

Charity Registration No. SC026631

Company Registration No. SC0175926 (Scotland)

DUNDEE CONTEMPORARY ARTS
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2011

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DUNDEE CONTEMPORARY ARTS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr S Cross
Cllr R Duncan
Mr G Fagen
Ms S Gillan
Cllr K Lynn
Cllr F MacPherson
Cllr R McCready
Mr J McDougall
Ms J McKenzie
Mr S Moncur
Mr P Owen
Prof S Partridge
Mr R Presswood
Mr W Taylor

Chief Executive

Mr C Gillman

Secretary

Mr S Lilley

Charity number

SC026631

Company number

SCO175926

Principal address

152 Nethergate
Dundee
DD1 4DY

Registered office

152 Nethergate
Dundee
DD1 4DY

Auditors

Bird Simpson & Co.
144 Nethergate
Dundee
DD1 4EB

Bankers

Royal Bank of Scotland
3 High Street
Dundee
DD1 9LY

Solicitors

Blackadders LLP
30 & 34 Reform Street
Dundee
DD1 1RJ

DUNDEE CONTEMPORARY ARTS

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DUNDEE CONTEMPORARY ARTS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2011

The trustees present their report and accounts for the year ended 31 March 2011.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Structure, governance and management

The charity is a company limited by guarantee and is therefore, governed by a Memorandum and Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr S Cross

Cllr R Duncan

Mr G Fagen

(Appointed 16 December 2010)

Ms S Gillan

Cllr K Lynn

Cllr F MacPherson

Cllr R McCready

Mr J McDougall

Ms J McKenzie

(Appointed 29 April 2010)

Mr P Owen

Prof S Partridge

Mr R Presswood

Ms C Ritchie

(Retired 19 June 2010)

Mr W Taylor

Mr S Moncur was appointed after the year end on 30th June, 2011. In accordance with the Articles of Association the following trustees retire at the Annual General Meeting and are eligible for re-election:-

Mr S Cross, Mr G Fagen, Cllr R McCready, Mr J McDougall, Mr S Moncur and Mr R Presswood.

In accordance with the Articles of Association, no person may be appointed as a trustee unless that person is a member of the company. The minimum number of trustees is four. There is no maximum number of trustees. Trustees are appointed by ordinary resolution. At each annual general meeting one third of the trustees retire by rotation. The trustees can appoint from amongst them a chairman and vice chair and any such other executive offices, as they feel appropriate.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Newly appointed trustees are given an induction tour of the organisation as well as being offered attendance at a course on the role of charity trustees.

The Board of Trustees meet every second month to oversee the performance of the company and discuss future strategy. A Finance and Operations Subcommittee meets monthly to monitor the financial performance of the company. Day to day management of the company is delegated to the Chief Executive and his management team and he reports to both the Subcommittee and the Board on performance.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

DUNDEE CONTEMPORARY ARTS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

A risk management review has been undertaken reviewing the company's activities and looking at the opportunities available to the company as well as the risks to which it is exposed. As a result of this a Risk Management Policy has been prepared and adopted.

The adoption of this policy will enable DCA to ensure that:

- Aims and objectives are achieved more effectively;
- Significant risks will be known and monitored and;
- Forward planning mechanisms will be improved.

Objectives and activities

The charitable company exists to promote, maintain, improve and advance public education in contemporary arts and culture for the benefit of the community by the encouragement, support and promotion of the study, practice and knowledge of the visual arts (including but not limited to video and film) and other arts (including but not limited to sound recording, crafts, performance, broadcasting, publishing, literature, music, dance and song) by any means including but not limited to commissioning, galleries, printmaking, workshops, displays, talks, research, discussion groups and exhibitions of all kinds as shall be deemed by the company to be conducive to the objects specified above.

The stated mission and aims for DCA are;

DCA promotes the development and exhibition of contemporary art and culture through providing opportunities for artists to create, and for audiences to engage with an active, varied and high-quality cultural life for the people of Dundee, Scotland and beyond.

1. To present contemporary art and culture of the highest quality.
2. To create clear pathways for engaging with art and culture at DCA.
3. To develop artists and practical support mechanisms for the creation and dissemination of their work.
4. To establish and sustain Dundee as an internationally significant cultural hub.
5. To be a community asset.
6. To maintain a healthy and progressive environment for staff.
7. To create and consolidate the ventures that will provide for a secure and vibrant future.

