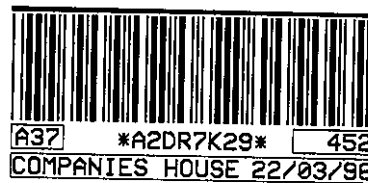


THE PAUL MELLON CENTRE FOR STUDIES IN BRITISH ART  
Company limited by guarantee

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

30 JUNE 1995

Company number: 983028



Baker Tilly  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

THE PAUL MELLON CENTRE FOR STUDIES IN BRITISH ART  
Company limited by guarantee

Governors' report and financial statements

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GOVERNORS AND OFFICERS

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GOVERNORS

Richard Charles Levin  
Joseph P Mullinix  
Alison F Richard  
David Duncan Robinson

SECRETARY

David Duncan Robinson

REGISTERED OFFICE

20 Bloomsbury Square  
London WC1A 2NP

AUDITORS

Baker Tilly  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

REGISTERED CHARITY NUMBER

313838

## GOVERNORS' REPORT

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The governors present their annual report and the audited financial statements of The Paul Mellon Centre for Studies in British Art for the year ended 30 June 1995.

### ACTIVITIES

The company is a non profit making organisation registered under the Charities Act 1960 (registration number 313838) for the advancement of education in, and appreciation and understanding of, British Art. No change in these activities is foreseen.

### REVIEW OF THE BUSINESS

The surplus for the year of £311,242 has been transferred to reserves leaving a balance on reserves of £1,685,382.

### FUTURE EVENTS

If the proposed move to 16 Bedford Square in Spring or Summer 1996 goes ahead, then the company will be required to purchase additional fixtures, furniture and equipment. The exact cost of this is unknown.

### DIRECTORS

For the purposes of the Companies Act, the board of the Governors are deemed to be the Directors of the company. The following directors have held office since 1 July 1994:-

David Duncan Robinson  
Joseph P Mullinix  
Richard Charles Levin  
Alison F Richard (appointed 1 July 1994)

Each member of the board of Governors was a subscribing member of the company throughout his or her period of office.

### AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board

  
David Duncan Robinson

Secretary

27 February 1996

THE PAUL MELLON CENTRE FOR STUDIES IN BRITISH ART  
Company limited by guarantee

Statement of governors' responsibilities in respect  
of the preparation of financial statement

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF THE PAUL MELLON CENTRE  
FOR STUDIES IN BRITISH ART  
Company limited by guarantee

We have audited the financial statements on pages 5 to 10.

**Respective responsibilities of governors and auditors**

As described on page 3 the company's governors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit of those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the governors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 June 1995 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Baker Tilly*  
BAKER TILLY

Registered Auditor  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

8 March 1996

INCOME AND EXPENDITURE ACCOUNT  
for the year ended 30 June 1995

	Notes	1995	1994
<b>INCOME</b>			
Endowment income		487,408	454,578
Royalties on publications		77,510	92,210
Interest from bank and Yale University		65,332	50,029
Sundry		125,730	36,181
Donation		56,572	-
		<u>812,552</u>	<u>632,998</u>
<b>EXPENDITURE</b>			
Administration		189,798	194,916
Accommodation		83,907	96,603
Publishing		80,123	220,751
Other		147,482	158,375
		<u>501,310</u>	<u>670,645</u>
Surplus/(deficit) of income over expenditure on ordinary activities for the year	1,7	<u>£ 311,242</u>	<u>£( 37,647)</u>

The surplus (1994: deficit) of income over expenditure on ordinary activities for the year arises from the company's continuing operations.

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the income and expenditure account.

BALANCE SHEET  
30 June 1995

	Notes	1995	1994
CURRENT ASSETS			
Debtors	3	1,011,652	696,541
Cash at bank and in hand		687,923	706,939
		<u>1,699,575</u>	<u>1,403,480</u>
CREDITORS			
Amounts falling due within one year	4	( 14,193)	( 29,340)
NET ASSETS		<u>£ 1,685,382</u>	<u>£ 1,374,140</u>
CAPITAL AND RESERVES			
Income and expenditure account	7	<u>£ 1,685,382</u>	<u>£ 1,374,140</u>

These financial statements were approved by the board of  
governors on 27 February 1996 and  
were signed on its behalf by

*Alison Richard*.....

