

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 2020



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
Stephen Murphy
Scott Strobel

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 2020

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 2020.

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) second edition (effective 1 January 2019) 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 2019:

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

Each member of the Board is a subscribing Member of the charitable company throughout their 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, meets 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.

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

GOVERNORS' REPORT (Continued)

for the year ended 30 June 2020

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 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; and
- Trends of pay in the sector, generally in the UK and at Yale

In Autumn 2018 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, with the next review scheduled to take place in Autumn 2021.

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 SMT continually reviews 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 year ended 30 June 2018.

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

GOVERNORS' REPORT (Continued)

for the year ended 30 June 2020

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.

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.

The Centre held an additional special round of grant and fellowship awards in May 2020, which was designed to help support the field of British art studies during the Covid-19 crisis. The aim of these awards was to quickly release funding for both individuals and institutions, with the intention of sustaining research, writing and thinking on British art and architecture during a period of unprecedented disruption for the Centre's scholarly and curatorial communities.

REVIEW OF ACTIVITIES AND FINANCIAL REVIEW

Despite the impact of the global pandemic, the Centre continued to comfortably maintain its publication and academic activities and increased the amount awarded in grants and fellowships during the financial year ended 30 June 2020.

This was possible as, in all previous years, the majority of the Centre's funds derive from the endowment income transferred annually from Yale University. Whilst Covid-19 has had an impact on the investment returns of Centre's endowment, the Centre's endowment income for the year-ended 30 June 2020 was not impacted and the level of endowment income expected pre-Covid-19 was maintained.

In addition, cost savings were made from March 2020 as, due to the global pandemic, the Centre was closed to staff and visitors and was therefore unable to hold in-person events. The impact of this was that expenditure on budget areas such as academic events, travel, and entertainment was reduced. The Centre also receives annual income in the form of royalties/revenue-share on the sales of books that have been published or distributed for the Centre by Yale University Press. In the long-term this royalty/revenue-share income rarely exceeds 50% of the total annual investment in the publications programme.

Gifts from external funders are occasionally received and in this financial year £5,000 was received as a contribution towards the costs of the LYC Symposium, and £108,204 was received for the forthcoming Sargent publication.

2020 is the Centre's 50th anniversary year and a series of international scholarly events were planned to take place at the Centre, together with a raft of major print and digital publications. Though the impact of the Coronavirus pandemic on the Centre's workings was profound, the Centre was able to make good on the great majority of these plans (if in reconfigured form) as the rest of this report will illustrate. This was despite the fact that, from mid-March 2020 to the end of the period covered by this report, the entirety of the PMC's staff was working from home, and much of our collective energy was devoted not only to maintaining the well-being of staff during this period, but preparing a Covid-19 safe environment at our premises in Bedford Square, in advance of our anticipated return to some form of office working, and to a limited form of in-person public provision, later in the calendar year.

As part of the Centre's 50th Anniversary plans necessary refurbishment work to improve and enhance its buildings was successfully carried out during the year.

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

GOVERNORS' REPORT (Continued)

for the year ended 30 June 2020

REVIEW OF ACTIVITIES AND FINANCIAL REVIEW (continued)

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. 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. Importantly, this year saw the Centre agree a new memorandum of agreement (MOA) with Yale University Press, which formalised a new publishing relationship between the Centre and its long-term partner. This sees the Centre taking on full responsibility for the commissioning, editing and production of its titles, with the Press remaining responsible for distribution and publicity. A consequence of the new MOA is also that the Centre now recognises the stock of books it publishes on its Balance Sheet, which at the reporting date had a net realisable value of £933,862. The MOA also provided for the possible co-publication of books in future, for titles that combined scholarly originality and rigour with the potential of a wide public appeal.

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 2019-2020 the Centre awarded grants and fellowships totalling £1,254,920 (including £4,000 on behalf of The Andrew Wyld Fund) (2019: £991,225 including £4,000 on behalf of The Andrew Wyld Fund). This substantially increased level of funding reflects the fact that £200,000 of the funds earmarked for the 2020-2021 round of Grants and Fellowships was brought forward to support the emergency Research Continuity Grants and Fellowships launched in May 2020, in response to the Coronavirus crisis.

In the Autumn 2019 round, 185 applications were received for the awards offered by the Centre; 61 of these were successful. The Curatorial Research Grants received 16, of which 4 were successful. 2 Digital Project Grants were successful out of 10 applications. Publication Grants received 76 applications, of which 28 were successful, Research Support Grants saw 14 successful applicants out of 47 in total and the Event Support Grant, renamed in 2019 from the Education Programme Grant, received 19 applications, of which 10 were successful. The new Collaborative Project Grant, an award of up to £40,000 designed to support the early stages of a collaborative research project between two or more organisations, received 8 applications, 2 of which were successful.

The Andrew Wyld Research Support Grant, administered by the Centre on behalf of the Andrew Wyld Fund, was offered in the Autumn round and 2 awards were made from 3 applications totalling £4,000.

The Spring 2020 round, which consists mainly of the seven categories of Fellowship offered by the Centre, received 202 applications in total, 78 of which were successful. In this round a new Fellowship to mark the Centre's 50th anniversary was introduced. The PMC Research Collections Fellowship (an award of £10,000) was designed to support one individual research an aspect of the development of art history as a discipline in the UK in the 20th century, using the Centre's own library and archive collections. This opportunity saw 4 applications, with 1 being successful. The Spring 2020 round of funding also saw 10 applications received for the Senior Fellowship, 3 were successful; the Mid-Career Fellowship received 32 applications, of which 11 were successful; 50 applications were received for Postdoctoral Fellowships, 15 were successful and 11 applications were received for Junior Fellowships, of which 8 were successful. The Rome Fellowship received 7 applications, 1 was awarded. 2020 was the final year that the Terra-PMC Fellowship was offered, only 2 applications were received with 1 awarded. The Research Support Grants saw 65 applicants with 26 being successful and the Event Support Grants received 24 applications, of which 13 were successful.

