

**THE INSTITUTE OF CONTEMPORARY
ARTS LIMITED**

(A Company Limited by Guarantee)

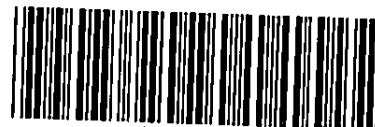
**REPORT OF THE COUNCIL AND
CONSOLIDATED FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2009

Company No. 444351

PKF (UK) LLP

WEDNESDAY



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THE INSTITUTE OF CONTEMPORARY ARTS LIMITED
(A Company Limited by Guarantee)
REPORT OF THE COUNCIL AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

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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 (the "ICA" or the "Company") 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 (UK) LLP
Farringdon Place
20 Farringdon Road
London
EC1M 3AP

DIRECTORS

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

A Ahmed
J Berger (appointed April 2009)
B Charone (retired November 09)
D Goulandris
D Kotler (appointed November 2008)
S Levinson
T Marlow
M O'Neill (appointed December 2008)
M Poynton (appointed November 2008)
T Ross
H Rothschild (retired October 2008)
J Sandelson (retired October 2008)
J Scroggs
A Taylor *
G Tyrrell (retired October 2008)
R Verjee (retired December 09)
A Yentob, *Chairman*

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

Directors are also members of the ICA Council, the principal governing body of the ICA (the "Council")

None of the Directors who held office at the end of the financial year had any interest in the Company

The Directors have delegated the responsibility for the management of the Company's activities to a Managing Director (Guy Perricone – appointed August 2005, resigned November 2009) and an Artistic Director (Ekow Eshun – appointed May 2005)

A resolution for the reappointment of PKF (UK) LLP will be proposed at the forthcoming annual general meeting

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REPORT OF THE COUNCIL**

The ICA presents its annual report and the audited financial statements of the group for the year ended 31 March, 2009

GOVERNANCE

The ICA is a company limited by guarantee and a registered charity. Governance of the ICA is vested in the Council, whose members are the Directors of the Company ("Council Members"). Council Members are re-elected every three years. Prospective Council Members are identified by existing Council Members acting in a Nominations Sub-committee, or may be referred to the ICA by outside parties. Candidates are interviewed by the Nominations Sub-committee and are required to attend at least one meeting of the Council as a guest. Appointments are made at meetings of the Council by a simple majority of votes cast. New Council Members are provided an induction into the Company by the senior management of the ICA.

PURPOSES AND ACTIVITIES

The objects for which the ICA was established are (inter alia) to promote the education of the community by encouraging the understanding, appreciation and development of the arts generally and particularly of contemporary art as expressed in painting, etching, drawing, sculpture, music, films, philosophy, literature and drama. The ICA realises these objectives by arranging, developing, producing and presenting exhibitions, performances, lectures and other productions, events and activities both at its premises and offsite. The ICA employs a full-time and part-time staff, all on a paid basis. There are no volunteers, although occasional use is made of short-term interns who receive no salary but do receive expenses.

The mission of the ICA is to act as the major showcase within the UK for the development and presentation, to as wide a range of audiences as possible, of innovative and contemporary 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 Learning and Education programme.

In determining the Company's strategy and in planning its activities for the year, the Council and ICA management have considered the Charity Commission's guidance on public benefit, and in particular with regard to the advancement of the arts and culture. To cover its operating costs, the ICA receives funding in the form of grants and generates revenue from a range of commercial activities, including box office income through ticket sales for a number of its activities and events. In setting pricing levels for these tickets, consideration is given to ensuring a high level of accessibility. Furthermore, in the course of the year under review, the decision was taken to abolish the entrance fee previously charged, and to introduce a new policy of free entry, thereby opening up access to the ICA to an even wider audience (this is discussed in further detail below).

SUPPORT FROM FUNDING BODIES AND OTHER PARTNERS

The ICA is grateful to Arts Council England, Westminster City Council and NESTA for their continuing support, as well as to the corporations, trust funds and public sector bodies who contributed funds to projects during the year. In particular, the ICA acknowledges the generous support of SpinVox Ltd for their support of the ICA's annual gala fundraising event, *Figures of Speech*, in March 2009. The ICA also thanks its corporate members and individual patrons for their invaluable support throughout the year.

Recognition must also be given to the ICA's staff, without whose continuing dedication the achievement of the ICA's objectives would not be possible.

RISK MANAGEMENT

The Council undertakes an ongoing assessment of the significant risks to which the ICA is exposed. Such risks may be of a financial or non-financial nature. The risk assessment process 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 Council will

- continue to review the risks and the progress made in implementing systems to mitigate those risks, and

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- enhance procedures as appropriate, and as part of the formal risk management process, which are likely to minimise any potential impact on the ICA should any of the identified risks materialise

A risk assessment schedule is prepared for, and reviewed by, the Council at each Council meeting. The most significant risks presently identified pursuant to this risk assessment exercise are

- The possibility of lower revenues across all main commercial activities as a result of the ongoing current economic climate, and which, in particular may impact fundraising activities,
- The need to reinforce the ICA's reserves position, which had been an objective for the 60th anniversary auction in October 2006 (see "Finance" below), and
- The importance of conducting and successfully implementing the comprehensive review referred to in "Future Plans – Strategic and Financial Plans" below

SUMMARY OF OBJECTS AND PRINCIPAL ACTIVITIES

The objects for which the Company is established are to promote the education of the community by encouraging the understanding, appreciation and development of the arts generally and particularly of contemporary art. The principal activity of the Company is that of presenting exhibitions, film, performances, talks and conferences and an educational programme, all in the field of contemporary arts and culture. The ICA employs a full-time and part-time staff, all on a paid basis. There are no volunteers, although occasional use is made of short-term interns who receive no salary but do receive expenses.

REVIEW OF THE YEAR

During the year, the ICA's senior management team consisted of its Artistic Director, Managing Director, Development Director, Marketing Director and Finance Director. The Marketing Director went on maternity leave in February 2009. The Development Director resigned in April 2009, as did the Managing Director in November 2009.

In the year 2007/08, senior management had identified a number of key objectives for the ICA. These objectives have continued to be valid in the year 2008/09. These are set out below, together with a brief assessment of progress.

1. Increasing Visitor Figures and Audience Diversity

ICA visitor figures for 2008/09 were 474,656, an 18% increase from the previous year's total of 402,234. This increase is partly attributable to the free entry policy introduced on 1st September, 2008. Previously, all visitors who were not members of the ICA were required, as a condition of the ICA's premises licence, to become members for the day. This restriction was lifted in early 2008, and the new policy introduced in September.

