

CO'S HOUSE.

Charity Registration No. SC026631

Company Registration No. SC0175926 (Scotland)

DUNDEE CONTEMPORARY ARTS LTD

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2013

WEDNESDAY



SCT

S2M0VAOQ

27/11/2013

COMPANIES HOUSE

#44

DUNDEE CONTEMPORARY ARTS LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Ms L Askew
Mr S Cross
Mr G Fagen
Ms S Gillan
Mr J Lafferty
Cllr K Lynn
Cllr R McCready
Cllr V McDonald
Mr J McDougall
Ms J McKenzie
Mr S Moncur
Mr P Owen
Cllr C Melville
Mr R Presswood
Mr W Taylor

Chief Executive

Mr C Gillman

Secretary

Mr S Lilley

Charity number

SC026631

Company number

SC0175926

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

DUNDEE CONTEMPORARY ARTS LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

Blackadders LLP
30 & 34 Reform Street
Dundee
DD1 1RJ

DUNDEE CONTEMPORARY ARTS LTD

CONTENTS

	Page
Trustees' report	1 - 7
Independent auditors' report	8 - 9
Statement of financial activities	10
Balance sheet	11
Notes to the accounts	12 - 27

DUNDEE CONTEMPORARY ARTS LTD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2013

The trustees present their report and accounts for the year ended 31 March 2013.

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:

Ms L Askew	
Cllr I Borthwick	(Appointed 28 June 2012 and retired 28 February 2013)
Mr S Cross	
Mr G Fagen	
Ms S Gillan	
Mr J Lafferty	
Cllr K Lynn	
Cllr R McCready	
Cllr V McDonald	(Appointed 28 June 2012)
Mr J McDougall	
Ms J McKenzie	
Mr S Moncur	
Mr P Owen	
Prof S Partridge	(Retired 10 September 2012)
Cllr C Melville	(Appointed 28 February 2013)
Mr R Presswood	
Mr W Taylor	

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. Ex officio trustees (either being elected members or employees of Dundee City Council) remain as trustees until their appointment with DCC ceases. Independent trustees are appointed for a four year term and can be re-elected for one further four year term. The trustees can appoint from amongst them a chairman and vice chair and any such other executive offices, as they feel appropriate.

Mr W Taylor has intimated his intention to retire at the forthcoming Annual General Meeting and Mr C Melville is due to stand for re-election.

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.

DUNDEE CONTEMPORARY ARTS LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

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.

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.

Objectives for the year/Strategies for achieving its stated aims

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.

DUNDEE CONTEMPORARY ARTS LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

2012/13 was the 14th year of DCA and during the year we sustained a very full programme for 7 days a week, 12 hours a day, with brief closures at Christmas and Hogmanay. Over the year the centre will have once again welcomed over 300,000 people through the doors and brought in over £1.4m of external investment and trading income into the city.

Review of 2012-2013

2012/13 was the sixth year in which DCA was working within the context of Creative Scotland 'Foundation' status. Partnership working with Dundee City Council continued with significant work being undertaken on supporting the early stages of the city's bid for UK City of Culture 2017. DCA also continued as an active member of the Culture and Learning Strategy Group of the Dundee Partnership and continued active engagement of the Cultural Agencies Network and the Cultural Partners group.

