

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

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

for the year ended
30 June 2006

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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

DIRECTORS

Richard Charles Levin
Amy Meyers
John Pepper
Andrew Hamilton

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
5th Floor, Exchange House
446 Midsummer Boulevard
Milton Keynes, MK9 2EA

BANKERS

Lloyds Bank plc
Victoria House
Southampton Row
London WC1B 5HR

SOLICITORS

Farrer & Co LLP
66 Lincoln's Inn Fields
London
WC2A 3LH

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

STATEMENT OF GOVERNORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF FINANCIAL STATEMENTS

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 2006.

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.

RECRUITMENT AND APPOINTMENT OF TRUSTEES

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

The Board keeps the skills requirements for the trustee Board under review and in the event that a trustee retires or a new trustee is required the Board approaches a member of Yale University. Once the trustee has been appointed, an induction process is undertaken to ensure that they understand the objects and activities of the charity and their responsibilities as a trustee.

OBJECTS AND 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. The sound investment policy by the Chief Financial Officer at Yale University will enable the Centre to comfortably cover all its commitments (see below.)

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

The Centre published (with Yale University Press) eleven new titles during the year 2005-6, including the prize-winning *William Holman Hunt A Catalogue Raisonné* by Judith Bronkhurst. The Centre's grants programme awarded a total of 66 grants to individual scholars, publishers and other educational bodies. This total comprised 6 curatorial research grants, 10 publications grants to authors, 16 publication grants to publishers, 9 education grants to fund scholarly conferences and academic activities at other institutions and 25 research support grants to individual scholars. In addition, a total of 13 fellowships were awarded during the year, comprising 3 senior fellowships, 5 junior fellowships, 3 postdoctoral fellowships and 2 Rome fellowships. In addition to the Centre's regular autumn evening research seminars, which provide a venue for recipients of the Centre's fellowships to present the fruits of research in progress, the Centre organised and hosted a number of major international academic conferences and symposia. These included two-day conferences about the 17th/18th century architects Nicholas Hawksmoor and John Talman. In collaboration with the British Museum, the Centre organised and hosted a conference in conjunction with the enormously successful Samuel Palmer exhibition. The Centre also co-organised the two-day event *Ascribing Value: The Production and Collecting of Architectural Drawings*

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

STATEMENT OF GOVERNORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF FINANCIAL STATEMENTS

with the Victoria & Albert Museum. The second of three intensive study days held at Arundel Castle in West Sussex was organised and funded by the Centre and brought together a distinguished group of scholars and students to examine parts of the Duke of Norfolk's remarkable collections. The Yale-in-London programme, a regular part of the Centre's activities continued to flourish with 14 students taking part in the Spring Term and 24 students enrolling in the two six-week summer programmes.

RESERVES POLICY

The Board have reviewed the reserves of the charity and have concluded that to allow the charity to be managed efficiently, a general reserve equivalent to a full year's potential expenditure should be held. This figure should mirror the annual transfer from Endowment to the operating budget (2005-2006 £1,034,446). The funds to bring the reserves to this level have now been transferred to the charity.

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 the risks are reviewed regularly and appropriate action is taken.

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 both of grants and fellowships and a ceiling of awards is set in each case. Numbers of applicants have risen steadily since 1998.

INVESTMENT POLICY

The board adopts a risk averse attitude to investment and at the year end all surplus cash is invested as a treasury deposit where the rate of return is guaranteed. The Yale endowment, from which our funds derive, received an unprecedented 22.9% return on investments in 2005-2006 which further guarantees the Centre's strong financial position.

DIRECTORS

For the purposes of the Companies Act, the members of the board of governors are deemed to be directors of the company. The following directors have held office since 1 July 2005:

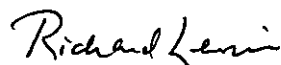
Richard Charles Levin
Amy Meyers
John Pepper
Andrew Hamilton

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

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 2005'. 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 17

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (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 (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the Trustees'/Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company 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 other transactions is not disclosed.

