

**THE INSTITUTE OF CONTEMPORARY ARTS LIMITED**  
**(A Company Limited by Guarantee)**

**REPORT OF THE COUNCIL AND**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2002**

**Company No. 444351**



**THE INSTITUTE OF CONTEMPORARY ARTS LIMITED**  
**(A Company Limited by Guarantee)**  
**REPORT OF THE COUNCIL AND CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2002**

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**THE INSTITUTE OF CONTEMPORARY ARTS LIMITED**  
**(A Company Limited by Guarantee)**  
**REPORT OF THE COUNCIL**

The Council of the Institute of Contemporary Arts Limited ('ICA') presents its annual report and the audited financial statements of the group for the year ended 31 March 2002.

The Institute of Contemporary Arts is a company limited by guarantee and a registered charity. The responsibility of the ICA is to remain the major laboratory within the UK for the development and presentation, to as wide a range of audiences as possible, of innovative arts and new ways of thinking about and experiencing culture. All of its activities are educationally driven, although there is additionally a strongly identified discrete education programme.

## **PRINCIPAL ACTIVITIES**

The principal activity of the company is that of presenting exhibitions, film, performance - both digital and live, talks and conferences and an educational programme, all in the field of contemporary arts and culture.

## **REVIEW OF THE YEAR**

Over the last year the ICA has continued to develop its role as a hub of cultural activity, helping to redefine what a cultural centre might be in a world where lines are increasingly blurred between culture and commerce, politics and culture, education and culture, and business and culture.

The great success of this year has been the cinema programme, which in the form of the film Kandahar demonstrated the ICA's ability to respond quickly to a pressing political crisis during the Afghan war, and its ability to service a need nationally (Kandahar playing in cinemas across the country). It also showed that good programming decisions do not necessarily lead to financial loss (on a screen by screen basis, Kandahar outperformed Harry Potter).

The ICA also demonstrated its innovative character as a hub by developing the cultural entrepreneurs club, and networking it with other metropolitan cities within the UK and outside; founding a digital festival, which it wishes to make an annual event, and which this year was supported by both the public and private sector; by touring Beck's Futures to two cities within the UK as well as New York; and by working with The Economist on a series of events in London, Berlin and Madrid.

The ICA is now established as a hub, locally, nationally and internationally. The trajectory of the programme is now clear, both within the ICA and to its major stakeholders, and this would enable the ICA to exploit that trajectory in cultural and funding terms.

It has been a key feature of the ICA, and is perhaps even more the case now, that the public programme advertised on a monthly basis forms only part of the ICA's activities. There are major educational initiatives such as the innovative digital training on the Queens Park Estate, in which the ICA is a partner; the development of two residencies, one a writer in residence, the other a scientist in residence; regular private lunches with influencers on key subjects, as well as regular publications. All of these contribute towards the development of the ICA as a hub, bringing together a variety of communities who would not meet without the ICA.

The active relationship that the ICA has with such a range of partners, not least in the cultural entrepreneurs club, means that the ICA's own ways of working are being changed by the models it encounters. The ICA is beginning to move towards a much more entrepreneurial way of working with its stakeholders - the most obvious symbol of this is its move from a grant-based relationship with its local funder, Westminster, to a service provider model.

**THE INSTITUTE OF CONTEMPORARY ARTS LIMITED**  
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**REPORT OF THE COUNCIL**

**REVIEW OF THE YEAR (continued)**

During the year the trustees reviewed the level and purpose of the Charity's designated funds to ensure that they continue to reflect the Charity's future plans. As a consequence of this review the balance on the Development fund has been released as the objective of the fund had been fully met. In addition the trustees have set up the Stabilisation fund which has in part been funded by the stabilisation grant previously reported as a separate element of the Accumulated General Fund.

In addition the ICA has made the following adjustments to its reserves in this financial year:

**Designated capital fund**

The fund comprises grants and donations given to the ICA for capital projects. Depreciation on these assets is charged to the fund.

In the current year, £82,743 (2001: £157,220) of depreciation has been charged to the fund.

**Maintenance Fund**

The Maintenance Fund is used to make an annual provision for the cost of redecoration and repairs to the exterior of 12 Carlton House Terrace. Redecoration takes place every four years and the ICA has a deposit account to ensure funds are earmarked for this specific purpose.

The next four-yearly decoration is expected to take place summer 2004. This year £40,000 (2001: £15,000) was transferred to the fund.

**Stabilisation Fund**

The Stabilisation Fund was established out of the stabilisation grant awarded to the ICA in March 2000.

This year the fund money was used to invest in the following projects:

- £16,574 for two data-projectors to be paid back over 2 years
- £12,608 for a mobile PA to be paid back over 3 years
- £60,000 for a refurbishment of the back door reception and associated areas to be paid back over 5 years.

In addition £18,093 of interest was credited to the fund.

**Exhibition Development Fund**

The Exhibition Development Fund is designated to ensure that the proceeds from the 50th Anniversary Auction are applied to supporting the Exhibitions programme. A committee has been established to determine how the capital and interest earned on this fund will be spent.

The fund earned £6,802 (2001: £10,108) of interest during the year.

