





Contents

Vision and Mission	4
Chairman's Foreword	5
Märit Rausing Director's Introduction	6
Directors' Report	7
Year in Review	8
Strategic Report	20
Governance Statement	23
Statement of Directors' Responsibilities	25
Independent Auditors' Report to the Governing Board of The Courtauld Institute of Art	26
Consolidated and Institute Statement of Comprehensive Income and Expenditure	28
Consolidated and Institute Statement of Changes in Reserves	29
Consolidated and Institute Balance Sheet	30
Consolidated Cash Flow Statement	31
Statement of Principal Accounting Policies	32
Notes to the Financial Statements	37
Research Output and Publications from 1 August 2017 to 31 July 2018	53
List of acquisitions for the period 1 August 2017 to 31 July 2018	55
Loans from the collection 1 August 2017 to 31 July 2018	55

Front cover: Courtauld student Saskia
Dakin-Chery welcoming visitors to
ResFest 18

Inside front cover: Drawing session
at ResFest 18

Vision and Mission

The Courtauld Institute of Art

The scope of The Courtauld Institute of Art is unique. As a college of the University of London, The Courtauld brings together exceptional teaching and research in the history and conservation of art and curating.

We have an unmatched concentration of specialisms ranging from antiquity to the present and extending across diverse cultures, from early Christian Byzantium to contemporary China. Our conservators work at heritage sites throughout the world.

Located in the heart of London, we have library and image resources of exceptional significance and care for an outstanding art collection in The Courtauld Gallery. The Courtauld Gallery encapsulates our mission to illuminate art for all.

The Courtauld benefits individuals and society by extending knowledge and informing their responses to art. It stimulates the cultural sector locally and globally by developing new ideas and expertise, and through its graduates it generates an evolving community of specialists who shape the art world. We combine this character with a commitment to extend access to the important ideas and unique experiences offered by the visual arts.

Vision and mission

To open minds to the power of art as central to human experience

What we do

Advance an understanding of art through access to world-leading expertise and collections, exhibitions and debate

We are committed to

Excellence

Innovation and continuity

Fairness and inclusivity

Chairman's Foreword

The Courtauld Institute of Art is a remarkable and uncommon institution, and a place for uncompromising excellence. As both a world-class university and a gallery with a collection of world-class paintings, it is a place where people come to gain deep expertise, and then use that expertise to improve our understanding of society. As a result, our alumni are so often the intellectual horsepower behind the world's greatest museums and galleries. The Courtauld is a place which inspires passion and deep affection.

My first year as Chairman of The Courtauld has been one of great change. Our degree programmes and research in art history, conservation and curating have flourished, but their environment is evolving. We now operate under a new structure of public governance in the form of the Office for Students and Research England, which replace the old Higher Education Funding Council for England. In order to meet the long-term challenges of accountability and financial sustainability, the Governing Board commissioned a review of its own structure and operations. This review led to some important changes to The Courtauld's governance bodies which will be implemented during the 2018/19 academic year. I am grateful to all of our Governors, on whose time, good will and generosity we depend.

The Courtauld is also embarking on a physical transformation. Our 18th century, grade-1 listed home in Somerset House is no longer fit for purpose for our students, our staff, the public or the works of art which are on loan to us. Change is essential, and is embodied by our transformational project *Courtauld Connects*. This wholesale renovation and rejuvenation of our Somerset House home will bring our students, our works and the public together, uniting them in a way which befits this great institute. Work started in September 2018 to prepare the Gallery for the first phase of this project. Our thanks go particularly to the Heritage Lottery Fund, for its outstanding grant, and we are profoundly grateful to the benefactors whose exceptional gifts are making Courtauld Connects possible, including LVMH, the Linbury Trust, Garfield Weston Foundation, AKO Foundation, Oak Foundation, the Blavatnik Family Foundation and many more.

These programmes of transformation will enable The Courtauld better to play its role at the heart of the arts and cultural sector. Much of our impact comes through our alumni and their work around the world. However, The Courtauld is also an active cultural agent in its own right. Over the past year, we have staged exhibitions in London such as *Soutine's Portraits: Cooks, Waiters and Bellboys* (October 2017 – January 2018), the first Soutine exhibition in the United Kingdom in over 35 years. We have also successfully launched the first phase of our regional and national partnership projects with Coventry, Hull, Belfast and Preston.



The Courtauld's Founders sought the truth through art, which is a noble purpose. We seek to enact that purpose today by maintaining the world's preeminent centre of excellence for art history, in all its forms. The Courtauld faces many challenges ahead, but we are unwavering in our determination to pursue our Founders' vision. On behalf of the Governing Board, I thank all of our staff, students, supporters and visitors who make this possible.

The Lord Browne of Madingley

Chairman of the Governing Board, The Courtauld Institute of Art

Märit Rausing Director's Introduction

'Art History: Undisciplined' the title of a major conference this past year reflects The Courtauld's passionate determination to champion the importance of the humanities and of art history for our understanding of both the past and the fast-changing present. The Courtauld Gallery's highly successful exhibition, *Soutine's Portraits: Cooks, Waiters and Bellboys*, was a wonderful case in point – historically specific but speaking to universal questions about the worlds of work and human exploitation. Likewise, this year's Association for Art History (AAH) conference, 'Look Out' spoke to the moment – we were delighted to continue to strengthen our engagement with the AAH and to partner with our neighbours, King's College London, as co-convenors.

The past year was one of the most intense in the history of The Courtauld, as we reached the moment of absolute commitment to *Courtauld Connects*, our unprecedented transformation project. *Courtauld Connects* will allow us to rejuvenate our buildings and refresh and refocus our teaching, research, exhibitions, collaborative partnerships and outreach in order to ensure that we continue to flourish as the world's foremost centre for the study of art. We are tremendously grateful to those generous benefactors, including the Heritage Lottery Fund, who already support our vision and warmly welcome others to join us in this exciting endeavour.

The project is ambitious but tightly focused and carefully planned. Its ability to open up The Courtauld and art history to new audiences is already being evidenced through our outreach programmes Courtauld National, Courtauld Digital, Courtauld Volunteer and Open Courtauld, where it is producing exciting effects. A major concern about the project – to ensure that students taking degrees and shorter courses at The Courtauld over the period of construction would continue to have a rich and fulfilling experience – has been happily resolved. The premises we have leased from our fellow University of London college, the School of Oriental and African Studies, will allow us to explore a different London locality and are perfect for our purposes.

The year was also one of transformation and challenge within the higher education sector. The Office for Students and Research England took over the roles hitherto held by the Higher Education Funding Council for England. The higher education sector, including The Courtauld, experienced the UCU strike over changes in the USS pension provision. Our challenge, as a small specialist institution, is to ensure that we manage our operation in such a way that we continue to provide an excellent experience for our students and ensure a good working experience and appropriate recompense and conditions for our staff while ensuring financial sustainability.

Our students continued to impress with their energy, focus, intelligence and creativity, both in their formal coursework and beyond it. This year's student-run TEDxCourtauldInstitute was entitled 'Movements' and the MA Curating exhibition drew on the theme of Courtauld Connects with the theme *There Not There* as the Gallery collections were being transferred to off-site storage. Our alumni continue to excel both within and beyond the arts world.



None of the achievements of the past year would have been possible without the generosity, dedication and hard work of many colleagues. This year I would particularly like to thank Professors Sharon Cather and David Park on their retirements, for their pioneering work on the conservation of wall paintings and the education of conservators which has had global impact. I would also like to thank all our collaborators, consultants and supporters. We remain deeply grateful to those generous friends and benefactors who have pledged and donated their resources both to our ongoing activities, to student support, to our endowment and to *Courtauld Connects*.

This year it has been a particular pleasure to welcome The Lord Browne of Madingley as Chairman of the Governing Board. We continue to be immensely fortunate in the dedication of the Governing Board and its Committees, of the Samuel Courtauld Trust, the Friends of The Courtauld Institute of Art, and the American Foundation for the Courtauld. We thank them all.

A handwritten signature in black ink, which appears to read 'Deborah Swallow'.

Professor Deborah Swallow
Märit 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 for the purposes of the Charities Act 1993 under the exempt charities order 2002 No. 1626. 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 ^{1,3,4,7,8,9,10} (*Märit Rausing Director, The Courtauld Institute of Art*)
Professor James Cuno ^{1,2,6,10} (*President and CEO, The J Paul Getty Trust*)
Mr Andrew Adcock ^{2,3} (*Chairman, Samuel Courtauld Trust*)
Ms Rebecca Morris ^{1,3} (*President, The Students' Union*) (until 31 July 2018)
Mr Gus Teasdale ¹ (*President, The Students' Union*) (from 1 August 2018)

Appointed Members

Lord Browne of Madingley ^{1,2,6,7,8,9,10} (Chairman from 1 September 2017)
Mr Peter Budd ¹
Mr Edward Dolman
Dr Gabriele Finaldi ^{3,6}
Dr John Garcia ^{1,7}
Mr James Hughes-Hallett ^{2,5,6,7,8,9,10} (Chairman to 31 August 2017)
Ms Daniella Luxembourg ⁷

Members of the Academic Staff elected from their own number

Dr Sussan Babaie ¹
Ms Pippa Balch
Professor Katie Scott

Members of the Non-Academic Staff elected from their own number

Dr Karen Serres
Ms Caireen McGinn

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
Professor Antony Eastmond,
Dean and Deputy Director
Dr Alixe Bovey, Head of Research
Dr Stephanie Hall,
Project Director, Courtauld Connects
Dr Kary Kelly, Director of Development
Mr Michael Sherry,
Head of Marketing and Communications
Mr Robert Thorpe,
Director of Operations
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

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 20.

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:



Robert Thorpe
Company Secretary

Registered address:
The Courtauld Institute of Art
Somerset House
Strand
London WC2R 0RN

1. Member of the Finance Committee
2. Member of the Investments Committee
3. Member of the Gallery Committee
4. Member of the Academic Promotions Committee
5. Member of the Audit Committee

6. Member of the Remuneration Committee
7. Member of the Nominations Committee
8. Member of the Honorary Degrees Committee
9. Member of the Honorary Fellows Committee
10. Executive Committee

Student experience, Teaching and Learning

From September to July each year, The Courtauld comes to life as new and returning students fill the libraries, lecture theatre, seminars rooms and teaching spaces to take one of the eight degree programmes that The Courtauld offers. In 2017/18, 540 students enrolled, 59% from the UK, 19% from the EU and 22% from other countries. The Courtauld is able to offer an increasingly global vision of art history, as well as leading programmes in conservation, curating the art gallery and the history and conservation of Buddhist art.

Teaching and research are closely linked, as ideas that will one day appear in exhibitions, books and articles are tested and probed by students in seminars, and as students challenge their lecturers to think about their material in creative new ways. As a result, we are constantly creating new courses as lecturers' research interests develop and respond to new ideas in the field. In 2017/18 new courses were approved including: *After Midnight – Contemporary art in postcolonial India, Pakistan & Bangladesh*; *Body and Gender in Byzantium*; *Art and theory in Golden Age Seville*; and *Graphic Satire in Britain*. Some of these are taught by the outstanding cohort of Associate Lecturers The Courtauld is able to attract. Associate Lecturers are emerging scholars at the cutting edge of their fields.



The Courtauld continues to be able to recruit outstanding students with the potential to study art history, curating and conservation. Of the 2017/18 graduands:

- 69 students were awarded a BA in History of Art, of whom 22 achieved First Class Honours (32%).
- 24 students were awarded the CGDHA (Pass), of whom 18 were eligible to go on to the MA (75%).
- 181 students were awarded the MA History of Art, of whom 99 achieved Distinctions (55%).
- 5 students were awarded the PG Diploma in the Conservation of Easels Paintings.
- 16 students were awarded a PhD.

The latest 2016/17 graduate destination figures show that 84.9% of our graduates were in graduate level work or study six months after they graduated, up from 78.6% the previous year. The final stage of the revision of the undergraduate degree was undertaken in 2017/18, as the final year of the degree saw the addition of a new module to the existing two Special Options. Lessons in Critical Interpretation, which allies the close study of objects with the methodologies used to study them, builds on the methodological training students receive in their second year. The new course increases the contact hours of students in the final year of their degree, in response to student feedback. The first intake of the new two-year MA in Buddhist Art: History and Conservation also joined The Courtauld. This unique degree is taught jointly with the School of Oriental and African Studies.

The Courtauld has always had a remarkably stable faculty, but 2017/18 saw some major changes, notably the retirements of Professors Sharon Cather and David Park, who founded the Department of Wall Painting Conservation in 1982, and who built its international reputation and its ethos of minimal intervention. Professor John Lowden, FBA, champion of medieval art, also retired and we were sad to say farewell to Dr Satish Padiyar, who left The Courtauld to develop independent projects. As a result, 2017-18 was a busy one for interviews, with new appointments being made to start in 2018/19. We will be delighted to welcome:

- Dr Jessica Barker – lecturer in medieval art
- Dr Esther Chadwick – lecturer in early Modern art
- Emily Howe – lecturer in the conservation of wall painting [fixed term]
- Clare Richardson – lecturer in preventive conservation
- Dr Stephen Whiteman – senior Lecturer in the arts of China [starting January 2019]

Above: Harry Dougall

Left: Image of Karl Ohiri, *How to Mend a Broken Heart*, 2013 Arts Council Collection, Southbank Centre, London © Karl Ohiri, courtesy the artist. From *There Not There* exhibition



Behind the scenes, the university year was dominated by a major change in the regulatory framework of universities: the introduction of the Office for Students, which came into being in April 2018. As its name makes clear, the Office for Students is concerned with students, and exists to ensure that students receive an outstanding experience at university (rather than its predecessor HEFCE, the Higher Education Funding Council for England, which was more concerned with universities as institutions). This shift in emphasis has coincided with a review The Courtauld had already begun of the support it is able to offer students, including an increase in the availability of counsellors and a restructure of the Student and Academic Services department to include a Student Wellbeing Manager and an Academic Skills tutor (to be appointed in 2018-19). These changes respond to the changing responsibilities placed on universities, and the need to commit greater resources to student support and welfare.

