

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 2010



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

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

<i>Contents</i>	<i>Page</i>
Legal and administrative information	1
Governors' Report	2 – 5
Statement of Governors' responsibilities in respect of the preparation of financial statements	6
Auditor's Report	7 – 8
Statement of Financial Activities (including income and expenditure account)	9
Balance Sheet	10
Accounting Policies	11 – 12
Notes to the Financial Statements	13 – 21

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
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
MK9 1BP

BANKERS

Lloyds TSB 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)

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 2010

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 of the charitable company and throughout this report are referred to as governors. The following governors have held office since 1 July 2009:

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.

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

Despite the continuing economic downturn the Centre was comfortably able to maintain its activities throughout the year 2009-2010 without any cuts to its publications programmes, public events or to the grants and fellowships awarded. Although the endowment income was reduced, the long-established policy of running surpluses to allow for fluctuations in the dollar/pound exchange rate effectively insulated the Centre from the harsh economic climate.

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 nothing of this kind was received.

The Paul Mellon Centre is 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 most 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 2009-2010 the Centre paid grants and fellowships totalling £682,211. Five Curatorial Research Grants and forty-seven Publication Grants were awarded (twenty-one to individual authors and twenty-five to publishers), eleven Education Programme Grants were made to support conferences and lectures and thirty-seven Research Support Grants were awarded to individual scholars. Details of individual projects are listed on pp 16-18 of this report and in the Centre's Annual Report.

Senior Fellowships were awarded to five scholars and five Post-doctoral fellowships were awarded to scholars to enable them to convert their doctoral dissertations into publishable books. One Junior Fellowship was awarded to a scholar engaged in research for a doctoral dissertation and one Rome Fellowship was awarded in collaboration with the British School at Rome.

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. The Board of Governors approved funding for these projects at its meeting on 17th February 2009 and the funds (as transferred to London) appeared in the Centre's accounts for the financial year ending 30th June 2009.

The Advisory Council in London comprises twelve leading university professors and high-ranking museum professionals 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 one year's 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.

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

GOVERNORS' REPORT

REVIEW OF ACTIVITIES (CONTINUED)

During the year 2009-2010 the Centre continued to fund research for the catalogue raisonnés of the paintings of William Hogarth and the portraits of Thomas Gainsborough by Elizabeth Einberg and Hugh Belsey respectively and the addition to the staff of three Senior Research Fellows will ensure the completion of the catalogue of the paintings of George Romney (by Alex Kidson) and the online catalogue of the paintings of Richard Wilson (by Paul Spencer-Longhurst) as well as a major biography of J M W Turner by Eric Shanes. The catalogue of the *Later Stuart Portraits in the National Portrait Gallery* written by PMC Senior Research Fellow John Ingamells and designed and typeset by the Centre's Editor of Special Projects, Guillard Sutherland was published by the National Portrait Gallery. 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 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 £774,900 (more than double that of 2008-9) on its own publications issued by Yale University Press and among them were landmark publications such as Mark Girouard's *Elizabethan Architecture* and Mary Bennett's *Ford Madox Brown – A Catalogue Raisonné*, the latter the product of almost fifty years of research.

In addition to those grants awarded to other organisations the Centre organised and hosted conferences in collaboration with the Royal Academy of Arts, University College London, the National Maritime Museum, the British Museum and the Victoria & Albert Museum.

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 if 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.

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 (2009 – 2010 £1,467,963).

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 United States. 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 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

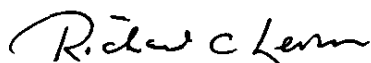
STATEMENT AS TO THE DISCLOSURE OF INFORMATION TO AUDITORS

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 provisions applicable to companies entitled to the small companies regime.

