

Annual Report and Financial Statements 2020/21

The Courtauld Institute of Art
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The Courtauld

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Vision and Mission



The Courtauld Institute of Art

The Courtauld Institute of Art brings together outstanding research and teaching in the history, conservation and curation of visual art with a world-renowned art collection displayed in an exceptional Gallery at Somerset House. We are a champion for art history, curating and conservation, and our alumni are leaders in these fields worldwide.

Operating from the heart of London, the global capital of the art world, we are based in Somerset House, an architectural masterpiece and a dynamic hub for the visual arts and creative industries.

The Courtauld and its community represent one of the largest concentrations of art historians, curators and conservators in the world. Our teaching and research excellence engages with a wide range of specialisms from late antiquity to the present and extend across diverse cultures from early Christian Byzantium to contemporary China, and we provide professional education in curating and conservation. Our gallery welcomes visitors from around the world and our unparalleled collections of original works of art and research resources - including image collections and libraries - benefit our students, staff, and the public.

The Courtauld influences individuals and the wider society by inspiring fresh thinking about art and culture. We have a deep commitment to research and teaching and aim to stimulate the cultural sector locally, nationally and internationally by developing new ideas and expertise. We are committed to enabling the widest possible audience to connect with the visual arts through our collections, teaching, research and public engagement.

Our alumni - a dynamic community of specialists who fully share that commitment - shape the art world and lead public institutions internationally.



Vision

We aim to be the most critically engaged, welcoming and generous institution for the study of art in the world.

Mission

Our mission is to advance the understanding of the visual arts of past and present across the world, through advanced research, innovative teaching, inspiring exhibitions and programmes, and the stewardship of our collections.

Introduction from the Chairman

The past year has been an extremely difficult one. At The Courtauld, we have prioritised the safety of our students and staff, whilst continuing to deliver academic and research excellence alongside the ambitious transformation of our Gallery, conservation facilities and learning centre at our home in Somerset House.

It is a source of great pride that we have managed all of this and more besides. From creative digital outreach programmes to national and international exhibitions and loans, we have continued to champion the arts, arts education, and the contribution they make to our collective wellbeing and to the economy.

As we approach the final stages of this phase of the Courtauld Connects project, it is clear that our new spaces in Somerset House will play a major role in helping us to achieve our goals. Opening in November 2021, the renovated and restored Courtauld Gallery will offer new, restored and more accessible spaces in which to display our outstanding collections. It will offer new object study spaces for students and researchers, a Learning Centre for school visits, and completely new studios for The Courtauld's Department of Conservation. We greatly look forward to welcoming returning visitors and new visitors alike to enjoy both our permanent collection and our exciting programme of temporary exhibitions - including an exhibition which, for the first time, shows Van Gogh's self-portraits across his entire career.

Of course, none of this work would have been possible without the generosity of our donors and funders. More than £50 million has been contributed to Courtauld Connects so far. Philanthropy is absolutely vital to building an ever-brighter future for art history, conservation and curating at The Courtauld. Without this visionary support, The Courtauld could do very little. We are all deeply grateful to those who have and who will continue to support us.

Despite the challenges of the pandemic, The Courtauld's alumni have continued to excel around the world. This year's graduating cohort follows in the footsteps of more than 8,000 alumni who shape the global arts and creative agenda. Over the past year there were many notable successes. To name but a few: Atticus Ross (BA 1989) received his second Oscar and a BAFTA; Naomi Beckwith (MA 1999) was appointed Deputy Director and Chief Curator at the Solomon R. Guggenheim Museum in New York; Dr Simon Thurley CBE (MA 1986, PhD 1992) was appointed Chair of the National Lottery Heritage Fund and the National Heritage Memorial Fund; Alex Branczik (MA 2004) took on the newly-created role of Chairman of Modern and Contemporary Art at Sotheby's Asia; and Min Jung Kim (MA 2014) became the first female director of Saint Louis Art Museum. I was also delighted to see The Courtauld's alumni team of Tim Marlow (MA 1988, PhD 1991), Lavinia Greenlaw (MA 2001) and Jeremy Deller (BA 1988) with their chair, Jackie Klein (MA 2001), win the Christmas edition of University Challenge.

On behalf of everyone at The Courtauld, I would like to thank Nick Clarry for his contributions to our work, as he steps down from the Governing Board. We also thank Pippa Balch and Nancy Collinge, whose terms as staff and student representatives came to an end this year. We are glad to welcome to the Board Dr Austin Nevin as a new Staff Governor, and Ruby Bansal, the new Courtauld Students' Union President.



On behalf of the Governing Board, I would like to thank everyone who works for and with The Courtauld. After another extremely challenging year, their hard work, support, professionalism and commitment to the Courtauld community has once again enabled us to continue to deliver the highest standards of teaching, research and public outreach. We are grateful also for our continued partnership with the Samuel Courtauld Trust, which is so important to the continued development of The Courtauld as a place of learning and enlightenment about the arts.

Particular thanks are due to The Courtauld's talented and resilient student body for their understanding, flexibility, resilience and imagination during a year of unprecedented disruption. This has not been a year that anyone would have wanted, but they have risen to all of its challenges and supported one another. I know that the skills and knowledge they have gained this year will stand them in excellent stead for the future.

The Lord Browne of Madingley

Chairman of the Governing Board,
The Courtauld Institute of Art

Introduction from the Märit Rausing Director

By any measure, the past year has been a time of challenge, uncertainty and sadness. Yet thanks to The Courtauld and its wonderful community, we have been able to achieve a huge amount, and I take great pride in that and in how we have supported each other in achieving this.

Despite the challenge presented by Covid-19, our academic and student services staff worked tirelessly to make sure that our students continued to receive a high standard of teaching, access to learning support and wellbeing services. Our library staff introduced new services and enhanced online resources to ensure research and reading could continue. Particular thanks must also go to our estates and facilities staff, who not only kept our buildings safe for those who work in them, but supported students in our Duchy House accommodation throughout lockdowns and with Covid-19 restrictions.

We have continued to enhance our commitment to public engagement during this period. Having moved our celebrated Research Forum events online, we have attracted over 50,000 people who have engaged with art historical discussions, artists' talks and debates - either as live events or through event recordings. Our magazine show Open Courtauld Hour has now completed its fifth series, covering topics as diverse as music, hair, nudity and immigration. Our Short Courses reached a global audience of over 1,800 people online, making the most of innovative formats; and over 6,000 young people also took part in our online learning programmes, including schools' workshops and our online Summer University.

Despite lockdown and the demands of all the work on the building and fit out dimensions of the Courtauld Connects project, we also continued to work on the activities that have also been key parts of the project. Our programme of virtual and physical exhibitions with national partner museums, including the loan of *La Loge* to Ulster Museum and *Antibes* to the Ferens Art Gallery, went ahead. *Precious and Rare*, our exhibition of Islamic metalwork, travelled to Oxford and Bath, and we continued to lend and display significant works in other museums such as the National Gallery and the Science Museum. The digitisation of the Conway photographic library progressed with much online cataloguing activity despite restrictions on site. Most recently and very excitingly, July saw the opening of *Paul Cézanne: Masterpieces from The Courtauld* at the KODE Art Museums in Bergen, presenting a major group of our Cézanne paintings, alongside archival materials as part of a new collaboration.

This international focus has not been restricted to loans of art. The Courtauld was founded in the 1930s on an intention to cover the arts of the world, and we reconfirmed that commitment over a decade ago, introducing academic appointments, programmes and modules in the arts of Iran and the Islamic World, on Chinese and South-East Asian art, and on the arts of the Buddhist world. The need to expand this work has been hugely intensified by increasing debate about the Eurocentrism of the institution of the art museum, of art history and of the humanities and our need to address issues of racism, and post-colonialism more generally. We were therefore delighted this year to appoint Professor Dorothy Price and Indie A. Choudhury to new roles in Modern and Contemporary Art, with a specialism in Black studies and critical race art history, and to have reviewed and approved changes to our undergraduate degree which will broaden our students' areas of study.

More broadly, we have also worked with staff and students to establish what The Courtauld needs to do to become a diverse



and anti-racist organisation. Following the guidance of our cross-organisational Diversity, Inclusion and Anti-Racism Working Group, we have invested in staff and student training and resources, looked at how to decolonise our curriculum and introduced new initiatives such as alumni-student mentoring. This year also saw the launch of the James Hughes-Hallett Undergraduate Scholarships, which will provide financial support to undergraduate students from backgrounds under-represented in higher education.

Looking ahead, teams across The Courtauld have worked hard to keep the Courtauld Connects project on track, and we were delighted to be able to announce that The Courtauld Gallery will open in November 2021. This will be a tremendously exciting moment for all of us as, with the Samuel Courtauld Trust, we welcome students, staff and the general public back to enjoy and study the art collection after a closure of three years. Courtauld Connects has sensitively transformed our wonderful 18th century home into a building appropriate for the 21st century, where we can present our collections in a better and more engaging way than ever before. After such a difficult time for the arts over the last 18 months, we are greatly looking forward to being once again a bright star in London's constellation of cultural attractions.

Indeed, after a year that none of us would wish to see again, I look forward to the next year with a real sense of optimism. As we have worked our way through unprecedented times, I have been constantly impressed by the creativity and commitment of my colleagues; the resilience and enthusiasm for learning shown by our students; the generous support shown by our funders and donors and the clear-sightedness of our Chairman and Governing Board. Now that the worst of the crisis (hopefully) is over and as we reopen The Courtauld Gallery, those strengths will help us to make the most of the tremendous opportunities available to us, and to continue to champion the cause of art and the histories of art.

Professor Deborah Swallow
Märit Rausing Director

Highlights of the year



50%
of our BA in Art
History students
received a First



9 PhDs were completed, in topics ranging from Gecko-inspired Dry Adhesives to The History of Social Housing Architecture in Mexico City

This page top clockwise:
BA History of Art graduates at Somerset House



57.1%

of our MA in Art History
students received Distinction
and 3.6% a High Distinction

MA History of Art teaching



Physical and virtual exhibitions took place in Bath, Belfast, Bradford, Braintree, Hull, Oxford and Preston, with objects also on display at the Science Museum and the National Gallery

This page top
Renoir's *La Loge* on display at the Ulster Museum in Belfast

Bottom
Speakers at Research Forum online event



6,472

young people from across the UK participated in our online Learning programmes, including schools' workshops and our online Summer University.



Almost **17,000** in-person and **9,000** virtual visitors to our National Partners exhibitions, supported by the National Lottery Heritage Fund



Over **52,000**

people attended a live Research Forum online event, or watched it back on YouTube

10 Cézanne masterpieces travelled to KODE Art Museums in Bergen for Paul Cézanne: Masterpieces from The Courtauld

This page top:
Student work from our *Impressions of Place* workshops

Middle:
Monet's *Antibes* on display at the Ferens Art Gallery, Hull

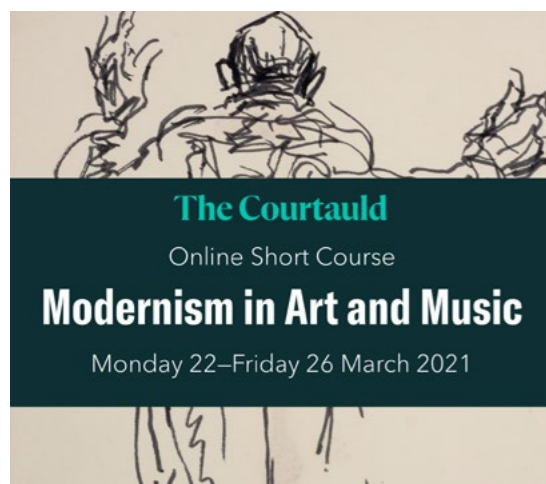
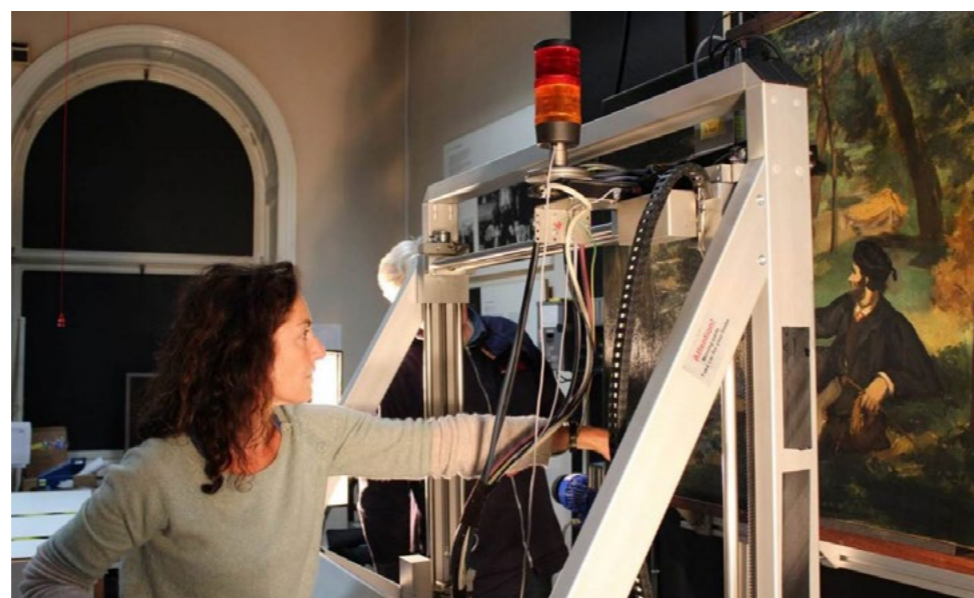
Bottom:
Paul Cézanne, *The Card Players*, 1894-1895, The Courtauld, London (Samuel Courtauld Trust)
© The Courtauld.





356 adults took part in our teachers' events and community projects.

Awarded £2.2 million from the Arts & Humanities Research Council to upgrade art conservation instruments and support the infrastructure development essential to care for The Courtauld's collections



Our Short Courses successfully converted to online, with a global audience of almost 1,700 for our fee-paying courses such as Summer School and Evening Lectures. In addition, almost 160 prospective adult learners attended a free virtual open morning.



25 outstanding modern drawings assembled by the late collector Howard Karshan presented to The Courtauld by his wife, artist Linda Karshan



150 points scored in the final of Christmas University Challenge, won by Courtauld alumni Jacky Klein, Jeremy Deller, Tim Marlow and Lavinia Greenlaw

Strategic Report

A College of the University of London, The Courtauld focuses on teaching and research in the areas of art history, the conservation of wall and easel paintings and curating, while offering public short courses. The Courtauld also cares for one of the world's most famous collections of paintings, drawings, sculpture and decorative arts within its Gallery, ranging from the Renaissance to the 21st century. The Gallery provides valuable support for teaching and research to students and academic staff throughout the UK higher education sector. A range of facilities and services are undertaken in support of key activities.

We have remained focussed this year on developing the Vision and Mission, as outlined on page 4. This is supported by our strategic objectives:

- To ensure our research, teaching and curating is relevant and global in cover, reach and impact, through new appointments, international partnerships and strategic relationships.
- To attract, recruit and nurture a larger, more inclusive and talented student body from the UK and across the world, equipping them with the skills to develop their highest potential in the fields of their choice.
- To grow our audience and extend the impact of The Courtauld through ambitious exhibitions, public programmes, and strategic partnerships, harnessing new technologies where appropriate.
- To secure a business model which is sustainable and resilient, including more robust commercial activities, combining charitable values and commercial thinking in all our operations and activities.
- To deliver The Courtauld's potential to serve the wider community by operating efficiently through the best use of our human resources, our physical estate, our technical services and our collections.

On 1 August 2020 all of the business activities, assets and liabilities of The Friends of the Courtauld Institute (Charity number 312911) ('The Friends') were transferred to the Courtauld Institute of Art for no consideration. The value of the net assets acquired of £342,000 has been recognised in the year as a gain on acquisition.

The Courtauld Institute of Art will continue to run the Friends membership programme, for which it will charge a fee, and through which it will offer a variety of events including lectures and private views both at The Courtauld and elsewhere.

Operating and Financial Review

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition) and in accordance with the Financial Reporting Standard (FRS) 102.