Our students benefitted from the support of a range of donors in 2017/18. Ninety five scholarships were awarded to talented and deserving students from around the world who required financial assistance to pursue their studies. We thank all our scholarship donors, including alumna Ros Falvey (MA 2007) who generously established an endowed scholarship fund to give future generations of students opportunities that she did not have herself. Travel grants, including those from the John Hayes (PG Dip 1954 and PhD 1962) bequest, made it possible for students to visit destinations from Europe to Asia to conduct primary research and to enhance their academic work by experiencing works of art first hand.

The professional development our students is a priority for The Courtauld. A generous gift from Christian Levitt sponsored the 2018 Courtauld Gallery exhibition *There Not There*, which was curated by students on the MA Curating the Art Museum programme. Harry Dougall, a graduate from the MA Curating programme in 2016/17, won the first ever AKO Curatorial Award this year. The award has been conceived to support and encourage the development of curatorial skills among recent graduates of the MA programme.

Below: 2017/18 MA Curating the Art Museum students at the preview of *There Not There*

Right: Sarah Alagroobi
Iqraa
Acrylic Resin on wood panel
Royal College of Art
from the SURGE exhibition



This year the student-led East Wing Biennial exhibition was entitled *SURGE*. The exhibition featured works from students at art colleges across London and the South East and for the first time in its history, was open to submissions. Over 130 submissions were received and 30 artists, selected from Foundation to Masters level, showed their paintings, textiles, photography and sculpture. The annual student-run TEDxCourtauldInstitute conference attracted its largest audience ever, this year drawing on the theme of 'Movement'.

We celebrated the success of our students at the Presentation Ceremony held for the first time in St Martin-in-the-Fields. The degree of Doctor of Literature honoris causa was conferred on Courtauld alumnus and Chair of the Arts Council of England, Sir Nicholas Serota CH. The degree of Doctor of Literature honoris causa was also conferred on conceptual artist, sculptor, painter, writer and curator, Rasheed Araeen. An Honorary Fellowship was awarded to businessman, philanthropist and ex-Courtauld Chairman James Hughes-Hallett CMG.



Advancing interdisciplinary and collaborative scholarship

The Courtauld's ambition is to situate art history as an interdisciplinary, outward looking venture, at the centre of humanities discourses. *Art History: Undisciplined* was the title of a major conference organised by the Research Forum and supported by the Andrew W. Mellon Foundation. The conference explored the frontiers of art history and its interactions with other disciplines, ranging from the performing arts (spoken word, dance and music) to pathology. Participants were encouraged to define what art history as a discipline meant to them and how they may break its rigidity as a subject to achieve new and relevant impact.

Another highlight this year was the 2018 Association for Art History's conference which was jointly hosted by The Courtauld and King's College London. The theme of the conference was 'Look Out' with sessions on how art and science intersect in post-colonial nations and the global perspectives of Surrealism. The conference, which was organised by Courtauld academics Professor Joanna Woodall and Professor Katie Scott in collaboration with Professor Michael Squire from King's College London, was the most successful conference in the Association's history.

Thanks to the support of the Leon Levy Foundation, The Courtauld is raising the standards of conservation in South Asia through its partnership with the Foundation and the Mehrangarh Museum Trust, Jodhpur, Rajasthan. The Leon Levy Foundation Centre for Conservation Studies at Nagaur in Rajasthan has completed 5 years of its current programme to provide a residential educational programme for conservation and heritage students, architects and photographers from South Asia.

We are also grateful to Bank of America Merrill Lynch's global Art Conservation Project for providing a grant to support the structural restoration of *The Holy Trinity with Saints Mary Magdalen and John the Baptist* (1491-94) by Sandro Botticelli (1445-1510), which is one of the artist's most significant panels outside Italy and his only extant altarpiece in the United Kingdom.

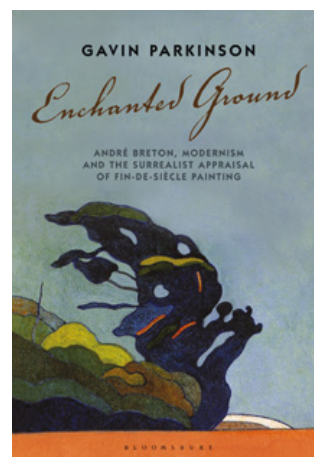
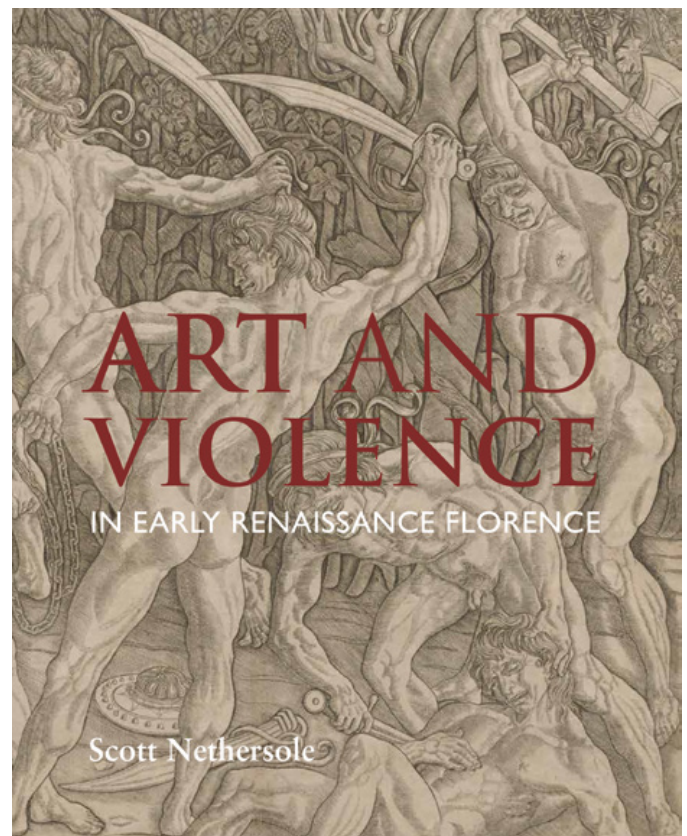
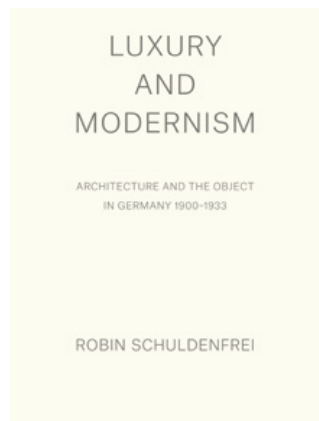
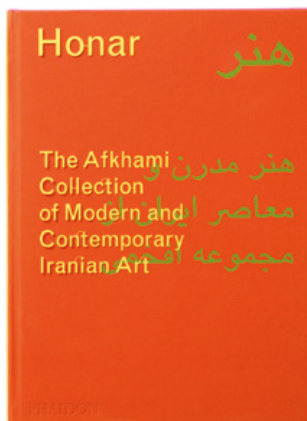


Participants of the 2018 Leon Levy Foundation Centre for Conservation Studies at Nagaur with Leon Levy Foundation Founding Trustee, Elizabeth Moynihan and her daughter, Maura Moynihan.



Sandro Botticelli (1445-1510) and assistants, *The Holy Trinity with Saints John the Baptist, Mary Magdalen, Tobias and Raphael*, 1491-94, Tempera and oil on panel





Research Impact

This year our faculty continued to have substantial impact on the discipline and its wider readership through their books and articles on a wide range of subjects. Highlights included Scott Nethersole's *Art and Violence in Early Renaissance Florence*, Yale University Press, 2018, which demonstrates The Courtauld's expansion of canonical European art historical subject matters by shedding light on the relationship between images, violence, artistic invention and authorship.

Our faculty also demonstrated its deep engagement with the global modern and contemporary: Jo Applin's *Not Working: Lee Lozano versus the Art World, 1961-1971*, Yale University Press 2018, which assures this important but idiosyncratic artist a key place in histories of postwar art; Sussan Babaie's collaboration with Venetia Porter and Natasha Morris, *Honar: The Afkhami Collection of Modern and Contemporary Iranian Art*, Phaidon Press 2017; Martin Caiger-Smith's major monograph, *Antony Gormley*, Rizzoli 2017; Gavin Parkinson's *Enchanted Ground: André Breton, Modernism and the Surrealist Appraisal of Fin-de-siècle Painting*, Bloomsbury, 2018; and Robin Schuldenfrei's *Luxury and Modernism: Architecture and the Object in Germany 1900-1933*, Princeton University Press, 2018.

A full list of publications can be found at the back of this Report.



The Courtauld Gallery

One of The Courtauld's absolute highlights this year was the exhibition *Soutine's Portraits: Cooks, Waiters and Bellboys* (19 October 2017 – 21 January 2018). This was the first Soutine exhibition to concentrate on his series of portraits of hotel and restaurant workers. In its focus, in its contribution to research, and in the quality and impact of the works, this project exemplified The Courtauld's approach to exhibitions. The exhibition enjoyed outstanding coverage in the national and international media.

The *Soutine's Portraits* exhibition was made possible by a coalition of funders and lenders of art. Particular thanks are given to the Friends of The Courtauld and the Garcia Family Foundation for their support of the exhibition. We also thank those donors such as The Schroder Foundation, Daniel Katz Ltd and the International Music and Art Foundation who provide essential funding to support the Gallery.





Three very different exhibitions were presented in the versatile and always inspiring Gilbert and Ildiko Butler Drawings Gallery. *Drawing Together* (30 September 2017 – 2 January 2018) was curated by Ben Thomas of the University of Kent. In its pairings of old and new, it aimed to provoke fresh ways of thinking about drawing as a creative act.

Antoine Caron: Drawing for Catherine de Medici (18 January – 15 April 2018) reunited a group of rare and important drawings produced by Caron for the Valois court. The project showcased valuable new research and significant international loans. Curated by Deanna Petherbridge and featuring a fine selection of drawings from the 16th to the late 20th century, *Artists at Work* (3 May – 15 July 2018) was organised in collaboration with the distinguished private collection of Katrin Bellinger.

Above: George Romney, 1734 – 1802, *Group of figures*, 1790, The Courtauld Gallery, London

Right: Installation of Antoine Caron: *Drawing for Catherine de Medici* and *Drawing Together* exhibition





Portrait of Sir Isaac Newton, 1689, by Sir Godfrey Kneller, Bt. Oil on canvas. 100 x 70 cm. The portrait of Sir Isaac Newton, painted by Sir Godfrey Kneller in 1689, is a full-length portrait of the scientist. Newton is shown standing, wearing a red coat and a white waistcoat. He is holding a book in his left hand. The portrait is part of the collection of the National Portrait Gallery, London.

Portrait of Sir Isaac Newton, 1689, by Sir Godfrey Kneller, Bt. Oil on canvas. 100 x 70 cm. The portrait of Sir Isaac Newton, painted by Sir Godfrey Kneller in 1689, is a full-length portrait of the scientist. Newton is shown standing, wearing a red coat and a white waistcoat. He is holding a book in his left hand. The portrait is part of the collection of the National Portrait Gallery, London.

Portrait of Sir Isaac Newton, 1689, by Sir Godfrey Kneller, Bt. Oil on canvas. 100 x 70 cm. The portrait of Sir Isaac Newton, painted by Sir Godfrey Kneller in 1689, is a full-length portrait of the scientist. Newton is shown standing, wearing a red coat and a white waistcoat. He is holding a book in his left hand. The portrait is part of the collection of the National Portrait Gallery, London.

Decant of artwork in storage began during the period this Report covers with the decant of artwork on display starting in September 2018

Shaping our future

Courtauld Connects is a visionary project which will transform The Courtauld as a physical place and as a cultural force.

The development will take place in two phases, starting from September 2018. The first phase will transform our Gallery and Conservation departments and will create a new Learning Centre, with dedicated spaces and facilities for schools, young people, families, adult learners, friends and volunteers.

As well as transforming visitor facilities, the project will ensure our building has significantly improved accessibility. New galleries will allow us to present a greater variety of work from The Courtauld Collection, and provide a larger, flexible space for a dynamic programme of temporary exhibitions. On the top floor, the Great Room will be restored to its original proportions, presenting the greatest collection of Impressionist artworks in the UK.

The project will greatly improve displays and lighting throughout the Gallery, with new interpretation of the permanent collection and historic Somerset House building, providing visitors with deeper insight into works by history's most famous artists and the social history of the architectural space in which The Courtauld is based.

Newly designed and expanded facilities will improve the work of our Conservation department, including the care of The Courtauld Collection, while newly integrated back of house facilities will allow for the better storage and handling of artworks.

The second phase of the project will complete the physical connections between the Gallery and the Institute, creating deep links between the university's outstanding research and our curatorial offer. Access will be improved throughout our building. Students, faculty members and gallery staff will benefit from enhanced academic and conservation facilities, befitting of our status as a world-leader in the study of the visual arts.

The number of working spaces in our vaulted Library will double, and improvements will be made to our teaching spaces and lecture theatre. The introduction of new, dedicated social learning spaces, along with the creation of spaces for research students, post-doctoral scholars and fellows, will create a more dynamic research and teaching culture.

All teaching and learning at The Courtauld (our degree programmes, public programmes and Research Forum events) will continue to run while the Courtauld Connects project is underway (see *A second Campus for The Courtauld*). Working with Stirling Prize Winning architects, Witherford Watson, Mann, our home in the North Block of Somerset House will be transformed into a space that is accessible to all and suitable to the 21st century. We will have a physical setting appropriate to our ambitions.

In 2017/18 we secured planning permission and Listed Building Consent and completed the RIBA Stage 3 architectural proposals. The decant of our artwork to a temporary off-site location began this year following extensive market testing and site research.

Below: Computer generated image of The Great Room





Engaging new audiences

Courtauld Connects is enabling us to engage with wider and more diverse audiences locally, nationally and internationally, through an inclusive programme of activity inspired by our historic site, expertise in art history, conservation and curating.

Inspired by our engagement with the Heritage Lottery Fund, an exciting and engaging Activity Plan was developed this year and a range of programmes have already started, including:

Courtauld National – a programme of activity engaging with people living in areas where Courtaulds Ltd had a significant industrial presence. A newly established regional partnership programme saw pictures from our collection such as Cezanne's *Card Players*, Degas's *Two Dancers on a Stage*, Modigliani's *Female Nude* and Manet's *Dejeuner sur l'Herbe* travelled to museums in Hull, Preston, Belfast and Coventry.