While the introduction of free entry was an important development for the ICA, it has had an adverse impact on membership figures. These fell from approx. 5,800 in 2007/08 to approx. 4,300 at 31st March, 2009. Free entry was perceived by many members as a key membership benefit, and the removal of this has resulted in the decrease. Management are developing new marketing initiatives to re-emphasise the strength of the membership offer, and to stabilise (and grow) membership levels.

Web visitor figures continued to rise. The ICA's site attracted 2.3 million unique users in 2008/09, compared to 1.7 million in the previous year, an increase of 35%.

The ICA's varied artistic programme, and its increasingly active and successful Education/Learning programme, mean that the growth in visitor numbers is matched by a diverse socio-economic and ethnic demographic spread. This has also been aided by the new policy of free entry.

2. Maintaining the Highest Level of Artistic Quality

2008/09 drew the ICA's 60th anniversary celebrations to a close with a series of standout events aimed to set the Company on its course for the next sixty years and more.

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Visual Arts. High profile solo exhibitions were staged for Loris Gréaud, Roberto Cuoghi and Sean Snyder. An ambitious thematic exhibition, *Dispersion*, was also staged this was curated by Polly Staple, and included a lecture-performance by the Turner prize-winning artist, Mark Leckey. *A Recent History of Writing and Drawing* (a project by the programmer/designer Jürg Lehn and the graphic designer Alex Rich, and curated by design historian Emily King) continued the occasional strand of design-orientated exhibitions. A special effort in the year was reserved for projects linked with the ICA's 60th anniversary. One event was an exhibition of works by previous ICA exhibitors, given for a fundraising auction (see below). The most significant curatorial project linked to the anniversary was *Nought to Sixty*, which presented sixty projects by emerging artists based in Britain and Ireland, with projects opening or events occurring at the ICA every Monday.

Talks. In 2008/09, the Talks programme continued to further its reputation for bringing fresh international ideas to the ICA for stimulating and sometimes controversial debate. Notable speakers included Chris Anderson, Amartya Sen, Mahmood Mandani, Jeff Howe, Clay Shirky, Michael Fried, Dan Graham, Reza Aslan, Terry Eagleton, Laura Maria Agustin, Nancy Fraser, Luce Irigaray, Alain Badiou, Slavoj Žižek and Usamah Hamdan. UK-based cultural practitioners and commentators have included Alan Moore, Jake & Dinos Chapman and Yinka Shonibare. There have been conferences on art and philosophy, art and art writing, and multi-disciplinary art history, as well as idea-driven inter-disciplinary talks series such as the annual *Comica* festival in the autumn, and *Feedback*, on how the new communication technologies have changed culture.

Music. The number of musical performances at the ICA increased dramatically in 2008/09, and this level of activity is set to be maintained in 2009/10. Highlights of the year included performances by My Bloody Valentine, Lykke Li, Little Boots, Emmy the Great, White Lies, Black Kids, Coco Rosie, Dengue Fever, Sunburned Hand of the Man and Gonzales. The ICA also participated in *The Big Chill* festival at Eastnor, Herefordshire, in 2008, taking up residency in the Media Mix Tent with an afternoon of films and performances by Jeffrey Lewis, cult art band Lustfaust and Lee "Scratch" Perry. The ICA bar has also been re-invigorated following through a series of specially curated music events in 2008/09.

Cinema. ICA Cinema continues to generate high praise for consistently imaginative, bold and provocative programming. Films that drew particular attention were *Her Name is Sabine*, *Garbage Warrior*, *Sakuran*, *A Bloody Aria*, *OSS 117* and the Oscar-nominated *Trouble the Water*. A number of themed seasons and festivals were organised by ICA Cinema, including *The Booker at the Movies*, a special series of events to mark the 60th and 40th anniversaries of the ICA and the Booker Prize, respectively. A number of special cinema events were also held at the ICA, including a question and answer session with Dennis Hopper, as part of the *cinematICA* campaign, and which accompanied a screening of his rarely seen film, *The Last Movie*. ICA Films, the ICA's film distribution entity also released a total of 17 titles on DVD in the course of the year.

Live Arts. The Live Arts programme produced a number of notable events during the year. These included *Red Ladies* (in which large numbers of women, clandestinely and identically dressed in red, descended upon Trafalgar Square, encouraging people to rendezvous with them and follow in the hope of revealing their true identities) and *Memory Cloud* (in which, for three nights, Trafalgar Square was immersed in a cloud of smoke through which giant light text messages submitted by members of the public were projected in the sky). In November 2008, the decision was taken to close the Live Arts department (see below).

3. Reviewing and Monitoring Organisational Development

The organisational structure adopted in June 2006 continued to work well throughout the year. This structure divided the ICA into 5 main departments (Creative, Development, Communications, Visitor Services, and Finance & Administration) and established the new senior management team. An important new appointment was made in 2008/09 with the recruitment of a dedicated Human Resources Manager. This new manager has begun a comprehensive review of the ICA's HR procedures, and updated or prepared a number of new policies for the ICA.

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In November 2008, the decision was made no longer to dedicate a department to the Live Arts strand. This decision was primarily based on artistic concerns, and on the recognition that the activity required a greater level of support than the ICA can commit at the present time. While live arts will continue to feature in the ICA's artistic programme, this will be managed through other departments, and not through a dedicated department.

Focus continues to be placed on adopting best practice with regard to governance issues. In 2008/09, new policies were approved by the ICA Council relating to ethical fundraising and conflicts of interest. As mentioned above, a risk assessment schedule is prepared and reviewed at each Council meeting. Three Council Members resigned during the course of the year and were replaced with three new Council Members, ensuring the Council remains vibrant and engaged. Although more female Council Members have been appointed, greater representation of minorities on the Council continues to remain a target.

4. Encouraging Participation by the Community and Young People

The ICA's Learning programme attracts students and teachers, encouraging creative learning across the curriculum, routes into further study and repeat visits. Downloadable learning resources are produced to accompany each exhibition. In 2008/09, approximately 150 teachers attended teacher preview events, and 700 students (35 schools/colleges) participated in self-facilitated visits to the ICA. Highlights of the year included the following:

- *Mystery Train* was a six-month project which brought together the artist Jessica Voorsanger, Westminster charity Pursuing Independent Paths and Art on the Underground, and which encouraged people to embrace London, its transport and popular culture, and promote visits to contemporary art galleries.
- The ICA's *Helvetica* project, run in partnership with University of the Arts London AL Widening Participation Central Unit, was awarded the Art Works Partner Award.
- Poster interviews with Roberto Cuoghi, Sean Snyder and 6th Form/BA students were popular resources with ICA visitors and teachers. Posters were distributed to all UAL sites.
- The ICA's Student Forum brings together 11 BA/MA students, meeting weekly at the ICA to respond to the programme of visual art, music, cinema and talks. The forum aims to encourage other young people to visit the ICA with free events and workshops.
- The new Fox Reading Room provides learning resources to support the visual arts programme, as well as a dedicated workshop and events space.

