

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

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

for the year ended
30 June 2008

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Registered Charity No: 313838
Company No: 983028

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
Andrew Hamilton
Shauna King

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
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)

GOVERNORS' REPORT

The Directors 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 2008.

GOVERNING INSTRUMENT AND LEGAL STATUS

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

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

DIRECTORS

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 directors have held office since 1 July 2007:

Richard Charles Levin
Amy Meyers
Andrew Hamilton
Shauna King

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

The Centre published through (Yale University Press) fifteen titles during the year; a significant rise on the previous year. Perhaps the most significant of these was Judy Egerton's *George Stubbs, Painter*, the result of many years of research and writing. Other important titles include *Henry VIII and the Art of Majesty: Tapestries at the Tudor Court* by Thomas Campbell and Vaughan Hart's *Sir John Vanbrugh Storyteller in Stone*.

The Centre's grants programme awarded a total of 58 grants to individual scholars, publishers and other educational bodies comprising 4 curatorial research grants, 5 publication grants to authors, 15 publication grants to publishers, 8 education grants to fund scholarly conferences and academic activities at other institutions and 26 research support grants. In addition a total of 10 fellowships were awarded during the year, comprising 2 senior fellowships, 3 junior fellowships, 4 post-doctoral fellowships and 1 Rome fellowship.

The Centre co-hosted in July a Summer School at the University of Madrid and in September co-hosted a conference with Harvard University's Center for Renaissance Studies at Villa I Tatti in Florence. Also in September a Study Day was held at Welbeck Abbey in Nottinghamshire. In January 2008 a conference on the theme of 'Collecting British Art in the 20th Century' was held at the Paul Mellon Centre to mark the conclusion of the celebratory events to mark the centenary of the birth of Paul Mellon. The Yale-in-London programme saw 11 students enrolled in the Spring semester and a total of 22 students attended the two summer terms.

RESERVES POLICY

The Board has reviewed the reserves of the charity and has 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 (2007-2008: £1,321,141). 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 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 board adopts a risk adverse 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, produced reduced growth of 4.5% in 2007-2008 reflecting the economic downturn, compared to 28% in 2006-2007.

AUDITORS

The directors 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 directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and establish that it has been communicated to the auditors.

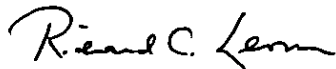
The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)

GOVERNORS' REPORT

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 (SORP 2005).

On behalf of the board



Governor

17/2/09
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 are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors 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 charitable company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 7 to 16

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 governors and auditors

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and 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 Governors' 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 governors' remuneration and other transactions is not disclosed.

We read the Governors' 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 governors 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 2008 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 Governors' Report is consistent with the financial statements.

BAKER TILLY UK AUDIT LLP
Registered Auditor
Exchange House
446 Midsummer Boulevard
Central Milton Keynes
MK9 2EA

Baker Tilly UK Audit LLP
25th February 2009.

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 2008

	Notes	2008 Unrestricted Funds £	2007 Unrestricted Funds £
INCOMING RESOURCES			
Incoming resources from generated funds:			
<i>Activities for generating funds:</i>			
Publishing Royalties		315,108	290,983
Summer Programme		67,321	53,650
Yale Undergraduate courses		78,535	91,994
Investment income	3	59,751	91,579
Incoming resources from charitable activities:			
Reserve income	4	145,375	148,369
Endowment income	4	1,321,141	1,215,459
Grants and fellowships income	4	471,778	483,667
Publication income	4	280,324	52,930
TOTAL INCOMING RESOURCES		2,739,333	2,428,631
RESOURCES EXPENDED			
Charitable activities:			
Publishing and printing costs	5	779,727	529,491
Summer programme costs	5	130,926	125,953
Yale Undergraduate courses	5	140,030	145,626
Fellowships and grants payable	5	1,347,981	1,305,179
Governance costs	6	187,750	187,888
TOTAL RESOURCES EXPENDED		2,586,414	2,294,137
NET INCOMING RESOURCES BEFORE TRANSFERS	1	152,919	134,494
Transfer between funds		-	-
NET MOVEMENT IN FUNDS	1	152,919	134,494
BALANCE BROUGHT FORWARD AT 1 JULY 2007		1,318,029	1,183,535
BALANCE CARRIED FORWARD AT 30 JUNE 2008	15	1,470,948	1,318,029

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 10 to 16 form part of these accounts.


