

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 2022

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
GOVERNORS' REPORT AND FINANCIAL STATEMENTS
for the year ended 30 June 2022

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The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
LEGAL AND ADMINISTRATIVE INFORMATION
for the year ended 30 June 2022

DIRECTORS/GOVERNORS

Susan Gibbons (ex-officio Chief Executive)

Peter Salovey

Stephen Murphy

Scott Strobel

NON-STATUTORY DIRECTOR

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

Sayer Vincent LLP

108-114 Golden Lane

London

EC1Y 0TL

BANKERS

Lloyds Bank pic

113-117 Oxford Street

W1D 2HW

SOLICITORS

Farrer & Co LLP

66 Lincoln's Inn Fields

WC2A 3LH

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

GOVERNORS' REPORT

for the year ended 30 June 2022

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 2022.

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 2021:

Susan Gibbons
Peter Salovey
Stephen Murphy
Scott Strobel

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, Chief of Staff to the President, and Vice Provost for Collections and Scholarly Communication at Yale University, is also ex-officio Chief Executive of The Paul Mellon Centre. Significant decisions of a financial, operational, or strategic nature are made by the Board.

Day to day decision-making and management of the Centre is carried out by the Senior Leadership Team (SLT), which is comprised of the Director, Mark Hallett alongside the Deputy Director, Sarah Turner, the Chief Financial Officer, Sarah Ruddick, and since 1 January 2022, the Head of Research and Learning, Sria Chatterjee, all of whom are employees of the Centre. From 1 July 2022, Martin Myrone, the Centre's Head of Grants, Fellowships and Networks, joined the SLT.

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

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

RECRUITMENT AND APPOINTMENT OF GOVERNORS AND STAFF

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

The 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.

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The Board gives its time freely and is not remunerated for its work. The Board sets the pay of the Centre's Director. The pay of the remaining members of the SLT is reviewed and decided by the Director. The salaries of the remaining Centre staff are reviewed annually as part of the budget-setting process by the Director, with the input of the Chief Financial Officer and the Deputy Director, and in consultation with the HR Manager. Each year, with effect from the beginning of the financial year, an appropriate cost of living salary increase is usually awarded to all staff. The cost-of-living salary increase for the next financial year is approved by the Board of Governors at their annual meeting and the following criteria are used in setting this annual increase:

- Trends of pay in the sector and the UK generally
- The UK inflation rate
- The annual cost-of-living salary increase being awarded at Yale

During the year, in response to the increased inflation rate and living costs, an additional cost-of-living salary increase was awarded to all eligible staff in January 2022.

Every three years, since Autumn 2018, Centre has engaged an external consultancy to carry out a review of the compensation of all staff based on the nature of the roles and responsibilities of Centre staff in comparison with average salaries for comparable positions in the sector. The results of the benchmarking exercise are then reviewed by the Director who, in line with the Centre's pay principles, assesses whether a pay increase is required and decides the new salary levels. The most recent benchmarking exercise was carried out in September/October 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 most areas, our performance has continued to improve over the past year.

The Centre's SLT continually reviews the institution's activities and the various performance indicators used to evaluate success. They also periodically undertake a process of institutional review to systematically analyse all the different strands of the Centre's activities, with the most recent review having commenced during the financial year. The previous Strategic Review was carried out in the year ended 30 June 2018.

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. Yale University control and manage the investment of the endowment and the Centre's income from the endowment.

The Centre's Board of Governors, including the four main Governors with legal responsibility for the Centre plus the other Members of the Board, are all employees of Yale University.

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for the year ended 30 June 2022

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 meets twice a year to select the successful applications and agree how much will be awarded in each case.

REVIEW OF ACTIVITIES AND FINANCIAL REVIEW

The Centre continued to comfortably maintain its publication and academic activities, and grants and fellowships awards during the financial year ended 30 June 2022.

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. In addition, as the Centre's annual endowment income is awarded in USD, the Centre benefitted from the GBP:USD rate during the year.

In addition to income from the endowment, the Centre also receives annual income in the form of royalties and 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 and revenue-share income represents approximately 50% of the total annual investment in the publications programme.

After significant periods of working from home in the prior eighteen months, this year saw the Centre and its staff beginning the process of returning to Bedford Square. Alike many other institutions, and in response to the impact that the pandemic has had on working patterns, the Centre established a more flexible hybrid working arrangement. This new set of working practices, which enables many full-time staff members to work up to two days a week from home, has proved both practical and popular.

During the year, the areas of the Centre that were affected by the significant leak into the 15 Bedford Square side of the Centre that occurred in May 2021, were repaired and redecorated.

Once the Centre's core activities were fully up and running, the Director and his Senior Leadership Team colleagues spent much of the year undertaking a thorough strategic review of the Centre's structures, policies, and personnel. The purpose of this review was to reflect on how the Centre might best go forward in the 'new normal' circumstances of the post-pandemic era; look carefully at the Centre's policies and procedures, including those in the crucial areas of equality, diversity, and inclusion; and enable a period of self-reflection after nearly a decade's worth of rapid growth, during which the Centre's ambitions, activities and staff numbers have expanded significantly.

This strategic review initially led to a reorganisation of the Centre's senior management structure in October 2021. From this date, the arrangement of having a Director of Studies and three deputy Directors, who collectively made up the Centre's Senior Management Team (SMT), came to an end and a newly constituted Senior Leadership Team (SLT) came into effect, with the Centre's Director working alongside a single Deputy Director, a Chief Financial Officer, and the Head of Research and Learning.

As part of these changes, Mark Hallett's title changed from Director of Studies to Director. In this role, Mark continues to take the lead in overseeing the workings and development of the Centre, and in shaping its strategy. Mark continues to head up the SLT, and directly manage the Deputy Director, the Chief Financial Officer, and the new Head of Research and Learning, and colleagues leading the following areas of activity: human resources, grants and fellowships, operations, and the British Art Network, in addition to the Centre's Senior Research Fellows.

Sarah Turner assumed the newly created role of Deputy Director, which sees her supporting the Director in leading the Centre and in shaping its strategic development and deputing for Director when necessary. Sarah also manages those colleagues who lead the Centre's archives & library, digital, picture-research and publishing activities (both print and online).

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Sarah Ruddick assumed the new title of Chief Financial Officer and continued to oversee the Centre's financial activities and strategy, manage the finance team, and play a crucial part in shaping overall organisational strategy and governance.

Sria Chatterjee joined the Centre on 1 January 2022 in the new role of Head of Research and Learning. Sria oversees the Centre's research events and learning programmes, and manages the Centre's Events and Learning managers, and also pursues her own research in the field of British art studies which brings added scholarly expertise to SLT discussions.

The other major change implemented in October 2021 saw Martin Postle assume the new title of Senior Research Fellow to focus on a wide range of activities for and at the Centre. In this fixed-term, four-year role, Martin will be producing a new catalogue raisonné on the eighteenth-century artist Joseph Wright of Derby, making substantial contributions to the Centre's Yale in London and Public Lecture programmes, organising an annual scholarly workshop, and convening a new network of art-trade professionals specialising in British art.

The strategic review continued throughout the year and in the spring of 2022, when the new SLT embarked on an extensive series of organised conversations with groups of colleagues from every area of the Centre, which canvassed opinion on their challenges, priorities, and aspirations. Through this process, and a series of follow-up conversations and consultations, the SLT were able to develop a new set of Centre-wide strategic priorities for 2022–5, which were summarised under three headings: 'Connecting', 'Sustaining' and 'Creating'.

Great progress was also made in developing a series of new and improved policies and procedures, including a new equality, diversity and inclusion policy and action plan. In addition, and to support the strategic priorities identified from the strategic review, the SLT was able to implement a series of changes to team structures and reporting lines and make a set of new appointments in our Learning, Digital, HR, Finance, Operations and Library and Archive teams.

After the turbulence caused by the pandemic in the last two financial years, this intensive period of institutional reflection, review and reorganisation helped give the Centre a welcome sense of robustness and confidence to end the financial year proud, not only of the wide range of activities and achievements detailed in this report, but also of its progress in quietly renewing itself as an organisation, enabling it to better meet the challenges and opportunities of the future

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.

The Centre's new agreement with Yale University Press (YUP) came into effect in January 2020 and since then the Centre has taken full responsibility for the commissioning, editing and production of its titles, with YUP remaining responsible for distribution and publicity. Due to this new agreement with YUP, the Centre now recognises the stock of books it publishes on its Balance Sheet at the lower of cost and net realisable value. The value of stock (finished goods and work in progress) recognised at the year-end is £722,687 (2021 restated: £623,503). The net realisable value of stock (finished goods) at the reporting date is £892,649 (2021:£956,668). The Centre's agreement with YUP also provides 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.

During the financial year the Centre spent a total of £937,944 on its own print and digital publications (2021 restated: £721,351). Throughout the Centre's history, its print publications have represented a wide range of research topics, interests and approaches in the field of British art studies. This year's publications are indicative of this breadth, and also give a sense of new directions and concerns.

New print publications published in the year were as follows: Mark Girouard, *A Biographical Dictionary of English Architecture, 1540–1640*; Manolo Guerri, *London's 'Golden Mile': The Great Houses of the Strand, 1550–1650*; David Alexander, *A Biographical Dictionary of British and Irish Engravers, 1714–1820*; Sean Willcock, *Victorian Visions of War and Peace: Aesthetics, Sovereignty, and Violence in the British Empire, c.1851–1900*; Todd Longstaffe-Gowan, *English Garden Eccentrics: Three Hundred Years of Extraordinary Groves, Burrowings, Mountains and Menageries*; Holly Shaffer, *Grafted Arts: Art Making and Taking in the Struggle for Western India, 1760–1910*; Andrea Wolk Rager, *The Radical Vision of Edward Burne-Jones; Paris*

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A. Spies-Gans, *A Revolution on Canvas: The Rise of Women Artists in Britain and France, 1760–1830*; and Peter Guillery, *Survey of London – Volumes 54 and 55: Whitechapel*.