**Accumulated surplus/deficit**

The ICA has made an overall surplus on its operating activities of £75,565 (2001: £27,941) of which £40,000 (2001: £15,000) has been transferred to the Maintenance Fund and £15,185 (2001: £ Nil) has been transferred to the Stabilisation Fund leaving an underlying operating surplus of £20,380 (2001: £12,941). The underlying operating surplus net of the adjustments necessary to account for the release of the Development Fund and establishing the Stabilisation Fund, details of which are set out in note 16 to the accounts, have resulted in a carried forward surplus of £3,632 (2001: £10,123).

**THE INSTITUTE OF CONTEMPORARY ARTS LIMITED**  
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**REPORT OF THE COUNCIL**

**REVIEW OF THE YEAR (continued)**

**Accumulated surplus/deficit (continued)**

The ICA is confident that with a track record of producing a modest surplus for five years consecutively and the continued development of our relationships with funders and other partners we will meet our targets for the next financial year. The ICA is meeting the goals of its business plan and the Council believes that the charity will remain able to meet the costs of expenditure planned for the programme in the coming year.

**RISK MANAGEMENT**

The trustees have undertaken an assessment of the significant risks to which the ICA is exposed. The Risk Assessment identifies existing strategies in place to minimise those risks together with further action that needs to be taken. As part of a risk management strategy the trustees will:

- review the risks and the progress made in implementing systems to mitigate those risks; and
- establish procedures which are likely to minimise any potential impact on the ICA should any of the identified risks materialise.

**RESULTS OF SUBSIDIARY COMPANIES**

During this financial year ICA Direct Limited has made a profit of £268,306 (2001: £256,442) which has been covenanted to the charity and ICA Projects Limited has made a profit of £71,337 (2001: £63,301) of which £71,337 (2001: £61,148) has been covenanted to the charity. The profit includes £31,695 (2001: £50,000) of income received from the restricted fund in ICA Limited and covenanted back to it.

ICA Direct Limited comprises the ICA Bookshop and ICA Video activities. The Bookshop activities are primarily in support of the activities of the main charity, through the sale of books and journals related to contemporary cultural issues. ICA Video provides an audio recording service for events at the ICA. The tapes form part of the ICA archive and are also sold through mail order. In addition sponsorship income was channelled through ICA Direct. Of the £268,306 (2001: £256,442) covenanted to the Charity, £19,058 (2001: £24,876) was from the trading activities and £248,959 (2001: £231,556) from sponsorship.

ICA Projects Limited is closely related to the work of the cinema department in acquiring and distributing films by important but unknown directors and enabling a theatrical and video release of these films in the UK. ICA Projects acquired the rights for ten films during 2001/02.

**SUPPORT FROM FUNDING BODIES AND OTHER PARTNERS**

The ICA remains grateful to London Arts, Westminster City Council and the London Film and Video Development Agency for their continuing support as well as to the trust funds, corporations and public sector bodies who contributed funds to projects during the year. In particular we acknowledge the generous support of Arts and Business who provided £25,000 to enable us to develop our website. The ICA would also like to thank Cap Gemini Ernst & Young who are both an intellectual and financial partner of the ICA.

This has been an important year for the ICA when, in a climate of stringent financial conditions, the Institute has continued to reposition itself artistically, with substantial success, whilst also generating a modest surplus. Final recognition should be given to the ICA's staff, without whose continuing dedication, the achievement of our objectives would not be possible.

**THE INSTITUTE OF CONTEMPORARY ARTS LIMITED**  
**(A Company Limited by Guarantee)**  
**REPORT OF THE COUNCIL**

**LEGAL AND ADMINISTRATIVE DETAILS**

The Institute of Contemporary Arts Limited is a registered company limited by guarantee (registered in England number 444351) and is a charity registered with the Charity Commissioners (number 236848). The registered address is 12 Carlton House Terrace, London SW1Y 5AH.

**Advisers**

**Bankers**

Barclays Bank  
London Corporate Banking  
50 Pall Mall  
PO Box No 15161R  
London  
SW1A 1QA

**Auditors**

PKF  
New Garden House  
78 Hatton Garden  
London  
EC1N 8JA

**DIRECTORS**

The directors who held office during the year and to the date of approval of the financial statements were as follows:

L Appignanesi	
S Coles	(resigned 1 October 2001)
Ekow Eshun	
J Henry	
Ian Kirk	
H McAlpine	(resigned 1 October 2001)
A McConnell*	
M Manning	(resigned 10 May 2001)
Ivan Massow*	(resigned 4 February 2002)
S Rust*	
I Stewart	
G Tyrrell	
R Verjee	(appointed 9 July 2001)
Lady Warner	
Andrew Warren	
Alan Yentob	(appointed 8 July 2002)
Y Alibhai-Brown	(resigned 10 May 2001)

\* indicates membership of the finance sub-committee during the year.

None of the directors who held office at the end of the financial year had any interest in the company.

