

**INSTITUTE OF CONTEMPORARY  
ARTS LIMITED**

**(A Company Limited by Guarantee)**

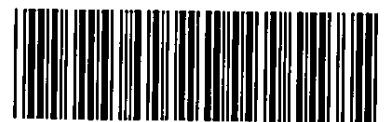
**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

**Company No. 00444351**

**PKF (UK) LLP**

**TUESDAY**



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**127**

**COMPANIES HOUSE**

# **INSTITUTE OF CONTEMPORARY ARTS LIMITED**

(A Company Limited by Guarantee)

## **REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010**

### **REPORT OF THE COUNCIL (*continued*)**

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# **INSTITUTE OF CONTEMPORARY ARTS LIMITED**

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## **REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010**

### **REPORT OF THE COUNCIL (*continued*)**

#### **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, retired February 2010)  
B Charone (retired November 09)  
D Goulandris (retired December 09)  
D Kotler\*  
S Levinson\*  
T Marlow  
M O'Neill  
M Poynton  
T Ross  
J Scroggs  
A Taylor \*  
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, promotion to Executive Director November 2009)

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

# **INSTITUTE OF CONTEMPORARY ARTS LIMITED**

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## **REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010**

### **REPORT OF THE COUNCIL (*continued*)**

meeting

The ICA presents its annual report and the audited financial statements of the group for the year ended 31 March, 2010

### **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 normally 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 and Westminster City Council for their continuing support, as well as to the corporations, trusts, funds and public sector bodies who contributed funds to projects during the year. The ICA also thanks its corporate members and individual patrons for their invaluable support throughout the year.

### **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

# **INSTITUTE OF CONTEMPORARY ARTS LIMITED**

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## **REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010**

### **REPORT OF THE COUNCIL (*continued*)**

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

### **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**

In 2009/10 the ICA measured its standing and progress as an institution against four key criteria. The criteria are described below.

#### **1) Incubator of Talent**

The ICA plays a highly influential role in growing the next generation of talent across a range of disciplines and in bringing their work to a national and international stage.

In 09/10, this was expressed through significant new commissions of emerging international and UK based artists and musicians including a major new film work by Rosalind Nashashibi titled *Jack Straw's Castle*, a multi-faceted project by art writer Maria Fusco titled *Cosey Complex*, and episodic video work *Self Capital ICA* by Melanie Gilligan, which was wholly scripted, rehearsed and shot at the ICA.

#### **2) Engagement with Young People**

With a significant proportion of its audience made up of its students (24% according to research for the ICA by Matthews Millman 06/07), connecting with young people is a key aspect of the ICA's mission. In 09/10, this was realised through two of the key strands of the ICA's learning programme.

- **The Student Forum**

A self-generated initiative by young people facilitated by the ICA which develops projects and events – from a blog to a quarterly publication and a monthly club night.

- **Families Programme**

In 09/10 this extended from monthly children's art club *Little Pencil* to an ongoing project led by a team of architectural design students from the Bartlett School of Architecture that explores the potential of play within the built environment through monthly family workshops.

#### **3) Digital Engagement**

Digital activity is a key avenue of growth for the institution. The ICA's website is not just a publishing platform for ticket sales and a point of reference for event information, but a focal point for the outward communication, interpretation and visibility of the programme and its relationship to our audiences.

The website was one of only four out of 869 RFO websites to be graded as 'excellent' by ACE in the report, *A Detailed Mapping of Online Presences Maintained by Arts Council England's Regularly Funded Organisations*, by MTM London, May 2009).

# **INSTITUTE OF CONTEMPORARY ARTS LIMITED**

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## **REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010**

### **REPORT OF THE COUNCIL (*continued*)**

#### **4) Sector Leadership and Partnership**

The ICA is committed to playing a leading role in the development of the arts sector as a whole. It seeks to do so by using its prominence and influence to bring together other arts groups, offering space, facilitation and partnership to organisations across the artform range.

In 09/10 the ICA partnered with numerous film festivals that would otherwise have struggled to be heard or seen on the crowded cultural landscape such as Bird's Eye View, Human Rights Watch, Jewish Film Festival, Tongues on Fire.

#### **Programme Highlights 2009/10**

As well as working across these four criteria the ICA continued to deliver a consistently high level of artistic quality through its programme. Highlights across 09/10 are detailed below.

##### **Sean Snyder, Index** (February - April 2009)

The first UK institutional solo exhibition by this leading American artist. Snyder is one of the most important proponents of the research-based practice that has emerged in the last decade. The exhibition took its title from a significant new project by Snyder that made its debut at the ICA.

##### **Quiet Nights** (April 2009)

A series of soul-feeding acoustic sessions in the Nash room. Artists included Plaster Of Paris, F Lunaire, Jack Shirt, The Bronsteins, Hexicon, Naked & The Boys, Serafina Steer, Orphans & Vandals and Fanfarlo.

##### **Talk Show** (May 2009)

A month-long season of artworks and live events addressing that central feature of human life - the act of speech. The programme featured over a hundred participants, including artists, performers and others whose activities centre on speech and vocal performance, such as linguists, speech therapists and voiceover artists. The exhibition component of Talk Show included video works by Pierre Bismuth, Manuel Saiz and Frances Stark, graphic works by Chris Evans, Ryan Gander and Falke Pisano, a sound piece by Seth Price and a large wall drawing by Adam Pendleton.

##### **Poor. Old. Tired. Horse.** (June - August 2009)

The ICA summer show Poor. Old. Tired. Horse took an imaginative and expansive look at text based art practices - in particular Concrete Poetry - from the 1960s to the present day. Artists included Vito Acconci, Carl Andre, Henri Chopin, Ian Hamilton Finlay, Alasdair Gray, David Hockney, Janice Kerbel, Christopher Knowles, Ferdinand Kriwet, Liliane Lijn, Robert Smithson, Frances Stark and Sue Tompkins. It was accompanied by a tangent programme of poetry readings, talks and a casino night.