Reprints of the following publications were required during the year: Emmanuel Cooper, *Lucie Rie: Modernist Potter*; Adriano Aymonino, *Enlightened Eclecticism: The Grand Design of the 1st Duke and Duchess of Northumberland*; Matthew Craske, *Joseph Wright of Derby: Painter of Darkness*; Henrietta McBurney, *Illuminating Natural History: The Art and Science of Mark Catesby*; Manolo Guerci, *London's 'Golden Mile': The Great Houses of the Strand, 1550–1650*; and Hugh Belsey, *Thomas Gainsborough: The Portraits, Fancy Pictures and Copies after Old Masters*.

During the period covered by this report, three issues of *British Art Studies* – the Centre's peer-reviewed and open-access journal – were published online. The journal was founded in 2015 and is co-published with the Yale Center for British Art.

Issue 20 (July 2021) was an open issue that included a 'Conversation Piece' feature titled 'British Art After Brexit', which brought together short texts from twelve authors responding to a provocation by the editors. The feature explored the impacts of Brexit on the study, making and exhibition of British art, and is part of an ongoing dialogue in the journal and wider field about national frameworks for art history.

The next two issues were both Special Issues. Issue 21 (November 2021) was titled 'Redefining the British Decorative Arts' and was guest-edited by Iris Moon, an assistant curator of European sculpture and decorative arts at the Metropolitan Museum of Art in New York. It contained eleven articles alongside six features – including an interview, a virtual tour and a roundtable discussion – that spotlight the work of artists and curators today in researching, displaying and reinterpreting decorative arts. Issue 22 (April 2022) 'Thames River Works' used an ecocritical lens to interrogate the relationship between industry, the Thames and art in the nineteenth century, taking the Thames-side works of James McNeill Whistler as a starting point. It contained seven articles and was guest-edited by Justin McCann, an independent art historian and former Lunder Curator for American Art and Whistler Studies at the Colby College Museum of Art in Maine; and Shalini Le Gall, the Chief Curator and Susan Donnell and Harry W. Konkel Curator of European Art at the Portland Museum of Art in Maine.

In February 2022, a redesign of the journal was also started. This will see us implement improvements identified by the user-experience testing carried out on the journal's website in February 2020, meet web accessibility standards and reduce the website's carbon footprint and bandwidth demands. Fabrique, a digital design agency based in the Netherlands, will carry out the redesign.

Since its launch in November 2015, BAS has been visited by more than 294,000 unique users and had over 738,000 page views.

The support offered by the Centre's grants and fellowships programme also 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 2021-2022 the Centre awarded grants and fellowships totalling £1,129,061 including £4,000 in respect of The Andrew Wyld Fund (2021: £977,360 including £4,000 on behalf of The Andrew Wyld Fund). A new set of three funding opportunities, called the New Narratives awards (which included two multi-year awards), were introduced in the spring. The annual instalments of the two multi-year awards are allocated in the year they paid in but the creditor is accounted for when the award is made.

In the Autumn 2021 round, 188 applications were received for the awards offered by the Centre; 51 of these were successful. The Curatorial Research Grants received 14, of which 6 were successful. 2 Digital Project Grants were successful out of 15 applications and the Collaborative Project Grant received 10 applications, with 3 being successful. Publication Grants received 74 applications, of which 14 were successful, Research Support Grants saw 20 successful applicants out of 65 in total and the Event Support Grant, received 5 applications, of which 4 were successful.

In prior years, the Andrew Wyld Research Support Grant was administered by the Centre on behalf of the Andrew Wyld Fund. In 2021, the grant was offered in the Autumn round and 2 awards were made from 5 applications totalling £4,000.

The Spring 2022 round, which consists mainly of the six categories of Fellowship offered by the Centre, received 171 applications in total, 59 of which were successful. The Spring 2022 round of funding also saw 16 applications

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received for the Senior Fellowship, 3 were successful; the Mid-Career Fellowship received 30 applications, of which 8 were successful; 34 applications were received for Postdoctoral Fellowships, 10 were successful and 15 applications were received for Junior Fellowships, of which 6 were successful. The Archives & Library Fellowship (previously named the PMC Research Collections Fellowship) received 2 applications, 1 of which was successful. The Rome Fellowship only received 1 application which was unsuccessful, so the decision was made to re-open and re-advertise the opportunity. 5 applications were received after this re-advertising and 1 was awarded. The Research Support Grants saw 50 applicants with 21 being successful and the Event Support Grants received 23 applications, of which 9 were successful.

The New Narratives opportunities were awarded in May. The Early Career Fellowship (an award of £35,000 per year for two years) received 16 applications, of which 1 was successful, the Doctoral Scholarship (an award of £32,000 per year for three years) received 17 applications with 1 being successful and the MA/MPhil Studentship (an award of £32,000 for one year) received 7 applications, of which 1 was successful.

The annual recipient of the Conservation Fellowship is chosen by the Centre's Director. During the year, the Conservation Fellowship was awarded to Gainsborough's House.

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 with an additional meeting being held in both 2020 and 2021 financial years to award the Research Support grants and fellowships. These Research Support awards were established in response to the pandemic and were conceived as emergency funding which was intended to sustain research, writing and thinking on British art and architecture. No Research Support awards were issued in the 2022 financial year.

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 three-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 deems 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 events programme offers a platform for communicating new research on British art. Each event, whether a large conference or smaller seminar, aims to create a space for dialogue, debate and, crucially, for coming together to share knowledge and interests. During the winter of 2021–2, the global pandemic continued to prevent large-scale in-person gatherings, but drawing upon our experience of producing online events, the Centre continued to provide a busy events programme to an increasingly international audience.

Throughout October, the Centre offered talks, panel discussions and artist presentations as part of the multi-part event *Cutting Edge: Collage in Britain, 1945 to Now*, co-organised with Elena Crippa (Curator, Modern and Contemporary Art, Tate Britain) and Rosie Ram (Visiting Lecturer in Curating Contemporary Art, Royal College of Art). Cumulatively, the speakers mapped the crucial role that collage has played in some of the most daring developments in post-war and contemporary British art, drawing on the fragmented nature of post-war debris to the burgeoning circulation of digital images.

A highlight of this year's activities were the Mellon Lectures. Again offered as live online events and co-organised with the Yale Center for British Art, these were given by five museum and gallery directors: Gabriele Finaldi (National Gallery, London), Kaywin Feldman (National Gallery of Art, Washington, DC), Thelma Goldman (Studio Museum, Harlem), Iwona Blazwick (Whitechapel Gallery, London), Maria Balshaw (Tate) and Maria

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Mok (Hong Kong Museum of Art). All spoke engagingly to the topic of 'The Museum and Gallery Today', offering insight into the challenges and possibilities of caring for collections and creating exhibitions today. These events attracted large online audiences and created a palpable sense of occasion.

Collaboration is at the heart of the Centre's academic activities programme. In 2021–2, a good number of events were co-organised with external partners, bringing new forms of knowledge and expertise as well as new audiences to our work. Collaborative events included *Graphic Landscape: The Landscape Print Series in Britain, c.1775–1850* (in partnership with the British Library); *Maud Sulter: The Centre of the Frame* (organised with the Women's Art Collection, Murray Edwards College, University of Cambridge); *Concerning Photography* (a co-produced online conference and workshop with the Photographers' Gallery); and *The Show is On: Laura Knight's Career and Contexts* (the first of a two-part collaboration with the MK Gallery in Milton Keynes). This was followed by an event to coincide with the exhibition of Ingrid Pollard's work at MK Gallery. The Centre also partnered with British Art Show 9 to produce events in each of the four host cities – Aberdeen, Wolverhampton, Manchester and Plymouth – in the summer months of 2022. The Barbican's Postwar Modern exhibition was another springboard for a series of lectures and an international conference.

At the beginning of the financial year the pandemic was still having an impact on the Archives and Library (A&L) public service. During the summer of 2021, the Public Study Room (PSR) was open on Monday, Wednesday and Friday, and throughout this period the need for quarantining stock and social distancing in the room slowly reduced. To address the growing demand for remote access to A&L holdings and the desire to widen engagement opportunities for A&L audiences, public service provision was revised, and policies and procedures were rewritten.

In early October 2021, the PSR opened to readers from Tuesday to Friday; the existing enquiries service was augmented; and a formal copies service was launched. A&L web pages were revised, and new artist guides, which have proved a great success, were published.

The Centre made one joint acquisition during the year: the Nicholas Goodison Archive and Library. This was kindly donated in January 2022 by Goodison's widow, Judith. Goodison (1934–2021), who was chairman of the London Stock Exchange between 1976 and 1986, had a lifelong interest in the visual and decorative arts, publishing key texts on barometers and Matthew Boulton. The library comprises 250 books on such subjects as barometers, clocks and watches, ormolu, silver- and gold-work, glass, ceramics and furniture. Alongside papers relating to Goodison's research, the archive also includes material concerning his work for the independent inquiry, 'Saving Art for the Nation'.

Following a delay caused by the pandemic, the first recipient of the research collections fellowship, Joshua Mardell, embarked on research for his project 'Finding a Historiography for Gavin Stamp'. The second recipient, Dr Hans Hönes, began his research shortly afterwards on a project entitled 'Fundamentals of Knowledge: Art History in Britain c.1940–70'. Both postholders spent extended stretches of time during the period covered by this report consulting A&L materials in the PSR and began work on the various output requirements of their respective fellowships.

The A&L hosted UCL postgraduate student placements in April–May 2022. Two students, Isobel Jarvis and Natasha Tebbs, spent a fortnight at the Centre cataloguing material from the Andrew Moore Library and the Humphrey Waterfield Archive respectively.