THE INSTITUTE OF CONTEMPORARY ARTS LIMITED  
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REPORT OF THE COUNCIL

PKF have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Signed on behalf of the Council

  
.....  
A Yentob  
Chairman

4-11-..... 2002

**THE INSTITUTE OF CONTEMPORARY ARTS LIMITED  
STATEMENT OF RESPONSIBILITIES OF THE COUNCIL  
YEAR ENDED 31 MARCH 2002**

Law applicable to incorporated charities in England and Wales requires the Council, who are also the directors of the charity, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the year and of its financial activities during the year then ended. In preparing those financial statements, the Council are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charity will continue in business.

The Council are responsible for keeping proper accounting records which 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 applicable law. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Council are also responsible for ensuring that the Report of the Council and other information included in the annual report is prepared in accordance with Company Law in the United Kingdom.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
THE INSTITUTE OF CONTEMPORARY ARTS LIMITED**

We have audited the financial statements of the Institute of Contemporary Arts Limited for the year ended 31 March 2002 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

The responsibilities of the trustees, who are also the directors of the Institute of Contemporary Arts Limited 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 are set out in the Statement of Responsibilities of the Council.

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 1985. We also report to you if, in our opinion, the Report of the Council is not consistent with the financial statements, if the charitable company and the group 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 directors' remuneration and transactions with the charitable company and group are not disclosed.

We read the Report of the Council 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 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's and the group'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 of the state of the charitable company's and the group's affairs 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.

**PKF**

Registered Auditors

London, UK

4 November 2002

**THE INSTITUTE OF CONTEMPORARY ARTS LIMITED**  
**(A Company Limited by Guarantee)**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(including Income and Expenditure Account)**  
**YEAR ENDED 31 MARCH 2002**

	<u>Notes</u>	<u>Unrestricted funds</u> <u>General</u> £	<u>Capital</u> £	<u>Restricted funds</u> £	<u>Total</u> <u>2002</u> £	<u>Total</u> <u>2001</u> £
<b>INCOMING RESOURCES</b>	<b>2</b>					
Grants		1,032,615	34,909	156,752	1,224,276	1,290,507
Donations		22,109	-	93,166	115,275	82,980
Gifts in kind		-	-	-	-	90,293
Activities in furtherance of the charity's objectives:						
- Programme activities		618,412	-	-	618,412	520,791
- Associated activities		607,723	-	-	607,723	630,133
Activities for generating funds:						
- Trading income		963,268	-	-	963,268	830,705
- Other income		187,698	-	-	187,698	123,390
Interest receivable		28,692	-	-	28,692	26,995
<b>TOTAL INCOMING RESOURCES</b>		<b>3,460,517</b>	<b>34,909</b>	<b>249,918</b>	<b>3,745,344</b>	<b>3,595,794</b>
<b>LESS: COST OF GENERATING FUNDS</b>						
Trading expenses		634,800	-	-	634,800	541,274
<b>NET INCOMING RESOURCES AVAILABLE FOR CHARITABLE APPLICATION</b>		<b>2,825,717</b>	<b>34,909</b>	<b>249,918</b>	<b>3,110,544</b>	<b>3,054,520</b>
<b>CHARITABLE EXPENDITURE</b>						
Costs of activities in furtherance of the objects of the charity:						
- Programme activities	3	2,301,269	82,743	263,133	2,647,145	2,496,145
- Associated activities	3	197,995	-	-	197,995	181,480
Managing and administering the charity	3	248,548	-	-	248,548	245,974
Interest payable	6	1,828	-	-	1,828	4,658
<b>TOTAL CHARITABLE EXPENDITURE</b>		<b>2,749,640</b>	<b>82,743</b>	<b>263,133</b>	<b>3,095,516</b>	<b>2,928,257</b>
<b>TOTAL RESOURCES EXPENDED</b>	<b>4</b>	<b>3,384,440</b>	<b>82,743</b>	<b>263,133</b>	<b>3,730,316</b>	<b>3,469,531</b>
<b>NET INCOMING/(OUTGOING) RESOURCES</b>	<b>7</b>	<b>76,077</b>	<b>(47,834)</b>	<b>(13,215)</b>	<b>15,028</b>	<b>126,263</b>
Total funds brought forward		632,565	204,714	80,000	917,279	791,016
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>16</b>	<b>708,642</b>	<b>156,880</b>	<b>66,785</b>	<b>932,307</b>	<b>917,279</b>

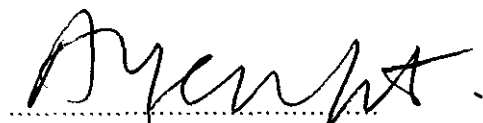
There are no other recognised gains or losses other than those included in the Statement of Financial Activities.

All income and expenditure of the group is attributable to continuing activities.