DCA has a strategic plan that includes the conversion of the 7 key aims into an extensive set of objectives which are interpreted into actions by the different departments. These actions inform the day-to-day programme planning undertaken by each of the DCA departments, which in turn feed into the Annual Review that provides a report for stakeholders and staff on all activities.

2010/11 was the 12th year of DCA and was a year in which we consolidated our role, both in terms of the programme we presented and the partnerships we developed, but, importantly, it was also a year in which we reviewed our strategy in order to produce a new plan which would help us to align our work with the strategic imperatives of our main stakeholders. This new plan is now active and informs our planning and review processes across the organisation.

Once again we sustained a very full programme for 7 days a week, 12 hours a day, with the usual scheduled closures at Christmas and Hogmanay. We were especially proud that we continued to stay open during the period of sustained bad weather that hit Scotland from November through until January and the staff team were indomitable, many walking in to work through blizzards.

DUNDEE CONTEMPORARY ARTS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

Over the year we welcomed an estimated 330,000 people through the doors and brought in over £650,000 of investment and trading income into the Centre over and above the core investment from Dundee City Council and Creative Scotland, representing 40% of our total turnover.

2010/11 was also the fourth year in which DCA was working within the context of Scottish Arts Council 'Foundation' status, but it was also the year which saw the final act of the merger of Scottish Arts Council and Scottish Screen into a new body - Creative Scotland - with whom we continue to have a productive and supportive relationship.

Our partnership with Dundee City Council continued, with work on taking forward the actions of the cultural strategy for the Dundee Partnership, and membership of the Culture and Learning Group of the Partnership as well as active engagement with the Cultural Agencies Network and the cultural links group with the Dundee Association of Local Management Groups (DALMG). During this time we continued to be acknowledged as a principle element in the culture and regeneration of Dundee and this is reflected in the positive support and engagement we receive from the City Council.

The 2010/11 exhibitions programme built on the successes of the 10th anniversary programme, but focused in on a number of exhibitions supporting the development of younger artists, alongside a UK premiere, an event-based exhibition linked to a national craft festival and the first exhibition at DCA specifically linked to the aims of the Discovery Film Festival.

The first exhibition of the year featured Alex Frost, an increasingly significant Scottish based artist. New commissions, recent work from a residency with Glenfiddich and works from the last decade contributed to a very well received exhibition. This was followed by Don't Art, Fashion, Music a project by multi-disciplinary art group Chicks on Speed. This was their first major solo exhibition in the UK. Our next show presented new works by Sara MacKillop and Mary Redmond in two solo exhibitions; Similar Variance/The Floating World.

This year, for the first time, Discovery Film Festival also occupied DCA's Galleries, with exciting new work by two of the UK's most interesting video artists George Barber and Jaygo Bloom. Jaygo Bloom studied Electronic Imaging at Duncan of Jordanstone College of Art and Design, Dundee and has produced works for many organisations in recent years, including New Media Scotland and Glasgow Science Centre, as well as dazzling club and concert environments, including Franz Ferdinand's world tour.

The year concluded with Minimalist works from the Holocaust Museum by Jonathan Horowitz which was the first solo exhibition at a public gallery in the United Kingdom by this prominent American artist.

Community & Education Programme

The Community & Education team work with contracted freelance artists/makers and colleagues across DCA programme to create clear routes into engagement and participation for all ages. The team both programmes activity and responds to other DCA programme content (in the main the exhibition programme), to deliver learning opportunities. They also respond to demands/requests and contribute to local and national networks/panels/research relating to education & learning.

The team work closely with the Discovery Film Festival programme and tour and deliver access into DCA Print Studio for under 16s, community groups and on specific projects. During the year over 5,000 people of all ages were engaged in activities in both structured workshops and drop-in activities.

During the year we refurbished and re-purposed the Activity Room to offer it as a free pathway to engaging with arts & culture which would be open daily for access. The new-look room with free DIY making activities, reading area and library for children and for grown up inspiration, is designed to offer a free, quality engagement experience for first time supported visits, community group and school classes and to encourage family audience development. This has given us a creative way to manage our resources and responding to requests for visits.

DUNDEE CONTEMPORARY ARTS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

We have also piloted Creative Skills classes for 11 -16 year olds and have been growing communities of interest via craft skills workshops. We also enhanced the Learning section on DCA website which is now set up to enable downloadable resources and to offer more support to visits and projects relevant to the growing demand for interdisciplinary projects and creative skills.

Cinema

2010-2011 has been an exceptional year for DCA Cinemas. The annual figures were the highest since the building opened with audiences of just over 70,000 (up 28% on the previous year) and a box office increase of almost 60% on last year's already rising box office targets.