A summary of the group Income and Expenditure Account is as follows:

	2021 £'000	2020 £'000
Income	34,478	31,892
Expenditure	21,933	19,483
Surplus before other gains and losses	12,545	12,409
Gain on acquisition	342	-
Gain/(Loss) on investments	9,491	(773)
Total comprehensive income for the year	22,378	11,636

Represented by	2021 £'000	2020 £'000
Endowment comprehensive income for the year	4,541	(434)
Restricted comprehensive income for the year	13,189	10,832
Unrestricted comprehensive income for the year	4,648	1,238

The consolidated results show a total for restricted and unrestricted comprehensive income of £17,837,000 compared to £12,070,000 last year. This includes the change in fixed asset investments from

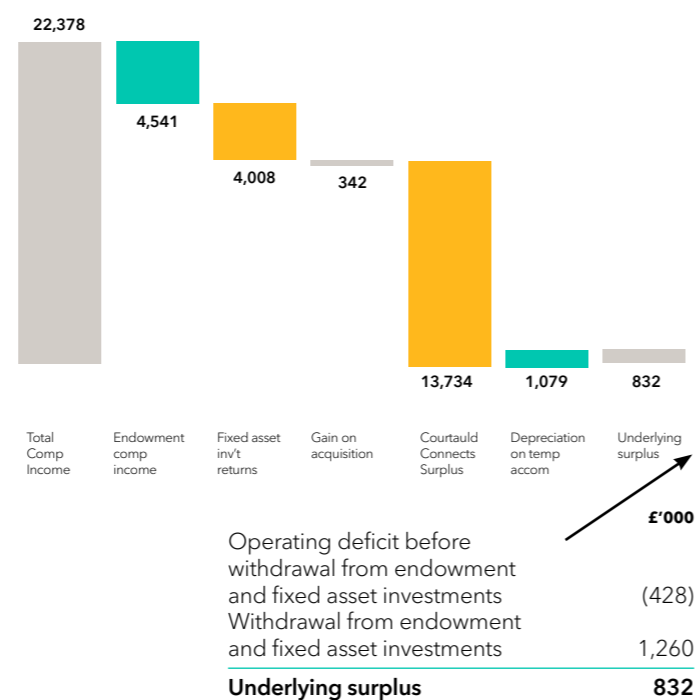
investment income and market value gain over and above the planned redemption to support the operations of The Courtauld.

Excluding the gain on acquisition and unplanned change in fixed asset investments, the surplus for the group was £13,487,000 compared to a surplus of £12,267,000 in 2019/20. This surplus includes a net surplus of £13,734,000 (2019/20 £11,888,000) arising from fundraising and grants for the Courtauld Connects project exceeding project expenses in the year. Most of the project costs are incurred as capital expenditure. It also includes a £1,079,000 (2019/20 £1,067,000) depreciation charge on the fit-out of the temporary accommodation occupied during the building works.

The increase in fixed asset investments from investment income and market value gain over and above the planned redemption to support operations is shown in note 12 to the financial statements and was £4,008,000. The planned redemption from fixed asset investments to support operations exceeded growth from investment income and market value changes in the prior year by £446,000. There was an addition to fixed asset investments in the year of £232,000 arising from the transfer in of the assets and liabilities from The Friends of the Courtauld Institute. £150,000 of this transfer was withdrawn for Courtauld Connects. A donation of £249,000 was received in fixed asset investments in the prior year.

The underlying surplus was £832,000 (2019/20 £1,446,000) as shown in the chart and includes withdrawals from endowment and fixed asset investments of £1,260,000 (2019/20 £1,785,000) for business as usual. There was also a withdrawal from fixed asset investments of £150,000 for Courtauld Connects as noted above. The surplus is lower in 2020/21 mainly because of a decrease in the USS pension deficit of £1,239,000 in the prior year following the completion of the 2018 actuarial valuation. The USS pension deficit increased in 2020/21 by £270,000. Other significant movements in the year included new capital grants from the Arts and Humanities Research Council (AHRC) of £1,164,000 for conservation of art equipment and a reduction in withdrawals from investments of £525,000.

2020/21 Underlying Surplus £'000



The endowment comprehensive income increased to a surplus of £4,541,000 from a deficit of £434,000 in 2019/20. This includes new donations to the endowment of £1,000 (2019/20 £709,000) and investment income and market value movements of £5,423,000 (2019/20 £153,000). Withdrawals in the year were £883,000 (2019/20 £1,296,000).

Courtauld Connects

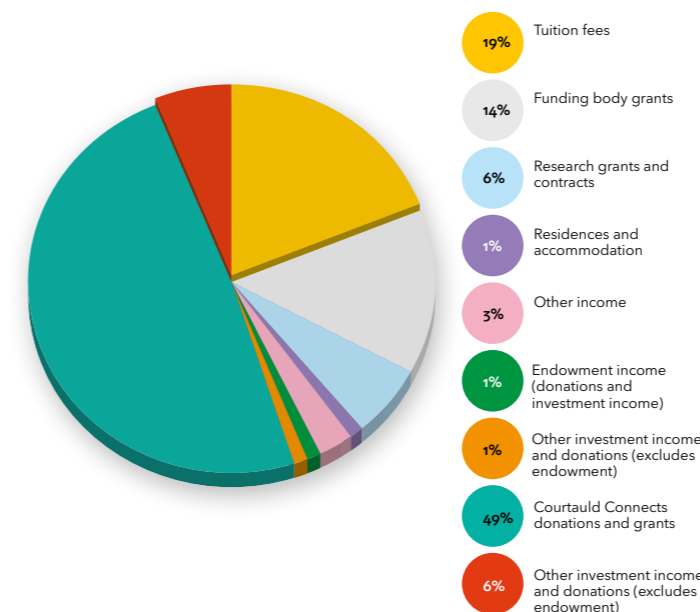
The Courtauld Connects project received donations and grants and incurred staff and other expenses resulting in a net surplus in the year of £13,734,000 (2019/20 £11,888,000). The grants received include National Lottery Heritage Fund grant funding of £4,664,000 and an AHRC capital grant for £1,048,000. The surplus is net of the full impairment of costs of planning work for Phase 2 work on the East Wing of £450,000 reflecting that it is uncertain at the year-end date if this planning work will be used (2019/20 £nil).

The project incurred £11,692,000 of capital expenditure bringing the project related capital cost held within Fixed Assets at the balance sheet date to £38,961,000. £1,545,000 (2019/20 £641,000) is held in restricted reserves towards future project costs.

Group Income

The Courtauld's income is derived from a range of sources, including the Office for Students and Research England, research grants and contracts, tuition fees, philanthropic income, Gallery admissions charges, fees for short courses and student accommodation and commercial income from accommodation, the Gallery Café, Shop and corporate hire. The Courtauld was awarded a significant increase in funding from HEFCE as a Small Specialist institution with effect from 2016/17 and to continue for four years. This was extended for a further year to 2020/21. The HEFCE Reviewing Panel noted the 'extraordinary influence of the institution and its graduates in art history and art curation'.

2021 - How The Courtauld earned its £34,478,000 income



The group's income can be summarised as follows:

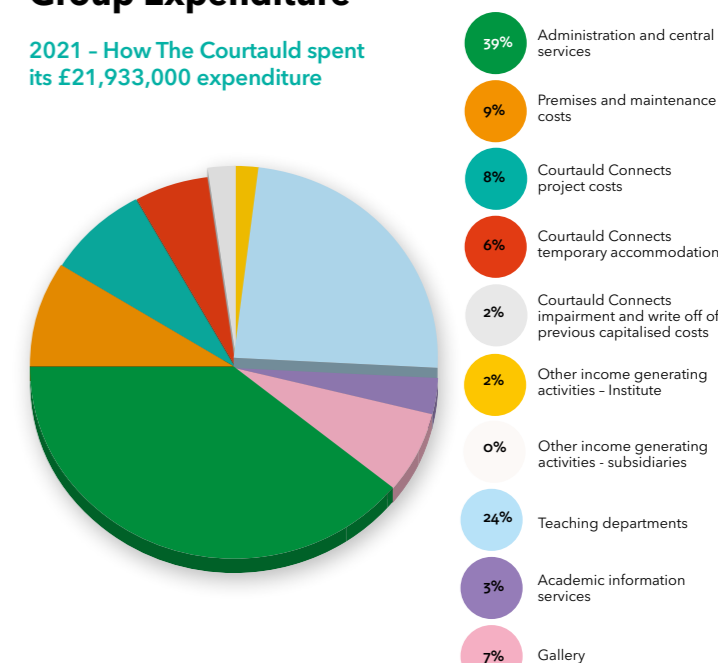
	2021 £'000	2020 £'000	Change %
Tuition fees and education contracts	6,581	6,321	4%
Funding body grants	4,846	4,948	(2%)
Research grants and contracts	3,230	1,223	164%
Other income	6,203	4,223	47%
Investment income	468	984	(52%)
Donations and endowments	13,150	14,193	(7%)
Total Income	34,478	31,892	8%

Total group income for the year was £34,478,000, an increase of 8% compared to 2019/20.

Tuition fees increased by 4% due mainly to increases in home student numbers for both undergraduate and postgraduate study. Funding body grants remained broadly flat. Research grants and contracts increased by 164% mainly due to two capital grants from AHRC. These supported Courtauld Connects work and new equipment for the new conservation of art studios. Other income increased by 47% mainly due to an increase in the National Lottery Heritage Fund grant for Courtauld Connects in the final year of the building works. Income from donations and endowments decreased by 7% but continues to be higher than in a usual operating year due to donations for Courtauld Connects.

Group Expenditure

2021 - How The Courtauld spent its £21,933,000 expenditure



The group's expenditure can be summarised as follows:

	2021 £'000	2020 £'000	Change %
Staff costs	9,929	7,996	24%
Other operating expenses	10,162	10,012	1%
Depreciation, amortisation and impairment	1,801	1,413	28%
Interest and other finance costs	41	62	(35%)
Total Expenditure	21,933	19,483	13%

Total group expenditure for the year was £21,933,000, an increase of 13% compared to 2019/20.

The main reason for the increase is the impact of changes in the USS pension deficit. In 2019/20 there was a credit of £1,239,000 for the impact of the 2018 actuarial valuation. In 2020/21 the pension deficit increased by £270,000 due to changes in market conditions and assumptions. This is the main driver of the movement in staff costs but there was also an increase in headcount in the year. Other operating expenses remained flat with the prior year reflecting continued lower levels of activity during the pandemic. The depreciation, amortisation and impairment cost increased by 28% due to the impairment of Phase 2 Courtauld Connects planning costs of £450,000 explained above.

Total group expenditure includes £437,000 (2019/20 £372,000) for delivery of the Access and Participation plan.

Gain/(Loss) on investments

	2021 £'000	2020 £'000	Change %
Gain/(loss) on investments	9,491	(773)	1,328%

The gain on investments represents the increase in market value for the fixed asset investments and endowment assets in the year. The increase is driven by market performance for the assets held.

Net Assets

As at 31 July 2021 the group reported net assets of £105,766,000 compared to net assets of £83,388,000 in the prior year. This increase was driven by higher fixed assets of £10,984,000 reflecting the progress with Courtauld Connects, an increase in investments of £8,781,000 reflecting the increase in market value over amounts withdrawn in the year and an increase in net current assets of £5,714,000 partly offset by an increase in creditors due after more than one year of £2,993,000.

The increase in net current assets of £5,714,000 includes an increase in receivables of £3,093,000 mainly for VAT and Gift Aid claims and a grant payment partly offset by an increase in creditors of £899,000. These movements are largely related to the Courtauld Connects project. It also includes an increase in cash of £3,518,000 mainly due to the new Culture Recovery Fund loan from Arts Council England of £3,000,000. The loan is also the reason for the increase in creditors due after more than one year.

Investments

The Courtauld Institute of Art Investments Committee is responsible for oversight of the endowment and fixed asset investments. On behalf of the Governing Board, the Committee establishes investment objectives, asset allocation policy and investment strategies for each asset class within the portfolio. Overall investment objectives and goals are achieved by use of a diversified portfolio consistent with The Courtauld's return goals and risk tolerance. The Committee has developed an asset allocation strategy which sets minimum and maximum allocations for each asset class, a target asset allocation, and specifies benchmarks against which the performance of each asset category can be judged. While the investment horizon of The Courtauld is long-term, asset allocation is discussed at every meeting of the Committee and formally reviewed at least once per year or as a significant change in The Courtauld's operations or financial condition may require.

The Courtauld operates a 50% hedging programme against exposure to the dollar and euro in the endowment and fixed asset investments. At the year end there was a liability on the forward hedging contract of £53,000 (2019/20 asset of £344,000) which has been recognised in the investment assets' value.

The primary function of the endowment is to provide enduring support for the academic mission of The Courtauld by releasing a substantial and reliable flow of funds to the operating budget, unless such a flow is not temporarily required. Maintaining the purchasing power of the Endowment to provide sustained programme support requires a disciplined spending policy to balance the demands of the present against the claims of the future. The Courtauld's spending rule uses a long-term spending rate combined with a smoothing rule that adjusts gradually to changes in endowment market value.

30% of the investment holding is held in cash as at 31 July 2021 (33% at 31 July 2020) reflecting an increased cash holding to implement the Governing Board's decision to use available funds as financing for Courtauld Connects if required until grants and donations are received.

The movement in the value of the portfolio during the year can be summarised as follows:

	£'000
Balance brought forward at 1 August 2020	
Capital	43,756
Unapplied Total Returns	13,257
	57,013

Additions	233
Investment income	467
Increase in market value of investments held	9,491
Disposal/redemption of investments	(1,410)
Balance at 31 July 2021	65,794
Represented by:	
Unit Trusts and Investment Trusts	46,395
Cash balances	19,452
Forward hedging contract	(53)
	65,794

A more detailed analysis of the endowment funds, including a review of the most significant individual funds, can be found at notes 12 and 19 to these financial statements.

HESA Key Financial Indicators (KFI)s

The nature of our operating structure and the scale of Courtauld Connects in the financial results mean that a number of the KFI's used by HESA to assess performance are not directly relevant to The Courtauld or may not be meaningful. The impact of the large change in the USS pension deficit in 2019/20 has also distorted the prior year metrics. However the following measures in respect of the 2020/21 financial year should be noted:

- The surplus for the year was 36.4% (2019/20 38.9%) of total income;
- Staff costs for the year represented 28.8% (2019/20 25.1%) of total income;
- Unrestricted reserves were 183.4% (2019/20 111.2%) of total income;
- External borrowing was 8.7% (2019/20 0.0%) of total income; and
- The ratio of current assets to current liabilities was 1.7 (2019/20 0.5).

Widening Access and Participation

The Courtauld aims to transform the perception of Art History and Conservation in the UK to become a mainstream subject studied by people from all backgrounds by "recruiting the best possible students with the highest academic and intellectual potential, regardless of their ethnic, economic or social background, who will gain the most from studying at The Courtauld."

To achieve this, The Courtauld's objectives are to:

- Recruit students from a diverse range of backgrounds, and support them through the life of their degree.
- Provide a rigorous academic education in art history that prepares students for further study and employment, and who will contribute actively to society across all fields and endeavours. This includes subject knowledge, transferable skills and greater self-confidence, based around independent, creative and critical looking, reading, thinking and writing. We train students to be able to synthesise information to deliver concise, cogent and persuasive arguments in oral, written and visual forms.
- Support student success at each stage of the student life cycle from entry to graduation and beyond. Our ethos and policies are driven by values of inclusivity and belonging.

A wide range of specific initiatives is underway to achieve these ambitions.

Equality, Diversity, Inclusion and Anti-Racism

During 2020/21 The Courtauld continued to develop its full Equality, Diversity, Inclusion and Anti-Racism (EDI&A) strategy, and to implement the initial action plan which emerged from the 2019/20 report. Appointments were made to two new academic positions in modern and contemporary art and visual culture with specialisms in Black Studies, the arts of Africa and its global diasporas. Reforms were made to the BA in Art History curriculum to include vocational focused modules. Two new Widening Participation posts were approved. EDI&A training courses were run for both staff and students. Decolonisation reading groups continued successfully throughout the year. Research Forum and Open Courtauld programmes included many events related to EDI&A issues and representation. The full EDI&A strategy and action plan will be formalised in 2021/22.

Carbon Management Plan

Whilst it has not been possible to review and refresh The Courtauld's Carbon Management Plan during the past year, The Courtauld remains fully committed to managing and reducing its carbon emissions and will, in the year ahead be setting out its commitment and plan to deliver net zero greenhouse gas emissions by 2050.

Meanwhile, whilst there has been a modest increase in Scope 1 and 2 emissions during the past year, The Courtauld has remained within its target of delivering and maintaining a 35% reduction in these emissions that was set to be achieved by 2019/20. Our increase in comparison to the preceding year has been due to needing to temporarily heat one of our premises via the use of oil and bringing online electrical supplies to our newly refurbished space within Somerset House. In total, The Courtauld consumed 1,681,722 Kwh of energy for 2020/21 (2019/20 1,546,545 kWh), generating 367tCo2e (2019/20 326 tCo2e). Whilst this is an increase of 41tCo2e against the preceding year, compensating for seasonal degree days (which were higher by 10%) means increased emissions were actually circa. 20tCo2e. The emission total for 2020/21 is 188 tCo2e less than The Courtauld's target of achieving 515 tCo2e by 2019/20.

Whilst Scope 3 calculations for 2020/21 have not yet been completed in time for this report, total Scope 3 emissions for 2019/20 were 1,707 MtCo2 (excluding capital projects and building related professional services) which is a reduction of 1,163 MtCo2 compare with 2018/19 (2,870 MtCo2). The Courtauld set itself in April 2015 the target of reducing Scope 3 emissions by 10% by 2019/20 from a baseline year of 2013/14 but readjusted to 2014/15 as data for this year was able to be calculated more accurately, which confirmed Scope 3 emissions (excluding those associated with construction and unclassified) to be 2,595 MtCo2. Thus, the target reduction we set ourselves has been achieved and exceeded by 629 MtCo2. Analysis of Scope 3 data for 2019/20 has been improved and we have a clearer sense of which areas of the business we need to focus on in continuing to improve our overall sustainability and drive to be carbon neutral.

