

Registered Charity No 313838
Company No 983028 (England and Wales)

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

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

for the year ended
30 June 2011

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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
Shauna King
Peter Salovey

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 UK Audit LLP
1st Floor
46 Clarendon Road
Watford
Herts WD17 1JJ

BANKERS

Lloyds TSB Bank plc
Victoria House
37 Southampton Row
Holborn
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)

GOVERNORS' REPORT

The Governors present their annual report and the financial statements of The Paul Mellon Centre for Studies in British Art for the year ended 30 June 2011

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 (company number 983028).

DIRECTORS

For the purposes of the Companies Act and Charity law, the members of the board of governors are deemed to be directors and trustees of the charitable company and throughout this report are referred to as governors. The following governors have held office since 1 July 2010:

Richard Charles Levin
Amy Meyers
Shauna King
Peter Salovey

Each member of the board of governors is a subscribing member of the charitable company throughout his or her period of office.

RECRUITMENT AND APPOINTMENT OF GOVERNORS

Under the requirements of the charitable 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 Governor Board under review and in the event that a governor retires or a new governor is required the Board approaches a member of Yale University. Once a governor 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 governor. Ongoing training is provided as required.

OBJECTS AND ACTIVITIES

The charitable 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 for Studies in British Art 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 programme is run at the Paul Mellon Centre for Studies in British Art, enabling American students to study British culture on its home ground.

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

GOVERNORS' REPORT

REVIEW OF ACTIVITIES AND FINANCIAL REVIEW

Although the economic downturn showed no sign of abating during the financial year 2010-11 the Centre continued comfortably to be able to maintain its activities without any cuts to its publications programmes, public events or to the grants and fellowships awarded. Although the endowment income showed a very slight increase on the previous year, the long-established policy of running surpluses to allow for fluctuations in the dollar/pound exchange rate effectively insulated the Centre from the worst effects of the financial climate.

As in all previous years, the bulk of the Centre's funds derive from the endowment income transferred annually from Yale University to which is added royalties on the sales of books published for the Centre by Yale University Press. In the long-term this royalty income rarely exceeds 50% of the total annual investment in the publications programme. Occasional gifts from an external funder are received but in this financial year there were no additional sources of income.

The Paul Mellon Centre remains the only charitable body of its kind with funds dedicated solely for supporting scholarship in the history of British art and without the Centre's presence research in the history of British art would undoubtedly be significantly more limited. It is widely acknowledged that the Centre's publications programme is a model of its kind and without the Mellon publications subsidy many of the most important books in the field would never be published because almost all of the titles would not be financially viable. Similarly, the support offered by the Centre's grants and fellowships programme undoubtedly leads to significant new research in the field and results in important publications issued not only by the Centre but by other publishers who are recipients of our grants.

During the financial year 2010-2011 the Centre awarded grants and fellowships totalling £1,596,891. Seven Curatorial Research Grants and thirty-five Publication Grants were awarded (eleven to individual authors and twenty-four to publishers), eight Education Programme Grants were made to support conferences and lectures and fifty-two Research Support Grants were awarded to individual scholars. Details of individual projects are listed on pp 14-18 of this report and in the Centre's Annual Report.

Senior Fellowships were awarded to six scholars and six Post-doctoral fellowships were awarded to scholars to enable them to convert their doctoral dissertations into publishable books. Four Junior Fellowships were awarded to scholars engaged in research for a doctoral dissertation and one Rome Fellowship was awarded in collaboration with the British School at Rome. The Centre also administered the Barns-Graham Fellowship on behalf of the Wilhelmina Barns-Graham Charitable Trust.