Two Drawing Room Displays were held during 2021–22: *Sculpting in Sound: Researching Sculpting Lives*, held from 4 October to 14 December 2021, was a display curated by Jo Baring (Director, Ingram Collection) and Sarah Victoria Turner. This featured A&L materials that had been used to develop their podcast *Sculpting Lives: Women & Sculpture*, launched in March 2020; and *Bedford Square: Creating Social Distance*, held from 10 March to 9 September 2022 and curated by Martin Myrone, used A&L materials to explore Bedford Square's architectural and social history and to highlight the way that classic Georgian architecture created forms of social distancing.

A total of 673 new books and exhibition catalogues were acquired and accessioned during the year.

As well as newly published materials acquired by purchase and gift throughout the year, the library received one larger donated collection: Andrew Moore kindly gifted fifty books relating to art and photography in Norfolk, including exhibition catalogues from Norwich Castle Museum and Art Gallery.

The Assistant Librarian continued to develop the Library's Special Collections by moving all pre-1800 publications to the Library's rare books section. The A&L Cataloguer completed the cataloguing of the Library's collection of

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copies of nineteenth- and early twentieth-century exhibiting society catalogues.

Eleven archive collections were offered to the Centre from private donors during the year. Following careful assessment against the Centre's published Archive Collection Policy Statement and, in some cases, an on-site appraisal, two were declined and six remain under consideration. Three archive collections were acquired. Alongside the Goodison Archive, the Kerry Downes Archive was kindly donated to the Centre in July 2021 by Anthony Geraghty. Downes (1930–2019) was a British architectural historian and author who published widely. Downes's archive contains material relating to his entire career and includes, most notably, extensive correspondence with many of the UK's leading architectural historians of the post-war period.

The Fry Gallery Archive was kindly donated to the Centre in May 2022 by Jonathan, son of the gallery's owners, the late Cyril and Shirley Fry. The Fry Gallery (1967–90s) specialised in eighteenth- and nineteenth-century British watercolours and drawings. The majority of the archive comprises material related to the day-to-day running of the gallery. It also includes correspondence with many of the prominent figures of the British art scene at the time, including Dudley Snelgrove, Edward Croft-Murray, Leonard G. Duke and Paul Mellon.

Cataloguing of the Frank Simpson Archive was completed in April 2022. The resulting catalogue descriptions were published online on the Centre's website, Archives Hub, Discovery, and Archives Portal Europe in June 2022. An online 'Collections in Focus' feature, Exploring the Frank Simpson Archive, was launched in May 2022.

The Archivist, Records & Data Protection Manager (ARDPM) continued to work with staff to ensure that both new Centre initiatives and existing everyday working practices were compliant with GDPR. Particular projects included the British Art Network members survey; the New Narratives Fellowship; and establishing a data transfer agreement with Yale. Training was given to all staff. Work concerning PMC audiences established both that a more comprehensive data-driven understanding of profile, engagement and experience was needed, and that liaison with external experts would be necessary to achieve this. The Audience Agency was identified as a potential partner and initial conversations were held with them in May 2022.

The Centre's Learning Programme continued to respond creatively to the challenges for international travel and study abroad thrown up by the pandemic. Under the leadership of Sria Chatterjee (Head of Research and Learning) and Nermin Abdulla (Learning Programme Manager), an exciting range of courses, awards and opportunities were offered for students and the public across a range of ages and backgrounds.

Due to the pandemic Yale in London (YinL) courses could not be held in the prior year and only resumed in June 2022. Over the two YinL sessions held in the summer of 2022, 15 Yale students travelled to London to study at the Centre. The first session included the courses 'British Art and the Maritime World' and 'Contemporary British Theatre'; the second featured courses titled 'Writing about Music in the U.K.' and 'The British Country House: Collecting and Display'. Students engaged in a range of study trips and programmed social activities beyond the classroom.

Two Public Lecture Courses were run over the academic year. In autumn 2021, Elizabeth Robles convened 'Black British Artists and Political Activism', which was fully online. Over six weeks, speakers presented a compelling set of dialogues about the relationship between art-making and political activism across key political and cultural episodes of the late twentieth century. In spring 2022, Jessica Berenbeim and Lloyd de Beer convened the much-acclaimed series, 'Britain and the World in the Middle Ages: Image and Reality'. Through five lectures on medieval art (presented both in-person and online) the series explored Britain as a place of exchange – of art, ideas, rare materials and people from all over the world.

The Plan, Prepare, Provide programme, which is supported by the Centre, was developed by the University of Leeds School of Fine Art, History of Art and Cultural Studies, in partnership with the Association for Art History, offers a unique opportunity for secondary school teachers and their schools to improve their delivery of both academic and practical art lessons. It encompasses an annual three-day residential, stand-alone CPD sessions, and a targeted Postgraduate Certificate in 'Developing Teachers' Research and Practice'. This year the programme included two online CPD workshops: 'The Fine Art of Surfacing' and 'Around the World on "Arty Ways"', and a two-and-a-half-day in-person 'Art Teachers Residential' at the University of Leeds. It also successfully recruited five teachers to the Postgraduate Certificate course.

The Write on Art Prize has seen growing interest from secondary school pupils studying a range of different subjects. This year the prize was judged by a stellar line-up of artists, curators and art historians: Sutapa Biswas (artist), Arike Oke (Executive Director of Knowledge and Collections, BFI) and Jo Baring (Director, Ingram

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GOVERNORS' REPORT

for the year ended 30 June 2022

Collection). The judges were extremely impressed by the high quality of the shortlisted essays and the care and time that applicants had put into their entries.

The British Art Network (BAN) is a network that the Paul Mellon Centre supports and supervises in partnership with Tate Britain. BAN membership grew by over 30 per cent, reaching 1,350 members by June 2022. In July 2021, the annual conference focused on 'Genealogies of Black Curating in Britain', with a programme of roundtables and two commissioned artists' films, by Rita Keegan and Raju Rage – all freely available on the BAN website (britishartnetwork.org.uk). The first thirty-two articles for a new 'virtual collection', entitled 'The British Art UnCanon', were published on the BAN website, bringing together images from across the history of British art selected by BAN members. The newsletters sent out to the membership included essays, interviews and reflections on British art curating, and a special issue, guest-edited by the Emerging Curators Group, with films and accessible content.

The allocation of BAN bursary support in autumn 2021 included funding for ten Research Groups, including entirely new groups dedicated to British Digital Art; The Art of Captioning; Disability in British Art; and Art and the Women's Movement in the UK, 1970–1988. The fifteen members of the new Emerging Curators Group for 2022 included individuals working across the UK either within organisations or independently, engaging with historic and contemporary art, activism and research. In early 2022, BAN opened applications for a revised seminar support scheme, aimed at providing funds for more developmental or experimental one-off events, and an entirely new Curatorial Forum and residential programme which will bring together a select group of twelve curators of British art from a range of backgrounds and working contexts at the Yale Center for British Art in October 2022. With an emphasis on collective learning, exploratory thinking, sharing and reflection, the Forum will provide a unique opportunity to explore the history, present experience and future of British art curating; forge new professional connections; and enjoy privileged access to the exceptional collections and resources of the Yale Center for British Art.

More detailed information on BAN's activities in 2021 can be found in the BAN Annual Report, posted online in March 2022.

The Centre's networks connect and support researchers and professionals engaging with British art. The Centre has two established networks, the Doctoral Researchers Network (DRN), a supportive group of PhD students, offering academic and professional training, and the Early Career Researchers Network (ECRN), a peer-to-peer network supporting people working to establish careers as researchers in British art. The Centre also supports the British Art Network (BAN) alongside Tate, with additional public funding provided by the National Lottery through Arts Council England. With the continuing impact of Covid and the changing economic climate, these networks have adapted and expanded during 2021–2, and have come to play an increasingly important role in connecting curators, researchers and emerging scholars and building a much-needed sense of community within the sector.

During 2021–2, the ECRN was co-convened by Dr Christine Slobogin and Dr Stacey Clapperton. They grew the membership by 35 per cent to 201 researchers. The DRN, which has an active membership of 162 PhD students, was co-convened by Caitlin Doley and Susuana Amoah. Both networks ran lively programmes aimed at enhancing skill sets and career development, and which provided a space for testing ideas, sharing experiences and connecting with each other.

Additionally, the Paul Mellon Centre continues to explore new ways of supporting researchers and curators. This year we launched 'British Art in Motion', the PMC's undergraduate filmmaking competition. The competition is designed to generate creative and thought-provoking short films about works of British art or architecture, and to explore the possibilities of film as a medium for engaging and interpreting works of art. Ten students were selected from a pool of applicants to produce a 10-minute film, with financial, academic and technical support offered by the PMC.

This year also saw the launch of the first annual Art Trade Seminar, which invited emerging curators, academics and scholars to apply to attend a three-day programme of activities, which included visits to London-based art dealerships, auction houses and galleries, and offered numerous opportunities to engage in discussion with art trade and museum professionals in the context of the market for global art objects. Twelve attendees were selected to attend the seminar from twenty-five applications received.

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

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

GOVERNORS' REPORT

for the year ended 30 June 2022

specific special projects.

The digitised Paul Mellon Centre Photographic Archive was made available as a public resource on 8 November 2021. During the period covered by this report, twelve-thousand users collectively accessed more than seventy-five-thousand resources on the website. Audience analysis suggests that 60 per cent of these users were from outside the United Kingdom, indicating that the collection is now being used by researchers who may otherwise have been unaware or unfamiliar with the resource when it was solely accessible in the Public Study Room at Bedford Square. The number of enquiries made in relation to the collection has increased considerably, and Archives & Library staff are now able to use the improved search facilities to respond with increased precision and efficiency.

In light of the conclusion of the digitisation project, accession and management policies were reviewed and updated. It was decided that no further photographic archives would be acquired from outside the PMC, and that the only images that will be added to the photographic archive in future will be those created by the PMC in the course of its everyday business; for example, photographs of works commissioned as part of our publications programme. It was also decided that the Tate Photographic Archive would remain available to consult onsite at the Centre, with no plans for digitisation.

Work with colleagues in the PHAROS International Consortium of Photo Archives continued, with the PMC joining the Andrew W. Mellon Foundation-funded pilot project by contributing its collections data and images to the ResearchSpace platform, in advance of its public launch in autumn 2022.