For the year 2019/20, Scope 3 emissions associated with construction and professional services supporting this was 3,736 MtCo2, compared with 2,814 MtCo2 in 2018/19 (and 502 MtCo2 in 2014/15). The further year-on year increase is directly linked to the delivery of The Courtauld's transformation project Courtauld Connects at Somerset House which will be concluding in November 2021 following re-opening of our Gallery.

Principal risks and uncertainties

The framework for identifying and assessing risks, and monitoring the management of those risks is set out in detail in the Governance Statement under the heading 'Risk Management and Statement of Internal Control' (see page 20).

The following key strategic risks have been identified by the Senior Management Team as the highest risks to The Courtauld:

- Failure to achieve long term sustainability

- Failure to raise sufficient cash funds to maintain short term solvency
- Failure to deliver an outstanding student experience

The impact and ongoing effects of the Covid-19 outbreak on The Courtauld's key strategic risks have been reviewed and managed as part of the risk management framework.

The ongoing implications of the Covid-19 pandemic has increased the likelihood of some risks crystallising and The Courtauld has taken a number of mitigating actions including the set up of 'Silver' and 'Gold' groups to manage the response within the organisation to the pandemic. The groups receive and consider all relevant advice including from Public Health England and UUK. The Courtauld is working closely with other University of London colleges to ensure a consistent and prompt response to developments. The financial consequences of the pandemic are being monitored closely through the Senior Management Team and the Finance and Operations Committee.

The impact of Brexit on The Courtauld remains uncertain in particular in relation to the ongoing recruitment and retention of both staff and students from the EU due to the removal of home fee status and undergraduate and postgraduate support for EU students from June 2020, starting in 2021/22.

Since the beginning of 2021, The Courtauld's Governing Board has met more frequently to review the ongoing key strategic risks throughout another unusual and challenging year for The Courtauld and the sector as a whole, and to review the progress of the agreed mitigating actions taken throughout.

Longer Term Prospects

The Courtauld recognises that, if it is to maintain its position as world leader in the field of art history, it must continue to invest in its estate and facilities in order to maintain and improve its learning, teaching and research environment. In challenging economic conditions, a key objective of The Courtauld is to reduce its reliance on government funding so as to ensure that its future remains in its own hands.

Courtauld Connects is a major priority and will radically transform access to The Courtauld and its collections through a programme of physical redevelopment and organisational change. In May 2016, the news that the application to the Heritage Lottery Fund for Stage I approval had been successful represented a major step towards the realisation of this project and the 2018/19 year saw the project move into delivery as the Gallery closed and the building work commenced. Building work has continued through 2019/20 and 2020/21 and, despite delays from the impact of the pandemic, the Gallery will reopen later in 2021 with the new Conservation studios ready for the Autumn 2022 student intake.

Courtauld Connects, and the realisation of the many benefits it will bring, is at the heart of the Strategic Plan. As this nears completion, planning for the refurbishment of the East Wing to enable the return of teaching and learning to Somerset House is underway.

The Courtauld's endowment fund plays a vital role in ensuring our on-going financial sustainability and we are therefore mindful of the need to balance releases from the fund to offset revenue and capital expenditure with the need to grow the fund to support the institute in the longer term. As a result, The Courtauld operates a policy of restricting releases to meet operational need to protect the long-term value of the fund. Although this remains the long term policy, the Governing Board took the decision to use available investment funds as financing during the Courtauld Connects project.

Approved by the Board of Directors and signed on behalf of the Board:



Professor Deborah Swallow
Marit Rausing Director

Directors' Report

Directors and Officers

Governing Board

The Courtauld Institute of Art is a company limited by guarantee (company no. 4464432) and an exempt charity regulated by the Office for Students (OfS) under the Charities Act 2011. As such the members of the Governing Board are both company directors and charity trustees.

The members of the Board who served during the year and up to the date of signing these financial statements were:

Ex officio

Professor Deborah Swallow 1,5,6 (Märit Rausing Director, The Courtauld Institute of Art)
Professor James Cuno 4 (President and CEO, The J Paul Getty Trust)
Mr Andrew Hochhauser QC 1 (Chairman, Samuel Courtauld Trust)
Nancy Collinge (until 10 June 2021) 1,2,5 (President, The Students' Union)
Ruby Bansal (from 1 July 2021) (President, The Students' Union)

Appointed Members

The Lord Browne of Madingley 1,3
Professor Julia Black
Professor Sir Leszek Borysiewicz 3
Mr Peter Budd 1
Ms Charmian Caines 2,7,8,10
Mr Nicholas Clarry (until 8 March 2021) 1,2,4,9
Dr Gabriele Finaldi 7
Dr John Garcia 1,9
Mr Hugues Lepic 2,4
Ms Sally Osman 3,5,8
Mr Franck Petitgas 1,3
Dame Julia Peyton-Jones 1,7

Members elected by and from the Academic Staff

Professor Sussan Babaie 1, 5, 9
Ms Pippa Balch (until 25 November 2020) 2, 5
Dr Scott Nethersole 5
Dr Austin Nevin (from 25 November 2020)

Members elected by and from staff other than the Academic Staff

Ms Elizabeth Harris

Mr Anthony Tyrrell 9

Members elected from the staff of The Courtauld Gallery

Dr Karen Serres 2,7

Senior Management Team

The Senior Management Team (SMT) is responsible for the day-to-day operation of the company. The members of the SMT are as follows:

Professor Deborah Swallow, Märit Rausing Director
Dr Tzo Zen Ang, Managing Director (until 28 February 2021)
Dr Alixe Bovey, Dean & Deputy Director (from 1 September 2020), Head of Research
Professor Antony Eastmond, Dean and Deputy Director (until 31 August 2020)
Ms Lorna Gozzard, Director of Commercial, Marketing & Communications
Dr Stephanie Hall, Project Director, Courtauld Connects (until 31 May 2021)
Ms Francesca Hewitt, Director of Development (until 18 May 2021)
Ms Lila Kanner, Acting Director of Development (from 9 April 2021)
Mr Robert Thorpe, Director of Operations (until 20 August 2021)
Dr Ernst Vegelin, Head of The Courtauld Gallery

Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Other information

The particulars of significant events which have occurred since the end of the financial year and an indication of likely future developments in the business have been included in the Strategic Report on page 14.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office. This report has been prepared in accordance with the Accounting Standards Board's 'Reporting Statement: Operating and Financial Review' (January 2006).

Approved by the Board of Directors and signed on behalf of the Board:



Professor Deborah Swallow
Märit Rausing Director Registered address:
The Courtauld Institute of Art
Somerset House
Strand
London WC2R 0RN

1. Member of the Chairman's Committee
2. Member of the Audit & Risk Committee
3. Member of the Governance, Nominations & Remuneration Committee
4. Member of the Investments Committee
5. Member of the Joint Honours Committee

6. Member of the Academic Promotions Committee
7. Member of the Exhibitions & Gallery sub-Committee
8. Member of the Commercial & Marketing sub-Committee
9. Member of the Finance & Operations sub-Committee
10. Member of the Ethics sub-Committee

Governance Statement

Responsibilities of the Governing Board and Structure of Corporate Governance

The Courtauld Institute of Art is committed to the highest standards of governance and continues to review its processes and effectiveness to refine its governance arrangements.

In developing its approach, the Governing Board has confirmed its commitment to the Committee of University Chairs (CUC) Governance Code of Practice ('the Code'). The Courtauld continues to embed its updated governance structure, as implemented in the 2018/19 academic year. The Governing Board is compliant with the mandatory conditions of the Code and continues to improve its processes in line with its guidance. A full review of the effectiveness of the governance structure, deferred from 2021 as a result of COVID, will be taken in Spring 2022, including a full review of its compliance with the CUC Code. In addition to the CUC guide, The Courtauld is guided by the Office for Students and the British Universities Finance Directors Group (BUFDG).

Overview

The Courtauld is committed to following best practice in all aspects of corporate governance. This summary describes the manner in which The Courtauld has applied the principles set out in the Higher Education (HE) Audit Committees Code of Practice in the past year. Its purpose is to help the reader of the accounts understand how the principles have been applied. The Courtauld's Governing Board is ultimately responsible for The Courtauld's system of internal control and for reviewing its effectiveness. The system of internal control is based on a developing process designed:

- to identify the principal risks to the achievement of policies, aims and objectives;
- to evaluate the nature and extent of those risks;
- to manage them effectively, efficiently and economically; and
- to prevent and detect fraud and other irregularities.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. This process has been in place for the year ended 31 July 2021 and up to the date of approval of the financial statements, and accords with Office for Students guidance.

The Courtauld has published its Memorandum and Articles of Association and details regarding Governance on its website www.courtauld.ac.uk. This includes biographies of the Governing Board membership as well as details of the membership of the executive Senior Management Team. There is further information about the Committee structure and membership disclosed in the Annual Report and Financial Statements each year. Past copies of the Annual Report and Financial Statements are available on the website.

Governing Board and its Committees

The Governing Board meets at least three times a year and is supported by several committees. This year the Governing Board met six times. The Governing Board Committees are as follows: Academic Promotions Committee, Audit & Risk Committee, Chairman's Committee, Governance, Nominations and Remuneration Committee, Investments Committee and the Joint Honours Committee. All of these Committees are formally constituted with terms of reference. In all cases, except the Academic Promotions Committee, the majority of the membership is lay and each of the Committees has a lay Chair. The Governing Board may establish special Committees, Sub-Committees and Working Groups as required for particular purposes and may delegate additional powers to existing Committees from time to time, in accordance with the Terms of Reference.

The Courtauld also has an Academic Board which is the body set up in accordance with Article 19 of the Articles of Association of the Courtauld Institute of Art. Subject to the responsibilities of the Governing Board and of the Director, the Academic Board shall be responsible for all matters relating to the teaching, courses, scholarship and research of The Courtauld; those relating to the development of the academic activities of The Courtauld and the resources needed for them; and advising the Director and the Governing Board thereon having regard at all times to the educational character and objectives of The Courtauld, as determined by the Governing Board.

The Academic Promotions Committee meets twice a year and is responsible for the consideration of applications for promotion by Academic staff and recommendation to the Governing Board for approval of any such promotions they consider to be appropriate.

The Audit & Risk Committee meets at least twice a year and reviews the arrangements for the identification and management of risks; advises the Governing Board on the appointment or dismissal of the internal and external auditors; reviews the effectiveness of internal controls; receives reports from the National Audit Office and/or Office for Students; considers audit reports from the internal and external auditors and management's response to those reports; advises the Governing Board on accounting policies and reviews The Courtauld's annual report and accounts, before their submission to the Governing Board. The internal auditors and external auditors attend every meeting and, following the meeting which considers the annual accounts, the external auditors hold a private discussion with the members of the Committee in the absence of the officers. The Audit and Risk Committee reports annually to the Governing Board.

The Chairman's Committee has the primary purpose of facilitating the effective operation of the Governing Board by reviewing and shaping proposals and recommendations to the Governing Board, and exercising the powers of the Governing Board in relation to less critical matters. It does this through regular reporting on performance against strategic and financial objectives, key challenges and developments and insight from other stakeholders. The Committee meets regularly in order to review proposals to the Governing Board, assess options and provide recommendations to the Governing Board. The Chairman's Committee also meets when required to address matters which are either urgent or which the Chair determines would be best addressed outside regular Governing Board meetings. The Chairman's Committee is supported by the following sub-Committees, which are advisory and

have no delegated authority but serve to make reports and recommendations:

- A Finance & Operations Committee reviews and advises the Chairman's Committee on the financial performance of The Courtauld, budgetary and financial forecasting processes, and capital management.
- An Ethics Committee reviews and advises the Chairman's Committee on the ethical and reputational matters relating to The Courtauld, including whistleblowing, student matters, gift acceptance and research ethics. The Ethics Committee is also responsible for overseeing the Appeals process for the Research Excellence Framework.
- A Commercial & Marketing Committee reviews and advises the Chairman's Committee on commercial aspects of The Courtauld's operations and all aspects of its brand and promotion.
- An Exhibitions & Gallery Committee reviews and advises the Chairman's Committee on all strategic aspects of the Gallery, including the stewardship of the collection, exhibitions and displays, as well as the Gallery's engagement with core areas of The Courtauld's other activities.
- The Courtauld Connects Building Implementation Group oversees the delivery of Phase 1 of the Courtauld Connects capital project, and advises the Chairman's Committee and Governing Board on all aspects of the project including budget, programme and quality.

Since January 2021, the Chairman's Committee has been suspended to facilitate more frequent meetings of the Governing Board. The sub-Committees of the Chairman's Committee have continued to meet and report directly to the Board.

The Governance, Nominations and Remuneration Committee meets at least once a year and is responsible for reviewing all matters relating to remuneration and governance, including the composition and succession of the Governing Board and key members of senior management (other than the Director). The Committee makes recommendations to the Board on such matters including the remuneration of the Director and Director of Operations (Company Secretary).

The Investments Committee meets three times a year and is responsible for the general strategy and policy on investments held or made by or on behalf of The Courtauld and deals with all matters relating to the implementation of such strategy and policy. It reviews the Investment strategy, policy and performance at least annually, and it appoints any investment advisers and managers on such terms as the Committee shall think fit.

The Joint Honours Committee meets at least once a year to request, collect and consider nominations for the award for Honorary Fellows, Emeritus Professorship and the Honorary Doctorate of the University of London by the Courtauld Institute of Art, and to send suitable recommendations for all such awards to the Governing Board for approval.

Risk Management and Statement of Internal Control

The Governing Board has a responsibility to ensure that The Courtauld's risk management strategy is effective throughout The Courtauld and that it is fully compliant with regulatory requirements relating to risk. As highlighted in the Strategic Report, there has been continuing review and improvement of the Risk Management framework.

The Courtauld Governing Board has continued to take the following actions in relation to this:

- maintained a risk management policy for The Courtauld, setting out principles, processes, responsibilities and key risk areas;
- reviewed the strategic risk register, setting out key risks, including business, operational, compliance and financial risks, and how they are to be managed;
- received reports from the Audit & Risk Committee on the processes governing the identification and management of risk and extended the Committee's remit in the renewed structure as the Audit & Risk

- Committee to further strengthen its review of risk management;
- assigned executive responsibility to the Director and the SMT;
- considered the actions taken to mitigate the risks identified;
- ensured consistency in the level of risk assessed, among risks having the same probability/impact assessment; and
- independently audited the process for managing risk to ensure that it was in line with best practice in small specialist institutions.

The risk management policy sets out a clear framework for:

- identifying and assessing risks, as part of the corporate planning process;
- monitoring the management of risks; and reviewing the process.

The Board has confirmed the Audit & Risk Committee's role regarding oversight of the risk management process, clearly establishing the committee's responsibilities regarding risk and ensuring clarity between:

- the suitability of the processes in place (an Audit & Risk Committee responsibility); and
- the effectiveness of the identification and management of risk per se (ultimately a Board responsibility).

The Financial Regulations set out the provisions for the financial management of The Courtauld. Their application ensures that The Courtauld operates within a robust, sound financial management and control environment which seeks to prevent and detect corruption, fraud, bribery and other irregularities. They are reviewed periodically to provide assurance that they continue to provide an appropriate framework and set of principles that support these objectives.

The Audit and Risk Committee also reviews the effectiveness of internal controls on an ongoing basis and monitors any remedial action required. It is supported by an independent Internal Audit function which undertakes a programme of audits across both financial and non-financial processes and activities, informed by an assessment of the key risks faced by the organisation.

Key elements of the control environment are:

- The Governing Board discusses and approves the strategy, plans, budget and the risks to achieving them.
- The Senior Management Team regularly reviews risk to achieving objectives and identifies mitigating controls and actions to take.
- Policies, procedures and controls are embedded within processes including approval limits, segregation of duties and regular reporting and review against budgets.
- The Committees of the Governing Board provide additional scrutiny over key elements of performance and decision making.

Overall, the Internal Audit annual report gave an opinion of 'satisfactory assurance' that The Courtauld maintained adequately designed and effective arrangements for risk management, control and governance and economy, efficiency and effectiveness. There was one internal audit, Student Experience, where the internal audit opinion was 'limited assurance'. Actions have been agreed to address the shortcomings highlighted in the audit report.

The internal auditors have also reported their concerns about the lack of progress made in relation to some prior year recommendations. The agreed actions are now being revisited. Revised completion dates for their resolution will be reported to the Audit and Risk Committee during 2021/22. The internal audit annual opinion relates to the period from 1 August 2020 to 31 July 2021 which is dated 22 October 2021.