5. Developing the Creative Networks Activity

Following the decision in 2007/08 to bring the activities of the ICA Club to a close, the ICA launched the "A-Frame" programme in 2008/09 for the creative industries and business communities, with the support of the Cultural Leadership Programme and NESTA. A-Frame is a programme for cultural leaders providing high-level networking opportunities through regular events, a mentoring programme, workshops and a website. A-Frame fosters a conversation between leaders coming from the creative industries and the corporate sector.

A-Frame targets mid-career, established cultural and creative leaders. Professionals from commercial businesses share their insight on successful business practices, and benefit from the opportunity of meeting and working with individuals from the creative industries, whose innovative and trend-setting abilities will benefit and influence the corporate individual.

A-Frame involves events over 12 months held in London and the UK. One element of the programme is the ICA's "Figures of Speech" presentation format. The programme also includes various mentoring partnerships, week long workshops, industry shadowing experiences and various other educational seminars, workshops and networking events, all aimed at transferring skills between those in the creative and corporate worlds.

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The first year of activity came to an end in June 2009, feedback and response from participants was very positive

FINANCE

The year 2008/09 was to have been the culmination of the ICA's three-year strategic plan covering the period 2006-09. In the previous two years, the ICA experienced significant growth while still balancing its accounts, with costs being tightly controlled. The 2008/09 financial budget was designed to build on some of the foundations that were put in place in the previous two years. The main objective for the year was to drive revenues, primarily by enhancing existing (and/or developing new) sustainable revenue streams (such as box office receipts, admission revenue, membership revenue and revenue from commercial activities streams) and continuing the growth in the Development function.

These plans were significantly and adversely affected by the economic recession, the impact of which began to be felt in autumn 2008. While box office receipts have continued to be satisfactory, it is clear that the recession has had a much more severe impact on the Development function and other commercial activities, such as venue hire. Revenue targets set for these activities proved to be unattainable in the new economic environment. This environment continues to prevail, with a continuing impact on these activities.

Furthermore, a key financial event of the year was the 60th anniversary auction in October 2008. A number of leading artists whose careers were influenced by the ICA donated a piece of work to be auctioned on behalf of the ICA. The proceeds of the auction totalled £673,300 (prior to deduction of related costs). While this represented a very respectable result in the context of the difficult economic climate, the total was significantly lower than initial estimates based on the strength of the contemporary art market prior to the recession.

The decision to introduce a new policy of free entry to the ICA was an important strategic initiative, which was widely praised by funders, supporters and stakeholders, as well as the public and press. However, in the short-term, this decision did deprive the ICA of an important source of revenue, namely admission income. Furthermore, the introduction of free entry has had an impact on the ICA's membership offer, as the abolition of the admission fee had been a key member benefit. As a result, membership income has fallen in the course of the year. It had been planned that these revenue losses would be replaced by the benefit of greater visitor numbers to the ICA (generating more income through bar/café sales, bookshop sales, etc). However, while visitor numbers have undoubtedly increased significantly since the introduction of free entry, it is clear that this replacement of revenue will take longer than forecast, as potential patrons and the general public continue to monitor and ration their leisure spending.

As a result of these largely external supervening events, the budgeted surplus for the year did not materialise, and instead a deficit of £116k was recorded. As a longer-term consequence, the planned stabilisation of the ICA's longer-term financial position, and in particular the reinforcement of the Company's reserves, remains a key ongoing objective of the ICA's financial strategy.

Reserves

It is the policy of the Council to hold reserves in funds designated for specific purposes as described below and to transfer any residual surpluses to the accumulated fund from time to time. It is the Council's intention to build the accumulated fund to a level considered adequate to sustain the core programme and other activities for a reasonable time in the event of any unanticipated reduction in support funding from the principal sources.

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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, £nil (2008 £2,165) of depreciation has been charged to the fund, £nil (2008 £0) of income has been added 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 five years and the ICA has a deposit account to ensure funds are earmarked for this specific purpose.

The next five-yearly decoration is expected to take place summer 2009. This year £nil (2008 £40,000) was transferred to the fund, and £12,099 of interest was transferred from the fund.

Stabilisation Fund

The Stabilisation Fund was established out of the stabilisation grant awarded to the ICA in March 2000. Council has decided to maintain the fund to provide a measure of financial security and aims to replenish the fund when any amounts are used.

In the current year £3,790 (2007 £13,792) of interest was credited to the fund. Repayments of £26,950 (2008 £26,667) were transferred to the fund and interest of £3,706 (2008 £2,000) was transferred from the fund.

Depreciation of £26,835 (2008 £26,835) has also been charged to the fund.

Accumulated surplus

The ICA charity has made an overall loss on its operating activities of £108,559 (2008 profit of £68,857) of which £nil (2008 £40,000) has been transferred to the Maintenance Fund and £12,099 (2008 £0) has been released from the fund. £26,950 (2008 £26,667) has been transferred to the Stabilisation Fund. Interest of £3,706 (2008 £2,000) has been transferred from the Stabilisation Fund. This has resulted in a carried forward deficit of £324,909 (2008 deficit of £215,374).

The ICA believes that, as the strategies and policies developed and implemented by the management team continue to take effect and show results, including the continued development of relationships with funders and other partners, the ICA will meet its targets for the next financial year. A high level of financial control is being applied to all aspects of the ICA's activities, and the focus for the entire institution is to meet the goals of its budget for the year. The Council believes that the charity will remain able to meet the costs of expenditure planned for the programme in the year to March 2010.

RESULTS OF SUBSIDIARY COMPANIES

During this financial year ICA Direct Limited has made a profit of £159,957 before gift aid and taxation (2008 £544,112) and ICA Films Limited has made a loss of £33,907 before taxation (2008 profit of £2,780).

ICA Direct Limited comprises the ICA Bookshop and the ICA's Education programme. In addition, sponsorship income is channeled through ICA Direct. 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. Total income in ICA Direct was £539,060 (2008 £875,576) including £253,177 (2008 £292,323) from trading activities and £195,631 (2008 £538,903) from sponsorship. ICA Direct was able to gift aid £159,957 (2008 £544,112) to the charity during the year.