The Board of Governors at Yale University approves the proposed annual expenditure for grants and fellowships but the awards are made in London by the Centre's Advisory Council at its twice annual meetings. An exception to this procedure was made prior to the economic downturn in 2008-2009 when a considerable one-off additional sum of \$1,111,185 (£724,251) was made available by Yale University to fund projects over a three to four year period at the British Museum, the Royal Academy of Arts and at Sir John Soane's Museum and this disbursement continues. The Board of Governors approved funding for these projects at its meeting on 5th February 2009 and the funds (as transferred to London) appeared in the Centre's accounts for the financial year ending 30th June 2010.

The Advisory Council in London comprises twelve leading university professors and high-ranking museum professional with specialist knowledge of the history of British art, architecture and the decorative arts. Members of the Council serve five-year terms and are not renewable without at least a one year gap between terms. Although not policy makers, the Advisory Council, which between its members has a wealth of expert knowledge and professional experience, can be called upon for advice at any point during the year between regular meetings.

Grants are only awarded to those applicants whom the Advisory Council deem to have reached the highest standards of achievement. The criteria for awarding its various grants rest on the perceived benefit to scholarship, mankind and the sum of human knowledge. These factors are determined by the expert judgement of the Centre's Advisory Council.

During the year 2010-2011 the Centre continued to fund research for the catalogue raisonnés of the paintings of William Hogarth, the portraits of Thomas Gainsborough, the paintings of George Romney, the online catalogue of the paintings of Richard Wilson by Centre's own Senior Research Fellows, Elizabeth Emberg, Hugh Belsey, Alex Kidson and Paul Spencer-Longhurst respectively as well as supporting Eric Shanes in his research for a major

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

GOVERNORS' REPORT

REVIEW OF ACTIVITIES (CONTINUED)

biography of J M W Turner Andrew Moore of the Castle Museum, Norwich continued his research on the important 'Grand Tour' collection at Holkham Hall in Norfolk and, in Madrid, Maria Dolores Sanchez-Jáuregui continued the research which will result in a major exhibition of the art-related contents of the captured British ship, the *Westmorland* to be held at the Ashmolean Museum, Oxford and the Yale Center for British Art in 2012

The Centre spent a total of £572,546 on its own publications issued by Yale University Press and among them were landmark publications such as Mary Webster's *Johan Zoffany*, the product of more than forty years' research and John Goodall's critically-acclaimed *The English Castle*

In addition to those grants awarded to other organisations the Centre organised and hosted conferences in collaboration with the Royal Academy of Arts, The National Gallery, the National Portrait Gallery, Dulwich Picture Gallery, the National Trust, the Twentieth Century Society and the Open University

The Centre's Yale-in London programmes (a Spring Semester and two Summer Courses) attracted a total of fifty-one Yale University undergraduates

The Centre regularly assesses the benefits of its awards and remains confident that its current criteria and policies remain entirely valid in the present circumstances The benefit of new members joining the Advisory Council each year ensures that fresh ideas and opinions reinvigorate the decision-making procedures and the Centre remains confident that it can maintain its current level of support for scholarship in the foreseeable future

FUTURE PLANS

The Director of Studies announced his retirement at the Annual General Meeting on 4th February 2011 and the Governors are now actively seeking to appoint his successor

PUBLIC BENEFIT

We have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities In particular, the governors consider how planned activities will contribute to the aims and objectives they have set

RESERVES POLICY

The board has reviewed the reserves of the charity and has concluded that to allow the charitable company 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 the Endowment to the operating budget (2010-2011 £1,515,654)

RISK REVIEW

The major risk, to which the Paul Mellon Centre for Studies in British Art is exposed to, is the fluctuation in the sterling exchange rate with the US dollar This has been identified by the governors 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 the Grant 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 Paul Mellon Centre does not invest the Endowment which is under the control of Yale University however the reserves in London are kept on secure fixed deposit

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

STATEMENT AS TO THE DISCLOSURE OF INFORMATION TO AUDITORS

The governors in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the governors have confirmed that they have taken all the steps that they ought to have taken as governors in order to make themselves aware of any relevant audit information and establish that it has been communicated to the auditors.

