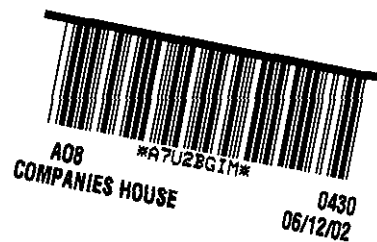


For the year ended 31 March 2002

**The Contemporary Art Society  
(A charitable company limited by  
guarantee)**

Charity Number: 208178  
Company Number: 255486



## **THE CONTEMPORARY ART SOCIETY**

### **TRUSTEES**

Oliver Prenn	-	Chairman
Lance Blackstone	-	Company Secretary
Pesh Framjee	-	Honorary Treasurer
Mark Stephens	-	Honorary Solicitor
Sean Rainbird		
Roberta Thomson		
Jolyon Barker		
Philip Hewat-Jaboor		
Doris Lockhart Saatchi		
Edwin Wulfsohn		

### **COMPANY SECRETARY**

Lance Blackstone

### **REGISTERED OFFICE:**

17 Bloomsbury Square  
LONDON WC1A 2NG

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## CONTEMPORARY ART SOCIETY GROUP

### TRUSTEES REPORT

The trustees preset their report and the financial statements for the year ended 31 March 2002

### RESULTS

The results of the Society for the year ended 31 March 2002 are set out in the financial statements on pages 4 to 12.

### REVIEW

During 2001/2, Contemporary Art Society has continued its aim of promoting the collecting of contemporary art through its gifts to museums and the advice offered to companies and individuals. If 2000/1 was the year in which, as is our custom, "we gave it all away", then 2001/2 seems to have been a time when we began to spread the message about CAS further than usual.

In February 2001, CAS was invited by ARCO, the Madrid Art Fair, to participate in celebration of British contemporary art. The Gulbenkian Foundation in London has invited CAS, as consultants, to advise on the acquisitions for the British Collection of the Gulbenkian Foundation, based in Lisbon. With funds from Nancy Balfour's family we published a brief illustrated history of CAS, with an extended essay, which has been a useful introduction.

In June, members enjoyed a visit to Basle, both to the Art Fair and museums in the surrounding area. In July, we took a group of Special Collection Scheme curators to Oporto to see the new museum at Fundacao Serralve. The same month saw a possible new venue for ARTfutures but this suddenly became unavailable during the summer which, with no sponsor in view, caused us to postpone the art market until April 2002. In the light of the terrible events of 11 September 2001, this decision appears to have been only too timely. In September, an exhibition of new work by Tony Cragg, organised by Contemporary Art Society Projects for the Somerset House Trust, opened on the Terrace of Somerset House. As with the work for clients including Pearson's, Unilever and The Economist, not only do such projects earn fees for CASP but also broaden the audience for contemporary art by extending venues in which it can be seen to effect.

In the same month, Birmingham saw the opening, by Cherie Booth QC, of the Water Hall, adjacent to The City Art Gallery. As a direct result of the Special Collection Scheme and its role in extending Birmingham's collection of contemporary paintings, the City of Birmingham decided to develop a permanent gallery for the display of their collection of paintings and sculpture from 20th and 21st centuries. The collection of contemporary metalwork, purchased through SCS, is also on permanent view.

During the year, two major initiatives have been developing. One is our fundraising appeal Catching Comets, announced by the Chairman last year. The other is new membership initiative, Blood, which is still in its earliest stages but aims to increase impact of CAS on the widest possible audience, in London and beyond and through the internet.

A new project which involves all aspects of CAS work was given Lottery funding through Scottish Arts Council at the turn of the year. Over the next two years, CAS staff will investigate the level of private, corporate and museum collecting throughout Scotland and then seek to find strategies to expand and develop this. This is the result of many years discussion and planning and we are delighted that we have won such recognition for our achievements as well as extending our ability to encourage collecting in Scotland through gifts and advice.

We are grateful, as always, to all the organisations that support and help to fund us, especially the Arts Council of England and the Henry Moore Foundation and to the individuals who have contributed to the Catching Comets appeal to enable us to increase our purchases on behalf of member museums. During 2001/2, three experts were invited to purchase works on behalf of CAS with a view to the next Distribution of gifts in 2004 and discussions have been held with relevant funding bodies about future initiatives.