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ICA Films Limited is closely related to the work of the cinema department in acquiring and distributing films by important but often unknown directors and enabling a theatrical and video release of these films in the UK. ICA Films was able to gift aid £nil (2007 £ 2,780) to the charity during the year.

DEVELOPMENTS DURING 2009/10

Partly as a response to the changed economic environment and to the need to address these longer-term financial issues, management decided to instigate a review of the ICA's operations, to encompass the Company's future artistic strategy and business activities. At an early stage of the 2009/10 year, it was apparent that a significant loss would be incurred during the year, unless steps were taken to avoid that situation.

In October 2009, the ICA was awarded a grant of £1.2 million under Arts Council England's "Sustain" programme. This grant is intended to recognise the adverse impact of the economic recession on the ICA's activities. A key condition of this grant is the completion of the organisational review referred to above. The grant will enable the ICA to continue to offer a high-quality artistic programme during the review process for the remainder of 2009/10 and into 2010/11.

Of the Sustain grant, £600,000 has been received in the form of a secured interest free loan that will be repayable only in the event of the ICA ceasing to trade or the ICA selling its leasehold premises in The Mall. The loan will be converted formally into a grant when ACE is satisfied with the artistic, financial and organisational proposals contained in the business plan that is being developed.

During March 2010, and with much regret, a redundancy programme was implemented which will reduce the annual staff cost by approximately £1 million. In addition, the organizational review and the development of a business plan for the next four years is intended to provide an artistic programme within a financial framework that will enable the ICA to prosper in the future. The business plan is scheduled for completion during the summer of 2010. The Sustain grant will substantially cover the loss for the year 2009/10, including the cost of the redundancy programme.

OTHER MATTERS

Each of the Council members has confirmed that so far as they are aware, there is no relevant audit information of which the charity's auditors are unaware, and that they have taken all the steps that they ought to have taken as a Council member in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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

Signed on behalf of the Council

A Yentob
Chairman



Date 21 4 10

THE INSTITUTE OF CONTEMPORARY ARTS LIMITED
STATEMENT OF RESPONSIBILITIES OF THE COUNCIL
YEAR ENDED 31 MARCH 2009

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

We have audited the financial statements of the Institute of Contemporary Arts ('ICA') for the year ended 31 March 2009 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

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 auditors' 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 council members and auditors

The responsibilities of the council members (who are also the directors of the charitable company 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 Councils' 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 have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the council's report is not consistent with the financial statements, if 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 directors' remuneration and other transactions is 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 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations 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 group's and the charitable company's affairs as at 31 March 2009 and of their incoming resources and application of resources, including their income and expenditure, for the year then ended, and
- have been properly prepared in accordance with the Companies Act 1985, and
- information in the Report of Council is consistent with the financial statements.

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

Emphasis of matter – Going concern

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in note 1 (a) of the financial statements, which indicates that the ICA is expected to record a significant loss in the year ended 31 March 2010. However, the ICA has taken steps to reduce its future annual costs by £1 million and, in addition, has received an interest free, secured loan of £600,000 from Arts Council England ("ACE") which will be converted formally into a grant when ACE has been satisfied with the artistic, financial and organisational proposals contained in its business plan for the next four years that is currently being developed and is scheduled to be completed in the summer of 2010. The conditions relating to the loan are described more fully in the Report of Council under "Developments during 2009/10". Until the business plan has been accepted by ACE, there is material uncertainty which may cast doubt about the ICA's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the ICA was unable to continue as a going concern.

London, UK

23 April

2010

PKF UK LLP

PKF (UK) LLP
Registered auditors

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(including Income and Expenditure Account)

YEAR ENDED 31 MARCH 2009

	<u>Note</u>	<u>Unrestricted funds</u> <u>General</u> £	<u>Designated</u> £	<u>Restricted funds</u> £	<u>Total</u> <u>2009</u> £	<u>Restated</u> <u>2008</u> £
INCOMING RESOURCES						
Activities for generating funds		1,418,600	-	179,834	1,598,434	1,653,159
Voluntary income		343,575	-	5,470	349,045	756,796
Incoming resources from charitable activities						
- Programme activities		500,149	-	-	500,149	592,524
- Associated activities		621,464	-	-	621,464	830,393
Other incoming resources						
- Trading income		566,312	-	-	566,312	476,488
- Other income		1,301,254	-	5,245	1,306,499	651,273
Investment income		68	4,493	-	4,561	17,945
TOTAL INCOMING RESOURCES		4,751,422	4,493	190,549	4,946,464	4,978,578
LESS. COST OF GENERATING FUNDS						
Trading expenses		652,934	-	-	652,934	511,360
NET INCOMING RESOURCES AVAILABLE FOR CHARITABLE APPLICATION		4,098,488	4,493	190,549	4,293,530	4,467,218
RESOURCES EXPENDED						
Charitable activities						
Costs of activities in furtherance of the objects of the charity						
- Programme activities	3	3,781,136	26,952	175,497	3,983,585	3,949,439
- Associated activities	3	232,321	-	-	232,321	289,668
Governance costs	3	183,671	-	-	183,671	176,520
Interest payable	6	9,919	84	-	10,003	10,592
TOTAL CHARITABLE EXPENDITURE		4,207,047	27,036	175,497	4,409,580	4,426,219
TOTAL RESOURCES EXPENDED	4	4,859,981	27,036	175,497	5,062,514	4,937,579
NET INCOMING RESOURCES		(108,559)	(22,543)	15,052	(116,050)	40,999
Transfers between funds	16	7,921	11,145	(19,066)	-	-
NET MOVEMENTS ON FUNDS		(100,638)	(11,398)	(4,014)	(116,050)	40,999
Total funds brought forward		(224,271)	611,471	62,817	450,017	409,018
TOTAL FUNDS CARRIED FORWARD	16	(324,909)	600,073	58,803	333,967	450,017

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

(A Company Limited by Guarantee)