Due to the Covid-19 crisis, a new emergency funding programme intended to sustain research, writing and thinking on British art and architecture was put in place in May 2020, to help individuals and institutions particularly affected by the pandemic. The Research Continuity Grants (awards of £10,000), were designed to enable institutions to continue planning and conducting curatorial and scholarly research projects during the coming year and the Research Continuity Fellowships (awards of £5,000), were designed to support individuals in conducting their writing and research in the face of financial and scholarly challenges generated by the crisis. 215 applications were received for these awards, of which 28 (10 Grants and 18 Fellowships) were successful. An Advisory Council Sub-Committee met to select the successful applications and these decisions were later approved by the full Advisory Council.

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

GOVERNORS' REPORT (Continued)

for the year ended 30 June 2020

REVIEW OF ACTIVITIES AND FINANCIAL REVIEW (continued)

The Conservation Fellowship for the academic year 2019-2020 of £25,000 was awarded to Barts Heritage towards the condition survey and treatment trials of the Great Hall and Hogarth Stair at St Bartholomew's Hospital.

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 academic activities continued to flourish during the year and, despite the restrictions caused by the pandemic, the Centre hosted a rich and diverse events programme and created additional online academic resources.

The 2019-20 academic events programme, which featured scholars, curators, professionals, artists, and students, adapted to the extraordinary conditions brought about by the global pandemic by creating a vital range of virtual events. The new virtual events programme, which enabled the participation of new and ever-more international audiences, now complements the Centre's vibrant programme of in-person events.

During the year, the first series of the Centre's new podcast, British Art Talks, was released, featuring new research by a broad range of historians which in each case resonated with challenges faced under lockdown conditions. The podcast invites speakers to present and discuss their research via the form of an audio programme that is accessible to both specialist and general audiences both local and international on the Centre's website.

The Centre's 50th Anniversary has provided an opportunity to renew thinking about the critical and creative resources that British art, culture and heritage bring to urgent contemporary questions, and to attend to fundamental new developments in the field. The series of 50th anniversary lectures hosted at the Centre took stock of major developments in the study of British art, including a stimulating range of perspectives on the subject's evolution over the past fifty years. Distinguished speakers from different areas of British art history described their own experiences of the field and discussed its wider development during recent decades.

Collaborations with a number of partner institutions were also realised in the year: A conference event devised in partnership with Tate Britain marked the exhibition William Blake and the Idea of the Artist; With Kettles Yard, the Centre ran Radical Materialities, Linder and Companion Histories, an international conference which accompanied a major exhibition of works by Linder Sterling; The Centre also collaborated with the curators of the British Art Show 9 to workshop and devise curatorial and public programme modes.

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

GOVERNORS' REPORT (Continued)

for the year ended 30 June 2020

REVIEW OF ACTIVITIES AND FINANCIAL REVIEW (continued)

Although the Bedford Square Festival could not be held in the summer of 2020, due to the pandemic restrictions, the Centre hopes that it will be able to return in the summer of 2021 to continue its aim to celebrate the arts, cultural and literary communities on Bedford Square by offering a programme of engaging and collaborative events for the public.

The Centre spent a total of £852,567 on its own print and digital publications (2019: £838,137). Its new print publications were as follows: Erika Balsom, Lucy Reynolds and Sarah Perks (eds), *Artists' Moving Image in Britain Since 1989*; Sarah Thomas, *Witnessing Slavery*; David Cannadine (ed.), *Westminster Abbey*; Matthew Dimmock, *Elizabethan Globalism*; Douglas Fordham, *Aquatint Worlds*; Cora Gilroy-Ware, *The Classical Body in Romantic Britain*; Vaughan Hart, *Christopher Wren*; Andrew Saint, *Oxford Street*; Roger Stalley, *Early Irish Sculpture and the Art of the High Crosses*; and Lisa Tickner, *London's New Scene*. In this financial year, the Centre also produced paperback reprints of two titles: Patricia McCarthy, *Life in the Country House in Georgian Ireland* (originally published in 2016) and Emmanuel Cooper, *Bernard Leach* (originally published in 2003). Two other new titles required restock reprints because of strong sales: David Cannadine (ed.), *Westminster Abbey* and Hugh Belsey, *Thomas Gainsborough*.

During the year, the Centre also continued to acquire important library and archival materials to enhance its Research Collections. As well as newly published books, exhibition catalogues, journals, and auction catalogues acquired by purchase and gift throughout the year, the library received two major donated collections: The Fleming-Wyfold Art Foundation generously offered its library on Scottish art and artists to the Centre, and Peter & Renate Nahum followed up previous donations of material with a collection of 420 exhibition catalogues from the Leicester Galleries. In addition, a set of Master Drawings journals was donated by the Athenaeum Library, and the Wilson Centre for Photography again donated a number of books on photography. One collection was secured for the Centre's Archives as a bequest and one collection, the Humphrey Waterfield Archive, was kindly donated by William Waterfield and Judith Pillsbury.

For the first half of the year, Archives and Library staff were engaged with acquisitions, cataloguing, and running a public service and outreach programme, seeing an increase in in-person visits to the Public Study Room and new reader registrations. In addition, they continued to provide talks and tours of the Research Collections and Drawing Room Displays to a broad variety of audiences, to support both the wider activities of the Centre and the library and archive professional initiatives more generally. Academic activities supported included Bedford Square Festival, Yale Graduate Summer School, the British Records Association AGM, and a second Art & Feminism Wikipedia Edit-a-thon.

In March 2020, the Archives and Library closed to the public, along with the rest of the Centre, due to the Coronavirus pandemic. During the closure, staff prioritised various archive and library cataloguing projects. Two previously received donations were accessioned into the collection and fully catalogued during the year: The Paul Oppé library and the Brinsley Ford Grand Tour library. The Peter & Renate Nahum Leicester Galleries collection was also catalogued within the year. Working with relevant staff across the Centre, Archive staff continued the institution-wide records audit, which commenced in 2018. In addition to addressing GDPR related queries and issues arising from the Centre's everyday working practices, the Archivist & Records & Data Protection Manager continued to undertake a thorough review of the personal information managed by the Centre. An initiative to review and streamline how contact information is collected, held and managed across the Centre was begun, but it was difficult to continue this in a remote environment and therefore the initiatives have been postponed until 2021.

