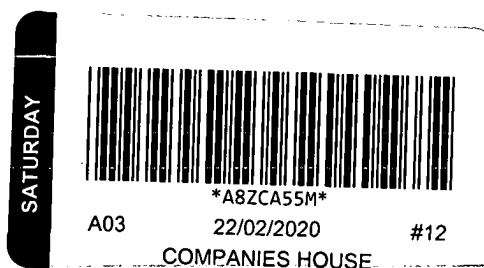


Registered Charity No: 313838
Company No: 983028 (England and Wales)

**The Paul Mellon Centre for Studies
in British Art**
(Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

for the year ended
30 June 2019



The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
GOVERNORS' REPORT AND FINANCIAL STATEMENTS

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The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
LEGAL AND ADMINISTRATIVE INFORMATION

DIRECTORS/GOVERNORS

Susan Gibbons (ex-officio Chief Executive)
Peter Salovey
Scott Strobel
Stephen Murphy

DIRECTOR OF STUDIES

Mark Hallett

SECRETARY

Susan Gibbons

COMPANY NUMBER

983028 (England and Wales)

REGISTERED CHARITY NUMBER

313838

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

16 Bedford Square
London
WC1B 3JA

STATUTORY AUDITOR

RSM UK Audit LLP
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
Buckinghamshire
MK9 1BP

BANKERS

Lloyds Bank plc
113-117 Oxford Street
London
W1D 2HW

SOLICITORS

Farrer & Co LLP
66 Lincoln's Inn Fields
London
WC2A 3LH

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)

GOVERNORS' REPORT

for the year ended 30 June 2019

The Governors present their annual report and the financial statements of The Paul Mellon Centre for Studies in British Art (the PMC / the Centre) for the year ended 30 June 2019.

The financial statements 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, the Companies Act 2006, the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2015 and the Charities Act 2011.

GOVERNING INSTRUMENT AND LEGAL STATUS

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the members of the Board of Governors (the Board) are appointed and removed by the Members of the company. The charity is a limited liability company (Limited by Guarantee) and is registered in England and Wales (company number 983028).

DIRECTORS

For the purposes of the Companies Act and Charity Law, the members of the Board are deemed to be Directors and Trustees of the charitable company and throughout this report are referred to as Governors. The following Governors have held office since 1 July 2018:

Amy Meyers (resigned 30 June 2019)
Peter Salovey
Benjamin Polak (resigned 10 February 2020)
Stephen Murphy
Susan Gibbons (appointed 1 July 2019)
Scott Strobel (appointed 10 February 2020)

Each member of the Board is a subscribing Member of the charitable company throughout his or her period of office.

The Centre operates under the aegis of Yale University. Four members of Yale University's executive management comprise the Board of the Centre and have legal responsibility for its operations. Dr Susan Gibbons, Stephen F. Gates' 68 University Librarian; Vice Provost for Collections and Scholarly Communication at Yale University is also ex-officio Chief Executive of The Paul Mellon Centre.

Day to day decision-making and management of the Centre is carried out by the Senior Management Team (SMT), which comprises of the Director of Studies, Mark Hallett, and the three Deputy Directors, Martin Postle, Sarah Ruddick and Sarah Turner, who are employees of the Centre. Significant decisions of a financial, operational or strategic nature are made by the Board.

The Centre's Advisory Council, which is currently comprised of twelve distinguished and senior representatives from the art history world, meet twice a year to consider applications for financial support offered by the Centre's Fellowships and Grants Programme. The Advisory Council makes the final grant and fellowship allocation decisions.

Decisions relating to the Centre's agreement to fund specific publications are made by the Centre's Publications Committee. This Committee meets twice a year and is comprised of three distinguished art-historians, senior colleagues from Yale University Press, and senior members of the Centre.

RECRUITMENT AND APPOINTMENT OF GOVERNORS AND STAFF

Under the requirements of the charitable company's Memorandum and Articles of Association the members of the Board are elected to serve for a period of three years after which they offer themselves up for re-election.

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)

GOVERNORS' REPORT (Continued)

for the year ended 30 June 2019

The Board keeps the skills requirements for the Board under review and in the event that a Governor retires, or a new Governor is required the Board approaches a member of Yale University. Once a Governor has been appointed, an induction process is undertaken to ensure that they understand the objects and activities of the charity and their responsibilities as a Governor. Ongoing training is provided as required.

The Board gives its time freely and is not remunerated for its work. The Board sets the pay of the Centre's Director of Studies and this is reviewed by it periodically and the pay of the remaining members of the SMT is reviewed by the Director of Studies. The salaries of the remaining Centre staff are reviewed annually by the Director of Studies and the Deputy Director for Finance & Administration. All proposed salaries for the next financial year are approved by the Board of Governors at their annual meeting. The following criteria are used in setting pay:

- Nature of the role and responsibilities
- Average salaries for comparable positions in similar organisations
- Trends of pay in the sector, generally in the UK and at Yale

During the year, the Centre engaged a specialist consultancy to carry out a review of staff compensation. This benchmarking exercise is being factored into the Centre's pay policy going forward and will be carried out every three years.

OBJECTIVES AND PRINCIPAL ACTIVITIES

The charitable company is a non-profit making organisation registered under the Charities Act (registration number 313838) for the advancement of education in, and appreciation and understanding of, British Art for the public benefit, as set out in its governing document. No change in these activities is foreseen and all assets are held for these purposes. The sound investment policy operated by the Chief Financial Officer at Yale University will enable the Centre to comfortably cover all its commitments (see below).

The Centre is designed to promote the most original, important and stimulating research into the history of British art and architecture. It does this through: supporting scholarly research through its fellowships and grants programme; publishing major works of scholarship in both hard-copy and digital form; providing a world-class library and archive devoted to the history of British art; offering teaching and educational programmes to Yale University students and to members of the general public; delivering a vibrant programme of seminars, workshops, symposia and conferences; and encouraging the Centre's own employees to conduct and publish their research.

The Centre's legal purpose is to promote the research, study and appreciation of British art and architecture. Our aim is to continually develop our different strands of activity in the fields of publishing, grant and fellowship-giving, teaching, public outreach, research and writing, and in the provision of world-class library and archive facilities, so as to meet this legal purpose.

We measure our success in a number of ways, including published critical approbation, the use of our publications and facilities, the attendance at our events, and the numbers of applications we receive for our various forms of funding provision. In all these areas, our performance has continued to improve over the past year.

The Centre's Director of Studies and Senior Management Team continually review the institution's activities and the various performance indicators we use to evaluate success. They also periodically undertake a process of institutional review to systematically analyse all the different strands of the Centre's activities – the last such Strategic Review was carried out in the previous financial year.

RELATIONSHIP WITH YALE UNIVERSITY

The Paul Mellon Centre was established by Yale University. The University had received an endowment from an alumnus, Mr Paul Mellon, to support research and publication in the field of British studies, especially in the area of British art history.

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)

GOVERNORS' REPORT (Continued)

for the year ended 30 June 2019

This close relationship is enhanced by the Yale-in-London programme. This undergraduate programme is run at the Paul Mellon Centre, enabling American students to study British culture on its home ground.