##### **New British Cinema** (June 2009)

Soi Cowboy / The Hide / The Disappeared / Crack Willow / Dummy / The Blue Tower / Summer Scars / Beyond the Fire

A season of films ran throughout June showcasing new and fresh British Cinema talent and exploring our cinematic identity as the first decade of the 21st century comes to a close - eight films that exemplify the depth and breadth of the formidable talent emerging within the British filmmaking scene.

##### **ICA Talks: Slavoj Žižek: The Return of Christ** (June 2009)

The philosopher returned to the ICA to ponder the radical potential of Christianity to embody moral and political 'revolt'.

##### **ICA Talks: Amartya Sen on Justice** (June 2009)

Nobel prize winner Amartya Sen came to the ICA to talk about his book, The Idea of Justice, the first major restatement of a theory of justice in 30 years.

##### **ICA Films Release Skin** (July 2009)

ICA Films release of Anthony Fabian's award-winning drama Skin, starring Sophie Okonedo, Sam Neill and Alice Krige. The film premiered at the 2008 Toronto International Film Festival and has since gone on to win numerous international awards.

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## **REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010**

### **REPORT OF THE COUNCIL (*continued*)**

#### **Rosalind Nashashibi** (September - November 2009)

The first major survey exhibition of acclaimed London-born and based Rosalind Nashashibi, the 2003 winner of Beck's Futures. Featuring an ambitious new commission which utilised a poem to score and structure a visual work, the exhibition also included four 16mm films from the last four years as well as a selection of photographs and collages.

#### **Calling Out of Context** (October- November 2009)

Calling out of Context included over forty participants and groups, with daily live events involving improvisation, real-time experiments and the performance of existing compositions. The season brought together a combination of well-known and emergent practitioners working across a variety of forms including classical, rock, jazz and dance music, and whose innovative work often crosses the boundaries between these areas.

The festival utilised a number of spaces at the ICA, one of the galleries being used as a performance space, another gallery contained a fully functioning recording studio, hosting the creation and mixing of new works, while the ICA's theatre featured performances, workshops and discussions.

#### **For the Blind Man** (December 2009 - January 2010)

For the blind man in the dark room looking for the black cat that isn't there explored the speculative nature of knowledge and insisted on the importance of curiosity and the things we don't understand. Dedicated to the inquisitive mind, For the Blind Man celebrated our ability to get lost and the stories we use to find our way in the dark.

Exhibitors included Dave Hullfish Bailey, Marcel Broodthaers, Sarah Crowner (with Dexter Sinister), Mariana Castillo Deball, Eric Duyckaerts, Ayse Erkmen, Hans-Peter Feldmann, Peter Fischli & David Weiss, Rachel Harrison, Will Holder, Giorgio Morandi, Matt Mullican, Bruno Munari, Rosalind Nashashibi & Lucy Skaer, Falke Pisano, Jimmy Raskin, Frances Stark, Rosemarie Trockel and Patrick van Caeckenbergh.

#### **Cosey Complex** (March 2010)

Cosey Complex was a special one-day event – conceived by writer Maria Fusco and commissioned by the ICA. While the session involved some of the traditional formats of a conference, such as academic presentations and discussion panels, it also included experimental responses, investigations and performances. Participants included Martin Bax, Gerard Byrne, Cosey Fanni Tutti, Daniela Cascella, Diedrich Diederichsen, Graham Duff, John Duncan, Anthony Elms, Corin Sworn, Chris Kraus, Zak Kyes, Clunie Reid and Rob Stone.

#### **Billy Childish: Unknowable but Certain** (February – May 2010)

A major solo exhibition by artist, musician and writer Billy Childish. The exhibition also contained an important archival component, including a multitude of records, books, pamphlets and posters designed and produced by Childish. The exhibition was accompanied by a number of events, including performances, readings and screenings featuring the artist and some of his many collaborators.

#### **MashUp Club** (March 2010)

MashUp celebrates the hybrid culture created by sampling, cutting up and overlaying music or visuals to create unique sounds and experiences. Artist Harold Offeh, Leila McAlister, Nous Vous, Robert Hylton, Glass Hill (Markus Bergström and Joe Nunn) and students from Pursuing Independent Paths (PIP) worked together to create a night of dance, design, music and food.

### **Organisational Developments 2009/10**

In April 2009 the ICA identified the onset of a particularly difficult financial year and commissioned an organisational review in June 2009 led by external consultants David Thorp, Karen Turner and Tim Eastop. The consultants delivered a report in November 2009 with recommendations across leadership and governance, artistic programme, development of partnerships, organisational structure, business planning and financial reporting.

Against a backdrop of significant deficit, the ICA moved quickly to address the reports recommendations before the end of 09/10. Key developments include

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## **REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010**

### **REPORT OF THE COUNCIL (*continued*)**

#### **1) Balanced End of Year Financial Position**

The consolidated result for the year, combined with the Sustain loan of £600,000 that converted to a grant in August 2010, leaves a surplus of £44,000 for the year. Net reserves, including the post year end conversion of the Sustain loan, are £378,000.

#### **2) Salary Bill Reduced and Organisation Restructured**

Redesigned organizational structure with staff operating in three larger teams not silo-like departments allowing for improved communication and greater shared responsibility. Savings made overall through restructuring and some redundancies amounted to a £1m reduction in payroll costs from 09/10 to 10/11.

#### **3) Governance Processes Clarified and Improved**

- Terms of reference and governance papers developed incorporating best practice guidelines
- Search process underway for appointment of new Chair
- Expanded committees for Finance and Nominations

#### **4) Financial Reporting Systems Redesigned**

FD Solutions finance consultants hired to deliver redesign of financial reporting systems.