There were only two Drawing Room Displays during 2019-2020 due to the closure of the Centre. The first, *Modern Art and Publishing between 1935 and 1955: The Peter & Renate Nahum Gift* (23 September 2019 to 17 January 2020), curated by Sarah Turner, drew from the Peter & Renate Nahum donation and was accompanied by a Facebook Live Tour by Sarah Victoria Turner in October 2019. The second, *Making the Catalogue Raisonné* (3 February – 15 May 2020 and ongoing), curated by Mark Hallett, drew on the Centre's institutional archive. Bryony Botwright-Rance was responsible for overseeing and co-ordinating both displays and their accompanying booklets.

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee) GOVERNORS' REPORT (Continued) for the year ended 30 June 2020

REVIEW OF ACTIVITIES AND FINANCIAL REVIEW (continued)

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 71,141 unique users (2019: 37,664) and 166,177 page views (2019:105,519). Since its launch in November 2015, BAS has been visited by more than 152,000 unique users and had over 454,000 page views.

As in prior years, three Yale-In-London programmes were due to run during the year; two summer courses, between June and August, and a spring semester from January to April. Five students (3 from Yale and 2 from Yale NUS) were enrolled on the 2020 Spring term of Yale in London however, due to the Covid-19 pandemic and subsequent lockdowns across most of the world, students and US faculty were asked to return to their home countries in the tenth week of the programme. Spring break was extended by an additional week (on Yale in London spring break is ordinarily one week whereas the break at Yale is two weeks) in order to allow faculty and administrators to plan the transition to online teaching and scheduling across five different time zones. Courses resumed in the eleventh week of term and teaching continued over Zoom. The two summer sessions were cancelled due to the pandemic.

In July 2019, the Centre launched a new programme, the Graduate Summer School, in partnership with Yale School of Art, Yale History of Art, and the Yale Centre for British Art. Each year the Graduate Summer School aims to partner with a London based organisation and in 2019 this was the Institute of Contemporary Arts (ICA). The aim of the twelve-day programme is to bridge the gap between students studying fine arts and history of art in the US and the UK. By bringing these groups together, we hope to create an opportunity for students to engage in dialogue with one another to explore key issues effecting both fields. The inaugural Summer School examined concept of Collectivity and included 18 participants from the UK and Yale.

The Centre's Public Lecture Course programme, which offers interested members of the general public introductory courses on a broad range of topics in the history of British art and architecture, continued to flourish during the year despite the restrictions of the global pandemic. In Autumn 2019, the Centre ran a five-week series titled 'Art and War'. In the Spring, the Centre was due to run a series on Ceramics in Britain. However, after the first lecture the series was postponed to Autumn 2020 due to the national lockdown. In lieu of a Spring series, the Centre took the unprecedented step to offer a summer Public Lecture Course entirely online. In a series of six 30-minute pre-recorded lectures available only online, Mark Hallett and Martin Postle introduced audiences to six seminal works of eighteenth-century British art in a series titled 'Georgian Provocations', which averaged 1,474 views across the series in the summer as a result of skippable in-stream adverts on YouTube. This did not translate to view duration, which was relatively low at approximately 9 minutes on average.

The Networks established in previous years by the Centre, the Doctorial Researchers Network (DRN) and Early Career Researchers Network (ECRN), ran a combined total of twelve events over the year that looked to support members in their research and skills development. As with all other programming across the Centre, the Network's events were successfully moved online in May.

The Centre's national writing competition, Write on Art, which was established by the Centre and Art UK in 2017, aims to encourage an interest in art history amongst young people. The third cycle of Write on Art launched in autumn 2019 in partnership with Art UK. The deadline for the prize was extended to 31 July as a result of the uncertainty of schooling in the spring. As a result of the deadline extension and a targeted approach to marketing the prize during this cycle, Write on Art saw an increase of 152% in essays submitted, with a total of 402 essays across both categories of the prize in 2019/2020.

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.

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

GOVERNORS' REPORT (Continued)

for the year ended 30 June 2020

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.

Every year, the Centre's Governors review budgets and projections for the next financial year and the following four years at their annual meeting. Based on these reports, and despite the impact of Covid-19 on the Centre's endowment, the Governors expect the Centre will have adequate reserves and resources to continue its activities for the foreseeable future and to meet its obligations as they fall due.

FUTURE PLANS

The Centre's 50th Anniversary fell in June 2020. Even though this important event was understandably overshadowed by the impact of the Coronavirus crisis, it has still spurred all at the Centre to think about how best it can launch into the next phase of its history. It does so with plans in development to respond to one of the year's other major challenges, prompted by the Black Lives Matter protests that followed the killing of George Floyd in police custody in May 2020 – that of promoting equity, diversity and anti-racism not only in our own organisation, but also in the field of British art studies more generally.

These same values will also shape the Centre's continuing commitment to the British Art Network, which, under the stewardship of both the Centre and Tate Britain, is rapidly developing into a crucial hub of curatorial research, and the reach of which is becoming ever more international in scope. Its activities will serve to complement the Centre's in-house programme of academic events, publications, research projects, grant giving, outreach, teaching and archival and library development.

Over 2020-21, this packed schedule of work will include the online publication of a major research project, *Art and the Country House*, and, we hope, the next iteration of our Graduate Summer School, which, in bringing together students from both Yale and the UK, and from the disciplines of art-history and fine-art, encapsulates the values of intellectual exchange and exploration that are at the heart of the Centre's ethos.