The London, Asia research project is co-led by the PMC's Deputy Director, Sarah Victoria Turner, and Hammad Nasar, Senior Research Fellow. By convening workshops, talks and conferences along three research strands – exhibitions, institutions and art schools – the London, Asia research project is working towards a more expanded and diverse narrative of British art. The project has built a large, dynamic and international community of researchers, artists, curators and educators who regularly interact through events and meetings. It was established in 2016 in collaboration with Asia Art Archive, Hong Kong, and after the successful completion of phase one of the project in June 2019, the project was awarded a further two years of funding by the Board of Governors to support a second phase of activity until June 2021. A third and final phase of activity is focused on the delivery of an exhibition, *Making New Worlds: Li Yuan-chia & Friends*, to be held at Kettle's Yard, University of Cambridge, from November 2023 to February 2024. This is a research-led project that focuses on the the artist Li Yuan-chia's LYC Museum & Art Gallery (the LYC) in the village of Banks in the North West of England between 1972 and 1983.

The exhibition will be curated by Hammad Nasar, Sarah Victoria Turner and Amy Tobin (Curator of Exhibitions, Events and Research at Kettle's Yard and Lecturer in the Department of History of Art, University of Cambridge). The exhibition brings together works by Li, the artists who were part of the artistic programme at the LYC (including Winifred Nicholson, David Nash, Lygia Clark, Takis and Liliane Lijn), alongside contemporary artists whose work resonates with the spirit of Li and the LYC. It will be accompanied by a catalogue and programme of public events and performances. The project has also funded the digitisation of the collection of the LYC exhibition catalogues held at the John Rylands Research Institute and Library at the University of Manchester.

The project leads, Turner and Nasar, also acted as members of the Advisory Board of the Postwar Modern exhibition at the Barbican Art Gallery. This kind of advisory role is a crucial element of sharing and socialising the ideas generated by this research project.

The Generation Landscape project, led by the Centre's Director, Mark Hallett, is intended to bring a host of fresh, critical perspectives to bear on a famous generation of British landscape artists born in the 1770s and early 1780s, who include J. M. W. Turner, John Constable, John Sell Cotman and Thomas Girtin. It is also aimed at looking anew at one of the most familiar and deeply studied strands of British art: images of the landscape of the early nineteenth century. A programme of four online seminars organised as part of the project – entitled *Graphic Landscape: The Landscape Print Series in Britain, c.1775–1850* – ran over two weeks in November 2021. Co-organised by Hallett and Felicity Myrone (British Library), the seminars (details of which are found elsewhere in this report) explored the topographical print sequences that proliferated in the late eighteenth century and in the first decades of the nineteenth century. The seminars sought to question the assumptions that are typically brought to bear on such material. Why were print series produced? Who produced them, and what was their appeal? Why did they so regularly focus on landscape and topographical subjects? What were the commercial stakes of producing prints in series? These and many other questions were addressed across the four seminars, which featured a rich array of presentations by leading academics and curators. The spring and summer of 2022 saw

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

GOVERNORS' REPORT

for the year ended 30 June 2022

plans being put in place for a second major scholarly event attached to the project: a one-day conference devoted to John Constable's extraordinarily rich correspondence. Co-convened by Hallett and Professor Stephen Daniels, a distinguished historian of Georgian art and culture, the conference – took place in December 2022 – was designed to open up Constable's letters to a variety of new art-historical and literary approaches, and to interpret them in relation to the thriving epistolary networks of early nineteenth-century Britain.

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 the investment returns of 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

It was agreed that Dr Martin Myrone, the convenor of the British Art Network, would be joining the Centre's Senior Leadership Team in July 2022, taking on the new role of Head of Grants, Fellowships and Networks at the Paul Mellon Centre. In this role, Myrone would continue to act as BAN convenor, while also overseeing the Centre's other scholarly networks and Grants and Fellowships programme.

In late 2022, it was announced that Mark Hallett, Director of the PMC since October 2012, was going to be leaving the PMC and taking up a new role as the Märit Rausing Director of the Courtauld Institute of Art in London, from April 2023.

The end of the year also saw Hallett working on a major film project devoted to Hew Locke's *The Procession*, a remarkable work of contemporary art that was installed in the Duveen Galleries at Tate Britain in the spring of 2022, and that was on display until the end of January 2023.

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 £10,043,406 (2021 restated: £9,791,510). After removing reserves related to intangible, tangible fixed assets and heritage assets of £2,982,715 (2021 restated: £2,935,933) and designated funds of £361,747 (2021: £398,986), there are free reserves of £6,698,944 (2021 restated: £6,456,591). 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 £10,264,016 (2021: £9,938,075). A breakdown of reserves is given in note 22a

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GOVERNORS' REPORT

for the year ended 30 June 2022

RISK REVIEW

The Centre's Senior Leadership 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 the potential reduction in annual endowment income if the investment performance of the Centre's Endowment, which is under the control of Yale University, is negatively impacted by the global economic conditions.

The Centre 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 Leadership 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 economic conditions 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 reviewing, updating and formalising the Centre's HR documentation and processes also continued 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.

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 30 June 2022

STATEMENT OF RESPONSIBILITIES OF GOVERNORS

The Governors (who are also directors of The Paul Mellon Centre for Studies in British Art for the purposes of company law) are responsible for preparing the Governors' Annual 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 and statements of recommended practice 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 charity will continue in operation

The Governors are responsible for keeping adequate 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 group if group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 30 June 2022 was four (2021: four). The Governors are members of the charity but this entitles them only to voting rights. The Governors have no beneficial interest in the charity.

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.

In August 2022, Sayer Vincent LLP were appointed by the Board of Governors as the Centre's Accountants and Auditors.

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

On behalf of the Board

Susan Gibbons

Governor

Date: 20 February 2023

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 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including 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 2022 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
- 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

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Paul Mellon Centre for Studies in British Art's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the Governors' Annual Report, other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Governors' Annual Report has been prepared in accordance with applicable legal requirements.

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 Governors' Annual Report. We have nothing to report in respect of the following matters in relation to which 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

Independent auditor's report to the members of The Paul Mellon Centre for Studies in British Art (Company Limited by Guarantee)

- 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' exemptions in preparing the Governors' Annual Report and from the requirement to prepare a strategic report.

Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities set out in the Governors' Annual Report, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Independent auditor's report to the members of The Paul Mellon Centre for Studies in British Art (Company Limited by Guarantee)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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.

Noelia Serrano (Senior statutory auditor)
8 March 2023
for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

The Paul Mellon Centre for Studies in British Art

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 30 June 2022

| | Note | Unrestricted £ | Restricted £ | 2022 Total £ | Unrestricted £ | Restricted £ | Restated 2021 Total £ |
|--|------|-------------------|-----------------|--------------------|-------------------|-----------------|--------------------------------|
| Income from: | | | | | | | |
| Donations and legacies | 2 | 5,370,000 | 110,625 | 5,480,625 | 5,289,400 | 88,121 | 5,377,521 |
| Charitable activities | 3 | | | | | | |
| Yale in London | | 56,051 | - | 56,051 | - | - | - |
| Other grant income | | - | - | - | - | 46,847 | 46,847 |
| Other trading activities | 4 | 274,602 | - | 274,602 | 244,233 | - | 244,233 |
| Investments | 5 | 318 | - | 318 | 10,089 | - | 10,089 |
| Total income | | 5,700,971 | 110,625 | 5,811,596 | 5,543,722 | 134,968 | 5,678,690 |
| Expenditure on: | | | | | | | |
| Charitable activities | | | | | | | |
| Publishing – print and digital | 6 | 937,944 | - | 937,944 | 721,351 | - | 721,351 |
| Grants and fellowships | 6 | 1,248,610 | 4,000 | 1,252,610 | 1,077,971 | 4,000 | 1,081,971 |
| Academic activities | 6 | 1,221,294 | - | 1,221,294 | 1,075,166 | - | 1,075,166 |
| Yale in London | 6 | 210,961 | - | 210,961 | 94,847 | - | 94,847 |
| Research projects | 6 | 1,019,305 | - | 1,019,305 | 903,236 | 32,220 | 935,456 |
| Research collections | 6 | 810,961 | - | 810,961 | 730,363 | - | 730,363 |
| Pevsner programme | 6 | - | 32,580 | 32,580 | - | 74,307 | 74,307 |
| Total expenditure | | 5,449,075 | 36,580 | 5,485,655 | 4,602,934 | 110,527 | 4,713,461 |
| Net income for the year | 8 | 251,896 | 74,045 | 325,941 | 940,788 | 24,441 | 965,229 |
| Transfers between funds | | - | - | - | 9,500 | (9,500) | - |
| Net movement in funds | | 251,896 | 74,045 | 325,941 | 950,288 | 14,941 | 965,229 |
| Reconciliation of funds: | | | | | | | |
| Total funds before restatement brought | | 8,587,004 | 146,565 | 8,733,569 | 7,768,472 | 131,624 | 7,900,096 |
| Prior year adjustments | 26 | 1,204,506 | - | 1,204,506 | 1,072,750 | - | 1,072,750 |
| Total funds after restatement brought | | 9,791,510 | 146,565 | 9,938,075 | 8,841,222 | 131,624 | 8,972,846 |
| Total funds carried forward | | 10,043,406 | 220,610 | 10,264,016 | 9,791,510 | 146,565 | 9,938,075 |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 22a to the financial statements.