Gallery Exhibitions

During the year 2012-13, the main gallery spaces featured a combination of exhibitions designed to appeal to curious and specialist audiences. We continue to develop the international profile and reputation of the organisation and simultaneously serve as a hub for the city of Dundee's artistic community. The exhibition by the artist Scott Myles, (born and educated in the city), featured an enormous brick wall sculpture that transformed the space and attracted major media coverage. Myles enjoys a strong international reputation whilst being proud of his upbringing and development in Dundee and has recently been appointed as a research Fellow at DJCAD. The summer exhibition Infinite Jest featured the work of three artists, Cinthia Marcelle (Brazil), Rob Pruitt (USA) and William Mackrell (UK), who presented separate bodies of work which cohesively played with ideas of circular narration - including candles, choc-chip cookies, evian fountains and paper mountains. Work by Danish artist Nikolaj Bendix Skyum Larsen and Birmingham duo DashnDem was presented to complement the Discovery annual film festival for young audiences but universally approachable. Larsen made powerful documentaries with migrants whilst DashnDem asked school classes in Dundee to imagine they were world leaders to produce poignant and funny results. The galleries also staged a short-run exhibition of Artist Books in the first gallery and a selection of the Rewind archive of British Video Art during the inaugural Book Week Scotland celebrations. Trisha Baga (USA) produced a multi-media installation of film, objects and sounds which captivated audiences in December and January. Simultaneous to her DCA exhibition, Baga showed at two of New York's most important art spaces: at The Whitney Museum of American Art and MoMA PS1. The last exhibition of the period was by the German artist Jutta Koether: one of the most influential contemporary artists operating within the fields of painting and performance. This exhibition featured newly commissioned work inspired by the 17th Century Master Nicolas Poussin and was supported by the Institut für Auslandsbeziehungen and travelled on to one of England's most important art venues - Arnolfini, Bristol. All of the artists in the programme recognise the significance of exhibiting at DCA and these exhibitions all received positive critical and visitor reactions.

Community & Education Programme

The DCA Community & Education programme continued to offer a diverse programme of workshops and self-drive creative activity, engaging a large number of local groups and individual visitors.

Cinema

In 2012-13 we achieved our goal of sustaining the considerable success of recent years and continued our commitment to bringing the best possible cinema experience to Dundee audiences. As the range of available content grows every year, we still remain true to our core value of showcasing filmmaking from around the world, live performance screenings and classic cinema. The key change in the cinema exhibition landscape is the increase of live events available through satellite and DCA have participated in the best of those on offer including opera, ballet, exhibition tours, book readings, short film programmes and filmmaker Q&As. The successes of these special screening events indicate that our customers have embraced a wide range of culture experiences that is now on offer in their local cinema.

DUNDEE CONTEMPORARY ARTS LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

We welcomed over 84,838 audience members to the DCA Cinemas in 2012-13 and showed 358 different titles in 3002 screenings. Our diverse programme continues to play an increasingly important role in bringing local audiences to DCA and we have succeeded in making our organisation a key destination for anyone interested in a broad range of culture offering whether that is for quality entertainment, challenging documentaries, restored classics, or live performance screenings.

In July 2012, the cinemas closed for two weeks to facilitate the complete refurbishment of both auditoriums. Financed entirely from our own resources, we replaced all the seats, carpets and re-installed the loop which assists patrons who may have a hearing disability. These improvements have been deeply appreciated by returning customers and are simply another example of our commitment to providing the highest quality experience possible for our patrons.

We once again presented the Discovery Film Festival, both here in Dundee and across Scotland through partner venues from Dumfries to Inverness and continued to grow the impact and engagement opportunities this festival offers.

Shop

The DCA shop continues to grow and has been able to meet ambitious income targets that will see income rising by over 40% since 2008/9 without compromising the quality of merchandise and the role of the shop as a showcase for the best in craft and design. 2012/13 has also seen the further development of the DCA on-line shop.

Print Studio

Keeping up the momentum of our exciting investment in new, digital equipment, the range was supplemented this year by a Roland 300X digital engraver which can finely engrave various metals and plastics up to A4 in size. Staff have continued to build skills and do their own research, whilst enabling artists, students and users to undertake a wide range of projects.

In spite of the financial climate, registrations, both new and renewed have increased, as have numbers participating in advertised classes. We had a record year for classes' income.

DCA has taken over the lead in a major project called 'Below another sky', funded by Creative Scotland, to work jointly with Glasgow, Edinburgh, Peacock and Highland Print Studios. The aim is to enable a series of international residencies for Commonwealth and British artists, leading eventually to new editions to promote contemporary Scottish Print. Currently DCA Print Studio is planning editions with British artists David Shrigley and Robert Orchardson, and Australian artist Emily Floyd. The five studios are working collaboratively under the title of 'Scottish Print Network'.