We read the Trustees'/Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 charitable company'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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 30 June 2006 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.
- the information given in the Trustees'/Directors' Report is consistent with the financial statements.

BAKER TILLY
Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

12 March 2007

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 2006

| | Notes | 2006 Unrestricted Funds £ | 2006 Restricted Funds £ | 2006 Total Funds £ | 2005 Total Funds £ |
|---|-------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| INCOMING RESOURCES | | | | | |
| Incoming resources from generated funds: | | | | | |
| <i>Activities for generating funds:</i> | | | | | |
| Publishing Royalties | | 245,867 | - | 245,867 | 363,874 |
| Summer Programme | | 74,928 | - | 74,928 | 69,382 |
| Yale Undergraduate courses | | 139,540 | - | 139,540 | 129,830 |
| Investment income | 4 | 67,166 | - | 67,166 | 33,739 |
| <i>Incoming resources from charitable activities:</i> | | | | | |
| Donations and gifts | 3 | 1,781,236 | - | 1,781,236 | 2,743,028 |
| TOTAL INCOMING RESOURCES | | 2,308,737 | - | 2,308,737 | 3,339,853 |
| RESOURCES EXPENDED | | | | | |
| Costs of generating funds | 6 | | | | |
| <i>Charitable expenditure:</i> | | | | | |
| Publishing and printing costs | | 657,905 | - | 657,905 | 657,366 |
| Summer programme costs | | 134,586 | - | 134,586 | 129,460 |
| Yale Undergraduate courses | | 158,162 | - | 158,162 | 171,436 |
| Newsletter | 5 | 9,210 | - | 9,210 | 11,436 |
| Fellowships and grants payable | 6 | 1,372,818 | - | 1,372,818 | 1,243,559 |
| Grant paid from the Estate of Paul Mellon | | - | - | - | 69,371 |
| Governance costs | 7 | 174,613 | - | 174,613 | 164,361 |
| TOTAL RESOURCES EXPENDED | | 2,507,294 | - | 2,507,294 | 2,446,989 |
| NET RESOURCES EXPENDED BEFORE TRANSFERS | 1 | (198,557) | - | (198,557) | 892,864 |
| Transfer between funds | | 72,482 | (72,482) | - | - |
| NET MOVEMENT IN FUNDS | 1 | (126,075) | (72,482) | (198,557) | 892,864 |
| BALANCE BROUGHT FORWARD AT 1 JULY 2005 | | 1,309,610 | 72,482 | 1,382,092 | 489,228 |
| BALANCE CARRIED FORWARD AT 30 JUNE 2006 | 17 | 1,183,535 | - | 1,183,535 | 1,382,092 |

The net movement in funds for the year arises from the company's continuing operations.

There are no recognised gains or losses other than the deficit for the year.

The notes on pages 9 to 17 form part of these accounts.

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
 BALANCE SHEET
 30 June 2006

| | Notes | 2006 £ | 2005 £ |
|--|-------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 11 | 16,773 | 10,406 |
| CURRENT ASSETS | | | |
| Debtors | 12 | 247,292 | 297,047 |
| Cash at bank and in hand | | 2,347,173 | 1,508,483 |
| | | <u>2,594,465</u> | <u>1,805,530</u> |
| CREDITORS: Amounts falling due within one year | 13 | (1,427,703) | (433,844) |
| NET CURRENT ASSETS | | <u>1,166,762</u> | <u>1,371,686</u> |
| NET ASSETS | 16 | <u>1,183,535</u> | <u>1,382,092</u> |
| CAPITAL AND RESERVES | | | |
| Unrestricted funds: | | | |
| Income and expenditure account | 16 | 1,183,535 | 1,309,610 |
| Restricted funds | 16 | - | 72,482 |
| | | <u>1,183,535</u> | <u>1,382,092</u> |

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

2 February 2007

Richard Linn

Andrew D HSL

Governors

The notes on pages 9 to 17 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 2005.

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 2006 the company had 7 members (2005: 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 when the charity becomes entitled to the income.

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.