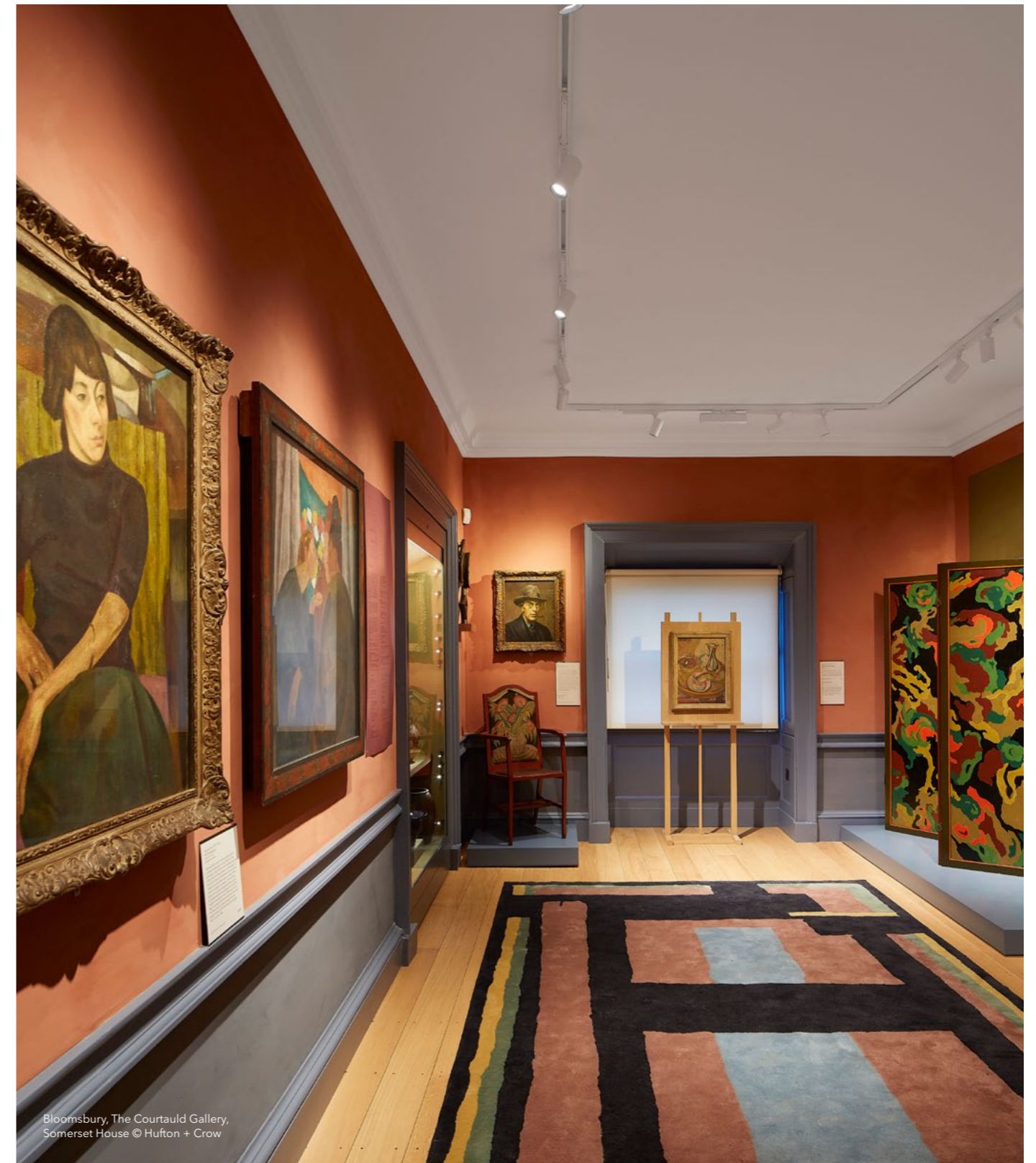
Use of Public Funds

The Courtauld Institute of Art receives public funding from the Office for Students (OfS) and Research England. As a recipient of this funding it delivers the teaching, research, gallery and library obligations that it promised when the funding was secured. It complies with extensive regulatory reporting obligations and seeks to deliver these professionally and to a high standard.

The Courtauld has Financial Regulations which set out how funds may be spent and the processes for approval and review that are required. The Courtauld sets an annual budget and agrees the activities that will be delivered in the year ahead. The budget is

reviewed by the Finance and Operations Committee and approved by the Governing Board. A longer term Business Plan with financial projections is also regularly updated and reviewed by the Governing Board. The finance processes are subject to regular Internal Audit scrutiny with any identified weaknesses rectified promptly.

The Governing Board is satisfied that the controls that are operated ensure the regularity and propriety in the use of the public funding provided to The Courtauld.



Bloomsbury, The Courtauld Gallery, Somerset House © Hufton + Crow

Statement of Governing Board responsibilities in respect of the annual report and the financial statements

The Governing Board is responsible for preparing the Governance statement the Strategic Report and Directors' Report and the financial statements in accordance with the requirements of the Office for Students' Terms and Conditions of Funding for Higher Education Institutions and Research England's Terms and Conditions of Research England Grant and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent Institute financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The terms and conditions of funding further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice - Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction issued by the Office for Students.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent Institute and of their income and expenditure, gains and losses and changes in reserves for that period. In preparing each of the group and parent Institute financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent Institute or to cease operations, or have no realistic alternative but to do so.

The Governing Board is responsible for keeping adequate accounting records that are sufficient to show and explain the parent Institute's transactions and disclose with reasonable accuracy at any time the financial position of the parent Institute and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Governing Board are also responsible for ensuring that:

- funds from whatever source administered by the Group or the Institute for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students and Research England have been applied in accordance with the terms and conditions attached to them;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the Institute's resources and expenditure.

The Governing Board is responsible for the maintenance and integrity of the corporate and financial information included on the Institute's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to Governing Board of The Courtauld Institute of Art Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of The Courtauld Institute of Art ("the Institute") for the year ended 31 July 2021 which comprise the Consolidated and Institute Statement of Comprehensive Income and Expenditure, Consolidated and Institute Statement of Reserves, Consolidated and Institute Balance Sheet and the Consolidated Cash Flow Statement and related notes, including the accounting policies in the Statement of Principal Accounting Policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Institute's affairs as at 31 July 2021, and of the Group's and of the Institute's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended; and
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Governing Board has prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Institute or to cease their operations, and as they have concluded that the Group and the Institute's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period"). In our evaluation of the Governing Board's conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Institute's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Governing Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Governing Board's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Institute's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Institute will continue in operation.

Fraud and breaches of laws and regulations - ability to detect

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of Governing Board, the Audit and Risk committee, internal audit and inspection of policy documentation as to the Institute's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Institute channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud; and
- Reading Governing Board, Audit and Risk committee and
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. As required by auditing standards, and taking into account possible pressures to meet regulatory performance targets and fundraising targets we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income from tuition fees, donations and research grants and education contracts are recorded in the wrong period.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our design and implementation of Institute wide fraud risk management controls

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management and those posted to unusual accounts; and
- Assessing significant accounting estimates for bias.
- Sample testing of income received in the period 1 July 2021 to 30 September 2021 to determine whether income was recognised in the correct accounting period.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with management (as required by auditing standards), and from inspection of the Group and the Institute's regulatory and legal correspondence and discussed with management the policies and procedures regarding compliance with laws and regulations.

As the Group and Institute is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit

The potential effect of these laws and regulations on the financial statements varies considerably. Firstly, the Group and Institute is subject to laws and regulations that

directly affect the financial statements including, financial reporting legislation, taxation legislation, pensions legislation and specific disclosures required by higher education legislation and regulation, charities legislation and related legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group and Institute is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of University's registration with the Office for Students. We identified the following areas as those most likely to have such an effect: GDPR compliance, health and safety, anti-bribery and employment law, recognising the nature of the Group and Institute's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Executive team and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Governing Board is responsible for the other information, which comprises the Strategic Report, Directors Report and the Governance Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Strategic Report, Directors' Report for the financial year and the Governance Statement, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Institute, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Institute's financial statements are not in agreement with

- the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Governing Board responsibilities

As explained more fully in their statement set out on page 22, the Governing Board (who are the Directors of the Institute company for the purposes of company law) is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Institute'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 it either intends to liquidate the Group or the parent Institute or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Report on other legal and regulatory requirements

We are required to report on the following matters by the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction').

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the Institute for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income has been applied in accordance with the Institute's Statutes (or articles of government for post 1992 institutions);
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the financial statements meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students.

Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the Institute has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the Institute's expenditure on access and participation activities for the financial year disclosed in Note 9b has been materially misstated.

We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the Group's and the Institute's grant and fee income, as disclosed in note 6 to the financial statements has been materially misstated.

We have nothing to report in these respects.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Governing Board, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to Governing Board 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 Institute and the Governing Board for our audit work, for this report, or for the opinions we have formed.



Fleur Nieboer (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

30 November 2021



Cecily Brown, *Unmoored from her reflection*, 2021 © Cecily Brown, The Courtauld Gallery, Somerset © Hufton + Crow

Consolidated and Institute Statement of Comprehensive Income and Expenditure

Year ended 31 July 2021

	Notes	Year ended 31 July 2021		Year ended 31 July 2020	
		Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Income					
Tuition fees and education contracts	1	6,581	6,581	6,321	6,321
Funding body grants	2	4,846	4,846	4,948	4,948
Research grants and contracts	3	3,230	3,230	1,223	1,223
Other income	4	6,203	6,189	4,223	4,206
Investment income	5	468	468	984	984
Total income before endowments and donations		21,328	21,314	17,699	17,682
Donations and endowments	6	13,150	13,150	14,193	14,193
Total income		34,478	34,464	31,892	31,875
Expenditure					
Staff costs	7	9,929	9,916	7,996	7,996
Other operating expenses		10,162	10,135	10,012	10,007
Depreciation, amortisation and impairment	10/11	1,801	1,801	1,413	1,413
Interest and other finance costs	8	41	41	62	62
Total expenditure	9	21,933	21,893	19,483	19,478
Surplus before other gains losses and share of operating surplus/ deficit of joint ventures and associates		12,545	12,571	12,409	12,397
Gain on acquisition		342	342	-	-
Gain/(loss) on investments		9,491	9,491	(773)	(773)
Surplus before tax		22,378	22,404	11,636	11,624
Taxation		-	-	-	-
Total comprehensive income for the year		22,378	22,404	11,636	11,624
Represented by:					
Endowment comprehensive income for the year		4,541	4,541	(434)	(434)
Restricted comprehensive income for the year		13,189	13,189	10,832	10,832
Unrestricted comprehensive income for the year		4,648	4,674	1,238	1,226
		22,378	22,404	11,636	11,624

All items of income and expenditure relate to continuing activities

Consolidated and Institute Statement of Changes in Reserves

Year ended 31 July 2021

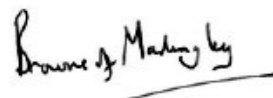
Consolidated	Note	Income and expenditure account			Revaluation reserve £'000	Total £'000
		Endowment £'000	Restricted £'000	Unrestricted £'000		
Balance at 1 August 2019		44,882	4,437	19,829	2,604	71,752
Surplus/(deficit) from the income and expenditure statement		(434)	10,832	1,238	-	11,636
Revaluation of heritage assets in year		-	-	-	-	-
Release of restricted funds spent in year		-	(11,790)	11,790	-	-
Total comprehensive income for the year		(434)	(958)	13,028	-	11,636
Balance at 31 July 2020		44,448	3,479	32,857	2,604	83,388
Reclassified in year from endowment assets to unrestricted fixed asset investments		(13,277)	-	13,277	-	-
Surplus/(deficit) from the income and expenditure statement		4,541	13,189	4,648	-	22,378
Release of restricted funds spent in year	20	-	(9,839)	9,839	-	-
Total comprehensive income for the year		(8,736)	3,350	27,764	-	22,378
Balance at 31 July 2021		35,712	6,829	60,621	2,604	105,766
Institute		Income and expenditure account			Revaluation reserve	Total
		Endowment £'000	Restricted £'000	Unrestricted £'000	£'000	£'000
Balance at 1 August 2019		44,882	4,437	19,759	2,604	71,682
Surplus/(deficit) from the income and expenditure statement		(434)	10,832	1,226	-	11,624
Revaluation of heritage assets in year		-	-	-	-	-
Release of restricted funds spent in year		-	(11,790)	11,790	-	-
		(434)	(958)	13,016	-	11,624
Balance at 31 July 2020		44,448	3,479	32,775	2,604	83,306
Reclassified in year from endowment assets to unrestricted fixed asset investments		(13,277)	-	13,277	-	-
Surplus/(deficit) from the income and expenditure statement		4,541	13,189	4,674	-	22,404
Release of restricted funds spent in year	20	-	(9,839)	9,839	-	-
Total comprehensive income for the year		(8,736)	3,350	27,790	-	22,404
Balance at 31 July 2021		35,712	6,829	60,565	2,604	105,710

Consolidated and Institute Balance Sheet

	Notes	As at 31 July 2021		As at 31 July 2020	
		Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Non-current assets					
Intangible assets	10	33	33	9	9
Fixed assets	11	38,046	38,043	27,062	27,062
Heritage assets	11	3,907	3,907	3,907	3,907
Investments	12	65,794	65,794	57,013	57,013
		107,780	107,777	87,991	87,991
Current assets					
Stock	13	2	-	-	-
Trade and other receivables	14	3,817	3,809	724	721
Cash and cash equivalents	21	5,196	5,137	1,678	1,595
		9,015	8,946	2,402	2,316
Less: Creditors: amounts falling due within one year	15	(5,407)	(5,391)	(4,508)	(4,504)
Net current assets/ (liabilities)		3,608	3,555	(2,106)	(2,188)
Total assets less current liabilities		111,388	111,332	85,885	85,803
Creditors: amounts falling due after more than one year	16	(3,000)	(3,000)	(7)	(7)
Provisions					
Pension provisions	17	(2,597)	(2,597)	(2,419)	(2,419)
Other provisions	17	(25)	(25)	(71)	(71)
Total net assets		105,766	105,710	83,388	83,306
Restricted Reserves					
Income and expenditure reserve - endowment reserve	19	35,712	35,712	44,448	44,448
Income and expenditure reserve - restricted reserve	20	6,829	6,829	3,479	3,479
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		60,621	60,565	32,857	32,775
Revaluation reserve		2,604	2,604	2,604	2,604
Total Reserves		105,766	105,710	83,388	83,306

The notes on pages 34 to 53 form part of the financial statements.

The financial statements of the Courtauld Institute of Art, registered number 04464432, were approved by the Governing Board on 24 November 2021 and were signed on its behalf by



The Lord Browne of Madingley
Chairman of the Governing Board



Professor Deborah Anne Swallow
Marit Rausing Director

Consolidated Cash Flow Statement

Year ended 31 July 2021

	Notes	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
Cash flow from operating activities			
Surplus for the year		22,378	11,636
Adjustment for non-cash items			
Depreciation, amortisation and impairment	10/11	1,801	1,413
Decrease/(increase) in stock	13	(2)	-
Decrease/(increase) in debtors	14	(3,093)	602
Increase/(decrease) in creditors		(220)	(187)
Increase/(decrease) in pension provision	17	160	(1,327)
Increase/(decrease) in other provisions	17	(46)	(20)
Adjustment for investing or financing activities			
Investment income	5	(468)	(984)
Interest payable	8	41	62
(Gain)/ loss on investments		(9,491)	773
New fixed asset investments donations	12	(232)	(249)
New endowment donations	12	(1)	(709)
Net cash inflow/(outflow) from operating activities		10,827	11,010
Cash flows from investing activities			
Withdrawal of investments		1,410	1,785
Investment income	5	1	15
Payments made to acquire intangible assets		(10)	-
Payments made to acquire fixed assets		(11,675)	(12,980)
		(10,274)	(11,180)
Cash flows from financing activities			
Interest paid		(3)	(3)
Repayments of amounts borrowed		-	(12)
New unsecured loans	18	3,000	-
Capital element of finance lease payments	24	(32)	(24)
		2,965	(39)
Increase/(Decrease) in cash and cash equivalents in the year		3,518	(209)
Cash and cash equivalents at beginning of the year	21	1,678	1,887
Cash and cash equivalents at end of the year	21	5,196	1,678

Statement of Principal Accounting Policies

Year ended 31 July 2021

1. Basis of preparation

The Group and parent Institute financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Accounts Direction issued by the Office for Students (OfS), the Terms and conditions of funding for higher education institutions issued by the Office for Students and the Terms and conditions of the Research England grant.

The Institute is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

2. Basis of consolidation

The consolidated financial statements include the Institute and all its subsidiaries for the financial year to 31 July 2021.

Intra -group transactions are eliminated on consolidation. The Courtauld has a wholly owned subsidiary undertaking, SCT Enterprises Limited which is a company registered in England and Wales. Its principal activity is the sale of items related to The Courtauld Gallery and its collections. The value of The Courtauld's investment in this subsidiary is £2. The financial statements of the trading subsidiary, SCT Enterprises Limited, have been properly prepared in accordance with the provisions of the Companies Act.

The Courtauld Institute of Art Fund (CIAF) is a charity registered under the Charities Act 2011, number 288509. Its principal activity is to raise funds for the benefit of the Courtauld Institute of Art. In accordance with Section 97 of the Act, CIAF is treated as a special trust for accounting purposes and its activities and results have therefore been aggregated into the Institute's results for the year. As required by the SORP, reserves held by the CIA Fund at the Balance Sheet date are treated as either endowments (in the case of restricted reserves in CIAF) or restricted reserves (in the case of unrestricted reserves in CIAF) within the institute's accounts. The value of The Courtauld's investment in the CIAF is £nil.

The consolidated financial statements do not include the income and expenditure of the Students' Union as the Institute does not exert control or dominant influence over policy decisions.