#### **5) Greater Mixed Use of the Building**

- Public programme activity for 10/11 primarily focused on the ground floor, with the ICA's Nash and Brandon function rooms exclusively reserved for external hires and the Upper Galleries taking on a mixed use function for both public events and private hires
- Increased commercial tenants sought for ICA private office spaces

#### **6) Rationalised Opening Hours**

Opening hours rationalized to allow for a 40 hour work rota across front of house staff while enabling the ICA to remain a late night venue throughout the week. Building open to the public from Wednesday through Monday and closed to the public on Mondays and Tuesdays as of April 2010.

#### **7) Reduced Risk on ICA Films Activity**

DVD and theatrical exploitation of ICA Films existing library of 60 titles will continue, allowing for continued revenue with no new costs. But acquisition of new titles will cease subject to further review.

### **ICA 2010/11 and Beyond**

Having made the significant organisational changes and savings in 09/10 detailed above, the ICA is now looking to 2010/11 as the first year of a renewed period of growth. ICA management has delivered a new four year business plan (2010-14) to the Arts Council of England that outlines the institutions artistic, organisational and financial aims over that period.

#### **Artistic Aims**

In 10/11, the ICA programme is built around ambitious, cross artform projects that produce moments of dedicated interaction, exploration and experimentation across the building. The programme will

- act as a crucible for new talent and new ideas



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## **REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010**

### **REPORT OF THE COUNCIL (*continued*)**

- explore fresh directions in artistic practice
- engage audiences in a dynamic dialogue about the condition of contemporary culture
- build new partnerships as a key aspect of programme delivery

The key delivery strands of the ICA programme are

#### **1) Socially Engaged Practice**

An emphasis on artists and projects that explore the social and political condition of the times. For 10/11, this includes the first UK show by Russian collective Chto Delat, whose work merges political theory, art, and activism.

#### **2) Cross Artform, Participatory Events**

At regular points though the course of the year, the ICA programme will cohere around curated cross-art form projects and seasons that involve fluid, building-wide interaction between artforms, allowing audiences and artistic communities to come together in the exploration of a single topic from multiple points of view. In 10/11, this includes the recurring series of cross artform Live Weekends.

#### **3) Debate and Residencies**

Accompanying the presentations of temporary exhibitions and projects in the programme is a complementary strand of debate, critical inquiry and public dialogue that engages the ICA in more explicit enquiries into the condition of contemporary culture and society. In 10/11, this includes monthly ICA Debates, on topics including national identity, feminism, the big society, environmentalism. And a 3 month residency by Carrotworkers collective, a London-based group undertaking participatory action research around voluntary work, internship, job placements and compulsory free work.

## **ORGANISATIONAL DEVELOPMENTS 2010/11**

### **Organisational Aims**

The ICA will welcome a new Chair in 2010. Their role will be to lead the refreshment of the ICA Council and ensure that best practice standards of good governance are adhered to. At executive level, a new senior management team and a redesigned organisational structure will be fully in place by Autumn 2010, all working to a shared mission and a clear set of priorities and strategic aims.

### **Financial Aims**

Financially, the ICA will work to the following four criteria in 10/11:

- 1) Implement new financial reporting models to ensure cost efficiencies and improved risk analysis
- 2) Maximise commercial exploitation of the ICA location and building through increased earned and raised income

#### **Earned Income**

**Hire of the Building** - Significant capacity for growth by maximising commercial exploitation of all space above the ground floor to include Nash and Brandon rooms and Upper Galleries.

**Catering Contract** – Continue to seek increased revenue via contract with caterers.

**Print Sales** - Work with higher profile artists. Continue to build UK and international customer base.

**Bookshop** - Retail review in 10/11.

**Office Rental** - Grow the office rental portfolio to deliver a community of creative organisations within the ICA.

# **INSTITUTE OF CONTEMPORARY ARTS LIMITED**

(A Company Limited by Guarantee)

## **REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010**

### **REPORT OF THE COUNCIL (*continued*)**

#### Raised Income

Strong potential for growth by increasing amount and diversity of public and private approaches and applications  
Specific areas include

- Individuals – Upper level patrons and ordinary members
- Corporate members
- Trusts and foundations
- Public sector partners

#### **3) Grow new sustainable entrepreneurial activities**

Research and develop sustainable new income streams from 10/11 The approach is to

- Research potential new areas of business opportunity currently outside ICA ambit
- Test and pilot a range of initiatives to examine fit-to-vision, fit-to-aim, return on investment
- Phased implementation of successfully piloted projects as part of long term ICA commercial structure

#### **4) Generate New Partnerships**

The ICA works in partnership with a deliberately wide range of collaborators, including arts organisations, charities and commercial companies Active and in-negotiation partnerships for 10/11 include New Contemporaries and LIFT Partnerships exist to extend artistic innovation, raise revenue, share costs and grow audience across all platforms

### **FINANCE**

During 2009/10 the economic recession continued to have an adverse effect on the ICA and it became clear early in the year that the ICA was generating a substantial operating deficit and was rapidly depleting both its cash balances and its reserves

This prompted a full review of the ICA's organization and activities which began in June 2009 The outcome of this review was a radical alteration to the ICA's financial plan that dramatically reduced the ICA's operating costs, most notable was the planned reduction in fixed employment costs of £1m p a The objective of the revised financial plan was to generate a balanced income and expenditure plan for 2010/11 whilst creating a financial platform from which the ICA can generate modest increases in unrestricted reserves over the following four years

To cover the financial deficit, and meet the substantial transition costs associated with the implementation of the revised operating and financial plan, the ICA was awarded a grant from the Arts Council England of £1.2 million (2009 Nil) in October 2009 under its Sustain programme Of this grant £600,000 was received during the year in the form of a secured interest free loan that will be repayable only in the event that the ICA ceases to trade or the ICA sells its leasehold premises on the Mall At 31 March 2010, the loan was also repayable unless ACE is satisfied with the artistic, financial and organizational proposals contained in the five year business plan This condition was formally met in August 2010, and the £600,000 will be treated as grant income in the year 2010/11

#### **Going concern**

ACE has confirmed that it will continue to fund the ICA until the end of the current funding agreement on 31 March 2011 However ACE funding beyond that date is expected to be determined after the Government's spending review has been completed in the autumn of 2010 As described in note 1 to the accounts, Council has prepared the accounts for the year to 31 March 2010 on the going concern basis

# **INSTITUTE OF CONTEMPORARY ARTS LIMITED**

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## **REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010**

### **REPORT OF THE COUNCIL (*continued*)**

#### **Reserves**

It is the policy of the Council to hold reserves in funds for designated 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 adequate to sustain the core programme and other activities for a reasonable time in the event of an unanticipated reduction in support funding from the principal sources.

