

**The Paul Mellon Centre for Studies in
British Art**

Company limited by guarantee

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

for the year ended
30 June 2003



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

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

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

LEGAL AND ADMINISTRATIVE INFORMATION

GOVERNING INSTRUMENT AND LEGAL STATUS

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the members of the Board are appointed and removed by the members of the company.

The charity is a limited liability company (limited by guarantee) and is registered in England and Wales.

DIRECTORS

Richard Charles Levin
Robert Loren Culver
Amy Meyers
Susan Hockfield

DIRECTOR OF STUDIES

Brian Allen

SECRETARY

Amy Meyers

COMPANY NUMBER

983028 (England and Wales)

REGISTERED CHARITY NUMBER

313838

REGISTERED OFFICE

16 Bedford Square
London WC1B 3JA

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

BANKERS

Lloyds Bank plc
Victoria House
Southampton Row
London WC1B 5HR

SOLICITORS

Linklaters & Paines
Barrington House
59-67 Gresham Street
London EC2V 7JA

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

GOVERNORS' REPORT

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 2003.

ACTIVITIES

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

RELATIONSHIP WITH YALE UNIVERSITY

The Paul Mellon Centre was established by Yale University. The University had received an endowment from an alumnus, Mr Paul Mellon, to support research and publication in the field of British studies, especially in the area of British art history.

This close relationship is enhanced by the Yale-In-London programme. This undergraduate course is run at the Paul Mellon Centre, enabling American students to study British culture on its home ground. It is the only off-campus programme offered by Yale University.

REVIEW OF ACTIVITIES

During the year 2002-2003 the Paul Mellon Centre's publishing programme with Yale University Press continued to flourish. Highlights were *Ireland's Painters* by Anne Crookshank and the *Knight of Glin* which was an instant success, and became the Centre's best selling book and *A Capital Collection: Houghton Hall and the Hermitage with a Modern Edition of Aedes Walpolianae, Horace Walpole's Catalogue of Sir Robert Walpole's Collection* which was produced to coincide with an exhibition of works of art from St. Petersburg at the Hermitage Rooms at Somerset House in London. In October 2002 the Paul Mellon Centre joined with the Yale Center for British Art in organising a three-day conference entitled *Histories of British Art, where next?* which examined the way in which the history of British art had developed over the previous 25 years. The number of applicants for grants and fellowships to support a wide variety of subjects also continued to rise steadily and the teaching programmes for Yale-in-London saw an increase in the number of applicants.

RESERVES POLICY

The Board have established a policy whereby the Governors have ratified an expansion of the Centre's Fellowships and Grants Programme. The reserves of the company will be used partly for this purpose and to fund the publication commitments made by the charity as set out in note 14.

RISK REVIEW

The major risk to which the Paul Mellon Centre for Studies in British Art is exposed to, is the fluctuation in the exchange rate with the United States. This has been identified by the governors and trustees and systems have been established to mitigate the risk. In all other areas appropriate action is taken where necessary.

GRANT MAKING POLICY

The Paul Mellon Centre for Studies in British Art established in 1970 augmented its grant giving policy in 1998. Grants and fellowships are awarded at separate meetings twice a year, and are selected by committee. There are several categories of both grants and fellowships and a ceiling of awards is set in each case. Numbers of applicants have risen steadily though it is predicted that a sharp increase may follow in future years.

INVESTMENT POLICY

The board adopt a risk oversee attitude to investment and at the year end all surplus cash is invested as treasury deposit where the rate of return is guaranteed.

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

GOVERNORS' REPORT

DIRECTORS

For the purposes of the Companies Act, the board of governors are deemed to be directors of the company. The following directors have held office since 1 July 2002:


| | |
|-----------------------|------------------------------|
| Richard Charles Levin | |
| Alison Fettes Richard | (resigned 1 January 2003) |
| Robert Loren Culver | |
| Amy Meyers | (appointed 21 February 2003) |
| Susan Hockfield | (appointed 21 February 2003) |

Each member of the board of governors is 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.

On behalf of the board



Governor

29 January 2004

The Paul Mellon Centre for Studies in British Art (Limited by guarantee)
STATEMENT OF GOVERNORS' RESPONSIBILITIES IN RESPECT OF THE
PREPARATION OF FINANCIAL STATEMENTS

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 surplus or deficit of the company for that period. In preparing those financial statements, the governors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 and the Statement of Recommended Practice 'Accounting and Reporting by Charities 2002'. 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.