GRANT MAKING POLICY

The Paul Mellon Centre, established in 1970, augmented its grant giving policy in 1998. The Centre's grants and fellowships support scholarship, academic research, and the dissemination of knowledge in the field of British art and architectural history from the medieval period to the present. There are several categories of grants and fellowships available, all of which are detailed on our website. There are two application rounds, one in the autumn and one in the spring – the application deadlines are 30 September and 31 January respectively. The Advisory Council meet twice a year to select the successful applications and agree how much will be awarded in each case.

REVIEW OF ACTIVITIES AND FINANCIAL REVIEW

The Centre continued to comfortably maintain its publication activities and grant and fellowship awards, and increased overall expenditure on its charitable activities, during the financial year ended 30 June 2019.

As in all previous years, the bulk of the Centre's funds derive from the endowment income transferred annually from Yale University to which are added royalties on the sales of books published for the Centre by Yale University Press. In the long-term this royalty income rarely exceeds 50% of the total annual investment in the publications programme. Gifts from external funders are occasionally received but in this financial year there were no additional major sources of income.

The Paul Mellon Centre remains the only charitable body of its kind with funds dedicated solely for supporting scholarship in the history of British art; without the Centre's presence, research in the history of British art would undoubtedly be significantly more limited. It is widely acknowledged that the Centre's publications programme is a model of its kind and without the Mellon publications subsidy many of the most important books in the field would never be published because almost all of the titles would not be financially viable. The Centre's publications programme offers a list of scholarly books that are produced to the highest art-historical, editorial and design standards, that enjoy an international reputation, and that are often the recipients of major scholarly prizes and awards.

Similarly, the support offered by the Centre's grants and fellowships programme undoubtedly leads to significant new research in the field and results in important publications issued not only by the Centre but by other publishers who are recipients of our grants.

During the financial year 2018-2019 the Centre awarded grants and fellowships totalling £991,225 (including £4,000 on behalf of The Andrew Wyld Fund) (2018: £754,700 including £4,000 on behalf of the Andrew Wyld Fund). Grants totalling £19,923 (2018: £21,497) were written back in the year.

In the Autumn 2018 round, 196 applications were received for the awards offered by the Centre; 71 of these were successful. 6 Curatorial Research Grants were awarded from a total of 22 applications in that category and 2 applications for Digital Project Grants were successful from a total of 21 applications received. A total of 76 Publication Grant applications were received of which 28 were successful. The smaller awards offered, Research Support Grants and Educational Programme Grants, received a total of 58 and 19 applications respectively of which 28 and 7 grants were made.

The Andrew Wyld Research Support Grant, administered by the Centre on behalf of the Andrew Wyld Fund, was also offered in the Autumn round and 2 awards were made from 4 applications totaling £4,000.

The Spring 2019 round, which consists mainly of the seven categories of Fellowship offered by the Centre, received 182 applications in total. 3 Senior Fellowships were awarded from a field of 15 applicants; 7 Mid-Career Fellowships were awarded from a total of 19 applicants; 15 Post-doctoral Fellowships from 46 applicants; and 8 Junior Fellowships from 13 applicants. The Rome Fellowship initially received no applicants and after being re-opened received 4. Unfortunately, as none of the applicants were suitable, no Rome Fellowship was awarded this

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
GOVERNORS' REPORT (Continued)
for the year ended 30 June 2019

year. 1 Terra-PMC Fellowship was awarded again for the second year after 7 applications were received. The smaller awards of Research Support Grants and Educational Programme Grants received a total of 56 and 21 applications respectively of which 24 and 8 grants were made.

The Conservation grant for the academic year 2018/2019 of £25,000 was awarded by the Director of Studies to Tate Britain for the Conservation Project of artworks by Nigel Henderson for a display on the artist curated by Mark Hallett, Elena Crippa and Rosie Ram.

The Centre also makes an annual grant to the World Monuments Fund as a contribution towards the scholarship's and expenses of Yale Scholars who are carrying out UK-based research on World Monuments Fund projects.

Eight Summer Travel grants for Yale graduate students were also funded by the Centre during the year.

The Board of Governors at Yale University approves the proposed yearly expenditure for grants and fellowships but the awards are made in London by the Centre's Advisory Council at its twice annual meetings.

The Advisory Council in London comprises twelve leading university professors and high-ranking museum professionals with specialist knowledge of the history of British art, architecture and the decorative arts. Members of the Council serve five-year terms which are not renewable without at least a one-year gap between terms. Although not policy makers, the Advisory Council, which between its members has a wealth of expert knowledge and professional experience, can be called upon for advice at any point during the year between regular meetings.

Grants and fellowships are only awarded to those applicants whom the Advisory Council deem to have reached the highest standards of achievement. The criteria for awarding its various grants and fellowships rest on the perceived benefit to scholarship, mankind and the sum of human knowledge. These factors are determined by the expert judgement of the Centre's Advisory Council.

The Centre regularly assesses the benefits of its awards and remains confident that its current criteria and policies remain entirely valid in the present circumstances. The benefit of new members joining the Advisory Council each year ensures that fresh ideas and opinions reinvigorate the decision-making procedures and the Centre remains confident that it can maintain its current level of support for scholarship in the foreseeable future.

In addition to those grants awarded to other organisations for the purpose of hosting academic events, the Centre organised and hosted conferences both in-house and in collaboration with a range of national and regional museums and galleries, and with colleagues at British Universities.

The Centre's in-house research seminar and research lunch programme, continued to flourish during the year with many sessions attracting full-capacity attendance. Research events held at the Centre and at other venues during the year included the following symposia, workshops, conferences and scholars' mornings: Portrait and Biography, held at the National Portrait Gallery; The LYC Museum & Art Gallery and the Museum as Practice, held at Manchester Art Gallery; Homework: Artists' Studio Homes and Their Afterlives in Britain and the United States Conference, held at the Paul Mellon Centre and the Henry Moore Foundation; Art + Feminism Wikipedia Edit-a-thon, held at the Paul Mellon Centre; The Ballet of Nations: Dance, Art and History, held at the Paul Mellon Centre.

2019 saw the Bedford Square Festival increase in its size and diversity of collaborative events for the public yet again, continuing its aim to celebrate the arts, cultural and literary communities on Bedford Square. As in prior years, the festival engaged a large and diverse audience, inspiring creative and educational opportunities, with hugely positive feedback.

During the year, the Centre held the Paul Mellon Lectures at The National Gallery. This biennial lecture series, named in honour of the philanthropist and collector of British art, Paul Mellon, are given by a distinguished historian of British art. Tim Barringer, the Paul Mellon Professor and Chair of the Department of the History of Art at Yale University, delivered this year's lectures entitled Global Landscape in the Age of Empire, which, proved to be incredibly popular, with all five events selling out.

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)

GOVERNORS' REPORT (Continued)

for the year ended 30 June 2019

The Centre spent a total of £838,137 on its own print and digital publications. Its new print publications were as follows: Hugh Belsey, *Thomas Gainsborough*; Olivia Fryman (ed.), *Kensington Palace*; Morna O'Neill, *Hugh Lane*; Paul Binski, *Gothic Sculpture*; Edward S. Cooke, Jr., *Inventing Boston* and Elizabeth Goldring, *Nicholas Hilliard*. In this financial year, the Centre also reprinted two titles: Emmanuel Cooper, *Lucie Rie* (originally published in 2012) and Elizabeth Goldring, *Nicholas Hilliard* (published this year and reprinted almost immediately). During the year the Centre also collaborated with the Yale Center for British Art on two joint publications: Mark Hallett, *George Shaw: A Corner of a Foreign Field*, and *Art in the World*, which was published to mark the retirement of Amy Meyers.