On 1 August 2020 the business activities, assets and liabilities of The Friends of the Courtauld Institute (Charity number 312911) were transferred to the Courtauld Institute of Art. The Courtauld Institute of Art will continue to run the Friends membership programme, for which it will charge a fee, and through which it will offer a variety of events including lectures and private views both at The Courtauld and elsewhere.

3. Going Concern

The Group and parent Institute's activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report which forms part of the Directors' Report. The Strategic Report also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities.

The financial statements have been prepared on a going concern basis which the Governing Board considers to be appropriate for the following reasons.

The Governing Board has prepared cash flow forecasts for a period of 20 months from the date of approval of these financial statements. After reviewing these forecasts the Governing Board is of the opinion that, taking account of severe but plausible downsides, including the anticipated ongoing impact of COVID-19, the Group and parent Institute will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The Governing Board considered the following points in reaching its conclusion:

- The impact of a lower intake of students for 2021/22 and 2022/23 was considered reflecting the challenges of travel and study following the COVID-19 pandemic. The enrolment process for October 2021 has allowed this impact to be quantified with more certainty.
- A number of cost and income budgets and contingencies have been included in projections to reflect the uncertainty of the year ahead and as The Courtauld adapts to the new environment. These cover the anticipated additional costs of delivering teaching in a safe and secure way. The risk that there is a continued impact on income streams, such as philanthropy, has been considered.
- The Courtauld Connects project is nearing completion. There have been cost increases as a consequence of the challenging environment and these have been included in cash projections along with further contingencies. This continues to be closely monitored.
- The Courtauld Gallery was closed during 2020/21 for refurbishment and will re-open in 2021/22. The projections for visitor numbers and revenues on re-opening have been reviewed and revised downwards for 2021/22 and 2022/23 reflecting the likely continued impact of the pandemic on capacity and visitors to London.
- The Courtauld took legal advice and identified a proportion of the investment portfolio could be withdrawn to support the institution through the conclusion of the building project and to support increased operational cash needs. The investments were liquidated and were held as cash at 31 July 2021. These can be drawn during 2021/22 and 2022/23 to provide the required cash to continue to deliver the project and trade should this be required.

Consequently, the Governing Board is confident that the Group and parent Institute will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

4. Revenue recognition

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income and Expenditure when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

4. Revenue recognition (continued)

Fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Comprehensive Income and Expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Investment income is credited to the statement of income and expenditure on a receivable basis.

Funds the Institute receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the Institute where the Institute is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Government revenue grants including funding council block grant and research grants are recognised in income over the periods in which the Institute recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Grants (including research grants) from non government sources are recognised in income when the Institute is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Donations and endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income when the Institute is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the Institute is entitled to the funds.

There are four main types of donations and endowments identified within reserves:

- Restricted donations - the donor has specified that the donation must be used for a particular objective.
- Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the Institute.
- Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the Institute has the power to use the capital.
- Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Permanent Endowments are invested on a total return basis.

Returns on investments are credited to the income and expenditure account to the extent that they have been applied for the purposes intended by the donor. Returns beyond this amount are retained within the unapplied total return fund as part of the endowment until such time as they are applied by the Institute and a transfer is made to the income and expenditure account.

Expendable endowments are invested alongside permanent endowments. Returns on investments are credited to the income

and expenditure account in full with any unspent balances being transferred back to accumulated income within the endowment fund.

In January 2021 the Institute received legal advice recommending that some balances currently held within its permanent unrestricted endowment funds did not meet criteria to require their recognition as an endowment. Following review by the Governing Board it was agreed that £13,277,000 of the current endowment funds would be reclassified to unrestricted funds. This takes the form of a transfer between reserves balances, however unrestricted funds have fewer restrictions on the amount and timing in which the funds are able to be applied.

5. Capital Grants

Capital grants are recognised in income when the Institute is entitled to the funds subject to any performance related conditions being met.

6. Foreign currency translation

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in Surplus or Deficit.

Non -monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non -monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

7. Pension Schemes

The Courtauld Institute of Art participates in the Universities Superannuation Scheme (USS) and the Superannuation Arrangements of the University of London (SAUL).

The USS was a defined benefit only pension scheme which was contracted out of the State Second Pension (S2P) until 31 March 2016. With effect from 1 October 2016, the scheme changed from a defined benefit only pension scheme to a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund.

SAUL is a centralised defined benefit scheme and was contracted out of the State Second Pension until 31 March 2016. SAUL is an independently managed pension scheme for the non -academic staff of over 50 colleges and institutions with links to higher education. Pension benefits currently build up on either a final salary or a career average revalued earnings (CARE) basis. Following a consultation with members, the SAUL final salary section closed from 31 March 2016 and members build up benefits on a CARE basis from 1 April 2016.

The USS is a multi -employer scheme where the assets are not attributed to individual employers and a scheme -wide contribution rate is set. The employer is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. It therefore accounts for the scheme as if it were a defined contribution scheme as required by Section 28 of FRS 102 'Employee benefits'.

7. Pensions (continued)

The amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Since The Courtauld has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, it recognises a liability for the contributions payable that arise from the agreement (to the

extent that they relate to the deficit) with related expenses being recognised in the income and expenditure account.

SAUL is also a multi-employer scheme and it is not possible to identify an individual employer's underlying assets and liabilities so it is also treated as if it were a defined contribution scheme. The Courtauld Institute of Art is not expected to be liable to SAUL for any other current participating employers' obligations under the Rules of SAUL, but, in the event of an insolvency event of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

Although there was a Technical Provisions deficit at 31 March 2020, allowing for post-valuation experience to 30 April 2021, SAUL had a Technical Provisions surplus. Therefore, no deficit contributions were required following the 2020 valuation and there is no defined benefit liability (i.e. the present value of any deficit contributions due to SAUL) to be recognised by the Courtauld Institute of Art.

SCT Enterprises Limited contributed to a defined contribution scheme on behalf of its employees. In accordance with FRS102, contributions to these schemes are included as expenditure in the period in which they are payable.

8. Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the Institute. Any unused benefits are accrued and measured as the additional amount The Courtauld expects to pay as a result of the unused entitlement.

9. Intangible assets

Intangible assets comprise software and digital assets and are stated at historical cost. Intangible assets are amortised over 3 years representing the remaining estimated economic life of the assets.

10. Tangible fixed assets

a) Land and buildings

Land and buildings are stated at historical cost. Costs incurred in relation to a tangible fixed asset, after its initial purchase or production, are capitalised to the extent that they increase the expected future benefits to the institution from the existing tangible fixed asset beyond its previously assessed standard of performance; the cost of any such enhancements are added to the gross carrying amount of the tangible fixed asset concerned.

Leasehold Land and Buildings - 10% per annum from the year of acquisition

A review for impairment of a fixed asset is carried out annually for residential buildings and otherwise if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

No depreciation is charged on assets in the course of construction.

b) Equipment

Equipment costing less than £2,500 per individual item or set of similar items is written off to the income and expenditure account in the year of acquisition. All other equipment is capitalised at cost.

Capitalised equipment is depreciated over its useful economic life as follows:

- General equipment - 10%-25% per annum from the year of acquisition
- General equipment in temporary accommodation during - Courtauld Connects - 33% per annum from the year of acquisition

- Computer equipment - 25%-33% per annum from the year of acquisition

c) Rare books and artefact

Rare books and artefacts are capitalised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable. Rare books are fully accessible by users of The Courtauld's book library and a detailed catalogue of the collection was completed in 2014. The last valuation of the collection took place in 2014, and future valuations will then take place every ten years. The Harris collection of textiles was valued in 2018 and is included at valuation from this date. The Conway early photographic collection was valued in 2019 and is included at valuation from this date. The assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material. Donated works of art are included at valuation as at the date of donation.

There are further works of art and antique furniture that are not held on the Institute's balance sheet as, given the nature of the assets and their age, a reliable valuation was not available for incorporation into the accounts. Therefore they have not been included in the assets shown in the tangible fixed assets note.

11. Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

12. Finance leases

Leases in which the Institute assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

13. Investments

Fixed asset investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value. Listed assets are included in the balance sheet at market value.

Investments that form part of endowment assets are included in the balance sheet at market value.

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment in the Institute's accounts. Current asset investments are held at fair value with movements recognised in the Surplus or Deficit.

14. Stocks

Stocks are stated at the lower of their cost and net realisable value. Cost is determined on a first in first out basis.

15. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

16. Financial instruments

Financial instruments are classified and accounted for according to the substance of contractual arrangements, as either financial assets, financial liabilities or equity instruments.

17. Taxation

The Institute is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the Institute is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The Institute receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the cost of such inputs. Any irrecoverable VAT allocated to tangible fixed assets is included in their cost.

SCT Enterprises Limited is subject to corporation tax and Value Added Tax in the same way as any commercial organisation and current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are more likely than not to be recovered. Deferred tax assets and liabilities are not discounted.

18. Provisions

Provisions are recognised in the financial statements when:

- the Institute has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the Institute a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Institute. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the Institute a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Institute.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

19. Derivatives

Derivatives are held on the balance sheet at fair value with movements in fair value recorded in the Surplus or Deficit.

20. Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the Institute, are held as a permanently restricted fund which the Institute must hold in perpetuity.

Other restricted reserves include balances where the donor has designated a specific purpose and therefore the Institute is restricted in the use of these funds.



Notes to the Financial Statements for the year ended 31 July 2021

1. Tuition fees and education contracts

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
UK Higher Education students	2,930	2,930	2,576	2,576
European Union (EU) (excluding UK) students	988	988	1,055	1,055
Non-EU students	2,663	2,663	2,654	2,654
Other education income	-	-	36	36
	6,581	6,581	6,321	6,321

2. Funding body grants

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
OfS and Research England recurrent grants	4,711	4,711	4,831	4,831
OfS and Research England capital grants	135	135	117	117
	4,846	4,846	4,948	4,948

3. Research grants and contracts

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Research council revenue grants	519	519	425	425
Research council capital grants	2,212	2,212	-	-
UK based charities	242	242	417	417
EU Charity	65	65	65	65
Other grants and contracts	192	192	316	316
	3,230	3,230	1,223	1,223

4. Other income

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
The Courtauld Gallery- admissions and events	-	-	1	1
SCT Enterprises Ltd (The Gallery Shop)	14	-	17	-
Residences and accommodation	425	425	521	521
Other income	5,764	5,764	3,684	3,684
	6,203	6,189	4,223	4,206

Other income has increased due to increased funding from the National Lottery Heritage Fund for the Courtauld Connects building work.

5. Investment income

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Investment income on endowments	254	254	757	757
Investment income on general reserves	213	213	212	212
Other investment income	1	1	15	15
	468	468	984	984

6. Donations and endowments

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
New endowments	1	1	709	709
Donations with restrictions	11,290	11,290	11,554	11,554
Unrestricted donations	1,859	1,859	1,930	1,930
	13,150	13,150	14,193	14,193

Note The source of grant and fee income, included in notes 1 to 3 is as follows:

Grant and Fee income

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Grant income from the OfS	2,125	2,125	2,094	2,094
Grant income from other bodies	5,951	5,951	4,077	4,077
Fee income for research awards (exclusive of VAT)	423	423	432	432
Fee income from non-qualifying courses (exclusive of VAT)	-	-	36	36
Fee income for taught awards (exclusive of VAT)	6,158	6,158	5,853	5,853
	14,657	14,657	12,492	12,492



As part of our Courtauld Connects transformation project, the load-bearing walls under the historic Strand vestibule were successfully removed in February 2020 to form the expansive new retail space in The Courtauld's vaults.

7. Staff costs

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Salaries	7,579	7,568	7,218	7,218
Social security costs	865	864	846	846
Movement on USS provision	270	270	(1,239)	(1,239)
Other pension costs	1,215	1,214	1,171	1,171
	9,929	9,916	7,996	7,996

The above table includes charges for redundancy payments and payments under compromise agreements on exit of £123,000 for one member of staff all of which was paid after the year end (consolidated and Institute) (2020: £92,215 for 3 staff (consolidated and Institute) all of which was paid during the year).

Emoluments of the Director:	£'000	£'000	£'000	£'000
Salary	156	156	195	195
	156	156	195	195

The Courtauld Institute of Art is a world-leading centre for the study of art, conservation and curating. It delivers undergraduate and post graduate courses and undertakes internationally important research in its field. It also houses the Courtauld Gallery which, in particular, curates and exhibits an internationally important art collection including the UK's most important collection of Impressionist and post-Impressionist paintings and works on paper. The Director has primary responsibility for the success and long-term sustainability of all these activities, including securing the philanthropic financial support required to undertake them effectively. She has also had specific responsibility in recent years for the fundraising and the overall project management of the "Courtauld Connects" project, which will transform the physical infrastructure and capacity and capabilities of the organisation. Taken as a whole, these represent a role for which the remuneration package is more than justified.

The Director took a voluntary pay cut of 20% with effect from 1 August 2020 as part of the cost saving measures taken during the year at The Courtauld. The Director's basic salary and total remuneration as a multiple of the median pay and total remuneration of staff on a full-time equivalent basis is therefore lower than in the prior year.

The relationship between the Director's remuneration and that for all other employees, expressed as a pay multiple, is set out below

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated	Institute	Consolidated	Institute
Director's basic salary as a multiple of the median pay of staff on a full-time equivalent basis	3.80	3.80	5.08	5.08
Director's total remuneration as a multiple of the median total remuneration of staff on a full-time equivalent basis	3.18	3.18	4.30	4.30

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000

Remuneration of higher paid staff, including the Director, excluding employer's pension contributions on a full-time equivalent basis was:

£100,000 to £104,999	-	-	1	1
£130,000 to £135,000	-	-	1	1
£145,000 to £149,999	1	1	-	-
£150,000 to £154,999	-	-	1	1
£155,000 to £159,999	1	1	-	-
£190,000 to £194,999	-	-	1	1
	2	2	4	4

Average staff numbers by major category on a full-time equivalent basis :	No.	No.	No.	No.
Teaching departments	36	36	35	35
Gallery & Libraries	26	26	24	24
Administration and central services	83	83	76	76
Premises	5	5	5	5
	150	150	140	140

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Institute. Staff costs include compensation paid to key management personnel.

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Key management personnel compensation	1,185	1,185	1,193	1,193

8. Interest and other finance costs

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Loan interest	23	23	3	3
Net charge on pension scheme	18	18	59	59
	41	41	62	62

9a. Analysis of total expenditure by activity

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Teaching departments	5,196	5,196	5,279	5,279
Academic information services	620	620	713	713
Gallery	1,553	1,553	1,289	1,289
Administration and central services	8,556	8,556	6,661	6,661
Premises costs	1,961	1,961	1,929	1,929
Planned maintenance	118	118	90	90
Maintenance provision	-	-	30	30
Courtauld Connects project costs	1,686	1,686	1,508	1,508
Courtauld Connects premises costs for temporary accommodation	1,229	1,229	1,253	1,253
Courtauld Connects impairment and write off of previously capitalised costs	478	478	-	-
Other income generating activities - Institute	496	496	726	726
Other income generating activities - subsidiaries	40	-	5	-
	21,933	21,893	19,483	19,478

Other operating expenses include:

External auditors remuneration in respect of audit services	61	58	60	56
External auditors remuneration in respect of non-audit services	77	77	35	34
Operating lease payments	1,863	1,863	1,855	1,855
Foreign currency exchange loss/(gain)	9	9	10	10

9b. Access and Participation

Access Investment	190	190	160	160
Financial Support	187	187	163	163
Disability Support	37	37	32	32
Research and Evaluation	23	23	17	17
	437	437	372	372

£231,000 (2019/20 £196,000) of these costs are already included in the overall staff costs figures included in the financial statements, see note 7

The published access and participation plan can be found on the following link:

<https://courtauld.ac.uk/about/policies/office-for-students>

10. Intangible Assets

	2021 Consolidated £'000	2021 Institute £'000	2020 Consolidated £'000	2020 Institute £'000
Cost or valuation				
At start of year	227	227	227	227
Additions	30	30	-	-
At end of year	257	257	227	227
Amortisation				
At start of year	218	218	168	168
Charge for the year	6	6	50	50
At end of year	224	224	218	218
Net book value				
At end of year	33	33	9	9

11. Fixed Assets and Heritage Assets

Consolidated	Leasehold land and buildings £'000	Assets in the course of construction £'000	Computer equipment £'000	General equipment £'000	Total Fixed Assets £'000	Rare books and artefacts £'000
Cost or valuation						
At start of year	2,508	24,325	1,105	3,997	31,935	3,907
Additions	-	11,195	222	1,362	12,779	-
Write off of Courtauld Connects work	-	-	(27)	-	(27)	-
Disposals	-	-	(71)	(8)	(79)	-
Charge for the year	2,508	35,520	1,229	5,351	44,608	3,907
Depreciation and impairment						
At start of year	1,864	-	883	2,126	4,873	-
Charge for the year	152	-	143	1,023	1,318	-
Impairment of Courtauld Connects work	-	450	-	-	450	-
Disposals	-	-	(71)	(8)	(79)	-
At end of year	2,016	450	955	3,141	6,562	-
Net book value						
At end of year	492	35,070	274	2,210	38,046	3,907
At start of year	644	24,325	222	1,871	27,062	3,907

A presentational amendment has been made to the opening figures of cost and accumulated depreciation from the 2019-20 closing figures. This did not impact on the net book value of the assets.