A resolution to reappoint Baker Tilly UK Audit LLP will be put to the members at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (issued in March 2005) and in accordance with the exemptions available for small entities under the Companies Act.

On behalf of the board



Governor

2 December 2011

Date

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 (who are also directors of The Paul Mellon Centre for Studies in British Art for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to

- Select suitable accounting policies and then apply them consistently,
- Observe the methods and principles in the Charities SORP,
- 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,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PAUL MELLON CENTRE FOR STUDIES IN BRITISH ART (Company limited by Guarantee)

We have audited the financial statements of The Paul Mellon Centre for Studies in British Art for the year ended 30 June 2011 on pages 8 to 21. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 governors and auditor

As explained more fully in the Statement of Governors' responsibilities set out on page 6, the governors (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

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 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of Companies Act 2006.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charity has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Governors' report.

Baker Tilly UK Audit LLP

SARAH MASO (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

1st Floor

46 Clarendon Road

Watford

Herts WD17 1JJ

8 December 2011

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 2011

	Notes	2011 Restricted Funds £	2011 Unrestricted Funds £	2011 Total Funds	2010 Total Funds
INCOMING RESOURCES					
Incoming resources from generated funds					
<i>Activities for generating funds</i>					
Publishing Royalties		-	313,790	313,790	307,827
Summer Programme		-	87,320	87,320	111,600
Yale Undergraduate courses		-	87,113	87,113	92,465
Investment income	2	-	4,317	4,317	4,640
Incoming resources from charitable activities					
Reserve income	3	-	190,342	190,342	-
Endowment income	3	-	1,515,654	1,515,654	1,467,963
Grants and fellowships income	3	-	586,243	586,243	585,463
Publication income	3	-	138,894	138,894	139,039
TOTAL INCOMING RESOURCES		-	2,923,673	2,923,673	2,708,997
RESOURCES EXPENDED					
Charitable activities					
Publishing and printing costs	5	-	572,546	572,546	774,900
Summer programme costs	5	-	109,903	109,903	132,589
Yale Undergraduate courses	5	-	132,199	132,199	157,255
Fellowships and grants payable	5	-	1,596,891	1,596,891	1,670,700
Governance costs	6	-	317,396	317,396	287,527
TOTAL RESOURCES EXPENDED		-	2,728,935	2,728,935	3,022,971
NET INCOMING/(OUTGOING) RESOURCES	1	-	194,738	194,738	(313,974)
TOTAL FUNDS BROUGHT FORWARD		7,251	1,356,340	1,363,591	1,677,565
TOTAL FUNDS CARRIED FORWARD	16	7,251	1,551,078	1,558,329	1,363,591

The Statement of Financial Activities includes all gains and losses in the year

All incoming resources and resources expended derive from continuing activities

The notes on pages 12 to 20 form part of these accounts

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
BALANCE SHEET
At 30 June 2011

Registered Charity No 313838
Company No 983028

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	10	17,847	42,313
CURRENT ASSETS			
Debtors	11	557,822	272,527
Cash at bank and in hand		1,836,786	2,240,279
		2,394,608	2,512,806
CREDITORS Amounts falling due within one year	12	701,326	847,528
NET CURRENT ASSETS		1,693,282	1,665,278
TOTAL ASSETS LESS CURRENT LIABILITIES		1,711,129	1,707,591
CREDITORS Amounts falling due after one year	13	152,800	344,000
NET ASSETS		1,558,329	1,363,591
CAPITAL AND RESERVES			
Unrestricted funds			
Income and expenditure account	16	1,551,078	1,356,340
Restricted Funds	16	7,251	7,251
		1,558,329	1,363,591

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements on pages 8 to 21 were approved by the board of Governors and authorised for issue on **2 December 2011** and were signed on its behalf by

Richard C Lenn

SEP

Governors

Date **2 December 2011**

The notes on pages 12 to 20 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 2006, the Financial Reporting Standard for Smaller Entities (effective 2008) and follow the recommendations in Accounting and Reporting by Charities Statement of Recommended Practice issued in 2005

GOING CONCERN

The governors have reviewed detailed operating budgets for the period to November 2012. Based on these budgets the governors expect the charitable company will have available adequate reserves and resources to continue its activities for the foreseeable future, and can meet its obligations as they fall due. Therefore the financial statements have been prepared on a going concern basis.