*J. P. Mullins*.....

Governors



## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

### FIXED ASSETS AND DEPRECIATION

All expenditure on fixed assets purchased is written off in the year of acquisition.

### FOREIGN CURRENCIES

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. Gains or losses on translation are included in the income and expenditure account.

### STATUS OF THE COMPANY

The company is limited by guarantee and has no share capital. On a winding up each person who is a member at the date of winding up, or ceased to be a member during the year prior to that date, is liable to contribute a sum not exceeding £1 towards the assets of the company. At 30 June 1995 the company had 4 members (1994: 6).

### ROYALTIES

The accounting policy for recognition of royalty income was changed in the financial statements for the year ended 30 June 1994 from an accruals basis to a receipts basis. Full details of this change are given in note 7 to the financial statements.

### GRANTS PAYABLE

Grants are accounted for on a payments basis. Grants authorised but not yet paid are disclosed in note 6.

### PENSION CONTRIBUTIONS

The company operates a defined contribution scheme. The charge to the income and expenditure account is the amount payable in respect of the accounting period.

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 1995

	1995	1994
1. SURPLUS/(DEFICIT) OF INCOME OVER EXPENDITURE		
Surplus/(deficit) of income over expenditure is stated after charging:		
Exchange loss	12,094	11,994
Auditors' remuneration	4,950	4,825
Operating lease rentals:		
land and buildings	75,000	75,000
plant and machinery	6,386	577
	<u>          </u>	<u>          </u>
2. EMPLOYEES		
The average weekly number of persons (including governors) employed by the company during the year was:	No.	No.
Research and administration	10	12
	<u>      </u>	<u>      </u>
Staff costs for the above persons were:		
Wages and salaries	119,920	123,903
Social security costs	11,985	12,054
Other pension costs	20,648	16,983
	<u>£ 152,553</u>	<u>£ 152,940</u>
No amounts were paid to members of the board of Governors during the year (1994: £Nil).		
	1995	1994
3. DEBTORS		
Due within one year:		
Yale University -		
Agency account	12,572	14,774
Interest bearing account	847,281	605,518
Publications fund account	122,057	68,154
	<u>981,910</u>	<u>688,446</u>
Other debtors	2,548	462
Prepayments and accrued income	27,194	7,633
	<u>£ 1,011,652</u>	<u>£ 696,541</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 1995

	1995	1994
4. CREDITORS		
Amounts falling due within one year:		
Other taxation and social security costs	3,770	3,793
Other creditors	6,295	6,170
Accruals and deferred income	4,128	19,377
	<u>£ 14,193</u>	<u>£ 29,340</u>

5. PENSION COMMITMENTS

The company operates a defined contribution pension scheme whose assets are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company and amounted to £20,648 (1994: £16,983). There were no outstanding or prepaid contributions at the balance sheet date.

6. COMMITMENTS

Grants approved but not paid at 30 June 1995 amounted to £24,149 (1994: £26,234).

The cost over the next three years of preparing special research projects (including the Brinsley Ford archive, Alan Ramsay and Farington Index) for publication is estimated at £100,000.

Publications commitments for 1995 and beyond total £900,000 (1994: £800,000).

	1995	1994
At 30 June 1995 the company also had the following annual commitments under non-cancellable operating leases:		
Plant and machinery:		
expiring after 5 years	6,930	6,930
Land and buildings		
expiring within 12 months	56,250	-
expiring between 2 and 5 years	-	75,000
	<u>£ 63,180</u>	<u>£ 81,930</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 1995

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	1995	1994
7. INCOME AND EXPENDITURE ACCOUNT		
Retained surplus brought forward	1,374,140	1,411,787
Surplus/(deficit) of income over expenditure for the year	311,242	( 37,647)
Retained surplus carried forward	<u>£ 1,685,382</u>	<u>£ 1,374,140</u>