The ICA has made the following adjustments to its reserves in the financial year

#### **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 five-yearly redecoration took place during this financial year. This year £18,000 were transferred to the fund (2009 £Nil) and £82,543 (2009 £Nil) was expended on the redecoration programme. Interest receivable of £27 (2009 £703) was credited to the fund.

#### **Stabilisation fund**

The Stabilisation fund was established out of the stabilization grant awarded to the ICA in March 2000. During the year Council resolved that this designated fund was no longer required and the balance of the fund of £479,998 was transferred to the General fund (2009 £23,244 transferred in). During the year £75 of the fund was expended (2009 £27,036).

#### **Transition fund**

Towards the end of the year it became clear that there would be further costs arising from the transition programme during the following financial year. The Council resolved to transfer £85,000 (2009 £Nil) from the General fund to the Transition fund to cover these costs.

#### **Accumulated surplus**

The ICA recorded a deficit on its operating activities of £474,083 (2009 Deficit £108,559, that deficit should be considered in the light of the £600,000 Sustain loan that converted to a grant in August 2010 (see under Finance above). £479,998 was transferred from the Stabilisation fund (2009 £26,950 transferred to the Stabilisation fund). £18,000 was transferred to the Maintenance fund (2009 £40,000) and £85,000 (2009 £Nil) was transferred to the Transition fund. This has resulted in a carried forward recorded deficit of £421,994 (2009 Deficit £324,909), again, this deficit should be considered in the light of the £600,000 Sustain loan that converted to a grant in August 2010.

The Council believes that implementation of the new business plan by the management team will result in the ICA meeting its targets for the next financial year. A high level of control is being applied to all aspects of the ICA's activities and the focus for the entire institution is to meet its budget for the year. The Council believes that the charity will be able to meet the cost of expenditure planned for the programme to March 2011.

### **RESULTS OF SUBSIDIARY COMPANIES**

During the year ICA Direct Limited made a loss of £29,232 before gift aid and taxation (2009 Profit £159,957) and ICA Films Limited made a loss before taxation of £245,798 (2009 Loss £33,907).

ICA Direct comprises the ICA Bookshop and the ICA 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 sales of books, journals and merchandise related to contemporary cultural issues. Total income of ICA Direct was £411,378 (2009 £539,060).

Neither ICA Direct or ICA Films were able to make gift aid to the charity (2009 £159,957) during the year.

# **INSTITUTE OF CONTEMPORARY ARTS LIMITED**

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## **REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010**

### **REPORT OF THE COUNCIL (*continued*)**

#### **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 15 of the Companies Act relating to small entities

Signed on behalf of the Council

  
**A Taylor**  
Director

# **INSTITUTE OF CONTEMPORARY ARTS LIMITED**

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## **REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

### **STATEMENT OF RESPONSIBILITIES OF THE COUNCIL**

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the trustees to prepare financial statements for the charity for each financial year. Charity law requires the trustees to prepare group financial statements for the charity and its subsidiary undertakings. The financial statements must be prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) and are required to give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the group for the year. In preparing the financial statements the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 1993 and regulations made thereunder. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

# **INSTITUTE OF CONTEMPORARY ARTS LIMITED**

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## **REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INSTITUTE OF CONTEMPORARY ARTS LIMITED (continued)**

We have audited the group and parent charity financial statements of the Institute of Contemporary Arts Limited ('ICA') for the year ended 31 March 2010 which comprise the consolidated statement of financial activities, the consolidated and parent charity balance sheets, the and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and, in respect of the group financial statements, to the charity's trustees as a body, in accordance with regulations made under section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's members and trustees 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 charity, the charity's members as a body and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

The responsibilities of the trustees (who are also the directors of the 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 trustees' responsibilities.

The trustees were not required by section 399 of the Companies Act 2006 Act to prepare group financial statements accounts for the financial year and accordingly have prepared the group financial statements in accordance with the requirements of the Charities Act 1993 and regulations made under that Act.

We have been appointed as auditors under the Companies Act 2006 and, in respect of our audit of the group financial statements, under the Charities Act 1993. We report to you in accordance with those Acts and in accordance with regulations made under section 44 of the Charities Act 1993.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been properly prepared in accordance with the Companies Act 2006 and, in respect of the group financial statements, the Charities Act 1993 and regulations made thereunder. We also report whether the information given in the trustees' report is consistent with those financial statements.

We also report to you if, in our opinion, the parent charity has not kept adequate accounting records, if the charity's individual financial statements are not in agreement with those records and returns, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity and other members of the group is not disclosed.