During the year, the Governing Board decided to focus attention on completing Phase 1 of Courtauld Connects and to cease further planning work for Phase 2 of Courtauld Connects. Phase 2 was intended to refurbish the East Wing of the North Block of Somerset House. The Courtauld Connects project will complete when Phase 1 is completed later in 2021. Costs of planning work for Phase 2 work on the East Wing of £450,000 have been fully impaired reflecting that it is uncertain at the year-end date if this planning work will be used.

Institute	Leasehold land and buildings £'000	Assets in the course of construction £'000	Computer equipment £'000	General equipment £'000	Total Fixed Assets £'000	Rare books and artefacts £'000
Cost and valuation						
At start of year	2,508	24,325	1,105	3,997	31,935	3,907
Additions	-	11,195	219	1,362	12,776	-
Write off of Courtauld Connects work	-	-	(27)	-	(27)	-
Disposals	-	-	(71)	(8)	(79)	-
At end of year	2,508	35,520	1,226	5,351	44,605	3,907
Depreciation and impairment						
At start of year	1,864	-	883	2,126	4,873	-
Charge for the year	152	-	143	1,023	1,318	-
Impairment of Courtauld Connects work	-	450	-	-	450	-
Disposals	-	-	(71)	(8)	(79)	-
At end of year	2,016	450	955	3,141	6,562	-
Net book value						
At end of year	492	35,070	271	2,210	38,043	3,907
At start of year	644	24,325	222	1,871	27,062	3,907

12. Investments

Consolidated and Institute Fixed asset investments	2021 £'000	2020 £'000
Balance brought forward at 1 August	12,565	12,762
Reclassified in year from Permanent Unrestricted endowments to Fixed Asset investments	13,277	-
Additions	232	249
Investment income	213	212
Increase/(Decrease) in market value of investments held	4,322	(169)
Disposal/redemption of investments	(527)	(489)
Balance at 31 July	30,082	12,565
Represented by:		
Unit Trusts and Investment Trusts	21,212	8,352
Cash balances and cash on deposit	8,894	4,136
Forward hedging contract (creditor)/ debtor	(24)	77
	30,082	12,565

Endowment assets	2021 £'000	2020 £'000
Balance brought forward at 1 August		
Capital	30,940	30,482
Unapplied Total Returns	13,508	14,400
	44,448	44,882

Reclassified in year from Permanent Unrestricted endowments to Fixed Asset investments		
Reclassified capital	(6,000)	-
Reclassified total returns	(7,277)	-
Additions (note 19)	1	709
Investment income	254	757
Increase/(Decrease) in market value of investments held	5,169	(604)
Disposal/redemption of investments	(883)	(1,296)
Balance at 31 July	35,712	44,448

Represented by:		
Unit Trusts and Investment Trusts	25,183	29,549
Cash balances and cash on deposit	10,558	14,632
Forward hedging contract (creditor)/ debtor	(29)	267
	35,712	44,448

Total investment assets	65,794	57,013
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Represented by:		
Unit Trusts and Investment Trusts	46,395	37,901
Cash balances and cash on deposit	19,452	18,768
Forward hedging contract debtor/(creditor)	(53)	344
	65,794	57,013

For the purpose of managing the investment portfolio and for all other management and administrative purposes, the endowment asset investments and fixed asset investments continue to be administered jointly in a single fund which was valued at £66m at 31 July 2021. (31 July 2020: £57m).

The Courtauld operates a 50% hedging programme against exposure to the dollar and euro in the endowment and fixed asset investments. At the year end date there was a creditor on the forward hedging contract of £52,794 (2020: debtor of £344,461) which has been recognised in the investment assets' value. £30,133 was paid in October 2021 (2020: £222,000 was received in October 2020 and the balance in January 2021) and the balance is due for settlement in January 2022.

In January 2021 the Institute received legal advice recommending that some balances currently held within its permanent unrestricted endowment funds did not meet criteria to require their recognition as an endowment. Following review by the Governing Board it was agreed that a proportion of the current endowment funds would be reclassified to unrestricted funds.

13. Stock

	2021 Consolidated £'000	2021 Institute £'000	2020 Consolidated £'000	2020 Institute £'000
Finished goods	2	-	-	-

14. Trade and other receivables

Amounts falling due within one year:

	2021 Consolidated £'000	2021 Institute £'000	2020 Consolidated £'000	2020 Institute £'000
Trade and student debtors	71	76	149	149
Taxation and VAT recoverable	2,037	2,037	232	232
Other Accrued Revenue	1,239	1,237	65	62
Other debtors	5	4	30	30
Prepayments	494	484	292	292
	3,846	3,838	768	765
Less provision for doubtful debts	(29)	(29)	(44)	(44)
	3,817	3,809	724	721

15. Creditors: amounts falling due within one year

	2021 Consolidated £'000	2021 Institute £'000	2020 Consolidated £'000	2020 Institute £'000
Obligations under finance leases	-	-	25	25
Trade creditors	615	604	208	208
Amounts due to subsidiary undertakings	-	2	-	-
Social security and other taxation payable	223	221	212	211
Accruals and Deferred income	4,564	4,559	4,058	4,055
Other creditors	5	5	5	5
	5,407	5,391	4,508	4,504

Accruals and Deferred income

Included with accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

	2021 Consolidated £'000	2021 Institute £'000	2020 Consolidated £'000	2020 Institute £'000
Donations	1,067	1,067	988	988
Research grants received on account	2	2	2	2
Grant income	294	294	169	169
	1,363	1,363	1,159	1,159

16. Creditors : amounts falling due after more than one year

	2021 Consolidated £'000	2021 Institute £'000	2020 Consolidated £'000	2020 Institute £'000
Obligations under finance leases	-	-	7	7
Arts Council England loan	3,000	3,000	-	-
	3,000	3,000	7	7
Analysis of secured and unsecured loans:				
Due within one year or on demand (Note 15)	-	-	-	-
Due between one and two years	-	-	-	-
Due between two and five years	33	33	-	-
Due after more than five years	2,967	2,967	-	-
Total secured and unsecured loans	3,000	3,000	-	-

17. Provisions for liabilities

Consolidated

	Obligation to fund deficit on USS Pensions £'000	Other Provisions £'000
At 1 August 2020	2,419	71
Utilised in year	(110)	(46)
Addition in 2020/21	270	-
Pension interest charge in the year	18	-
At 31 July 2021	2,597	25

Institute

	Obligation to fund deficit on USS Pensions £'000	Other Provisions £'000
At 1 August 2020	2,419	71
Utilised in year	(110)	(46)
Addition in 2020/21	270	-
Pension interest charge in the year	18	-
At 31 July 2021	2,597	25

Obligation to fund deficit on Pensions

The obligation to fund the past deficit on the Universities' Superannuation Scheme (USS) arises from the contractual obligations with the pension scheme for total payments relating to benefits arising from past performance in accordance with the deficit recovery plan. Management has assessed future employees within the scheme and salary payment over the period of the contracted obligation in assessing the value of this provision. More details on the 2018 actuarial valuation are set out in note 27. There are no remaining liabilities for benefits arising from past performance for the Superannuation Scheme of the University of London (SAUL) (2020: £nil).

The major assumptions used to calculate the obligation are:

	2021	2020
Discount rate	0.88%	0.74%
Salary growth	3.26%	2.50%

Sensitivity analysis

As set out in the accounting policies, there are some critical judgements made in estimating the obligation to fund the USS deficit. The sensitivity of the principal assumptions used to measure the USS deficit provision are set out below:

Change in assumptions at 31 July 2021

	Approximate impact £'000
0.5% pa decrease in discount rate	(52)
0.5% pa increase in salary inflation over duration	(51)
0.5% pa increase in salary inflation year 1 only	(13)
0.5% increase in staff changes over duration	(51)
0.5% increase in staff changes year 1 only	(12)
1% increase in deficit contributions from April 2022	(399)
1 year increase in term	(425)



Michelangelo Buonarroti (1475 - 1564), The Dream (Il Sogno), Circa 1533, The Courtauld, London (Samuel Courtauld Trust) © The Courtauld

18. Financial assets and liabilities

	2021			2020		
	Current £'000	Non-current £'000	Total £'000	Current £'000	Non-current £'000	Total £'000
Financial assets						
Investments	-	65,794	65,794	-	57,013	57,013
Trade and other receivables	76	-	76	179	-	179
Cash	5,196	-	5,196	1,678	-	1,678
	5,272	65,794	71,066	1,857	57,013	58,870
Financial liabilities						
Arts Council England loan	-	(3,000)	(3,000)	-	-	-
Obligations under finance leases	-	-	-	(25)	(7)	(32)
Trade and other payables	(620)	-	(620)	(213)	-	(213)
	(620)	(3,000)	(3,620)	(238)	(7)	(245)
Total financial assets/(liabilities)	4,652	62,794	67,446	1,619	57,006	58,625

A 20 year Culture Recovery Fund Loan from Arts Council England of £3,000,000 was agreed on 22 March 2021 with a 4 year repayment holiday. The first repayment is due on 25 March 2025. Interest is payable at a rate of 2%.

Financial risk management objectives and policies

Market risk

The primary objective of the holding in endowment assets is to ensure that The Courtauld has enduring support for its academic mission. Market risk arises from the endowment investment holdings. The Courtauld aims to minimise its market risk by establishing investment objectives, asset allocation policy and investment strategies for each class of asset within the portfolio. Investments Committee reviews against these objectives and formally reviews the asset allocation at least once per year.

Foreign currency risk

As noted above the primary objective of the holding in endowment assets is to ensure that The Courtauld has enduring support for its academic mission. The Courtauld is exposed to foreign currency risk resulting from endowment assets held in other currencies, primarily the US dollar and Euro. The Courtauld aims to reduce its exposure to foreign currency risk by hedging 50% of foreign currency exposure to the US dollar and Euro. The Investments Committee reviews the hedging approach at least once per year.

Liquidity risk

The primary objective is to ensure that The Courtauld has sufficient funds available to meet its financial obligations as they fall due. This is achieved by aligning the timing of withdrawal of investments with forecast cash flows. Cash flow forecasts are regularly reviewed to ensure continuity of funding.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to The Courtauld. Credit risk arises from exposures to trade and student debtors. The maximum credit risk is limited to the carrying value of the trade receivables above. The level of bad debt provision is less than 1% of total income before donations and endowments.

19. Endowment Reserves

Restricted net assets relating to endowments are as follows:

Endowments Consolidated and Institute	Permanent Restricted £'000	Permanent Unrestricted £'000	Total Permanent £'000	Expendable Restricted £'000	Total 2021 £'000	Total 2020 £'000
At 1 August 2020						
Capital	16,396	8,048	24,444	6,496	30,940	30,482
Unapplied Total Returns	5,075	8,433	13,508	-	13,508	14,400
	21,471	16,481	37,952	6,496	44,448	44,882
Reclassified in year from Permanent Unrestricted endowments to Fixed Asset investments						
Reclassified capital	-	(6,000)	(6,000)	-	(6,000)	-
Reclassified total returns	-	(7,277)	(7,277)	-	(7,277)	-
	21,471	3,204	24,675	6,496	31,171	44,882
Received in the year (note 6)	-	-	-	1	1	709
Investment income (note 5)	175	26	201	53	254	757
Gains/ (Losses) in market value	3,560	532	4,092	1,077	5,169	(604)
Total returns transferred to income & expenditure account	(3,735)	(558)	(4,293)	(1,130)	(5,423)	(153)
Unapplied total returns retained in endowment reserves	3,194	512	3,706	834	4,540	(1,143)
At 31 July 2021						
Capital	16,396	2,048	18,444	7,331	25,775	30,940
Unapplied Total Returns	8,269	1,668	9,937	-	9,937	13,508
	24,665	3,716	28,381	7,331	35,712	44,448
Representing						
Fellowships and scholarships funds	1,321	328	1,649	3,016	4,665	3,877
Prizes funds	2,398	-	2,398	-	2,398	2,120
Chairs and lectureships funds	16,645	-	16,645	2,536	19,181	16,670
Other funds	4,301	3,388	7,689	1,779	9,468	21,781
	24,665	3,716	28,381	7,331	35,712	44,448

The Board has resolved that income up to a maximum of 4% of the current value of unrestricted endowments should be released to the Income & Expenditure Account, to cover any residual operating deficit of the Institute. Occasionally the Governing Board may determine that a capital withdrawal may be appropriate for investment in The Courtauld's future.

The Institute operates a total returns policy in respect of its endowment and fixed asset investments. Releases to the income & expenditure account and transfers to general reserves are accordingly based on income and growth realised during the year, subject to the conditions for the use of funds being met in the case of restricted funds and the limits imposed by the board in the case of unrestricted funds.

In January 2021 the Institute received legal advice recommending that some balances currently held within its permanent unrestricted endowment funds did not meet criteria to require their recognition as an endowment. Following review by the Governing Board it was agreed that a proportion of the current endowment funds would be reclassified to unrestricted funds.

Included within the table above, the Institute holds three permanent endowments that could be considered to be material charitable funds. The funds, each of which was given to support the long term financial sustainability of the Institute, can be analysed as follows:

	The Deborah Loeb Brice Foundation £'000	The Robert HN Ho Family Foundation £'000	J Paul Getty Trust £'000
At 1 August 2020			
Capital	2,491	2,500	3,873
Unapplied Total Returns	1,069	563	81
	3,560	3,063	3,954
Investment income	29	25	32
Gains in market value	590	508	656
Total Returns transferred to income & expenditure account	(619)	(533)	(688)
Unapplied total returns retained in endowment reserves	516	532	688
At 31 July 2021			
Capital	2,491	2,500	3,873
Unapplied Total Returns	1,585	1,095	769
	4,076	3,595	4,642

20. Restricted Reserves

Consolidated and Institute

Reserves with restrictions are as follows:

	Unspent capital grants £'000	Courtauld Connects donations £'000	Donations £'000	CIAF Reserves £'000	Total £'000
Balances at 1 August 2020	436	641	1,902	500	3,479
New grants	2,212	-	-	-	2,212
New donations	-	10,686	604	-	11,290
Capital grants and donations utilised	(57)	(9,782)	-	-	(9,839)
Expenditure	-	-	(313)	-	(313)
	2,155	904	291	-	3,350
At 31 July 2021	2,591	1,545	2,193	500	6,829
					2021 Total £'000
Analysis of other restricted funds /donations by type of purpose:					
Scholarships					397
Funded Posts					215
Gallery					274
General					1,307
					2,193

21. Cash and cash equivalents

Consolidated	At 1st August 2020 £'000	Cash Flows £'000	At 31st July 2021 £'000
Cash and cash equivalents	1,678	3,518	5,196

22. Capital and other commitments

Consolidated and Institute

Provision has not been made for the following capital commitments at 31 July 2021 :

	2021 £'000	2020 £'000
Commitments contracted for	1,249	5,884
	1,249	5,884

The commitment is for Courtauld Connects building works which are in progress. The prior year commitment was also for Courtauld Connects building works.

23. Lease obligations

Consolidated and Institute

Total rentals payable under operating leases:

	2021 £'000	2020 £'000
Payable during the year	1,835	1,842
Future minimum lease payments due:		
Not later than 1 year	1,528	1,828
Later than 1 year and not later than 5 years	3,408	4,203
Later than 5 years	11,325	11,787
Total lease payments due	16,261	17,818

The Institute signed a new 68 year lease (with a break clause after 23 years, (1 July 2042 and thereafter on 1 July 2067, serving not less than 36 months notice) to occupy the North block of Somerset House on 6 March 2019. The annual rent payable under the terms of the lease is subject to a rent review at 1 July 2022 and then every five years (rebased on 1 July 2042 and 1 July 2067). The current terms include a peppercorn rent on the 'fine rooms' which house the public area of The Courtauld Gallery until 1 July 2022.

In April 2009, the Institute entered into a 30 year lease (with a break clause after 15 years) with the Duchy of Lancaster for the provision of student accommodation at Duchy House.

In August 2018, the Institute entered into a 5 year lease (with a 3 year break clause) for a building in Vernon Square, London which will temporarily house staff and students during the Courtauld Connects building works.

24. Finance leases

Consolidated and Institute

The lease was for eight multi-function devices for printing, scanning and copying. The carrying amount of the asset at 31 July 2021 was £3,000 (2020: £29,000).

The value of the future minimum lease payments is shown below:

	2021 £'000	2020 £'000
Not later than one year	-	25
Later than one year and not later than five years	-	7
Later than five years	-	-
	-	32

25. Related party transactions

During the year, the Institute paid £226,873 (2019/20 £194,205) to the University of London, of which the Institute is an independent College, for central university governance, the university Careers Group, Senate House Libraries, the University of London Union, examination services and the private housing group.

During the year the Institute acted as Custodian for the works of art displayed and stored in the Courtauld Gallery but owned by the Samuel Courtauld Trust and others. The Lord Browne of Madingley and Andrew Hochhauser were also directors of the Samuel Courtauld Trust.