Governance costs are costs associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with charitable expenditure. Included within this category are costs associated with the strategic as opposed to day to day management of the charity's activities.

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.

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

ACCOUNTING POLICIES

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)
INCOME AND EXPENDITURE ACCOUNT SCHEDULES
for the year ended 30 June 2006

| | | | |
|---|---|-------------------|-------------------|
| 1 | NET MOVEMENT IN FUNDS | 2006 £ | 2005 £ |
| | Net movement in funds is stated after charging: | | |
| | Operating lease rentals: | | |
| | Land and buildings | 162,500 | 162,500 |
| | Auditors' remuneration - audit services | 10,250 | 9,935 |
| | - non audit services | 750 | 1,000 |
| | Depreciation and amounts written off tangible fixed assets: | | |
| | Charge for the year on owned assets | 12,785 | 12,591 |
| | | <u> </u> | <u> </u> |
| 2 | EMPLOYEES | 2006 No. | 2005 No. |
| | The average monthly number of persons (including governors) employed by the company during the year was: | | |
| | Research and administration | 15 | 14 |
| | | <u> </u> | <u> </u> |
| | | 2006 £ | 2005 £ |
| | Staff costs for the above persons: | | |
| | Wages and salaries | 353,389 | 340,085 |
| | Social security costs | 37,640 | 36,069 |
| | Other pension costs | 159,447 | 147,914 |
| | | <u>550,476</u> | <u>524,068</u> |
| | | <u> </u> | <u> </u> |
| | The number of employees who received emoluments in the following ranges were: | 2006 No. | 2005 No. |
| | £80,001 - £90,000 | - | 1 |
| | £90,001 - £100,000 | 1 | - |
| | | <u> </u> | <u> </u> |

No amounts were paid to the members of the board of governors during the year (2005: £Nil).

| | | | | | |
|---|---------------------|---------------------------|-------------------------|--------------------|--------------------|
| 3 | DONATIONS AND GIFTS | 2006 Unrestricted £ | 2006 Restricted £ | 2006 Total £ | 2005 Total £ |
| | Yale University | 1,781,236 | - | 1,781,236 | 2,743,028 |
| | | <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)
INCOME AND EXPENDITURE ACCOUNT SCHEDULES
for the year ended 30 June 2006

| 4 | INVESTMENT INCOME | 2006 Unrestricted £ | 2006 Restricted £ | Total 2006 £ | Total 2005 £ |
|---|--------------------------|---------------------------|-------------------------|--------------------|--------------------|
| | Bank interest receivable | 67,166 | - | 67,166 | 33,739 |

| 5 | NEWSLETTER COSTS | 2006 £ | 2005 £ |
|---|-----------------------------|-----------|-----------|
| | Advertising PMC publication | 9,210 | 11,436 |

6 ALLOCATION OF SUPPORT COSTS AND OVERHEADS

Cost of charitable activities

| | Staff Costs £ | Depreciation £ | Direct Costs £ | Support Costs £ | Total 2006 £ | Total 2005 £ |
|----------------------------|---------------------|-------------------|----------------------|-----------------------|--------------------|--------------------|
| Publishing costs | 23,000 | - | 581,401 | 53,504 | 657,905 | 657,366 |
| Summer Programme costs | 9,000 | - | 72,082 | 53,504 | 134,586 | 129,460 |
| Yale Undergraduate courses | 9,000 | - | 95,658 | 53,504 | 158,162 | 171,436 |
| Newsletter | - | - | 9,210 | - | 9,210 | 11,436 |
| Fellowships and grants | 363,976 | 12,785 | 621,525 | 374,532 | 1,372,818 | 1,243,559 |
| | <u>404,976</u> | <u>12,785</u> | <u>1,379,876</u> | <u>535,044</u> | <u>2,332,681</u> | <u>2,282,628</u> |