There are many clear indicators for this increase:

- Good year for 'quality' films (such as The Illusionist, The King's Speech, Black Swan, etc) which are strong titles for our core audience.
- Loyalty card & e-marketing: increased data capture, more consistent communication, customers feel more ownership
- Live satellite events: higher ticket price & new audience
- Equipment updating has mean improved sound and image in Cinema 2
- Efficient Front of House service has improved customer experience
- In-house marketing has raised profile of cinema within the building
- Sense of fun and excitement about the cinema programme from staff and customers is infectious!

We have achieved our goal of 2010-2011 to become a local cinema with an international programme which the Dundee audience has support by their custom and are clearly proud to have as a cultural fixture in their city centre.

During the year the cinema hosted a number of events and festivals, but the main festival event - the Discovery Film Festival & Exhibition programme - facilitated 11,000 public contacts with international film, contemporary moving image art, and creative workshops at DCA, as well as a further 3,000 film admissions at our partner venues across Scotland. This takes the reach of Discovery Film Festival to 14,000 - a new record for the festival against 2009's total of 7734 - and an example of how Discovery has become a cultural event which is important across DCA, Dundee, and Scotland at large.

Retail

The shop reached its ambitious sales target this year with a 6% increase in takings on the previous financial year. Shop attendance figures for the year increased by 20% to 35,134 (29,170) and the number of transactions were up slightly this year to 10,896 (10,501) although the average spend per transaction was slightly down at £11.73 (£11.92).

DUNDEE CONTEMPORARY ARTS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

Print Studio

The highlight of an exciting year for the Print Studio has been the arrival of the new equipment purchased with a Capital Development award from SAC / Creative Scotland. Immediately successful, the new equipment is growing in popularity as word spreads, and print studio usage has been greatly enhanced. In addition, the reputation of DCA print studio as an innovative and leading centre for development in printed art, both technologically and conceptually, has never been higher.

Continuing the Print Studio's involvement in technological innovation we have participated in a research project 'TOTEM' led by PhD researcher Simone O'Callaghan, involving the use of QR codes or 'tags'. These are similar to bar codes and can be read by smartphones, linking the viewer directly to web content such as DCA sales/artist information or video. We have now added these codes to all our Editions labelling at two major art fairs, London Original Print Fair at the Royal Academy, April 2010 and Multiplied at Christies, London, October 2011. It has added a further dimension to interaction with visitors to these events and offers an exciting way to promote editions and publications.

With regard to Editions sales we have had our most successful year ever, benefiting from some extra funding provided by the Resilience award from SAC/Creative Scotland. Box-office workshops have continued to be successful, well-attended and well received, and are now enhanced by classes using the new technology.

Achievements and performance

The details described above demonstrate the depth and breadth of the charity's activities during the year. Each activity goes towards fulfilling the overall objectives of the charity and together these activities have contributed to another very successful year for DCA on both an artistic and financial level.

DCA receives a significant proportion of its income from service provided to national and local agencies including Creative Scotland and Dundee City Council. Pressure on these public-funding sources is always great and DCA needs to compete to ensure its ambitions and achievements are recognised, understood and shared by these partners and that this investment is sustained at least at levels that support appropriate levels of growth.

DCA also has a number of key income strands that support its objectives that come more directly from visits to the building. Both the café/bar franchise and the cinema provide point-of-sale income and both are subject to external competition from local alternatives.

However, despite awareness of these potential threats, there is no indication that either currently represents any instability to the current plans.

Financial review

The charity's total income for the year was £1,672,018, being an increase of 8.2% on the previous year (2010; £1,545,033). It is encouraging to note that the majority of this increase in income comes directly from activities generated from within the organisation rather than from direct grant and contributions from the core funders.

The surplus reported in the year is £13,639 (2010; £34,597). The trustees would draw attention to Note 10 to the accounts which details the accounting adjustments relevant to the capital funding and pension adjustments which form part of the reported surplus.

DUNDEE CONTEMPORARY ARTS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

It is the policy of the charity that unrestricted funds should built up to a level of around £180,000 and once achieved maintained at that level.

The general reserve stood at £164,244 at 31st March 2011. The trustees intention is to gradually built upon this level of reserves in order to ensure the financial stability of the company.

The brought forward capital reserve for the replacement and renewal of fixed assets stood at £120,000.

Any excess funds after maintenance of the above reserves will be held in the revenue reserve.

The company's main sources of public funds come from Creative Scotland and Dundee City Council. In addition to this, income is generated from the general public via the cinema, workshops, café/bar and retail shop.