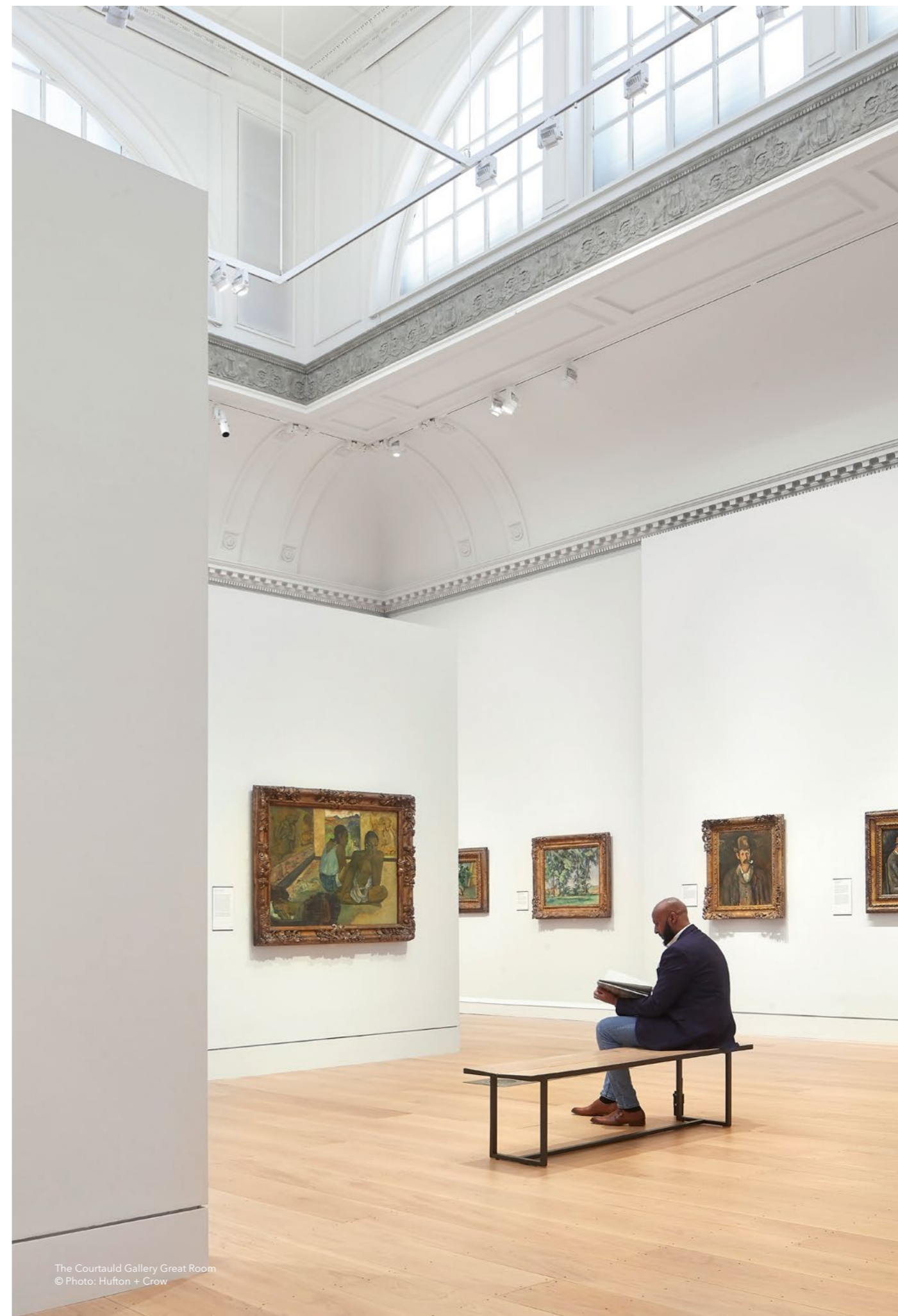
SCT Enterprises Limited ("SCTE") is a wholly owned subsidiary of The Courtauld Institute of Art. During the year, the Institute purchased copies of the Courtauld Gallery highlights guide from SCTE costing £1,950 (2019/20 £nil) of which £1,950 was included within the Institute creditors as at 31 July 2021 (2019/20 £nil). The Institute charged SCTE £4,907 for costs incurred on SCTE's behalf and the provision of accounting services (2019/20 £13) of which £4,700 (2019/20 £nil) was included within the Institute debtors as at 31 July 2021.

11 trustees made donations of £704,112 for 2020/21 all of which was received during the year (2019/20 7 trustees made donations of £127,299).

Nothing was paid in 2020/21 to directors for expenses relating to their role as a Director (2019/20 £nil). Peter Budd is a director of Ove Arup and Partners Limited. During the year the Institute paid £4,860 (2019/20 £16,790) to Ove Arup and Partners Limited for services provided on normal commercial terms. Dr Gabriele Finaldi is director of National Gallery. During the year the Institute paid £2,592 (2019/20 £2,948) to National Gallery for services provided on normal commercial terms.

26. Controlling party

The Institute is a company limited by guarantee without any share capital and members, hence there is no controlling party.



The Courtauld Gallery Great Room
© Photo: Hufton + Crow

27. Pension Schemes

The Courtauld Institute of Art participates in:

- the Universities' Superannuation Scheme (USS); and
- the Superannuation Scheme of the University of London (SAUL)

Both schemes were defined-benefit schemes contracted out of the State Second Pension (S2P) until 31 March 2016. With effect from 1 October 2016, the USS changed from a defined benefit only scheme to a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of both schemes are held in separate trustee administered funds.

The total cost charged to the income and expenditure account in respect of both schemes is shown below:

	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
USS	1,331	(176)
SAUL	171	168
	1,502	(8)

SCT Enterprises Limited contributed to a defined contribution scheme administered on behalf of the company by Aviva until the employees left the company in 2018/19. There were no costs charged to expenditure in the period (2019/20: £nil).

(i) The Universities Superannuation Scheme

The USS is a multi-employer scheme where the assets are not attributed to individual employers and a scheme-wide contribution rate is set. The employer is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme. It therefore accounts for the scheme as if it were a defined contribution scheme as required by Section 28 of FRS 102 'Employee benefits'.

The amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Since The Courtauld has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, it recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses in the income and expenditure account.

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2018 ("the valuation date"), which was carried out using the projected unit method. As at the year end, a valuation as at 31 March 2020 was underway but not yet complete.

Since The Courtauld cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The 2018 valuation was the fifth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI +0.14% reducing linearly to CPI - 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21 +: CPI + 1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on updated analysis of the Scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table:

2018 valuation
Pre-retirement:
71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.

Post retirement:
97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.

Future improvements to mortality:
CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

	2021	2020
Males currently aged 65 (years)	24.6	24.4
Females currently aged 65 (years)	26.1	25.9
Males currently aged 45 (years)	26.6	26.3
Females currently aged 45 (years)	27.9	27.7

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2021 deficit recovery liability reflects this plan.

The liability figures have been produced using the following assumptions:

	2021	2020
Discount rate	0.88%	0.74%
Pensionable salary growth (average)	3.26%	2.50%

The change in assumptions has given rise to the increase in the deficit provision which has increased from £2,419,000 to £2,597,000 as set out in note 17. See also note 7 in respect of significant one-off pension costs / gains.

(ii) The Superannuation Arrangements of the University of London (SAUL)

SAUL is a multi-employer scheme and it is not possible to identify an individual employer's underlying assets and liabilities so it is treated as if it were a defined contribution scheme. The Courtauld Institute of Art is not expected to be liable to SAUL for any other current participating employers' obligations under the Rules of SAUL, but, in the event of an insolvency event of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

Funding Policy

SAUL's statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL's benefits as they fall due (the "Technical Provisions"). The Trustee adopts assumptions which, taken as a whole, are

intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from Members' accrued pension rights to be met.

The Technical Provisions assumptions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2020. Informal reviews of SAUL's position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

The funding principles were agreed by the Trustee and employers in June 2021 and are due to be reviewed at SAUL's next formal valuation in 2023.

At the 31 March 2020 valuation SAUL was 94% funded on its Technical Provisions basis. However, market movements following the valuation date were positive and the Trustee and the Employers agreed to allow for post-valuation experience up to 30 April 2021. As SAUL was in surplus on its Technical Provisions basis at that date, no deficit contributions were required. However, the Trustee and the Employers have agreed that the ongoing Employers' contributions will increase from a rate of 16% of CARE Salaries to 19% of CARE Salaries from 1 April 2022 and to 21% of CARE Salaries from 1 January 2023.

The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of SAUL's assets at 31 March 2020 was £3,612 million representing 94% of the liabilities for benefits accrued up to 31 March 2020. The market value of SAUL's assets at 30 April 2021 was £4,369 million representing 109% of the estimated liabilities.

It is not possible to identify an individual Employer's share of the underlying assets and liabilities of SAUL. The Courtauld Institute of Art accounts for its participation in SAUL as if it were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 28.11 of FRS 102.

Although there was a Technical Provisions deficit at 31 March 2020, allowing for post-valuation experience to 30 April 2021, SAUL had a Technical Provisions surplus. Therefore, no deficit contributions were required following the 2020 valuation and there is no defined benefit liability (i.e. the present value of any deficit contributions due to SAUL) to be recognised by the Courtauld Institute of Art.

28. Acquisition of charity

On 1 August 2020 all of the business activities, assets and liabilities of The Friends of the Courtauld Institute (Charity number 312911) ('The Friends') were transferred to the Courtauld Institute of Art for no consideration. The value of the net assets acquired of £342,000 has been recognised in the year as a gain on acquisition.

The gain on acquisition was recognised in unrestricted reserves at the date of transfer. However, The Courtauld noted the plans of the Trustees of The Friends to pledge £150,000 to the Courtauld Connects project towards the cost of a staircase in the Gallery that would be named in recognition of The Friends members and will use £150,000 of the reserves transferred for this purpose.

The Courtauld Institute of Art will continue to run the Friends membership programme, for which it will charge a fee, and through which it will offer a variety of events including lectures and private views both at The Courtauld and elsewhere.

The acquisition comprised:

	£'000
Investments	232
Debtors	38
Cash	94
Creditors	(22)
	342

29. Accounting estimates and judgements

Critical accounting judgements

FRS 102 makes the distinction between a Group Plan and a multi-employer scheme. A Group Plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS and SAUL. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss. The directors are satisfied that the schemes provided by USS and SAUL meet the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

Key sources of estimation uncertainty

The liability recognised in respect of the USS is determined relying on estimates and assumptions. The pension figures are particularly sensitive to changes in assumptions for discount rates, mortality and inflation rates. Judgement was used in determining the assumptions to be adopted including taking guidance from the actuarial advisor to the British Universities Finance Directors' Group.

The investment valuation includes an element of estimation for some of the private equity investments that are only revalued at the calendar quarter ends and for which there is a lag in reporting. The estimates were provided by investment advisors and were reviewed after the year end to ensure that the overall investment valuation reported was appropriate.

Note 9b includes a table of costs relating to Access and Participation. The costs include some elements of estimated staff costs for time worked in this area by several members of staff. The estimates were prepared using information available to management and were internally reviewed to confirm that the basis of estimation was reasonable and appropriate.

30. Events after the end of the reporting period

Since the year end, following the completion of the 2020 actuarial valuation, a new dual rate schedule of contributions has been agreed with an effective date of 1 October 2021. Recalculating the USS provision on the basis of these contributions would result in a increased obligation to fund the deficit of £7,327,000, an increase of £4,730,000.

A further change to deficit recovery contributions will become applicable under the 2020 valuation if the Joint Negotiating Committee recommended deed on benefit changes has not been executed by 28 February 2022. In this scenario, higher deficit recovery contributions will commence from 1 October 2022 at 3% and then increase every 6 months until they reach 20% at 1 October 2025. They remain at this level until 31 July 2032. Negotiations continue and an increase to this level is considered remote.

31. US Department of Education Financial Responsibility Supplemental Schedule

In satisfaction of its obligations to facilitate students' access to US federal financial aid, the Courtauld Institute of Art is required, by the US Department of Education, to present the following Supplemental Schedule in a prescribed format.

The amounts presented within the schedules have been:

- prepared under the historical cost convention, subject to the revaluation of certain fixed assets;
- prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition);
- presented in pounds sterling.

The schedules set out how each amount disclosed has been extracted from the financial statements. As set out above, the accounting policies used in determining the amounts disclosed are not intended to and do not comply with the requirements of accounting principles generally accepted in the United States of America.

Primary Reserve Ratio			Year ended 31 July 2021 £000s		Year ended 31 July 2020 £000s	
		Expendable Net Assets				
Balance Sheet	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions	-	63,225	-	35,461
Balance Sheet	Statement of Financial Position - Net assets with donor restrictions	Net assets with donor restrictions	-	42,541	-	47,927
Note 25	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	-	-	-	-
Note 25	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable	-	-	-	-
Notes 10, 11, 15, 16	Statement of Financial Position - Property, plant and equipment, net	Property, plant and equipment, net (includes Construction in progress)	41,986	-	30,946	-
Notes 10, 11, 15, 16	Note of the Financial Statements - Statement of Financial Position - Property, Plant and Equipment - pre-implementation	Property, plant and equipment - pre-implementation	-	5,018	-	6,337
	Note of the Financial Statements - Statement of Financial Position - Property, Plant and Equipment - post-implementation with outstanding debt for original purchase	Property, plant and equipment - post-implementation with outstanding debt for original purchase	-	-	-	-
	Note of the Financial Statements - Statement of Financial Position - Property, Plant and Equipment - post-implementation without outstanding debt for original purchase	Property, plant and equipment - post-implementation without outstanding debt for original purchase	-	1,898	-	284
Note 11	Note of the Financial Statements - Statement of Financial Position - Construction in process	Construction in process	-	35,070	-	24,325
Notes 15, 16	Statement of Financial Position - Lease right-of-use assets, net	Lease right-of-use asset, net	-	-	32	-
Notes 15, 16	Note of Financial Statements - Statement of Financial Position - Lease - right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation	-	-	-	32
	Note of Financial Statements - Statement of Financial Position - Lease right-of-use asset post-implementation	Lease right-of-use asset post-implementation	-	-	-	-

	Statement of Financial Position - Goodwill	Intangible assets	-	-	-	-
Note 17	Statement of Financial Position - Post-employment and pension liabilities	Post-employment and pension liabilities	-	2,597	-	2,419
Note 16	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes	3,000	-	-	-
Note 16	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes pre-implementation	-	3,000	-	-
	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes post-implementation	-	-	-	-
	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Line of Credit for Construction in process	-	-	-	-
Notes 15, 16	Statement of Financial Position - Lease right-of-use of asset liability	Lease right-of-use asset liability	-	-	32	-
Notes 15, 16	Statement of Financial Position - Lease right-of-use of asset liability pre-implementation	Pre-implementation right-of-use leases	-	-	-	32
	Statement of Financial Position - Lease right-of-use of asset liability pre-implementation	Post-implementation right-of-use leases	-	-	-	-
	Statement of Financial Position - Annuities	Annuities with donor restrictions	-	-	-	-
	Statement of Financial Position - Term Endowments	Term endowments with donor restrictions	-	-	-	-
	Statement of Financial Position - Life Income Funds	Life income funds with donor restrictions	-	-	-	-
Note 19	Statement of Financial Position - Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity	-	28,381	-	37,952
Total Expenses and Losses						
Note 9 less movement on USS and SAUL provision (note 7)	Statement of Activities - Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions - taken directly from Statement of Activities	-	21,663	-	20,722