The Paul Mellon Centre for Studies in British Art

Balance sheet

Company no. 00983028

As at 30 June 2022

| | Note | £ | 2022 £ | £ | Restated 2021 £ |
|--|------|-------------|-------------------|------------------|-----------------------|
| Fixed assets: | | | | | |
| Intangible assets | 13 | | 52,112 | | 20,944 |
| Tangible assets | 14 | | 1,782,853 | | 1,812,239 |
| Heritage Assets | 24 | | 1,147,750 | | 1,102,750 |
| | | | <u>2,982,715</u> | | <u>2,935,933</u> |
| Current assets: | | | | | |
| Stock | 15 | 722,687 | | 623,503 | |
| Debtors | 16 | 418,074 | | 463,156 | |
| Short term deposits | | 3,700,000 | | 3,700,000 | |
| Cash at bank and in hand | | 3,889,129 | | 3,611,042 | |
| | | | <u>8,729,890</u> | <u>8,397,701</u> | |
| Liabilities: | | | | | |
| Creditors: amounts falling due within one year | 17 | (1,349,589) | | (1,395,559) | |
| | | | <u>7,380,301</u> | | <u>7,002,142</u> |
| Net current assets | | | | | |
| | | | <u>10,363,016</u> | | <u>9,938,075</u> |
| Total assets less current liabilities | | | | | |
| Creditors: amounts falling due after one year | 19 | | (99,000) | | - |
| | | | <u>10,264,016</u> | | <u>9,938,075</u> |
| Total net assets | | | | | |
| The funds of the charity: | | | | | |
| Restricted income funds | 22a | | 220,610 | | 146,565 |
| Unrestricted income funds: | | | | | |
| Designated funds | | 361,747 | | 398,986 | |
| General funds | | 9,681,659 | | 9,392,524 | |
| | | | <u>10,043,406</u> | <u>9,791,510</u> | |
| Total unrestricted funds | | | <u>10,264,016</u> | | <u>9,938,075</u> |
| Total charity funds | | | | | |

Approved by the Governors on 20 February 2023 and signed on their behalf by

Susan Gibbons
Governor

The Paul Mellon Centre for Studies in British Art

Statement of cash flows

For the year ended 30 June 2022

| | 2022 £ | £ | 2021 £ | £ |
|---|------------------------|-----------------|------------------------------------|-------------------------|
| Cash flows from operating activities | | | | |
| Net income for the reporting period (as per the statement of financial activities) | 325,941 | | 833,473 | |
| Depreciation charges | 123,710 | | 136,940 | |
| Amortisation charges | 15,920 | | 20,781 | |
| Dividends, interest from investments | (318) | | (10,089) | |
| (Increase)/decrease in stocks | (99,184) | | (2,461) | |
| (Increase)/decrease in debtors | 45,082 | | (114,322) | |
| Increase/(decrease) in creditors | 53,030 | | 50,733 | |
| Net cash provided by operating activities | 464,181 | | 915,055 | |
| Cash flows from investing activities: | | | | |
| Dividends, interest and rents from investments | 318 | | 10,089 | |
| Purchase of fixed assets | (94,324) | | (21,901) | |
| Purchase of intangible assets | (47,088) | | (22,175) | |
| Purchase of Heritage | (45,000) | | – | |
| Net cash (used in) investing activities | (186,094) | | (33,987) | |
| Change in cash and cash equivalents in the year | 278,087 | | 881,068 | |
| Cash and cash equivalents at the beginning of the year | 3,611,042 | | 2,729,974 | |
| Cash and cash equivalents at the end of the year | 3,889,129 | | 3,611,042 | |
| Analysis of cash and cash equivalents and of net debt | | | | |
| | At 1 July 2021 £ | Cash flows £ | Other non- cash changes £ | At 30 June 2022 £ |
| Cash at bank and in hand | 3,611,042 | 278,087 | – | 3,889,129 |
| Total cash and cash equivalents | 3,611,042 | 278,087 | – | 3,889,129 |

1 Accounting policies

a) Statutory information

The Paul Mellon Centre for Studies in British Art (the Centre) is a private charitable company limited by guarantee and is incorporated in England and Wales (no. 983028).

The registered office address is 16 Bedford Square, London, WC1B 3JA.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the governors have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

Key judgements that the charity has made which have a significant effect on the accounts are included in the note below. The governors do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

d) 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. These assets are valued professionally regularly to ensure they are disclosed at their fair value at the balance sheet date. More details can be found in note 1t.

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 2022 was £661,778 (2021: £887,980).

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 at the lower cost and net realisable value. The value of stock (finished goods and publication in progress) recognised at the year end is £722,687 (restated 2021: £623,503).

e) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Notes to the financial statements

For the year ended 30 June 2022

1 Accounting policies (continued)

f) Income

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

Publishing royalties are accounted for on an accruals basis.

Income relating to Yale in London 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.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

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

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.

Designated funds are donations, set aside by the governors for key programmes.

i) Expenditure and irrecoverable VAT

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. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of publication and printing costs, grants and fellowship costs, academic activity costs, educational programme costs, research projects and collections costs, and Pevsner programme costs, undertaken to further the purposes of the charity and their associated support costs.
- Support costs and overheads include central functions and have been allocated to charitable activity based on staff costs 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.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) 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.

k) Operating leases

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

l) 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

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

Notes to the financial statements

For the year ended 30 June 2022

1 Accounting policies (continued)

m) 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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

n) Stock

Under the memorandum of agreement (MOA) with YUP effective from 1 January 2020, the cost of the Centre's publications are recognised as an asset in the Centre's Balance Sheet. Stock comprises of both finished publications and publications in progress. Finished publications are valued at the lower of cost and estimated selling price less costs to complete and sell. Publication in progress represents the direct costs incurred on titles that have not been published at the balance sheet date.

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

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

q) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

r) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

s) Financial instruments

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

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

Financial assets

Basic financial assets, which include trade and 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 and other creditors, grants awarded but not yet paid and accruals, are initially measured at transaction price and subsequently measured at amortised cost.

Notes to the financial statements

For the year ended 30 June 2022

t) **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. Additions to the collection are capitalised and recognised on the Balance Sheet at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable. Such items are not depreciated as they are deemed to have indefinite lives. Acquisitions are capitalised at cost. Purchased assets above a cost of £1,000 are capitalised. Donated objects are capitalised at their deemed value at the date of donation. This value will be determined by professionals with the relevant and appropriate qualifications and experiences. The Governors adopt a revaluation policy for heritage assets. The collection is revalued regularly to ensure it is stated at their fair value.

u) **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 (see note 20 for further information).

2 Income from donations and legacies

| | Unrestricted £ | Restricted £ | 2022 Total £ | Unrestricted £ | Restricted £ | Restated 2021 Total £ |
|-------------------------------|-------------------|-----------------|--------------------|-------------------|-----------------|--------------------------------|
| Income from endowment at Yale | 5,325,000 | 110,625 | 5,435,625 | 5,259,400 | 88,121 | 5,347,521 |
| Donation of heritage assets | 45,000 | - | 45,000 | 30,000 | - | 30,000 |
| | <u>5,370,000</u> | <u>110,625</u> | <u>5,480,625</u> | <u>5,289,400</u> | <u>88,121</u> | <u>5,377,521</u> |

3 Income from charitable activities

| | Unrestricted £ | Restricted £ | 2022 Total £ | Unrestricted £ | Restricted £ | 2021 Total £ |
|--------------------|-------------------|-----------------|--------------------|-------------------|-----------------|--------------------|
| Yale in London | 56,051 | - | 56,051 | - | - | - |
| Other grant income | - | - | - | - | 46,847 | 46,847 |
| | <u>56,051</u> | <u>-</u> | <u>56,051</u> | <u>-</u> | <u>46,847</u> | <u>46,847</u> |

4 Income from other trading activities

| | Unrestricted £ | Restricted £ | 2022 Total £ | Unrestricted £ | Restricted £ | 2021 Total £ |
|----------------------|-------------------|-----------------|--------------------|-------------------|-----------------|--------------------|
| Publishing royalties | 274,602 | - | 274,602 | 244,233 | - | 244,233 |
| | <u>274,602</u> | <u>-</u> | <u>274,602</u> | <u>244,233</u> | <u>-</u> | <u>244,233</u> |

5 Income from investments

| | Unrestricted £ | Restricted £ | 2022 Total £ | Unrestricted £ | Restricted £ | 2021 Total £ |
|--------------------------|-------------------|-----------------|--------------------|-------------------|-----------------|--------------------|
| Bank interest receivable | 318 | - | 318 | 10,089 | - | 10,089 |
| | <u>318</u> | <u>-</u> | <u>318</u> | <u>10,089</u> | <u>-</u> | <u>10,089</u> |

6a Analysis of expenditure (current year)

| | Charitable activities | | | | | | | | | 2022 Total £ | 2021 Total £ |
|-------------------------------|---|--------------------------------|------------------------------|------------------------|---------------------------|------------------------------|---------------------------|--------------------------|--------------------|--------------------|--------------------|
| | Publishing – print and digital £ | Grants and fellowships £ | Academics activities £ | Yale in London £ | Research projects £ | Research collections £ | Pevsner programme £ | Governance costs £ | Support costs £ | | |
| Staff costs (note 9) | 221,854 | 51,711 | 399,842 | 48,099 | 333,917 | 333,225 | 3,850 | – | 499,995 | 1,892,493 | 1,756,181 |
| Publications | 431,838 | – | – | – | – | – | – | – | – | 431,838 | 302,758 |
| Academic direct costs | – | – | 309,152 | 101,098 | – | 50,788 | – | – | – | 461,038 | 225,640 |
| Grants awarded (note 7) | – | 1,129,061 | – | – | – | – | – | – | – | 1,129,061 | 977,360 |
| Special projects | – | – | – | – | 257,553 | – | – | – | – | 257,553 | 360,404 |
| Pevsner | – | – | – | – | – | – | 23,797 | – | – | 23,797 | 69,024 |
| Operating costs | – | – | – | – | – | – | – | – | 88,781 | 88,781 | 83,378 |
| Building costs | – | – | – | – | – | – | – | – | 615,043 | 615,043 | 443,231 |
| Audit and accountancy | – | – | – | – | – | – | – | 41,533 | – | 41,533 | 43,970 |
| Legal and professional | – | – | – | – | – | – | – | 46,552 | – | 46,552 | 23,929 |
| Amortisation and depreciation | 22,246 | 5,185 | 40,093 | 4,823 | 33,483 | 33,413 | 386 | – | – | 139,629 | 157,721 |
| Other expenses | – | 5,583 | – | 137 | – | – | – | 4,905 | 347,712 | 358,337 | 269,865 |
| | 675,938 | 1,191,540 | 749,087 | 154,157 | 624,953 | 417,426 | 28,033 | 92,990 | 1,551,531 | 5,485,655 | 4,713,461 |
| Support costs | 247,191 | 57,617 | 445,506 | 53,592 | 372,053 | 371,282 | 4,290 | – | (1,551,531) | – | – |
| Governance costs | 14,815 | 3,453 | 26,701 | 3,212 | 22,299 | 22,253 | 257 | (92,990) | – | – | – |
| Total expenditure 2022 | 937,944 | 1,252,610 | 1,221,294 | 210,961 | 1,019,305 | 810,961 | 32,580 | – | – | 5,485,655 | |
| Total expenditure 2021 | 721,351 | 1,081,971 | 1,075,166 | 94,847 | 935,456 | 730,363 | 74,307 | – | – | | 4,713,461 |