BALANCE SHEETS

31 MARCH 2009

	<u>Notes</u>	<u>2009</u>	<u>Group</u>	<u>2009</u>	<u>Charity</u>
		<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
		<u>£</u>	<u>Restated</u>	<u>£</u>	<u>Restated</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
FIXED ASSETS					
Tangible assets	9	239,154	293,475	238,979	292,935
		<hr/>	<hr/>	<hr/>	<hr/>
CURRENT ASSETS					
Stocks	11	285,984	100,651	210,000	-
Debtors	12	664,905	1,074,861	613,555	928,819
Cash at bank and in hand		261,264	431,928	209,090	428,114
		<hr/>	<hr/>	<hr/>	<hr/>
		1,212,153	1,607,440	1,032,645	1,356,933
CREDITORS					
Amounts falling due within one year	13	(1,117,340)	(1,450,898)	(928,760)	(1,190,954)
		<hr/>	<hr/>	<hr/>	<hr/>
NET CURRENT ASSETS/LIABILITIES		94,813	156,542	103,885	165,979
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		333,967	450,017	342,864	458,914
		<hr/>	<hr/>	<hr/>	<hr/>
Represented by.					
RESTRICTED FUNDS	16	58,803	62,817	58,803	62,817
		<hr/>	<hr/>	<hr/>	<hr/>
DESIGNATED FUNDS					
Maintenance fund	16	120,000	131,396	120,000	131,396
Stabilisation fund	16	480,073	480,075	480,073	480,075
		<hr/>	<hr/>	<hr/>	<hr/>
		600,073	611,471	600,073	611,471
OTHER UNRESTRICTED FUNDS					
General funds	16	(324,909)	(224,271)	(316,012)	(215,374)
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	16	333,967	450,017	342,864	458,914
		<hr/>	<hr/>	<hr/>	<hr/>

These financial statements were approved by and authorised for issue the Council on 22 April 2009 and were signed on its behalf by

A Yentob
Chairman



00444351

THE INSTITUTE OF CONTEMPORARY ARTS LIMITED

(A Company Limited by Guarantee) CONSOLIDATED CASHFLOW STATEMENT 31 MARCH 2009

	<u>Notes</u>	£	<u>2009</u>	£	£	<u>Restated</u> <u>2008</u>	£
Cash (outflow)/inflow from operating activities	20		(49,900)			(364,816)	
Returns on investments and servicing of finance							
Interest received		4,561			17,945		
Interest paid		(10,003)			(10,592)		
			<hr/>		<hr/>		
Net cash inflow from returns on investments and servicing of finance			(5,442)			7,353	
Capital expenditure and financial investment							
Purchase of tangible fixed assets		(59,319)			(55,336)		
			<hr/>		<hr/>		
Net cash outflow for capital expenditure and financial investment			(59,319)			(55,336)	
			<hr/>			<hr/>	
Increase/(Decrease) in cash			(114,661)			(412,799)	
			<hr/>			<hr/>	
Reconciliation of net cashflow to movement in net funds							
Change in net funds resulting from cashflows			(114,661)			(412,799)	
Net funds at 1 April 2008			149,619			562,418	
			<hr/>			<hr/>	
Net funds at 31 March 2009	21		34,958			149,619	
			<hr/>			<hr/>	

THE INSTITUTE OF CONTEMPORARY ARTS LIMITED

(A Company Limited by Guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2009

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 2005) - Accounting and Reporting by Charities.

The restatement of 2008 figures relates to the overstatement of investment income on the stabilisation fund of £25,845.

Going Concern

At 31 March 2009, the ICA had unrestricted Group reserves of £275,164, of which £239,154 was represented by the carrying value of fixed assets. As described more fully in the Report of Council under 'Developments during 2009/10', the ICA is expected to record a significant loss during the year ended 31 March 2010. However, the ICA has received a Sustain grant from Arts Council of England which will substantially cover that loss. In addition, the ICA has taken steps to reduce its annual staff costs by approximately £1 million.

On this basis, the Council has therefore concluded that it is appropriate for these financial statements to be drawn up on the going concern basis.

b) Basis of consolidation

The consolidated accounts include the accounts of the charity and its subsidiary undertakings, ICA Films 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 the Arts Council.

d) Trading income

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

e) Other incoming resources

All other income is accounted for when it is receivable.

f) Expenditure

Costs of charitable 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.

THE INSTITUTE OF CONTEMPORARY ARTS LIMITED

(A Company Limited by Guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2009

1 ACCOUNTING POLICIES (continued)

activities Governance 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

b) 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%-33⅓%	- plant and 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

c) Stocks

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

d) 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

e) 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

(A Company Limited by Guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2009

3 RESOURCES EXPENDED

	Unrestricted <u>funds</u> £	Designated <u>fund</u> £	Capital <u>fund</u> £	Restricted <u>funds</u> £	Total <u>2009</u> £	Restated <u>2008</u> £
Charitable activities:						
Programme activities						
Cinema	95,467	-	-	24,144	119,611	99,503
Exhibitions	252,721	-	-	-	252,721	264,982
Performing arts	21,398	-	-	-	21,398	53,355
Talks	6,352	-	-	-	6,352	6,716
Education	-	-	-	21,025	21,025	10,650
Other projects	(889)	-	-	41,056	40,167	59,686
Marketing	276,869	-	-	-	276,869	202,909
New media	46,858	-	-	-	46,858	9,706
Salaries	2,182,023	-	-	88,867	2,270,890	2,067,587
Administration	210,730	-	-	-	210,730	295,980
Overheads	326,096	26,952	-	-	353,048	404,409
Development	234,812	-	-	-	234,812	346,666
Music	128,699	-	-	405	129,104	127,290
	3,781,136	26,952	-	175,497	3,983,585	3,949,439
Associated activities						
Exhibition/Performance cats	51,669	-	-	-	51,669	44,875
Membership	2,177	-	-	-	2,177	2,787
Hire	8,257	-	-	-	8,257	10,643
Salaries	133,855	-	-	-	133,855	175,973
Administration	36,280	-	-	-	36,280	53,301
Overheads	83	-	-	-	83	2,089
	232,321	-	-	-	232,321	289,668
Governance Costs						
Salaries	60,738	-	-	-	60,738	59,471
Administration	11,969	-	-	-	11,969	18,046
Overheads	33,530	-	-	-	33,530	35,291
Legal and professional fees	48,434	-	-	-	48,434	46,032
Audit fees	29,000	-	-	-	29,000	17,680
	183,671	-	-	-	183,671	176,520

THE INSTITUTE OF CONTEMPORARY ARTS LIMITED

(A Company Limited by Guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2009