During the year, the Centre also continued to acquire important library and archival materials to enhance its Research Collections.

As in prior years, three Yale-In-London programmes were run during the year; two summer courses, between June and August, and a spring semester from January to April. These courses attracted a total of 25 Yale University undergraduates. There were no Yale-NUS students on the Yale-In-London courses this year.

During the financial year, the Centre's digital journal, British Art Studies (BAS), which is co-published with the Yale Center for British Art, continued to flourish and had more than 37,664 unique users and over 105,519 page views. Since its launch in November 2015, BAS has been visited by more than 106,441 unique users and had over 328,334 page views.

The Centre's programme of Public Lecture Courses (PLC), offering interested members of the general public introductory courses on a broad range of topics in the history of British art and architecture, continued to thrive this year. The PLC held in autumn 2018 was entitled "The Artist and The Garden", and the spring 2019 course focussed on "Photography and its History". Each PLC was comprised of a series of 5 evening sessions, one per week for 5 weeks. This year there were an average of 40 attendees at each session across both the autumn and spring courses.

With an aim of encouraging an interest in art history among young people, the Centre set up Write on Art with Art UK in November 2017. Write on Art is a national writing competition for students aged 15 to 18 studying in the UK and in the year ended 30th June 2019, 159 applications were received.

As the Centre's annual endowment is awarded in USD, the Centre continued to benefit from the low GBP:USD exchange rate. The effect of this is that the Centre received additional funds during the last financial year to invest in specific projects over the next few years.

During the year, the further work required to the archive stores that had been planned in the previous financial year, to make them compliant with the relevant industry standards, was completed.

Net assets at the balance sheet date were £6,697,438 (2018: £6,626,263).

GOING CONCERN

As stated previously in this report, the bulk of the Centre's funds derives from the endowment income transferred annually from Yale University. This endowment was left to Yale University by an alumnus, Mr Paul Mellon, to support research and publication in the field of British studies, especially in the area of British art history and so the University established the Paul Mellon Centre. The endowment is invested and managed by Yale University and the Paul Mellon Centre's annual funding comes from the interest earned on this investment.

The Governors review budgets and projections for the next financial year and the following four years at their annual meeting. Based on these reports, the Governors expect the Centre will have adequate reserves and resources to continue its activities for the foreseeable future, and can meet its obligations as they fall due.

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)

GOVERNORS' REPORT (Continued)

for the year ended 30 June 2019

FUTURE PLANS

As the Centre's 50th Anniversary falls in June 2020, much of the forward planning is focused on the programme for 2020. The Centre's 50th year will see a series of international scholarly events taking place at the Centre, together with a raft of major print and digital publications. The Centre's 50th Anniversary plans also include necessary refurbishment work to improve and enhance its buildings.

In FY20, the Centre's commitment to the British Art Network (BAN), which the Centre helps manage in tandem with Tate, will increase due to additional funding being approved by the Governors at their meeting in December 2018. In the longer term, the Network will benefit from a substantial tranche of further funding agreed by the Governors in the summer of 2019.

As a result of further additional funding being approved by the Centre's Governors, the new PMC/Graduate Summer School will continue to take place on an annual basis in future. This exciting new course, which was launched in July 2019, will bring together post-graduate students, currently studying British Art, from the School of Fine Arts at Yale, the History of Art department at Yale, and various UK institutions.

PUBLIC BENEFIT

We have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Governors consider how planned activities will contribute to the aims and objectives they have set.

RESERVES POLICY

The Centre maintains a reserve held in GBP that is equivalent to the current year's Operating Budget, as is required by the Centre's Articles of Association.

At the year end, the unrestricted reserves are £6,660,843 (2018: £6,578,113). After removing reserves related to intangible and tangible fixed assets of £1,944,938 (2018: £1,940,286), there are free reserves of £4,715,905 (2018: £4,637,827). The level of annual expenditure will fluctuate year on year and the level of reserves is broadly in line with this.

At the year end, reserves totalled £6,697,438 (2018: £6,626,263). A breakdown of reserves is given in note 17.

RISK REVIEW

The Centre's Senior Management Team overseen by the Governors periodically reviews the principal risks and uncertainties facing the charity and aims to establish policies, systems and procedures to mitigate the risks identified. The main financial risk currently faced by the Centre is the fluctuation in the GBP:USD exchange rate, as the Centre's annual endowment income is awarded in USD. The Centre manages this risk by ensuring that its annual budgets are calculated at a variety of potential exchange rates to ensure that the Centre could cover its expenditure based on the worst potential exchange rate. The Centre also mitigates this risk by ensuring that it maintains sufficient reserves.

The Senior Management Team also focus on non-financial areas where risks may occur such as fire safety, health & safety, emergency planning, IT, and Human Resources (HR). During the year existing policies, procedures and systems in these areas, were updated and enhanced and relevant training was arranged where necessary. Work also continued on reviewing and formalising the Centre's HR documentation and processes during the year.

Going forward, the main factor that could affect the financial performance or position of the charity is the fluctuation in the GBP:USD exchange rate.

INVESTMENT POLICY

The Centre does not invest the Endowment, which is under the control of Yale University, however the reserves in London, as required in the reserves policy above, are kept on secure fixed term deposit.

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
GOVERNORS' REPORT (Continued)
for the year ended 30 June 2019

FUNDRAISING

The Centre doesn't currently carry out fundraising activities.

STATEMENT AS TO THE DISCLOSURE OF INFORMATION TO AUDITOR

The Governors in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Governors have confirmed that they have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and establish that it has been communicated to the auditor.

A resolution to reappoint RSM UK Audit LLP as auditor for the ensuing year will be proposed at the forthcoming annual general meeting.

This report has been prepared in accordance with the exemptions available for small entities under the Companies Act.

On behalf of the Board

 
Signature Print Name

Governor

Date 10.02.2020

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF FINANCIAL STATEMENT

The Governors (who are also directors of the company for the purposes of company law and the trustees for the purposes of charity law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PAUL MELLON CENTRE FOR STUDIES IN BRITISH ART (Company Limited by Guarantee)

Opinion

We have audited the financial statements of The Paul Mellon Centre for Studies in British Art (the 'charitable company') for the year ended 30 June 2019 which comprise the Statement of Financial Activities (including income and expenditure account), 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 FRS 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 charitable company's affairs as at 30 June 2019 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

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 charitable company 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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 Governors are responsible for the other information. The other information comprises the information included in the Governors' 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PAUL MELLON CENTRE FOR STUDIES IN BRITISH ART (Company Limited by Guarantee)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Governors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities set out on page 9, the Governors (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the charitable company'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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

SARAH MASON FCA (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

The Pinnacle

170 Midsummer Boulevard

Milton Keynes

Buckinghamshire

MK9 1BP

Date **21 February 2020**

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE
ACCOUNT)
for the year ended 30 June 2019