On behalf of the board



Governor

4/2/2011

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 the directors of the charity for the purposes of company law) are responsible for preparing the Governors' Annual 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity 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 (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 2010 on pages 9 to 21

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 trustees and auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities 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) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

We have been appointed auditors under the Companies Act 2006 and section 43 of the Charities Act 1993 and report to you in accordance with those Acts. 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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006 and the Charities Act 1993. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PAUL MELLON
CENTRE FOR STUDIES IN BRITISH ART (LIMITED BY GUARANTEE)

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 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006 and the Charities Act 1993, and
- the information given in the Trustees' Annual Report is consistent with the financial statements

TIMOTHY LUDDINGTON (Senior Statutory Auditor)

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

Chartered Accountants

The Pinnacle

170 Midsummer Boulevard

Milton Keynes

MK9 1BP

Baker Tilly UK Audit LLP
15th February 2011.

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the year ended 30 June 2010

	Notes	2010 Restricted Funds £	2010 Unrestricted Funds £	2010 Total Funds	2009 Total Funds
INCOMING RESOURCES					
Incoming resources from generated funds					
<i>Activities for generating funds</i>					
Publishing Royalties		-	307,827	307,827	297,526
Summer Programme		-	111,600	111,600	67,321
Yale Undergraduate courses		-	92,465	92,465	66,372
Investment income	2	-	4,640	4,640	44,864
Incoming resources from charitable activities					
Reserve income	3	-	-	-	106,044
Endowment income	3	-	1,467,963	1,467,963	1,427,185
Grants and fellowships income	3	-	585,463	585,463	1,261,157
Publication income	3	-	139,039	139,039	134,221
TOTAL INCOMING RESOURCES		-	2,708,997	2,708,997	3,404,690
RESOURCES EXPENDED					
Charitable activities					
Publishing and printing costs	5	-	774,900	774,900	493,529
Summer programme costs	5	-	132,589	132,589	119,290
Yale Undergraduate courses	5	-	157,255	157,255	117,165
Fellowships and grants payable	5	-	1,670,700	1,670,700	2,171,299
Governance costs	6	-	287,527	287,527	296,790
TOTAL RESOURCES EXPENDED		-	3,022,971	3,022,971	3,198,073
NET (OUTGOING) / INCOMING RESOURCES	1	-	(313,974)	(313,974)	206,617
TOTAL FUNDS BROUGHT FORWARD	16	7,251	1,670,314	1,677,565	1,470,948
TOTAL FUNDS CARRIED FORWARD	16	7,251	1,356,340	1,363,591	1,677,565

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 13 to 21 form part of these accounts

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
BALANCE SHEET
At 30 June 2010

Registered Charity No 313838
Company No 983028

	Notes	2010 £	2009 £
FIXED ASSETS			
Tangible assets	10	42,313	61,984
CURRENT ASSETS			
Debtors	11	272,527	260,180
Cash at bank and in hand		2,240,279	2,597,607
		<u>2,512,806</u>	<u>2,857,787</u>
CREDITORS Amounts falling due within one year	12	847,528	823,206
NET CURRENT ASSETS		<u>1,665,278</u>	<u>2,034,581</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,707,591</u>	<u>2,096,565</u>
CREDITORS Amounts falling due after one year	13	344,000	419,000
NET ASSETS		<u>1,363,591</u>	<u>1,677,565</u>
CAPITAL AND RESERVES			
Unrestricted funds			
Income and expenditure account	16	1,356,340	1,670,314
Restricted Funds	16	7,251	7,251
		<u>1,363,591</u>	<u>1,677,565</u>

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 9 to 21 were approved by the board of Governors and authorised for issue on and were signed on its behalf by

Richard C. Levin
Peter Savory

Governors

Date 4/2/11

The notes on pages 13 to 21 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 February 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 2010 the charitable company had 7 members (2009: 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.

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. Unpaid contributions are recognised and are provided for in the balance sheet (note 14).