INDEPENDENT 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 6 to 16.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of governors and auditors

The responsibilities of the governors (who are also the directors of The Paul Mellon Centre for Studies in British Art for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Governors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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 charitable company's affairs as at 30 June 2003 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Baker Tilly
BAKER TILLY

Registered Auditors
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

17 February 2004

The Paul Mellon Centre for Studies in British Art (Limited by guarantee)
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE
ACCOUNT)
for the year ended 30 June 2003

| | <i>Notes</i> | 2003 Unrestricted Funds £ | 2003 Restricted Funds £ | 2003 Total Funds £ | 2002 Total Funds £ |
|--|--------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| INCOMING RESOURCES | | | | | |
| Activities to further the charity's objectives: | | | | | |
| Publishing Royalties | | 260,539 | - | 260,539 | 284,355 |
| Summer Programme | | 77,495 | - | 77,495 | 55,475 |
| Yale Undergraduate courses | | 132,270 | - | 132,270 | 185,486 |
| Donations and gifts | 3 | 1,629,121 | - | 1,629,121 | 1,952,855 |
| Investment income | 4 | 42,487 | 12,674 | 55,161 | 46,937 |
| Other income | | 846 | - | 846 | 557 |
| TOTAL INCOMING RESOURCES | | 2,142,758 | 12,674 | 2,155,432 | 2,525,665 |
| RESOURCES EXPENDED | | | | | |
| Costs of activities in furtherance of charity's objectives | | | | | |
| Fund-raising and publicity | 5 | 8,283 | - | 8,283 | 6,480 |
| Summer programme costs | | 48,613 | - | 48,613 | 49,940 |
| Publishing and printing costs | | 275,630 | - | 275,630 | 374,668 |
| Yale Undergraduate courses | | 140,000 | - | 140,000 | 148,768 |
| Charitable expenditure: | | | | | |
| Fellowships and grants payable | 6 | 406,138 | - | 406,138 | 424,650 |
| Support costs | 7 | 699,124 | - | 699,124 | 648,205 |
| Management and administration of the charity | 8 | 239,899 | - | 239,899 | 217,694 |
| TOTAL RESOURCES EXPENDED | | 1,817,687 | - | 1,817,687 | 1,870,405 |
| NET MOVEMENT IN FUNDS | 1 | 325,071 | 12,674 | 337,745 | 655,260 |
| Balance brought forward at 1 July 2002 | | 1,522,060 | 412,218 | 1,934,278 | 1,279,018 |
| BALANCE CARRIED FORWARD AT 30 JUNE 2003 | | 1,847,131 | 424,892 | 2,272,023 | 1,934,278 |

The net movement in funds 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 Statement of Financial Activities.

The notes on pages 8 to 16 form part of these accounts.

The Paul Mellon Centre for Studies in British Art (Limited by guarantee)
 BALANCE SHEET
 30 June 2003

| | Notes | 2003 £ | 2002 £ |
|---|-------|-------------------|-------------------|
| FIXED ASSETS | | | |
| Tangible assets | 10 | 21,251 | 26,482 |
| | | <u> </u> | <u> </u> |
| CURRENT ASSETS | | | |
| Debtors | 11 | 1,416,778 | 2,041,640 |
| Cash at bank and in hand | | 1,213,511 | 1,261,337 |
| | | <u>2,630,289</u> | <u>3,302,977</u> |
| CREDITORS: Amounts falling due within one year | 12 | (379,517) | (1,395,181) |
| NET CURRENT ASSETS | | <u>2,250,772</u> | <u>1,907,796</u> |
| | | <u> </u> | <u> </u> |
| NET ASSETS | 15 | <u>2,272,023</u> | <u>1,934,278</u> |
| | | <u> </u> | <u> </u> |
| CAPITAL AND RESERVES | | | |
| Unrestricted funds: | | | |
| Income and expenditure account | 16 | 1,847,131 | 1,522,060 |
| Restricted funds | 16 | 424,892 | 412,218 |
| | | <u>2,272,023</u> | <u>1,934,278</u> |
| | | <u> </u> | <u> </u> |

These financial statements were approved by the board of governors on 29 January 2004
 and were signed on its behalf by

Richard C. Levin

Aus. Hodgins

Governors

The notes on pages 8 to 16 form part of these accounts.