Other activities

Work continued in partnership with the University of Dundee on the 'Small Society Lab' - an experimental design laboratory working with Dundee communities. The 'Blue Skies' festival of kite flying, stargazing and rainbow chasing presented an exciting mix of free events for all ages.

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.

DUNDEE CONTEMPORARY ARTS LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

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 £1,760,444, being a modest increase on the previous year (2012; £1,698,297). Given the general economic conditions the trustees are satisfied with this increase, with all main charitable activities generating increased funds. Expenditure also increased from £1,632,297 last year to £1,830,777. The increase is partly attributable to the cinema refurbishment costing £63,060, but also includes an additional charge of £45,047 as a result of the pension scheme adjustment. The overall result is a deficit in the year of £70,033 (2012; surplus £66,000).

The trustees would draw attention to Note 11 to the accounts which details the accounting adjustments relevant to the cinema refurbishment and pension adjustments which contribute to the reported deficit.

The Directors acknowledge the impact that the deficit on the Company's pension scheme has on the Balance Sheet. At the year end net assets of £371,339 have been reduced by the pension deficit of £385,000 resulting in a net liability position of £13,661. The pension deficit is a longterm issue, and is dependent upon stock market performance, financial assumptions relating to interest rates, inflation and future pay increases, as well as assumptions relating to life expectancy and the employee age profile. At the present time the Directors are satisfied that the Company can continue to meet the costs of future contributions as advised by the actuary. However, this matter will continue to be monitored closely.

Overall, the Directors are satisfied with the results for the year and feel that the Company has succeeded in achieving its prime objective of promoting the arts and culture for the people of Dundee and beyond.

It has been the policy of the charity that unrestricted funds should be built up to a level of around £180,000 and once achieved maintained at that level. Prior to deducting the pension reserve, the general reserve stood at £212,250 at 31st March 2013. The trustees consider that with increased payroll costs that the level of general reserves to be maintained should be increased and this policy will be reviewed in the current year.

The brought forward capital reserve for the replacement and renewal of fixed assets stood at £120,000. In addition to this the trustees had approved a further designated reserve of £70,884 to finance the costs of the cinema improvements. These were completed over the summer of 2012, and the excess designated funds of £7,824 were transferred back to unrestricted funds.

During 2013 the shop is to undergo a refurbishment, and the trustees have approved a new designated fund of £25,000 for this project.

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

DUNDEE CONTEMPORARY ARTS LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

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

With clear and positive support from all its major stakeholders, DCA enters 2013/14 with a strong commitment to sustain its programme and its audiences during economically straitened times. Work continues in ensuring the organisation is doing all it can to deliver excellent value to audiences and artists and it is leading on partnerships both nationally and locally to ensure every opportunity to achieve this is explored. DCA has taken a lead in developing collaborative working with Cultural Quarter partners in Dundee Rep Theatre and Dundee Science Centre and will continue to progress this activity throughout 2013/14.

The 2013/14 programme will sustain the national and international profile of the venue while also growing the pathways of access for local audiences. Exhibitions are increasingly being planned in partnership with other international venues to ensure value is maximised and newly commissioned work has as long a life as possible. Reinvestment in the visitor experience continues and the organisation remains ambitious both in terms of the scope and scale of the programme and future audiences. Work also continues on the development of the organisation itself and a process of board and staff development is underway, one which will see the organisation working towards the Investors in People standard in 2013-14.

During 2013 DCA will be working closely to support the City of Culture 2017 bid as well as building towards the 2013 Impact Conference (the main international event in the Printmaking calendar).

DCA is committed to working with partners across the city to ensure the cultural life of the city remains rich and diverse and will continue to take a lead in the support and promotion of contemporary visual culture in the city as well as providing, wherever possible, platforms for a range of cultural experiences including literature, music and new media activities.

In addition, DCA continues to be a major factor in the local economy in terms of both economic activity and employment, with the centre directly sustaining 71 full-time equivalent jobs as well as providing work opportunities for 26 sessional artists (many of whom either work as artists or across other cultural institutions in Dundee and beyond).