FIXED ASSETS AND DEPRECIATION

All fixed assets are stated at historical cost less accumulated depreciation. The cost of minor additions or those costing below £5,000 are not capitalised. Depreciation is provided 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 on cost
Computer equipment	over 3 years on cost

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

STATUS OF THE CHARITABLE COMPANY

The charitable 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 charitable company. At 30 June 2011 the charitable company had 7 members (2010: 7).

INCOMING RESOURCES

Royalties - Royalties are accounted for on a receivable basis.

Summer Programme/ Yale in London - Income and expenditure relating to the programme are recognised in the year in which a programme is undertaken.

Incoming resources from charitable activities - 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.

RESOURCES EXPENDED

Resources expended are recognised on an accruals basis as a liability is incurred. They are allocated to the particular activity where the cost relates directly to that activity.

Charitable activities include expenditure associated with publication and printing costs, programme costs, course costs and grant costs and include both the direct costs and support costs relating to these activities.

Support costs and overheads include central functions and have been allocated to charitable activity cost categories on a basis consistent with the use of resources. For example, staff costs have been allocated by time spent and support costs have been allocated by their usage.

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.

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

ACCOUNTING POLICIES

PENSION CONTRIBUTIONS

The company operates a defined contribution scheme. The charge to the statement of financial activities is the amount payable in respect of the accounting period. Unpaid contributions are recognised and are provided for in the balance sheet (note 14).

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 subjected to restrictions on their expenditure imposed by their donor.

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 statement of financial activities.

LEASES

Rentals payable under operating leases are charged on a straight line basis over the term of the lease.

HERITAGE ASSETS

The Paul Mellon Centre for Studies in British Art has a collection of historical books and archives which are held in support of the Centre's primary objective of advancing education in, and appreciation and understanding of, British art. The Governors consider that, owing to the incomparable nature of these historic books and archives, conventional valuation approaches lack sufficient reliability and that, even if the valuations could be obtained, the costs would be onerous compared with the additional benefits derived by the Centre and users of the accounts. As a result, no value is reported for these assets in the balance sheet.

Further information is given in Note 19 to the accounts.

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

1	NET MOVEMENT IN FUNDS		2011 £	2010 £
	Net movement in funds is stated after charging			
	Operating lease rentals			
	Land and buildings		162,500	162,500
	Auditor's remuneration -			
	Audit services		10,205	9,694
	Depreciation and amounts written off tangible fixed assets			
	Charge for the year on owned assets		33,326	19,671
			<u> </u>	<u> </u>
	Of the total incoming resources £2,431,136 was received from outside the United Kingdom			
2	INVESTMENT INCOME		2011 £	2010 £
	Bank interest receivable		4,317	4,640
			<u> </u>	<u> </u>
3	DONATIONS AND GIFTS	2011 Restricted £	2011 Unrestricted £	2011 Total £
				2010 Total £
	Reserve income	-	190,342	190,342
	Endowment income	-	1,515,654	1,515,654
	Grants and fellowships income	-	586,243	586,243
	Publication income	-	138,894	138,894
		<u> </u>	<u> </u>	<u> </u>
		-	2,431,133	2,431,133
		<u> </u>	<u> </u>	<u> </u>
				2,192,465
				<u> </u>
4	EMPLOYEES		2011 No	2010 No
	The average monthly number of persons (excluding Governors) employed by the charitable company during the year was			
	Research and administration		11	11
			<u> </u>	<u> </u>
			2011 £	2010 £
	Staff costs for the above persons			
	Wages and salaries		467,038	440,204
	Social security costs		53,265	45,538
	Other pension costs		332,326	398,635
			<u> </u>	<u> </u>
			852,629	884,377
			<u> </u>	<u> </u>
	The number of employees whose emoluments amounted to more than £60,000 in the year in increasing bands of £10,000 were		2011 No	2010 No
	£60,001 to £70,000		1	1
	£110,001 to £120,000		1	1
			<u> </u>	<u> </u>