Finally, the widespread turn to online and home working prompted by the pandemic, will inevitably see the Centre reviewing and rethinking not only the way it supports, hosts and disseminates scholarly research, but also the ways in which it operates on a day-to-day basis, so as to ensure the most effective continuation of its many activities.

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 £7,768,472 (2019: £6,660,843). After removing reserves related to intangible and tangible fixed assets of £1,946,828 (2019: £1,944,938), there are free reserves of £5,821,644 (2019: £4,715,905). 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 £7,900,096 (2019: £6,697,438). A breakdown of reserves is given in note 17.

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
GOVERNORS' REPORT (Continued)
for the year ended 30 June 2020

RISK REVIEW

The Centre's Senior Management Team 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 risks currently faced by the Centre are the fluctuation in the GBP:USD exchange rate, as the Centre's annual endowment income is awarded in USD, and a negative impact of the global pandemic on the investment of the Centre's Endowment that is under the control of Yale University.

The Centre also mitigates these risks by ensuring that it maintains sufficient reserves in the UK.

The exchange rate fluctuation risk is also managed by the Centre 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 Senior Management Team also focus on non-financial areas where risks may occur such as fire safety, health & safety, emergency planning, IT, Human Resources (HR) and, in line with the events of the last year, are now also factoring in the impact of a global pandemic into their risk planning. 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, updating 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 and the investment performance of the Centre's Endowment.

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.

FUNDRAISING

The Centre doesn't currently carry out fundraising activities.


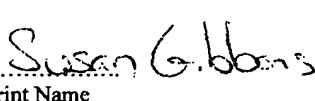
STATEMENT AS TO THE DISCLOSURE OF INFORMATION TO AUDITOR

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 February 2021

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 2020 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 2020 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 Governors' Report.

Responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities set out on page 11, 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 **25 February 2021**

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 2020

	<i>Notes</i>	2020 Restricted Funds £	2020 Unrestricted Funds £	2020 Total Funds £	2019 Total Funds £
INCOME FROM:					
<i>Donations and legacies</i>	2	101,585	5,204,674	5,306,259	4,297,510
<i>Other trading activities:</i>					
Publishing royalties		-	239,907	239,907	203,702
Exceptional item – stock	11	-	519,286	519,286	-
<i>Charitable activities:</i>					
<i>Income for:</i>					
British Art Studies		30,000	-	30,000	30,000
British Art Network		-	-	-	75,000
National Portrait Gallery		-	40,000	40,000	-
Yale in London		-	176,929	176,929	262,379
Sargent Publications		108,204	-	108,204	-
Other grant income		17,761	-	17,761	12,185
<i>Investments</i>					
Bank interest receivable		-	40,743	40,743	23,708
TOTAL INCOME		257,550	6,221,539	6,479,089	4,904,484
EXPENDITURE ON:					
<i>Charitable activities:</i>					
Publishing – print and digital	5	-	852,567	852,567	838,137
Grants and fellowships	5	9,500	1,333,622	1,343,122	1,105,373
Academic activities	5	30,000	1,129,924	1,159,924	907,647
Yale in London	5	-	230,872	230,872	335,748
Research projects	5	37,220	736,935	774,155	722,941
Research collections	5	-	829,990	829,990	773,744
Pevsner programme	5	85,801	-	85,801	149,719
TOTAL EXPENDITURE		162,521	5,113,910	5,276,431	4,833,309
NET INCOME	3	95,029	1,107,629	1,202,658	71,175
NET MOVEMENT IN FUNDS		95,029	1,107,629	1,202,658	71,175
TOTAL FUNDS BROUGHT FORWARD	17	36,595	6,660,843	6,697,438	6,626,263
TOTAL FUNDS CARRIED FORWARD		131,624	7,768,472	7,900,096	6,697,438

The notes on pages 17 to 35 form part of these financial statements.

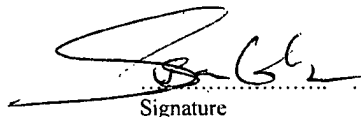
The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
BALANCE SHEET
At 30 June 2020

Registered Charity No: 313838
Company No: 983028

	Notes	2020 £	2019 £
FIXED ASSETS			
Intangible assets	9	19,550	37,520
Tangible assets	10	1,927,278	1,907,418
		<u>1,946,828</u>	<u>1,944,938</u>
CURRENT ASSETS			
Stock	11	519,286	-
Debtors	12	348,834	679,533
Cash at bank and in hand		6,429,974	5,004,227
		<u>7,298,094</u>	<u>5,683,760</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	13	(1,344,826)	(931,260)
NET CURRENT ASSETS		<u>5,953,268</u>	<u>4,752,500</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,900,096</u>	<u>6,697,438</u>
NET ASSETS		<u>7,900,096</u>	<u>6,697,438</u>
CAPITAL AND RESERVES			
Unrestricted funds	17	7,768,472	6,660,843
Restricted funds	17	131,624	36,595
		<u>7,900,096</u>	<u>6,697,438</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 14 to 35 were approved by the Board of Governors and authorised for issue on 10 February 2021 and were signed on its behalf by

 Susan Gibbons
Signature Print Name

Governor

 Stephen C. Murphy
Signature Print Name

Governor

The notes on pages 17 to 35 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 2020

	<i>Notes</i>	2020 £	2019 £
OPERATING ACTIVITIES			
Cash from / (used in) operations	16	1,540,356	(146,914)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES		<u>1,540,356</u>	<u>(146,914)</u>
INVESTING ACTIVITIES			
Interest received		40,743	23,708
Payments to acquire tangible fixed assets		(155,352)	(138,119)
Payments to acquire intangible fixed assets		-	(11,375)
NET CASH USED IN INVESTING ACTIVITIES		<u>(114,609)</u>	<u>(125,786)</u>
NET INCREASE / (DECREASE) CASH AND CASH EQUIVALENTS		1,425,747	(272,700)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>5,004,227</u>	<u>5,276,927</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>6,429,974</u>	<u>5,004,227</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) second edition (effective 1 January 2019) 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

As stated previously in this report, the bulk of the Centre's funds derive 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.