Plans for the future

Work in the coming year will aim to ensure the increases in trading income are sustained and are used productively to support the programme. We will continue to invest in growing the experience for audiences in the cinema as well as enhancing the general environment for visitors in the building.

We have been informed that we have been successful in securing future Foundation funding status with Creative Scotland for a further 3 years when our current arrangement expires in March 2012 and this gives us a good starting point for continuing to plan ambitiously for the future programme.

We are also maintaining strong partnership working, working with local cultural quarter partners to explore the benefits of shared services, while also engaging actively with academic research projects and learning.

We continue to work closely with the V&A in Dundee project, playing an active role in helping to shape this project and to ensure that it fits well into the cultural ecology of the city.

However, despite the wider economic picture DCA continues to remain focused on its own resilience and the resilience of the sector in which it operates and sustains its role in the local economy in terms of both economic activity and employment, directly sustaining 75 full-time equivalent jobs.

Going concern

The trustees have a reasonable expectation that the company will continue in operational existence for the foreseeable future and have, therefore, used the Going Concern basis in preparing the financial statements.

In particular, the trustees acknowledge that the actuarial deficit on the pension scheme has a substantial impact upon the company's net assets at the year-end and the trustees have considered the effects that this will have on the company's future cashflow. The trustees are confident that the company will be able to meet the costs of the future contributions into the pension scheme as advised by the actuaries, and hence the pension deficit does not effect the use of the going concern concept in these accounts.

DUNDEE CONTEMPORARY ARTS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

Statement of trustees' responsibilities

The trustees, who are also the directors of Dundee Contemporary Arts for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. 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.

Disclosure of information to auditors

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

A resolution proposing that Bird Simpson & Co. be reappointed as auditors of the company will be put to the members.

On behalf of the board of trustees



Mr R Presswood

Trustee

Dated: 3 November 2011

DUNDEE CONTEMPORARY ARTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DUNDEE CONTEMPORARY ARTS

We have audited the accounts of Dundee Contemporary Arts for the year ended 31 March 2011 set out on pages 10 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of Dundee Contemporary Arts for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 18 to the accounts.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

DUNDEE CONTEMPORARY ARTS

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF DUNDEE CONTEMPORARY ARTS

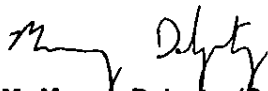
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mr Murray Dalgety (Senior Statutory Auditor)
for and on behalf of Bird Simpson & Co.

Chartered Accountants

Statutory Auditor

144 Nethergate

Dundee

DD1 4EB

Dated: 7th November 2011

DUNDEE CONTEMPORARY ARTS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2011

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2011 £	Total 2010 £
<u>Incoming resources from generated funds</u>						
Donations and legacies	2	11,681	-	-	11,681	56,989
Investment income	3	145,525	-	-	145,525	146,582
		157,206	-	-	157,206	203,571
Incoming resources from charitable activities	4	1,458,453	-	56,359	1,514,812	1,341,462
Total incoming resources		1,615,659	-	56,359	1,672,018	1,545,033
<u>Resources expended</u>						
Charitable activities						
Galleries & education	5	625,493	-	-	625,493	664,360
Cinema		610,238	-	-	610,238	501,500
Print studio		218,768	-	14,090	232,858	176,015
Shop		184,506	-	-	184,506	161,719
Total charitable expenditure		1,639,005	-	14,090	1,653,095	1,503,594
Governance costs		5,284	-	-	5,284	6,842
Total resources expended		1,644,289	-	14,090	1,658,379	1,510,436
Net (expenditure)/income for the year/ Net (outgoing)/incoming resources		(28,630)	-	42,269	13,639	34,597
Other recognised gains and losses						
Actuarial gain/(loss) on defined benefit pension schemes		271,488	-	-	271,488	(280,802)
Net movement in funds		242,858	-	42,269	285,127	(246,205)
Fund balances at 1 April 2010		(230,614)	120,000	-	(110,614)	135,591
Fund balances at 31 March 2011		12,244	120,000	42,269	174,513	(110,614)

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.