New projects exploring the history of local architecture were piloted with partners with different strands designed for primary, secondary and sixth form including with Holywell High School in Flintshire, North Wales (pictured above visiting The Courtauld Gallery with Helen Higgins, Oak Foundation Young People's Programme Manager).



Right: Courtauld alumna
Anne Stewart, Senior
Art Curator at the Ulster
Museum, Belfast with
Modigliani's *Female Nude*



Courtauld Collections Digitisation and Courtauld Volunteers

– the conservation, digitisation, cataloguing and online publication of The Courtauld’s original and almost wholly unpublished print and negative collections from the Conway Library, the Laib Collection and the Kersting Archive – a resource of over 1.1million images.

This project forms part of the HLF activities within *Courtauld Connects* and is staffed entirely by volunteers. In 2017/18 a team of 174 volunteers from diverse backgrounds, a third of who had not heard of The Courtauld, worked on the digitisation of the Conway Library, a collection of almost a million images of architecture and sculpture dating from the inception of photography to the present day. Six sessions ran this year exploring strategies for cataloguing images covering themes such as storytelling and keywording.

Open Courtauld – a new public-facing strand within the Research Forum which this year included a sell-out evening of pop-up talks, performances and exhibitions at our flagship research event ResFest 18. Other events as part of this strand included a pivotal lecture series entitled *Gender Matters*, a series of lectures and debates examining gender balance within the art world.



Above: Volunteers at work in the digitisation studio

A second campus for The Courtauld

Teaching and learning will temporarily relocate to a new campus at Vernon Square, between King's Cross, Clerkenwell and Bloomsbury, to protect the student experience as a whole and to ensure that students are not disrupted by the building works.

Vernon Square is a spacious, purpose-built educational facility, formerly used as a school and university campus. Fit out work started this year in preparation for the move in December and opening in January 2019. Our new campus will provide an opportunity to test new ideas and experiment with design and different methods of teaching and learning in new spaces. For the first time, our teaching and learning in art history, conservation and curating will be housed in a fully accessible building.





Bagrati Cathedral, one of the sites being examined as part of the Crossing Frontiers project

Making it happen

The Courtauld's work would not be possible without philanthropic funding from individuals, foundations, corporations and public grant-making bodies. We are extremely grateful to the 527 donors who contributed financially to The Courtauld in 2017/18 and thank every single one for their generosity. As demonstrated throughout this Report, the extraordinary impact of philanthropy has been felt across The Courtauld, with grants and donations enabling core activities of teaching, research, public programmes, exhibitions, care of the collections, conservation and library resources. Philanthropic funding has provided essential support for our major transformation project Courtauld Connects as well as contributing to the endowment and a range of special initiatives.

Teaching and research underpins all that we do and has benefitted from support from a range of donors. We thank The Andrew W. Mellon Foundation for its continued support of the Research Forum / Andrew W. Mellon Foundation MA and the Andrew W Mellon Reader in the Arts of Islam and Iran, the Terra Foundation for supporting the Centre for American Art, The Sackler Trust for supporting the Research Forum, and the Getty Foundation for its continued support of *Crossing Frontiers*, a unique programme investigating cross-cultural interactions along the eastern frontier between Christianity and Islam in the Middle Ages.

Philanthropy is an important driving force in realising The Courtauld's long-term strategy to increase its focus on non-western art traditions. A generous endowment from The Robert H.N. Ho Family Foundation supports our Centre for Buddhist Art and Conservation, which provides a unique approach to the study of the history and conservation of Buddhist art. The Courtauld's signature MA in Buddhist Art: History and Conservation, run in collaboration with the School of Oriental and African Studies, re-examines the subject through the lenses of religion, history, art history and conservation.

Support from a variety of sources allowed The Courtauld's public programmes and outreach initiatives to thrive, including grants from the Dr Michael and Anna Brynberg Charitable Foundation, and The Oak Foundation. The Oak Foundation Young People's Programme offers engaging activities for students from non-selective state schools and colleges, in London and beyond.

Alumni and friends responded enthusiastically an appeal for an X-Radiography Fund, in memory of Sir Robert Bruce-Gardner (MA 1970), former Head of the Department of Conservation and Technology. The fund will advance The Courtauld's x-radiography capabilities and enable staff and students to undertake close technical examination of paintings and help reveal important details that cannot be seen with the naked eye.

Strategic Report

There are two main aspects of The Courtauld's core business – the University and the Gallery. A College of the University of London, the University 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 Gallery cares for one of the world's most famous collections of paintings, drawings, sculpture and decorative arts, 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.

A key focus this year has been the implementation of our Strategic Plan to 2019 while also working to refresh the Vision, Mission, Objectives and Strategic Plan for the next 10 years. The objectives of the Strategic Plan are to:

- Give all students a consistently excellent experience
- Play a leading role in developing scholarship and teaching in art history, conservation and curating, in dialogue with other fields of enquiry
- Develop our public offer at the highest level of quality that increases our reputation and builds and extends audiences
- Secure the sustainability of The Courtauld
- Take advantage of new technologies to support our Mission
- Ensure the infrastructure of the estate and its facilities are fit for The Courtauld's needs

Whilst –

- Optimising the skills and talents of our staff and promoting a collaborative culture.

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 2015 and in accordance with the Financial Reporting Standard (FRS) 102.

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

	2018 £'000	2017 £'000
Income	23,538	19,479
Expenditure	19,191	17,422
Surplus before other gains and losses	4,347	2,057
Gain on investments	2,688	4,330
Taxation	(1)	(1)
Revaluation of heritage assets	261	-
Total comprehensive income for the year	7,295	6,386
Represented by		
Endowment comprehensive income for the year	2,091	3,237
Restricted comprehensive income for the year	5,203	1,135
Unrestricted comprehensive income for the year	(260)	2,014
Revaluation reserve comprehensive income for the year	261	-

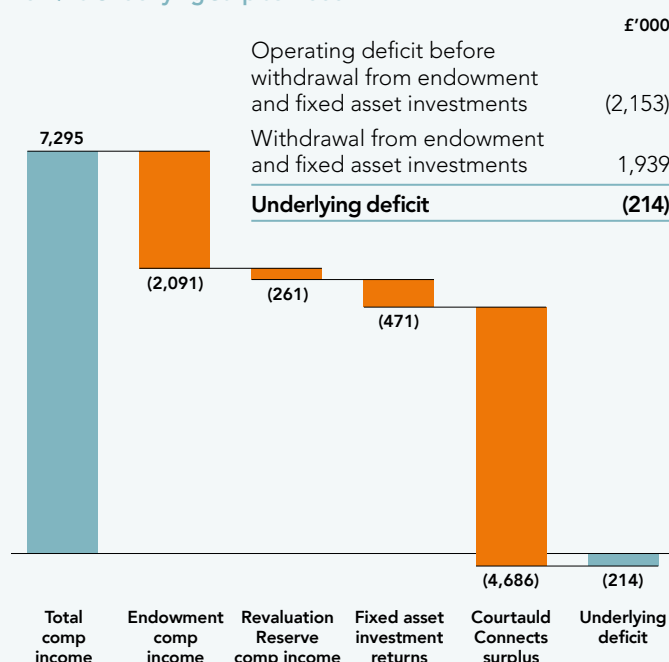
The consolidated results show a total for restricted and unrestricted comprehensive income of £4,943,000 compared to £3,149,000 last year. This includes the change in fixed asset investments from investment income and market value gain over and above the planned redemption to support the operations of The Courtauld.

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 £471,000, compared to £912,000 in 2016/17.

Excluding this unplanned change in fixed asset investments, the surplus for the group was £4,472,000 compared to a surplus of £2,237,000 in 2016/17. This surplus includes a net surplus of £4,686,000 (2016/17 £1,289,000) arising from fund raising and grants for the Courtauld Connects project exceeding project expenses. Most of the project costs are incurred as capital expenditure.

The underlying deficit was £214,000 (2016/17 £948,000 surplus) as shown in the chart and includes withdrawals from endowment and fixed asset investments of £1,939,000 (2016/17 £1,840,000). The deterioration to an underlying deficit is driven by lower income including for non-project fundraising and research grants, and an increase in costs, particularly for staff costs and professional advice on technical matters.

2017/18 Underlying Surplus £'000



The endowment comprehensive income decreased to £2,091,000 from £3,237,000 in 2016/17. This includes new donations to the endowment of £600,000 (2016/17 £327,000) as well as investment income and market value gains in excess of withdrawals of £1,491,000 (2016/17 £2,910,000).

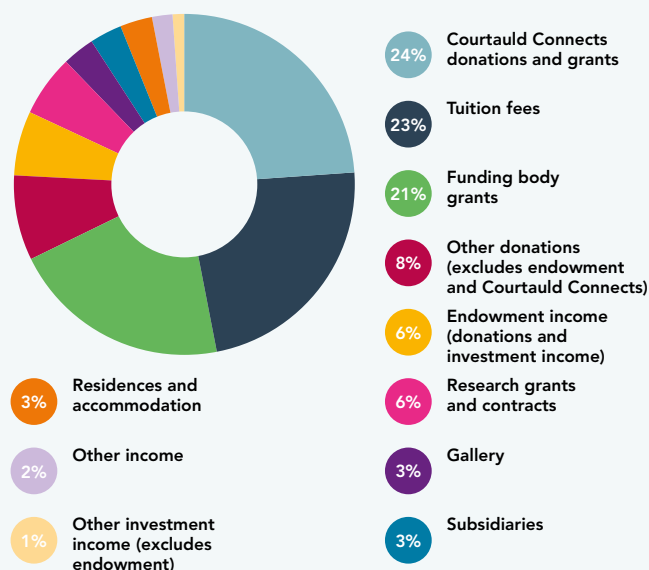
Courtauld Connects

The Courtauld Connects project received donations and grants, and incurred staff and other expenses resulting in a net surplus in the year of £4,686,000 (2016/17 £1,289,000). The project incurred £2,471,000 of capital expenditure bringing the project related capital cost held within Fixed Assets at the balance sheet date to £4,801,000. £3,693,000 is held in restricted reserves and £1,000,000 in deferred income 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, the Higher Education Funding Council for England (HEFCE) until 31 March 2018, research grants and contracts, tuition fees, philanthropic income, Gallery admissions income to the permanent collection and temporary exhibitions and displays, 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. The HEFCE Reviewing Panel noted the 'extraordinary influence of the institution and its graduates in art history and art curation'.

2018 – How the Courtauld earned its £23,538,000 income



The group's income can be summarised by type as follows:

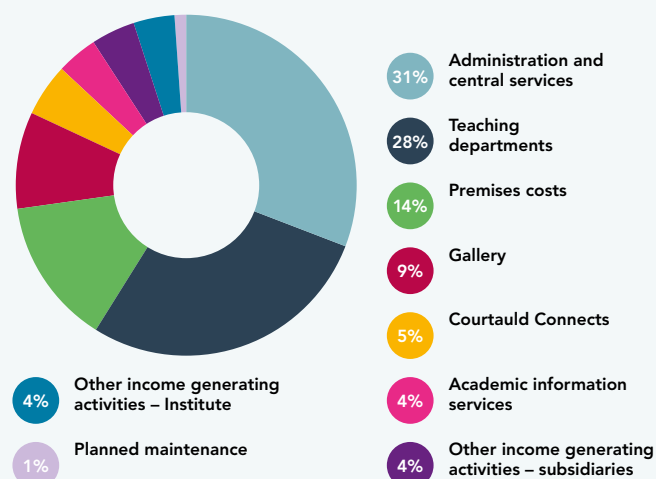
	2018 £'000	2017 £'000	Change %
Tuition fees and education contracts	5,405	4,940	9%
Funding body grants	4,853	4,756	2%
Research grants and contracts	1,488	1,727	(14%)
Other income	2,768	3,181	(13%)
Investment income	1,220	1,338	(9%)
Donations and endowments	7,804	3,537	121%
Total Income	23,538	19,479	21%

Total group income for the year was £23,538,000, an increase of 21% compared to 2016/17.

Tuition fees increased by 9% due to increases in overseas and EU undergraduate student numbers and fees and in postgraduate student numbers and fees. Funding body grants remained broadly flat following the increase in 2016/17 in the HEFCE small specialist institution funding. Research grants reduced as a significant research project approached its conclusion. Other income decreased by 13% mainly due to the bulk of the Heritage Lottery Fund development grant funding towards the Courtauld Connects project being received in 2017. Income from donations and endowments increased by 121% due to donations for Courtauld Connects received in the year.

Group Expenditure

2018 – How The Courtauld spent its £19,191,000 expenditure



The group's expenditure can be summarised by type as follows:

	2018 £'000	2017 £'000	Change %
Staff costs	8,700	8,296	5%
Other operating expenses	9,995	8,498	17%
Depreciation, amortisation and impairment	504	598	(16%)
Interest and other finance costs	32	30	7%
Total Income	19,191	17,422	10%

Total group expenditure for the year was £19,191,000, an increase of 10% compared to 2016/17. Staff costs increased by 5% driven by pay progression and cost of living increases. Other operating expenditure increased by 17%. Within this, Courtauld Connects project costs increased to £1,011,000 (2016/17 £249,000) as the project moved towards implementation and the costs of art storage and temporary accommodation impacted. There was also an increase in professional fees in relation to meeting future property needs and minor restructuring. The depreciation, amortisation and impairment cost reduced as more assets reached the end of their useful economic lives.

Gain on investments

	2018 £'000	2017 £'000	Change %
Gain on investments	2,688	4,330	(38%)

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

Net Assets

As at 31 July 2018 the group reported net assets of £62,589,000 compared to net assets of £55,294,000 in the prior year. This increase was driven by higher cash balances by £3,775,000 mainly from donations received for Courtauld Connects in excess of spend to date, an increase in investments of £2,562,000 from donations to the endowment, investment returns and growth in market value and by an increase in fixed assets of £1,938,000 mainly relating to the Courtauld Connects project.

Net current assets as at 31 July 2018 were £1,592,000, an increase of £2,293,000 from £701,000 net liabilities in the prior year. This was due mainly to increased cash balances for Courtauld Connects partly offset by higher creditors due mainly to higher levels of deferred income carried forward to future years including an element relating to Courtauld Connects.