Governance costs

| | Staff Costs £ | Depreciation £ | Direct Costs £ | Support Costs £ | Total 2006 £ | Total 2005 £ |
|-----------------|---------------------|-------------------|----------------------|-----------------------|--------------------|--------------------|
| Governing Board | 145,500 | - | - | 29,113 | 174,613 | 164,361 |
| | <u>145,500</u> | <u>-</u> | <u>-</u> | <u>29,113</u> | <u>174,613</u> | <u>164,361</u> |
| Total costs | <u>550,476</u> | <u>12,785</u> | <u>1,379,876</u> | <u>564,157</u> | <u>2,507,294</u> | <u>2,446,989</u> |

| 7 | GOVERNANCE COSTS | 2006 £ | 2005 £ |
|---|-----------------------------|----------------|----------------|
| | Audit and accountancy fees | 15,298 | 13,005 |
| | Legal and professional fees | 13,815 | 13,702 |
| | Salary costs | 145,500 | 137,654 |
| | | <u>174,613</u> | <u>164,361</u> |

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
 INCOME AND EXPENDITURE ACCOUNT SCHEDULES
 for the year ended 30 June 2006

| 8 | SUPPORT COSTS | 2006 £ | 2005 £ |
|---|-----------------------------|----------------|----------------|
| | Operating costs: | | |
| | Postage | 9,768 | 7,911 |
| | Telephone and fax | 5,236 | 4,580 |
| | Insurance | 20,170 | 18,184 |
| | Stationery and photocopying | 8,357 | 8,099 |
| | Kitchen supplies | 1,783 | 1,512 |
| | Light and power | 3,291 | 3,238 |
| | Heating | 2,914 | 1,730 |
| | Cleaning | 16,528 | 16,526 |
| | Private healthcare | 10,842 | 10,081 |
| | Computer costs | 7,903 | 23,727 |
| | | <u>86,792</u> | <u>95,588</u> |
| | Accommodation costs: | | |
| | Rent | 166,249 | 162,500 |
| | Rates | 10,017 | 9,150 |
| | Repairs and maintenance | 75,847 | 30,727 |
| | | <u>252,113</u> | <u>202,377</u> |
| | Other expenses: | | |
| | Entertaining | 15,606 | 14,167 |
| | Travel | 28,824 | 27,399 |
| | Library and subscriptions | 20,785 | 23,260 |
| | Photographic archives | 3,897 | 3,473 |
| | Academic activities | 119,105 | 123,454 |
| | Directors discretionary | 1,519 | 3,477 |
| | Audit and accountancy | 15,298 | 13,005 |
| | Legal and professional | 13,815 | 13,702 |
| | Miscellaneous | 2,157 | (631) |
| | Bank charges | 1,574 | 1,312 |
| | Publication expenses | 1,102 | - |
| | Administration of grants | 1,570 | 2,906 |
| | Staff recruitment | - | 3,290 |
| | | <u>225,252</u> | <u>225,684</u> |
| | Total support costs | <u>564,157</u> | <u>523,649</u> |

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
 INCOME AND EXPENDITURE ACCOUNT SCHEDULES
 for the year ended 30 June 2006