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 LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

Statement of trustees' responsibilities

The trustees, who are also the directors of Dundee Contemporary Arts Ltd 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.

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

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: 17 September 2013

DUNDEE CONTEMPORARY ARTS LTD

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DUNDEE CONTEMPORARY ARTS LTD

We have audited the accounts of Dundee Contemporary Arts Ltd for the year ended 31 March 2013 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 Ltd 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 19 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 2013 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 LTD

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF DUNDEE CONTEMPORARY ARTS LTD

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: 17 September 2013

DUNDEE CONTEMPORARY ARTS LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2013

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2013 £	Total 2012 £
Incoming resources from generated funds						
Donations and legacies	2	5,803	-	-	5,803	4,372
Investment income	3	152,143	-	-	152,143	148,985
		157,946	-	-	157,946	153,357
Incoming resources from charitable activities	4	1,602,498	-	-	1,602,498	1,537,272
Other incoming resources	5	-	-	-	-	7,668
Total incoming resources		1,760,444	-	-	1,760,444	1,698,297
Resources expended						
Charitable activities						
Galleries & education		542,331	-	-	542,331	529,166
Cinema		790,383	63,060	-	853,443	672,445
Print studio		226,887	-	14,090	240,977	236,574
Shop		187,276	-	-	187,276	186,037
Total charitable expenditure		1,746,877	63,060	14,090	1,824,027	1,624,222
Governance costs		6,750	-	-	6,750	8,075
Total resources expended		1,753,627	63,060	14,090	1,830,777	1,632,297
Net incoming/(outgoing) resources before transfers		6,817	(63,060)	(14,090)	(70,333)	66,000
Gross transfers between funds		(17,176)	17,176	-	-	-
Net (expenditure)/income for the year/ Net (outgoing)/incoming resources		(10,359)	(45,884)	(14,090)	(70,333)	66,000
Other recognised gains and losses						
Actuarial gain/(loss) on defined benefit pension schemes		134,983	-	-	134,983	(318,824)
Net movement in funds		124,624	(45,884)	(14,090)	64,650	(252,824)
Fund balances at 1 April 2012		(297,374)	190,884	28,179	(78,311)	174,513
Fund balances at 31 March 2013		(172,750)	145,000	14,089	(13,661)	(78,311)

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

DUNDEE CONTEMPORARY ARTS LTD

BALANCE SHEET

AS AT 31 MARCH 2013

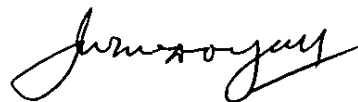
	Notes	2013 £	£	2012 £	£
Fixed assets					
Tangible assets	12		39,827		68,867
Current assets					
Stocks		96,978		80,459	
Debtors	13	67,662		78,763	
Cash at bank and in hand		498,687		496,639	
		663,327		655,861	
Creditors: amounts falling due within one year	14	(331,815)		(332,039)	
Net current assets			331,512		323,822
Total assets less current liabilities			371,339		392,689
Defined benefit pension liability			(385,000)		(471,000)
Net assets/(liabilities)			(13,661)		(78,311)
Income funds					
Restricted funds	16		14,089		28,179
Unrestricted funds:					
Designated funds	17		145,000		190,884
Other charitable funds					
Unrestricted income funds		212,250		173,626	
Pension reserve		(385,000)		(471,000)	
			(172,750)		(297,374)
			(13,661)		(78,311)

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The accounts were approved by the Board on 17 September 2013



Mr R Presswood
Trustee



Mr J McDougall
Trustee

Company Registration No. SCO175926

DUNDEE CONTEMPORARY ARTS LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2013

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 LTD

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

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 LTD

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

2 Donations and legacies

	2013 £	2012 £
Donations	<u>5,803</u>	<u>4,372</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.