	<i>Notes</i>	2019 Restricted Funds £	2019 Unrestricted Funds £	2019 Total Funds £	2018 Total Funds £
INCOME FROM:					
<i>Donations and legacies</i>	2	151,622	4,145,888	4,297,510	4,056,612
<i>Other trading activities:</i>					
Publishing royalties		-	203,702	203,702	213,690
<i>Charitable activities:</i>					
British Art Studies		30,000	-	30,000	30,000
British Art Network		-	75,000	75,000	-
Yale in London		-	262,379	262,379	201,554
Other grant income		12,185	-	12,185	-
<i>Investments</i>					
Bank interest receivable		-	23,708	23,708	18,787
TOTAL INCOME		193,807	4,710,677	4,904,484	4,520,643
EXPENDITURE ON:					
<i>Charitable activities:</i>					
Publishing – print and digital	5	-	838,137	838,137	698,332
Grants and fellowships	5	9,500	1,095,873	1,105,373	860,978
Academic activities	5	30,000	877,647	907,647	737,363
Yale in London	5	-	335,748	335,748	266,015
Research projects	5	16,143	706,798	722,941	835,987
Research collections	5	-	773,744	773,744	689,480
Pevsner programme	5	149,719	-	149,719	155,113
TOTAL EXPENDITURE		205,362	4,627,947	4,833,309	4,243,268
NET INCOME/(EXPENDITURE)	3	(11,555)	82,730	71,175	277,375
NET MOVEMENT IN FUNDS		(11,555)	82,730	71,175	277,375
TOTAL FUNDS BROUGHT FORWARD	17	48,150	6,578,113	6,626,263	6,348,888
TOTAL FUNDS CARRIED FORWARD		36,595	6,660,843	6,697,438	6,626,263

The notes on pages 15 to 32 form part of these financial statements.

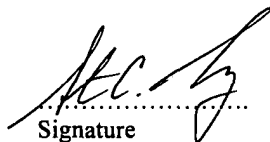
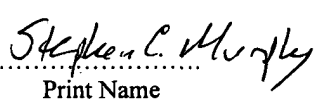
The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
BALANCE SHEET
At 30 June 2019

Registered Charity No: 313838
Company No: 983028


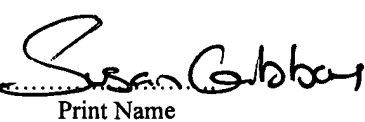
	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	9	37,520	42,536
Tangible assets	10	1,907,418	1,897,750
		<u>1,944,938</u>	<u>1,940,286</u>
CURRENT ASSETS			
Debtors	11	679,533	370,739
Cash at bank and in hand		5,004,227	5,276,927
		<u>5,683,760</u>	<u>5,647,666</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	12	(931,260)	(961,689)
NET CURRENT ASSETS		<u>4,752,500</u>	<u>4,685,977</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,697,438</u>	<u>6,626,263</u>
NET ASSETS		<u>6,697,438</u>	<u>6,626,263</u>
CAPITAL AND RESERVES			
Unrestricted funds	17	6,660,843	6,578,113
Restricted funds	17	36,595	48,150
		<u>6,697,438</u>	<u>6,626,263</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements on pages 12 to 32 were approved by the Board of Governors and authorised for issue on 10 February 2020 and were signed on its behalf by



 Signature Print Name

Governor



 Signature Print Name

Governor

The notes on pages 15 to 32 form part of these financial statements.

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
 STATEMENT OF CASH FLOWS
 for the year ended 30 June 2019

	<i>Notes</i>	2019 £	2018 £
OPERATING ACTIVITIES			
Cash (used in) / from operations	16	(146,914)	483,543
NET CASH (USED IN) / FROM OPERATING ACTIVITIES		<u>(146,914)</u>	<u>483,543</u>
INVESTING ACTIVITIES			
Interest received		23,708	18,787
Payments to acquire tangible fixed assets		(138,119)	(82,732)
Payments to acquire intangible fixed assets		(11,375)	(42,536)
NET CASH USED IN INVESTING ACTIVITIES		<u>(125,786)</u>	<u>(106,481)</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(272,700)	377,062
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		5,276,927	4,899,865
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>5,004,227</u>	<u>5,276,927</u>

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)

ACCOUNTING POLICIES

COMPANY INFORMATION

The Paul Mellon Centre for Studies in British Art (the Centre) is a private charitable company limited by guarantee incorporated in England and Wales (no. 983028). Details of the registered office are given on page 1 of the financial statements. The nature of the charitable company's operations and its principal activities are described in the Governors' Report.

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

GOING CONCERN

The Governors have reviewed operating budgets for the next five years. Based on these budgets the Governors expect the charitable company will have available adequate reserves and resources to continue its activities for the foreseeable future and can meet its obligations as they fall due. Therefore, the financial statements have been prepared on a going concern basis.

FUNCTIONAL CURRENCY

The financial statements are presented in sterling which is also the functional currency of the charity.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

INCOME

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Publishing royalties are accounted for on an accruals basis.

Income relating to Yale in London and Pevsner programmes is recognised in the year in which a programme is undertaken. Income received in advance of provision of the service is deferred until the criteria for income recognition are met.

EXPENDITURE

Expenditure is recognised on an accruals basis as a liability is incurred. It is allocated to the particular activity where the cost relates directly to that activity.

Charitable activities include expenditure associated with publication and printing costs, grants and fellowship costs, academic activity costs, educational programme costs, research projects and collections costs, and Pevsner programme costs, and includes both the direct costs and support costs relating to these activities.

Support costs and overheads include central functions and have been allocated to charitable activity based on staff time spent on each charitable activity.

Governance costs are costs associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with charitable expenditure. Included within this category are costs associated with the strategic as opposed to day to day management of the charity's activities.

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)

ACCOUNTING POLICIES

GRANTS AND FELLOWSHIPS PAYABLE

Grants are accounted for on an accruals basis according to when they are awarded. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the charity.

RETIREMENT BENEFITS

The charity operates a defined contribution scheme. The charge to the Statement of Financial Activities is the amount payable in respect of the accounting period. Unpaid contributions are recognised and are provided for in the Balance Sheet (note 13).

INTANGIBLE FIXED ASSETS AND AMORTISATION

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation. Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Website development	over 3 years
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Website development has a useful economic life of 3 years because after this period it will become outdated.

TANGIBLE FIXED ASSETS AND DEPRECIATION

All fixed assets are stated at historical cost less accumulated depreciation. The cost of minor additions or those costing below £1,000 are not capitalised. Depreciation is provided at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Leasehold improvements	over remaining lease term
Fixtures and fittings	over 5 years
Computer equipment	over 3 years

FINANCIAL INSTRUMENTS

The charity has elected to apply the provisions of Section 11 “Basic Financial Instruments” and Section 12 “Other Financial Instruments Issues” of FRS 102, in full, to all of its financial instruments.

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

Financial assets

Basic financial assets, which include other debtors and accrued income are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

Financial liabilities

Basic financial liabilities, which include trade creditors, grants payable, other creditors and accruals, are initially measured at transaction price and subsequently measured at amortised cost.