**THE INSTITUTE OF CONTEMPORARY ARTS LIMITED**  
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**BALANCE SHEETS**  
**31 MARCH 2002**

	<u>Notes</u>	<u>2002</u> £	<u>Group</u> <u>2001</u> £	<u>2002</u> £	<u>Charity</u> <u>2001</u> £
<b>FIXED ASSETS</b>					
Tangible assets	9	626,142	611,228	624,655	608,253
		<hr/>	<hr/>	<hr/>	<hr/>
<b>CURRENT ASSETS</b>					
Stocks	11	61,146	67,386	-	-
Debtors	12	722,235	521,269	492,319	305,757
Cash at bank and in hand		796,740	1,111,408	668,436	987,288
		<hr/>	<hr/>	<hr/>	<hr/>
		1,580,121	1,700,063	1,160,755	1,293,045
<b>CREDITORS</b>					
Amounts falling due within one year	13	(1,273,956)	(1,394,012)	(836,525)	(967,441)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		306,165	306,051	324,230	325,604
		<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		932,307	917,279	948,885	933,857
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Represented by:</b>					
<b>RESTRICTED FUNDS</b>	16	66,785	80,000	66,785	80,000
<b>DESIGNATED FUND - CAPITAL</b>	16	156,880	204,714	156,880	204,714
		<hr/>	<hr/>	<hr/>	<hr/>
<b>OTHER DESIGNATED FUNDS</b>					
Maintenance fund	16	41,335	-	41,335	-
Development fund	16	-	465,465	-	465,465
Stabilisation fund	16	504,221	-	504,221	-
Exhibition development fund	16	176,032	173,555	176,032	173,555
		<hr/>	<hr/>	<hr/>	<hr/>
		721,588	639,020	721,588	639,020
<b>OTHER UNRESTRICTED FUNDS</b>					
Accumulated surplus/(deficit)	16	3,632	10,123	3,632	10,123
Accumulated losses – subsidiaries	16	(16,578)	(16,578)	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	16	932,307	917,279	948,885	933,857
		<hr/>	<hr/>	<hr/>	<hr/>

These financial statements were approved by the Council on 4 November 2002 and were signed on its behalf by:

  
Chairman

**THE INSTITUTE OF CONTEMPORARY ARTS LIMITED**  
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**CONSOLIDATED CASHFLOW STATEMENT**  
**31 MARCH 2002**

	<u>Notes</u>	<u>2002</u>	<u>2001</u>
		£	£
<b>Cash (outflow)/inflow from operating activities</b>	21	(276,223)	1,040,374
<b>Returns on investments and servicing of finance</b>			
Interest received		28,692	26,995
Interest paid		(1,828)	(4,658)
<b>Net cash inflow from returns on Investments and servicing of finance</b>		26,864	22,337
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(194,414)	(172,343)
<b>Net cash outflow for capital expenditure and financial investment</b>		(194,414)	(172,343)
<b>(Decrease)/increase in cash</b>		(443,773)	890,368
<b>Reconciliation of net cashflow to movement in net funds</b>			
Change in net funds resulting from cashflows		(443,773)	890,368
Net funds at 1 April 2001		1,098,005	207,637
Net funds at 31 March 2002	22	654,232	1,098,005

**THE INSTITUTE OF CONTEMPORARY ARTS LIMITED**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2002**

**1 ACCOUNTING POLICIES**

**a) Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets. They have been prepared in accordance with applicable accounting standards and in accordance with the Statement of Recommended Practice (SORP 2000) - Accounting and Reporting by Charities.

**b) Basis of consolidation**

The consolidated accounts include the accounts of the charity and its subsidiary undertakings, ICA Projects Limited and ICA Direct Limited, both of which are wholly owned and registered in England and Wales.

**c) Grants**

Revenue grants are allocated equally across the year and applied to running costs and programming. Project specific grants are recognised in the year in which the project they relate to occurs, and matched to the associated expenditure.

The principal source of grant income is London Arts.

**d) Gifts-in-kind**

Gifts-in-kind in the form of tangible fixed assets are included in the financial statements at their value to the charity, as estimated by the directors. Non-monetary gifts of services are not valued.

**e) Trading income**

Trading income represents the amount derived from the sale of ICA Projects films to cinemas, the bar and café, and the sale of books and videos in the ICA Bookshop.

**f) Other incoming resources**

All other income is accounted for when it is receivable.

**g) Expenditure**

Costs of activities in furtherance of the objects of the charity comprises direct costs attributable to programme activities - presenting exhibitions, films, performances, talks and conferences and to associated activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with use of the resources. Cost of generating funds comprises those costs incurred in seeking voluntary contributions and in publicising the ICA and the cost of ICA's trading activities. Management and administration costs are those incurred in connection with the management of the charity's assets, organisational administration and compliance with constitutional and statutory requirements. Liabilities are recognised when there is an obligation to make payment as a result of past transactions or events.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2002**

**1 ACCOUNTING POLICIES (continued)**

**h) Fixed assets and depreciation**

- i) The cost of leasehold premiums paid to acquire long leasehold buildings is amortised over the unexpired term of the lease. Cost is included net of donations received to assist in the acquisition of the lease. Improvements to leasehold premises and other assets are depreciated as set out below:

20%-33 1/3%	-	plant & equipment, gallery lighting, office equipment, video equipment, soft furnishings, furniture and fixtures.
10%	-	theatre floor, heating, ventilation and alterations to cinema and bar
5%	-	podium roof/leasehold improvement

- ii) Works of art owned by the ICA have not been capitalised as allowed by the SORP.