The pension fund deficit obligation provision decreased during the year to £1,201,000 due mainly to deficit contributions paid.

Investments

The Courtauld Institute of Art Investments Committee is responsible for oversight of the endowment and fixed asset investments. 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 £530,000 which was been recognised in the investment assets' value. In the prior year there was an asset on the forward hedging contract of £373,000.

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.

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

	£'000
Balance brought forward at 1 August 2017	
Capital	37,501
Unapplied Total Returns	12,036
	49,537
Additions	600
Investment income	1,213
Increase in market value of investments held	2,688
Disposal/redemption of investments	(1,939)
Balance at 31 July 2018	52,099
Represented by:	
Unit Trusts and Investment Trusts	47,174
Cash balances	5,455
Forward hedging contract	(530)
	52,099

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.

Office for Students (previously HEFCE) Key Performance Indicators (KPIs)

The nature of our operating structure means that a number of the KPIs used by OfS (previously HEFCE) to assess performance are not directly relevant to The Courtauld. However the following measures in respect of the 2017/18 financial year should be noted:

- Discretionary reserves excluding pension liability as at 31 July 2018 stood at £15,570,000 (2016/17 £13,121,000), or 66.1% (2016/17 67.4%) of total income;
- Total external borrowing as at 31 July 2018 represented just 1.0% (2016/17 2.4%) of total income; and
- Staff costs for the year represented 37.0% (2016/17 42.6%) of total income.

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 Internal Controls' (see page 24). The process employed by The Courtauld for managing risk has been strengthened further this year. The following key risks have been identified by the Senior Management Team:

- Courtauld Connects fails to achieve its objectives
- Failure to have a coherent and compelling strategy and masterplan for The Courtauld
- Significant reduction/withdrawal of Government core funding in the medium/long term
- Failure to recruit and retain students

The robustness of the review process has been independently audited to ensure it reflects best practice in small specialist institutions and regulatory requirements. The Internal Auditors noted that each risk recorded in the Strategic Risk Register has clear ownership and development actions.

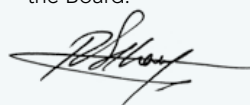
Longer Term Prospects

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. The Strategic Plan covering the five year period to July 2019 was approved by the Governing Board in July 2014. This plan set out The Courtauld's strategic objectives to 2019 and priority actions to support their delivery. 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 work continued through the year on the development phase of the project with a view to moving to delivery early in the 2018/19 year.

During the year there was work to refresh the Vision, Mission, Objectives and Strategic Plan for the next 10 years and that is now well advanced. This places the delivery of Courtauld Connects and realisation of the many benefits it will bring at its core.

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.

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



Robert Thorpe
Company Secretary

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').

A review of compliance against the most recent version of the Code (December 2014) was undertaken in the 2017/18 academic year, in accordance with the Code's requirement for a review every four years. The Governing Board complied with the mandatory conditions of the Code, though a number of areas identified where controls could be strengthened further:

- Strengthening monitoring of all aspects of the institution's sustainability through specific, agreed Key Performance Indicators (KPIs) (3.3)
- A review of the delegated authority of accountable officer (3.6)
- To formalise reporting arrangements of the Remuneration Committee to the Governing Board and refresh the Remuneration Committee terms of reference to refer to the requirements of the Code and the CUC Higher Education Senior Staff Remuneration Code. (3.15/6)
- To further develop reporting arrangements regarding equality and diversity (6.4)
- To improve the induction process for all members of the Governing Board (7.5)

These will be addressed as part of an independent review of governance, which began in 2017/18 and a number of proposals to streamline and improve the governance structure were approved in principle by the Governing Board at its meeting of July 2018. The proposals will be finalised and implemented across the next academic year. The proposals have been drawn up to comply with the CUC Higher Education Code of Governance and other regulatory codes of practice.

In addition to the CUC guide, The Courtauld is guided by the Office for Students (formerly HEFCE) 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 Audit 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 Institute'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; and
- to manage them effectively, efficiently and economically.

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 2018 and up to the date of approval of the financial statements, and accords with Office for Students guidance.

Governing Board and its Committees

The Governing Board meets three times a year and has several sub-committees which are as follows: Academic Board, Academic Promotions Committee, Audit Committee, Finance Committee, Gallery and Academic Committee, Honorary Degrees Committee, Honorary Fellows Committee, Investments Committee, Nominations Committee, and Remuneration Committee. All of these Committees are formally constituted with terms of reference. In all cases, the majority of the membership is lay and each of the Committees has a lay chair. The Directors who serve on each committee are identified on page 7.

The Academic Board is the institute 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 the approval of any such promotions they consider to be appropriate.

The Audit Committee meets twice a year and is responsible for advising the Governing Board on the appointment or dismissal of the internal and external auditors; to review the effectiveness of internal controls; to receive reports from the National Audit Office or Office for Students; to consider audit reports from the internal and external auditors and management's response to those reports; to review the arrangements for the identification and management of risk; to advise the Governing Board on accounting policies and to review the Institute's annual report and accounts, before their submission to the Governing Board. The internal auditors and the 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, all of whom are lay, in the absence of the officers.

The Finance Committee meets three times a year and is responsible to the Governing Board for the financial management

of The Courtauld. It advises the Board of Governors on all financial matters, in particular the annual estimates and accounts, matters regarding the strategic plan and the financial forecasts; on risks to the strategic plan; and other general issues. The Gallery and Academic Committee meets three times a year and deals on the Governing Board's behalf with matters referred to the Board from the academic activities of the Institute and with the Gallery and the relationship with the Samuel Courtauld Trust.

The Honorary Degrees Committee meets annually to request, collect and consider nominations for the award of an Honorary Doctorate of the University of London by The Courtauld Institute of Art in accordance with Regulation two of the University of London and in accordance with procedures approved by the Governing Board, and to send recommendations for such awards to the Governing Board for approval. The Honorary Fellows Committee meets annually to request, collect and consider nominations for Honorary Fellows and Emeritus Professorships and to send suitable recommendations for all such awards to the Governing Board for approval.

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 Nominations Committee meets at least annually. Its role is to recommend criteria to the Governing Board, for selection and de-selection to the full range of lay and honorific appointments within The Courtauld on the conditions under which such appointments might be held; and to search for those whom the Board might wish to appoint to: lay governorship, lay chairmanships and lay membership of Courtauld committees and other bodies; and such other grades of lay or honorific appointment as the Board may wish from time to time to establish (except those appointed via the Academic Board or Students' Union).

The Remuneration Committee meets at least once a year and considers and recommends the salaries of all existing professorial staff and other staff on equivalent grades; and receives reports on salaries of members of staff newly-appointed or promoted to this level. It considers and determines the honoraria of senior academic office holders. It reports to the Governing Board on policy matters relating to senior salaries and it keeps under review policies for severance payments for professorial and equivalent staff. It recommends the salary of the Director and the Director of Operations (Company Secretary).

Risk Management and Internal Controls

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 Director of Operations' Strategic Report, this year there were further improvements to the Risk Management framework, which was established in September 2016.

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

- maintained a risk management policy for the Institute, setting out principles, processes, responsibilities and key risk areas;
- reviewed the strategic risk register, setting out key risks and how they are to be managed;
- received reports from the Audit Committee on the processes governing the identification and management of risk;
- 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 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 Committee responsibility); and
- the effectiveness of the identification and management of risk per se (ultimately a Board responsibility).

Statement of Governing Board's Responsibilities in respect of the Strategic Report and the Financial Statements

The Governing Board is responsible for preparing the Strategic 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 University 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 2015 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 University 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 is 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;
- funds provided by HEFCE have been applied in accordance with the Memorandum of Assurance and Accountability and any other 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 2018 which comprise the Consolidated and Institute Statement of Comprehensive Income and Expenditure, Consolidated and Institute Statement of Changes in Reserves, Consolidated and Institute Balance Sheet, Consolidated Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the Institute's affairs as at 31 July 2018, and of the Group's and 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;
- 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 with the 2015 *Statement of Recommended Practice – Accounting for Further and Higher Education*;
- meet the requirements of the Accounts Direction dated 19 June 2018 issued by the Office for Students; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities 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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The Governing Board is responsible for the other information, which comprises the Strategic 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 and the Governance Statement, which together constitute the directors' report for the financial year, 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 25, 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

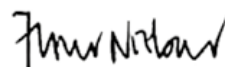
We are required to report on the following matters under the Office for Students and Research England Audit Codes of Practice issued under the Further and Higher Education Act 1992.

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;
- funds provided by the Office for Students and Research England have been applied in accordance with the terms and conditions attached to them; and
- funds provided by HEFCE have been applied in accordance with the Memorandum of Assurance and Accountability and any other terms and conditions attached to them.

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 the 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
Canary Wharf
London E14 5GL

29 November 2018

Consolidated and Institute Statement of Comprehensive Income and Expenditure

Year ended 31 July 2018

		Year ended 31 July 2018		Year ended 31 July 2017	
	Notes	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Income					
Tuition fees and education contracts	1	5,405	5,405	4,940	4,940
Funding body grants	2	4,853	4,853	4,756	4,756
Research grants and contracts	3	1,488	1,488	1,727	1,727
Other income	4	2,768	2,196	3,181	2,596
Investment income	5	1,220	1,220	1,338	1,338
Total income before endowments and donations		15,734	15,162	15,942	15,357
Donations and endowments	6	7,804	7,804	3,537	3,537
Total income		23,538	22,966	19,479	18,894
Expenditure					
Staff costs	7	8,700	8,295	8,296	7,942
Other operating expenses		9,955	9,797	8,498	8,276
Depreciation and amortisation	10/11	504	483	598	587
Interest and other finance costs	8	32	32	30	30
Total expenditure	9	19,191	18,607	17,422	16,835
Surplus before other gains losses and share of operating surplus/deficit of joint ventures and associates		4,347	4,359	2,057	2,059
Gain on investments		2,688	2,688	4,330	4,330
Surplus before tax		7,035	7,047	6,387	6,389
Taxation		(1)	-	(1)	-
Surplus for the year		7,034	7,047	6,386	6,389
Revaluation of heritage assets		261	261	-	-
Total comprehensive income for the year		7,295	7,308	6,386	6,389
Represented by:					
Endowment comprehensive income for the year		2,091	2,091	3,237	3,237
Restricted comprehensive income for the year		5,203	5,203	1,135	1,135
Unrestricted comprehensive income for the year		(260)	(247)	2,014	2,017
Revaluation reserve comprehensive income for the year		261	261	-	-
		7,295	7,308	6,386	6,389
Surplus for the year attributable to:					
Non controlling interest		-	-	-	-
Institute		7,034	7,047	6,386	6,389
Total Comprehensive income for the year attributable to					
Non controlling interest		-	-	-	-
Institute		7,295	7,308	6,386	6,389

All items of income and expenditure relate to continuing activities

Consolidated and Institute Statement of Changes in Reserves

Year ended 31 July 2018

Consolidated	Note	Income and expenditure account			Revaluation reserve	Total excluding non controlling interest	Non controlling interest	Total
		<i>Endowment</i>	<i>Restricted</i>	<i>Unrestricted</i>				
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2016		34,394	3,420	8,865	2,229	48,908	-	48,908
Surplus/(deficit) from the income and expenditure statement		3,237	1,135	2,014	-	6,386	-	6,386
Release of restricted funds spent in year		-	(930)	930	-	-	-	-
Total comprehensive income for the year		3,237	205	2,944	-	6,386	-	6,386
Balance at 31 July 2017		37,631	3,625	11,809	2,229	55,294	-	55,294
Surplus/(deficit) from the income and expenditure statement		2,091	5,203	(260)	-	7,034	-	7,034
Revaluation of heritage assets in year		-	-	-	261	261	-	261
Release of restricted funds spent in year	20	-	(2,820)	2,820	-	-	-	-
Total comprehensive income for the year		2,091	2,383	2,560	261	7,295	-	7,295
Balance at 31 July 2018		39,722	6,008	14,369	2,490	62,589	-	62,589


Institute	Note	Income and expenditure account			Revaluation reserve	Total excluding non controlling interest	Non controlling interest	Total
		<i>Endowment</i>	<i>Restricted</i>	<i>Unrestricted</i>				
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Restated balance at 1 August 2016		34,394	3,420	8,758	2,229	48,801	-	48,801
Surplus/(deficit) from the income and expenditure statement		3,237	1,135	2,017	-	6,389	-	6,389
Release of restricted funds spent in year		-	(930)	930	-	-	-	-
		3,237	205	2,947	-	6,389	-	6,389
Balance at 31 July 2017		37,631	3,625	11,705	2,229	55,190	-	55,190
Surplus/(deficit) from the income and expenditure statement		2,091	5,203	(247)	-	7,047	-	7,047
Revaluation of heritage assets in year		-	-	-	261	261	-	261
Release of restricted funds spent in year	20	-	(2,820)	2,820	-	-	-	-
Total comprehensive income for the year		2,091	2,383	2,573	261	7,308	-	7,308
Balance at 31 July 2018		39,722	6,008	14,278	2,490	62,498	-	62,498

Consolidated and Institute Balance Sheet

	Notes	As at 31 July 2018		As at 31 July 2017	
		Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Non-current assets					
Intangible assets	10	114	114	173	173
Fixed assets	11	6,232	6,232	4,294	4,282
Heritage assets	11	3,793	3,793	3,532	3,532
Investments	12	52,099	52,099	49,537	49,537
		62,238	62,238	57,536	57,524
Current assets					
Stock	13	40	-	95	12
Trade and other receivables	14	926	918	867	907
Cash and cash equivalents	21	5,088	4,982	1,313	1,231
		6,054	5,900	2,275	2,150
Less: Creditors: amounts falling due within one year	15	(4,462)	(4,427)	(2,976)	(2,948)
Net current (liabilities)/assets		1,592	1,473	(701)	(798)
Total assets less current liabilities		63,830	63,711	56,835	56,726
Creditors: amounts falling due after more than one year	16	(12)	(12)	(224)	(224)
Provisions					
Pension provisions	17	(1,201)	(1,201)	(1,312)	(1,312)
Other provisions	17	(28)	-	(5)	-
Total net assets		62,589	62,498	55,294	55,190
Restricted Reserves					
Income and expenditure reserve – endowment reserve	19	39,722	39,722	37,631	37,631
Income and expenditure reserve – restricted reserve	20	6,008	6,008	3,625	3,625
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		14,369	14,278	11,809	11,705
Revaluation reserve		2,490	2,490	2,229	2,229
Total Reserves		62,589	62,498	55,294	55,190