The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
 BALANCE SHEET
 30 June 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Tangible assets	10	53,195	70,153
CURRENT ASSETS			
Debtors	11	246,900	250,972
Cash at bank and in hand		1,761,237	1,636,232
		<u>2,008,137</u>	<u>1,887,204</u>
CREDITORS: Amounts falling due within one year	12	590,384	639,328
NET CURRENT ASSETS		<u>1,417,753</u>	<u>1,247,876</u>
NET ASSETS	15	<u>1,470,948</u>	<u>1,318,029</u>
CAPITAL AND RESERVES			
Unrestricted funds:			
Income and expenditure account	15	<u>1,470,948</u>	<u>1,318,029</u>

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

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





Governors

Date: 17/2/09

The notes on pages 10 to 16 form part of these accounts.

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

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and follow the recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice issued in 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 on cost
Computer equipment	over 3 years on cost

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 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 2008 the charitable company had 7 members (2007: 7).

INCOMING RESOURCES

Royalties - Royalties are accounted for on a receipts 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 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.

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.

LEASES

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

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

1	NET MOVEMENT IN FUNDS	2008 £	2007 £
	Net movement in funds is stated after charging:		
	Operating lease rentals:		
	Land and buildings	162,500	162,500
	Auditors' remuneration - audit services	11,750	10,000
	- non audit services	-	2,032
	Depreciation and amounts written off tangible fixed assets:		
	Charge for the year on owned assets	34,157	29,041
		<u> </u>	<u> </u>
2	EMPLOYEES	2008 No.	2007 No.
	The average monthly number of persons (including governors) employed by the charitable company during the year was:		
	Research and administration	11	11
		<u> </u>	<u> </u>
		2008 £	2007 £
	Staff costs for the above persons:		
	Wages and salaries	431,932	355,724
	Social security costs	46,706	38,272
	Other pension costs	192,480	173,636
		<u>671,118</u>	<u>567,632</u>
		<u> </u>	<u> </u>
	The number of employees who received emoluments in the following ranges were:	2008 No.	2007 No.
	£100,001 - £110,000	1	1
		<u> </u>	<u> </u>
	No amounts were paid to the members of the board of governors during the year (2007: £Nil).		
3	INVESTMENT INCOME	2008 Total Unrestricted £	2007 Total Unrestricted £
	Bank interest receivable	59,751	91,579
		<u> </u>	<u> </u>
4	DONATIONS AND GIFTS	2008 Total Unrestricted £	2007 Total Unrestricted £
	Reserve income	145,375	148,369
	Endowment income	1,321,141	1,215,459
	Grants and fellowships income	471,778	483,667
	Publication income	280,324	52,930
		<u>2,218,618</u>	<u>1,900,425</u>
		<u> </u>	<u> </u>

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

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

5 ALLOCATION OF SUPPORT COSTS AND OVERHEADS

Cost of charitable activities 2008

	Staff costs £	Depreciation £	Direct costs £	Support costs £	Total 2008 £
Publishing costs	27,501	-	692,457	59,769	779,727
Summer Programme costs	10,908	-	60,249	59,769	130,926
Yale Undergraduate courses	10,908	-	69,353	59,769	140,030
Fellowships and grants	463,533	34,157	431,910	418,381	1,347,981
	<u>512,850</u>	<u>34,157</u>	<u>1,253,969</u>	<u>597,688</u>	<u>2,398,664</u>

Governance costs 2008

	Staff costs £	Depreciation £	Direct Costs £	Support costs £	Total 2008 £
Governance costs	158,268	-	-	29,482	187,750
	<u>158,268</u>	<u>-</u>	<u>-</u>	<u>29,482</u>	<u>187,750</u>
Total costs 2008	671,118	34,157	1,253,969	627,170	2,586,414
	<u>671,118</u>	<u>34,157</u>	<u>1,253,969</u>	<u>627,170</u>	<u>2,586,414</u>