**i) Stocks**

Stocks represent goods for resale, stated at the lower of cost or net realisable value.

**j) Operating leases**

Rental charges for operating leases are charged to the statement of financial activities on a straight line basis over the life of the lease.

**k) Pension scheme**

Certain staff are members of a stakeholder scheme established by the ICA. The ICA makes no contributions to the scheme.

**2 INCOMING RESOURCES**

Income for the year represents amounts received in respect of grants, voluntary income, admission charges, catalogue sales, commission on the operation of the restaurant and the bar, rents receivable, sales of books and videos and the distribution of films through cinema, television and video sales. Income and expenditure carried out through trading subsidiaries are considered to fall substantially within the primary purposes of the charity.

**THE INSTITUTE OF CONTEMPORARY ARTS LIMITED**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2002**

**3 RESOURCES EXPENDED**

	Unrestricted <u>funds</u> £	Capital <u>fund</u> £	Restricted <u>funds</u> £	Total <u>2002</u> £	Total <u>2001</u> £
<b>Charitable expenditure:</b>					
<b>Programme activities</b>					
Cinema	128,983	-	13,563	142,546	117,610
Exhibitions	242,209	-	95,858	338,067	209,860
Live arts	109,952	-	5,500	115,452	153,644
Talks	7,276	-	6,250	13,526	26,216
Education	8,900	-	29,282	38,182	45,115
Other projects	110,626	-	74,465	185,091	55,243
Marketing	103,388	-	-	103,388	132,133
New media	13,766	-	25,000	38,766	23,384
Salaries	1,079,634	-	-	1,079,634	1,017,990
Administration	198,746	-	13,215	211,961	220,174
Overheads	294,741	82,743	-	377,484	493,219
Development	3,048	-	-	3,048	1,557
	<hr/> 2,301,269	<hr/> 82,743	<hr/> 263,133	<hr/> 2,647,145	<hr/> 2,496,145
<b>Associated activities</b>					
Exhibition catalogues	53,220	-	-	53,220	32,673
Membership	27,328	-	-	27,328	35,580
Hire	29,124	-	-	29,124	40,678
Salaries	52,716	-	-	52,716	45,624
Administration	30,661	-	-	30,661	23,269
Overheads	4,946	-	-	4,946	3,656
	<hr/> 197,995	<hr/> -	<hr/> -	<hr/> 197,995	<hr/> 181,480
<b>Management and administration</b>					
Salaries	154,942	-	-	154,942	143,297
Administration	13,365	-	-	13,365	16,570
Overheads	24,572	-	-	24,572	26,091
Legal and professional fees	41,122	-	-	41,122	42,755
Audit fees	14,547	-	-	14,547	17,261
	<hr/> 248,548	<hr/> -	<hr/> -	<hr/> 248,548	<hr/> 245,974
<b>Total management and administration</b>	<hr/> <hr/> 248,548	<hr/> <hr/> -	<hr/> <hr/> -	<hr/> <hr/> 248,548	<hr/> <hr/> 245,974

**THE INSTITUTE OF CONTEMPORARY ARTS LIMITED**  
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**4 TOTAL RESOURCES EXPENDED**

<b>GROUP</b>	<b>Staff costs £</b>	<b>Depreciation £</b>	<b>Other costs £</b>	<b>Total 2002 £</b>	<b>Total 2001 £</b>
Programme activities	1,182,038	174,882	1,290,225	2,647,145	2,496,145
Associated activities	57,716	-	140,279	197,995	181,480
Management and administration	169,638	-	78,910	248,548	245,974
Interest payable	-	-	1,828	1,828	4,658
Trading expenses	74,598	1,488	558,714	634,800	541,274
<b>Total 2002</b>	<b>1,483,990</b>	<b>176,370</b>	<b>2,069,956</b>	<b>3,730,316</b>	<b>3,469,531</b>
<b>Total 2001</b>	<b>1,360,600</b>	<b>234,824</b>	<b>1,874,107</b>	<b>3,469,531</b>	

**5 STAFF COSTS**

	<b>2002 £</b>	<b>Group 2001 £</b>
Wages and salaries	1,365,346	1,248,825
Social security costs	118,644	111,775
	<b>1,483,990</b>	<b>1,360,600</b>

The average number of persons employed by the group (including directors and contracted staff) during the year was 82 (2001: 80).

The number of employees with emoluments over £50,000 during the year was:

£50,001 - £60,000	1	1
£70,001 - £80,000	1	1

None of the directors received any emoluments or reimbursement of expenses in the year (2001: £Nil).

**6 INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2002 £</b>	<b>2001 £</b>
On bank loans, overdrafts and other loans wholly payable within five years	1,828	4,658



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**7 NET INCOMING/(OUTGOING) RESOURCES**

	<u>2002</u> £	<u>Group</u> <u>2001</u> £
Net incoming/(outgoing) resources is stated after charging:		
Audit fees	15,300	14,550
Other fees – taxation	1,961	4,240
Depreciation of tangible fixed assets	176,370	234,824
	<u>          </u>	<u>          </u>

**8 TAXATION**

The charity is a registered charity and not subject to tax on income falling within the exemptions provided by Section 505 of the Taxes Act 1988. The subsidiaries covenant their taxable profits to the charity and hence there is no charge to taxation within the group.