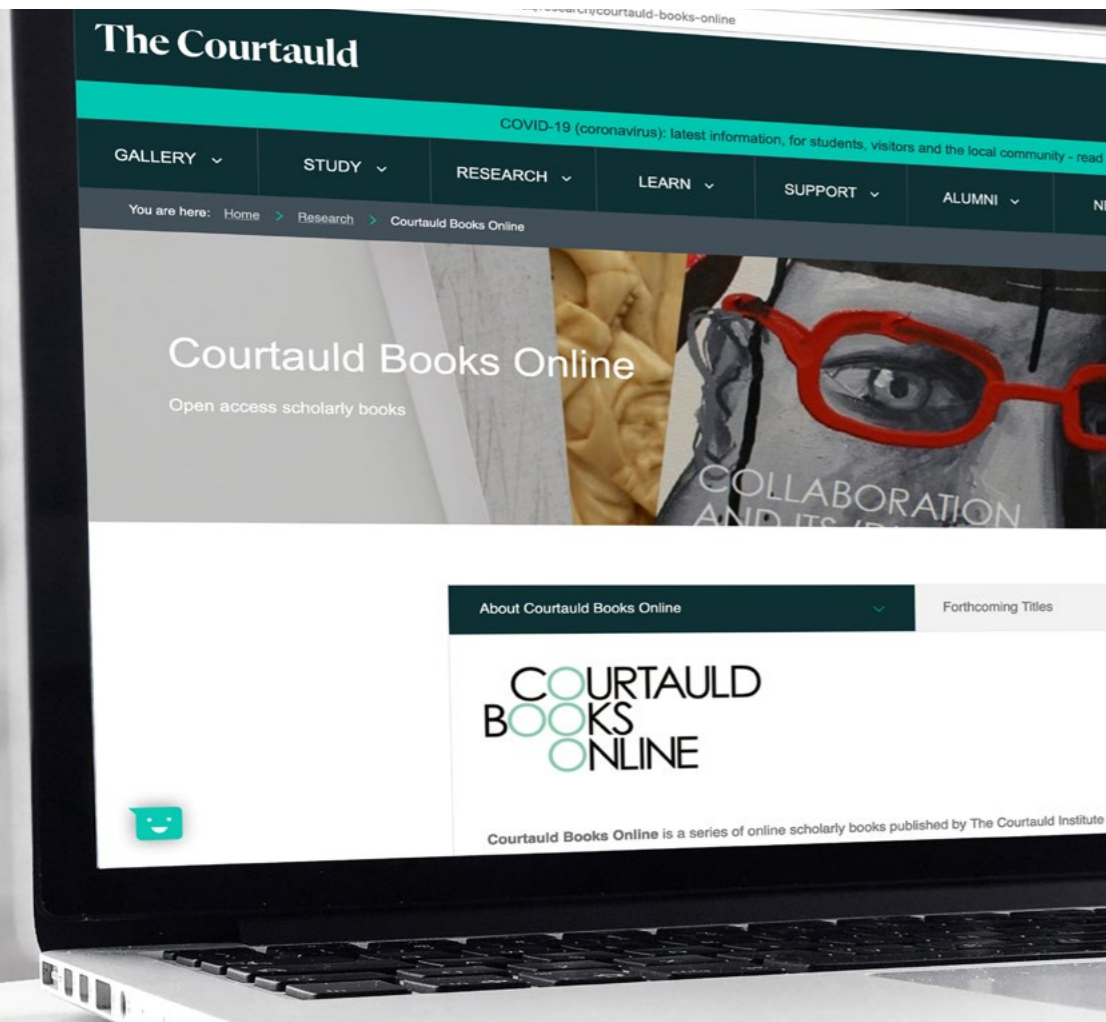
Statement of Comprehensive Income and Expenditure and notes 7, 19	Statement of Activities Non-Operating (Investment return appropriated for spending). Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss). (Total from Statement of Activities prior to adjustments)	Non-Operating and Net Investment (loss)	-	-4,394	-	-1,070
Statement of Comprehensive Income and Expenditure and note 19	Statement of Activities - (Investment return appropriated for spending) and Investments, net of annual spending gain (loss)	Net investment losses	-	-4,322	-	169
Note 7	Statement of Activities - Pension - related changes other than periodic pension	Pension related changes other than net periodic costs	-	270	-	-
Equity ratio						
Modified Net Assets						
Balance Sheet	Statement of Financial Position - Net Assets without Donor Restrictions	Net assets without donor restrictions	-	63,225	-	35,461
Balance Sheet	Statement of Financial Position - Total Net Assets with Donor Restriction	Net assets with donor restrictions	-	42,541	-	47,927
	Statement of Financial Position - Goodwill	Intangible assets	-	-	-	-
	Statement of Financial Position - Related party receivable and related party note disclosure	Secured and Unsecured related party receivable	-	-	-	-
	Statement of Financial Position - Related party receivable and related party note disclosure	Unsecured related party receivables	-	-	-	-
Modified Assets						
Balance Sheet	Statement of Financial Position - Total assets	Total assets	-	116,795	-	90,393
	Note of Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation	-	-	-	-
	Statement of Financial Position - Lease right-of-use of asset liability pre-implementation	Pre-implementation right-of-use leases	-	-	-	-
	Statement of Financial Position - Goodwill	Intangible assets	-	-	-	-
	Statement of Financial Position - Related party receivable and related party note disclosure	Secured and Unsecured related party receivable	-	-	-	-
	Statement of Financial Position - Related party receivable and related party note disclosure	Unsecured related party receivables	-	-	-	-

Net Income Ratio

Balance Sheet	Statement of Activities - Change in Net Assets Without Donor Restrictions	Change in net assets without donor restriction	-	14,487	-	13,028
	Statement of Activities - (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total Revenues and Gains	-	31,756	-	32,680



Research Publications at The Courtauld



2020/21 has seen the publication of significant monographs and articles, as well as two new additions to The Courtauld's own open access series 'Courtauld Books Online'.

The latest addition to Courtauld Books Online is *Ruskin's Ecologies: Figures of Relation from Modern Painters to The Storm-Cloud*. Edited by Dr Thomas Hughes (Associate Lecturer, The Courtauld) and Dr Kelly Freeman (UCL), the book grew out of a two-day conference hosted by The Courtauld and UCL in December 2017 which received generous support from the Ruskin Society. *Ruskin's Ecologies* uses the concept of 'ecology', defined as 'vital relations between things, same and different', as a lens through which to read and look at the work of John Ruskin (1819-1900) anew. In the process, contributors write on topics ranging from Gothic architecture and Victorian Britain to contemporary China and Lambeth in the twenty-first century.

November 2020 saw the launch of *Continuous Page: Scrolls and Scrolling from Papyrus to Hypertext*. This Courtauld Books Online volume, edited by Dr Jack Hartnell (UEA), is the culmination of a project launched in 2015. Across twelve essays, *Continuous Page* aims to be a systematic attempt to approach the subject of the scroll from an interdisciplinary standpoint. In doing so, it incorporates material from the ancient world to the present day, including objects from Asia, Africa, the Middle East, Europe, and the Americas.

The first major monograph published by a member of The Courtauld's faculty this academic year was *Killing for Show: Photography, War, and the Media in Vietnam and Iraq* by Professor Julian Stallabrass (Professor of Modern and Contemporary Art). This study aims to provide a comprehensive theoretical re-evaluation of the relationship between war, politics, and visual culture. The book, published by Rowman & Littlefield, focuses on the Vietnam and Iraq Wars to demonstrate how the way we see conflict—through film, photographs, and pixels—has had a powerful impact on the political fortunes of campaigns, and the way that war has been conducted.

2020 closed with the publication of *The Rome of Paul III (1534-1549): Art, Ritual and Urban Renewal* by Dr Guido Rebecchini (Reader in Sixteenth-Century Southern European Art). Published by Brepols as part of their 'Studies in Medieval and Early Renaissance Art History' series, this book draws on unpublished archival sources to investigate a range of multi-media urban, architectural and artistic projects promoted by Pope Paul III in the mid-sixteenth century. The result deepens our understanding of masterpieces such as Michelangelo's *Last Judgement* while also providing new insights into Rome's broader cultural history and the relationship between the High Renaissance and Baroque, periods which are so often treated separately.

In July, Professor Susie Nash (Deborah Loeb Brice Professor of Renaissance Art) published a substantial piece of research in Volume XXXI of the Harlaxton Medieval Studies series. Her chapter, 'The Inventory as Royal Object: Charles V and the Enumeration of Kingship', approaches the 1380 inventory of Charles V as a physical object in its own right, with a distinct process of creation, use, and reuse. By treating the inventory as more than a simple documentary source, the research shows it as not just a list of items owned by the king, but a political document, created under the direct agency and supervision of Charles V, and with symbolic as much as practical importance to future generations. This article represents the continuation of Professor Nash's larger project on 'Inventories as Objects at the Courts of France' and a related book which remains in progress.



The body of published research from The Courtauld continues to be innovative, original, and with the potential to reach a wide and varied audience through open access publishing routes. A record of all publications from Courtauld faculty can be accessed through our institutional research portal: <https://courtauld.pure.elsevier.com/>

Acquisitions and loans

List of acquisitions for the period 1 August 2020 to 31 July 2021

Gift of the W.W. Spooner Charitable Trust

December 2020

Thomas Munro (1759 - 1833), *A Country Lane*, black chalk and black and grey wash on wove paper, laid down on a historic mount, 1774 - 1833

George Fennel Robson (1788 - 1833), *York Minster from the South East*, graphite, watercolour and bodycolour with scratching out on thick wove paper, 1821 - 1826

Gift of Charles Booth-Clibborn in honour of Linda and Howard Karshan

George Baselitz (b.1938), *Untitled*, etching, 1964, edition 17 of 20

Gift of Charles Booth-Clibborn

Grayson Perry (b. 1960), *Reclining Artist*, colour etching, 2017, Signed by the artist and numbered on the reverse. Edition of 58.

Gift of the artist

Linda Karshan (b.1947), *Untitled (21.01.04)* (recto and verso), graphite on wove paper, 2004

Gift of the W.W. Spooner Charitable Trust

May 2021

Samuel Hieronymus Grimm (1733 - 1794), Caernarvon Castle, North Wales, Pen and grey ink and grey washes on laid paper, 1777

Loans out from the collection during the period 1 August 2020 to 31 July 2021

Exhibitions in order of opening date

18 June 2018 - 1 August 2021

National Galleries of Scotland, Edinburgh
Extended loan, displayed with permanent collection

Seurat, *Young Woman Powdering Herself* (P.1932.SC.396)

14 September 2018 to 3 September 2021

The National Gallery, London
Extended loans, displayed with permanent collection

Robert Campin, *The Seilern Triptych - The Entombment* (P.1978.PG.253)

Bernardo Daddi, *Triptych - The Virgin and Child Enthroned with Saints* (P.1978.PG.81)

Biagio d'Antonio, *Chest and spalliera with the arms of Lorenzo Morelli and Vaggia Nerli* (The Morelli Chest) (F.1947.LF.4)

Biagio d'Antonio, *Chest and spalliera with the arms of Vaggia Nerli and Lorenzo Morelli* (The Nerli Chest) (F.1947.LF.5)

Bernardo Daddi, *Polyptych - The Crucifixion and Saints* (P.1966.GP.82)

Pieter Bruegel the Elder, *Christ and the Woman taken in Adultery* (P.1978.PG.48)

Pieter Bruegel the Elder, *Landscape with the Flight into Egypt* (P.1978.PG.47)

Lorenzo Monaco, *The Coronation of the Virgin* (P. 1966.GP.272)

Iran (West) 15th Century or Turkey (Anatolia) 15th century or c.1500 or Mamluk, late 15th - early 16th century (1400 - 1525), Box with cover of cylindrical form (O.1966.GP.203 (2 parts)

Mamluk (Egypt), Hemispherical half of incense burner of engraved brass (O.1966.GP.210)

Mamluk (Egypt) Candlestick base of engraved brass (O.1966.GP.217)

Iran (West or North West) or Turkey (Anatolia), Bowl-shaped box with cover of engraved brass inlaid with silver (O.1966.GP.205)

Mamluk, 16th Century Bowl of engraved brass inlaid with silver (O.1966.GP.211)

Mamluk, 14th century, (Box (cover missing) or inkwell (upper section missing) of engraved brass (O.1966.GP.206)

Mamluk 15th-16th century, Bucket of engraved brass with silver inlay (O.1966.GP.198)

Mamluk (Damascus, Syria) late 15th - early 16th century, Bowl-shaped box with cover of engraved brass (O.1966.GP.200)

Mamluk, late 14th or early 15th century, Bowl of brass, formerly inlaid with silver, engraved with floral decoration (O.1966.GP.201)

Italy (Venice?) 16th century, Dish of engraved high-tin bronze inlaid with silver, in the centre a coat of arms (O.1966.GP.202)

Mahmud al-Kurdi (late 15th century), Bowl-shaped box with cover of engraved brass inlaid with silver (O.1966.GP.204)

Mamluk (Syria) 13th century, Incense burner of pierced and engraved brass inlaid with silver, with images of the planets within roundels (O.1966.GP.207)

Eastern Anatolian (Konya?), Turkey, late 13th century, Candlestick of cast bronze engraved and inlaid with silver (O.1966.GP.208)

Mosul, Northern Iraq, Metalwork bag (O.1966.GP.209)

Mamluk, 14th century, Bowl of engraved brass inlaid with silver; decorated with inscriptions of titles (O.1966.GP.212)

Italy (Venice) 16th century, Pair of candlesticks of engraved brass (O.1966.GP.218)

26 March 2020 - 30 April 2021
Science Museum, London
Illuminating Objects Special Display

César, *Winged Figure - 'Habitation'* (S.1984.AH.2)

6 October 2020 - 3 January 2021
National Gallery, London
Sin

Pieter Bruegel the Elder, *Christ and the Woman taken in Adultery* (P.1978.PG.48)*

Lucas Cranach the Elder, *Adam and Eve* (P.1947.LF.77)*

13 November 2020 - 14 February 2021
Kunsthaus Zurich
Wild at Heart. Swiss Romanticism from Fuseli to Bocklin

J M W Turner, *On Lake Lucerne looking towards Fluelen* (D.2007.DS.47)

J M W Turner, *Brunnen, Lake Lucerne* (D.1974.STC.13)

***16 November 2020 - 16 May 2021**
Ulster Museum, Belfast
Courtauld National Programme

Renoir, *La Loge* (P.1948.SC.338)

Manet, *Berthe Morisot* (G.1934.SC.190.26)

Manet, *The queue in front of the butcher's shop* (G.1934.SC.190.29)

Morisot, *Young woman reclining* (G.1978.PG.69);

Morisot, *Berthe Morisot drawing with her daughter* (G.1978.PG.71)

Pissarro, *Market at Gisors* (D.1978.PG.236)

***1 February 2020 - 11 November 2020**
Braintree District Museum
Courtaulds; Origins, Innovations, Family 1816-1982

Gauguin, *L'Univers est cree* (The Universe is created) (G.1948.SC.182.5)

Gauguin, *Mahna No Varua Ino* (The Devil Speaks) (G.1948.S.182.7)

Gauguin, *Manao Tupapau* (G.1948.SC.182.3)

Gauguin, *Te Po* (G.1948.SC.182.1)

***15 February 2020 - 11 October 2020**
Harris Museum Art Gallery & Library
The Artful Line: Drawings from the Harris collection and The Courtauld Gallery

Rossetti, *Elizabeth Siddal seated at an easel, painting* (D.1952.RW.3065)

Hunt, *Portrait of a black girl* (D.1982JW.15)

Auerbach, *Study for Oxford Street Building Site* (D.2010.XX.2)

Saunders, *Vorticist Composition, Black and White* (large) (D.2016.XX.19)

13 March - 25 July 2021
Hestercombe, Somerset
Landscape Portrait. Then and Now

Coplestone Warre Bampfylde, *Italian coast landscape* (D.1952.RW.7372);

Coplestone Warre Bampfylde *View of Stourhead with the Chinese Bridge and Obelisk* (D.2018.ST.8)

Coplestone Warre Bampfylde *View of the Pantheon from across the lake* (D.2018.ST.9)

***10 May - 4 July 2021**
Ferens Art Gallery, Hull
Monet in Mind (Courtauld National Programme)

Monet, *Antibes* (P.1948.SC.276)

17 May - 5 September 2021
Science Museum, London
Illuminating Objects Special Display

Omega Workshop, silk textile (T.1959.XX.1)

19 May to 5 September 2021
Charleston Trust, Firle, Sussex
Nina Hamnett

Roger Fry, *Portrait of Nina Hamnett* (P.1935.RF.146)

11 June - 12 September 2021
Udine Castle, Udine, Italy
Zuan da Udene furlano

Udine, *Two swans* (D.1952.RW.453)

Udine, *Heron* (D.1952.RW.454)

Udine, *Ostrich and grasshopper* (D.1952.RW.456)

5 May - 6 September 2021
Centre Pompidou, Paris
Women in Abstraction

Helen Saunders, *Black and Khaki* (D.2016.XX.16)

Helen Saunders, *Vorticist Composition, Yellow and Green* (D.2016.XX.17)

Helen Saunders, *Vorticist Composition, Blue and Green* (D.2016.XX.20)

Helen Saunders, *Vorticist Composition with Figures, Black and White* (D.2016.XX.18)

Vanessa Bell, *Rug Design* (D.1958.PD.86)

Vanessa Bell, *Design for Lady Hamilton Rug* (D.1958.PD.88)

6 June - 26 Sept 2021
MOMA, New York
Cezanne: The Drawings

Cézanne, *Study of a Tree* (D.1981.XX.4)

Cézanne, *Portrait of Hortense Fiquet* (D.1978.PG.239)

18 July - 10 October 2021
KODE Art Museum, Bergen
Cézanne. Masterpieces from The Courtauld

Cezanne, *L'Etang des Soeurs, Osny* (P.1932.SC.53)

Cezanne, *Farm in Normandy* (LP.1997.XX.13)

Cezanne, *The Card Players* (P.1932.SC.57)

Cezanne, *Man with a Pipe* (P.1932.SC.58)

Cezanne, *Lac d'Annecy* (P.1932.SC.60)

Cezanne, *Montagne Sainte-Victoire with Large Pine* (P.1934.SC.55)

Cezanne, *Tall Trees at the Jas de Bouffan* (P.1948.SC.54)

Cezanne, *Pot of Flowers and Fruit* (P.1948.SC.56)

Cezanne, *Still Life with Plaster Cupid* (P.1948.SC.59)

Cezanne, *Turning Road* (P.1978.PG.61)

Roger Fry, *Self-Portrait* (P.1994.XX.1)

Roger Fry, *Copy of a Self-Portrait after Cezanne* (P.1935.RF.148)

Benno Elkan, *Portrait head of Samuel Courtauld* (S.1948.SC.203)

Cezanne letters to Emile Bernard (MS.1932.SC.1.1, 1.7 and 1.9)

Plus archival material

**The dates given relate to the period that the works were installed at the venue and do not reflect temporary closures related to Covid-19.*