4 TOTAL RESOURCES EXPENDED

GROUP	Staff Costs £	Depreciation £	Other costs £	Total 2009 £	Restated 2008 £
Programme activities	2,270,890	113,011	1,599,684	3,983,585	3,949,439
Associated activities	133,855	-	98,466	232,321	289,668
Governance Costs	60,738	-	122,933	183,671	176,520
Interest payable	-	-	10,003	10,003	10,592
Trading expenses	199,932	627	452,375	652,934	511,360
Total 2009	2,665,415	113,638	2,283,461	5,062,514	4,937,579
Total 2008	2,459,939	164,325	2,313,315	4,937,579	4,937,579

5 STAFF COSTS

	Group 2009 £	Restated 2008 £
Wages and salaries	2,427,059	2,238,695
Social security costs	238,356	221,244
	2,665,415	2,459,939

The average number of persons employed by the group (including directors and contracted staff) during the year was 108 (2008 103)

The number of employees with emoluments over £60,000 during the year was

	2009	Restated 2008
£60,001 - £70,000	3	3
£70,001 - £80,000	2	2

None of the directors received any emoluments or reimbursement of expenses in the year (2008 £Nil)

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £	Restated 2008 £
On bank loans, overdrafts and other loans wholly payable within five years	10,003	10,592

THE INSTITUTE OF CONTEMPORARY ARTS LIMITED
(A Company Limited by Guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

7 NET OUTGOING RESOURCES

	2009	Group
	£	Restated
		2008
		£
Net outgoing resources is stated after charging		
Audit fees	29,000	17,680
Other fees – taxation etc	48,434	46,032
Depreciation of tangible fixed assets	113,638	164,325

Indemnity insurance

The charity paid £1,050 (2008 £1,169) to provide insurance for the Trustees and senior staff to indemnify them against the consequences of any neglect or default on their part

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

	Long leasehold buildings £	Improvements to leasehold buildings £	Fixtures and fittings £	Furniture and equipment £	Total £
Cost or valuation					
Restated At 1 April 2008	150,000	226,538	1,107,031	658,751	2,142,320
Additions	-	-	16,760	42,557	59,317
At 31 March 2009	150,000	226,538	1,123,791	701,308	2,201,637
Depreciation					
Restated At 1 April 2008	20,151	193,461	1,046,332	588,901	1,848,845
Charge for the year	2,239	11,027	38,157	62,215	113,638
At 31 March 2009	22,390	204,488	1,084,489	651,116	1,962,483
Net book amounts					
At 31 March 2009	127,610	22,050	39,302	50,192	239,154
Restated At 31 March 2008	129,849	33,077	60,699	69,850	293,475

THE INSTITUTE OF CONTEMPORARY ARTS LIMITED
(A Company Limited by Guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

9 TANGIBLE FIXED ASSETS (continued)

CHARITY

	<u>Long leasehold buildings</u> £	<u>Improvements to leasehold buildings</u> £	<u>Fixtures and fittings</u> £	<u>Furniture and equipment</u> £	<u>Total</u> £
Cost or valuation					
Restated At 1 April 2008	150,000	226,538	1,104,761	641,831	2,123,130
Additions	-	-	16,498	42,557	59,055
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2009	150,000	226,538	1,121,259	684,388	2,182,185
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
Restated At 1 April 2008	20,151	193,461	1,039,462	577,121	1,830,195
Charge for the year	2,239	11,027	37,530	62,215	113,011
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2009	22,390	204,488	1,076,992	639,336	1,943,206
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book amounts					
At 31 March 2009	127,610	22,050	44,267	45,052	238,979
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restated At 31 March 2008	129,849	33,077	65,299	64,710	292,935
	<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 £nil (2008 £90,293) and with a net book value of £nil (2008 £nil). The director's valuation is based, in accordance with the Statement of Recommended Practice, on their estimate of the value of the equipment to the charity.

10 INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	<u>2009</u> £	<u>2008</u> £
Investment at market value	-	-
	<hr/>	<hr/>

The company owns the entire issued share capital of ICA Films Limited and ICA Direct Limited. The investment represents 2 ordinary shares of £1 each in ICA Films Limited and ICA Direct Limited respectively. Both companies are registered in the United Kingdom. The principal activity of ICA Films 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 the ICA's exhibition programme.

THE INSTITUTE OF CONTEMPORARY ARTS LIMITED
(A Company Limited by Guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

10 INVESTMENT IN SUBSIDIARY UNDERTAKINGS (continued)

Financial information relating to the subsidiaries is set out below

	<u>2009</u> £	<u>2008</u> £
ICA Films Limited		
Aggregate capital and reserves	(3,126)	(3,126)
Profit/(loss) for the year (after payment under gift aid)	-	-
ICA Direct Limited		
Aggregate capital and reserves	(5,771)	(5,771)
Profit for the year (after payment under gift aid)	-	-

11 STOCKS

	<u>Group</u> <u>2009</u> £	<u>2008</u> Restated £	<u>Charity</u> <u>2009</u> £	<u>2008</u> Restated £
Bookshop and ICA stocks	285,984	100,651	210,000	-

12 DEBTORS

	<u>Group</u> <u>2009</u> £	<u>2008</u> Restated £	<u>Charity</u> <u>2009</u> £	<u>2008</u> Restated £
Trade debtors	332,029	552,470	158,703	271,062
Amounts owed by group undertaking	-	-	287,985	336,347
Other debtors	15,373	13,868	15,374	13,868
Prepayments and accrued income	317,503	508,523	151,493	307,542
Bookshop and ICA stocks	664,905	1,074,861	613,555	928,819

13 CREDITORS

	<u>Group</u> <u>2009</u> £	<u>2008</u> Restated £	<u>Charity</u> <u>2009</u> £	<u>2008</u> Restated £
Amounts falling due within one year				
Bank overdraft	226,305	282,309	225,883	261,665
Trade creditors	289,359	342,802	230,905	285,236
Taxation and social security	93,880	123,767	93,794	117,681
Other creditors	43,550	44,594	43,550	44,594
Accruals and deferred income (Note 14)	464,246	657,426	334,628	481,778
	1,117,340	1,450,898	928,760	1,190,954

The overdraft is secured by a charge over the leasehold premises

THE INSTITUTE OF CONTEMPORARY ARTS LIMITED
(A Company Limited by Guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

14 ACCRUALS AND DEFERRED INCOME

	<u>Group</u> <u>2009</u> £	<u>Charity</u> <u>2009</u> £
Deferred income:		
Balance at 1 April 2008	158,043	108,961
Amount released to incoming resources	(1,123,411)	(1,036,923)
Amount deferred in the year	1,068,105	1,019,750
	<hr/>	<hr/>
Balance at 31 March 2009	102,737	91,788
Accruals	361,509	242,840
	<hr/>	<hr/>
	464,246	334,628
	<hr/> <hr/>	<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
(A Company Limited by Guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