As mentioned in the first section of this Report, the investment return on the Centre's endowment has been impacted by the global pandemic. Whilst the Centre's income for the year-ended 30 June 2020 was maintained at the level expected pre-Covid 19 and the endowment is still generating investment returns, future annual income levels are currently projected to have lower year-on-year growth than before the pandemic. In April 2020, the Centre was therefore asked to revise its budget for the year-ended 30 June 2021, in line with the projected reduction in annual income growth, which it was able to do successfully.

Every year, the Centre's Governors review budgets and projections for the next financial year and the following four years at their annual meeting. Based on these reports, and despite the impact of Covid-19 on the Centre's endowment, the Governors expect the Centre will have adequate reserves and resources to continue its activities for the foreseeable future and to meet its obligations as they fall due.

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.

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

ACCOUNTING POLICIES

EXPENDITURE (continued)

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.

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 14).

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

STOCK

Under the new memorandum of agreement (MOA) with YUP effective from 1 January 2020, the cost of the Centre's publications is recognised as an asset in the Centre's Balance Sheet. Stock comprises of both finished publications and publications in progress and is valued at the lower of cost and estimated selling price less costs to complete and sell.

The cost of publications produced by the Centre is determined as the total publication costs for each publication, including proofing, designing, printing and delivery to the warehouse. The cost of publications produced by a third party (such as YUP) is determined as the total amount paid to the third party to produce the publications.

At each reporting date, management assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss.

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.

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

ACCOUNTING POLICIES

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 2020, the charitable company had 4 members (2019: 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.

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 2020 was £871,310 (2019: £512,160).

A key judgement is the determination of whether the publications stock held by third parties should be held on the Centre's Balance Sheet. Management have considered the risks and rewards attached to the stock, and have determined that the stock of publications, which are held by third parties, should be treated as consignment stock, and therefore held on the Centre's Balance Sheet at the reporting date. The net realisable value of stock at the report date is £933,862 (2019: £nil).

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

1 COMPARATIVE YEAR INFORMATION – STATEMENT OF FINANCIAL ACTIVITIES

	2019 Restricted Funds £	2019 Unrestricted Funds £	2019 Total Funds £
INCOME FROM:			
<i>Donations and legacies</i>	151,622	4,145,888	4,297,510
<i>Other trading activities:</i>			
Publishing Royalties	-	203,702	203,702
<i>Charitable activities:</i>			
<i>Income for:</i>			
British Art Studies	30,000	-	30,000
British Art Network	-	75,000	75,000
Yale in London	-	262,379	262,379
Other grant income	12,185	-	12,185
<i>Investments</i>			
Bank interest receivable	-	23,708	23,708
TOTAL INCOME	193,807	4,710,677	4,904,484
EXPENDITURE ON:			
<i>Charitable activities:</i>			
Publishing – print and digital	-	838,137	838,137
Grants and fellowships	9,500	1,095,873	1,105,373
Academic activities	30,000	877,647	907,647
Yale in London	-	335,748	335,748
Research projects	16,143	706,798	722,941
Research collections	-	773,744	773,744
Pevsner programme	149,719	-	149,719
TOTAL EXPENDITURE	205,362	4,627,947	4,833,309
NET (EXPENDITURE)/INCOME	(11,555)	82,730	71,175

2 DONATIONS AND LEGACIES

	2020 Restricted £	2020 Unrestricted £	2020 Total £	2019 Total £
Pevsner programme	101,585	-	101,585	151,622
Income from endowment at Yale	-	3,494,670	3,494,670	2,945,888
Publication income	-	225,000	225,000	200,000
Grants and fellowships income	-	1,200,004	1,200,004	1,000,000
Summer School	-	90,000	90,000	-
Reserve income	-	195,000	195,000	-
	101,585	5,204,674	5,306,259	4,297,510

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

3	NET INCOME	2020	2019
		£	£
	Net movement in funds is stated after charging:		
	Operating lease rentals	317,546	297,065
	Auditor's remuneration:		
	- audit services	13,450	10,200
	- tax advisory services	7,735	8,950
	- other services	7,925	9,000
	Depreciation of tangible fixed assets:		
	- owned	135,492	128,451
	Amortisation of intangible fixed assets	17,970	16,391

Of the total income, £5,913,755 (2019: £4,880,776) was received from outside the United Kingdom.

4	EMPLOYEES	2020	2019
		No.	No.
	The average monthly number of persons (excluding Governors) employed by the charitable company during the year was:		
	Research and administration	27	26
		2020	2019
		£	£
	Staff costs for the above persons:		
	Wages and salaries	1,300,146	1,201,953
	Social security costs	148,174	132,095
	Pension costs	238,157	221,147
		1,686,477	1,555,195
	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:	2020	2019
		No.	No.
	£60,001 to £70,000	1	1
	£70,001 to £80,000	1	-
	£80,001 to £90,000	-	1
	£90,001 to £100,000	2	2
	£190,001 to £200,000	1	1

During the year pension contributions for the above employees amounted to £110,103 (2019: £113,570). This is allocated to unrestricted funds.

Directors received no remuneration for their work as Governors (2019: £nil).

No amounts were paid, or expenses reimbursed to the Governors during the year (2019: £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 £562,999 (2019: £563,927) and Employer's National Insurance contributions of £59,094 (2019: £56,845).