**9 TANGIBLE FIXED ASSETS**

**GROUP**

	<u>Long leasehold buildings</u> £	<u>Improvements to leasehold buildings</u> £	<u>Fixtures and fittings</u> £	<u>Furniture and equipment</u> £	<u>Total</u> £
<b>Cost or valuation</b>					
At 1 April 2001	150,000	319,125	1,224,135	830,052	2,523,312
Additions	-	-	137,098	57,316	194,414
Disposal	-	(92,587)	(734,664)	(579,682)	(1,406,933)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2002	150,000	226,538	626,569	307,686	1,310,793
<b>Depreciation</b>					
At 1 April 2001	4,478	208,854	987,901	710,851	1,912,084
Charge for the year	2,239	11,027	80,462	82,642	176,370
Disposal	-	(92,582)	(731,539)	(579,682)	(1,403,803)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2002	6,717	127,299	336,824	213,811	684,651
<b>Net book amounts</b>					
At 31 March 2002	143,283	99,239	289,745	93,875	626,142
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2001	145,522	110,271	236,234	119,201	611,228
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**THE INSTITUTE OF CONTEMPORARY ARTS LIMITED**  
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**9 TANGIBLE FIXED ASSETS (continued)**

<b>CHARITY</b>	<b>Long leasehold buildings £</b>	<b>Improvements to leasehold buildings £</b>	<b>Fixtures and fittings £</b>	<b>Furniture and equipment £</b>	<b>Total £</b>
<b>Cost or valuation</b>					
At 1 April 2001	150,000	319,125	1,224,135	821,491	2,514,751
Additions	-	-	137,098	57,316	194,414
Disposals	-	(92,587)	(734,664)	(579,682)	(1,406,933)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2002	150,000	226,538	626,569	299,125	1,302,232
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At 1 April 2001	4,478	208,854	987,901	705,265	1,906,498
Charge for the year	2,239	11,027	80,462	81,154	174,882
Disposals	-	(92,582)	(731,539)	(579,682)	(1,403,803)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2002	6,717	127,299	336,824	206,737	677,577
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book amounts</b>					
At 31 March 2002	143,283	99,239	289,745	92,388	624,655
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2001	145,522	110,271	236,234	116,226	608,253
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**GROUP AND CHARITY**

Furniture and equipment at cost or valuation includes computers donated by Sun Microsystems valued by the directors at £90,293 (2001: £393,386) and with a net book value of £30,097 (2001: £60,196). The directors valuation is based, in accordance with the Statement of Recommended Practice, on their estimate of the value of the equipment to the charity.

The net book value of fixed assets includes £29,356 (2001: £24,938) which relates to assets used for management and administration.

**10 INVESTMENT IN SUBSIDIARY UNDERTAKINGS**

	<b><u>2002</u> £</b>	<b><u>2001</u> £</b>
Investment at market value	-	-
	<hr/>	<hr/>

The company owns the entire issued share capital of ICA Projects Limited and ICA Direct Limited. The investment represents 2 ordinary shares of £1 each in ICA Projects Limited and ICA Direct Limited respectively. Both companies are registered in the United Kingdom. The principal activity of ICA Projects Limited is the acquisition and distribution of films for theatrical, television and video release. The principal activity of ICA Direct Limited is that of a bookshop and mail order operation including the sale of video recordings of talks and events held at the Institute of Contemporary Arts.

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**10 INVESTMENT IN SUBSIDIARY UNDERTAKINGS (continued)**

Financial information relating to the subsidiaries is set out below:	<u>2002</u> £	<u>2001</u> £
ICA Projects Limited		
Aggregate capital and reserves	(808)	(808)
Profit for the year (after payment under gift aid)	-	2,153
	<hr/>	<hr/>
ICA Direct Limited		
Aggregate capital and reserves	(15,770)	(15,770)
Profit for the year (after payment under gift aid)	-	-
	<hr/>	<hr/>

**11 STOCKS**

	<u>2002</u> £	<u>2001</u> £
		<b>Group</b>
Bookshop stocks	61,146	67,386
	<hr/>	<hr/>

**12 DEBTORS**

	<u>2002</u> £	<u>Group</u> <u>2001</u> £	<u>2002</u> £	<u>Charity</u> <u>2001</u> £
Trade debtors	425,974	228,988	236,555	69,972
Amounts owed by group undertaking	-	-	30,561	67,447
Other debtors	3,776	2,317	3,776	2,317
Prepayments and accrued income	292,485	289,964	221,427	166,021
	<hr/>	<hr/>	<hr/>	<hr/>
	722,235	521,269	492,319	305,757
	<hr/>	<hr/>	<hr/>	<hr/>

**13 CREDITORS**

**Amounts falling due within one year**

Bank overdraft	142,508	13,403	137,619	13,403
Trade creditors	205,573	174,509	136,371	115,088
Taxation and social security	93,939	92,371	58,518	54,164
Other creditors	34,546	55,418	34,133	54,973
Amount owed to group undertaking	-	-	7,769	-
Accruals and deferred income (Note 14)	797,390	1,058,311	462,115	729,813
	<hr/>	<hr/>	<hr/>	<hr/>
	1,273,956	1,394,012	836,525	967,441
	<hr/>	<hr/>	<hr/>	<hr/>

The overdraft is secured by a charge over the leasehold premises.