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

ACCOUNTING POLICIES

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 income and expenditure account

LEASES

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

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

1	NET MOVEMENT IN FUNDS			2010 £	2009 £
	Net movement in funds is stated after charging				
	Operating lease rentals				
	Land and buildings			162,500	162,500
	Auditor's remuneration - audit services			9,694	9,488
	- non audit services			2,938	2,875
	Depreciation and amounts written off tangible fixed assets				
	Charge for the year on owned assets			19,671	18,329
2	INVESTMENT INCOME			2010 £	2009 £
	Bank interest receivable			4,640	44,864
3	DONATIONS AND GIFTS	2010 Restricted £	2010 Unrestricted £	2010 Total £	2009 Total £
	Reserve income	-	-	-	106,044
	Endowment income	-	1,467,963	1,467,963	1,427,185
	Grants and fellowships income	-	585,463	585,463	536,906
	Publication income	-	139,039	139,039	134,221
	B Project Income	-	-	-	724,251
		-	2,192,465	2,192,465	2,928,607
4	EMPLOYEES			2010 No	2009 No
	The average monthly number of persons (including Governors) employed by the charitable company during the year was				
	Research and administration			11	11
				2010 £	2009 £
	Staff costs for the above persons				
	Wages and salaries			440,204	432,551
	Social security costs			45,538	45,722
	Other pension costs			398,635	305,022
				884,377	783,295
	The number of employees whose emoluments amounted to more than £60,000 in the year in increasing bands of £10,000 were			2010 No	2009 No
	£60,001 to £70,000			1	-
	£110,001 to £120,000			1	1
	During the year pension contributions for the above employees amounted to £335,000 (2009 £213,805)				
	No amounts were paid to the members of the board of Governors during the year (2009 £nil)				

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

5 ALLOCATION OF SUPPORT COSTS AND OVERHEADS

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

	Staff costs £	Depreciation £	Direct Costs £	Support costs £	Total 2010 £
Governance costs	258,535	-	28,992	-	287,527
	<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>

Cost of charitable activities 2009

	Staff costs £	Depreciation £	Direct costs £	Support costs £	Total 2009 £
Publishing costs	44,263	-	392,024	57,242	493,529
Summer Programme costs	10,484	-	51,564	57,242	119,290
Yale Undergraduate courses	10,484	-	49,439	57,242	117,165
Fellowships and grants	478,129	18,329	1,274,147	400,694	2,171,299
	<u>543,360</u>	<u>18,329</u>	<u>1,767,174</u>	<u>572,420</u>	<u>2,901,283</u>

Governance costs 2009

	Staff costs £	Depreciation £	Direct Costs £	Support costs £	Total 2009 £
Governance costs	239,935	-	56,855	-	296,790
	<u>239,935</u>	<u>-</u>	<u>56,855</u>	<u>-</u>	<u>296,790</u>
Total costs 2009	<u>783,295</u>	<u>18,329</u>	<u>1,824,029</u>	<u>572,420</u>	<u>3,198,073</u>

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

6	GOVERNANCE COSTS	2010 £	2009 £
	Audit and accountancy fees	12,879	12,445
	Legal and professional fees	16,113	44,410
	Salary costs	258,535	239,935
		<u>287,527</u>	<u>296,790</u>
7	SUPPORT COSTS	2010 £	2009 £
	Operating costs		
	Postage	9,319	10,787
	Telephone and fax	5,148	6,420
	Insurance	33,292	28,129
	Stationery and photocopying	11,426	8,657
	Kitchen supplies	2,362	1,969
	Light and power	6,166	6,505
	Heating	4,407	3,846
	Cleaning	17,288	17,137
	Private healthcare	23,706	20,391
	Computer costs	22,581	22,203
		<u>135,695</u>	<u>126,044</u>
	Accommodation costs		
	Rent	165,691	166,801
	Rates	12,005	11,215
	Repairs and maintenance	21,882	9,607
		<u>199,578</u>	<u>187,623</u>
	Other expenses		
	Entertaining	17,196	17,427
	Travel	33,324	35,037
	Library and subscriptions	26,891	24,441
	Photographic archives	23,817	14,087
	Academic activities	133,141	157,300
	Directors discretionary	1,288	2,564
	Miscellaneous	1,120	944
	Bank charges	572	1,194
	Administration of grants	4,334	5,759
		<u>241,683</u>	<u>258,753</u>
	Total support costs	<u>576,956</u>	<u>572,420</u>