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

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

Charitable activities 2020	Direct staff costs £	Depreciation and amortisation £	Other direct costs £	Support costs £	Total 2020 £
Publishing – print and digital	205,630	25,901	399,884	221,152	852,567
Grants and fellowships	48,188	6,111	1,236,648	52,175	1,343,122
Academies activities	360,279	51,733	306,201	441,711	1,159,924
Yale in London	44,569	5,069	137,952	43,282	230,872
Research projects	252,925	16,318	365,580	139,332	774,155
Research collections	329,568	48,122	41,420	410,880	829,990
Pevsner programme	3,585	208	80,229	1,779	85,801
	<u>1,244,744</u>	<u>153,462</u>	<u>2,567,914</u>	<u>1,310,311</u>	<u>5,276,431</u>
Charitable activities 2019	Direct staff costs £	Depreciation £	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>

6 SUPPORT COSTS	2020 £	2019 £
Operating costs	99,113	97,820
Accommodation costs	419,669	386,568
Staff costs	401,861	498,244
Governance costs	88,387	65,954
Expansion project	330	16,694
Other expenses	300,951	364,891
Total support costs	<u>1,310,311</u>	<u>1,430,171</u>

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

7 GRANTS PAYABLE	2020 £	2019 £
Grant and fellowships payable to institutions	558,350	429,520
Grants and fellowships payable to individuals	692,570	545,930
Other grants made in the year	-	11,775
Grants cancelled/written back in the year	(18,531)	(19,923)
Administration of grants	4,259	5,152
	<u>1,236,648</u>	<u>972,454</u>
Other grants paid on behalf of other bodies	4,000	4,000
	<u>1,240,648</u>	<u>976,454</u>

In the year ended 30 June 2020, 113 grants and fellowships were awarded to individuals (2019: 108) and 57 grants and fellowships were awarded to institutions (2019: 41). 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 £
Armagh Robinson Library	1	40,000
Autograph Association of Black Photographers	1	37,000
Bartlett School of Architecture, University College London (UCL)	1	39,000
Birkbeck, University of London	1	20,000
City and Guilds of London Art School	1	1,500
Colchester & Ipswich Museums	2	40,000
Courtauld Institute of Art	1	1,000
Derby Museums Trust	1	39,000
Diaphanes	1	8,750
Downing College	1	1,000
Elizabeth Montagu Correspondence Online	1	800
Flat Time House	1	10,000
Focal Point Gallery	1	1,600
Four Corners	2	11,700
Gainsborough's House	1	10,000
Glevum Consulting Ltd	1	25,000
Harvey Miller/Brepols - University of Cambridge	1	7,000
Hayward Gallery Touring	1	3,500
Holburne Museum	1	10,000
Ikon Gallery	1	10,000
Impermanence	1	40,000
Impressions Gallery of Photography Ltd	1	1,250
Irish Museum of Modern Art	2	11,600
John Libbey Publishing Ltd	1	6,000
Kettle's Yard, University of Cambridge	1	9,950
Leamington Spa Art Gallery and Museum	1	10,000
Liverpool University Press	1	5,000
Loughborough University	1	3,000
Manchester Metropolitan University	1	2,900
MK Gallery	1	10,000
Carried forward to page 24	<u>33</u>	<u>416,550</u>

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

7 GRANTS PAYABLE – Continued

Institutional grants were awarded as follows:

Institution	No. of grants awarded	Awarded in the year £
Brought forward from page 23	33	416,550
Museum of Modern Art, Machynlleth	1	10,000
National Museums Scotland	1	2,000
Paul Holberton Publishing	1	6,500
Royal Pavillion	1	10,000
School of Art History, University of St Andrews	1	2,800
The Charleston Trust	1	10,000
The Fitzwilliam Museum, University of Cambridge	1	2,500
The New Art Gallery Walsall	1	7,000
The Pennsylvania State University Press	1	5,000
The Reverend Petit Society	1	1,000
The Royal Society of Sculptors	1	10,000
The South Asia Collection Museum	1	40,000
The Victorian Society	1	2,600
TORCH Environmental Humanities Network	1	800
Turner Contemporary (Sophie McKane)	1	7,000
Turner's House Trust	1	1,000
University of York	1	1,000
University for the Creative Arts	1	2,000
University of Central Lancashire	1	3,000
University of Leeds	1	4,000
University of Salford	1	1,500
University of St Andrews	1	2,100
Watts Gallery - Artists' Village	1	1,000
Yale University Press	1	9,000
	<u>57</u>	<u>558,350</u>

Individual grants were awarded as follows:

Individual	No. of grants awarded	Awarded in the year £
Alexa Sand	1	2,000
Alexander Massouras	1	5,000
Alexia Petsalis-Diomidis	1	15,000
Alice Butler	1	10,000
Allison Pappas	1	2,000
Amy Boyington	1	5,000
Amy Jeffs	1	10,000
Carried forward to page 25	<u>7</u>	<u>49,000</u>

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

7 GRANTS PAYABLE – Continued

Individual grants were awarded as follows:

Individual	No. of grants awarded	Awarded in the year £
Brought forward from page 24	7	49,000
Ana Sverko	1	1,700
Anna Myers	1	1,400
Anne Dulau	1	3,000
Anthony Geraghty	1	40,000
Ben Burbridge	1	15,000
Beth Williamson	1	5,000
Caitlin Blackwell Baines	1	5,000
Carla Molinari	1	800
Catherine Grant	1	15,000
Catherine Jane Howe	1	10,000
Charlene Heath	1	2,000
Charlotte de Mille	1	5,000
Charlotte Jones	1	5,000
Christina Faraday	1	10,000
Clare Taylor	1	15,000
Cristina Gonzalez-Longo	1	650
David Anderson	1	2,000
David Challis	1	10,000
Dawn Pereira	1	9,500
Divya Subramanian	1	700
Dorothy Price	1	3,000
Douglas Fordham	1	40,000
Duccio Nobili	1	7,500
Dylan Spivey	1	2,000
Eddie Duggan	1	200
Edwin Coomasaru	1	5,000
Ego Ahaïwe Sowinski	1	2,000
Eleanore Neumann	1	7,500
Elizabeth Browne	1	2,000
Ellie Chan	1	5,000
Elspeth Mitchell	1	10,000
Emily Savage	1	1,100
Emma Merklings	1	5,000
Euan Robson	1	5,000
Flora Dunster	1	10,000
Gemma Brace	1	1,000
Georgia Haseldine	1	10,000
Gordon Higgott	1	3,000
Hannah Kaemmer	1	1,900
Harriet Baker	1	1,500
Hollie Price	1	2,000
Holly Argent	1	1,800
Ian Dudley	1	1,000
Carried forward to page 26	50	333,250