The notes on pages 37 to 51 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 28 November 2018 and were signed on its behalf by



The Lord Browne of Madingley
Chairman of the Governing Board



Professor Deborah Anne Swallow
Märit Rausing Director

Consolidated Cash Flow Statement

Year ended 31 July 2018

	Notes	Year ended 31 July 2018 £'000	Year ended 31 July 2017 £'000
Cash flow from operating activities			
Surplus for the year		7,034	6,386
Adjustment for non-cash items			
Depreciation and amortisation	10/11	504	598
Donation of painting		-	(450)
Decrease/(increase) in stock	13	55	31
Decrease/(increase) in debtors	14	(59)	95
Increase/(decrease) in creditors	15	1,511	(259)
Increase/(decrease) in pension provision	17	(135)	58
Increase/(decrease) in other provisions	17	23	(687)
Adjustment for investing or financing activities			
Investment income	5	(1,220)	(1,338)
Interest payable	8	32	30
Gain on investments		(2,688)	(4,330)
New endowment donations	12	(600)	(327)
Net cash inflow/(outflow) from operating activities		4,457	(193)
Cash flows from investing activities			
Withdrawal of investments		1,939	1,840
Investment income	5	7	6
Payments made to acquire intangible assets	10	(11)	(198)
Payments made to acquire fixed assets	11	(2,372)	(1,481)
		(437)	167
Cash flows from financing activities			
Interest paid	8	(8)	(9)
Repayments of amounts borrowed	18	(212)	(212)
Capital element of finance lease payments	24	(25)	(25)
		(245)	(246)
Increase/(decrease) in cash and cash equivalents in the year		3,775	(272)
Cash and cash equivalents at beginning of the year	21	1,313	1,585
Cash and cash equivalents at end of the year	21	5,088	1,313

Statement of Principal Accounting Policies

1. Basis of preparation

The Courtauld Institute of Art is a company registered in England and Wales and the financial statements have been properly prepared in accordance with the provisions of the Companies Act.

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standards (FRS) 102. The Institute is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention.

2. Basis of consolidation

The consolidated financial statements include the Institute and all its subsidiaries for the financial year to 31 July 2018. 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.

3. Going Concern

The company's business activities and plans for the future are set out in the Strategic Report on page 20. The directors have considered these plans and the budget for the year ahead in their assessment of adopting the going concern basis for the preparation of these financial statements.

In making this assessment the directors have produced future forecasts which show that the company will be able to manage its working capital and existing resources to enable it to meet its liabilities as they fall due. The directors acknowledge that the impact of the current economic environment is uncertain, and are managing this uncertainty and its impact on the forecasts on a regular basis.

Based on these factors, the directors have prepared these financial statements on the 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.

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.

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:

1. Restricted donations – the donor has specified that the donation must be used for a particular objective.
2. 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.
3. 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
4. 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.

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 care 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 hypothecated 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'.

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 and the resulting expense 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.

As there was a Technical Provisions surplus at 31 March 2017, there is no defined benefit liability (i.e. the present value of any deficit contributions due to SAUL) to be recognised by The Courtauld.

SCT Enterprises Limited contributes to two defined contribution schemes 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.

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% per annum from the year of acquisition Computer equipment – 33% per annum from the year of acquisition

c) Rare books and artefacts

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 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, antique furniture and photographs 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:

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

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 2018

1. Tuition fees and education contracts

	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
UK Higher Education students	2,508	2,508	2,292	2,292
European Union (EU) (excluding UK) students	854	854	759	759
Non-EU students	1,993	1,993	1,799	1,799
Other education income	50	50	90	90
	5,405	5,405	4,940	4,940

2. Funding body grants

	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
HEFCE, OfS and Research England recurrent grants	4,701	4,701	4,693	4,693
HEFCE, OfS and Research England capital grants	152	152	63	63
	4,853	4,853	4,756	4,756

3. Research grants and contracts

	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Research councils	417	417	587	587
UK based charities	429	429	577	577
EU Charity	197	197	202	202
Other grants and contracts	445	445	361	361
	1,488	1,488	1,727	1,727

4. Other income

	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Other capital grants	-	-	10	10
The Courtauld Gallery- admissions and events	711	711	623	623
SCT Enterprises Ltd (The Gallery Shop)	650	78	658	73
Residences and accommodation	697	697	695	695
Other income	710	710	1,195	1,195
	2,768	2,196	3,181	2,596

5. Investment Income

	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Investment income on endowments	923	923	1,010	1,010
Investment income on general reserves	290	290	322	322
Other investment income	7	7	6	6
	1,220	1,220	1,338	1,338

6. Donations and endowments

	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
New endowments	600	600	327	327
Donations with restrictions	5,743	5,743	1,589	1,589
Unrestricted donations	1,461	1,461	1,621	1,621
	7,804	7,804	3,537	3,537

7. Staff costs

	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Staff Costs : Salaries	7,102	6,759	6,617	6,324
Social security costs	749	723	686	659
Movement on USS and SAUL provision	(12)	(12)	181	181
Other pension costs	861	825	812	778
	8,700	8,295	8,296	7,942

The above table includes charges for redundancy payments and payments under compromise agreements on exit of £181,317 for 12 staff (consolidated) and £129,160 for 4 staff (Institute) of which £141,655 for 10 staff (consolidated) and £119,497 for 3 staff (Institute) was paid after year end. 7 staff (consolidated) will leave as a result of the closure of the shop and Gallery during the Courtauld Connects project. There were no payments made in 2017.

Emoluments of the Director:

	£'000	£'000	£'000	£'000
Salary	195	195	191	191
	195	195	191	191

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's remuneration was set on her appointment in 2004 and is reviewed by the Remuneration Committee annually. It should be noted that the Director has taken no increases in excess of the annual cost of living rise since 2015, despite the considerable demands upon her, as described above

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 2018		Year ended 31 July 2017	
	Consolidated	Institute	Consolidated	Institute
Director's basis salary as a multiple of the median pay of staff on a full-time equivalent basis	6.22	6.05		
Director's total remuneration as a multiple of the median total remuneration of staff on a full-time equivalent basis	5.57	5.42		

Remuneration of other higher paid staff, excluding employer's pension contributions was:
£135,000 to £139,999
£145,000 to £149,999

	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated No.	Institute No.	Consolidated No.	Institute No.
	-	-	1	1
	1	1	-	-
	1	1	1	1
Average staff numbers by major category on a full-time equivalent basis :	No.	No.	No.	No.
Teaching departments	37	37	42	42
Gallery & Libraries	26	26	25	25
Administration and central services	61	61	56	56
Premises	3	3	4	4
Other	13	-	13	-
	140	127	140	127

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 2018		Year ended 31 July 2017	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Key management personnel compensation	980	980	855	855

8. Interest and other finance costs

	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Loan interest	8	8	9	9
Net charge on pension scheme	24	24	21	21
	32	32	30	30

9. Analysis of total expenditure by activity

	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Teaching departments	5,481	5,481	5,385	5,385
Academic information services	828	828	734	734
Gallery	1,768	1,925	1,531	1,681
Administration and central services	5,951	5,951	5,529	5,529
Premises costs	2,608	2,608	2,320	2,320
Planned maintenance	119	119	208	208
Maintenance provision	-	-	121	121
Courtauld Connects	1,011	1,011	249	249
Other income generating activities – Institute	684	684	608	608
Other income generating activities - subsidiaries	741	-	737	-
	19,191	18,607	17,422	16,835
Other operating expenses include:				
External auditors remuneration in respect of audit services	53	50	48	45
External auditors remuneration in respect of non-audit services	22	22	6	6
Land and buildings	1,266	1,266	1,083	1,083
Foreign currency exchange loss/(gain)	14	14	6	6

10. Intangible Assets

	2018 Consolidated £'000	2018 Institute £'000	2017 Consolidated £'000	2017 Institute £'000
Cost or valuation				
At start of year	198	198	-	-
Additions	11	11	198	198
Disposals	-	-	-	-
At end of year	209	209	198	198
Amortisation				
At start of year	25	25	-	-
Charge for the year	70	70	25	25
Disposals	-	-	-	-
At end of year	95	95	25	25
Net Book Value				
At end of year	114	114	173	173

11. Fixed Assets and Heritage Assets

Consolidated	Leasehold land and buildings £'000	Computer equipment £'000	General equipment £'000	Total Fixed Assets £'000	Rare books and artefacts £'000
Cost or valuation					
At 31 July 2017	5,603	915	1,196	7,714	3,532
Additions	2,361	2	9	2,372	-
Revaluation	-	-	-	-	261
Disposals	-	-	-	-	-
At 31 July 2018	7,964	917	1,205	10,086	3,793
Depreciation					
At 31 July 2017	1,858	775	787	3,420	-
Charge for the year	238	86	110	434	-
Disposals	-	-	-	-	-
At 31 July 2018	2,096	861	897	3,854	-
Net book value					
At 31 July 2018	5,868	56	308	6,232	3,793
At 31 July 2017	3,745	140	409	4,294	3,532

Institute	Leasehold land and buildings £'000	Computer equipment £'000	General equipment £'000	Total Fixed Assets £'000	Rare books and artefacts £'000
Cost and valuation					
At 31 July 2017	5,603	903	1,018	7,524	3,532
Additions	2,361	2	-	2,363	-
Revaluation	-	-	-	-	261
Disposals -	-	-	-	-	-
At 31 July 2018	7,964	905	1,018	9,887	3,793
Depreciation					
At 31 July 2017	1,858	762	622	3,242	-
Charge for the year	238	87	88	413	-
Disposals	-	-	-	-	-
At 31 July 2018	2,096	849	710	3,655	-
Net book value					
At 31 July 2018	5,868	56	308	6,232	3,793
At 31 July 2017	3,745	141	396	4,282	3,532

12. Investments

Consolidated and Institute	2018 £'000	2017 £'000
Fixed asset investments		
Balance brought forward at 1 August	11,906	10,994
Investment income	290	322
Increase in market value of investments held	642	1,048
Disposal/redemption of investments	(461)	(458)
Balance at 31 July	12,377	11,906
Represented by:		
Unit Trusts and Investment Trusts	11,207	10,535
Cash balances	1,296	1,281
Forward hedging contract debtor/(creditor)	(126)	90
	12,377	11,906
Endowment assets		
Balance brought forward at 1 August		
Capital	25,595	24,846
Unapplied Total Returns	12,036	9,548
	37,631	34,394
Additions (note 19)	600	327
Investment income	923	1,010
Increase in market value of investments held	2,046	3,282
Disposal/redemption of investments	(1,478)	(1,382)
Balance at 31 July	39,722	37,631
Represented by:		
Unit Trusts and Investment Trusts	35,967	33,299
Cash balances	4,159	4,049
Forward hedging contract debtor/(creditor)	(404)	283
	39,722	37,631
Total investment assets	52,099	49,537
Represented by:		
Unit Trusts and Investment Trusts	47,174	43,834
Cash balances	5,455	5,330
Forward hedging contract debtor/(creditor)	(530)	373
	52,099	49,537

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 £52.099m at 31 July 2018. (31 July 2017: £49.537m).

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 liability (2017: asset) on the forward hedging contract of £530,000 (2017: asset £373,000) which has been recognised in the investment assets' value. This was settled fully in October 2018 (2017: £70,000 received in October 2017).



13. Stock

	2018 Consolidated	2018 Institute	2017 Consolidated	2017 Institute
	£'000	£'000	£'000	£'000
Finished goods	40	-	95	12

14. Trade and other receivables

	2018 Consolidated	2018 Institute	2017 Consolidated	2017 Institute
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade and student debtors	121	120	330	330
Amounts due from subsidiary undertakings	-	4	-	52
Taxation and VAT recoverable	196	196	63	63
Other Accrued Revenue	154	154	319	319
Other debtors	46	41	36	36
Prepayments	472	466	271	259
	989	981	1,019	1,059
Less provision for doubtful debts	(63)	(63)	(152)	(152)
	926	918	867	907

15. Creditors: amounts falling due within one year

	2018 Consolidated	2018 Institute	2017 Consolidated	2017 Institute
	£'000	£'000	£'000	£'000
Bank loan	200	200	200	200
Energy efficiency loans programme	12	12	12	12
Obligations under finance leases	-	-	25	25
Trade creditors	517	509	516	506
Amounts due to subsidiary undertakings	-	5	-	2
Social security and other taxation payable	213	190	188	181
Accruals and Deferred income	3,515	3,506	2,030	2,017
Other creditors	5	5	5	5
	4,462	4,427	2,976	2,948

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.

	2018 Consolidated	2018 Institute	2017 Consolidated	2017 Institute
	£'000	£'000	£'000	£'000
Donations	1,270	1,270	691	691
Research grants received on account	7	7	55	55
Grant income	357	357	88	88
	1,634	1,634	834	834

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

	2018 Consolidated £'000	2018 Institute £'000	2017 Consolidated £'000	2017 Institute £'000
Unsecured Bank loan	-	-	200	200
Energy efficiency loans programme	12	12	24	24
	12	12	224	224
Analysis of secured and unsecured loans:				
Due within one year or on demand (Note 15)	212	212	212	212
Due between one and two years	12	12	212	212
Due between two and five years	-	-	12	12
Due after more than one year	12	12	224	224
Total secured and unsecured loans	224	224	436	436

17. Provisions for liabilities

Consolidated

	Obligation to fund deficit on USS & SAUL Pensions £'000	Deferred Tax £'000	Other provisions £'000
At 1 August 2017	1,312	5	-
Utilised in year	(123)	-	-
Additions in 2017/18	(12)	1	22
Pension interest charge in the year	24	-	-
At 31 July 2018	1,201	6	22

Institute

	Obligation to fund deficit on USS & SAUL Pensions £'000
At 1 August 2017	1,312
Utilised in year	(123)
Additions in 2017/18	(12)
Pension interest charge in the year	24
At 31 July 2018	1,201

Obligation to fund deficit on USS and SAUL Pensions

The obligation to fund the past deficit on the Universities' Superannuation Scheme (USS) and the Superannuation Scheme of the University of London (SAUL) arises from the contractual obligations with the pension schemes for total payments relating to benefits arising from past performance. Management has assessed future employees within the schemes and salary payment over the period of the contracted obligation in assessing the value of this provision.