3 Investment income

	2013 £	2012 £
Rental income	151,290	147,922
Interest receivable	853	1,063
	<u>152,143</u>	<u>148,985</u>

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

DUNDEE CONTEMPORARY ARTS LTD

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

4 Incoming resources from charitable activities

	2013 £	2012 £
Galleries and education	659,585	619,288
Cinema	644,357	624,372
Print studio	161,048	158,916
Shop	137,508	134,696
	<u>1,602,498</u>	<u>1,537,272</u>

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

		2013 £	2012 £
Creative Scotland	General	580,000	580,000
	Events	45,622	12,597
	Capital funding	-	-
Dundee City Council	General	270,277	270,279
	Events	2,520	1,500
Other Funders	Collaborative	9,015	17,191
	Events	30,027	28,025
Ancilliary Trades	Cinema	400,334	382,496
	Printstudio	82,551	80,417
	Shop	137,507	134,696
Other Miscellaneous Income		44,645	30,071
		<u>1,602,498</u>	<u>1,537,272</u>

5 Other incoming resources

	Total 2013 £	Total 2012 £
Other income	-	7,668
	<u>-</u>	<u>7,668</u>

DUNDEE CONTEMPORARY ARTS LTD

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

6 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2013 £	Total 2012 £
Charitable activities					
<u>Galleries & education</u>					
Activities undertaken directly	168,916	-	219,046	387,962	370,863
Support costs	111,751	906	41,712	154,369	158,303
Total	280,667	906	260,758	542,331	529,166
<u>Cinema</u>					
Activities undertaken directly	203,174	20,092	387,259	610,525	471,278
Support costs	175,860	1,426	65,632	242,918	201,167
Total	379,034	21,518	452,891	853,443	672,445
<u>Print studio</u>					
Activities undertaken directly	91,379	17,536	63,479	172,394	165,801
Support costs	49,658	403	18,522	68,583	70,773
Total	141,037	17,939	82,001	240,977	236,574
<u>Shop</u>					
Activities undertaken directly	53,509	-	80,472	133,981	130,383
Support costs	38,592	313	14,390	53,295	55,654
Total	92,101	313	94,862	187,276	186,037
	892,839	40,676	890,512	1,824,027	1,624,222
Governance costs	-	-	6,750	6,750	8,075
	892,839	40,676	897,262	1,830,777	1,632,297

Governance costs includes payments to the auditors of £4,800 (2012: £4,650) for audit fees.

DUNDEE CONTEMPORARY ARTS LTD

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

7 Activities undertaken directly

	2013 £	2012 £
Other costs relating to galleries & education comprise:		
Artists fees and expenses	26,519	17,406
Installation costs	21,009	33,436
Production and display	52,571	38,707
Publications	5,132	21,305
Exhibition marketing	12,423	11,801
Education	66,615	39,166
Other costs	34,777	50,559
	219,046	212,380

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

Other costs relating to cinema comprise:

Film hire	187,477	155,669
Events	55,530	51,355
Cinema marketing	48,014	45,673
Front of house	8,851	9,470
Other costs	24,327	23,953
Refurbishment costs	63,060	-
	387,259	286,120

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	40,936	42,020
Events and projects	16,437	13,322
Other costs	6,106	10,012
	63,479	65,354

Other costs relating to shop comprise:

Purchases	75,949	72,185
Other costs	4,523	6,562
	80,472	78,747

DUNDEE CONTEMPORARY ARTS LTD

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

8 Support costs

	Galleries & education	Cinema	Print studio	Shop	Total 2013	Total 2012
	£	£	£	£	£	£
Marketing costs	13,215	20,796	5,872	4,564	44,447	55,948
Administration costs	28,497	44,836	12,650	9,826	95,809	89,710
Staff costs	111,751	175,860	49,658	38,592	375,861	334,068
Depreciation	906	1,426	403	313	3,048	6,171
	<u>154,369</u>	<u>242,918</u>	<u>68,583</u>	<u>53,295</u>	<u>519,165</u>	<u>485,897</u>

The administration support costs consist of the following items

	2013 £	2012 £
Repairs & maintenance	12,879	10,692
Insurance	10,368	10,358
Post & Stationery	7,771	7,930
Telephone & fax	10,924	10,842
Recruitment & training	7,938	7,998
Travel & hospitality	2,489	1,662
Irrecoverable VAT	10,090	9,985
Interest Paid	853	817
Other outlays	28,561	29,426
Other finance charges	3,936	-
	<u>95,809</u>	<u>89,710</u>