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

7 GRANTS PAYABLE – Continued

Individual grants were awarded as follows:

Individual	No. of grants awarded	Awarded in the year £
Brought forward from page 25	50	333,250
Isobel Harbison	1	5,000
Jennifer Wu	1	7,500
Jeong-Yon Ha	1	1,900
Jess Bailey	1	7,500
Jessica Fay	1	1,560
Jessica Womack	1	2,000
Jon Cooper	1	2,000
Joshua Mardell	1	10,000
Julia Snape	1	1,300
Katharine Harrison	1	10,000
Laura Franchetti	1	5,000
Léa-Catherine Szacka	1	15,000
Lindsay Wells	1	7,500
Lloyd de Beer	1	10,000
Lou Le Joly	1	1,200
Louisa Lee	1	5,000
Mark Campbell	1	1,100
Martina Caruso	1	900
Mary Shannon	1	800
Michael Johnson	1	2,000
Michal Goldschmidt	1	5,000
Natalie Ferris	1	1,000
Nathan O'Donnell	1	480
Nicholas Robbins	1	1,900
Nick Beech	1	15,000
Noah Smith	1	1,600
Pandora Syperek	1	360
Patrick Zamarian	1	2,570
Rachel Stratton	1	10,000
Ralph Wade	1	1,000
Ranald Lawrence	1	2,000
Rebecca Morrison	1	1,000
Rebecca Senior	1	2,000
Rebecca Wade	1	5,000
Richard Hudson-Miles	1	5,000
Robyne Calvert	1	3,000
Rosalind Hayes	1	1,500
Sally Sutton	1	2,350
Sally Woodcock	1	10,000
Sam Rose	1	15,000
Sara Ayres	1	1,100
Sarah Monks	1	5,000
Sean Kinnear	1	1,500
Shweta Raghu	1	7,500
Sophie Read	1	10,000
Carried forward to page 27	95	541,370

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

7 GRANTS PAYABLE – Continued

Individual grants were awarded as follows:

Individual	No. of grants awarded	Awarded in the year £
Brought forward from page 26	95	541,370
Sria Chatterjee	1	2,000
Tabitha Barber	1	15,000
Tara Kuruvilla	2	9,500
Tom Day	1	10,000
Tor Scott	1	1,000
Ulrike Kern	1	15,000
Vicky Coltman	1	40,000
Victoria Hepburn	1	7,500
Victoria Horne	1	15,000
Wendy Frère	1	1,800
Wenny Teo	1	15,000
Wilfried E. Keil	1	7,000
William Dominic Francis Parker	1	10,000
William Fowler	1	400
Zhengyang Hua	1	2,000
Total	111	692,570

Grants paid on behalf of other bodies:

Individual	No. of grants awarded	Awarded in the year £
Eleanore Neumann	1	2,000
Victoria Hepburn	1	2,000
	2	4,000

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.

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

9	INTANGIBLE FIXED ASSETS	<i>Website development</i> £	<i>Total</i> £
	Cost		
	1 July 2019	53,911	53,911
	Additions	-	-
	30 June 2020	53,911	53,911
	Amortisation		
	1 July 2019	16,391	16,391
	Charged in the year	17,970	17,970
	30 June 2020	34,361	34,361
	Net book value		
	30 June 2019	37,520	37,520
	30 June 2020	19,550	19,550

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 2019	2,138,892	558,098	282,119	2,979,109
	Additions	112,184	36,096	7,072	155,352
	30 June 2020	2,251,076	594,194	289,191	3,134,461
	Depreciation				
	1 July 2019	317,979	518,459	235,253	1,071,691
	Charged in the year	90,576	20,227	24,689	135,492
	30 June 2020	408,555	538,686	259,942	1,207,183
	Net book value				
	30 June 2019	1,820,913	39,639	46,866	1,907,418
	30 June 2020	1,842,521	55,508	29,249	1,927,278

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

11	STOCK	2020 £	2019 £
	Finished goods	519,286	-
		<u>519,286</u>	<u>-</u>

The Centre entered into a new agreement with Yale University Press (YUP) in the year, effective from 1 January 2020. On review of this new arrangement, management concluded that, based on the risks and rewards attached to the stock, as from 1 January 2020 the Centre has title and responsibility over the stock of books published by the Centre (see page 18 for further details).

As this change over title occurred as an exceptional event, the credit recognised in the Statement of Financial Activities has been disclosed as an exceptional item within income from trading activities.

12	DEBTORS	2020 £	2019 £
	Trade debtors	57,646	-
	Other debtors	9,179	26,918
	Prepayments	202,899	227,990
	Accrued income	79,110	424,625
		<u>348,834</u>	<u>679,533</u>

13	CREDITORS: Amounts falling due within one year	2020 £	2019 £
	Grants awarded but not yet paid	871,310	512,160
	Trade creditors	142,006	154,072
	Other creditors	77,656	33,420
	Other taxation and social security costs	39,446	39,344
	Accruals and deferred income	214,408	192,264
		<u>1,344,826</u>	<u>931,260</u>

	DEFERRED INCOME	2020 £	2019 £
	Deferred income at 1 July	10,000	10,000
	Income deferred in the year	-	-
	Amounts released from previous years	-	-
	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.

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

14 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 £238,157 (2019: £221,147). Contributions payable to the fund at the year end and included in creditors amounted to £36,653 (2019: £18,416). The pension expense and liability are allocated between activities and restricted and unrestricted funds based on the staff time spent on those activities.