18. Financial assets and liabilities

	2018			2017		
	Current £'000	Non-current £'000	Total £'000	Current £'000	Non-current £'000	Total £'000
Financial assets						
Investments	-	52,099	52,099	-	49,537	49,537
Trade and other receivables	167	-	167	366	-	366
Cash	5,088	-	5,088	1,313	-	1,313
	5,255	52,099	57,354	1,679	49,537	51,216
Financial liabilities						
Bank loan	(200)	-	(200)	(200)	(200)	(400)
Energy efficiency loans programme	(12)	(12)	(24)	(12)	(24)	(36)
Obligations under finance leases	-	-	-	(25)	-	(25)
Trade and other payables	(522)	-	(522)	(521)	-	(521)
	(734)	(12)	(746)	(758)	(224)	(982)
Total financial assets/(liabilities)	4,521	52,087	56,608	921	49,313	50,234

The bank loan is the remaining balance from a five year fixed term loan of £1,000,000 agreed on 30 June 2014. Interest is payable at a rate of 1.25% above LIBOR. The energy efficiency loans programme loan was agreed during 2015/16 to fund energy efficiency works and is interest free and repayable over 4 years.

Financial risk management objectives and policies

Market risk

The primary objective of the holding in endowment assets is to ensure that The Courtauld has ensuring 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. The 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 ensuring 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 2018 £'000	Total 2017 £'000
At 1 August 2017						
Capital	11,799	7,941	19,740	5,855	25,595	24,846
Unapplied Total Returns	4,300	7,736	12,036	-	12,036	9,548
	16,099	15,677	31,776	5,855	37,631	34,394
Received in the year (note 6)	-	107	107	493	600	327
Investment income (note 5)	392	383	775	148	923	1,010
Gains in market value	869	849	1,718	328	2,046	3,282
Total returns transferred to income & expenditure account	(1,261)	(1,232)	(2,493)	(476)	(2,969)	(4,292)
Unapplied total returns retained in endowment reserves	604	681	1,285	206	1,491	2,910
At 31 July 2018						
Capital	11,799	8,048	19,847	6,554	26,401	25,595
Unapplied Total Returns	4,904	8,417	13,321		13,321	12,036
	16,703	16,465	33,168	6,554	39,722	37,631
Representing						
Fellowships and scholarships funds	465	281	746	2,719	3,465	2,888
Prizes funds	2,107	-	2,107	-	2,107	2,018
Chairs and lectureships funds	10,419	-	10,419	2,317	12,736	12,315
Other funds	3,712	16,185	19,897	1,517	21,414	20,410
	16,703	16,466	33,169	6,553	39,722	37,631

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 and Expenditure Account, to cover any residual operating deficit of the Institute.

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.

Included within the table above, the Institute holds four 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:

	Lisbet Rausing £'000	The Garfield Weston Foundation £'000	The Deborah Loeb Brice Foundation £'000	The Robert HN Ho Family Foundation £'000
At 1 August 2017				
Capital	5,000	1,000	2,491	2,500
Unapplied Total Returns	5,443	1,279	853	497
	10,443	2,279	3,344	2,997
Additions	254	56	81	73
Investment income	564	123	180	162
Gains in market value				
Total Returns transferred to income & expenditure account	(818)	(179)	(261)	(235)
Unapplied total returns retained in endowment reserves	443	99	164	44
At 31 July 2018				
Capital	5,000	1,000	2,491	2,500
Unapplied Total Returns	5,886	1,378	1,017	541
	10,886	2,378	3,508	3,041

20. Restricted Reserves

Reserves with restrictions are as follow:

	Unspent capital grants	Courtauld Connects donations	Donations	CIAF Reserves	2017 Total
	£'000	£'000	£'000	£'000	£'000
Balances at 1 August 2017	540	1,478	1,107	500	3,625
New donations (note 6)	-	4,973	770	-	5,743
Capital grants and donations utilised	(62)	(2,758)	-	-	(2,820)
Expenditure	-	-	(540)	-	(540)
At 31 July 2018	478	3,693	1,337	500	6,008

A separate category of restricted reserves for donations towards the Courtauld Connects project has been added for 2016/17 and past donations and grants for the project have been reclassified into the opening balance of this category.

Analysis of other restricted funds /donations by type of purpose:

	2018 Total
	£'000
Scholarships	218
Funded Posts	24
Gallery	274
General	821
	1,337

21. Cash and cash equivalents

	At 1st August 2017	Cash Flows	At 31st July 2018
	£'000	£'000	£'000
Consolidated			
Cash and cash equivalents	1,313	3,775	5,088

22. Capital and other commitments

Consolidated and Institute

Provision has not been made for the following capital commitments at 31 July 2018:

	2018	2017
	£'000	£'000
Commitments contracted for	566	33
	566	33

The commitment is for Courtauld Connects works, fitout to the new temporary accommodation to be occupied during Courtauld Connects and the replacement of printers.

The prior year commitment relates to software purchases relating to library collections management.

23. Lease obligations

Consolidated and Institute

Total rentals payable under operating leases:

	2018	2017
	£'000	£'000
Payable during the year	1,263	1,080
Future minimum lease payments due:		
Not later than 1 year	1,202	1,105
Later than 1 year and not later than 5 years	2,221	2,237
Later than 5 years	961	1,485
Total lease payments due	4,384	4,827

The Institute occupies the North block of Somerset House under a lease dated 1 December 1987. The annual rent payable under the terms of the lease is subject to review every five years. The most recent review, with an effective date of June 2012, was resolved in July 2014. The current terms include a peppercorn rent on the 'fine rooms' which house the public area of The Courtauld Gallery.

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 May 2014, the Institute entered into a 15 year lease (with a one year break clause) for a suite of rooms in the New Wing of Somerset House. Notice was given to exit this lease with effect from 31 May 2019.

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 the refresh of network switches carried out in 2015/16. There is an option to purchase the asset at the end of the lease for £100. The carrying amount of the asset at 31 July 2018 was £23,000 (2017: £52,000).

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

	2018	2017
	£'000	£'000
Not later than one year	-	25
Later than one year and not later than five years	-	-
Later than five years	-	-
	-	25



25. Related party transactions

During the year, the Institute paid £158,000 (2016/17 £138,000) 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. Andrew Adcock and James Hughes-Hallett are 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 paid SCTE £200,572 for the provision of admissions and image services (2016/17 £191,056) and the Institute charged SCTE £65,000 for the use of space within The Courtauld and the provision of accounting services (2016/17 £65,000) of which £nil (2016/17 £39,000) was included within the Institute debtors at the 31 July 2018. At the end of the year, SCTE accrued a gift aid payment to the Institute of £nil (2016/17 £nil).

During the year the Institute received donations from Mr Andrew Adcock of £2,500 (2016/17 £2,500), Mr Peter Budd £nil (2016/17 £100), Mr Edward Dolman £25,770 (2016/17 £25,197), Dr John Garcia of £510,000 (2016/17 £10,000), Mr James Hughes-Hallett of £5,000 (2016/17 £6,000), Ms Daniella Luxembourg of £9,620 (2015-16 £5,020), Dr Gabriele Finaldi of £250 (2016/17 £nil), Dr Sussan Babaie of £100 (2016/17 £nil), Ms Pippa Balch of £91.49 (2016/17 £nil) and Professor Deborah Swallow of £14,500 (2016/17 £18,400). All were Directors of the Institute during the year. No payment was made to any director for expenses relating to their role as a Director (2016/17 £nil).

Peter Budd is a director of Ove Arup and Partners Limited. During the year the Institute paid £12,000 (2016/17 £65,160) to Ove Arup and Partners Limited for services provided on normal commercial terms. A further £nil (2016/17 £3,000) was payable at the year end date.

Dr Gabriele Finaldi is the Director of the National Gallery. During the year the Institute paid £6,030 (2016/17 £nil) to the 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.

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.

On 26 October, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The pension provision included within the financial statements at note 17 will only be impacted to the extent the change in benefits increases cash financing.

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

	Year ended 31 July 2018	Year ended 31 July 2017
	£'000	£'000
USS	718	861
SAUL	120	119
	838	980

SCT Enterprises Limited contributes to defined contribution schemes administered on behalf of the company by Aviva and Royal London (formerly Scottish Life). The costs charged to expenditure in the period of £36,000 (2016/17: £34,000) represent the full amount payable for the period.

(i) The Universities Superannuation Scheme

The USS is a multi-employer scheme where the assets are not hypothecated 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 and the resulting expense in the income and expenditure account.

The latest available full actuarial valuation of the scheme was at 31 March 2014 ('the valuation date'), which was carried out using the projected unit method. The valuation as at 31 March 2017 is underway.

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 2014 valuation was the third 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 £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. These figures will be revised once the 2017 Scheme Valuation is complete. In the judgement of the Institute, as the 2017 valuation has not formally completed, and there remains various stages of consultation around the key factors specifically relating to the funding of past deficit, including the level of contributions required, the period of the recovery plan and the level of asset performance over the period, it remains appropriate to continue to account for the past deficit obligation in accordance with the plan agreed after the 2014 actuarial valuation.

Defined benefit liability numbers for the scheme have been produced using the following assumptions:

	2018	2017
Discount rate	2.64%	2.57%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.02%	2.41%

The main demographic assumption used relates to the mortality assumptions. These assumptions have been updated for the 31 March 2018 accounting position, based on updated analysis of the Scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table:

2018	2017
Pre-retirement:	
71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.	98% of SAPS S1NA "light" YOB unadjusted for males.
Post-retirement:	
96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females.	99% of SAPS S1NA "light" YOB with a -1 year adjustment for females.
Future improvements to mortality:	
CMI_2016 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.	CMI_2014 with a long term rate of 1.5% p.a.

The current life expectancies on retirement at age 65 are:

	2018	2017
Males currently aged 65	24.5	24.4
Females currently aged 65	26.0	26.6
Males currently aged 45	26.5	26.5
Females currently aged 45	27.8	29.0

	2018	2017
Scheme assets	£63.6bn	£60.0bn
Total scheme liabilities	£72.0bn	£77.5bn
FRS 102 total scheme deficit	£8.4bn	£17.5bn
FRS 102 total funding level	88%	77%

(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 2017. 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 in June 2018 and are being reviewed during the process for SAUL's next formal valuation in 2020.

At the March 2017 valuation SAUL was fully funded on its Technical Provisions basis so no deficit contributions were required. The Trustee and Employers have agreed that the ongoing Employers' contribution will continue at a rate of 16% of CARE salaries.

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 was £3,205 million representing 102% of the liabilities for benefits accrued up to 31 March 2017.

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 pensions costs are based on amounts actually paid (i.e. cash amounts) in accordance with paragraphs 28.11 of FRS 102.

As there was a Technical Provisions surplus at 31 March 2017 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. 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.

29. Events after the end of the reporting period

There were no events after the end of the reporting period.



Computer generated image
of a new Learning Centre
which will be introduced as
part of Courtauld Connects

Research output, acquisitions and loans

Research Output and Publications from 1 August 2017 to 31 July 2018

2017

Chapter in Book/Report/Conference proceeding – Chapter (peer-reviewed)

Applin, Jo "Las deserciones de Lee Lozano". *Lee Lozano: Forza la Máquina*. Madrid: Museo Nacional Centro de Arte Reina Sofia. 2017. 60-87.

Applin, Jo "On the Brink". *Ida Applebroog: Mercy Hospital*. New York: Karma Books. 2017. 71-89.

Babaie, Sussan and Çi dem Kafescio lu "Istanbul, Isfahan, and Delhi: Imperial Designs and Urban Experiences in the Early Modern Era (1450-1650)". and Flood, Finnbar Barry Necipoglu, Gulru (ed.). *A Companion to Islamic Art and Architecture: 'B. Early Modern Empires and their Neighbors (1450-1700)'*. Blackwell. 2017. 846-873.

Babaie, Sussan "Chasing After the Muhandis: Visual Articulations of the Architect and Architectural Historiography". Rizvi, Kishwar (editors). *Affect, Emotion, and Subjectivity in Early Modern Muslim Empires: New Studies in Ottoman, Safavid, and Mughal Art and Culture*. Brill. 2017. 21-44.

Babaie, Sussan "Geographies of the 'Beyond'". Larios, Pablo (editors). *Slavs and Tatars*. Warsaw and London. 2017. 84-89.

Babaie, Sussan "The Splendid Mosques of Iran and Central Asia". Imbrey, Jai (editors). *Mosques: Splendors of Islam*. Rizzoli. 2017. 144-177.

Babaie, Sussan "Lions in the Islamic Arts of Iran". Parviz Tanavoli and the Lions of Iran. Tehran Museum of Contemporary Art. 2017. 239-286.

Babaie, Sussan "Ethnicity as Destiny: The 'Islamic' in Contemporary Iranian Art". *Die Teheran Moderne. Ein Reader zur Kunst im Iran seit 1960 / The Tehran Modern. A Reader about Art in Iran since 1960*. Berlin: Staatlichen Museen zu Berlin – Preußischer Kulturbesitz. 2017.

Nethersole, Scott "The First Murder: The Representation of Cain and Abel in Bologna, Florence and Bergamo". and Dean, Trevor Lowe, K. J. P. (ed.). *Murder in Renaissance Italy*. Cambridge: Cambridge University Press. 2017. 15-40.

Porter, Venetia and Sussan Babaie "Global in the Local: Iran in Art and History". *Honar: The Afkhami Collection of Modern and Contemporary Iranian Art*. London: Phaidon Press. 2017. 25-47.

Stallabrass, Julian "Lawler's Victory". Marcoci, Roxana (editors). *Louise Lawler: Receptions*. New York: Museum of Modern Art. 2017. 92-97.

Woodall, Joanna "For love and money. The circulation of value and desire in Abraham Ortelius's Album amicorum". and Woodall, Joanna Zell, Michael Melion, Walter (ed.). *Ut pictura amor. The Reflexive Imagery of Love in Artistic Theory and Practice, 1500-1700*. Intersections. Leiden: Brill. 2017. 647-703.