During the year pension contributions for the above employees amounted to £335,000 (2010 £335,000)

No amounts were paid or expenses reimbursed to the members of the board of Governors during the year (2010 £nil)

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

5 ALLOCATION OF SUPPORT COSTS AND OVERHEADS

Cost of charitable activities 2011

	Staff costs £	Depreciation £	Direct costs £	Support costs £	Total 2011 £
Publishing costs	45,417	-	480,580	46,549	572,546
Summer Programme costs	9,482	-	53,872	46,549	109,903
Yale Undergraduate courses	9,483	-	76,167	46,549	132,199
Fellowships and grants	515,115	33,326	635,209	413,241	1,596,891
	<u>579,497</u>	<u>33,326</u>	<u>1,245,828</u>	<u>552,888</u>	<u>2,411,539</u>

Governance costs 2011

Governance costs	<u>273,132</u>	<u>-</u>	<u>44,264</u>	<u>-</u>	<u>317,396</u>
Total costs 2011	<u>852,629</u>	<u>33,326</u>	<u>1,290,092</u>	<u>552,888</u>	<u>2,728,935</u>

Cost of charitable activities 2010

	Staff costs £	Depreciation £	Direct costs £	Support costs £	Total 2010 £
Publishing costs	42,298	-	674,906	57,696	774,900
Summer Programme costs	9,297	-	65,596	57,696	132,589
Yale Undergraduate courses	9,297	-	90,262	57,696	157,255
Fellowships and grants	564,950	19,671	682,211	403,868	1,670,700
	<u>625,842</u>	<u>19,671</u>	<u>1,512,975</u>	<u>576,956</u>	<u>2,735,444</u>

Governance costs 2010

Governance costs	<u>258,535</u>	<u>-</u>	<u>28,992</u>	<u>-</u>	<u>287,527</u>
Total costs 2010	<u>884,377</u>	<u>19,671</u>	<u>1,541,967</u>	<u>576,956</u>	<u>3,022,971</u>

6 GOVERNANCE COSTS

	2011 £	2010 £
Audit and accountancy fees	13,330	12,879
Legal and professional fees	30,934	16,113
Salary costs	273,132	258,535
	<u>317,396</u>	<u>287,527</u>

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

7	SUPPORT COSTS	2011 £	2010 £
	Operating costs		
	Postage	8,928	9,319
	Telephone and fax	3,915	5,148
	Insurance	21,577	33,292
	Stationery and photocopying	11,457	11,426
	Kitchen supplies	2,723	2,362
	Light and power	5,815	6,166
	Heating	4,230	4,407
	Cleaning	17,806	17,288
	Private healthcare	20,699	23,706
	Computer costs	34,704	22,581
		<u>131,854</u>	<u>135,695</u>
	Accommodation costs		
	Rent	162,500	165,691
	Rates	13,396	12,005
	Repairs and maintenance	15,370	21,882
		<u>191,266</u>	<u>199,578</u>
	Other expenses		
	Entertaining	21,119	17,196
	Travel	33,060	33,324
	Library and subscriptions	25,223	26,891
	Photographic archives	10,600	23,817
	Academic activities	132,563	133,141
	Directors discretionary	1,499	1,288
	Miscellaneous	1,800	1,120
	Bank charges	254	572
	Administration of grants	3,650	4,334
		<u>229,768</u>	<u>241,683</u>
	Total support costs	<u>552,888</u>	<u>576,956</u>
8	GRANTS PAYABLE	2011 £	2010 £
	Fellowships and grants payable to institutions	327,617	375,579
	Fellowships and grants payable to individuals	307,592	306,632
		<u>635,209</u>	<u>682,211</u>