15 COMMITMENTS UNDER OPERATING LEASES

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

	2020 £	2019 £
Amounts due:		
Within one year	347,500	297,476
Between one and five years	1,390,000	1,189,568
After five years	5,067,708	4,626,692
	<u>6,805,208</u>	<u>6,113,736</u>

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

	2020 £	2019 £
Net income	1,202,658	71,175
Adjustments for:		
Depreciation of tangible assets	135,492	128,451
Amortisation of intangible assets	17,970	16,391
Interest receivable	(40,743)	(23,708)
	<u>1,315,377</u>	<u>192,309</u>
Operating cash flows before movement in working capital	1,315,377	192,309
Increase in stocks	(519,286)	-
Decrease / (increase) in debtors	330,699	(308,794)
Increase / (decrease) in creditors	413,566	(30,429)
	<u>1,540,356</u>	<u>(146,914)</u>
Cash from / (used in) operations	<u>1,540,356</u>	<u>(146,914)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 July 2019 £	Cash flows £	At 30 June 2020 £
Cash at bank and in hand	5,004,227	1,425,747	6,429,974

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

17	MOVEMENT IN FUNDS	At 1 July 2019 £	Income £	Expenditure £	At 30 June 2020 £
	Unrestricted funds	6,660,843	6,221,539	(5,113,910)	7,768,472
	Restricted funds:				
	Pevsner Programme	22,648	101,585	(85,801)	38,432
	The Allen Fund	11,262	-	-	11,262
	British Art Studies	-	30,000	(30,000)	-
	Terra Foundation	2,685	12,761	(9,500)	5,946
	Sargent Publications	-	108,204	(32,220)	75,984
	LYC Symposium	-	5,000	(5,000)	-
	Total restricted funds	36,595	257,550	(162,521)	131,624
	Total funds	6,697,438	6,479,089	(5,276,431)	7,900,096
		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

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 2019 £	Income £	Expenditure £	At 30 June 2020 £
Special projects fund	174,930	348,219	(290,000)	233,149
British Art Network	74,732	-	(75,580)	(848)
	249,662	348,219	(365,580)	232,301

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 Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

17 MOVEMENT IN FUNDS - Continued

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 guidebooks 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 for a further two years. 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. Whilst the majority of the project work is still expected to be completed by 30 June 2022, due to the disruption caused by the global pandemic, the final stages of the project may now fall into the year ended 30 June 2023.

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 contributes £30,000 per annum towards the costs of BAS.

Terra Foundation: The Terra Foundation for American Art is 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.

Sargent Publications: During the year, the Horowitz Foundation for the Arts provided the Paul Mellon Centre with a generous grant of £80,697 (\$100,000) towards the research, writing, photography, and general publication costs of John Singer Sargent: The Portrait Charcoals, by Richard Ormond. In addition, a separate amount of £27,507 was given by the Foundation towards the production costs of the cumulative index volume that will complete the John Singer Sargent nine-volume catalogue raisonné, by Richard Ormond and Elaine Kilmurray.

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

17 MOVEMENT IN FUNDS - Continued

LYC Symposium: The LYC Museum & Art Gallery (LYC Museum), located in the village of Banks astride Hadrian's Wall, showcased the work of more than 320 artists between 1972 and 1983. Its transformation from dilapidated farm buildings into a hyperactive space for art was the single-minded effort of artist Li Yuan-chia (1929–1994), whose initials gave the museum its name. Artists shown ranged from local artists (Andy Christian, Susie Honour) to totemic national figures (Paul Nash, Barbara Hepworth) and contemporary artists, now of international renown (Lygia Clark, Andy Goldsworthy), but then barely known in Britain. The LYC symposium, held at the Manchester Art Gallery and University of Manchester in March 2019, proposed a consideration of the LYC Museum as an extension of Li's pioneering participatory art practice. The University of Arts contributed £5,000 to the Paul Mellon Centre during the year towards the costs of the LYC Symposium.

18 ANALYSIS OF NET ASSETS	Restricted Funds £	Unrestricted Funds £	Total Funds £
Current year			
Intangible fixed assets	-	19,550	19,550
Tangible fixed assets	-	1,927,278	1,927,278
Current assets	176,227	7,121,867	7,298,094
Current liabilities	(44,603)	(1,300,223)	(1,344,826)
	<u>131,624</u>	<u>7,768,472</u>	<u>7,900,096</u>
Prior 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>

19 RELATED PARTY TRANSACTIONS

During the year the charity received income of £5,512,263 (2019: £4,664,888) 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 £40,925 (2019: £nil) from Yale NUS (Singapore), an entity under common control of Yale University. The funds were used for the Yale in London spring term course.

At the year end, the charity owed Yale University £41,003 (2019: £15,004) in respect of sterling expenses incurred on behalf of the charity.

During the year the charity received £239,602 (2019: £203,702) from Yale University Press, in relation to revenue share and publishing royalties. Yale University Press is a subsidiary of Yale University, the entity responsible for establishing the charity. During the year, the charity paid £73,681 (2019: £214,396) to Yale University Press for book publishing costs. Included in creditors is a balance of £31,887 (2019: £62,885) due to Yale University Press.

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

19 RELATED PARTY TRANSACTIONS (continued)

Included in accrued income is a balance of £78,320 (2019: nil) and included in prepayments is a balance of £3,039 (2019: £nil) due from Yale University. Included in debtors is a balance of £57,646 (2019: nil) and included in accrued income is a balance of £789 (2019: nil) due from Yale University Press.

Relocation expenses in the amount of £4,363 (2019: 6,063) paid for on behalf of the Director of Studies are included in other debtors.

20 HERITAGE ASSETS NOT RECOGNISED IN THE BALANCE SHEET

The Paul Mellon Centre maintains a collection of approximately 32,650 books and exhibition catalogues, 8,670 auction catalogues, 250 journal titles and 40 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.

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 40% 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. Where Covid-19 restrictions allow, 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 2019-2020 the Centre acquired 4 library collections by donation and 1 archive collection.

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

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 8 archive collections and there were no disposals.

As of end of June 2020 the library collection was insured for the sum £2,502,300; the archive collections for £991,997; and the photographic archive collections for £250,000.