## CONTEMPORARY ART SOCIETY GROUP

### TRUSTEES REPORT (continued)

#### RESERVES POLICY

Each year the trustees examine the requirement for free reserves which are those unrestricted funds not invested in fixed assets, designated for specific purposes or otherwise committed. The trustees review the level of funds that the charity has available to meet its future developments and initiatives, to provide for fluctuations in income and to take due account of contractual obligations, in accordance with guidelines issued by the Charity Commission.

The trustees have conducted their annual review of reserves and are satisfied that they are adequate to support the current level of activity and forecast growth contained in CAS forward financial plans. As at 31 March 2002 free reserves amount to £661,514 (2001- £623,548)

#### RISK MANAGEMENT

The major risks to which the Society is exposed, as identified by the trustees, are being reviewed and a system is being established to mitigate those risks.

#### TRUSTEES

The trustees set out in the table below have held office during the whole of the year from 1 April 2001 to the date of this report unless otherwise stated.

Oliver Prenn	- Chairman	Philip Hewat-Jabor	
Lance Blackstone	- Company Secretary	Sean Rainbird	
Pesh Franjee	- Honorary Treasurer	Doris Lockhart Saatchi	- joined 26 September 2001
Mark Stephens	- Honorary Solicitor	Roberta Thomson	
Jolyon Barker		Edwin Wulfsohn	- joined 13 December 2001
Janice Blackburn	- resigned 11 October 2001		

#### STATEMENT OF TRUSTEES' RESPONSIBILITY

Company Law requires the trustees to prepare financial statements for each financial year which give true and fair view of the state of affairs of the Society at the end of the financial year and its surplus and deficit for the financial year. In doing so, the trustees are required to:

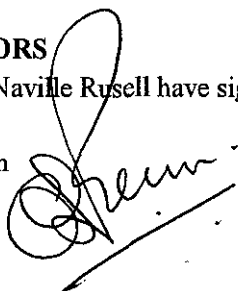
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### AUDITORS

Mazars Naville Russell have signified their willingness to continue office.

Chairman



Dated:

23rd July 2002

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
THE CONTEMPORARY ART SOCIETY**

We have audited the financial statements on pages 4 to 12. These financial statements have been prepared under the historical cost convention modified by the revaluation of investment assets and the accounting policies set out on pages 6 and 7.

**Respective responsibilities of Trustees and auditors**

As described in the Statement of Trustees' Responsibilities the Trustees, who are also the directors of the Contemporary Art Society for the purpose of company law, are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

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

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. Our responsibilities do not extend to any other information.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Society'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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the Society and of the group as at 31 March 2002 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MAZARS  
CHARTERED ACCOUNTANTS  
and Registered Auditor  
24 Bevis Marks, London, EC3A 7NR

Dated: 16 Oct 2002

# CONTEMPORARY ART SOCIETY GROUP

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(incorporating a consolidated income and expenditure account)

For the year ended 31 March 2002

	Notes	Unrestricted funds £	Restricted funds £	Total 31.03.2002 £	31.03.2001 £
<b>INCOME &amp; EXPENDITURE</b>					
<b>Voluntary Income</b>					
Subscriptions and donations	2	84,371	35,108	119,479	74,399
Arts Council Award		45,000	-	45,000	45,000
<b>Activities in furtherance of the charity objectives:</b>					
Fees		117,278	-	117,278	136,569
Arts Council Lottery funding	9	-	398,208	398,208	287,191
Lottery scheme contributions	9	-	163,750	163,750	6,250
Other grants	3	-	44,000	44,000	65,000
Ticket sales for events for members		12,909	-	12,909	11,205
Other income		12,980	-	12,980	43,234
<b>Activities for generating funds:</b>					
Art market sponsorship		-	-	-	60,000
<b>Investment income:</b>					
Interest and dividends		14,322	-	14,322	16,272
Total incoming resources		286,860	641,066	927,926	745,120
<b>RESOURCES EXPENDED</b>					
<b>Cost of generating funds:</b>					
Fundraising costs		27,804	5,115	32,919	28,291
<i>Net incoming resources available for charity</i>		<i>259,056</i>	<i>635,951</i>	<i>895,007</i>	<i>716,829</i>
<b>Costs of activities in furtherance of charitable objectives:</b>					
Advice, training and collection support		119,336	73,476	192,812	219,307
Art purchases		-	553,242	553,242	305,843
Art market		-	-	-	63,626
Members' events and support activities		41,121	-	41,121	36,342
Management and administration		62,216	402	62,618	53,723
		222,673	627,120	849,793	678,841
Total resources expended	4	250,477	632,235	882,712	707,132
Net incoming resources		36,383	8,831	45,214	37,988
Revaluation of investments	6	(687)	-	(687)	281
Net movement in funds		35,696	8,831	44,527	38,269
Fund balances brought forward	9	625,818	286,997	912,815	874,546
Fund balances carried forward		£661,514	£295,828	£957,342	£912,815