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

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and follow the recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice issued in October 2000.

FIXED ASSETS AND DEPRECIATION

All fixed assets are stated at historical cost and are depreciated at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

| | |
|-----------------------|--------------|
| Fixtures and fittings | over 5 years |
| Computer equipment | over 3 years |

FOREIGN CURRENCIES

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transactions. 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 2003 the company had 7 members (2002: 7).

INCOMING RESOURCES

Royalties

Royalties are accounted for on a receipts basis.

Summer Programme

Income and expenditure relating to the programme are recognised in the year in which a programme is undertaken.

Other Income

Endowment and other income are accounted for on an accruals basis.

FELLOWSHIPS AND GRANTS PAYABLE

Grants are accounted for on an accruals basis according to when they are authorised.

EXPENDITURE

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

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.

UNRESTRICTED FUNDS

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

RESTRICTED FUNDS

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

LEASES

Rentals under operating leases are charged to the income and expenditure account as incurred.

The Paul Mellon Centre for Studies in British Art (Limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

| | | | |
|---|--|-------------------|-------------------|
| 1 | NET MOVEMENT IN FUNDS | 2003 £ | 2002 £ |
| | Net movement in funds is stated after charging: | | |
| | Exchange loss | 58,040 | 43,182 |
| | Operating lease rentals: | | |
| | Land and buildings | 145,478 | 160,430 |
| | Auditors' remuneration - audit services | 8,019 | 7,638 |
| | - non audit services | 603 | 3,038 |
| | Depreciation and amounts written off tangible fixed assets: | | |
| | Charge for the year on owned assets | 17,071 | 15,826 |
| | | <u> </u> | <u> </u> |
| 2 | EMPLOYEES | 2003 No. | 2002 No. |
| | The average monthly number of persons (including governors) employed by the company during the year was: | | |
| | Research and administration | 14 | 12 |
| | | <u> </u> | <u> </u> |
| | | 2003 £ | 2002 £ |
| | Staff costs for the above persons: | | |
| | Wages and salaries | 273,815 | 252,124 |
| | Social security costs | 27,406 | 22,934 |
| | Other pension costs | 94,436 | 71,887 |
| | | <u>395,657</u> | <u>346,945</u> |
| | | <u> </u> | <u> </u> |
| | The number of employees who received emoluments in the following ranges were: | 2003 No. | 2002 No. |
| | £60,001 - £70,000 | - | 1 |
| | £70,001 - £80,000 | 1 | - |
| | | <u> </u> | <u> </u> |

No amounts were paid to the members of the board of governors during the year (2002: £Nil).

| | | | | | |
|---|---------------------|---------------------------|-------------------------|--------------------|--------------------|
| 3 | DONATIONS AND GIFTS | 2003 Unrestricted £ | 2003 Restricted £ | 2003 Total £ | 2002 Total £ |
| | Yale University | 1,629,121 | - | 1,629,121 | 1,541,723 |
| | Paul Mellon Estate | - | - | - | 411,132 |
| | | <u>1,629,121</u> | <u>-</u> | <u>1,629,121</u> | <u>1,952,855</u> |
| | | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

The University provides an annual donation to help fund the activities of the charity.

The Paul Mellon Centre for Studies in British Art (Limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

| 4 | INVESTMENT INCOME | 2003 Unrestricted £ | 2003 Restricted £ | 2003 Total £ | 2002 Total £ |
|---|--|---------------------------|-------------------------|--------------------|--------------------|
| | Bank interest receivable | 32,418 | 12,674 | 45,092 | 37,657 |
| | Paul Mellon Estate | 10,069 | - | 10,069 | 9,280 |
| | | <u>42,487</u> | <u>12,674</u> | <u>55,161</u> | <u>46,937</u> |
| 5 | FUND RAISING AND PUBLICITY COSTS | | | 2003 £ | 2002 £ |
| | Advertising PMC publication | | | 8,283 | 6,480 |
| 6 | GRANTS PAYABLE | | | 2003 £ | 2002 £ |
| | Fellowships and grants payable to institutions | | | 135,820 | 238,144 |
| | Fellowships and grants payable to individuals | | | 270,318 | 186,506 |
| | | | | <u>406,138</u> | <u>424,650</u> |