STATUS OF THE CHARITABLE COMPANY

The charitable company is limited by guarantee and has no share capital. On winding up each person who is a member at the date of winding up, or ceased to be a member during the year prior to that date, is liable to contribute a sum not exceeding £1 towards the assets of the charitable company. At 30 June 2019, the charitable company had 4 members (2018: 4).

UNRESTRICTED FUNDS

Unrestricted funds are donations and other income receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

RESTRICTED FUNDS

Restricted funds are donations and other income receivable or generated that are subjected to restrictions on their expenditure imposed by their donor.

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)

ACCOUNTING POLICIES

LEASES

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

HERITAGE ASSETS

The Centre has a collection of historical books and archives which are held in support of the Centre's primary objective of advancing education in, and appreciation and understanding of, British art. The Governors consider that, owing to the incomparable nature of these historic books and archives, conventional valuation approaches lack sufficient reliability and that, even if the valuations could be obtained, the costs would be onerous compared with the additional benefits derived by the Centre and users of the accounts. As a result, no value is reported for these assets in the Balance Sheet. Further information is given in notes 20 and 21.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

In the application of the charity's accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The Centre holds a large collection of historical books and archives which are held in support of the Centre's primary objective of advancing education in, and appreciation and understanding of British art. The Governors must consider whether a suitable and reliable valuation technique is available at a cost that is not so onerous as to outweigh any such benefits of obtaining the valuation. At present, the Governors have made a judgement that no such valuation method is available for the heritage assets that the Centre holds and as such no value has been attributed to these assets in these financial statements.

The Governors review any grants that have been committed during the year and remain unpaid at the year end. The Governors must make a judgement as to whether the unpaid grants meet the criteria to be recognised in the financial year and therefore accrued as a liability at the year end. The amount of grants and fellowships awarded but not paid as at 30 June 2019 was £512,160 (2018: £429,580).

The publishing royalties recognised in the year are not known at the year end. The Governors make an estimate for this amount based on previous amounts received and post year end information. The amount recognised in respect of this income for the year ended 30 June 2019 was £203,702 (2018: £213,690). The amount of accrued publication royalties at 30 June 2019 was £108,582 (2018: £88,699).

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

1 COMPARATIVE YEAR INFORMATION – STATEMENT OF FINANCIAL ACTIVITIES

	2018 Restricted Funds £	2018 Unrestricted Funds £	2018 Total Funds £
INCOME FROM:			
<i>Donations and legacies</i>	123,000	3,933,612	4,056,612
<i>Other trading activities:</i>			
Publishing Royalties	-	213,690	213,690
<i>Charitable activities:</i>			
British Art Studies	30,000	-	30,000
Yale in London	-	201,554	201,554
<i>Investments</i>			
Bank interest receivable	-	18,787	18,787
TOTAL INCOME	153,000	4,367,643	4,520,643
EXPENDITURE ON:			
<i>Charitable activities:</i>			
Publishing – print and digital	-	698,332	698,332
Grants and fellowships	-	860,978	860,978
Academic activities	30,000	707,363	737,363
Yale in London	-	266,015	266,015
Research projects	40,730	795,257	835,987
Research collections	-	689,480	689,480
Pevsner programme	155,113	-	155,113
TOTAL EXPENDITURE	225,843	4,017,425	4,243,268
NET INCOME	(72,843)	350,218	277,375

2 DONATIONS AND LEGACIES

	2019 Restricted £	2019 Unrestricted £	2019 Total £	2018 Total £
Pevsner programme	151,622	-	151,622	123,000
Income from endowment at Yale	-	2,945,888	2,945,888	2,750,088
Publication income	-	200,000	200,000	200,000
Grants and fellowships income	-	1,000,000	1,000,000	787,500
Reserve income	-	-	-	196,024
	151,622	4,145,888	4,297,510	4,056,612

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

3	NET INCOME/(EXPENDITURE)	2019	2018
		£	£
	Net movement in funds is stated after charging:		
	Operating lease rentals	297,065	296,900
	Auditor's remuneration:		
	Relating to current year:		
	- audit services	10,200	9,750
	- tax advisory services	8,950	-
	- other services	9,000	9,150
	Depreciation of tangible fixed assets:		
	- owned	128,451	111,476
	Amortisation of intangible fixed assets	16,391	-
		<hr/>	<hr/>

Of the total income, £4,880,776 (2018: £4,501,856) was received from outside the United Kingdom.

4	EMPLOYEES	2019	2018
		No.	No.
	The average monthly number of persons (excluding Governors) employed by the charitable company during the year was:		
	Research and administration	26	25
		<hr/>	<hr/>
		2019	2018
		£	£
	Staff costs for the above persons:		
	Wages and salaries	1,201,953	1,101,655
	Social security costs	132,095	120,141
	Pension costs	221,147	187,144
		<hr/>	<hr/>
		1,555,195	1,408,940
		<hr/>	<hr/>

	The number of employees whose emoluments (excluding pension contributions) amounted to more than £60,000 in the year in increasing bands of £10,000 were:	2019	2018
		No.	No.
	£60,001 to £70,000	1	-
	£70,001 to £80,000	-	1
	£80,001 to £90,000	1	1
	£90,001 to £100,000	2	1
	£190,001 to £200,000	1	1
		<hr/>	<hr/>

During the year pension contributions for the above employees amounted to £113,570 (2018: £94,152). This is allocated to unrestricted funds.

Directors received no remuneration for their work as Governors (2018: £nil).

No amounts were paid, or expenses reimbursed to the Governors during the year (2018: £nil).

The key management personnel of the charity comprise the Governors and the UK Senior Management Team.

The total employee benefits of the key management personnel during the year, which comprised salary, pension benefits and benefits in kind, were £563,927 (2018: £537,758) and Employer's National Insurance contributions of £56,845 (2018: £54,124).

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

5 EXPENDITURE ON CHARITABLE ACTIVITIES - ALLOCATION OF SUPPORT COSTS AND OVERHEADS

Charitable activities 2019	Direct staff costs £	Depreciation and amortisation £	Other direct costs £	Support costs £	Total 2019 £
Publishing – print and digital	189,167	27,792	346,759	274,419	838,137
Grants and fellowships	62,563	6,470	972,454	63,886	1,105,373
Academies activities	292,154	35,659	227,736	352,098	907,647
Yale in London	42,244	5,367	235,141	52,996	335,748
Research projects	210,670	22,425	268,424	221,422	722,941
Research collections	210,337	46,908	53,327	463,172	773,744
Pevsner programme	3,353	221	143,967	2,178	149,719
	<u>1,010,488</u>	<u>144,842</u>	<u>2,247,808</u>	<u>1,430,171</u>	<u>4,833,309</u>
Charitable activities 2018	Direct staff costs £	Depreciation £	Other direct costs £	Support costs £	Total 2018 £
Publishing – print and digital	157,480	18,447	318,494	203,911	698,332
Grants and fellowships	57,915	5,839	732,677	64,547	860,978
Academies activities	252,575	24,883	184,846	275,059	737,363
Yale in London	37,077	4,844	170,549	53,545	266,015
Research projects	225,871	21,565	350,166	238,385	835,987
Research collections	193,689	35,699	65,474	394,618	689,480
Pevsner programme	3,262	199	149,452	2,200	155,113
	<u>927,869</u>	<u>111,476</u>	<u>1,971,658</u>	<u>1,232,265</u>	<u>4,243,268</u>

