

DUNDEE CONTEMPORARY ARTS LIMITED

FINANCIAL STATEMENTS

For the Year Ended 31st March 2010

SATURDAY



\*SYVZBPN7\*

SCT

04/12/2010

410

COMPANIES HOUSE

DUNDEE CONTEMPORARY ARTS LIMITED

FINANCIAL STATEMENTS

For the Year Ended 31st March 2010

CONTENTS

	Page
REFERENCE AND ADMINISTRATIVE DETAILS	1
DIRECTORS' REPORT	2-11
AUDITORS' REPORT	12-13
INCOME & EXPENDITURE ACCOUNT	14
STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES	14
STATEMENT OF FINANCIAL ACTIVITIES	15
BALANCE SHEET	16
NOTES TO THE ACCOUNTS	17-27

DUNDEE CONTEMPORARY ARTS LIMITEDREFERENCE AND ADMINISTRATIVE DETAILS

CHARITY NAME:	Dundee Contemporary Arts Limited
LEGAL STATUS:	Company limited by guarantee
SCOTTISH CHARITY REF:	SC026631
COMPANY NUMBER:	SC0175926
OPERATIONAL ADDRESS:	152 Nethergate Dundee DD1 4DY
REGISTERED OFFICE:	152 Nethergate Dundee DD1 4DY
TRUSTEES & DIRECTORS:	As listed on page 10.
CHIEF EXECUTIVE:	Mr Clive Gillman
COMPANY SECRETARY:	Mr. S. Lilley 152 Nethergate Dundee DD1 4DY
AUDITORS:	Bird Simpson & Co 144 Nethergate Dundee DD1 4EB
SOLICITORS:	Blackadders LLP 30 & 34 Reform Street Dundee DD1 1RJ
BANKERS:	Royal Bank of Scotland 3 High Street Dundee DD1 9LY

DUNDEE CONTEMPORARY ARTS LIMITEDDIRECTORS' REPORT

The Directors submit their Report and Financial Statements for the year ended 31st March 2010.

STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE PREPARATION OF FINANCIAL STATEMENTS

The Directors are responsible for preparing the Directors' report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the surplus or deficit of the Company of that period.

In preparing those financial statements, the Directors are required to;

- Select suitable accounting policies and apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for ensuring that the appropriate procedures have been followed to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current UK statutory requirements, the memorandum and articles of association, the Companies Act 2006 and the Statement of Recommended Practice - Accounting and Reporting by Charities 2005 (SORP 2005).

Statement of Disclosure to the Auditor

- a) So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- b) they have taken all the steps that they ought to have as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

STRUCTURE, GOVERNANCE & MANAGEMENT

The Charity is constituted as a Company limited by guarantee and is, therefore, governed by a Memorandum and Articles of Association.

The Directors of the charitable Company are its trustees for the purposes of charity law. In accordance with the Articles of Association, no person may be appointed as a Director unless that person is a member of the Company. At 31st March 2010 there were twelve directors, all being members of the Company. The liability of the members is limited to £1 each.

DUNDEE CONTEMPORARY ARTS LIMITEDDIRECTORS' REPORT (Continued)STRUCTURE, GOVERNANCE & MANAGEMENT (Continued)Governance and Decision-making

The minimum number of Directors is four. There is no maximum number of Directors. Directors are appointed by ordinary resolution. At each annual general meeting one third of the Directors retire by rotation. The Directors can appoint from amongst them a chairman and vice chair and any such other executive offices, as they feel appropriate.

The Board of Directors 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.

Directors induction and training

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

Risk management

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 OF THE CHARITY

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.

DUNDEE CONTEMPORARY ARTS LIMITEDDIRECTORS' REPORT (Continued)OBJECTIVES (Continued)

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.

ACHIEVEMENT AND PERFORMANCE

2009/10 was the 11th year of the DCA Programme.

During 2009-2010, Dundee Contemporary Arts sustained its very full programme for 7 days a week, 12 hours a day, with brief closures at Christmas and Hogmanay. During this time Dundee Contemporary Arts welcomed over 290,000 people through the doors and brought in over £1.27m of external investment and trading income into the centre over and above the investment from Dundee City Council.

2009/10 was the third year in which DCA was working within the context of Scottish Arts Council 'Foundation' status. During the year much work was undertaken to celebrate the organisation's 10th birthday year which began on 1<sup>st</sup> Jan 2009 and continued until 31<sup>st</sup> Dec 2009, with celebrations around the birthday itself taking place on 19<sup>th</sup> March 2009. The entire programme for the calendar year was conceived to mark the birthday with major exhibitions featuring both international and local artists and included the success of the curation of the Scotland + Venice project in partnership with Scottish Arts Council, National Galleries of Scotland and the British Council. The year also saw the organisation continue to develop its role as one of 6 cultural cinema 'hubs' as defined by Scottish Screen - this role including DCA taking on a corporate directorship of Regional Screen Scotland, the development agency for rural and remote cinema in Scotland.