Institutional grants were awarded as follows:

| Institution | 2003 Number of grants | 2003 £ | 2002 Number of grants | 2002 £ |
|---|-----------------------------|---------------|-----------------------------|----------------|
| University College London | | | | |
| Tate Gallery | 3 | 21,500 | 1 | 5,000 |
| Yale University | 1 | 16,522 | 3 | 40,018 |
| Ashgate Publishing | 1 | 7,500 | 1 | 3,000 |
| National Museums & Galleries on Merseyside | - | - | 1 | 2,000 |
| University of Cambridge | - | - | 1 | 2,000 |
| University of Northumbria | - | - | 1 | 3,000 |
| Nottingham Castle Museum & Art Gallery | - | - | 1 | 5,650 |
| Public Monuments and Sculpture Association | 1 | 5,000 | 1 | 5,000 |
| The National Trust | - | - | 1 | 3,000 |
| The Holburne Museum | 1 | 1,200 | 1 | 5,000 |
| The Royal Academy | - | - | 1 | 36,000 |
| The National Portrait Gallery | - | - | 1 | 24,000 |
| Dulwich Picture Gallery | 1 | 3,000 | 1 | 10,000 |
| Black Dog Books | - | - | 1 | 5,000 |
| University of Reading | - | - | 1 | 2,000 |
| The Victoria and Albert Museum | - | - | 1 | 5,000 |
| The Walpole Society | - | - | 1 | 4,500 |
| The British Sporting Arts Trust | - | - | 1 | 1,000 |
| Association for the Study and Preservation of Roman Mosaics | - | - | 1 | 10,000 |
| Norfolk Museums Service | - | - | 1 | 8,000 |
| Archetype Books | - | - | 1 | 4,500 |
| The Corporation of London | - | - | 1 | 1,500 |
| The Heritage Trust for the North West | - | - | 1 | 2,500 |
| L'Echelle De Jacob | - | - | 1 | 5,000 |
| c/f | | <u>54,722</u> | | <u>192,668</u> |

The Paul Mellon Centre for Studies in British Art (Limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Institutional grants were awarded as follows:

| Institution | 2003 | | 2002 | |
|--|---------------------|----------------|---------------------|----------------|
| | Number of grants | £ | Number of grants | £ |
| b/f | | 54,722 | | 192,668 |
| The Twentieth Century Society | - | - | 1 | 2,500 |
| The School of Advanced Study | - | - | 1 | 3,500 |
| National Museum and Galleries of Wales | 1 | 3,000 | 1 | 7,000 |
| The Ulster Architectural Heritage Museum | - | - | 1 | 5,000 |
| University of Greenwich | - | - | 1 | 2,310 |
| University of Bristol | - | - | 1 | 2,500 |
| The Scottish National Portrait Gallery | - | - | 1 | 2,500 |
| Richmond, American International University in London | - | - | 1 | 2,500 |
| The Stowe House Preservation Trust | - | - | 1 | 1,000 |
| Russian Academy of Fine Arts & Moscow Institute | - | - | 1 | 3,000 |
| Florence University | - | - | 1 | 2,000 |
| University of New Brunswick | - | - | 1 | 1,000 |
| Reaktion Books | - | - | 1 | 1,200 |
| Yale University Scholarships | 1 | 4,848 | 1 | 7,216 |
| Christie's Books | - | - | 1 | 5,000 |
| National Maritime Museum | 1 | 20,000 | - | - |
| Dr Gavin Alexander (University of Cambridge) | 1 | 2,500 | - | - |
| Barber Institute, Birmingham | 1 | 5,000 | - | - |
| Strathclyde University | 1 | 1,000 | - | - |
| The Brothwick Institute (York University) | 1 | 1,250 | - | - |
| The British Library | 3 | 12,500 | - | - |
| The Burlington Magazine | 1 | 3,000 | - | - |
| Cincinnati Museum of Fine Arts | 1 | 2,500 | - | - |
| Hatton Gallery | 1 | 5,000 | - | - |
| Kingston Museum | 1 | 2,000 | - | - |
| Iain McCallum | 1 | 2,000 | - | - |
| Scottish National Portrait Gallery | 1 | 4,000 | - | - |
| Sir John Soane's Museum | 1 | 5,000 | - | - |
| Stockholm Royal Academy | 1 | 2,500 | - | - |
| Tasmanian Museum | 1 | 5,000 | - | - |
| Other grants < £1,000 | | - | 4 | 2,250 |
| | | <u>135,820</u> | | <u>243,144</u> |

51 fellowships and grants were awarded to individuals in the year ended 30 June 2003 (2002 :32) and 27 to institutions (2002 : 45).