DUNDEE CONTEMPORARY ARTS

BALANCE SHEET

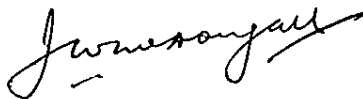
AS AT 31 MARCH 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	11		106,644		10,701
Current assets					
Stocks		68,442		65,280	
Debtors	12	139,634		117,921	
Cash at bank and in hand		282,770		324,263	
		<u>490,846</u>		<u>507,464</u>	
Creditors: amounts falling due within one year	13	<u>(270,977)</u>		<u>(244,779)</u>	
Net current assets			<u>219,869</u>		<u>262,685</u>
Total assets less current liabilities			<u>326,513</u>		<u>273,386</u>
Defined benefit pension liability			<u>(152,000)</u>		<u>(384,000)</u>
Net assets			<u><u>174,513</u></u>		<u><u>(110,614)</u></u>
Income funds					
Restricted funds	15		42,269		-
Unrestricted funds:					
Designated funds	16		120,000		120,000
Other charitable funds					
Unrestricted income funds		164,244		153,386	
Pension reserve		<u>(152,000)</u>		<u>(384,000)</u>	
			<u>12,244</u>		<u>(230,614)</u>
			<u><u>174,513</u></u>		<u><u>(110,614)</u></u>

The accounts were approved by the Board on 3 November 2011


Mr R Presswood
Trustee

Mr J McDougall
Trustee



Company Registration No. SCO175926

DUNDEE CONTEMPORARY ARTS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The going concern concept is used in preparing these financial statements. The company contracts annually with Dundee City Council and Creative Scotland for funding. The annual accounts are prepared on the assumption that the company will continue to receive financial support from these parties.

The reduction in the net assets produced by the deficit on the pension scheme is a long-term liability and will not significantly affect the immediate cash flows of the company.

The charity has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small charity.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006.

1.2 Incoming resources

All income is recognised when the conditions for receipt have been met, and there is a reasonable assurance of receipt. In particular the following policies are used;

Donations are included in the year in which they are receivable, which is when the company becomes entitled to the resource with reasonable certainty and it can be measured reliably.

Grants are credited in the year to which they relate.

Sponsorship and other forms of assistance towards running a particular event are credited to the period in which the event occurred.

Investment income and rental income is included in the year in which it is receivable.

Gifts and donated services and facilities are not incorporated into these financial statements. These amounts are disclosed as a note in the financial statements.

DUNDEE CONTEMPORARY ARTS

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting Policies

(continued)

1.3 Resources expended

Resources expended are included on an accruals basis and have been allocated on the basis indicated below.

Costs of generating voluntary income comprise of the costs incurred in inducing others to make gifts to the company that are voluntary income.

Costs allocated to fundraising and trading are those costs incurred on non-charitable activities undertaken to generate funds for use by the company.

Investment management costs are the costs of administering the investments held.

Costs of charitable activity comprise all the resources applied by the company in undertaking its work to meet its charitable objectives. The expenditure is allocated directly to one of the company's core activities, being exhibitions, education, cinema, print studio, shop, marketing or administration.

General marketing and administration costs are deemed as support costs which facilitate the core charitable objectives and are therefore allocated across the core activities in proportion to the total costs (direct and staff) incurred in each area.

Governance costs are the costs associated with the governance arrangements of the company which relate to the general running of the company as opposed to those costs associated with fundraising or charitable activities.

1.4 Tangible fixed assets and depreciation

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

Fixtures, fittings & equipment	Specialist equipment 20-33% straight line
	Other equipment 15-25% reducing balance

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

The regular cost of providing retirement pensions and related benefits is charged to the statement of financial activities over the employees' service lives on the basis of a constant percentage of earnings. Any difference between the charge to the statement of financial activities and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

DUNDEE CONTEMPORARY ARTS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

2 Donations and legacies

	2011 £	2010 £
Donations and gifts	<u>11,681</u>	<u>56,989</u>

The Company has a close relationship with Dundee City Council which has granted a 15 year lease of the premises together with its plant, equipment and fittings for a nominal amount per year. The City Council also meet the cost of heat, light and cleaning services on the company's behalf. The value of this donation in kind has not been quantified and therefore is not included within the financial statements.

In addition to this the Company has received several donations in kind from various partners and co-funders during the year. The amounts involved are not material and have not been included in these accounts, however the directors would like to mark their appreciation of all such donations.

3 Investment income

	2011 £	2010 £
Rental income	145,086	146,053
Interest receivable	439	529
	<u>145,525</u>	<u>146,582</u>

The rental income represents the rent and royalty income from the sublease of the cafe/bar.