We read the Councils' annual report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and the parent charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations we considered

# INSTITUTE OF CONTEMPORARY ARTS LIMITED

(A Company Limited by Guarantee)

## REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INSTITUTE OF CONTEMPORARY ARTS LIMITED (continued)

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

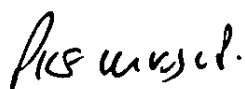
#### Opinion

In our opinion

- The financial statements give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2010 and of the group's incoming resources and application of resources for the year then ended,
- The financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- The financial statements have been prepared in accordance with the Companies Act 2006 and, in respect of the group financial statements, in accordance with the Charities Act 1993 and regulations made thereunder, and
- The information given in the trustees' report is consistent with the financial statements

#### 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 indicate that because of the Government spending review which is currently in progress, the outcome of which will not be known for some months, The Arts Council of England ("ACE") is not in a position to confirm that it will be able to provide funds to the ICA after 31 March 2011. Council expects that a withdrawal of funding would take place over a sufficient period as to enable a winding up of the ICA's operations to be managed so that creditors would not be disadvantaged. Until ACE is able to confirm its position on funding the ICA, there is a 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.



Charles Cox  
Senior statutory auditor  
For and on behalf of PKF (UK) LLP, statutory auditors  
London, UK

 2010

# INSTITUTE OF CONTEMPORARY ARTS LIMITED

(A Company Limited by Guarantee)

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2010

	Note	Unrestricted funds General £	Designated £	Restricted funds £	Total 2010 £	Total 2009 £
<b>INCOMING RESOURCES</b>						
Activities for generating funds		2,009,607	-	117,694	2,127,301	1,598,434
Voluntary income		269,717	-	3,541	273,258	349,045
Incoming resources from charitable activities						
- Programme activities		496,974	-	-	496,974	500,149
- Associated activities		567,533	-	-	567,533	621,464
Other incoming resources						
- Trading income		627,528	-	-	627,528	566,312
- Other income		438,972	-	-	438,972	1,306,499
Investment income		15	27	-	42	4,561
<b>TOTAL INCOMING RESOURCES</b>		<b>4,410,346</b>	<b>27</b>	<b>121,235</b>	<b>4,531,608</b>	<b>4,946,464</b>
<b>LESS COST OF GENERATING FUNDS</b>						
Trading expenses		862,402	-	-	862,402	652,934
Other expenses		40,000	-	-	40,000	-
		<b>902,402</b>	<b>-</b>	<b>-</b>	<b>902,402</b>	<b>-</b>
<b>NET INCOMING RESOURCES AVAILABLE FOR CHARITABLE APPLICATION</b>		<b>3,507,944</b>	<b>27</b>	<b>121,235</b>	<b>3,629,206</b>	<b>4,293,530</b>
<b>RESOURCES EXPENDED</b>						
<b>Charitable activities</b>						
Costs of activities in furtherance of the objects of the charity						
- Programme activities	3	3,435,979	82,618	120,160	3,638,757	3,983,585
- Associated activities	3	203,769	-	-	203,769	232,321
Governance costs	3	342,279	-	-	342,279	183,671
Interest payable	6	-	-	-	-	10,003
<b>TOTAL CHARITABLE EXPENDITURE</b>		<b>3,982,027</b>	<b>82,618</b>	<b>120,160</b>	<b>4,184,805</b>	<b>4,409,580</b>
<b>TOTAL RESOURCES EXPENDED</b>	4	<b>4,884,429</b>	<b>82,618</b>	<b>120,160</b>	<b>5,087,207</b>	<b>5,062,514</b>
<b>NET INCOMING RESOURCES</b>		<b>(474,083)</b>	<b>(82,591)</b>	<b>1,075</b>	<b>(555,599)</b>	<b>(116,050)</b>
Transfers between funds	17	376,998	(376,998)	-	-	-
<b>NET MOVEMENTS ON FUNDS</b>		<b>(97,085)</b>	<b>(459,589)</b>	<b>1,075</b>	<b>(555,599)</b>	<b>(116,050)</b>
Total funds brought forward		(324,909)	600,073	58,803	333,967	450,017
<b>TOTAL FUNDS CARRIED FORWARD</b>	17	<b>(421,994)</b>	<b>140,484</b>	<b>59,878</b>	<b>(221,632)</b>	<b>333,967</b>

See Note 1(a), Sustain funding from Arts Council of England, describing the conversion of a £600,000 loan to grant income in August 2010

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 accompanying notes are an integral part of this consolidated statement of financial activities



# INSTITUTE OF CONTEMPORARY ARTS LIMITED

(A Company Limited by Guarantee – Company Number 00444351)

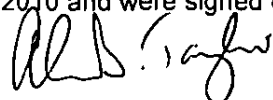
## BALANCE SHEETS

AS AT 31 MARCH 2010

	Note	Group 2010 £	2009 £	Charity 2010 £	2009 £
<b>FIXED ASSETS</b>					
Tangible assets	9	199,193	239,154	198,990	238,979
<b>CURRENT ASSETS</b>					
Stocks	12	201,213	285,984	170,000	210,000
Debtors	13	743,765	664,905	869,065	613,555
Cash at bank and in hand		463,290	261,264	392,102	209,090
		1,408,268	1,212,153	1,431,167	1,032,645
<b>CREDITORS</b>					
Amounts falling due within one year	14	(1,229,093)	(1,117,340)	(967,862)	(928,760)
<b>NET CURRENT ASSETS</b>		179,175	94,813	463,305	103,885
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		378,368	333,967	662,295	342,864
<b>LONG TERM LIABILITIES</b>					
Loans (converted to grant income in August 2010)	14	(600,000)	-	(600,000)	-
<b>NET TOTAL (LIABILITIES) / ASSETS</b>		(221,632)	333,967	62,295	342,864
<b>Represented by:</b>					
<b>RESTRICTED FUNDS</b>	17	59,878	58,803	59,878	58,803
<b>DESIGNATED FUNDS</b>					
Maintenance fund	17	55,484	120,000	55,484	120,000
Stabilisation fund	17	-	480,073	-	480,073
Transition fund	17	85,000	-	85,000	-
		140,484	600,073	140,484	600,073
<b>OTHER UNRESTRICTED FUNDS</b>					
General funds	17	(421,994)	(324,909)	(138,067)	(316,012)
<b>TOTAL FUNDS</b>	17	(221,632)	333,967	62,295	342,864