The above figures all relate to continuing operations and include all recognised surpluses and deficits.

## CONTEMPORARY ART SOCIETY GROUP

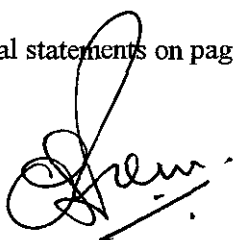
## BALANCE SHEET at 31 March 2002

	Notes	Group		Charity	
		31.03.2002	31.03.2001	31.03.2002	31.03.2001
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	5	920	2,270	702	1,378
Investments	6	12,188	18,875	27,188	33,875
Works of art		45,195	45,195	45,195	45,195
		<u>58,303</u>	<u>66,340</u>	<u>73,085</u>	<u>80,448</u>
<b>CURRENT ASSETS</b>					
Stocks		195,815	210,764	192,861	207,810
Debtors	7	419,737	440,043	376,034	439,794
Short term deposits		298,196	231,584	298,196	231,584
Cash at bank and in hand		112,852	75,038	87,143	18,373
		<u>1,026,600</u>	<u>957,429</u>	<u>954,234</u>	<u>897,561</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	8	127,561	110,954	69,977	65,194
<b>NET CURRENT ASSETS</b>		<u>899,039</u>	<u>846,475</u>	<u>884,257</u>	<u>832,367</u>
<b>NET ASSETS</b>		<u>£957,342</u>	<u>£912,815</u>	<u>£957,342</u>	<u>£912,815</u>
Represented by:					
<b>RESTRICTED INCOME FUNDS</b>		295,828	286,997	295,828	286,997
<b>UNRESTRICTED FUNDS</b>		661,514	625,818	661,514	625,818
<b>TOTAL FUNDS</b>		<u>£957,342</u>	<u>£912,815</u>	<u>£957,342</u>	<u>£912,815</u>

The financial statements on pages 4 to 12 were approved by the Trustees on :

11<sup>th</sup> July 2002

Chairman



Dated:

23<sup>rd</sup> July 2002

## CONTEMPORARY ART SOCIETY GROUP

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

#### 1. ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared under the historical cost convention, with the exception of investments which have been included at market value and stocks which are at replacement value. The financial statements comply with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP2000) issued in October 2000 and applicable accounting standards. Where appropriate corresponding figures for the preceding year have been recomputed for comparability.

Consolidated accounts have been prepared for the Society which include its subsidiary company Contemporary Art Society Projects Limited. The Society has taken advantage of the exemption under s230 of the Companies Act 1985 not to publish its own individual statement of financial activities. The net surplus of the parent undertaking was £38,950.

##### (b) Incoming resources

All income is accounted for on a receivable basis.

##### (c) Expenditure

Expenditure is classified under the principal categories of charitable and other expenditure rather than the type of expense, in order to provide more useful information to users of the financial statements.

Charitable expenditure and administration costs comprise direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of the resources. Fundraising and publicity costs are those incurred in seeking voluntary contributions for the Society, and in publicising the Society. Management and administration costs are those incurred in connection with the management of the Society's assets, organisation administration and compliance with constitutional and statutory requirements.

##### (d) Fund accounting

General funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Society.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purpose and use of the designated funds are set out in the notes to the financial statements.

Restricted funds are funds subject to specific restriction imposed by donors or by the purpose of the appeal.