Chapter in Book/Report/Conference proceeding – Chapter

Applin, Jo "Yayoi Kusama: Without Beginning, Middle, or End". Baker, Emma (editors). *Traumata*. London: Sothebys. 2017. 66-80.

Applin, Jo "Reframing the Feminine: Barbara Hepworth, Judy Chicago, Barbro Östlihn and Ilona Keseru". 'Reframing the Feminine: Barbara Hepworth, Judy Chicago, Barbro Östlihn and Ilona Keseru'. London: Stephen Friedman Gallery. 2017.

Babaie, Sussan "The Mercantile Effect: on art and exchange in the Islamicate world". and Gibson, M. Babaie, S. (ed.). *The Mercantile Effect: on art and exchange in the Islamicate world during 17th – 18th centuries*. Gingko Library. 2017. 8-12.

Cannon, Joanna "Redating the frescoes by the Maestro di S. Francesco at Assisi". Bock, N. Foletti, I. Tomasi, M. (ed.). *Revivals, survivals, rinascenze. Studi di amici, allievi, colleghi in onore di Serena Romano*. Rome: Viella. 2017. 437-449.

Nethersole, Scott "Carlo Dolci and the Art of the Past". Straussman-Pflanzer, Eve (editors). *Carlo Dolci: The Medici's Painter and 17th-Century Florence*. New Haven and London: Yale University Press. 2017. 42-53.

Parkinson, Gavin "Georges Seurat in the Twentieth Century: From Classicism to Surrealism". and Brockington, Grace Miller, CFB (ed.). *Of Modernism: Papers in Honour of Christopher Green*. London: Paul Holberton Press. 2017.

Parkinson, Gavin "Systematising Confusion: Duchamp and Dalí, 'Writers'". Ades, D. (editors). *Dalí/ Duchamp*. London: Royal Academy of Arts. 2017. 34-39, 213.

Parkinson, Gavin "The Ironic, the Comic and the Absurd". Ades, D. (editors). *Dalí/ Duchamp*. London: Royal Academy of Arts. 2017. 98-99, 214.

Parkinson, Gavin "Rewriting Modern Art: Some Consequences of Giorgio de Chirico's Non-Conformism". *Reading de Chirico*. London: Tornabuoni Art. 2017. 45-59.

Peters Corbett, David "What Is The Sea If It Isn't Terrible: George Bellows on Monhegan Island in 1913". Nemerov, Alexander (editors). *Experience*. Chicago University Press / Terra Foundation. 2017.

Serres, Karen "Modern Workers. Soutine's Sitters on Context". *Soutine's Portraits. Cooks, Waiters and Bellboys*. Paul Holberton Press. 2017.

Swallow, Deborah "John Lockwood Kipling: a post-imperial perspective". and Bryant, Julius Webber, Susan (ed.). *John Lockwood Kipling*. Bard Centre New York and the Victoria and Albert Museum. 2017.

Book

Babaie, Sussan *Honar: The Afkhami Collection of Modern and Contemporary Iranian Art. With Venetia Porter and Natasha Morris*. Phaidon Press. 2017.

Caiger-Smith, Martin Antony Gormley
Rizzoli. 2017.

Eastmond, Antony and Myrto Hatzaki,
editors. *The Mosaics of Thessaloniki
Revisited: Papers from the 2014
Symposium at The Courtauld Institute of
Art Athens*: Kapon. 2017.

Woodall, Joanna d Walter Melion, editors.
*Ut pictura amor. The Reflexive Imagery of
Love in Artistic Theory and Practice,
1500-1700*. Intersections. Leiden: Brill.
2017.

Woodall, Joanna , Ethan Matt Kavalier and
Frits Scholten, editors. *Netherlandish
Sculpture of the 16th Century* Nederlands
Kunsthistorisch Jaarboek. 2017.

Contribution to journal – Article

Applin, Jo and Francesca Berry. "'The
Politics of Housework, Again'". *Oxford Art
Journal*. 2017. 40(1).

Nethersole, Scott. "'Armeggierie, Wedding
Chests and Battles in Fifteenth-century
Florence'". *Renaissance Studies*. 2017.

Nethersole, Scott. "Introduction: Ghiberti
and the Courtauld". *Sculpture Journal*.
2017, 26(1). 93-98.

Parkinson, Gavin. "'Method and Poetry:
Georges Seurat's Surrealist Dialectic'". *Art
Bulletin*. 2017, 99(3). 125-146. Available:
<https://doi.org/10.1080/00043079.2017.1292880>

Parkinson, Gavin. "'Positivism,
Impressionism and Magic: Modifying the
Modern Canon in America and France
from the 1940s'". *The Journal of Art
Historiography*. 2017. (17).

Parkinson, Gavin. "'Introduction, Art
History 40: Reading, Writing,
Remembering'". *Art History*. 2017, 40(4).
697-703. Available: 10.1111/1467-
8365.12344

Parkinson, Gavin. "'Myths and Memories
of Brittany: Reviewing Gauguin's
Stereotypes'". *Art History*. 2017, 40(4).
856-883. Available: 10.1111/1467-
8365.12341

Parkinson, Gavin. "'Surrealism Versus the
Academy: Charles Estienne on Paul
Gauguin and Vasily Kandinsky'".
Burlington Magazine. 2017, 159(1373).
623-629.

Peters Corbett, David. "'Decreation and
Undoing: George Bellows' Excavation
Paintings, 1907-1909'". *Art History*. 2017,
40(17). 838-855.

Roeste, Alexander and Jae Youn Chung.
"'A wonderfully pure picture. Tracing
Bartolomeo Montagna's Holy Family'".
*Museo in Rivista, Notiziario dei Musei
Civici di Pavia*. 2017, 17.

Verri, Giovanni. "'It's all imaging to me":
'Documentation, Investigation,
Visualization, and Communication'".
*Conservation Perspectives: The GCI
Newsletter*. 2017, 32(1). 4-9.

Contribution to journal – Book/Film/Article review

Applin, Jo. "Sarah Hamill, *David Smith in
Two Dimensions* (University of California
Press, 2015)". *Burlington Magazine*. 2017.

Nickson, Tom. "Review of Rose Walker,
'Art in Spain and Portugal from the
Romans to the Early Middle Ages. Routes
and myths'". *Journal of the British
Archaeological Association*. 2017, 170. 210.
Available: 10.1080/00681288.2017.1366726

Stallabrass, Julian. "'documenta 14'".
Burlington Magazine. 2017, clix. 752-754.

Contribution to journal – Special issue

Applin, Jo and Francesca Berry. "'Feminist
Domesticities'". *Oxford Art Journal*. 2017.
40(1).

Arnold, Rebecca et al. "Fashion Theory, Vol 21,
Issue 2: Posing the Body". *Fashion Theory –
Journal of Dress Body and Culture*. 2017. 21(2).

Contribution to conference – Paper

Burnstock, Aviva, Maureen Cross, and Karen
Serres. *'Insoluble surface spots, metal soaps
and challenges in the conservation of Goya's
Portrait of Francisco de Saavedra'*. 2017.

2018

Chapter in Book/Report/ Conference proceeding – Chapter (peer-reviewed)

Applin, Jo, Catherine Spencer and Amy
Tobin. "'Introduction: London Art Worlds'".
*Art Worlds: Mobile, Kinetic and Ephemeral
Networks 1960-1980*. University Park, PA:
Penn State University Press. 2018. 1-21.

Chapter in Book/Report/ Conference proceeding – Chapter

Burnstock, Aviva. "'The influence of science
and technology on the conservation and
technical study of paintings in the last 50
years: a personal viewpoint'"., Granville, A. ,
Hinde, L. Plender, S. Tomlinson, H. Wade, N.
(ed.). *The Picture so Far: 50 Years of Painting
Conservation*. Archetype. 2018. 32-58.

Eastmond, Antony "Jerusalems in the
Caucasus?". and Griffith-Jones, Robin Fernie,
Eric (ed.). *Tomb and Temple: Re-imagining the
Sacred Buildings of Jerusalem*. Woodbridge,
Suffolk: Boydell & Brewer. 2018. 211-232.

Kemp-Welch, Klara. "'Soft-Spoken
Encounters: International Exchanges and
the Hungarian 'Underground'". Sasvari,
Edit (editors). *Art in Hungary 1956-1980.
Doublespeak and Beyond*. London:
Thames and Hudson. 2018. 273-291.

Parkinson, Gavin. "'Disenchanted Ground,
or Antonin Artaud, Van Gogh and Magic in
1947'"., Bauduin, Tessel Ferentinou,
Victoria Zamani , Daniel (ed.). *In Search of
the Marvellous: Surrealism, Occultism,
Politics*. London: Routledge. 2018.

Serres, Karen. "'Charles I, Henrietta Maria
and the Italian Baroque'". and Shawe-
Taylor, Desmond Rumberg, Per (ed.).
Charles I. King and Collector. London:
Royal Academy of Arts Publications. 2018.

Chapter in Book/Report/ Conference proceeding – Foreword/postscript

Woodall, Joanna. "'Afterword'". van Wyhe,
Cordula (editors). *Rubens and the Human
Body. The Body in Art*. Turnhout: Brepols
Publishers. 2018.

Book

Applin, Jo Not Working: Lee Lozano
versus the Art World, 1961-1971 Yale
University Press. 2018.

Applin, Jo Alison Wilding London: Lund
Humpries and Ridinghouse. 2018.

Applin, Jo, Catherine Spencer and Amy
Tobin, editors. London Art Worlds: Mobile,
Kinetic and Ephemeral Networks 1960-
1980 University Park: Penn State University
Press. 2018.

McTighe , Sheila Genre Paintings and
Prints in Seventeenth-Century Italy and
France: Word and Image in the
Representation of the 'Everyday' Arc-
Humanities, University of Amsterdam
Press. 2018.

Nethersole, Scott Art and Violence in Early
Renaissance Florence Yale University Press.
2018.

Parkinson, Gavin Enchanted Ground:
André Breton, Modernism and the
Surrealist Appraisal of Fin de Siècle
Painting Unknown Publisher. 2018.

Schuldenfrei, Robin Luxury and
Modernism: Architecture and the Object in
Germany 1900-1933 Princeton University
Press. 2018.

Contribution to journal – Article

Amato, S. R. et al. "'Interpreting technical
evidence from spectral imaging of
paintings by Édouard Manet in the
Courtauld Gallery'". *X-Ray Spectrometry*.
2018. Available: 10.1002/xrs.2828

Banti, D. et al. "'A molecular study of
modern oil paintings: investigating the
role of dicarboxylic acids in the water
sensitivity of modern oil paints'". *RSC
Advances*. 2018. 11.

Tamburini, D. et al. "'New insights into the
composition of Indian yellow and its use in
a Rajasthani wall painting'". *Microchemical
Journal*. 2018, (137). 238-249.

List of acquisitions for the period 1 August 2017 to 31 July 2018

June 2017

Marcellin Desboutin (1823 – 1902), *Self Portrait*, 1897, drypoint etching with a dedication to Frantz Jourdain

Alphonse Legros (1837 – 1911), *Trees (advertisement for Robert Gueraut)*, circa 1877, etching

Frédéric Laguillermie (1841 – 1934), *Portrait of Léon Bonnat*, 1880, etching

Gift of Donato Esposito, June 2017 (formally acquired by the Samuel Courtauld Trust in November 2017)

September 2017

William Henry Hunt (1790 – 1864), *The Flower Girl*, 1863, watercolour over pencil heightened with bodycolour on paper

Gift of the Spooner Charitable Trust, September 2017

October 2017

Franz Hogenberg (after Bruegel) (ca. 1540-ca. 1590), *Kermis at Hoboken*, circa 1559, engraving with etching

Purchase by the Samuel Courtauld Trust, October 2017

December 2017

Grayson Perry (b.1960), *Animal Spirit (Pink)*, 2016, Etching with chine collé, Signed by the artist on the front and numbered on the verso

Gift of Charles Booth-Clibborn, December 2017

January 2018

J C Ibbetson (1759 – 1817), *View from under the bridge at Llangollen, Wales*, circa 1792, Pen and grey ink and watercolour over traces of pencil on paper

John White Abbott (1764 – 1851), *Figures in a Wood, Topsham and the River Exe beyond*, circa 1800, Pen and brown ink and watercolour on paper

Gift of the Spooner Charitable Trust, January 2018

February 2018

Moses Griffith (1749 – 1819), *View of the ruins of Kenilworth Castle*, 1776, Pen and grey ink and wash over pencil on laid paper

Moses Griffith, *Ruins of the Great Hall at Kenilworth Castle, seen from the west*, 1776, Pen and grey ink and wash over pencil on laid paper

Gift of the Spooner Charitable Trust, February 2018

April 2018

John Gendall (1790-1865), *Woodcutters by Fingle Bridge, Dartmoor*, watercolour heightened with bodycolour on buff paper

Gift of Charles Booth-Clibborn,

April 2018

May 2018

A miscellaneous group of prints by Stanley William Hayter (1901 – 1988), Merlyn Evans (1910 – 1973), Eleanor Joan Ellis (1904 – 1989), and others.