| 9 | GRANTS PAYABLE | 2006 £ | 2005 £ |
|---|--|-------------------------|--------------------|
| | Fellowships and grants payable to institutions | 374,448 | 263,260 |
| | Fellowships and grants payable to individuals | 247,077 | 274,336 |
| | | <u>621,525</u> | <u>537,596</u> |
| | Institutional grants were awarded as follows: | | |
| | Institution | Awarded in 2006 £ | 2006 Total £ |
| | Ashmolean Museum | 30,000 | |
| | National Trust | 27,500 | |
| | British Museum, Department of Prints and Drawings | 54,000 | |
| | Henry Moore Foundation | 17,500 | |
| | National Portrait Gallery | 25,000 | |
| | York Museums Trust | 15,000 | |
| | Reaktion Books | 7,000 | |
| | Guildhall Art Gallery | 5,000 | |
| | Corpus Vitrearum Medii Aevi | 5,000 | |
| | Trefoil Press | 5,000 | |
| | London Jewish Museum of Art | 5,000 | |
| | The Buildings of Scotland Trust | 5,000 | |
| | Public Monuments and Sculpture Association | 5,000 | |
| | RIBA Enterprises Limited | 5,000 | |
| | The Wordsworth Trust | 4,100 | |
| | Scottish National Portrait Gallery | 3,000 | |
| | Ashgate Publishing | 2,500 | |
| | Djanogly Gallery | 2,500 | |
| | University of Warwick | 2,500 | |
| | Leighton House Museum | 2,300 | |
| | Royal Pavillion, Brighton and Hove | 2,000 | |
| | Yorkshire Archaeological Society | 2,000 | |
| | University of Birmingham | 1,600 | |
| | Leeds City Gallery | 1,500 | |
| | The University of York | 1,000 | |
| | The Emery Walker Trust | 650 | |
| | Total awarded in the year | <u>236,650</u> | <u>236,650</u> |
| | Grants commitments written off in the year | | 77,798 |
| | Additional commitments at 30 June 2006 | | 60,000 |
| | Total institutional grants chargeable to the SOFA (overleaf) | | <u>374,448</u> |
| | Total individual grants chargeable to the SOFA | | <u>247,077</u> |
| | Total grants chargeable to the SOFA | | <u>621,525</u> |

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
 INCOME AND EXPENDITURE ACCOUNT SCHEDULES
 for the year ended 30 June 2006

| | | |
|---|----------|------------------|
| Allocation of support costs and overheads | (note 6) | 751,293 |
| | | <u>1,372,818</u> |

31 fellowships and grants were awarded to individuals in the year ended 30 June 2006 (2005 :52) and 49 to institutions (2005 : 37).

Individual grants were awarded as follows:

| Individual | Awarded in the year £ | 2006 Total £ |
|------------------------------------|--------------------------------|--------------------|
| Dr Mark Hallett | 27,500 | |
| Prof. Nigel Thorp | 27,500 | |
| Prof. Marcia Pointon | 13,750 | |
| Dr Andrew Moore | 12,900 | |
| Dr Carole Richardson | 12,900 | |
| Dr Riann Coulter | 7,200 | |
| Dr Davide Deriu | 7,200 | |
| Dr Hannah Greig | 7,200 | |
| Jongwoo Jeremy Kim | 6,300 | |
| Cory Korkow | 6,300 | |
| Alistair Kwan | 6,300 | |
| Shalini Seshadri | 6,300 | |
| Andrea Wolk | 6,300 | |
| Vic Gatrell | 4,000 | |
| Dr Mary Roberts | 3,000 | |
| John Peacock | 3,000 | |
| Andrew Saint | 3,000 | |
| Vyacheslav P. Shestakov | 3,000 | |
| Anna Chalcraft & Judith Viscardi | 2,400 | |
| Ruth Brimacombe | 2,000 | |
| Nancy E. Green | 2,000 | |
| Jessica Buskirk | 2,000 | |
| Paul Snell | 2,000 | |
| Dana Wheelles | 2,000 | |
| Dr Christiano Giometti | 2,000 | |
| Dr Fabrizia Spirito | 2,000 | |
| Elizaveta Renne | 2,000 | |
| Alla Myzelev | 2,000 | |
| Patrick Noon | 2,000 | |
| Denise Blake Oleksijczuk | 2,000 | |
| Adam White | 2,000 | |
| Ulrike Tomalia | 1,920 | |
| Alan Crawford | 1,500 | |
| Dr Stephen Kite | 1,500 | |
| Helen McCormack | 1,347 | |
| Dr Urmila Seshagiri | 1,200 | |
| Dr Pamela Trimpe | 1,200 | |
| John Potvin | 1,000 | |
| Abbie N. Sprague | 1,000 | |
| Brian W. Harvey & Carol Fitzgerald | 1,000 | |
| Richard Garnier | 1,000 | |
| Other grants < £1,000 | 4,770 | |

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for the year ended 30 June 2006

Individual grants were awarded as follows:

| Individual | Awarded in the year £ | 2006 Total £ |
|---------------------------|--------------------------------|--------------------|
| Total awarded in the year | 207,487 | 207,487 |

Brought forward 207,487

Grants commitments written off in the year 19,590
Additional commitments at 30 June 2006 20,000

Total individual grants chargeable to SOFA 247,077

10 TAXATION

The charitable company is exempt from corporation tax on its charitable activities.