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<b>14 DEFERRED INCOME</b>	<b><u>Group</u></b> <b><u>2002</u></b> <b>£</b>	<b><u>Charity</u></b> <b><u>2002</u></b> <b>£</b>
Balance at 1 April 2001	700,829	506,443
Amount released to incoming resources	(616,008)	(490,597)
Amount deferred in the year	269,832	152,903
	<hr/>	<hr/>
Balance at 31 March 2002	354,653	168,749
	<hr/>	<hr/>

**15 SHARE CAPITAL**

The company is limited by guarantee and has no share capital. The liability of the directors of the company is limited to £1 each.

**THE INSTITUTE OF CONTEMPORARY ARTS LIMITED**  
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**16 MOVEMENT IN FUNDS**

<b>GROUP</b>	<b>Balance 1 April 2001 £</b>	<b>Net surplus/ (deficit) £</b>	<b>Transfers and designations £</b>	<b>Balance 31 March 2002 £</b>
<b>Restricted Funds:</b>				
Staff training programme	30,000	(13,215)	-	16,785
World Cinema Fund	50,000	-	-	50,000
	<hr/>	<hr/>	<hr/>	<hr/>
	80,000	(13,215)	-	66,785
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Unrestricted Funds:</b>				
<b>Capital fund</b>	204,714	(47,834)	-	156,880
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other designated funds</b>				
Maintenance fund	-	1,335	40,000	41,335
Development fund	465,465	-	(465,465)	-
Stabilisation fund	-	(3,300)	507,521	504,221
Exhibition development fund	173,555	2,477	-	176,032
	<hr/>	<hr/>	<hr/>	<hr/>
	639,020	512	82,056	721,588
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Accumulated surplus/(deficit)</b>				
Accumulated surplus/(deficit) on normal activities	(486,455)	75,565	397,944	(12,946)
Stabilisation grant	480,000	-	(480,000)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total accumulated surplus/(deficit)	(6,455)	75,565	(82,056)	(12,946)
	<hr/>	<hr/>	<hr/>	<hr/>
Total general funds	632,565	76,077	-	708,642
	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted funds	837,279	28,243	-	865,522
	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	917,279	15,028	-	932,307
	<hr/>	<hr/>	<hr/>	<hr/>
The accumulated deficit is represented by:				£
Retained by The Institute of Contemporary Arts				3,632
Retained by subsidiary undertakings				(16,578)
				<hr/>
				(12,946)
				<hr/>

**INSTITUTE OF CONTEMPORARY ARTS LIMITED**  
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**16 MOVEMENT IN FUNDS (continued)**

<b>CHARITY</b>	<b>Balance 1 April 2001 £</b>	<b>Net surplus/ (deficit) £</b>	<b>Transfers and designations £</b>	<b>Balance 31 March 2002 £</b>
<b>Restricted funds:</b>				
Staff training programme	30,000	(13,215)	-	16,785
World Cinema fund	50,000	-	-	50,000
	<hr/> 80,000	<hr/> (13,215)	<hr/> -	<hr/> 66,785
<b>Unrestricted funds:</b>				
<b>Capital fund</b>	<hr/> 204,714	<hr/> (47,834)	<hr/> -	<hr/> 156,880
<b>Other Designated Funds</b>				
Maintenance fund	-	1,335	40,000	41,335
Development fund	465,465	-	(465,465)	-
Stabilisation fund	-	(3,300)	507,521	504,221
Exhibition development fund	173,555	2,477	-	176,032
	<hr/> 639,020	<hr/> 512	<hr/> 82,056	<hr/> 721,588
<b>Accumulated Surplus/(Deficit)</b>				
Accumulated deficit on normal activities	(469,877)	75,565	397,944	3,632
Stabilisation grant	480,000	-	(480,000)	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total accumulated surplus/(deficit)</b>	<hr/> 10,123	<hr/> 75,565	<hr/> (82,056)	<hr/> 3,632
<b>Total general funds</b>	<hr/> 649,143	<hr/> 76,077	<hr/> -	<hr/> 725,220
<b>Total unrestricted funds</b>	<hr/> 853,857	<hr/> 28,243	<hr/> -	<hr/> 882,100
<b>Total Funds</b>	<hr/> 933,857	<hr/> 15,028	<hr/> -	<hr/> 948,885

**INSTITUTE OF CONTEMPORARY ARTS LIMITED**  
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**16 MOVEMENT IN FUNDS (continued)**

During the year the trustees reviewed the level and purpose of the Charity's designated funds to ensure that they continue to reflect the Charity's future plans. As a consequence of this review the balance on the Development fund has been released as the objective of the fund had been fully met. In addition the trustees have set up the Stabilisation fund which has in part been funded by the stabilisation grant previously reported as a separate element of the Accumulated General Fund.