Transfer from the Witt Library, The Courtauld Institute of Art, May 2018

Stephen Farthing (b.1950); *Wash Repeat: after Guercino #3*, 2017, Chinese ink wash and graphite on Japanese mulberry paper

Gift of the Artist, June 2017 (formally acquired by the Samuel Courtauld Trust in May 2018)

July 2018

Giovanni Battista Foggini (1652 – 1725), *A battle scene outside a walled city*, black chalk, pen and brown ink and grey wash on paper

Purchase by the Samuel Courtauld Trust, July 2018

Loans from the collection 1 August 2017 to 31 July 2018

Exhibitions in order of opening date:

3 Oct 2017 – 14 Jan 2018

Fitzwilliam Museum, Cambridge
Degas: A Passion for Perfection
Degas, *Lady with a Parasol* (P.1978.PG.87)

3 Oct 2017 – 15 Jan 2018

Musée de Luxembourg, Paris
Peter Paul Rubens (1577-1640)
Rubens, *Portrait of the Emperor Charles V* (P.1978.PG.351)

4 Oct 2017 – 29 Jan 2018

Centre Pompidou, Paris
André Derain 1904-1914. The Radical Decade
André Derain, *Trees by a Lake, Le Parc de Carrières-St-Denis* (P.1935.RF.91)
André Derain, *Landscape of the Ile-de-France (Paysage de Ile-de-France)* (LP.2002.XX.22)
André Derain, *Fishermen at Collioure* (LP.2002.XX.20)

10 Oct 2017 – 14 Jan 2018

J Paul Getty Museum, Los Angeles
Giovanni Bellini: Landscapes of Faith in Renaissance Venice
Bellini, *The Nativity* (D.1978.PG.79)

13 Oct 2017 – 7 Jan 2018

Van Gogh Museum, Amsterdam
4 February – 13 May 2018
Petit Palais, Paris
The Dutch in Paris and the Dutch in Barbizon
Kees van Dongen, *The violincellist at the Moulin de la Galette* (LP.2002.XX.25)

17 Oct 2017 – 21 Jan 2018

Kunsthistorisches Museum, Vienna [to Stadel Museum, Frankfurt]
Rubens. The Power of Transformation
Rubens, *Entombment* (P.1978.PG.365);
Rubens, *God the Father supported by angels* (D.1978.PG.50);
The Johnson Manuscript (MS.1978.PG.1); bound manuscript

17 Oct 2017 – 21 Jan 2018

Museo Thyssen-Bornemisza, Madrid
Picasso/ Lautrec
Henri de Toulouse-Lautrec, *In a Private Dining Room (At the Rat Mort)* (P.1948.SC.466)

26 Oct 2017 – 11 Feb 2018

National Portrait Gallery
25 Mar – 1 July 2018
National Gallery of Art, Washington]
Cezanne Portraits
Cezanne, *Man with a Pipe* (P.1932.SC.58)

2 Nov 2017 – 3 Feb 2018

Tate Britain
Impressionists in London: French Artists in Exile 1870 – 1904
Pissarro, *Lordship Lane Station, Dulwich* (P.1948.SC.317)

6 Nov 2017 – 12 Feb 2018

The Metropolitan Museum of Art, New York
Michelangelo: Divine Draughtsman and Designer
Michelangelo, *The Dream (Il Sogno)* (D.1978.PG.424)
Michelangelo, *Christ before Pilate* (D.1978.PG.422)

23 Nov 2017 – 2 April 2018

Tate Modern, London
Modigliani
Modigliani, *Female Nude* (P.1932.SC.271)

28 Nov 2017 – 1 April 2018

Museo de Bellas Artes de Sevilla
Murillo en el Convento de Capuchinos de Sevilla
Murillo, *Saint Francis embracing the Crucified Christ* (D.1956.WF.4650)

6 February – 13 May 2018

Petit Palais, Paris [from Van Gogh Museum, Amsterdam]
The Dutch in Paris and the Dutch in Barbizon
Kees van Dongen, *The violincellist at the Moulin de la Galette* (LP.2002.XX.25)

8 Feb – 21 May 2018

Stadel Museum, Frankfurt [from Kunsthistorisches Museum, Vienna]
Rubens. The Power of Transformation
Rubens, *Entombment* (P.1978.PG.365);
Rubens, *God the Father supported by angels* (D.1978.PG.50);
The Johnson Manuscript (MS.1978.PG.1); bound manuscript

10 Feb – 20 May 2018

The Harris Museum and Art Gallery, Preston
Courtauld National Regional Programme
Boudin, *Deauville* (P.1948.SC.44)



Poet Dean Atta
performing at ResFest
18 on 'new takes on
The Courtauld Gallery
Collection'

28 Feb – 27 August 2018

Tate Britain

Painting Life: Bacon, Freud and the School of London

Frank Auerbach, *Rebuilding the Empire Cinema* (P.2015.XX.1)

9 March – 3 June 2018

Gemaldegalerie Alte Meister, Dresden
Veronese, "The Cuccina Cycle" – The Restored Masterpiece

Paolo Veronese, *Studies for "Christ Bearing the Cross"* (D.1978.PG.102)

23 March – 30 Sept 2018

Artipelag, Gustavsberg, Sweden
Bloomsbury Spirit

Omega Workshops, Chair with embroidered seat back (F.1960.XX.2); Duncan Grant, Four-fold screen with Lily pond design (F.1961.XX.1); Lily pond table (F.1960.XX.1); Omega Rug (T.1958.PD.267) Duncan Grant (attributed to), Abstract design (D.1958.PD.23); Omega Workshops, Pattern design (D.1958.PD.3); Attributed to Grant and Bell, Rug design (D.1958.PD.5); Roger Fry (attributed to), Rug design (D.1958.PD.68); Duncan Grant, Shutter designs for 38 Brunswick Square (D.1958.PD.71, 72, 73); Nina Hamnett (attributed to), Omega interior (D.1958.PD.81); Roger Fry, Scheme for interior of Cadena café (D.1958.PD.2); Duncan Grant, Rug design (D.1958.PD.91); Omega Workshops, Rug design (D.1958.PD.21); Omega Workshops, Plate with overglaze geometric design enclosing Omega symbol (O.1958.PD.258); Roger Fry, Copy after a Self-Portrait by Cezanne (P.1935.RF.148), Roger Fry, Still Life with Coffee Pot (P.1958.PD.144)

23 March – 24 June 2018

Van Gogh Museum, Amsterdam
Van Gogh and Japan

Van Gogh, *Peach Trees in Blossom* (P.1932.SC.176)

Van Gogh, *Self-Portrait with Bandaged Ear* (P.1948.SC.175)*

Taiyensai Yoshimaru, *Scene from a Genji Parody* (G.1957.XX.1)

25 March – 1 July 2018

National Gallery of Art, Washington [from National Portrait Gallery]
Cézanne Portraits

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

9 April – 5 August 2018

Prado Museum, Madrid [to Museum Boijmans van Beuningen, Rotterdam: 8 Sept – 13 Jan 2019]

Rubens. Painter of Sketches

Rubens, *Descent from the Cross* (P.1947.LF.359)

26 April – 20 Aug 2018

Centre-Pompidou, Metz
Modern Couples

Roger Fry, *Design for painted harpsicord lid* (D.1958.PD.101)

Duncan Grant, *Interior* (D.1958.PD.82)

Duncan Grant, *Design for an embroidered cushion or seat cover* (D.1958.PD.96)

Vanessa Bell, *Preliminary design for Lady Hamilton rug* (D.1958.PD.89)

3 June – 16 Sept 2018

LACMA, Los Angeles [to National Gallery of Art, Washington 14 Oct 2018 – 20 Jan 2019]

Chiaroscuro Woodcuts

Antonio da Trento, after Parmigianino, *Augustus and the Triburtine Sybil* (G.1978.PG.32)

2 June – 9 September 2018

The Ferens Art Gallery, Hull

Courtauld National Regional Programme
Cézanne, *The Card Players* (P.1932.SC.57)

8 June – 28 Oct 2018

Ulster Museum, Belfast

Courtauld National Regional Programme
Modigliani, *Female Nude* (P.1932.SC.271)

12 June – 19 Aug 2018

Royal Academy of Arts

The Great Spectacle: The Royal Academy and its Summer Exhibitions

John Russell, *A Porter at the Royal Academy* (D.2001.XX.3)

23 June – 7 Oct 2018

Laing Art Gallery [to William Morris Gallery, Walthamstow: 19 Oct 2018 – 17 Jan 2019 – Fry, Orchard only*]

The Enchanted Garden 1850-1950

Italian School, *Noli me tangere* (P.1947.LF.174),

Roger Fry, *Orchard, Woman Seated in a Garden* (P.1958.XX.143)

30 June – 4 Nov 2018

Musée de Flandre, Cassel

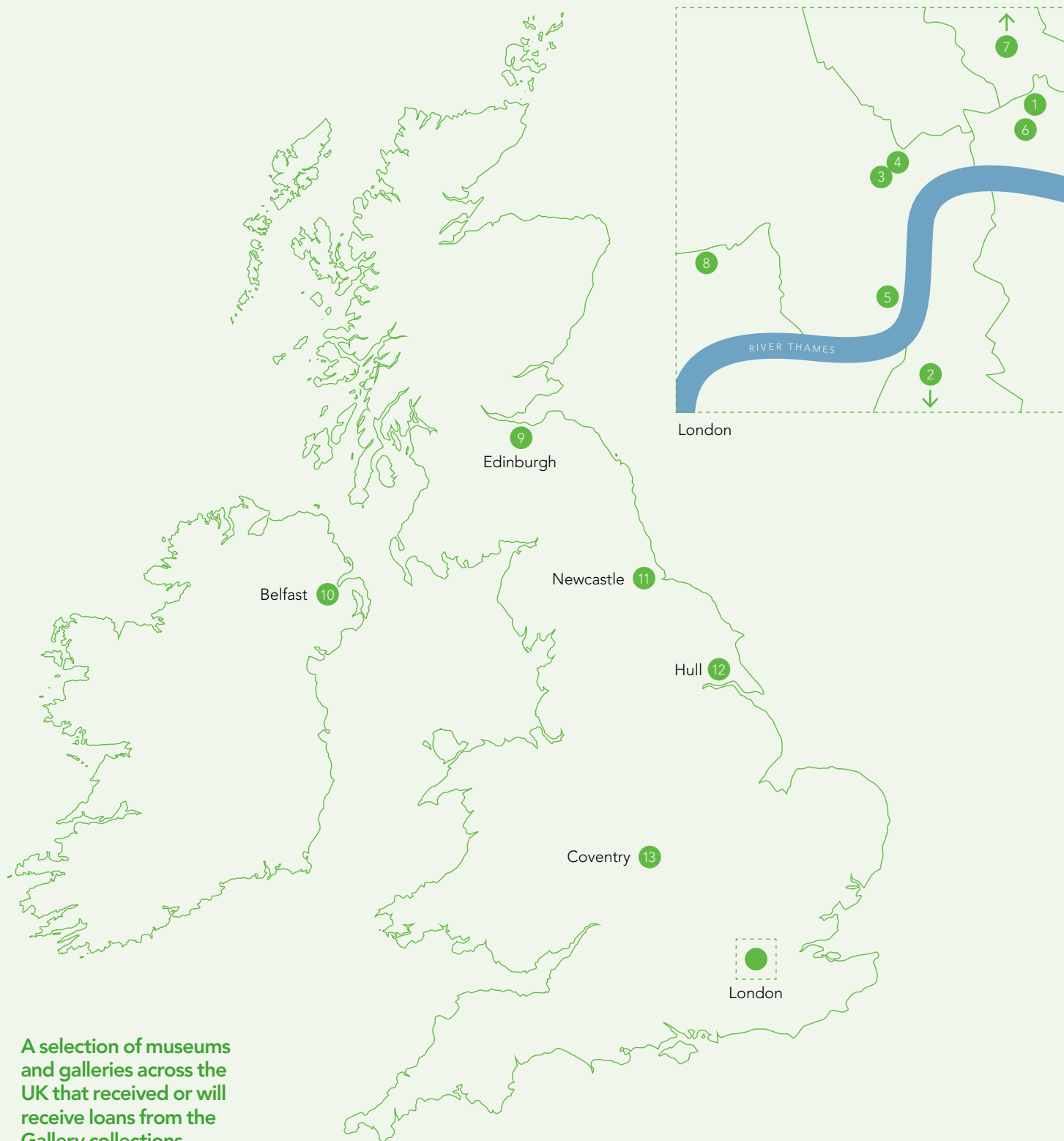
Gaspar de Crayer, sa vie et ses oeuvres

7 July – 14 Oct 2018

Scottish National Gallery

Rembrandt & Britain

Jonathan Richardson the Elder, *Self-portrait at the age of thirty*, D.1952.RW.1660



A selection of museums and galleries across the UK that received or will receive loans from the Gallery collections

- 1 Modern Couples at Barbican Art Gallery, London.** Selection of works by the Bloomsbury group. 10 Oct – 27 Jan 2019
- 2 Dulwich Picture Gallery, London.** Claude Monet Vase of Flowers 1881-82 until 13 January 2019. Jusepe de (lo Spagnoletto) Ribera (1590-1652), *Man tied to a tree, and a figure resting*, 1630 – 1635 (circa) 26 Sept – 27 Jan 2019
- 3 National Gallery London.** Impressionist and Post-Impressionist Paintings from Samuel Courtauld's Private Collection. 17 Sept 2018 – 20 Jan 2019
- 4 National Portrait Gallery, London.** Gainsborough's Family Album. Thomas Gainsborough *Portrait of Mrs Gainsborough Attr. Gainsborough Dupont Portrait of Thomas Gainsborough*. 15 Nov – 3 Feb 2019
- 5 Tate Britain, London.** William Dobson, *Portrait of an Old and a Younger Man*, 17th Century. 29 Oct – 12 May 2019
- 6 Goldsmith's Hall, London.** Jan Woutersz, *Woman weighing gold*, 17th Century. 1 May 2018 – 30 Apr 2021
- 7 William Morris Gallery, London.** *The Enchanted Garden*, 1850-1950. Roger Fry *Orchard, Woman Seated in a Garden*, 1914. 19 Oct – 17 Jan 2019
- 8 Victoria and Albert Museum, London.** Medieval and Renaissance Galleries Master of Baroncelli Portraits *Saint Catherine of Bologna with three donors* ca 1470-80. Until 31 Oct 2018
- 9 Scottish National Gallery, Edinburgh.** Jonathan Richardson the Elder *Self-portrait at the age of thirty*, Until 14 Oct 2018
- 10 Ulster Museum, Belfast.** Amedeo Modigliani, *Female Nude*, 1916. Until 28 Oct 2018
- 11 Laing Art Gallery, Newcastle.** Italian school *Noli me tangere*, 14th century, Roger Fry *Orchard, Woman seated in a Garden*, 1914. Until 7 Oct 2018
- 12 Ferens Art Gallery, Hull.** Paul Cézanne, *The Card Players*, 1893-96. Until 9 Sep 2018
- 13 The Herbert Art Gallery and Museum, Coventry.** Loan of a Courtauld Masterpiece by Paul Cézanne, *Montagne Sainte-Victoire with Large Pine* Oct 2018 – Jan 2019

courtauld.ac.uk

The Courtauld Institute of Art
Somerset House, Strand
London WC2R 0RN



**UNIVERSITY
OF LONDON**