See Note 1(a), Sustain funding from Arts Council of England, describing the conversion of a £600,000 loan to grant income in August 2010

These financial statements were approved by and authorised for issue the Council on 14<sup>th</sup> September 2010 and were signed on its behalf by



**A Taylor**  
Director

**INSTITUTE OF CONTEMPORARY ARTS LIMITED**  
(A Company Limited by Guarantee – Company Number 00444351)

**BALANCE SHEETS**

**AS AT 31 MARCH 2010**

The accompanying notes are an integral part of this balance sheet

# INSTITUTE OF CONTEMPORARY ARTS LIMITED

(A Company Limited by Guarantee)

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2010

	Note	2010 £	£	2009 £	£
<b>Cash inflow/(outflow) from operating activities</b>	21		<b>423,987</b>		<b>(49,900)</b>
<b>Returns on investments and servicing of finance</b>					
Interest received		<b>42</b>		4,561	
Interest paid		-		(10,003)	
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>			<b>42</b>		<b>(5,442)</b>
<b>Capital expenditure and financial investment</b>					
Purchase of tangible fixed assets		<b>(23,392)</b>		<b>(59,319)</b>	
<b>Net cash outflow for capital expenditure and financial investment</b>			<b>(23,392)</b>		<b>(59,319)</b>
<b>Increase/(decrease) in cash</b>			<b>400,637</b>		<b>(114,661)</b>
<b>Reconciliation of net cash flow to movement in net funds</b>					
Change in net funds resulting from cash flows			<b>400,637</b>		<b>(114,661)</b>
Net funds at 1 April 2009			<b>34,959</b>		<b>149,620</b>
Net funds at 31 March 2010	22		<b>435,596</b>		<b>34,959</b>

# **INSTITUTE OF CONTEMPORARY ARTS LIMITED**

(A Company Limited by Guarantee)

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **YEAR ENDED 31 MARCH 2010**

#### **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.

##### **Sustain funding from Arts Council of England**

At 31 March 2010, the ICA had unrestricted Group reserves in deficit at £281,510, of which £199,193 was represented by the carrying value of fixed assets, and it had recorded a loss for the year to 31 March 2010 of £555,599. However during the year, the ICA had received a £1,200,000 Sustain grant from Arts Council of England (ACE), of which £600,000 was recorded as a loan at 31 March 2010, pending the ICA meeting certain conditions (primarily approval of a Business Plan). These conditions were met in August 2010 and the £600,000 will be treated as a grant in the 2010/11 accounts and will more than cover the deficit recorded in 2009/10. In addition, the ICA has taken steps to reduce its annual staff costs by approximately £1 million.

Under the terms of the funding ACE has a charge on the ICA's leasehold premises which would require the repayment of the £600,000 grant in the event that ICA ceases to trade or sell its leasehold interest in The Mall.

##### **Going Concern**

The Council's budgeted income for the year ended 31 March 2012 includes a grant of £1,290,000 from ACE. ACE has confirmed that it will continue to fund the ICA until the end of the current funding agreement on 31 March 2011. However, ACE has advised the ICA that its own level of funding, and in consequence its ability to fund arts organisations in future, will not be known until the Government's current spending review has been completed in the autumn of 2010. The implications of this review for the arts bodies which ACE funds will take some time for ACE to digest and communicate.

The Council expects that it is likely that, if ACE funding were to be withdrawn after 31 March 2011, this would happen in stages over a sufficient period to enable it to manage the winding up of the ICA so that creditors would not be disadvantaged.

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

# INSTITUTE OF CONTEMPORARY ARTS LIMITED

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### YEAR ENDED 31 MARCH 2010

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 activities comprise 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. 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.

**g) 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

**h) Stocks**

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

**i) 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

**j) 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.

# INSTITUTE OF CONTEMPORARY ARTS LIMITED

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2010

### 3 RESOURCES EXPENDED

	Unrestricted funds £	Designated fund £	Restricted funds £	Total 2010 £	Total 2009 £
<b>Charitable activities:</b>					
<b>Programme activities</b>					
Cinema	70,959	-	177	71,136	119,611
Exhibitions	257,863	-	-	257,863	252,721
Performing arts	14,678	-	-	14,678	21,398
Talks	2,107	-	-	2,107	6,352
Education	15,517	-	17,556	33,073	21,025
Other projects	-	-	63,889	63,889	40,167
Marketing	158,149	-	-	158,149	276,869
New media	(145)	-	-	(145)	46,858
Salaries	2,241,902	-	38,538	2,280,440	2,270,890
Administration	130,407	-	-	130,407	210,730
Overheads	288,619	82,618	-	371,237	353,048
Development	108,810	-	-	108,810	234,812
Music	147,113	-	-	147,113	129,104
	<b>3,435,979</b>	<b>82,618</b>	<b>120,160</b>	<b>3,638,757</b>	<b>3,983,585</b>
<b>Associated activities</b>					
Exhibition/Performance	64,667	-	-	64,667	51,669
Membership	1,927	-	-	1,927	2,177
Hire	7,562	-	-	7,562	8,257
Salaries	100,565	-	-	100,565	133,855
Administration	29,048	-	-	29,048	36,280
Overheads	-	-	-	-	83
	<b>203,769</b>	<b>-</b>	<b>-</b>	<b>203,769</b>	<b>232,321</b>
<b>Governance costs</b>					
Salaries	61,956	-	-	61,956	60,738
Administration	17,517	-	-	17,517	11,969
Overheads	30,582	-	-	30,582	33,530
Legal/professional fees	212,004	-	-	212,004	48,434
Audit fees	20,220	-	-	20,220	29,000
	<b>342,279</b>	<b>-</b>	<b>-</b>	<b>342,279</b>	<b>183,671</b>