The Paul Mellon Centre for Studies in British Art (Limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

| Individual grants were awarded as follows: | | 2003 | | 2002 | |
|--|---------------------|---------|---------------------|-------|--|
| Individual | Number of grants | £ | Number of grants | £ | |
| Gunnis Research Project | 1 | 18,000 | - | - | |
| Oliver Bradley | 1 | 1,000 | - | - | |
| Anna Bronovitskaia | 1 | 2,500 | - | - | |
| Gill Clarke | 1 | 2,000 | - | - | |
| Sir Howard Colvin | 1 | 1,000 | - | - | |
| Bianca de Devitiis | 1 | 1,197 | 1 | 2,000 | |
| Nicholas Eastaugh | 1 | 1,000 | - | - | |
| Mark Girouard | 1 | 2,000 | - | - | |
| Eileen Harris | 1 | 2,000 | - | - | |
| Catherine Lambert | 1 | 2,000 | - | - | |
| Jason Shron | 1 | 1,000 | - | - | |
| Dr Michael Walsh | 1 | 2,000 | - | - | |
| Roger Brown | 1 | 2,500 | - | - | |
| Diana Burfield | 1 | 3,000 | - | - | |
| Simon Fenwick | 1 | 2,500 | - | - | |
| Clare Hartwell | 1 | 2,500 | - | - | |
| Cyndy Manton | 1 | 2,000 | - | - | |
| John Morrison | 1 | 3,000 | - | - | |
| Martin Postle | 1 | 3,000 | - | - | |
| Dr Megan Aldrich | 1 | 14,250 | - | - | |
| Professor Anthea Callen | 1 | 8,000 | - | - | |
| Dr Michael Hatt | 1 | 27,500 | - | - | |
| Professor Dian Kriz | 1 | 27,500 | - | - | |
| Dr Gavin Stamp | 1 | 27,500 | - | - | |
| Professor Elizabeth Sears | 1 | 8,500 | - | - | |
| Dr Sonia Ashmore | 1 | 3,000 | - | - | |
| Dr Asia Hunt | 1 | 6,000 | - | - | |
| Dr Elanor Hughes | 1 | 3,000 | - | - | |
| Dr Matthew Plampin | 1 | 6,000 | - | - | |
| Dr Aris Sarafianos | 1 | 6,000 | - | - | |
| Dr Rachel Stewart | 1 | 6,000 | - | - | |
| Byron Bronston III | 1 | 5,000 | - | - | |
| Karen Junod | 1 | 3,500 | - | - | |
| Thomas Latham | 1 | 3,500 | - | - | |
| Lindsey Pederson | 1 | 5,000 | - | - | |
| Simone von der Geest | 1 | 5,000 | - | - | |
| Dr Alixe Bovey | 1 | 1,000 | - | - | |
| Carole Fry | 1 | 1,500 | - | - | |
| Professor Linda Halpern | 1 | 1,000 | - | - | |
| Dr Michael Lobel | 1 | 1,250 | - | - | |
| Todd Longstaffe-Gowan | 1 | 1,000 | - | - | |
| Dr Joanne Lukitsch | 1 | 1,500 | - | - | |
| Dr Jill Pearlman | 1 | 1,000 | - | - | |
| c/f | | 227,697 | | 2,000 | |

The Paul Mellon Centre for Studies in British Art (Limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