DUNDEE CONTEMPORARY ARTS LIMITEDDIRECTORS' REPORT (Continued)ACHIEVEMENT AND PERFORMANCE (Continued)

As both Scottish Screen and Scottish Arts Council continued on the route to the launch of Creative Scotland, DCA played a role as an active constituent of the newly formed Cultural Alliance offering an active voice in determining the future of the cultural landscape in Scotland. Partnership working with Dundee City Council continued with work on the development and implementation of the new cultural strategy for the Dundee Partnership. DCA staff were also actively involved on a number of levels with work on the development of the proposed V&A on the Dundee Waterfront.

In the main gallery spaces DCA had a programme of exhibitions that sustained their international profile and reputation. The financial year started with an exhibition that had opened on the DCA 10<sup>th</sup> birthday called 'The Associates'. The show featured 17 artists who had all trained at Duncan of Jordanstone College of Art and Design and who are now successfully establishing themselves nationally and internationally. The title of the exhibition was affectionately pinched from the seminal Dundee pop group The Associates who were one of Dundee's greatest ever artistic statements. The exhibition was a survey of talent that emerged in the last decade from Dundee but it was also intended to be a fitting tribute to Billy and Alan, to Dundee and to ten years of DCA.

This was followed by a number of summer exhibitions featuring artists still working locally. A solo artist, a duo and a twelve member art collective each had separate spaces but all shared certain sensibilities and were closely connected to the flourishing art scene in contemporary Dundee.

The next exhibition at DCA was 'It's Burning Everywhere' by internationally acclaimed Swiss artist Thomas Hirschhorn who was presenting his first ever major solo exhibition in a UK public art gallery at DCA. Hirschhorn is well known for producing exceptional works combining everyday materials such as cardboard, tin foil, mannequins, strip lights, clothing and parcel tape, with found images and text which together make reference to a philosophical, cultural or political point of view. Hirschhorn's overwhelming and sometimes controversial approach has won him worldwide recognition and many awards. Hirschhorn's DCA exhibition was incredibly well received by visitors and by journalists.

Running alongside work on these exhibitions DCA had the honour of being selected to curate the Scottish representation at the Venice Biennale of Art the world's largest and most prestigious international showcase for contemporary visual arts. The final exhibition, *No Reflections*, by the artist Martin Boyce was commissioned by Scotland and Venice, a partnership between the Scottish Arts Council, National Galleries of Scotland and the British Council Scotland.

DUNDEE CONTEMPORARY ARTS LIMITEDDIRECTORS' REPORT (Continued)ACHIEVEMENT AND PERFORMANCE (Continued)

Martin Boyce's lyrical installation of newly commissioned work for seven interconnected rooms in a 15th century Venetian Palazzo imagined the space as an abandoned garden, introducing into the fading grandeur of the palace groupings of works - suspended aluminium trees, scattered wax paper leaves, raised stepping stones, a wooden bird box, tables and benches. On the conclusion of the exhibition in Venice, the exhibition came to Dundee to be configured to work within DCA's more modern, purpose-built galleries.

The exhibition of Boyce's work ran until mid-February when the galleries were once again re-configured to host the 6th Kill Your Timid Notion festival. The festival for this year was based around a range of workshops and outreach activities which culminated in 3 days of performances, screenings and installations.

During 2009/10 the new curatorial team initiated a strong series of gallery exhibitions which were wholly curated by DCA staff. Once again in almost all cases they offer the first (if not only) opportunity for audiences in the UK to see these exhibitions by internationally acclaimed artists. This remains central to DCA's aim to maintain the status of Dundee as being at the leading edge of the presentation of contemporary art in the UK. From the 2009 programme 'The Associates' became our most visited show since opening in 1999.

#### Community & Education Programme

2009/2010 was an exciting developmental year for the Community & Education Team. The team participated in major work with other DCA teams for Scotland + Venice, leading to new approaches to education and public engagement for the future.

The team also delivered effectively on a number of significant projects including the Scotland + Venice No Reflections public programme and a Venice Biennale mentoring programme delivered in partnership with Duncan of Jordanstone College of Art and the delivery of the Creative Identities (Tayside) project, an external partnership project with Dundee Rep Theatre supported through Cashback funds to work with supported young people via key national organisations. The team also maintained valuable long term project work such as START NHS Trust Summer Schools and work with Craigmills Skills Centre and ArtAngel and worked with over 3,000 people to create clear pathways for people to engage with the DCA programme.