DUNDEE CONTEMPORARY ARTS

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

4 Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Galleries and education	650,193	-	650,193	617,505
Cinema	535,234	-	535,234	463,106
Print studio	149,659	56,359	206,018	145,017
Shop	123,367	-	123,367	115,834
	<u>1,458,453</u>	<u>56,359</u>	<u>1,514,812</u>	<u>1,341,462</u>

The company's income stems from the following main sources;

		2011 £	2010 £
Creative Scotland	General	580,000	580,000
	Events	47,349	33,618
	Capital funding	56,359	-
Dundee City Council	General	270,277	270,277
	Events	1,500	1,500
Other Funders	Collaborative	11,601	6,382
	Events	26,134	27,691
Ancillary Trades	Cinema	281,907	199,528
	Printstudio	74,389	68,268
	Shop	123,367	115,834
Other Miscellaneous Income		41,929	38,364
		<u>1,514,812</u>	<u>1,341,462</u>

DUNDEE CONTEMPORARY ARTS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

5 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2011 £	Total 2010 £
Charitable activities					
<u>Galleries & education</u>					
Activities undertaken directly	202,085	-	234,265	436,350	470,614
Support costs	132,166	1,454	55,523	189,143	193,746
Total	334,251	1,454	289,788	625,493	664,360
<u>Cinema</u>					
Activities undertaken directly	158,720	16,126	250,862	425,708	356,191
Support costs	128,942	1,420	54,168	184,530	145,309
Total	287,662	17,546	305,030	610,238	501,500
<u>Print studio</u>					
Activities undertaken directly	91,426	17,536	53,482	162,444	123,175
Support costs	49,203	541	20,670	70,414	52,840
Total	140,629	18,077	74,152	232,858	176,015
<u>Shop</u>					
Activities undertaken directly	51,609	-	77,104	128,713	113,284
Support costs	38,986	429	16,378	55,793	48,435
Total	90,595	429	93,482	184,506	161,719
	853,137	37,506	762,452	1,653,095	1,503,594
Governance costs	-	-	5,284	5,284	6,842
	853,137	37,506	767,736	1,658,379	1,510,436

Governance costs includes payments to the auditors of £4,500 (2010: £4,450) for audit fees.

DUNDEE CONTEMPORARY ARTS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

6 Activities undertaken directly

	2011 £	2010 £
Other costs relating to galleries & education comprise:		
Artists fees and expenses	39,105	44,517
Installation costs	40,942	40,299
Production and display	63,261	91,706
Publications	23,847	15,349
Exhibition marketing	11,876	9,630
Education	28,270	27,237
Other costs	26,964	61,754
	234,265	290,492

Galleries costs include the expenditure on the main exhibitions held in the year.

Other costs relating to cinema comprise:

Film hire	106,507	74,642
Events	53,529	45,840
Cinema marketing	46,838	50,506
Front of house	10,390	8,185
Other costs	33,598	28,878
	250,862	208,051

Cinema costs relate to the ongoing screening programme as well as the costs of staging the Discovery Film Festival.

Other costs relating to print studio comprise:

Artists and material costs	26,448	29,356
Events and projects	21,154	12,376
Other costs	5,880	4,862
	53,482	46,594

Other costs relating to shop comprise:

Purchases	73,083	66,242
Other costs	4,021	5,040
	77,104	71,282

DUNDEE CONTEMPORARY ARTS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

7 Support costs

	Galleries & education £	Cinema £	Print studio £	Shop £	Total 2011 £	Total 2010 £
Marketing costs	15,659	15,353	5,983	4,838	41,833	47,771
Administration costs	39,864	38,815	14,687	11,540	104,906	91,903
Staff costs	132,166	128,942	49,203	38,986	349,297	295,366
Depreciation	1,454	1,420	541	429	3,844	5,290
	<u>189,143</u>	<u>184,530</u>	<u>70,414</u>	<u>55,793</u>	<u>499,880</u>	<u>440,330</u>

The administration support costs consist of the following items

	2011 £	2010 £
Repairs & maintenance	16,759	14,868
Insurance	10,526	13,425
Post & Stationery	9,490	11,555
Telephone & fax	13,361	13,432
Recruitment & training	8,654	8,761
Travel & hospitality	1,666	1,768
Irrecoverable VAT	9,553	-
Interest Paid	1,144	766
Other outlays	26,367	21,257
Other finance charges	7,386	6,071
	<u>104,906</u>	<u>91,903</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or expenses during the year.

DUNDEE CONTEMPORARY ARTS

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2011 Number	2010 Number
Galleries and education	10	10
Cinema	13	12
Print Studio	4	4
Shop	3	3
Marketing	3	3
Administration	10	10
	<u>43</u>	<u>42</u>

Employment costs

	2011 £	2010 £
Wages and salaries	695,102	649,854
Social security costs	44,125	42,972
Other pension costs	113,910	49,385
	<u>853,137</u>	<u>742,211</u>

There were no employees whose annual remuneration was £60,000 or more.