16 MOVEMENT IN FUNDS

GROUP	Balance Restated 1 April 2008 £	Incoming resources £	Resources expended £	Transfers and designations £	Balance 31 March 2009 £
Restricted Funds:					
<i>World Cinema fund</i>	19,066	-	-	(19,066)	-
Westminster City Council	-	39,667	(39,667)	-	-
Nesta	-	29,762	(29,762)	-	-
ACE	-	60,405	(60,405)	-	-
Cinema Refurbishment	43,751	60,715	(45,663)	-	58,803
	<u>62,817</u>	<u>190,549</u>	<u>(175,497)</u>	<u>(19,066)</u>	<u>58,803</u>
Unrestricted Funds:					
Designated funds					
Maintenance fund	131,396	703	-	(12,099)	120,000
Stabilisation fund	480,075	3,790	(27,036)	23,244	480,073
	<u>611,471</u>	<u>4,493</u>	<u>(27,036)</u>	<u>11,145</u>	<u>600,073</u>
General funds	(224,271)	4,751,422	(4,859,981)	7,921	(324,909)
	<u>387,200</u>	<u>4,755,915</u>	<u>(4,887,017)</u>	<u>19,066</u>	<u>275,164</u>
Total unrestricted funds					
	<u>450,017</u>	<u>4,946,464</u>	<u>(5,062,514)</u>	<u>-</u>	<u>333,967</u>
					£
The accumulated surplus is represented by					
Retained by The Institute of Contemporary Arts					342,864
Retained by subsidiary undertakings					(8,897)
					<u>333,967</u>

INSTITUTE OF CONTEMPORARY ARTS LIMITED
(A Company Limited by Guarantee not having a Share Capital)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

16 MOVEMENT IN FUNDS (continued)

RESTRICTED FUNDS

World Cinema Fund

In 2001 London Arts awarded £50,000 for the promotion and distribution of World Cinema. Each year, and where appropriate, the ICA makes advances to ICA Films to purchase and show films under the terms of this award. Surpluses from films purchased by ICA Films with this grant are passed back to ICA under gift aid and reinvested in this fund.

During the year £19,066 was transferred to ICA films for Belle Toujours, Captain Eager, Love and Honour and Sakuran.

Westminster City Council

Westminster City Council awarded £39,667 for the promotion of educational achievement by way of a provision by ICA of artistic and educational sciences for the residents of Westminster City Council.

Nesta

Nesta contributed £29,762 to the running of A Frame.

Arts Council

Arts Council contributed 405 for the Inspire programme, and £60,000 to the running of A Frame.

Cinema refurbishment

The ICA was successful in its application for a grant of £200,000 from the Arts Council for 'Refurbishment and programming expansion of ICA screening facilities'. £50,000 of this grant was drawn down in the year to 31 March 2009. Conditions attaching to this funding require the ICA to contribute in part towards this project.

A further £10,715 has been received towards the refurbishment of the cinema.

UNRESTRICTED FUNDS

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 year ended 31 March 2005.

Stabilisation Fund

The Stabilisation Fund is for the purpose of developing the ICA and was set up after the ICA was awarded a 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.

INSTITUTE OF CONTEMPORARY ARTS LIMITED
(A Company Limited by Guarantee not having a Share Capital)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

17 ANALYSIS OF NET ASSETS BY FUNDS - GROUP

	<u>Restricted funds</u> £	<u>Maintenance fund</u> £	<u>Stabilisation fund</u> £	<u>Accumulated deficit</u> £	<u>Total</u> £
Fixed assets			73	239,081	239,154
Net current assets/(liabilities)	58,803	120,000	480,000	(563,990)	94,813
	<u>58,803</u>	<u>120,000</u>	<u>480,073</u>	<u>(324,909)</u>	<u>333,967</u>

18 RELATED PARTY TRANSACTIONS

ICA Limited has two subsidiary companies, ICA Films 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.

Harbottle and Lewis provided services as solicitors to ICA to the value of £26,261 at a discounted rate. Gerrard Tyrrell was a director of ICA Ltd and a partner of Harbottle and Lewis.

Guestinvest provided sponsorship to the ICA for the production of films produced under the name ICA TV London Now during the year to the value of £61,600. Johnny Sandelson was a director of ICA Ltd and was the Chief Executive Officer of Guestinvest. On 2nd October 2009 Guestinvest went into Administration. An amount of £33,753 has been written off in respect of this project in the accounts to March 2009.

Spinvox provided sponsorship to the ICA for Figures of Speech, and the Gala 2009 during the year to the value of £115,000. James Scroggs is a director of the ICA Ltd and VP Consumer Business at Spinvox. At the end of the year £105,800 (including VAT) is included in the debtors balance which has now been received in full.

19 OPERATING LEASE COMMITMENTS

	<u>Buildings</u>	
	<u>2009</u>	<u>2008</u>
	£	£
At 31 March 2009 the Institute had the following annual commitments under operating leases which expire		
Next year	18,401	18,401
After 1 year	18,401	18,401

INSTITUTE OF CONTEMPORARY ARTS LIMITED
(A Company Limited by Guarantee not having a Share Capital)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

**20 RECONCILIATION OF NET (OUTGOING)/INCOMING RESOURCES
TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<u>2009</u> £	<u>Group</u> <u>2008</u> £
Net (outgoing)/incoming resources	(116,050)	40,999
Depreciation	113,638	164,325
Interest received	(4,561)	(17,945)
Interest paid	10,003	10,592
(Increase)/Decrease in stock	(185,333)	1,693
Decrease/(increase) in debtors	409,957	(585,134)
(Decrease)/increase in creditors	(277,554)	20,654
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	(49,900)	(364,816)
	<hr/>	<hr/>

21 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April <u>2008</u> £	Cash <u>flows</u> £	At 31 March <u>2009</u> £
Cash at bank and in hand	431,928	(170,665)	261,263
Overdrafts (Note 13)	(282,309)	56,004	(226,305)
	<hr/>	<hr/>	<hr/>
	149,619	(114,661)	34,958
	<hr/>	<hr/>	<hr/>

INSTITUTE OF CONTEMPORARY ARTS LIMITED

MANAGEMENT INFORMATION

(Not forming part of the audited accounts)

STATEMENT OF FINANCIAL ACTIVITIES OF THE CHARITY	1
FUNDS OF THE CHARITY	2
SCHEDULE OF GRANTS ATTRIBUTABLE TO THE YEAR FOR THE GROUP	3
SCHEDULE OF SPONSORSHIP AND DONATIONS FOR THE GROUP	4