6	SUPPORT COSTS	2019 £	2018 £
	Operating costs	97,820	73,392
	Accommodation costs	386,568	382,839
	Staff costs	498,244	442,763
	Governance costs	65,954	68,824
	Expansion project	16,694	7,721
	Other expenses	364,891	256,726
	Total support costs	<u>1,430,171</u>	<u>1,232,265</u>

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

7 GRANTS PAYABLE	2019 £	2018 £
Grant and fellowships payable to institutions	429,520	276,918
Grants and fellowships payable to individuals	545,930	461,602
Other grants made in the year	11,775	12,180
Grants cancelled/written back in the year	(19,923)	(21,497)
Administration of grants	5,152	3,474
	<u>972,454</u>	<u>732,677</u>
Other grants paid on behalf of other bodies	4,000	4,000
	<u>976,454</u>	<u>736,677</u>

In the year ended 30 June 2019, 108 grants and fellowships were awarded to individuals (2018: 88) and 41 grants and fellowships were awarded to institutions (2018: 42). A description of the nature of grants paid is included in the Governors Report.

Institutional grants were awarded as follows:

Institution	No. of grants awarded	Awarded in the year £
Art and Christianity	1	1,500
Association of Art History	1	1,000
BALTIC Centre for Contemporary Art	1	3,000
Boydell and Brewer Publishers	2	4,200
Bristol Archives	1	23,500
British School of Rome	1	3,000
Centre for Feminist Research, Goldsmiths, University of London	1	2,000
Yale University Press	1	4,000
I.B. Tauris	1	8,860
Impressions Gallery of Photography Ltd	1	2,900
Institute of Contemporary Arts	2	50,000
Kingston University	1	2,100
Laing Art Gallery	1	7,000
Leamington Spa Art Gallery and Museum	1	24,000
Leo Baeck Institute London	1	2,900
Locus+	1	5,000
Mercer Art Gallery	1	5,000
MIT Press	1	4,000
The National Gallery, London	1	2,000
National Trust	1	40,000
New Contemporaries	1	3,000
Pallant House Gallery	1	7,000
Public Monuments and Sculpture Association	1	6,860
Reaktion Books	1	10,000
Royal Society of Sculptors	1	28,000
Tate Britain	2	25,700
The British Museum	1	40,000
The Corning Museum of Glass	1	10,000
The Hepworth Wakefield	1	9,400
The Modernist Society	1	3,000
Carried forward to page 22	<u>33</u>	<u>338,920</u>

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

7 GRANTS PAYABLE – Continued

Institutional grants were awarded as follows:

Institution	No. of grants awarded	Awarded in the year £
Brought forward from page 21	33	338,920
The University of Manchester	1	1,600
Twentieth Century Society	1	3,000
University of Leeds	1	7,000
University of Witwatersrand	1	20,000
Victoria & Albert Museum	1	3,000
Watts Gallery	1	40,000
World Monuments Fund	1	9,000
York Art Gallery, York Museums Trust	1	7,000
	<u>41</u>	<u>429,520</u>

Individual grants were awarded as follows:

Individual	No. of grants awarded	Awarded in the year £
Abigail Barrington	1	800
Adrienne Rooney	1	7,500
Aimee Caya	1	1,800
Alexandra Kokoli	1	15,000
Alexandra Parsons	1	10,000
Alison Bennett	1	10,000
Alison FitzGerald	1	3,000
Alistair Fair	1	1,000
Amber Roberts	1	1,900
Amy Tobin	1	9,500
Anna Arabindan-Kesson	1	2,000
Anne Hultsch	1	15,000
Avigail Moss	1	7,500
Ben Cartwright	1	2,000
Beth Williamson	1	1,000
Caitlin Beach	1	1,600
Caroline Dakers	1	900
Catriona Murray	1	15,000
Charlotte de Mille	1	15,000
Christopher Williams-Wynn	1	2,000
Claire Jones	1	1,930
Claudia Hucke	1	2,000
Carried forward to page 23	<u>22</u>	<u>126,430</u>

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

7 GRANTS PAYABLE – Continued

Individual grants were awarded as follows:

Individual	No. of grants awarded	Awarded in the year £
Brought forward from page 22	22	126,430
Diane Waggoner	1	3,000
Edit Toth	1	1,000
Edward Webb-Ingall	1	10,000
Elis Mendoza	1	7,500
Elizabeth Romariz	1	1,000
Ella Mills	1	10,000
Emily Smith	1	2,000
Emily Weeks	1	1,000
Emma Merklings	1	1,900
Eva Bentcheva	1	10,000
Felicity Myrone	1	15,000
Gili Merin	1	1,400
Gustavo Grandal Montero	1	2,000
Hannah Kahng	1	7,500
Harry Willis Fleming	1	10,000
Isabelle Mooney	1	2,000
Jacqueline Riding	1	15,000
Jennifer Dudley	1	300
Jennifer Sarathy	1	2,000
Judith Stapleton	1	7,500
Julian Stallabras	1	40,000
Julie Halls	1	1,100
Karin Zitzewitz	1	1,000
Kate Strasdin	1	700
Katherine Reinhart	1	10,000
Laura Guy	1	1,000
Laura Popoviciu	1	1,000
Louisa Lee	1	10,000
Ludovic Jouvets	1	1,900
Lynda Nead	1	40,000
Madeleine Pelling	1	10,000
Matthew Reeve	1	6,920
Meaghan Clarke	1	3,000
Mei-Ying Sung	1	2,000
Michael Wright	1	200
Mira Waits	1	2,000
Myles Campbell	1	900
Nicholas Helm-Grovas	1	10,000
Nicole Blackwood	1	2,000
Carried forward to page 24	61	380,250

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

7 GRANTS PAYABLE – Continued

Individual grants were awarded as follows:

Individual	No. of grants awarded	Awarded in the year £
Brought forward from page 23	61	380,250
Nushelle de Silva	2	9,500
Paula Murphy	1	1,100
Peter Humfrey	1	3,000
Rachel Delman	1	230
Rebecca Lyons	1	2,000
Rebecca Pollack	1	1,000
Rebecca Searle	1	1,600
Richard Brook	1	10,000
Richard Hayes	1	1,000
Richard Hudson-Miles	1	1,800
Rixt Woudstra	1	2,000
Robert Proctor	1	1,500
Ryna Ordynat	1	1,000
Sara Ebrahimi	1	10,000
Sarah James	1	15,000
Seoyoung Kim	1	1,000
Shantel Blakely	1	700
Shijia Yu	1	1,300
Shirlynn Sham	1	7,500
Sigrid de Jong	1	40,000
Simon Spier	1	600
Sophie Kelly	1	10,000
Sophie Pickford	1	1,000
Steve Edwards	1	1,800
Suchitra Choudhury	1	500
Sylvia Houghteling	1	2,000
Tara Contractor	1	7,500
Themba Mtwazi	1	1,000
Thomas Hughes	1	10,000
Timothy Brittain-Catlin	1	3,000
Timothy Wilcox	1	3,000
Victoria Horne	1	800
Yichi Zhang	1	10,000
Ying Lu Wang	1	800
Zalina Tetermazova	1	1,900
Zuleika Murat	1	550
	<u>98</u>	<u>545,930</u>

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

7 GRANTS PAYABLE – Continued

Other grants were awarded as follows:

Individual	No. of grants awarded	Awarded in the year £
Arghavan Taheri	1	1,590
Dawn Kim	1	1,590
Eve Houghton	1	932
Lauren Lee	1	1,590
Sarah Weston	1	1,590
Soffia Gunnarsdottir	1	1,303
Tim Brawner	1	1,590
Tiranna Bains	1	1,590
	<u>8</u>	<u>11,775</u>

Grants paid on behalf of other bodies:

Individual	No. of grants awarded	Awarded in the year £
Tara Contractor	1	2,000
Wenqi Zhu	1	2,000
	<u>2</u>	<u>4,000</u>

8 TAXATION

The company is a registered charity and is exempt from tax on income and gains falling within section 466 to 493 of the Corporation Tax Act 2010, to the extent that these are applied to the charitable objects.