DUNDEE CONTEMPORARY ARTS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

10 Net income for the year

The trustees feel that it is important to highlight the adjustments made to the normal ongoing results of the company in preparing these accounts. In particular, they wish to highlight the accounting adjustments made to deal with the restricted income given for capital expenditure and the effect of the FRS17 adjustment for defined benefit pension contributions.

	2011 £	2010 £
Surplus from normal ongoing activities	10,858	25,795
Net credit relating to restricted capital funding	42,269	-
Net finance cost from FRS17 adjustment	(7,386)	(6,071)
Pension (charge)/credit from FRS17 adjustment	(32,102)	14,873
Surplus per Statement of Financial Activities	13,639	34,597

11 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2010	86,736
Additions	133,449
At 31 March 2011	220,185
Depreciation	
At 1 April 2010	76,035
Charge for the year	37,506
At 31 March 2011	113,541
Net book value	
At 31 March 2011	106,644
At 31 March 2010	10,701

DUNDEE CONTEMPORARY ARTS

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

12 Debtors	2011 £	2010 £
Trade debtors	49,886	17,784
Other debtors	276	3,787
Prepayments and accrued income	89,472	96,350
	<hr/>	<hr/>
	139,634	117,921
	<hr/>	<hr/>

13 Creditors: amounts falling due within one year	2011 £	2010 £
Trade creditors	37,045	46,776
Taxes and social security costs	17,052	4,573
Dundee City Council recharges	143,589	106,010
Other creditors	54,041	54,120
Deferred income	19,250	33,300
	<hr/>	<hr/>
	270,977	244,779
	<hr/>	<hr/>

DUNDEE CONTEMPORARY ARTS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

14 Pension and other post-retirement benefit commitments

Defined benefit scheme

Financial planning and accounting for the costs of pensions presents a difficult challenge. The amounts involved are large, the timescale is long, the estimation process is complex and involves many areas of uncertainty that are the subject of assumptions. In addition to this there have been a number of changes to the Local Government Pension Scheme since 1st April, 2009.

In accounting for pensions, Financial Reporting Standard 17 (Retirement Benefits) is based on the principle that an organisation should account for retirement benefits at the point which it commits to paying them, even if the actual payment will be made years into the future. This requirement results in very large future liabilities being recognised in the annual accounts.

Dundee City Council operates the Tayside Superannuation Fund, a pension scheme providing defined benefits based on final pensionable salary. Dundee Contemporary Arts is an admitted body of this scheme. The assets of the scheme are held separately from those of the company being invested in a fixed fund. Contributions to the scheme are charged to the income and expenditure account so as to spread the cost of pensions over employees working lives with the company. The pension charge to the scheme for the year was £113,910 (2010:charge £49,385).

From 1st April 2009 the contributions of the employees have been based on a five-tier system ranging between 5.5% to 12% dependent upon their salary level. The employer's contribution is 18.5%.

The valuation for the scheme was carried out at 31st March 2008 and updated on an approximate basis to 31st March 2011 by qualified independent actuaries. The principal assumptions used by the actuaries were as follows:

Defined benefit

The major assumptions used by the actuary were:

	2011 %	2010 %	2009 %
Rate of increase in salaries	5.00	5.40	4.50
Rate of increase in pensions in payment	2.70	3.90	3.00
Discount rate	5.50	5.50	6.70
Inflation assumption	2.70	3.90	3.00

Life expectancy from age 65;

	2011 Years
Retiring today	
Males	21.4
Females	24.4
Retiring in 20 years	
Males	22.3
Females	25.3

DUNDEE CONTEMPORARY ARTS

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

14 Pension and other post-retirement benefit commitments

(continued)

Employee benefit obligations

The amounts recognised in the balance sheet as follows:

	2011 £	Defined benefit pension plans 2010 £
Present value of funded obligations	1,041,000	1,122,000
Fair value of plan assets	(889,000)	(738,000)
	<u>152,000</u>	<u>384,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	2011 £	Defined benefit pension plans 2010 £
Opening defined benefit obligation	1,122,000	604,000
Current service cost	112,000	49,000
Interest cost	65,000	42,000
Contributions by scheme participants	27,000	21,000
Past service cost	(125,000)	-
Actuarial losses (gains)	(141,000)	429,000
Benefits paid	(19,000)	(23,000)
Total	<u>1,041,000</u>	<u>1,122,000</u>