THE INSTITUTE OF CONTEMPORARY ARTS LIMITED

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES OF THE CHARITY YEAR ENDED 31 MARCH 2009

	<u>Unrestricted funds</u>		Total Restricted	Total funds	Total funds Restated
	<u>General</u>	<u>Designated</u>	<u>funds</u>	<u>2009</u>	<u>2008</u>
	£	£	£	£	£
INCOME AND EXPENDITURE					
INCOMING RESOURCES					
Activities for generating funds	1,399,670	-	140,167	1,539,837	1,612,492
Voluntary income	147,944	-	5,470	153,414	217,893
Incoming resources from					
Charitable activities					
- Programme activities	500,149	-	-	500,149	588,841
- Associated activities	621,464	-	-	621,464	830,393
Other incoming resources					
- Gift aid from subsidiaries	126,050	-	-	126,050	546,892
- Other income	1,306,481	-	5,245	1,311,726	624,736
Investment income	12	4,493	-	4,505	17,814
TOTAL INCOMING RESOURCES	4,101,770	4,493	150,882	4,257,145	4,439,061
RESOURCES EXPENDED					
Charitable Activities					
Costs of activities in furtherance of the					
objects of the charity					
- Programme activities	3,779,978	26,952	154,896	3,961,826	3,935,716
- Associated activities	232,321	-	-	232,321	289,668
Management and administration	169,045	-	-	169,045	164,814
Interest payable	9,919	84	-	10,003	7,864
TOTAL RESOURCES EXPENDED	4,191,263	27,036	154,896	4,373,195	4,398,062
NET OUTGOING RESOURCES	(89,493)	(22,543)	(4,014)	(116,050)	40,999
Transfers between funds	(11,145)	11,145	-	-	-
FUNDS BROUGHT FORWARD	(215,374)	611,471	62,817	458,914	417,915
FUNDS AT 31 MARCH 2008	(316,012)	600,073	58,803	342,864	458,914

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

All income and expenditure is attributable to continuing activities

THE INSTITUTE OF CONTEMPORARY ARTS LIMITED

(A Company Limited by Guarantee)

FUNDS OF THE CHARITY

YEAR ENDED 31 MARCH 2009

CHARITY	Balance Restated 1 April 2008 £	Incoming resources £	Resources expended £	Transfers and designations £	Balance 31 March 2009 £
Restricted funds:					
World Cinema fund	19,066	-	(19,066)	-	-
Nesta	-	29,762	(29,762)	-	-
ACE	-	60,405	(60,405)	-	-
Cinema Refurbishment	43,751	60,715	(45,663)	-	58,803
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	62,817	150,882	(154,896)	-	58,803
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Unrestricted funds					
Designated Funds					
Maintenance fund	131,396	703	-	(12,099)	120,000
Stabilisation fund	480,075	3,790	(27,036)	23,244	480,073
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total designated funds	611,471	4,493	(27,036)	11,145	600,073
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated funds					
General funds	(215,374)	4,191,936	(4,281,429)	(11,145)	(316,012)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted funds	396,097	4,196,429	(4,308,465)	-	284,061
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Funds	458,914	4,347,311	(4,463,361)	-	342,864
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

THE INSTITUTE OF CONTEMPORARY ARTS LIMITED

(A Company Limited by Guarantee)

SCHEDULE OF GRANTS ATTRIBUTABLE TO THE YEAR FOR THE GROUP YEAR ENDED 31 MARCH 2009

	Core £	Cinema £	Exhibition £	Education £	Other Projects £	Total £
Arts Council London						
Revenue grant	1,357,370	-	-	-	-	1,357,370
Other	-	50,000	-	-	405	50,405
	<u>1,357,370</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>405</u>	<u>1,407,775</u>
Westminster City Council						
Revenue grant	-	-	-	39,667	-	39,667
	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,667</u>	<u>-</u>	<u>39,667</u>
UK Film Council						
	-	-	-	-	9,000	9,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,000</u>	<u>9,000</u>
Nesta						
	-	-	-	-	29,762	29,762
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,762</u>	<u>29,762</u>
Arts Council						
	-	-	-	-	60,000	60,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>60,000</u>
Arts Council Switzerland						
	-	-	4,900	-	-	4,900
	<u>-</u>	<u>-</u>	<u>4,900</u>	<u>-</u>	<u>-</u>	<u>4,900</u>
Scottish Arts						
	-	-	15,000	-	-	15,000
	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
John Lyons						
	-	-	-	5,000	-	5,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Seacex						
	-	-	3,108	-	-	3,108
	<u>-</u>	<u>-</u>	<u>3,108</u>	<u>-</u>	<u>-</u>	<u>3,108</u>
Culture Ireland						
	-	-	3,388	-	-	3,388
	<u>-</u>	<u>-</u>	<u>3,388</u>	<u>-</u>	<u>-</u>	<u>3,388</u>
Europa						
	-	15,904	-	-	-	15,904
	<u>-</u>	<u>15,904</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,904</u>
European Commission						
	-	4,930	-	-	-	4,930
	<u>-</u>	<u>4,930</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,930</u>
Total	<u>1,357,370</u>	<u>70,834</u>	<u>26,396</u>	<u>44,667</u>	<u>99,167</u>	<u>1,598,434</u>

THE INSTITUTE OF CONTEMPORARY ARTS LIMITED

(A Company Limited by Guarantee)

SCHEDULE OF SPONSORSHIP AND DONATIONS FOR THE GROUP

YEAR ENDED 31 MARCH 2009

	Core £	Cinema £	Exhibition £	Talks £	Other Projects £	Total £
Talks Programme Peter Hall	-	-	-	19,031	-	19,031
Auction Paolozzi Foundation	-	-	-	-	4,000	4,000
Dispersion Charles Asprey	-	-	2,000	-	-	2,000
ICA TV Guestinvest	-	-	-	-	61,600	61,600
Double Agent Mondraan	-	-	1,200	-	-	1,200
Gala 2009 Spinvox	-	-	-	-	115,000	115,000
0-60 Henry Moore Foundation	-	-	7,000	-	-	7,000
Donations Cinematica	-	5,470	-	-	-	5,470
Gala 2009 Individual	-	-	-	-	115,247	115,247
	-	-	-	-	18,497	18,497
	-	5,470	-	-	133,744	139,214
Total	-	5,470	10,200	19,031	314,344	349,045