9 Trustees

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

DUNDEE CONTEMPORARY ARTS LTD

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

10 Employees

Number of employees

The average monthly number of full time equivalent employees during the year was:

	2013 Number	2012 Number
Galleries and education	7	7
Cinema	12	12
Print Studio	4	4
Shop	3	3
Marketing	3	3
Administration	11	11
	<u>40</u>	<u>40</u>

Employment costs

	2013 £	2012 £
Wages and salaries	710,635	669,203
Social security costs	41,251	36,928
Other pension costs	140,953	88,970
	<u>892,839</u>	<u>795,101</u>

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

DUNDEE CONTEMPORARY ARTS LTD

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

11 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 effect of the FRS17 adjustment for defined benefit pension contributions.

	2013 £	2012 £
Surplus from normal ongoing activities	41,710	66,176
Less Cinema refurbishment	63,060	-
	(21,350)	66,176
Net credit relating to restricted capital funding	-	-
Net finance income/(cost) from FRS17 adjustment	(3,936)	7,668
Pension (charge)/credit from FRS17 adjustment	(45,047)	(7,844)
Surplus per Statement of Financial Activities	(70,333)	66,000

DUNDEE CONTEMPORARY ARTS LTD

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

12 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2012	223,270
Additions	11,635
At 31 March 2013	234,905
Depreciation	
At 1 April 2012	154,403
Charge for the year	40,675
At 31 March 2013	195,078
Net book value	
At 31 March 2013	39,827
At 31 March 2012	68,867

13 Debtors	2013 £	2012 £
Trade debtors	57,158	52,527
Other debtors	-	765
Prepayments and accrued income	10,504	25,471
	67,662	78,763

14 Creditors: amounts falling due within one year	2013 £	2012 £
Trade creditors	34,987	37,061
Taxes and social security costs	15,708	35,504
Dundee City Council recharges	171,037	163,242
Other creditors	69,422	79,389
Deferred income	40,661	16,843
	331,815	332,039

DUNDEE CONTEMPORARY ARTS LTD

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

15 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 £140,953 (2012: charge £88,970).

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 was set at 18.5% up to 31st March, 2012. The rate has been reduced to 18.0% thereafter.

The valuation for the scheme was carried out at 31st March 2011 and updated on an approximate basis to 31st March 2013 by qualified independent actuaries. The principal assumptions used by the actuaries were as follows:

Defined benefit

The major assumptions used by the actuary were:

	2013 %	2012 %	2011 %
Rate of increase in salaries	4.80	4.80	5.00
Rate of increase in pensions in payment	2.60	2.50	2.70
Discount rate	4.70	4.60	5.50
Inflation assumption	2.60	2.50	2.70
Expected return on plan assets	6.10	6.10	7.30

Life expectancy from age 65;

	2013 Years	2012 Years
Retiring today		
Males	20.6	20.6
Females	22.9	22.8
Retiring in 20 years		
Males	21.9	21.8
Females	24.5	24.4

DUNDEE CONTEMPORARY ARTS LTD

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

15 Pension and other post-retirement benefit commitments

(continued)

Employee benefit obligations

The amounts recognised in the balance sheet as follows:

	2013 £	Defined benefit pension plans 2012 £
Present value of funded obligations	1,642,000	1,424,000
Fair value of plan assets	(1,257,000)	(953,000)
	<u>385,000</u>	<u>471,000</u>

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

	2013 £	Defined benefit pension plans 2012 £
Opening defined benefit obligation	1,424,000	1,041,000
Current service cost	141,000	88,000
Interest cost	66,000	58,000
Contributions by scheme participants	32,000	27,000
Actuarial losses (gains)	(26,000)	218,000
Benefits paid	5,000	(8,000)
Total	<u>1,642,000</u>	<u>1,424,000</u>

DUNDEE CONTEMPORARY ARTS LTD

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

15 Pension and other post-retirement benefit commitments

(continued)