**RESTRICTED FUNDS**

**Staff Training Programme**

In the prior year the Arts Council of England awarded a grant of £30,000 for staff training, of which £13,215 is attributable to the current year.

**World Cinema Fund**

In the prior year London Arts awarded £50,000 for the promotion and distribution of World Cinema. Each year, and where appropriate, the ICA makes advances to ICA Projects to purchase and show films under the terms of this award. Surpluses from films purchased by ICA Projects with this grant are passed back to ICA under gift aid and reinvested in this fund.

**UNRESTRICTED FUNDS**

**Capital fund**

This fund comprises grants and donations given to the ICA for capital projects. Depreciation on the assets is charged to the fund.

**Maintenance Fund**

The Maintenance Fund is used to make an annual provision for the cost of the four yearly redecoration and repairs to the exterior of 12 Carlton House Terrace. The ICA has a deposit account to ensure funds are earmarked for this specific purpose. Redecoration took place in the previous year.

**Stabilisation Fund**

The Stabilisation Fund is for the purpose of developing the ICA and was set up after the ICA was awarded a £480,000 Stabilisation grant from the Arts Council. The fund can be used to buy assets or to finance projects for the development of the ICA. Any use of funds has to be agreed by the ICA Council and the amount used needs to be transferred back to the fund over an agreed period of time.

**Exhibition Development Fund**

The Exhibition Development Fund was designated in 1999 to ensure that the proceeds from the 50th Anniversary Auction are applied to supporting the Exhibitions programme. A committee has been established to determine how the capital and interest earned on it will be spent.

**17 ANALYSIS OF NET ASSETS BY FUNDS - GROUP**

	<u>Restricted funds</u> £	<u>Capital fund</u> £	<u>Maintenance fund</u> £	<u>Stabilisation fund</u> £	<u>Exhibition fund</u> £	<u>Accumulated surplus</u> £	<u>Subsidiaries deficit</u> £	<u>Total</u> £
Fixed assets	-	156,880	-	65,013	8,651	394,110	1,488	626,142
Net current assets/(liabilities)	66,785	-	41,335	439,208	167,381	(390,478)	(18,066)	306,165
	<u>66,785</u>	<u>156,880</u>	<u>41,335</u>	<u>504,221</u>	<u>176,032</u>	<u>3,632</u>	<u>(16,578)</u>	<u>932,307</u>

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**18 CONTINGENT LIABILITY**

During the prior year renovation work was carried out on the ICA's premises on the Mall in accordance with the lease agreement. The ICA has received invoices totalling £48,446. The Directors continue to believe there are strong grounds for disputing these with the landlord. The matter remains unresolved at the date of approving these accounts.

**19 RELATED PARTY TRANSACTIONS**

ICA Limited has two subsidiary companies, ICA Projects Limited and ICA Direct Limited. Exemption has been taken from disclosing transactions with these companies, as the results for the year are incorporated into the consolidated accounts of The Institute of Contemporary Arts Limited.

At the end of the previous financial year, the Group was owed £11,750 by Metro Tartan Distribution Limited, a company in which Hamish McAlpine, a director of ICA during the year, has an indirect interest of 50%. During the year it was agreed that £5,875 of this balance would be offset against liabilities arising with Metro Tartan relating to contracts entered into a few years ago. The ICA received a payment of £5,875 from Metro Tartan after the year end in settlement of the remaining balance, which is therefore included as a debtor at 31 March 2002.

Harbottle and Lewis provided services as solicitors to ICA to the value of £11,200 at a discounted rate. Gerrard Tyrrell is a director of ICA Ltd and a partner of Harbottle and Lewis.

**20 OPERATING LEASE COMMITMENTS**

	<b>Equipment</b>		<b>Buildings</b>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	£	£	£	£
At 31 March 2001 the Institute had the following annual commitments under operating leases which expire:				
Within 1 year	2,007	-	-	-
Between 2-4 years	-	4,013	-	-
After 5 years	-	-	15,522	15,522
	<hr/>	<hr/>	<hr/>	<hr/>

**21 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<u>2002</u>	<u>Group</u> <u>2001</u>
	£	£
Net incoming resources	15,028	126,263
Depreciation	176,370	234,824
Gift in kind	-	(90,293)
Interest received	(28,692)	(26,995)
Interest paid	1,828	4,658
Decrease/(increase) in stock	6,240	(6,313)
(Increase)/decrease in debtors	(200,966)	314,349
(Decrease)/increase in creditors	(249,161)	481,834
Loss on disposal of fixed asset	3,130	2,047
	<hr/>	<hr/>
Net cash flow from operating activities	(276,223)	1,040,374
	<hr/>	<hr/>



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22      ANALYSIS OF CHANGES IN NET FUNDS	At 1 April <u>2001</u> £	Cash <u>flows</u> £	At 31 March <u>2002</u> £
Cash at bank and in hand	1,111,408	(314,668)	796,740
Overdrafts (Note 13)	(13,403)	(129,105)	(142,508)
	<hr/>	<hr/>	<hr/>
	1,098,005	(443,773)	654,232
	<hr/>	<hr/>	<hr/>