# INSTITUTE OF CONTEMPORARY ARTS LIMITED

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### YEAR ENDED 31 MARCH 2010

#### 4 TOTAL RESOURCES EXPENDED

GROUP	Staff costs £	Depreciation £	Other costs £	Total 2010 £	Total 2009 £
Trading expenses	218,718	145	683,539	902,402	652,934
Programme activities	2,280,440	63,208	1,295,109	3,638,757	3,983,585
Associated activities	100,565	-	103,204	203,769	232,321
Governance Costs	61,956	-	280,323	342,279	183,671
Interest payable	-	-	-	-	10,003
<b>Total 2010</b>	<b>2,661,679</b>	<b>63,353</b>	<b>2,362,175</b>	<b>5,087,207</b>	<b>5,062,514</b>
Total 2009	2,665,415	113,638	2,283,461	5,062,514	5,062,514

#### 5 STAFF COSTS

	Group 2010 £	2009 £
Wages and salaries	2,437,347	2,427,059
Social security costs	224,332	238,356
	<b>2,661,679</b>	<b>2,665,415</b>

The average number of persons employed by the group (including directors and contracted staff) during the year was 108 (2009 103)

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

	2010	2009
£60,001 - £70,000	1	3
£70,001 - £80,000	1	2

None of the directors received any emoluments or reimbursement of expenses in the year (2009 £Nil)

#### 6 INTEREST PAYABLE AND SIMILAR CHARGES

	Group 2010 £	2009 £
On bank loans, overdrafts and other loans wholly payable within five years	-	10,003

# INSTITUTE OF CONTEMPORARY ARTS LIMITED

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2010

### 7 NET OUTGOING RESOURCES

	Group 2010 £	2009 £
Net outgoing resources is stated after charging		
Audit fees	28,220	29,000
Other fees paid to the auditors – taxation etc	14,846	48,434
Depreciation of tangible fixed assets	63,359	113,638

#### Indemnity insurance

The charity paid £1,050 (2009 £1,050) 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 £
<b>Cost or valuation</b>					
At 1 April 2009	150,000	226,538	1,123,791	701,308	2,201,637
Additions	-	-	10,267	13,125	23,392
At 31 March 2010	<b>150,000</b>	<b>226,538</b>	<b>1,134,058</b>	<b>714,433</b>	<b>2,225,029</b>
<b>Depreciation</b>					
At 1 April 2009	22,390	204,488	1,084,489	651,116	1,962,483
Charge for the year	2,239	11,028	17,747	32,339	63,353
At 31 March 2010	<b>24,629</b>	<b>215,516</b>	<b>1,102,236</b>	<b>683,455</b>	<b>2,025,836</b>
<b>Net book value</b>					
At 31 March 2010	<b>125,371</b>	<b>11,022</b>	<b>31,832</b>	<b>30,968</b>	<b>199,193</b>
At 31 March 2009	127,610	22,050	39,302	50,192	239,154



# INSTITUTE OF CONTEMPORARY ARTS LIMITED

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### YEAR ENDED 31 MARCH 2010

#### 9 TANGIBLE FIXED ASSETS (continued)

CHARITY	Long leasehold buildings £	Improvements to leasehold buildings £	Fixtures and fittings £	Furniture and equipment £	Total £
<b>Cost or valuation</b>					
At 1 April 2009	150,000	226,538	1,121,259	684,388	2,182,185
Additions	-	-	10,094	13,125	23,219
At 31 March 2010	<b>150,000</b>	<b>226,538</b>	<b>1,131,353</b>	<b>697,513</b>	<b>2,205,404</b>
<b>Depreciation</b>					
At 1 April 2009	22,390	204,488	1,076,992	639,336	1,943,206
Charge for the year	2,239	11,028	17,690	32,251	63,208
At 31 March 2010	<b>24,629</b>	<b>215,516</b>	<b>1,094,682</b>	<b>671,587</b>	<b>2,006,414</b>
<b>Net book value</b>					
At 31 March 2010	<b>125,371</b>	<b>11,022</b>	<b>36,671</b>	<b>25,926</b>	<b>198,990</b>
At 31 March 2009	127,610	22,050	44,267	45,052	238,979

#### GROUP AND CHARITY

Furniture and equipment at cost or valuation includes computers donated by Sun Microsystems valued by the directors at £nil (2009 £90,293) and with a net book value of £nil (2009 £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

	Group 2010 £	2009 £
Investment at market value	-	-

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.

# INSTITUTE OF CONTEMPORARY ARTS LIMITED

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### YEAR ENDED 31 MARCH 2010

#### 11 INVESTMENT IN SUBSIDIARY UNDERTAKINGS (continued)

Financial information relating to the subsidiaries is set out below

	2010 £	2009 £
ICA Films Limited		
Aggregate capital and reserves	(248,924)	(3,126)
Loss for the year (after payment under gift aid)	(245,798)	-
ICA Direct Limited		
Aggregate capital and reserves	(35,003)	(5,771)
Loss for the year (after payment under gift aid)	(29,232)	-

#### 12 STOCKS

	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Bookshop and ICA stocks	201,213	285,984	170,000	210,000

#### 13 DEBTORS

	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Trade debtors	330,769	332,029	213,920	158,703
Amounts owed by group undertaking	-	-	260,212	287,985
Other debtors	11,555	15,373	11,555	15,374
Prepayments and accrued income	401,441	317,503	383,378	151,493
	743,765	664,905	869,065	613,555

#### 14 CREDITORS

	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
<b>Amounts falling due within one year</b>				
Bank overdraft	27,694	226,305	23,124	225,883
Trade creditors	432,057	289,359	354,139	230,905
Taxation and social security	104,578	93,880	104,579	93,794
Other creditors	50,730	43,550	42,156	43,550
Accruals and deferred income (Note 15)	614,034	464,246	443,864	334,628
	1,229,093	1,117,340	967,862	928,760

The overdraft is secured by a charge over the leasehold premises

# INSTITUTE OF CONTEMPORARY ARTS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2010

### 14 CREDITORS (continued)

	Group		Charity	
	2010	2009	2010	2009
	£	£	£	£
<b>Amounts falling due after one year</b>				
Arts Council of England Loan	600,000	-	600,000	-
	<u>600,000</u>	<u>-</u>	<u>600,000</u>	<u>-</u>

This loan converted to a grant in August 2010. The loan is interest free and only repayable if the ICA ceases to trade or sell its leasehold interest in The Mall. Arts Council of England has the right to take a charge over the leasehold interest.