# CONTEMPORARY ART SOCIETY GROUP

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2002 (continued)

### 1. ACCOUNTING POLICIES (continued)

#### (e) Tangible fixed assets

Tangible fixed assets are stated at cost. Depreciation is provided on all tangible assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life as follows:

Computer equipment	20% per annum
Other equipment	10% per annum

#### (f) Investments

Investments are stated at market value. It is the Society's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising. As a result the Statement of Financial Activities only includes those unrealised gains and losses arising from the revaluation of the investment portfolio throughout the year.

#### (g) Stock

Stock comprising works of art and frames is valued at replacement cost.

### 2. SUBSCRIPTIONS AND DONATIONS

	31.03.2002	31.03.2001
	£	£
Individuals	67,912	18,732
Public Art Galleries	51,067	55,041
Corporate bodies	500	626
	<u>£119,479</u>	<u>£74,399</u>

### 3. GRANTS

	31.03.2002	31.03.2001
	£	£
Henry Moore Foundation	30,000	30,000
Crafts Council	10,000	10,000
Midland Band	-	25,000
Painters & Co	4,000	-
	<u>£44,000</u>	<u>£65,000</u>

# CONTEMPORARY ART SOCIETY GROUP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002 (continued)

### 4. TOTAL RESOURCES EXPENDED

	Staff costs £	Other costs £	Total 31.03.2002 £	Total 31.03.2001 £
Fundraising cost	6,302	26,617	32,919	28,291
Costs of activities in furtherance of charitable objectives:				
Advice, training and collection support	86,657	106,155	192,812	219,307
Art purchases	-	553,242	553,242	305,843
Art Market	-	-	-	63,626
Members' events and support activities	12,603	28,518	41,121	36,342
	99,260	687,915	787,175	625,118
Management and administration	51,995	10,623	62,618	53,723
Total resources expended	£157,557	£725,155	£882,712	£707,132

#### (a) Staff costs

	Total 31.03.2002 £	Total 31.03.2001 £
Wages and salaries	138,879	136,879
Social security costs	13,199	13,293
Pension	2,122	-
Temporary staff	3,357	20,836
	£157,557	£171,008
The average number of full time equivalent employees was	6	6

None of the employees received remuneration over £50,000.

#### (b) Trustees

The trustees do not receive any emoluments or reimbursement of expenses

	Total 31.03.2002 £	Total 31.03.2001 £
(c) Auditors' remuneration	£5,197	£3,200

# CONTEMPORARY ART SOCIETY GROUP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002 (continued)

### 5. TANGIBLE FIXED ASSETS

GROUP	Office Equipment £	Computer Equipment £	Total £
<b>COST</b>			
At 1 April 2001	1,793	7,139	8,932
Additions	-	98	98
At 31 March 2002	<u>1,793</u>	<u>7,237</u>	<u>9,030</u>
<b>ACCUMULATED DEPRECIATION</b>			
At 1 April 2001	1,793	4,869	6,662
Charge for the period	-	1,448	1,448
At 31 March 2002	<u>1,793</u>	<u>6,317</u>	<u>8,110</u>
<b>NET BOOK VALUES</b>			
At 31 March 2002	<u>£0</u>	<u>£920</u>	<u>£920</u>
At 31 March 2001	<u>£0</u>	<u>£2,270</u>	<u>£2,270</u>
Depreciation rates	10%	20%	
Assets held by the subsidiary company at net book value :			<u>£0</u>

### 6. FIXED ASSETS INVESTMENTS

	Group	
	31.03.2002	31.03.2001
	£	£
Market value at 1 April 2001	18,875	18,594
Redemption in year	(6,000)	-
Gain/(loss) on revaluation	(687)	281
Market value at 31 March 2002	<u>12,188</u>	<u>18,875</u>
Historical cost at 31 March 2001	-	-
Unrealised investment gains at 31 March 2002	<u>£12,188</u>	<u>£18,875</u>

All the group's investments are listed on the UK Stock Exchange. The company's investments include shares with a nominal value of £15,000 in the wholly owned subsidiary (see note 10).