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

8	GRANTS PAYABLE	2010	As restated
		£	2009 £
	Fellowships and grants payable to institutions	375,579	1,050,814
	Fellowships and grants payable to individuals	306,632	223,333
		<u>682,211</u>	<u>1,274,147</u>
	Institutional grants were awarded as follows		
	Institution	Awarded in 2010 £	2010 Total £
	The British Museum	60,000	
	The National Trust	60,000	
	Buildings Book Trust	50,000	
	Royal Collection	36,000	
	Hamilton Kerr Institute	22,000	
	Public Catalogue Foundation	20,000	
	RIBA Enterprises	8,000	
	Bath Spa University	5,000	
	Birmingham Museum and Art Gallery	5,000	
	British Art Journal	5,000	
	Corpus Vitrearum	5,000	
	Kettles Yard, University of Cambridge	5,000	
	Paul Holberton Publishing	5,000	
	Walpole Society	5,000	
	Mercer Art Gallery, Harrogate Borough Council	4,000	
	Wolverhampton Art Gallery	4,000	
	University of Leicester	3,958	
	Barber Institute of Fine Arts	3,870	
	Oxford University Press	3,250	
	Ashgate Publishing Co	3,219	
	Agnes Etherington Art Centre	3,000	
	Antiquarian Horological Society	3,000	
	Courtauld Institute of Art	3,000	
	HIS Bre Press	3,000	
	Lund Humphries Publishers	3,000	
	Northwestern University	3,000	
	Nottingham City Museums and Galleries	3,000	
	V&A Publishing	3,000	
	Centre for Research in the Arts, Social Sciences and Humanities	2,800	
	University of Plymouth	2,700	
	University of Pennsylvania Press	2,300	
	National Portrait Gallery	2,175	
	Spire Books	2,000	
	English Heritage	1,500	
	University of Kent	1,475	
	University of Birmingham	1,000	
	Church Monuments Society	1,000	
	Frontier Publishing	1,000	
	Stanford University Press	1,000	
	Royal Cambrian Academy of Art	500	
	Total awarded in the year	<u>356,747</u>	

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

8 GRANTS PAYABLE (continued)

Brought forward	356,747
Grant commitments previously written off now paid	18,832
Total institutional grants chargeable to the SOFA	375,579
Total individual grants chargeable to the SOFA	306,632
Total grants chargeable to the SOFA	682,211

72 grants and fellowships were awarded to individuals in the year ended 30 June 2010 (2009 54) and 40 to institutions (2009 41)

Individual grants were awarded as follows

Individual	Awarded in the year £	2010 Total £
Martin Hammer	30,000	
David Solkin	30,000	
Sam Smiles	18,500	
Mark Laird	15,000	
David Rundle	12,300	
Adriano Aymonino	8,000	
Madhuri Dasai	8,000	
Kate Grandjouan	8,000	
Helen McCormack	8,000	
Mellie Naydenova-Slade	8,000	
Tamya Cooper	7,500	
Irene Sunwoo	7,500	
Greg Sullivan	7,350	
Alex Kidson	7,000	
Lene Ostermark-Johansen	5,437	
Sarah Burnage and Laura Turner	5,200	
Frances Spalding	4,700	
Alison Brisby	4,290	
Hilary Granger	4,000	
Kevin Sharpe	4,000	
Gordon Crosskey	3,385	
Renate Dohmen	3,000	
Zirwat Chowdhury	3,000	
John Barrell	3,000	
Alba Irollo	3,000	
Alena Artamonova	3,000	
David Hansen	3,000	
Meredith Garner	3,000	
Michelle Carriger	3,000	
Kate Robertson	3,000	
Banmalı Tandan	3,000	
Tatyana Tyutvinova	3,000	
Richard Cork	3,000	
Yvonne Gaspar	2,750	
Carl Thompson	2,792	
	247,704	