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
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for the year ended 30 June 2011

Institutional grants were awarded as follows

Institution	Awarded in 2011 £
Ashmolean Museum, Oxford	2,000
Australian Scholarly Publishing	4,160
Berghahn Books Ltd	5,000
Birmingham Museums and Art Gallery	2,000
Boydell and Brewer	2,650
Brepols Publishers	2,000
British Museum	5,000
Burlington Magazine	350
Christ Church Picture Gallery, Oxford	520
Compton Verney	5,000
Frances Lincoln Ltd	3,000
Hamilton Kerr, University of Cambridge	15,000
Handel House Museum	1,000
Henry Moore Institute	5,895
Holburne Museum of Art	3,000
Liverpool University Press	3,000
Mary and Leigh Block Museum of Art, Northwestern University	500
Modern Art Press	7,000
Moggerhanger House Preservation Trust	6,000
Philip Wilson Publishers	3,000
Public Monuments and Sculpture Association	5,000
Reaktion Books	3,000
Royal Albert Memorial Museum, Exeter	20,000
Royal Pavilion & Museums	2,000
Ruthin & District Civic Ass	6,000
St Paul Cathedral Foundation	19,548
Tate Britain	10,000
The Holbourne Museum	2,264
The Wallace Collection	75,000
University of Andrews	3,000
University of Lincoln	3,200
University of York	23,000
University of York	1,460
University of York, Dept of History of Art	1,000
V & A Publishing	4,000
Victorian Society West Yorkshire Group	2,000
Watts Gallery	7,500
Whitechapel Art Gallery	38,400
Yale University Press	6,000
York Museums Trust	5,000
	<hr/> 313,447

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

8 GRANTS PAYABLE (continued)

Brought forward from page 16	313,447
Total awarded in the year	313,447
Grants commitments previously written off now paid	14,170
Total institutional grants chargeable to the SOFA	327,617
Total individual grants chargeable to the SOFA	307,592
Total grants chargeable to the SOFA	£635,209

79 grants and fellowships were awarded to individuals in the year ended 30 June 2011 (2010 72) and 40 to institutions (2010 40)

Individual grants were awarded as follows

Individual	Awarded in the year £
Abbie Sprague	2,000
Ahenk Yilmaz	3,000
Alan Borg	2,000
Albert Grimstone	500
Alexis Drahos	2,000
Amanda Lahikainen	1,500
Amanda Reeser Lawrence	2,000
Amy Todman	2,955
Andrew Moore	30,000
Anna Arabindan-Kesson	7,500
Anuradha Gobin	2,000
Arlene Leis	2,000
Arthur MacGregor	2,500
Betsy Chunko	1,000
Brooke Permenter	2,500
Caroline Pegum	3,000
Catherine Attkisson	2,000
Charles Ellis	1,500
Chiara Teolato	8,000
Christine Casey	1,000
Darren Newbury	2,000
David Mackie	2,000
Ekaterina Skvortsova	3,000
Eleanor Dew	7,500
Emma Acker	2,000
Emma Peacocke	2,000
	97,455