6b Analysis of expenditure (prior year)

| | Charitable activities | | | | | | | | Restated | |
|-------------------------------|---|--------------------------------|------------------------------|------------------------|---------------------------|------------------------------|---------------------------|--------------------------|-----------------------|--------------------|
| | Publishing – print and digital £ | Grants and fellowships £ | Academics activities £ | Yale in London £ | Research projects £ | Research collections £ | Pevsner programme £ | Governance costs £ | Support costs £ | 2021 Total £ |
| Staff costs (note 9) | 205,874 | 47,986 | 371,042 | 44,635 | 309,866 | 309,224 | 3,573 | – | 463,981 | 1,756,181 |
| Publications | 302,758 | – | – | – | – | – | – | – | – | 302,758 |
| Academic direct costs | – | – | 188,010 | 6,000 | – | 31,630 | – | – | – | 225,640 |
| Grants awarded (note 7) | – | 977,360 | – | – | – | – | – | – | – | 977,360 |
| Special projects | – | – | – | – | 360,404 | – | – | – | – | 360,404 |
| Pevsner | – | – | – | – | – | – | 69,024 | – | – | 69,024 |
| Operating costs | – | – | – | – | – | – | – | – | 83,378 | 83,378 |
| Building costs | – | – | – | – | – | – | – | – | 443,231 | 443,231 |
| Audit and accountancy | – | – | – | – | – | – | – | 43,970 | – | 43,970 |
| Legal and professional | – | – | – | – | – | – | – | 23,929 | – | 23,929 |
| Amortisation and depreciation | 22,714 | 5,359 | 55,111 | 4,445 | 28,317 | 41,592 | 183 | – | – | 157,721 |
| Other expenses | – | 6,439 | – | 2,581 | – | – | – | – | 260,845 | 269,865 |
| | 531,346 | 1,037,144 | 614,163 | 57,661 | 698,587 | 382,446 | 72,780 | 67,899 | 1,251,435 | 4,713,461 |
| Support costs | 180,226 | 42,520 | 437,278 | 35,272 | 224,679 | 330,012 | 1,448 | – | (1,251,435) | – |
| Governance costs | 9,779 | 2,307 | 23,725 | 1,914 | 12,190 | 17,905 | 79 | (67,899) | – | – |
| Total expenditure 2021 | 721,351 | 1,081,971 | 1,075,166 | 94,847 | 935,456 | 730,363 | 74,307 | – | – | 4,713,461 |

Notes to the financial statements

For the year ended 30 June 2022

7a Grants and Fellowships (current year)

| | Grants to institutions | Grants to individuals | Grants cancelled/ written back in the year | 2022 | 2021 |
|-------------------------------------|---------------------------|--------------------------|---|-----------|---------|
| | £ | £ | £ | £ | £ |
| Andrew Wyld Research Support Grants | - | 4,000 | - | 4,000 | 4,000 |
| Collaborative Project Grants | 79,450 | - | (1,757) | 77,693 | - |
| Curatorial Research Grants | 120,025 | - | - | 120,025 | 162,000 |
| Digital Project Grants | 79,500 | - | - | 79,500 | 80,000 |
| Event Support Grants | 20,100 | - | - | 20,100 | 12,500 |
| Publication Grants | 34,710 | 49,680 | - | 84,390 | 117,000 |
| Research Continuity Grant | - | - | - | - | 30,000 |
| Research Support Grants | - | 63,424 | (2,000) | 61,424 | 72,360 |
| Archives & Library Fellowship | - | 10,000 | - | 10,000 | - |
| Doctoral Scholarship | - | 96,000 | - | 96,000 | - |
| Early Career Fellowship | - | 70,000 | - | 70,000 | - |
| Junior Fellowships | - | 45,000 | - | 45,000 | 37,500 |
| MA/Mphil Studentship | - | 32,000 | - | 32,000 | - |
| Mid-Career Fellowships | - | 120,000 | - | 120,000 | 60,000 |
| PMC Research Collections Fellowship | - | - | - | - | 10,000 |
| Postdoctoral Fellowships | - | 85,000 | - | 85,000 | 100,000 |
| Research Continuity Fellowship | - | - | - | - | 155,000 |
| Rome Fellowship | 20,000 | 7,000 | - | 27,000 | 17,000 |
| Senior Fellowships | - | 180,000 | (8,071) | 171,929 | 120,000 |
| Conservation Grant | 25,000 | - | - | 25,000 | - |
| At the end of the year | 378,785 | 762,104 | (11,828) | 1,129,061 | 977,360 |

In the year ended 30 June 2022, 84 grants and fellowships were awarded to individuals (2021: 111) and 30 grants and fellowships were awarded to institutions (2021: 35). A description of the nature of grants paid is included in the Governor's Report.

Administration of grants was £5,583 (2021: £6,439).

Notes to the financial statements

For the year ended 30 June 2022

7a Grants and Fellowships (current year continued)

Awarded in
the year
£

Institutional grants were awarded as follows:

Collaborative Project Grants

| | |
|--|--------|
| National Galleries of Scotland and University of Edinburgh | 32,000 |
| Portsmouth City Council and Silver Society, Royal Navy | 15,450 |
| University of Salford and Royal Institute of British Architects, Liverpool | 32,000 |

Curatorial Research Grants

| | |
|------------------------------|--------|
| Birmingham Museums Trust | 30,000 |
| Fitzwilliam Museum | 20,000 |
| Royal Museums Greenwich | 30,000 |
| The Hepworth Wakefield | 27,000 |
| The Stephen Lawrence Gallery | 10,000 |
| Turner's House Trust | 3,025 |

Digital Project Grants

| | |
|--------------------------------|--------|
| The Courtauld Institute of Art | 40,000 |
| University of East Anglia | 39,500 |

Event Support Grants

| | |
|--|-------|
| Afterall | 1,500 |
| De Montfort University | 500 |
| Fieldnotes | 1,000 |
| Leamington Spa Art Gallery & Museum | 2,000 |
| Northumbria University | 2,600 |
| Nottingham Contemporary | 2,000 |
| Pallant House Gallery | 2,500 |
| School of Advanced Study, University of London | 2,000 |
| Thelma Hulbert Gallery | 2,000 |
| The Hepworth Wakefield | 2,000 |
| The Higgins Bedford Art Gallery & Museum | 500 |
| The William Morris Society | 1,000 |
| University of Dundee | 500 |

Publication Grants

| | |
|---------------------------|--------|
| Bluecoat | 9,710 |
| Paul Holberton Publishing | 10,000 |
| Lund Humphries | 8,000 |
| Reaktion Books | 7,000 |

Rome Fellowship

| | |
|------------------------|--------|
| British School at Rome | 20,000 |
|------------------------|--------|

Conservation grant

| | |
|----------------------|--------|
| Gainsborough's House | 25,000 |
|----------------------|--------|

378,785

Notes to the financial statements

For the year ended 30 June 2022

7a Grants and Fellowships (current year continued)

| Individual grants were awarded as follows: | Awarded in the year £ |
|---|-----------------------------|
| <i>Andrew Wyld Research Support Grants</i> | |
| Hannah Lyons | 2,000 |
| Michael Feinberg | 2,000 |
| <i>Archives & Library Fellowship</i> | |
| Chloe Julius | 10,000 |
| <i>Doctoral Scholarship</i> | |
| Nicholas Brown | 96,000 |
| <i>Early Career Fellowship</i> | |
| Jareh Das | 70,000 |
| <i>Junior Fellowships</i> | |
| Avantika Kumar | 7,500 |
| Christopher Barrett-Lennard | 7,500 |
| Deepthi Bathala | 7,500 |
| Dominic Bate | 7,500 |
| Megan Shaw | 7,500 |
| Renata Nagy | 7,500 |
| <i>MA/Mphil Studentship</i> | |
| Peter Miller | 32,000 |
| <i>Mid-Career Fellowships</i> | |
| Alice Correia | 15,000 |
| Catherine Spencer | 15,000 |
| John Curley | 15,000 |
| Justin Carville | 15,000 |
| Laura Slater | 15,000 |
| Otto Saumarez Smith | 15,000 |
| Stephen Parnell | 15,000 |
| Tania Sengupta | 15,000 |
| <i>Postdoctoral Fellowships</i> | |
| Alicia Hughes | 10,000 |
| Anna Jamieson | 10,000 |
| Anne Caldwell | 10,000 |
| Courtney Wilder | 10,000 |
| Juliet Learmouth | 10,000 |
| Lindsay Wells | 5,000 |
| Marte Stinis | 10,000 |
| Matthew Holman | 10,000 |
| Rebecca Senior | 10,000 |
| <i>Publication Grants</i> | |
| Alicia Foster | 8,000 |
| Caitlin Beach | 1,500 |
| Charlotte de Mille | 4,910 |
| Conor Lucey | 1,040 |
| Eva Bentcheva | 3,000 |
| Gary Boyd | 7,230 |
| Iris Moon | 10,000 |
| Jacqueline Bishop | 8,000 |
| Michael McMillan | 3,000 |
| Zachary Stewart | 3,000 |
| Individual grants subtotal carried forward | 511,680 |