11 TANGIBLE FIXED ASSETS

| | <i>Fixtures and fittings £</i> | <i>Computer equipment £</i> | <i>Total £</i> |
|---------------------|--|-------------------------------------|--------------------|
| Cost | | | |
| 1 July 2005 | 345,587 | 74,244 | 419,831 |
| Additions | 3,662 | 15,490 | 19,152 |
| 30 June 2006 | <u>349,249</u> | <u>89,734</u> | <u>438,983</u> |
| Depreciation | | | |
| 1 July 2005 | 339,047 | 70,378 | 409,425 |
| Charged in the year | 5,123 | 7,662 | 12,785 |
| 30 June 2006 | <u>344,170</u> | <u>78,040</u> | <u>422,210</u> |
| Net book value | | | |
| 30 June 2006 | <u>5,079</u> | <u>11,694</u> | <u>16,773</u> |
| 30 June 2005 | <u>6,540</u> | <u>3,866</u> | <u>10,406</u> |

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 for the year ended 30 June 2006

| | | | | |
|----|---|-----------------------|--------------------------|---------------------|
| 12 | DEBTORS | 2006 £ | 2005 £ | |
| | Due within one year: | | | |
| | Other debtors | 22,268 | 12,384 | |
| | Prepayments | 56,205 | 53,398 | |
| | Accrued income | 168,819 | 231,265 | |
| | | <u>247,292</u> | <u>297,047</u> | |
| 13 | CREDITORS: Amounts falling due within one year | 2006 £ | 2005 £ | |
| | Grants awarded but not yet paid | 458,766 | 295,193 | |
| | Trade creditors | 379,646 | - | |
| | Other taxation and social security costs | 11,182 | 10,946 | |
| | Accruals | 24,459 | 22,152 | |
| | Deferred income | 553,650 | 64,928 | |
| | Other creditors | - | 40,625 | |
| | | <u>1,427,703</u> | <u>433,844</u> | |
| 14 | 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 £159,447 (2005: £147,914). There were no outstanding or prepaid contributions at the balance sheet date. | | | |
| 15 | COMMITMENTS | 2006 £ | 2005 £ | |
| | At 30 June 2006 the company also had the following annual commitments under non-cancellable operating leases: | | | |
| | Land and buildings expiring after five years | 162,500 | 162,500 | |
| 16 | ANALYSIS OF NET ASSETS BETWEEN FUNDS | General Funds £ | Restricted Funds £ | Total funds £ |
| | Tangible fixed assets | 16,773 | - | 16,773 |
| | Current assets | 2,594,465 | - | 2,594,465 |
| | Current liabilities | (1,427,703) | - | (1,427,703) |
| | Net assets at 30 June 2006 | <u>1,183,535</u> | <u>-</u> | <u>1,183,535</u> |

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 for the year ended 30 June 2006

| 17 | MOVEMENT IN FUNDS | At 1 July 2005 £ | Incoming resources £ | Outgoing resources £ | Transfer £ | At 30 June 2006 £ |
|----|----------------------------|------------------------|----------------------------|----------------------------|---------------|-------------------------|
| | Unrestricted funds | 1,309,610 | 2,308,737 | (2,507,294) | 72,482 | 1,183,535 |
| | Restricted funds: | | | | | |
| | Production of publications | 72,482 | - | - | (72,482) | - |
| | | 72,482 | - | - | - | - |
| | | 1,382,092 | 2,308,737 | (2,507,294) | - | 1,183,535 |

Purposes of restricted funds:

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. This amount was utilised in the previous year but not shown correctly in the financial statements. A transfer has been made in these accounts to correct the position.