Cost of charitable activities 2007

	Staff costs £	Depreciation £	Direct costs £	Support costs £	Total 2007 £
Publishing costs	23,790	-	449,394	56,307	529,491
Summer Programme costs	9,150	-	60,496	56,307	125,953
Yale Undergraduate courses	9,150	-	80,169	56,307	145,626
Fellowships and grants	369,374	29,041	512,614	394,150	1,305,179
	<u>411,464</u>	<u>29,041</u>	<u>1,102,673</u>	<u>563,071</u>	<u>2,106,249</u>

Governance costs 2007

	Staff costs £	Depreciation £	Direct Costs £	Support costs £	Total 2007 £
Governance costs	156,168	-	-	31,720	187,888
	<u>156,168</u>	<u>-</u>	<u>-</u>	<u>31,720</u>	<u>187,888</u>
Total costs 2007	567,632	29,041	1,102,673	594,791	2,294,137
	<u>567,632</u>	<u>29,041</u>	<u>1,102,673</u>	<u>594,791</u>	<u>2,294,137</u>

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

6	GOVERNANCE COSTS	2008 £	2007 £
	Audit and accountancy fees	9,642	12,032
	Legal and professional fees	19,840	19,688
	Salary costs	158,268	156,168
		<u>187,750</u>	<u>187,888</u>
7	SUPPORT COSTS	2008 £	2007 £
	Operating costs:		
	Postage	9,680	7,969
	Telephone and fax	7,155	5,111
	Insurance	26,080	19,841
	Stationery and photocopying	10,245	9,983
	Kitchen supplies	2,553	1,526
	Light and power	4,738	4,719
	Heating	3,305	2,769
	Cleaning	17,122	16,248
	Private healthcare	17,511	11,423
	Computer costs	20,474	21,466
		<u>118,863</u>	<u>101,055</u>
	Accommodation costs:		
	Rent	167,106	166,758
	Rates	10,551	10,087
	Repairs and maintenance	21,377	35,541
		<u>199,034</u>	<u>212,386</u>
	Other expenses:		
	Entertaining	18,262	16,418
	Travel	33,946	28,466
	Library and subscriptions	25,396	17,709
	Photographic archives	7,393	6,693
	Academic activities	186,474	168,277
	Directors discretionary	2,416	3,063
	Audit and accountancy	9,642	12,032
	Legal and professional	19,840	19,688
	Miscellaneous	574	3,585
	Bank charges	1,376	1,426
	Administration of grants	3,954	3,993
		<u>309,273</u>	<u>281,350</u>
	Total support costs	<u>627,170</u>	<u>594,791</u>

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

8	GRANTS PAYABLE	2008 £	2007 £
	Fellowships and grants payable to institutions	333,589	337,274
	Fellowships and grants payable to individuals	98,321	175,340
		<u>431,910</u>	<u>512,614</u>

Institutional grants were awarded as follows:

Institution	Awarded in 2008 £	2008 Total £
Hamilton Kerr, University of Cambridge	44,000	
Beazley Archive University of Oxford	40,000	
Plymouth City Museum and Art Gallery	40,000	
National Museum Liverpool	10,000	
Royal Pavillion Brighton	10,000	
National Portrait Gallery	10,000	
The Chapter of Peterborough Cathedral	10,000	
National Galleries of Victoria	9,000	
Hamilton Kerr, University of Cambridge	8,000	
Ben Uri Gallery	7,000	
Public Monuments & Sculpture Association	5,000	
Jonathan Black & Brenda Martin	5,000	
Southampton City of Art	4,000	
Gallery Oldham	4,000	
National Galleries of Scotland	3,000	
Unicorn Press	3,000	
Hanneke Grootenberger	3,000	
Walpole Society	3,000	
Berg Books	2,900	
Whitworth Art Gallery	2,500	
National Portrait Gallery	2,500	
University of Chicago	2,220	
Kaylin Weber	2,055	
Patricia Crown	2,000	
Four Courts Press	2,000	
Sussex Academy Press	2,000	
Francois Tanturier	2,000	
Gill Clarke	2,000	
Anne Smart Martin	2,000	
Andrea DeMeo	2,000	
Robert Tittler	2,000	
Abbie Sprague	2,000	
Georgina Cole	2,000	
Tania Sengupta	1,990	
Adriano Aymonino	1,895	
Roehampton University	1,700	
Cheltenham Art Gallery	1,600	
Stanley Shephard	1,500	
Alison Brisby	1,500	
Caroline Yerkes	1,500	
Patricia Reed	1,500	
Susanna Falabella	1,500	
Carried forward to page 14	<u>264,860</u>	