### 15 ACCRUALS AND DEFERRED INCOME

	Group	Charity
	2010	2010
	£	£
<b>Deferred income:</b>		
Balance at 1 April 2009	102,737	91,788
Amount released to incoming resources	(983,493)	(970,244)
Amount deferred in the year	1,029,568	1,026,748
	<u>148,812</u>	<u>148,292</u>
Balance at 31 March 2010	148,812	148,292
Accruals	465,222	295,572
	<u>614,034</u>	<u>443,864</u>

### 16 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.

# INSTITUTE OF CONTEMPORARY ARTS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2010

### 17 MOVEMENT IN FUNDS

GROUP	Balance 1 April 2009 £	Incoming resources £	Resources expended £	Transfers and designations £	Balance 31 March 2010 £
<b>Restricted Funds.</b>					
Westminster City Council	-	40,656	(40,656)	-	-
NESTA	-	15,488	(15,488)	-	-
ACE	-	61,550	(61,550)	-	-
Cinema Refurbishment	58,803	3,541	(2,466)	-	59,878
	<u>58,803</u>	<u>121,235</u>	<u>(120,160)</u>	<u>-</u>	<u>59,878</u>
<b>Unrestricted Funds:</b>					
<b>Designated funds</b>					
Maintenance fund	120,000	27	(82,543)	18,000	55,484
Stabilisation fund	480,073	-	(75)	(479,998)	-
Transition fund	-	-	-	85,000	85,000
	<u>600,073</u>	<u>27</u>	<u>(82,618)</u>	<u>(376,998)</u>	<u>140,484</u>
<b>General funds</b>	<u>(324,909)</u>	<u>4,410,346</u>	<u>(4,884,429)</u>	<u>376,998</u>	<u>(421,994)</u>
<b>Total unrestricted funds</b>	<u>275,164</u>	<u>4,410,373</u>	<u>(4,967,047)</u>	<u>-</u>	<u>(281,510)</u>
<b>Total funds</b>	<u>333,967</u>	<u>4,531,608</u>	<u>(5,087,207)</u>	<u>-</u>	<u>(221,632)</u>

£

The accumulated surplus is represented by

Retained by The Institute of Contemporary Arts

Retained by subsidiary undertakings

62,295  
(283,927)  
(221,632)

# **INSTITUTE OF CONTEMPORARY ARTS LIMITED**

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## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **YEAR ENDED 31 MARCH 2010**

#### **17 MOVEMENT IN FUNDS (continued)**

##### **RESTRICTED FUNDS**

###### **Westminster City Council**

Westminster City Council awarded £40,656 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 £15,488 to the running of A Frame

###### **Arts Council (ACE)**

Arts Council contributed £61,550

###### **Cinema refurbishment**

£3,541 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 five-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 2010.

###### **Stabilisation Fund**

The Stabilisation Fund was originally for the purpose of developing the ICA and was set up after the ICA was awarded a Stabilisation grant from the Arts Council in March 2000.

During the year Council resolved that this designated fund was no longer required and the balance of the fund of £479,998 was transferred to the General fund.

###### **Transition fund**

Towards the end of the year it became clear that there would be further costs arising from the transition programme during the following financial year. The Council resolved to transfer £85,000 (2009 £ Nil) from the General fund to the Transition fund to cover these costs.

# INSTITUTE OF CONTEMPORARY ARTS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2010

### 18 ANALYSIS OF NET LIABILITIES BY FUNDS – GROUP

	Restricted funds £	Maintenance fund £	Transition Fund £	Accumulated deficit £	Total £
Fixed assets	-	-	-	199,193	199,193
Net current assets	59,878	55,484	85,000	(21,187)	179,175
Long term liabilities	-	-	-	(600,00)	(600,000)
	<b>59,878</b>	<b>55,484</b>	<b>85,000</b>	<b>(421,994)</b>	<b>(221,632)</b>

### 19 RELATED PARTY TRANSACTIONS

The ICA 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 ICA.

Harbottle and Lewis provided services as solicitors to ICA to the value of £8,903 at a discounted rate. Gerrard Tyrrell was a director of ICA Ltd and a partner of Harbottle and Lewis.

### 20 OPERATING LEASE COMMITMENTS

	Buildings	
	2010 £	2009 £
At 31 March 2010 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

### 21 RECONCILIATION OF NET INCOMING/(OUTGOING) RESOURCES TO NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES

	Group	
	2010 £	2009 £
Net outgoing resources	(555,599)	(116,050)
Depreciation	63,353	113,638
Interest received	(42)	(4,561)
Interest paid	-	10,003
Decrease/(increase) in stock	84,771	(185,333)
(Increase)/decrease in debtors	(78,860)	409,957
Increase/(decrease) in creditors	910,364	(277,554)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>423,987</b>	<b>(49,900)</b>

# INSTITUTE OF CONTEMPORARY ARTS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2010

22	ANALYSIS OF CHANGES IN NET FUNDS	At 1 April 2009 £	Cash flows £	At 31 March 2010 £
	Cash at bank and in hand	261,263	202,027	463,290
	Overdrafts (Note 14)	(226,305)	198,611	(27,694)
		<u>34,958</u>	<u>400,638</u>	<u>435,596</u>