Changes in fair value of plan assets are as follows:

	Defined benefit pension plans	
	2013	2012
	£	£
Opening fair value of plan assets	953,000	889,000
Expected return	62,000	65,000
Actuarial gain	109,000	(100,000)
Contributions by employer	96,000	80,000
Contributions from scheme participants	32,000	27,000
Benefits paid	5,000	(8,000)
	<u>1,257,000</u>	<u>953,000</u>

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

	2013	2012	2011
	£	£	£
Equities	891,444	647,734	640,119
Bonds	226,000	180,985	151,139
Property	113,000	104,781	80,015
Other assets	25,111	19,051	17,781
Total market value of assets	<u>1,255,555</u>	<u>952,551</u>	<u>889,054</u>
Present value of scheme liabilities	<u>1,641,000</u>	<u>1,424,000</u>	<u>1,041,000</u>
Deficit in scheme	(385,445)	(471,449)	(151,946)
Related deferred tax liability	-	-	-
Net pension liability	<u>(385,445)</u>	<u>(471,449)</u>	<u>(151,946)</u>

DUNDEE CONTEMPORARY ARTS LTD

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

15 Pension and other post-retirement benefit commitments

(continued)

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

	Defined benefit pension plans	
	2013 £	2012 £
Included in staff costs within total resources expended		
Current service cost	141,000	88,000
Net pension finance costs included within total resources expended		
Interest on obligation	66,000	58,000
Expected return on pension scheme assets	(62,000)	(65,000)
Total	145,000	81,000
 Actual return on plan assets	 171,000	 (35,000)

Included with other recognised gains and losses:

	Defined benefit pension plans	
	2013 £	2012 £
Actual return less expected return on pension scheme assets	109,000	(100,000)
Changes in assumptions underlying the present value of the scheme liabilities	26,000	(218,000)
Past service cost	-	-
	135,000	(318,000)

DUNDEE CONTEMPORARY ARTS LTD

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

15 Pension and other post-retirement benefit commitments

(continued)

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

Defined benefit pension plans

	2013 £	2012 £	2011 £	2010 £	2009 £
Defined benefit obligation	(1,642,000)	(1,424,000)	(1,041,000)	(1,122,000)	(604,000)
Plan assets	1,257,000	953,000	889,000	738,000	492,000
Surplus/(deficit)	(385,000)	(471,000)	(152,000)	(384,000)	(112,000)
Experience adjustments on plan liabilities	-	5,000	-	-	35,000
Experience adjustments on plan assets	<u>109,000</u>	<u>(100,000)</u>	<u>5,000</u>	<u>148,000</u>	<u>(248,000)</u>

16 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 2012	Movement in funds		Balance at 31 March 2013
	£	Incoming resources	Resources expended	£
Print studio equipment	<u>28,179</u>	-	(14,090)	<u>14,089</u>
	<u>28,179</u>	-	(14,090)	<u>14,089</u>

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 LTD

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

17 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 2012	Movement in funds		Transfers	Balance at 31 March 2013
	£	Incoming resources	Resources expended	£	£
Capital reserve	120,000	-	-	-	120,000
Cinema improvements	70,884	-	(63,060)	(7,824)	-
Shop improvements	-	-	-	25,000	25,000
	<u>190,884</u>	<u>-</u>	<u>(63,060)</u>	<u>17,176</u>	<u>145,000</u>

The trustees have maintained the designated capital reserves of £120,000. A further designated reserve was created last year to set aside the required funds for the new cinema seating and flooring. The project was completed during the year and the excess funds transferred back to unrestricted reserves. A new designated fund has been created this year to set aside DCA's contribution to the shop improvements.

18 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fund balances at 31 March 2013 are represented by:				
Tangible fixed assets	25,738	-	14,089	39,827
Current assets	518,327	145,000	-	663,327
Creditors: amounts falling due within one year	(331,815)	-	-	(331,815)
Defined benefit pension liability	(385,000)	-	-	(385,000)
	<u>(172,750)</u>	<u>145,000</u>	<u>14,089</u>	<u>(13,661)</u>

19 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.