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

8 GRANTS PAYABLE (CONTINUED)

Brought forward from page 13	264,860	
Elizabeth Lebas	1,180	
Samantha Burton	1,050	
Royal West of England Academy	1,000	
Serpentine Trust	1,000	
University of Westminster	1,000	
Richard Hayes	1,000	
Helene McCormack	1,000	
Paola Modesti	1,000	
Other grants < £1,000	4,210	
Total awarded in the year	277,300	277,300
Grants commitments written off in the year		(3,711)
Additional commitments at 30 June 2008		60,000
Total institutional grants chargeable to the SOFA		333,589
Total individual grants chargeable to the SOFA		98,321
Total grants chargeable to the SOFA		431,910
Allocation of support costs (note 5)		916,071
		1,347,981

10 fellowships and grants were awarded to individuals in the year ended 30 June 2008 (2007: 34) and 58 to institutions (2007: 49).

Individual grants were awarded as follows:

Individual	Awarded in the year £	2008 Total £
Professor Mark Crinson	30,500	
Professor William Vaughn	15,500	
British School of Rome	11,400	
Altino Rocha	8,000	
Mimi Yu	8,000	
Laurel Flinn	7,450	
Matthew Woodworth	7,450	
Caroline Fuchs	7,250	
Rebecca Scragg	4,000	
Hester Westley	4,000	
Total awarded in the year	103,550	103,550
Grants commitments written off in the year		(5,229)
Total individual grants chargeable to SOFA		98,321

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

9 TAXATION

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

10	TANGIBLE FIXED ASSETS	<i>Fixtures and fittings</i> £	<i>Computer equipment</i> £	<i>Total</i> £
	Cost			
	1 July 2007	419,900	101,504	521,404
	Additions	5,465	11,734	17,199
	30 June 2008	<u>425,365</u>	<u>113,238</u>	<u>538,603</u>
	Depreciation			
	1 July 2007	362,120	89,131	451,251
	Charged in the year	19,043	15,114	34,157
	30 June 2008	<u>381,163</u>	<u>104,245</u>	<u>485,408</u>
	Net book value			
	30 June 2008	<u>44,202</u>	<u>8,993</u>	<u>53,195</u>
	30 June 2007	<u>57,780</u>	<u>12,373</u>	<u>70,153</u>
11	DEBTORS		2008 £	2007 £
	Due within one year:			
	Other debtors		6,479	16,287
	Prepayments		70,796	56,591
	Accrued income		169,625	178,094
			<u>246,900</u>	<u>250,972</u>
12	CREDITORS: Amounts falling due within one year		2008 £	2007 £
	Grants awarded but not yet paid		448,075	520,835
	Trade creditors		41,727	20,188
	Other taxation and social security costs		13,629	12,148
	Accruals		19,632	22,460
	Deferred income		67,321	63,697
			<u>590,384</u>	<u>639,328</u>

The Paul Mellon Centre for Studies in British Art (Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

12 CREDITORS: Amounts falling due within one year (continued)

Analysis of deferred income

	2007 £	Received £	Released £	2008 £
Summer Programme	63,697	67,321	(63,697)	67,321

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

13 PENSION COMMITMENTS

The company operates a defined contribution pension scheme whose assets are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company and amounted to £192,480 (2007: £173,636). There were no outstanding or prepaid contributions at the balance sheet date.

14 COMMITMENTS

	2008 £	2007 £
At 30 June 2008 the company also had the following annual commitments under non-cancellable operating leases:		
Land and buildings expiring after five years	162,500	162,500

15 MOVEMENT IN FUNDS

	At 1 July 2007 £	Incoming resources £	Outgoing resources £	At 30 June 2008 £
Unrestricted funds	1,318,029	2,739,333	(2,586,414)	1,470,948

16 RELATED PARTY TRANSACTIONS

During the year The Paul Mellon Centre for Studies in British Art received £2,218,618 (2007: £1,900,425) 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 Paul Mellon Centre for Studies in British Art £1,016 (2007: £11,014) in respect of sterling expenses incurred on behalf of Yale University.