DUNDEE CONTEMPORARY ARTS

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

14 Pension and other post-retirement benefit commitments

(continued)

Changes in fair value of plan assets are as follows:

	Defined benefit pension plans	
	2011	2010
	£	£
Opening fair value of plan assets	738,000	492,000
Expected return	58,000	36,000
Actuarial gain	5,000	148,000
Contributions by employer	80,000	63,000
Contributions from scheme participants	27,000	22,000
Benefits paid	(19,000)	(23,000)
	<u>889,000</u>	<u>738,000</u>

The long term expected rates of return are as follows:

	2011	2010	2009
	%	%	%
Equities	8.20	8.30	7.80
Bonds	4.90	5.00	5.25
Property	5.40	5.50	7.30
Other assets	3.00	3.00	3.00

The values of the assets in the scheme are as follows:

	2011	2010	2009
	£	£	£
Equities	640,119	531,458	317,271
Bonds	151,139	125,484	98,533
Property	80,015	59,051	49,758
Other assets	17,781	22,144	27,096
Total market value of assets	<u>889,054</u>	<u>738,137</u>	<u>492,658</u>
Present value of scheme liabilities	<u>1,041,000</u>	<u>1,122,000</u>	<u>604,000</u>
Deficit in scheme	(151,946)	(383,863)	(111,342)
Related deferred tax liability	-	-	-
Net pension liability	<u>(151,946)</u>	<u>(383,863)</u>	<u>(111,342)</u>

DUNDEE CONTEMPORARY ARTS

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

14 Pension and other post-retirement benefit commitments (continued)

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	2011 £	2010 £
Included in staff costs within total resources expended		
Current service cost	112,000	49,000
	<u>112,000</u>	<u>49,000</u>
Net pension finance costs included within total resources expended		
Interest on obligation	65,000	42,000
Expected return on pension scheme assets	(58,000)	(36,000)
	<u>7,000</u>	<u>6,000</u>
Total	<u>119,000</u>	<u>55,000</u>
Actual return on plan assets	<u>63,000</u>	<u>184,000</u>

Included with other recognised gains and losses:

	Defined benefit pension plans	
	2011 £	2010 £
Actual return less expected return on pension scheme assets	5,000	148,000
Changes in assumptions underlying the present value of the scheme liabilities	141,000	(429,000)
Past service cost	125,000	-
	<u>271,000</u>	<u>(281,000)</u>

DUNDEE CONTEMPORARY ARTS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

14 Pension and other post-retirement benefit commitments

(continued)

Amounts for the current and previous four periods are as follows:

Defined benefit pension plans

	2011	2010	2009	2008	2007
	£	£	£	£	£
Defined benefit obligation	(1,041,000)	(1,122,000)	(604,000)	(634,000)	(633,000)
Plan assets	889,000	738,000	492,000	600,000	569,000
Surplus/(deficit)	(152,000)	(384,000)	(112,000)	(34,000)	(64,000)
Experience adjustments on plan liabilities	-	-	-	35,000	-
Experience adjustments on plan assets	5,000	148,000	(248,000)	(70,000)	10,000

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2010	Movement in funds Incoming resources	Resources expended	Balance at 31 March 2011
	£	£	£	£
Print studio equipment	-	56,359	(14,090)	42,269
	-	56,359	(14,090)	42,269

The restricted fund above represents the captail grant received from Creative Scotland as their contribution towards a major investment in print studio equipment. The grant is being written off over the same time scale as the depreciation charge on the equipment.

DUNDEE CONTEMPORARY ARTS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2010	Movement in funds		Balance at 31 March 2011
		Incoming resources	Resources expended	
	£	£	£	£
Capital reserve	120,000	-	-	120,000
	<u>120,000</u>	<u>-</u>	<u>-</u>	<u>120,000</u>

The above funds of the charity have been designated capital funds.

17 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fund balances at 31 March 2011 are represented by:				
Tangible fixed assets	64,375	-	42,269	106,644
Current assets	370,846	120,000	-	490,846
Creditors: amounts falling due within one year	(270,977)	-	-	(270,977)
Defined benefit pension liability	(152,000)	-	-	(152,000)
	<u>12,244</u>	<u>120,000</u>	<u>42,269</u>	<u>174,513</u>

18 Auditors' Ethical Standards

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standard - Provisions Available for Small Entities are that, in common with many charities of our size and nature we use our auditors to assist with the preparation of the accounts.