7a Grants and Fellowships (current year continued)

| | Awarded in the year £ |
|---|-----------------------------|
| Individual grants subtotal brought forward | 511,680 |
| <i>Research Support Grants</i> | |
| Adam Eaker | 2,000 |
| Albert Brenchat-Aguilar | 2,000 |
| Alexandra Macdonald | 1,750 |
| Arjuna Keshvani-Ham | 400 |
| Catherine Doucette | 1,750 |
| Charlotte Davis | 1,611 |
| Claire Banks | 2,000 |
| Claire Zimmerman | 2,000 |
| Clare Taylor | 1,991 |
| Eliza Goodpasture | 1,750 |
| Elliott Sturtevant | 1,750 |
| Emily Cox | 1,750 |
| Fionn Montell-Boyd | 290 |
| Francesca Strobino | 1,750 |
| Hannah Kaspar | 1,800 |
| Helen Bremm | 720 |
| James Stewart | 750 |
| Jessica Boyall | 1,237 |
| Joshua Jenkins | 1,550 |
| Katherine Fein | 1,750 |
| Kimberly Morse Jones | 1,750 |
| Lauren Craig | 1,750 |
| Lucy Prohin | 2,000 |
| Luke Fiederer | 1,750 |
| Molly-Claire Gillett | 1,515 |
| Murdo Macdonald | 1,223 |
| Patrick Zamarian | 1,930 |
| Peter Humfrey | 840 |
| Rachel Hutcheson | 1,750 |
| Rowan Thompson | 1,342 |
| Ruth Ezra | 1,750 |
| Sara Ayres | 700 |
| Sarah Churchill | 1,750 |
| Sophia Merkin | 2,000 |
| Stephen Feeke | 1,500 |
| Stephen Parnell | 1,750 |
| Tania Cleaves | 1,175 |
| Taous Rose Dahmani | 1,750 |
| Thomas Cooper | 930 |
| Triveni Srikanan | 1,750 |
| Timothy Wilcox | 1,920 |
| <i>Rome Fellowship</i> | |
| Christopher Baker | 7,000 |
| <i>Senior Fellowships</i> | |
| Alexander Marr | 60,000 |
| Heather Pulliam | 60,000 |
| Matthew Reeve | 60,000 |
| | <hr/> 762,104 <hr/> |

Notes to the financial statements

For the year ended 30 June 2022

7b Grants and Fellowships (prior year)

| | Grants to institutions £ | Grants to individuals £ | Grants cancelled/ written back in the year £ | 2021 £ |
|-------------------------------------|--------------------------------|-------------------------------|--|-----------|
| Andrew Wyld Research Support Grants | - | 4,000 | - | 4,000 |
| Collaborative Project Grants | - | - | - | - |
| Curatorial Research Grants | 162,000 | - | - | 162,000 |
| Digital Project Grants | 80,000 | - | - | 80,000 |
| Event Support Grants | 15,500 | - | (3,000) | 12,500 |
| Publication Grants | 104,350 | 12,650 | - | 117,000 |
| Research Continuity Grant | 30,000 | - | - | 30,000 |
| Research Support Grants | - | 72,360 | - | 72,360 |
| Archives & Library Fellowship | - | - | - | - |
| Doctoral Scholarship | - | - | - | - |
| Early Career Fellowship | - | - | - | - |
| Junior Fellowships | - | 45,000 | (7,500) | 37,500 |
| MA/Mphil Studentship | - | - | - | - |
| Mid-Career Fellowships | - | 60,000 | - | 60,000 |
| PMC Research Collections Fellowship | - | 10,000 | - | 10,000 |
| Postdoctoral Fellowships | - | 120,000 | (20,000) | 100,000 |
| Research Continuity Fellowship | - | 155,000 | - | 155,000 |
| Rome Fellowship | 10,000 | 7,000 | - | 17,000 |
| Senior Fellowships | - | 160,000 | (40,000) | 120,000 |
| Conservation Grant | - | - | - | - |
| At the end of the year | 401,850 | 646,010 | (70,500) | 977,360 |

Notes to the financial statements

For the year ended 30 June 2022

8 Net income for the year

This is stated after charging:

| | 2022 £ | 2021 £ |
|---|------------------|------------------|
| Amortisation of intangible fixed assets | 15,920 | 20,781 |
| Depreciation of tangible fixed assets | 123,710 | 136,940 |
| Operating lease rentals payable: | | |
| Property | 348,076 | 342,971 |
| Auditor's remuneration Fee (excluding VAT): | | |
| Audit | 19,100 | 23,250 |
| prior year under-accruals | 9,563 | - |
| Other services | 5,500 | 10,600 |
| | <u>1,427,495</u> | <u>1,349,558</u> |

Of the total income, £5,480,625 (2021: £5,377,521) was received from outside the United Kingdom.

9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

| | 2022 £ | 2021 £ |
|---|------------------|------------------|
| Salaries and wages | 1,427,495 | 1,349,558 |
| Redundancy and termination costs | 1,928 | - |
| Social security costs | 171,616 | 158,117 |
| Employer's contribution to defined contribution pension schemes | 291,454 | 248,506 |
| | <u>1,892,493</u> | <u>1,756,181</u> |

The redundancy and termination costs were settled and paid at the balance sheet date.

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

| | 2022 No. | 2021 No. |
|---------------------|-------------|-------------|
| £60,000 – £69,999 | 2 | 2 |
| £70,000 – £79,999 | - | - |
| £80,000 – £89,999 | 1 | - |
| £90,000 – £99,999 | - | 2 |
| £100,000 – £109,999 | 2 | - |
| £180,000 – £189,999 | 1 | - |
| £190,000 – £199,999 | - | 1 |
| | <u>6</u> | <u>5</u> |

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £570,683 (2021: £603,738). This comprises the Director, Deputy Director, Chief Financial Officer, and Head of Research & Learning.

The Governors were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). No Governors received payment for professional or other services supplied to the charity (2021: £nil).

No amounts were paid, or expenses reimbursed to the Governors during the year (2021: £nil).

Notes to the financial statements

For the year ended 30 June 2022

10 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 29 (2021: 30).

Staff are split across the activities of the charity as follows (full time equivalent basis):

| | 2022 No. | 2021 No. |
|-----------------------|-------------|-------------|
| Charitable activities | 29 | 30 |
| | <u>29</u> | <u>30</u> |

11 Related party transactions

During the year the charity received income of £5,491,676 (2021: £5,405,906) 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 paid £3,823 (2021: £nil) to Yale University in reimbursement for costs incurred by Yale University on behalf of the charity. Included in accrued income is a balance of £56,051 (2021: £200,000) due from and included in accruals is a balance of £nil (2021: £5,583) due to Yale University. At the year end, the charity owed Yale University £nil (2021: £nil) in respect of sterling expenses incurred on behalf of the charity.

During the year the charity received £nil (2021: £nil) from Yale NUS (Singapore), an entity under common control of Yale University.

During the year the charity received £271,982 (2021: £242,233) 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 £32,706 (2021: £70,517) to Yale University Press for book publishing costs. Included in trade creditors is a balance of £nil (2021: £13,599) due to Yale University Press. Included in trade debtors is a balance of £86,015 (2021: £47,057) and included in accrued income is a balance of £5,799 (2021: £5,472) due from Yale University Press.

An amount owed for relocation expenses in the amount of £2,463 (2021: £3,663) paid for on behalf of the Director is included in other debtors.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

12 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

13 Intangible fixed assets

| | Website development £ |
|-------------------------------|-----------------------------|
| Cost | |
| At the start of the year | 76,086 |
| Additions in year | 47,088 |
| Disposals in year | - |
| At the end of the year | <u>123,174</u> |
| Amortisation | |
| At the start of the year | 55,142 |
| Charge for the year | 15,920 |
| Eliminated on disposal | - |
| At the end of the year | <u>71,062</u> |
| Net book value | |
| At the end of the year | <u>52,112</u> |
| At the start of the year | <u>20,944</u> |

Amortisation is charged to expenditure on charitable activities.

Notes to the financial statements

For the year ended 30 June 2022

14 Tangible fixed assets

| | Leasehold improvements £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|--|--------------------------------|-------------------------------|----------------------------|------------------|
| Cost | | | | |
| At the start of the year | 2,251,076 | 602,897 | 302,389 | 3,156,362 |
| Additions in year | 25,701 | 30,724 | 37,899 | 94,324 |
| Disposals in year | - | - | - | - |
| At the end of the year | 2,276,777 | 633,621 | 340,288 | 3,250,686 |
| Depreciation | | | | |
| At the start of the year | 501,083 | 556,620 | 286,420 | 1,344,123 |
| Charge for the year | 93,584 | 18,437 | 11,689 | 123,710 |
| Eliminated on disposal | - | - | - | - |
| At the end of the year | 594,667 | 575,057 | 298,109 | 1,467,833 |
| Net book value At the end of the year | 1,682,110 | 58,564 | 42,179 | 1,782,853 |
| At the start of the year | 1,749,993 | 46,277 | 15,969 | 1,812,239 |

All of the above assets are used for charitable purposes.