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

Individual grants were awarded as follows

Individual	Awarded in the year £
Brought forward from page 16	97,455
Ester Chadwick	7,500
Gabriel Gee	2,000
Gemma Field	1,500
Giovanna Guidicini	3,000
Gordon Higgott	500
Gul Cephaneigil	3,000
Henrietta McBurney Ryan	2,763
Iain Jackson	2,000
James Rothwell	1,500
Jan Blanc	1,000
John Bonehill	2,937
John Munns	4,000
Jonathan Conlin	2,131
Jonathon Black	2,320
Julian Stallabrass	10,000
Julie Farguson	2,000
Kate Lowry	3,000
Kate Nicholas	8,000
Larry J Schaaf	2,000
Lauren Pepitone	1,000
Lindsay Stainton	3,000
Liz McFarland	2,000
Louise Campbell	20,000
Lucinda Middleton	1,000
Lydia M Soo	10,000
Lyrice Taylor	1,500
Maaja Jansson	2,000
Malcolm Baker	15,000
Margaret MacDonald	2,500
Mark Broughton	2,000
Matthew Hunter	2,990
Matthew Walker	8,000
Miranda Routh	7,500
Miriam Brusius	1,000
Nancy Marshall	4,000
Nicholas Temple	14,300
Oliver Bradbury	1,700
Pamela Gerrish-Nunn	3,000
Pauline Rose	1,613
Peter Humfrey	1,000
Piers Baker-Bates	2,100
	<hr/> 265,809

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

Individual grants were awarded as follows

Individual	Awarded in the year £
Brought forward from page 17	265,809
Rebecca Shields	2,000
Romana Filzmoser	3,000
Samuel Shaw	8,000
Sarah MacDougall	2,000
Shannon Hurtado	2,000
Sonia de Puneuf	1,000
Susanna Pasquali	2,000
Susanne Cowan	2,000
Sylvia Shorto	10,000
Vanessa Alayrac-Fielding	4,000
Veronika Decker	2,400
Victoria George	3,383
Total individual grants chargeable to SOFA	<u>£307,592</u>

9 TAXATION

The company is a registered charity and, as such, its income and gains falling within Section 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives

10 TANGIBLE FIXED ASSETS

	<i>Fixtures and fittings</i> £	<i>Computer equipment</i> £	<i>Total</i> £
Cost			
1 July 2010	445,483	113,238	558,721
Additions	-	8,860	8,860
30 June 2011	<u>445,483</u>	<u>122,098</u>	<u>567,581</u>
Depreciation			
1 July 2010	406,197	110,211	516,408
Charged in the year	27,346	5,980	33,326
30 June 2011	<u>433,543</u>	<u>116,191</u>	<u>549,734</u>
Net book value			
30 June 2011	<u>11,940</u>	<u>5,907</u>	<u>17,847</u>
30 June 2010	<u>39,286</u>	<u>3,027</u>	<u>42,313</u>

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

11	DEBTORS	2011 £	2010 £		
	Due within one year				
	Other debtors	11,753	12,436		
	Prepayments	330,814	65,307		
	Accrued income	215,255	194,784		
		<u>557,822</u>	<u>272,527</u>		
12	CREDITORS Amounts falling due within one year	2011 £	2010 £		
	Grants awarded but not yet paid	668,682	632,301		
	Trade creditors	1,191	10,349		
	Other taxation and social security costs	17,651	14,809		
	Accruals	13,802	102,749		
	Deferred income	-	87,320		
		<u>701,326</u>	<u>847,528</u>		
	Analysis of deferred income				
		2010 £	Received £	Released £	2011 £
	Summer Programme	<u>87,320</u>	<u>-</u>	<u>(87,320)</u>	<u>-</u>
	Each of these amounts has been received by the Charity for specific future dated events and are therefore deferred until that event has occurred				
13	CREDITORS Amounts falling due in more than one year	2011 £	2010 £		
	Grants awarded but not yet paid	<u>152,800</u>	<u>344,000</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 £332,326 (2010 £398,635). At the balance sheet date there was a prepayment/(accrued) amount outstanding of £250,000 (2010 £(89,047)).				
15	OTHER FINANCIAL COMMITMENTS	2011 £	2010 £		
	At 30 June 2011 the company also had the following annual commitments under non-cancellable operating leases				
	Land and buildings expiring after five years	<u>162,500</u>	<u>162,500</u>		