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9	INTANGIBLE FIXED ASSETS	<i>Website development</i> £	<i>Total</i> £
	Cost		
	1 July 2018	42,536	42,536
	Additions	11,375	11,375
	30 June 2019	53,911	53,911
	Amortisation		
	1 July 2018	-	-
	Charged in the year	16,391	16,391
	30 June 2019	16,391	16,391
	Net book value		
	30 June 2019	37,520	37,520
	30 June 2018	42,536	42,536

Amortisation is charged to expenditure on charitable activities.

10	TANGIBLE FIXED ASSETS	<i>Leasehold improvements</i> £	<i>Fixtures and fittings</i> £	<i>Computer equipment</i> £	<i>Total</i> £
	Cost				
	1 July 2018	2,071,577	553,153	216,260	2,840,990
	Additions	67,315	4,945	65,859	138,119
	30 June 2019	2,138,892	558,098	282,119	2,979,109
	Depreciation				
	1 July 2018	230,063	503,331	209,846	943,240
	Charged in the year	87,916	15,128	25,407	128,451
	30 June 2019	317,979	518,459	235,253	1,071,691
	Net book value				
	30 June 2019	1,820,913	39,639	46,866	1,907,418
	30 June 2018	1,841,514	49,822	6,414	1,897,750

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11	DEBTORS	2019 £	2018 £
	Other debtors	26,918	17,201
	Prepayments	227,990	184,696
	Accrued income	424,625	168,842
		<u>679,533</u>	<u>370,739</u>

12	CREDITORS: Amounts falling due within one year	2019 £	2018 £
	Grants awarded but not yet paid	512,160	429,580
	Trade creditors	154,072	205,347
	Other creditors	33,420	15,482
	Other taxation and social security costs	39,344	34,106
	Accruals and deferred income	192,264	277,174
		<u>931,260</u>	<u>961,689</u>

	DEFERRED INCOME	2019 £	2018 £
	Deferred income at 1 July	10,000	78,395
	Income deferred in the year	-	10,000
	Amounts released from previous years	-	(78,395)
	Deferred income at 30 June	<u>10,000</u>	<u>10,000</u>

Deferred income arises where the Centre receives income early, before the period it relates to. At the year end deferred income related to a publication not yet produced.

13 RETIREMENT BENEFITS

The company operates a defined contribution pension scheme whose assets are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company, including death in service, and amounted to £221,147 (2018: £187,143). Contributions payable to the fund at the year end and included in creditors amounted to £18,416 (2018: £15,481). The pension expense and liability are allocated between activities and restricted and unrestricted funds based on the staff time spent on those activities.

14 COMMITMENTS UNDER OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 £	2018 £
Amounts due:		
Within one year	297,476	296,900
Between one and five years	1,189,568	1,187,600
After five years	4,626,692	4,923,592
	<u>6,113,736</u>	<u>6,408,092</u>

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15 FINANCIAL INSTRUMENTS

The carrying amounts of the charity's financial instruments at 30 June were:

	2019 £	2018 £
Financial assets held at amortised cost:		
Accrued income	424,625	168,842
Other debtors	26,918	17,201
	<u>451,543</u>	<u>186,043</u>
	2019 £	2018 £
Financial liabilities held at amortised cost:		
Grants payable	512,160	429,580
Trade creditors	154,072	205,347
Other creditors	33,420	15,482
Accruals	182,264	267,174
	<u>881,916</u>	<u>917,583</u>

16 RECONCILIATION OF NET INCOME TO NET CASH (USED IN) / FROM OPERATIONS

	2019 £	2018 £
Net income	71,175	277,375
Adjustments for:		
Depreciation of tangible assets	128,451	111,476
Amortisation of intangible assets	16,391	-
Interest receivable	(23,708)	(18,787)
	<u>192,309</u>	<u>370,064</u>
Operating cash flows before movement in working capital	192,309	370,064
(Increase) in debtors	(308,794)	(32,277)
(Decrease) / increase in creditors	(30,429)	145,756
	<u>(146,914)</u>	<u>483,543</u>
Cash (used in) / from operations	(146,914)	483,543

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17	MOVEMENT IN FUNDS	At 1 July 2018 £	Income £	Expenditure £	At 30 June 2019 £
	Unrestricted funds	6,578,113	4,710,677	(4,627,947)	6,660,843
	Restricted funds:				
	Pevsner Programme	20,745	151,622	(149,719)	22,648
	The Allen Fund	27,405	-	(16,143)	11,262
	British Art Studies	-	30,000	(30,000)	-
	Terra Foundation	-	12,185	(9,500)	2,685
	Total restricted funds	48,150	193,807	(205,362)	36,595
	Total funds	6,626,263	4,904,484	(4,833,309)	6,697,438

MOVEMENT IN FUNDS – prior year

	At 1 July 2017 £	Income £	Expenditure £	At 30 June 2018 £
Unrestricted funds	6,227,895	4,367,643	(4,017,425)	6,578,113
Restricted funds:				
Pevsner Programme	52,858	123,000	(155,113)	20,745
The Allen Fund	68,135	-	(40,730)	27,405
British Art Studies	-	30,000	(30,000)	-
Total restricted funds	120,993	153,000	(225,843)	48,150
Total funds	6,348,888	4,520,643	(4,243,268)	6,626,263

Unrestricted funds represent donations and other income receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Included within unrestricted funds are the following designated funds:

	At 1 July 2018 £	Income £	Expenditure £	At 30 June 2019 £
Special projects fund	344,268	-	(169,338)	174,930
British Art Network	-	75,000	(268)	74,732
	344,268	75,000	(169,606)	249,662

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17 MOVEMENT IN FUNDS - Continued

Due to the favourable US dollar to UK sterling exchange rate during the year ended 30 June 2017, additional funds of £560,000 were made available to the charity by Yale University. These funds have been set aside in a separate designated fund for special projects to be undertaken in future periods.

The British Art Network “is a Subject Specialist Network bringing together professionals working on British art including curators, researchers and academics, reflecting the combined strength of the UK’s public collections and curatorial expertise in this field”. At their meeting in February 2019, the Centre’s Board of Governors approved a plan for the Centre to support the BAN to help enable the development of a thriving curatorial research network across Britain’s museums and galleries. This project is undertaken in partnership with Tate and Arts Council, England.