| Individual grants were awarded as follows: | | 2003 | | 2002 | |
|--|------------------|----------------|------------------|----------------|--|
| Individual | Number of grants | £ | Number of grants | £ | |
| b/f | | 227,697 | | 2,000 | |
| Helen Brett | 1 | 36,000 | | | |
| Professor Vyacheslav Schestakov | 1 | 2,000 | - | - | |
| Mei-Ying Sun | 1 | 1,000 | - | - | |
| Dr Nicholas Tromans | 1 | 1,000 | - | - | |
| Hugh Brigstocke | - | - | 1 | 2,000 | |
| Florence University | - | - | 1 | 2,000 | |
| L Knight | - | - | 1 | 1,000 | |
| M Sturgis | - | - | 1 | 1,000 | |
| Mary Bennett | - | - | 1 | 2,000 | |
| Miss ME Burkett | - | - | 1 | 1,000 | |
| E Vyazova | - | - | 1 | 2,000 | |
| K Rawlinson | - | - | 1 | 2,000 | |
| Professor D Sharp | - | - | 1 | 1,840 | |
| J Ramkalawon | - | - | 1 | 1,910 | |
| D Dudley | - | - | 1 | 2,000 | |
| Dr T McGeary | - | - | 1 | 2,000 | |
| J Park | - | - | 1 | 2,000 | |
| A Arditto | - | - | 1 | 2,000 | |
| B Kalter | - | - | 1 | 2,000 | |
| Professor I Christie | - | - | 1 | 27,500 | |
| D Alexander | - | - | 1 | 27,500 | |
| Dr C Fox | - | - | 1 | 27,500 | |
| J Peacock | - | - | 1 | 5,880 | |
| Dr V Colman | - | - | 1 | 6,000 | |
| Dr L Perry | - | - | 1 | 6,000 | |
| Dr D Oleksijczuk | - | - | 1 | 6,000 | |
| Dr R Burstow | - | - | 1 | 6,000 | |
| D Getsy | - | - | 1 | 4,000 | |
| Dr E Goldring | - | - | 1 | 6,000 | |
| Dr S Sadler | - | - | 1 | 3,000 | |
| Dr T String | - | - | 1 | 5,000 | |
| E Winter | - | - | 1 | 5,000 | |
| J Canning | - | - | 1 | 5,376 | |
| Dr R Wrigley | - | - | 1 | 13,000 | |
| R Plant | - | - | 1 | 1,000 | |
| Other grants < £1,000 | - | 2,621 | - | - | |
| | | <u>270,318</u> | | <u>183,506</u> | |

The Paul Mellon Centre for Studies in British Art (Limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

| | | | |
|---|---|-----------|-----------|
| 7 | SUPPORT COSTS | 2003 £ | 2002 £ |
| | Other support costs: | | |
| | Salaries, superannuation and national insurance contributions | 205,742 | 180,411 |
| | Operating costs: | | |
| | Postage | 5,187 | 3,868 |
| | Telephone and fax | 7,771 | 7,236 |
| | Insurance | 17,867 | 11,026 |
| | Stationery and photocopying | 7,286 | 13,737 |
| | Kitchen supplies | 1,344 | 1,593 |
| | Light and power | 2,333 | 1,990 |
| | Heating | 1,591 | 1,431 |
| | Cleaning | 16,232 | 13,868 |
| | Private healthcare | 6,922 | 5,945 |
| | Computer costs | 17,469 | 7,806 |
| | | 84,002 | 68,500 |
| | Less: 10% relating to management and administration | (8,400) | (6,850) |
| | | 75,602 | 61,650 |
| | | 2003 £ | 2002 £ |
| | Accommodation costs: | | |
| | Rent | 145,478 | 164,016 |
| | Rates | 8,366 | 8,088 |
| | Repairs and maintenance | 15,178 | 11,597 |
| | Depreciation | 17,071 | 15,826 |
| | | 186,093 | 199,527 |
| | Less: 10% relating to management and administration | (18,609) | (19,953) |
| | | 167,484 | 179,574 |
| | Other expenses: | | |
| | Entertaining | 13,644 | 12,639 |
| | Travel | 17,577 | 13,821 |
| | Library and subscriptions | 20,640 | 9,978 |
| | Photographic archives | 7,604 | 19,143 |
| | Academic activities | 116,685 | 113,849 |
| | Directors discretionary | 3,926 | 1,010 |
| | Anglo American | 12,180 | 12,948 |
| | Loss on exchange of Yale accounts | 58,040 | 43,182 |
| | | 250,296 | 226,570 |
| | Total support costs | 699,124 | 648,205 |