15 Stock

| | 2022 £ | Restated 2021 £ |
|-------------------------|----------------|-----------------------|
| Finished goods | 588,077 | 521,747 |
| Publication in progress | 134,610 | 101,756 |
| | 722,687 | 623,503 |

16 Debtors

| | 2022 £ | 2021 £ |
|---|----------------|-----------|
| Trade debtors | 86,015 | 47,057 |
| Other debtors | 10,724 | 4,831 |
| Prepayments | 259,485 | 205,796 |
| Accrued income (incl. author royalties due) | 61,850 | 205,472 |
| | 418,074 | 463,156 |

17 Creditors: amounts falling due within one year

| | 2022 £ | 2021 £ |
|---------------------------------|------------------|-----------|
| Grants awarded but not yet paid | 661,778 | 887,980 |
| Trade creditors | 203,641 | 203,579 |
| Taxation and social security | 50,773 | 42,597 |
| Other creditors | 40,647 | 39,367 |
| Accruals | 382,750 | 212,036 |
| Deferred income (note 18) | 10,000 | 10,000 |
| | 1,349,589 | 1,395,559 |

18 Deferred income

Deferred income comprises of income received in advance of publication not yet produced.

| | 2022 £ | 2021 £ |
|---------------------------------------|---------------|-----------|
| Balance at the beginning of the year | 10,000 | 10,000 |
| Amount released to income in the year | - | - |
| Amount deferred in the year | - | - |
| Balance at the end of the year | 10,000 | 10,000 |

19 Creditors: amounts falling due after one year

| | 2022 £ | 2021 £ |
|---------------------------------|---------------|-----------|
| Grants awarded but not yet paid | 99,000 | – |
| | 99,000 | – |

20 Pension scheme

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 £291,454 (2021: £248,506). Contributions payable to the fund at the year end and included in other creditors amounted to £40,647 (2021: £39,367). The pension expense and liability are allocated between activities and restricted and unrestricted funds based on the staff time spent on those activities.

21a Analysis of net assets between funds (current year)

| | Restricted Fund £ | Designated Funds £ | Unrestricted Funds £ | Total funds £ |
|---|----------------------|--------------------------|----------------------------|-------------------|
| Intangible fixed assets | – | – | 52,112 | 52,112 |
| Tangible fixed assets | – | – | 1,782,853 | 1,782,853 |
| Heritage assets | – | – | 1,147,750 | 1,147,750 |
| Net current assets | 220,610 | 361,747 | 6,797,944 | 7,380,301 |
| Creditors: amounts falling due after one year | – | – | (99,000) | (99,000) |
| Net assets at 30 June 2022 | 229,393 | 361,747 | 9,681,659 | 10,264,016 |

21b Analysis of net assets between funds (prior year)

| | Restricted Funds £ | Designated Funds £ | Unrestricted Funds £ | Total funds £ | Restated |
|-----------------------------------|--------------------------|--------------------------|----------------------------|------------------|----------|
| Intangible fixed assets | – | – | 20,944 | 20,944 | |
| Tangible fixed assets | – | – | 1,812,239 | 1,812,239 | |
| Heritage assets | – | – | 1,102,750 | 1,102,750 | |
| Net current assets | 146,565 | 398,986 | 6,456,591 | 7,002,142 | |
| Net assets at 30 June 2021 | 146,565 | 398,986 | 9,392,524 | 9,938,075 | |

22a Movements in funds (current year)

| | At 1 July 2021 £ | Income & gains £ | Expenditure & losses £ | Transfers £ | At 30 June 2022 £ |
|---------------------------------|---------------------|------------------------|------------------------------|----------------|-------------------------|
| Restricted funds: | | | | | |
| Pevsner Programme | 52,246 | 110,625 | (32,580) | – | 130,291 |
| The Allen Fund | 11,262 | – | – | – | 11,262 |
| Sargent Publications | 43,764 | – | – | – | 43,764 |
| Andrew Wyld Fund | 39,293 | – | (4,000) | – | 35,293 |
| Total restricted funds | 146,565 | 110,625 | (36,580) | – | 220,610 |
| Unrestricted funds: | | | | | |
| Designated funds: | | | | | |
| Special projects fund | 341,818 | 60,000 | (119,936) | – | 281,882 |
| British Art Network | 57,168 | 210,000 | (187,303) | – | 79,865 |
| Unrestricted funds | 9,392,524 | 5,430,971 | (5,141,836) | – | 9,681,659 |
| Total unrestricted funds | 9,791,510 | 5,700,971 | (5,449,075) | – | 10,043,406 |
| Total funds | 9,938,075 | 5,811,596 | (5,485,655) | – | 10,264,016 |

The narrative to explain the purpose of each fund is given at the foot of the note below.

Notes to the financial statements

For the year ended 30 June 2022

22b Movements in funds (prior year)

| | Restated | | | | Restated |
|---------------------------------|------------------|------------------|----------------------|----------------|------------------|
| | At 1 July 2020 | Income & gains | Expenditure & losses | Transfers | At 30 June 2021 |
| | £ | £ | £ | £ | £ |
| Restricted funds: | | | | | |
| Pevsner Programme | 38,432 | 88,121 | (74,307) | – | 52,246 |
| The Allen Fund | 11,262 | – | – | – | 11,262 |
| Terra Foundation | 5,946 | 3,554 | – | (9,500) | – |
| Sargent Publications | 75,984 | – | (32,220) | – | 43,764 |
| Andrew Wyld Fund | – | 43,293 | (4,000) | – | 39,293 |
| Total restricted funds | 131,624 | 134,968 | (110,527) | (9,500) | 146,565 |
| Unrestricted funds: | | | | | |
| Designated funds: | | | | | |
| Special projects fund | 233,149 | 279,400 | (170,731) | – | 341,818 |
| British Art Network | (848) | 210,000 | (151,984) | – | 57,168 |
| Unrestricted funds | 8,608,921 | 5,054,322 | (4,280,219) | 9,500 | 9,392,524 |
| Total unrestricted funds | 8,841,222 | 5,543,722 | (4,602,934) | 9,500 | 9,791,510 |
| Total funds | 8,972,846 | 5,678,690 | (4,713,461) | – | 9,938,075 |

Purposes of restricted funds

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.

Terra Foundation: The Terra Foundation for American Art is sponsoring an annual Terra–Paul Mellon Centre Fellowship for 3 years. This grant, which is administrated 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. This project was concluded in the prior year.

Sargent Publications: During 2020, 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 in 2020 by the Foundation towards the production costs of the cumulative index volume that will complete the John Singer Sargent nine-volume catalogue raisonne, by Richard Ormond and Elaine Kilmurray.

Andrew Wyld Fund: In October 2020, the Andrew Wyld Fund transferred monies to the Centre for the purposes of administering the Andrew Wyld Research Support Grant. The Centre will continue to award up to £2,000 per person per year (and a maximum of two awards per year) from the Andrew Wyld Fund monies until all the monies are fully awarded, as stipulated in the agreement between the Centre and the Andrew Wyld Fund. The recipients of the Andrew Wyld Research Support Grant awards will be decided upon by the Centre's Advisory Council. These awards will be made to individuals working on a topic in the field of British works of art on paper of the eighteenth and nineteenth centuries (including watercolours, prints and drawings).

Notes to the financial statements

For the year ended 30 June 2022

22 Movements in funds (continued)

Purposes of unrestricted funds

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.

During prior year £9,500 was transferred from the restricted Terra Foundation fund to unrestricted funds in respect of expenditure misallocated in prior years.

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. Further funding for the Centre's special projects was made available in the year by Yale University.

The British Art Network (BAN) 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 British's museums and galleries. This project is undertaken in partnership with Tate and Arts Council, England.

23 Commitments under operating leases

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

| | Property 2022 £ | 2021 £ |
|--------------------|-----------------------|------------------|
| Less than one year | 348,076 | 348,076 |
| One to five years | 1,390,240 | 1,390,816 |
| Over five years | 4,366,123 | 4,716,479 |
| | 6,104,439 | 6,455,371 |

24 Heritage assets

The Paul Mellon Centre maintains a collection of approximately 33,950 books and exhibition catalogues, 16,000 auction catalogues, 250 journal titles and 45 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.

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 12 archive collections and there were no disposals.

As of end of June 2022 the library collections were insured for the sum of £2,538,712 (2021: £2,525,575); the archive collections for £1,106,200 (2021: £1,071,750); and the photographic archive collections for £250,000 (2021: £250,000).

| | 2022 £ | Restated 2021 £ |
|------------------------------------|------------------|-----------------------|
| Valuation at the start of the year | 1,102,750 | 1,072,750 |
| Additions | 45,000 | 30,000 |
| Impairments | - | - |
| Valuation at the year end | 1,147,750 | 1,102,750 |

The last valuation was undertaken in February 2020 by Maggs Bros. Limited, an expert bookseller for antique and modern books. The assets are periodically reviewed internally by the Archive team, who are experts in their field, at the Centre.

25 Legal status of the charity

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 2022, the charitable company had 4 members (2021: 4).

Notes to the financial statements

For the year ended 30 June 2022

26 Prior period adjustment

The comparatives of these financial statements have been restated due to the change of accounting policy of valuing heritage assets and stock recognition.

Reserves position

| | 30 June 2022 | | | 30 June 2021 | | |
|--|-------------------|------------------|------------------|-------------------|-----------------|------------------|
| | Unrestricted £ | Restricted £ | Total £ | Unrestricted £ | Restricted £ | Total £ |
| Funds previously reported | 146,565 | 8,587,004 | 8,733,569 | 7,768,472 | 131,624 | 7,900,096 |
| Heritage assets | 1,102,750 | – | 1,102,750 | 1,072,750 | – | 1,072,750 |
| Stock – publication in progress | 101,756 | – | 101,756 | – | – | – |
| Funds restated | 1,351,071 | 8,587,004 | 9,938,075 | 8,841,222 | 131,624 | 8,972,846 |
| Net movement in funds | | | | Unrestricted | Restricted | Total |
| | | | | 30 June 2021 | 30 June 2021 | 30 June 2021 |
| | | | | £ | £ | £ |
| Net movement in funds previously reported | | | | 818,532 | 14,941 | 833,473 |
| Heritage Assets | | | | 30,000 | – | 30,000 |
| Stock – publication in progress | | | | 101,756 | – | 101,756 |
| Net movement in funds restated | | | | 950,288 | 14,941 | 965,229 |

27 Ultimate controlling party

The company's ultimate parent undertaking and controlling party is Yale University, a higher education institution in the US.