Restricted funds are subjected to restrictions on their expenditure as imposed by their donor. Further details of each restricted fund are as follows:

Pevsner Programme: The Pevsner Architectural Guides are a series of guide books on the architecture of the British Isles. The Centre agreed to provide financial support to Yale University Press for the updating of the Pevsner Buildings of England series, a project which was originally scheduled to run from 2012 to 2020. During the year ended 30 June 2019, the Pevsner project was re-assessed and the timescale for the completion of the project was extended. At their meeting in February 2019, the Centre’s Board of Governors agreed to support the additional funding requirements of the Pevsner project, in line with the revised timescale.

The Allen Fund: This fund was created by a generous gift from the Trustees of Paul Mellon’s Estate to The Centre in May 2015 in honour of Brian Allen who was the Centre’s Director from 2003 to 2012. The majority of this donation will be used to fund a new Fellowship at the Centre, called “The Allen Fellowship”. The Allen Fellow worked at the Centre between 2015 and 2018 on a variety of scholarly projects. The remaining funds from The Allen Fund are being used to support the Centre’s “The Country House Project”. The aim of this project is to catalogue the collections of paintings at some of Britain’s most important country houses.

British Art Studies (BAS): British Art Studies, a joint publication between the Centre and the Yale Center for British Art (YCBA), is one of the few completely open access journals in the field of art history, providing a forum for the growing debate about digital scholarship, publication and copyright. The Paul Mellon Centre developed a purpose-built website and carefully considered elements such as identification, preservation and licensing. The aim of BAS is to provide an innovative space for new research and scholarship of the highest quality on all aspects of British art, architecture and visual culture in their most diverse and international contexts. BAS will reflect the dynamic and broad ranging research cultures of the Centre and the YCBA, as well as the wider field of studies in British art and architecture today. The YCBA will be contributing £30,000 per annum towards the costs of BAS.

Terra Foundation: The Terra Foundation for American Art are sponsoring an annual Terra-Paul Mellon Centre Fellowship for 3 years. This grant, which is administered by the Paul Mellon Centre, is offered annually to allow a scholar four months to pursue research on an aspect of British-American artistic exchange from any period up to 1980. The award is open to a range of individuals, from early-career post-doctoral scholars to those who are internationally recognised in their field of expertise. Candidates may be of any nationality, although US citizens are not eligible for this award.

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18	ANALYSIS OF NET ASSETS	Restricted Funds £	Unrestricted Funds £	Total Funds £
	Current year			
	Intangible fixed assets	-	37,520	37,520
	Tangible fixed assets	-	1,907,418	1,907,418
	Current assets	123,829	5,559,931	5,683,760
	Current liabilities	(87,234)	(844,026)	(931,260)
		<u>36,595</u>	<u>6,660,843</u>	<u>6,697,438</u>
	Prior year			
	Intangible fixed assets	-	42,536	42,536
	Tangible fixed assets	-	1,897,750	1,897,750
	Current assets	103,768	5,543,898	5,647,666
	Current liabilities	(55,618)	(906,071)	(961,689)
		<u>48,150</u>	<u>6,578,113</u>	<u>6,626,263</u>

19 RELATED PARTY TRANSACTIONS

During the year the charity received income of £4,664,888 (2018: £4,244,150) from Yale University, the entity responsible for establishing the charity. The University releases endowment monies to the charity from monies originally received from alumnus, Mr Paul Mellon.

During the year the charity received £nil (2018: £38,080) from Yale NUS (Singapore), an entity under common control of Yale University. The funds were used for the Yale in London spring term course. The balance at the year end was £nil (2018: £nil).

At the year end, the charity owed the Yale University £15,004 (2018: Yale University owed the charity £5,098) in respect of sterling expenses incurred on behalf of the charity.

During the year the charity received £203,702 (2018: £213,690) from Yale University Press, in relation to publishing royalties. Yale University Press is a subsidiary of Yale University, the entity responsible for establishing the charity. During the year, the charity paid £214,396 (2018: £291,726) to Yale University Press for book publishing costs. Included in creditors is a balance of £62,885 (2018: £58,870) due to Yale University Press.

20 HERITAGE ASSETS NOT RECOGNISED IN THE BALANCE SHEET

The Paul Mellon Centre maintains a collection of approximately 32,000 books and exhibition catalogues, 8,600 auction catalogues, 250 journal titles and 37 separate archive collections. The Centre's archives mainly consist of the research papers of art historians, many of whom were pioneers in the formation of this discipline. As well as containing important original research and information on artists, the archives chart the historiography of British art history. They also include the Centre's own Institutional Archive which documents the history of the Paul Mellon Centre from its foundation in 1963 to the current day. The book collection covers British painting, sculpture, drawing prints, architecture and garden history from the medieval period to the present day, as well as eighteenth century decorative arts.

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20 HERITAGE ASSETS NOT RECOGNISED IN THE BALANCE SHEET - Continued

The Centre also holds two major photographic archive collections. The first was compiled by the Paul Mellon Centre itself and is a series of discrete but related collections consisting of over 185,000 photographs, reproductions and cuttings of paintings, drawings and engravings of British Art and architecture from ca. 1200 to the present day. All major artists are represented in depth and one of the strengths of the archive is its coverage of lesser-known British artists. The second was compiled by curators at Tate as an informal internal reference resource. It was acquired by the Paul Mellon Centre in 2009 and comprises about 35,000 reference photographs of British paintings, drawings and prints covering the period 1500 to the twentieth century.

The Paul Mellon Centre maintains a full catalogue of its library collection of heritage assets. Information provided by this catalogue includes the author, imprint and class of the book. Approximately a third of the archive collections have been fully catalogued, with detailed information given at Collection, series and file level. The remainder of the archive collections have box lists that provide details of the file titles contained within each box, usually recorded at the time the collection is acquired. All of these collections are available to the public via public appointment.

Preservation/Conservation and management

The Paul Mellon Centre has a programme of conservation which is carried out on a case by case basis. The cost of any conservation work varies year by year and is detailed in the relevant budgets.

The books and archives are managed by Research Collections staff including the Librarian, who is responsible for the books and the Archivist & Records Manager, who is responsible for the paper archives. Research Collections staff manage the material in accordance with professional best practice. Research Collections staff report to Professor Mark Hallett, Director of Studies, and relevant policies are approved by the Governors.

Acquisitions and disposals

Books are added to the collection at a rate of approximately 1,000 per year by purchase and, in recent years, by as many as 5,000 per year by donation. The Paul Mellon Centre rarely pays more than approximately £250 for a book but there have been exceptions in previous years.

The Centre is a collecting institution and actively seeks to acquire archive material in accordance with its official Collecting Policy (agreed and approved by the National Archives). Archive collections may be acquired by gift or purchase and come from both inside and outside the UK. In the financial year 2018-2019 the Centre acquired 1 library collection by donation and 2 archive collections.

21 FIVE YEAR FINANCIAL SUMMARY OF HERITAGE ASSET TRANSACTIONS

In the last five years approximately 5,000 books and 500 auction catalogues were added to the library collection and there were no major disposals.

In the last five years the Centre has acquired 10 archive collections and there were no disposals.

As of end of June 2019 the library collection was insured for the sum £2,600,000; the archive collections for £991,997; and the photographic archive collections for £250,000.