>
<td>773,069</td>
</tr>
<tr>
<td>2016</td>
<td>2,575,253</td>
<td>241,450</td>
<td>413,897</td>
<td>2,953,277</td>
<td>277,323</td>
</tr>
<tr>
<td>2017</td>
<td>3,121,744</td>
<td>296,077</td>
<td>265,762</td>
<td>3,121,744</td>
<td>(44,502)</td>
</tr>
</tbody>
</table>

1 2010 figures re-stated to exclude grant from The London Library Trust eliminated on consolidation
2 From 2013 some investment income and expenditure are reallocated to endowment funds (excluded from these figures)
3 Re-stated for new Charities SORP (FRS102) and changes to accounting policies

LIBRARY FUNDS

<table>
<thead>
<tr>
<th>Year</th>
<th>Free reserves (excluding Pension Reserve) £000</th>
<th>Pension Reserve £000</th>
<th>Free reserves (including Pension Reserve) £000</th>
<th>Designated funds £000</th>
<th>Total unrestricted £000</th>
<th>Restricted funds £000</th>
<th>Endowment funds £000</th>
<th>Total funds £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>3,535</td>
<td>(1,857)</td>
<td>1,678</td>
<td>15,303</td>
<td>16,981</td>
<td>3,089</td>
<td></td>
<td>20,070</td>
</tr>
<tr>
<td>2010</td>
<td>3,178</td>
<td>(1,717)</td>
<td>1,461</td>
<td>20,429</td>
<td>21,890</td>
<td>1,657</td>
<td></td>
<td>23,547</td>
</tr>
<tr>
<td>2011</td>
<td>3,373</td>
<td>(917)</td>
<td>2,456</td>
<td>21,686</td>
<td>24,142</td>
<td>1,662</td>
<td></td>
<td>25,804</td>
</tr>
<tr>
<td>2012</td>
<td>4,291</td>
<td>(1,815)</td>
<td>2,476</td>
<td>21,690</td>
<td>24,166</td>
<td>616</td>
<td>1,437</td>
<td>26,219</td>
</tr>
<tr>
<td>2013</td>
<td>4,653</td>
<td>(1,871)</td>
<td>2,782</td>
<td>22,099</td>
<td>24,881</td>
<td>676</td>
<td>1,830</td>
<td>27,387</td>
</tr>
<tr>
<td>2014</td>
<td>4,940</td>
<td>(1,495)</td>
<td>3,445</td>
<td>20,148</td>
<td>23,593</td>
<td>586</td>
<td>1,893</td>
<td>26,072</td>
</tr>
<tr>
<td>2015</td>
<td>4,834</td>
<td>(1,661)</td>
<td>3,173</td>
<td>19,936</td>
<td>23,109</td>
<td>587</td>
<td>1,999</td>
<td>25,695</td>
</tr>
<tr>
<td>2016</td>
<td>4,258</td>
<td>(1,633)</td>
<td>2,625</td>
<td>19,652</td>
<td>22,277</td>
<td>501</td>
<td>2,601</td>
<td>25,379</td>
</tr>
<tr>
<td>2017</td>
<td>4,367</td>
<td>(1,333)</td>
<td>3,034</td>
<td>19,415</td>
<td>22,449</td>
<td>608</td>
<td>3,353</td>
<td>26,411</td>
</tr>
<tr>
<td>2018</td>
<td>3,568</td>
<td>(972)</td>
<td>2,596</td>
<td>20,149</td>
<td>22,745</td>
<td>540</td>
<td>3,273</td>
<td>26,558</td>
</tr>
</tbody>
</table>

1 Including tangible fixed assets and investment properties
2 Financial year ended 31 March
3 2012 figures re-stated in respect of Drue Heinz Literary Fund (reclassified as endowment)
4 Re-stated for new Charities SORP (FRS102) and changes to accounting policies

COMMENT

The negative pension reserves shown above relate to the long term funding position of the pension scheme and not to immediate cash shortfalls. The large increase in designated funds over the period reflects capital expenditure on the Development Project which is financed either by capital fundraising or “windfall” income from legacies and similar sources, and is not drawn from free reserves. In addition the Tom Stoppard Innovation Fund was designated in 2018.
### MEMBERSHIP AT YEAR-END

<table>
<thead>
<tr>
<th></th>
<th>Numbers at 31 March</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td>Ordinary members</td>
<td>4,195</td>
</tr>
<tr>
<td>Spouse/partner members</td>
<td>276</td>
</tr>
<tr>
<td>Young Person members</td>
<td>321</td>
</tr>
<tr>
<td>Supported members (Trust/Byelaw 9)</td>
<td>343</td>
</tr>
<tr>
<td>Institutional members</td>
<td>164</td>
</tr>
<tr>
<td><strong>Subtotal annual members</strong></td>
<td>5,299</td>
</tr>
<tr>
<td>Life members</td>
<td>1,210</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,509</td>
</tr>
</tbody>
</table>

### TEN-YEAR SUMMARY OF MEMBERSHIP

<table>
<thead>
<tr>
<th>Year</th>
<th>Number at year-end</th>
<th>New members during year</th>
<th>Withdrawals during year</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>6,998</td>
<td>530</td>
<td>(1,355)</td>
<td>(825)</td>
</tr>
<tr>
<td>2010</td>
<td>6,764</td>
<td>491</td>
<td>(725)</td>
<td>(234)</td>
</tr>
<tr>
<td>2011</td>
<td>7,137</td>
<td>984</td>
<td>(611)</td>
<td>373</td>
</tr>
<tr>
<td>2012</td>
<td>7,155</td>
<td>839</td>
<td>(821)</td>
<td>18</td>
</tr>
<tr>
<td>2013</td>
<td>7,147</td>
<td>819</td>
<td>(827)</td>
<td>(8)</td>
</tr>
<tr>
<td>2014</td>
<td>7,009</td>
<td>745</td>
<td>(883)</td>
<td>(138)</td>
</tr>
<tr>
<td>2015</td>
<td>6,708</td>
<td>697</td>
<td>(998)</td>
<td>(301)</td>
</tr>
<tr>
<td>2016</td>
<td>6,613</td>
<td>692</td>
<td>(787)</td>
<td>(95)</td>
</tr>
<tr>
<td>2017</td>
<td>6,659</td>
<td>747</td>
<td>(791)</td>
<td>(44)</td>
</tr>
<tr>
<td>2018</td>
<td>6,509</td>
<td>774</td>
<td>(834)</td>
<td>(60)</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>6,861</td>
<td>732</td>
<td>(863)</td>
<td>(131)</td>
</tr>
</tbody>
</table>
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London SW1Y 4LG

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