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
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16	MOVEMENT IN FUNDS	At 1 July 2010 £	Incoming resources £	Outgoing resources £	At 30 June 2011 £
	Unrestricted funds	1,356,340	2,923,673	(2,728,935)	1,551,078
	Restricted funds	7,251	-	-	7,251
	Total funds	1,363,591	2,923,673	(2,728,935)	1,558,329

Unrestricted funds represent 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 are subjected to restrictions on their expenditure imposed by their donor and specifically relate to B Project income for 3 specific grants to The British Museum, The Royal Academy and Sir John Soane's Museum

17	ANALYSIS OF NET ASSETS	Restricted Funds £	Unrestricted Funds £	Total Funds £
	Tangible fixed assets	-	17,847	17,847
	Current assets	295,251	2,099,357	2,394,608
	Current liabilities	(288,000)	(566,126)	(854,126)
		7,251	1,551,078	1,558,329

18 RELATED PARTY TRANSACTIONS

During the year the charity received £2,431,133 (2010 £2,192,465) from Yale University, the entity responsible for establishing the charity. The University releases endowment monies to the charity from monies originally received from alumnus, Mr Paul Mellon.

At the year end Yale University owed the charity £2,848 (2010 £6,271) in respect of sterling expenses incurred on behalf of Yale University.

During the year the charity paid £323,912 (2010 £526,258) to Yale University Press Limited, a company in which R C Levin is a director, for book publishing costs.

The charitable company owed Yale University Press Limited £Nil at 30 June 2011 (2010 £2,226).

19 HERITAGE ASSETS NOT RECOGNISED IN THE BALANCE SHEET

The Paul Mellon Centre maintains a collection of approximately 20,000 books and 17 separate archives. The Centre's archives mainly consist of the research papers of art historians, many of whom were pioneers in the formation of this discipline. As well as containing important original research and information on artists, the archives chart the historiography of British art history. The book collection covers British painting, sculpture, drawing prints, architecture and garden history from the sixteenth to the mid-twentieth century, as well as eighteenth century decorative arts.

The Paul Mellon Centre maintains a full catalogue of its collection of heritage assets and all of these collections are available to the public via prior appointment. Information provided by this catalogue includes the author, imprint and class of the book/ archive.

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
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Preservation and management

The Paul Mellon Centre does not have a programme of preservation, instead, this is carried out on a case by case basis and rare, valuable books would not be altered. The cost of any preservation in the year would be trivial.

The books and archives are managed by the Librarian, who is responsible for the books, the Archivist and Records manager, who is responsible for the paper archives and the Archivist and Photographic archivist, who is responsible for the photo archives. All of these posts manage the books and archives in accordance with policies which are approved by the governors and report to Brian Allen, Director of Studies.

Acquisitions and Disposals

Books are added to the collection at a rate of approximately 500 per year, although The Paul Mellon Centre would not pay more than approximately £250 for a book. The rarest books held were donated to The Paul Mellon Centre in prior years, with no valuable items donated in the current year.

The centre does not dispose of books or archives.

20 TWO YEAR FINANCIAL SUMMARY OF HERITAGE ASSET TRANSACTIONS

	2010- 2011 £	2009- 2010 £
Purchases		
Books	10,098	12,190
Archives	-	-
Total additions	<u>10,098</u>	<u>12,190</u>

There were no disposals of heritage assets in either 2010 or 2011.

It is not practicable to provide information for periods earlier than 2010 and this note will be built up going forward.

All of the above heritage assets have not been included within the balance sheet.

It is not practicable to obtain a valuation of heritage assets acquired by donation as the Governors consider that, owing to the incomparable nature of these historic books and archives, conventional valuation approaches lack sufficient reliability and that, even if the valuations could be obtained, the costs would be onerous compared with the additional benefits derived by the Centre and users of the accounts. There have been no significant donations received by The Paul Mellon Centre in the last two years.