The Paul Mellon Centre for Studies in British Art (Limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

| | | | |
|----|---|--|---|
| 8 | MANAGEMENT AND ADMINISTRATION OF THE CHARITY | 2003 £ | 2002 £ |
| | Salaries, superannuation and national insurance contributions | 189,915 | 166,534 |
| | Other expenses: | | |
| | Audit and accountancy | 9,232 | 10,676 |
| | Legal and professional | 6,698 | 1,727 |
| | Miscellaneous | 4,696 | 5,633 |
| | Bank charges | 1,232 | 2,686 |
| | Operating costs (see note 7) | 8,400 | 6,850 |
| | Accommodation costs (see note 7) | 18,609 | 19,953 |
| | Administration of grants | 1,117 | 3,635 |
| | | <u>239,899</u> | <u>217,694</u> |
| 9 | TAXATION | | |
| | The charitable company is exempt from corporation tax on its charitable activities. | | |
| 10 | TANGIBLE FIXED ASSETS | <i>Fixtures and fittings £</i> | <i>Computer equipment £</i> <i>Total £</i> |
| | Cost | | |
| | 1 July 2002 | 330,150 | 61,722 |
| | Additions | 6,813 | 5,027 |
| | 30 June 2003 | <u>336,963</u> | <u>66,749</u> |
| | Depreciation | | |
| | 1 July 2002 | 310,971 | 54,419 |
| | Charged in the year | 10,705 | 6,366 |
| | 30 June 2003 | <u>321,676</u> | <u>60,785</u> |
| | Net book value | | |
| | 30 June 2003 | <u>15,287</u> | <u>5,964</u> |
| | 30 June 2002 | <u>19,179</u> | <u>7,303</u> |
| 11 | DEBTORS | 2003 £ | 2002 £ |
| | Due within one year: | | |
| | Yale University | 1,325,999 | 1,954,186 |
| | Other debtors | 6,101 | 5,687 |
| | Prepayments | 50,836 | 46,694 |
| | Accrued income | 33,842 | 35,073 |
| | | <u>1,416,778</u> | <u>2,041,640</u> |

The Paul Mellon Centre for Studies in British Art (Limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

| | | | |
|----|--|----------------|------------------|
| 12 | CREDITORS: Amounts falling due within one year | 2003 £ | 2002 £ |
| | Grants awarded but not yet paid | 250,837 | 303,457 |
| | Yale University | - | 955,291 |
| | Other taxation and social security costs | 8,614 | 7,447 |
| | Accruals | 10,055 | 14,929 |
| | Deferred income | 69,386 | 77,495 |
| | Other creditors | 40,625 | 36,562 |
| | | <u>379,517</u> | <u>1,395,181</u> |

13 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 £94,436 (2002: £71,887). There were no outstanding or prepaid contributions at the balance sheet date.

14 COMMITMENTS

Publications commitments for 2003 and beyond total £700,000 (2002: £663,000). These relate to the cost of publishing books which the charity has committed to publish at the year end.

| | | |
|---|-----------|-----------|
| | 2003 £ | 2002 £ |
| At 30 June 2003 the company also had the following annual commitments under non-cancellable operating leases: | | |
| Land and buildings | | |
| expiring after five years | 162,500 | 162,500 |

| | | | | |
|----|--------------------------------------|-----------------------|--------------------------|---------------------|
| 15 | ANALYSIS OF NET ASSETS BETWEEN FUNDS | General Funds £ | Restricted funds £ | Total funds £ |
| | Tangible fixed assets | 21,251 | - | 21,251 |
| | Current assets | 2,205,397 | 424,892 | 2,630,289 |
| | Current liabilities | (379,517) | - | (379,517) |
| | Net assets at 30 June 2003 | <u>1,847,131</u> | <u>424,892</u> | <u>2,272,023</u> |

The Paul Mellon Centre for Studies in British Art (Limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

| 16 | MOVEMENT IN FUNDS | At 1 July 2002 £ | Incoming resources £ | Outgoing resources £ | At 30 June 2000 £ |
|----|---------------------------------|------------------------|----------------------------|----------------------------|-------------------------|
| | Unrestricted funds | 1,522,060 | 2,142,758 | 1,817,687 | 1,847,131 |
| | Restricted funds: | | | | |
| | Restoration of Foundling Museum | 343,515 | 10,519 | - | 354,034 |
| | Production of publications | 68,703 | 2,155 | - | 70,858 |
| | | 412,218 | 12,674 | - | 424,892 |
| | | 1,934,278 | 2,155,432 | 1,817,687 | 2,272,023 |

Purposes of restricted funds:

Restoration of Foundling Museum
Art

This fund is to be used for the restoration of the art collection at the Foundling museum. The balance arose from money left to centre from the will of Paul Mellon which specified how the money was to be used .

Production of publications

A further amount was left to the centre from the will of Paul Mellon to fund publications on the Foundling art collection.