# CONTEMPORARY ART SOCIETY GROUP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002 (continued)

### 7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	31.03.2002	31.03.2001	31.03.2002	31.03.2001
	£	£	£	£
Value added tax	9,766	-	9,766	-
Other debtors	135,341	68,719	51,505	39,701
Prepayments and accrued income	274,630	371,324	257,119	371,324
Amount due from group undertaking	-	-	57,644	28,769
	<u>£419,737</u>	<u>£440,043</u>	<u>£376,034</u>	<u>£439,794</u>

### 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	31.03.2002	31.03.2001	31.03.2002	31.03.2001
	£	£	£	£
Bank Overdraft	9,654	-	9,654	-
Creditors	95,728	82,838	56,884	56,540
Social Security and other taxes	22,179	28,116	3,439	8,654
	<u>£127,561</u>	<u>£110,954</u>	<u>£69,977</u>	<u>£65,194</u>

# CONTEMPORARY ART SOCIETY GROUP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002 (continued)

### 9. STATEMENT OF FUNDS

	At 01.04.2001	Income	Expenditure	Investment Revaluation	At 01.04.2002
	£	£	£	£	£
<b>UNRESTRICTED FUNDS</b>					
General Funds	615,818	286,860	(240,477)	£(687)	661,514
Designated Funds	10,000	-	c (10,000)	c -	c -
Total unrestricted funds	<u>625,818</u>	<u>286,860</u>	<u>(250,477)</u>	<u>(687)</u>	<u>661,514</u>
<b>RESTRICTED FUNDS</b>					
Henry Moore Foundation	62,440	30,000	(91,562)	-	878
Crafts Council	-	10,000	-	-	10,000
Nancy Balfour Memorial	-	-	-	-	-
Catching Comet	-	35,108	(5,115)	-	29,993
Painters & Co	-	4,000	-	-	4,000
Cecily Lowenthal Memorial	387	-	(387)	-	-
Nancy Balfour Grant	-	-	-	-	-
Esmee Fairbairn Trust	793	-	(793)	-	-
Midland Band	9,777	-	-	-	9,777
Arts Council Lottery funding	-	-	-	-	-
Lottery scheme contributions	210,170	561,958	(530,948)	-	241,180
Oliver Prenn gift	3,430	-	(3,430)	-	-
Total restricted funds	<u>286,997</u>	<u>641,066</u>	<u>(632,235)</u>	<u>-</u>	<u>295,828</u>
Total funds	<u>£912,815</u>	<u>£927,926</u>	<u>£(882,712)</u>	<u>£(687)</u>	<u>957,342</u>

Restricted funds are represented by short term deposits, cash at bank and current debtors.

Works purchased were supported by the following restricted grants:

- Henry Moore Foundation
- Craft grant from Arts Council of England
- The Worshipful Company of Painter-Stainers - makes an occasional grant towards the purchase of paintings.

#### Donations

The Elephant Trust - Gives an annual grant to support Contemporary Art Society Tours

# CONTEMPORARY ART SOCIETY GROUP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002 (continued)

### 10. SUBSIDIARY COMPANY

The Society has a wholly owned subsidiary, Contemporary Art Society Projects Limited, which is incorporated in the UK. Contemporary Art Society Projects Limited receives fees for advice pertaining to the purchases of works of contemporary art and commission from the organisation of the sales of works of art. Profits are passed to the Society by means of gift aid. Three members of the committee of the Society sit on the Board of Contemporary Art Society Projects Limited but receive no remuneration for so doing.

A summary of Contemporary Art Society Projects Limited's transactions for the year ended 31 March 2002 is set out below. All income and expenditure has been included in the statement of financial activities. Full accounts have been filed with the Registrar of Companies.

Fees receivable and interest are included within the relevant caption of the Consolidated Statement Of Financial Activities, the expenditure have been included within resources expended according to the nature of activities carried out.

	31.03.2002	31.03.2001
	£	£
Fees receivable	83,958	191,205
Interest receivable	396	2,006
Total income	<u>84,354</u>	<u>193,211</u>
Expenditure	<u>78,777</u>	<u>137,427</u>
	5,577	55,784
Gift Aid payable to parent company	<u>-5,577</u>	<u>-26,469</u>
Profit on ordinary activities before and after taxation	-	29,315
Deficit brought forward	-	(29,315)
Accumulated profit	<u>-</u>	<u>-</u>
Net (liabilities)/assets	<u>£15,000</u>	<u>£15,000</u>