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

8 GRANTS PAYABLE (continued)

Individual grants were awarded as follows

Individual	Awarded in the year £	2010 Total £
Brought forward from page 17	247,704	
Amy Sargeant	2,668	
Robert Proctor	2,505	
Martin Cook	2,500	
Ivelin Ivanov	2,500	
Clare Haynes	2,375	
Caroline Malloy	2,190	
Carly Collier	2,000	
Holger Hoock	2,000	
Katherine Isard	2,000	
Margaret Willes	2,000	
John Curley	2,000	
George Breeze	2,000	
Christiana Payne	2,000	
Luca Caddia	2,000	
Katharine Eustace	2,000	
Kristen Faurey	2,000	
Gill Clarke	2,000	
Roy Kozlovsky	1,860	
Catriona Murray	1,500	
Kristen Mahoney	1,500	
Christiane Hille	1,519	
Sibylle Erle	1,445	
Polina Ermakova	1,420	
Ann Gunn	1,367	
Douglas Fordham	1,326	
Vicky Coltman	1,250	
Chloe Kroeter	1,205	
Albert Grimstone	1,200	
Leonee Ormond	1,000	
Sonja Drimmer	1,000	
Elizabeth Eger	1,000	
Eleonora Pistis	1,000	
Tim Fulford	692	
Benedicte Miyamoto	646	
David Taylor	500	
Duncan Thompson	400	
Elizabeth Chang	360	
	<hr/> 306,632	
Total individual grants chargeable to SOFA		<hr/> 306,632 <hr/>

9 TAXATION

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

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

10	TANGIBLE FIXED ASSETS	<i>Fixtures and fittings</i> £	<i>Computer equipment</i> £	<i>Total</i> £
	Cost			
	1 July 2009	445,483	113,238	558,721
	Additions	-	-	-
	30 June 2010	445,483	113,238	558,721
	Depreciation			
	1 July 2009	389,524	107,213	496,737
	Charged in the year	16,673	2,998	19,671
	30 June 2010	406,197	110,211	516,408
	Net book value			
	30 June 2010	39,286	3,027	42,313
	1 July 2009	55,959	6,025	61,984
11	DEBTORS		2010 £	2009 £
	Due within one year			
	Other debtors		12,436	8,300
	Prepayments		65,307	71,534
	Accrued income		194,784	180,346
			272,527	260,180
12	CREDITORS Amounts falling due within one year		2010 £	2009 £
	Grants awarded but not yet paid		632,301	545,387
	Trade creditors		10,349	75,886
	Other taxation and social security costs		14,809	13,646
	Accruals		102,749	76,687
	Deferred income		87,320	111,600
			847,528	823,206
	Analysis of deferred income			
		2009 £	Received £	Released £
	Summer Programme	111,600	87,320	(111,600)

Each of these amounts has been received by the Charity for specific future dated events and are therefore deferred until that event has occurred

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

13	CREDITORS Amounts falling due in more than one year	2010 £	2009 £
	Grants awarded but not yet paid	344,000	419,000

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 £398,635 (2009 £305,022). At the balance sheet date there was an accrued amount outstanding of £89,047 (2009 £63,170).

15 OTHER FINANCIAL COMMITMENTS

At 30 June 2010 the company also had the following annual commitments under non-cancellable operating leases

	2010 £	2009 £
Land and buildings expiring after five years	162,500	162,500

16	MOVEMENT IN FUNDS	At 1 July 2009 £	Incoming resources £	Outgoing resources £	At 30 June 2010 £
	Unrestricted funds	1,670,314	2,708,997	(3,022,971)	1,356,340
	Restricted funds	7,251	-	-	7,251
	Total funds	1,677,565	2,708,997	(3,022,971)	1,363,591

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 St John Soane's Museum.

17	ANALYSIS OF NET ASSETS	Restricted Funds £	Unrestricted Funds £	Total Funds £
	Tangible fixed assets	-	42,313	42,313
	Current Assets	468,251	2,044,555	2,512,806
	Creditors	(461,000)	(730,528)	(1,191,528)
		7,251	1,356,340	1,363,591

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

18 RELATED PARTY TRANSACTIONS

During the year the charity received £2,199,820 (2009 £2,928,607) 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 £6,271 (2009 £1,963) in respect of sterling expenses incurred on behalf of Yale University.

During the year the charity paid £526,258 (2009 £273,929) to Yale University Press Limited, a company in which R C Levin is a director, for book publishing costs.

At the year end the charitable company owed Yale University Press Limited £2,226 (2009 £67,726).