DUNDEE CONTEMPORARY ARTS LIMITEDDIRECTORS' REPORT (Continued)ACHIEVEMENT AND PERFORMANCE (Continued)Cinema

The Cinema year continued with over 2,700 screenings of films from all corners of the globe, as well as a range of festival and themed programmes including work from Italy, France and Africa as well as screenings on environmental and gender themes and the celebration of works made by local producers of all ages. We successfully grew the audience and introduced a number of new initiatives including the DCA loyalty card which within the first few months had been taken up by almost 1000 people. This year also saw the 6th 'Discovery International Film Festival for Children and Young People' at DCA. This event, managed and curated entirely at DCA, grew in scale and scope once again with both school and public audiences coming to engage with the best of world cinema for young people. The Discovery work has become more deeply embedded in the organisation with the team also taking a national lead on a number of new strategic partnerships in support of media literacy and modern and foreign language support in the context of the new national Curriculum for Excellence as well as touring Discovery content to all parts of Scotland.

Shop

The DCA shop continues to provide the opportunity to view (and buy) the best of high quality craft and design work from Scotland and beyond, while also providing an opportunity for the people of Dundee to purchase a wide range of arts publications. It also provides an outlet for locally produced artworks in a variety of forms and continues to grow its contribution to the organisation.

Print Studio

The Print Studio continues to support the production needs of artists alongside those who want to develop their creative skills for the first time. Studio membership and workshop activity have continued to grow and plans and funding were put in place to introduce new digital facilities unique in Scotland. Production and sales of new editions and publications grew significantly within the year following the appointment of a new staff member into a re-focused role.

The DCA website continued to be successful with our audiences with active use of the dynamic content featured as well as the introduction of on-line ticket sales. The year also saw the first stages of implementation of a new database system for the organisation.

DUNDEE CONTEMPORARY ARTS LIMITEDDIRECTORS' REPORT (Continued)ACHIEVEMENT AND PERFORMANCE (Continued)

## Looking forward

Work in the coming year will aim to build on the successes of the 10<sup>th</sup> birthday year, with exhibitions from Chicks on Speed, Jonathan Horowitz and an exhibition of video and new media work that directly links into the Discovery Film Festival for Young Audiences. But overall there will be an additional focus on growing earned income in those areas which offer greatest potential. This process has already begun in a number of areas and we hope to see this continue across the organisation as we enter into a period in which public sector finances are likely to be constrained. 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 74 full-time equivalent jobs.

Factors within and outside control that are of relevance to achieving objectives

DCA receives a significant proportion of its income from service provided to national and local agencies including Scottish Arts Council, Scottish Screen 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.

DUNDEE CONTEMPORARY ARTS LIMITEDDIRECTORS' REPORT (Continued)FINANCIAL REVIEW

The company achieved an operating surplus of £34,597 in the year (2009: surplus - £111,257).

It should be noted that the 2009 results were bolstered by the receipt of £140,000 from the grant of an extension to the sublease of the café/bar area. Against this, the company incurred £40,000 of non-recurring expenditure, required to upgrade the toilet facilities in the premises.

While the principal sources of grant funding have remained broadly static, it is encouraging to note that the majority of the Company's other income streams have shown increases over the year. During the year the Company continued the close monitoring of expenditure and strict cost controls that were developed in the past.

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 £273,386 have been reduced by the pension deficit of £384,000 resulting in a net liability position of £110,614. 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.

RESERVES POLICY

The Directors have reviewed the Company's reserves and having taken advice from the company's auditors, Bird Simpson & Co., have adopted a policy whereby the intention is that reserves will be built up to a level of £180,000 over a period of five years.

The general reserve stood at £153,386 at 31<sup>st</sup> March 2010 and an action plan was adopted in 2006/07 for this to be increased to £180,000 over the four years to 2011-12 and thereafter maintained at that level.

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.

Principal funding sources

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

DUNDEE CONTEMPORARY ARTS LIMITEDDIRECTORS' REPORT (Continued)Going Concern

The Directors 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 Directors 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 Directors have considered the effects that this will have on the Company's future cashflow. The Directors 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.

DIRECTORS

The Directors who served the Company during the period are as follows:

R. Buchanan	(resigned 30/04/09)
S. Cross	
Cllr. W. Dawson	(resigned 19/05/09)
Cllr. R. Duncan	(appointed 25/06/09)
S. Gillan	
Cllr. K. Lynn	
S. Main	(resigned 30/04/09)
Cllr. F. MacPherson	
Cllr. R. McCready	
J. McDougall	
J. McKenzie	(appointed 29/04/10)
P. Owen	(appointed 25/02/10)
Prof. S. Partridge	
R. Presswood, Chairman	
C. Ritchie	(resigned 19/06/10)
R. Sturrock	(resigned 18/12/09)
W. Taylor	

In accordance with the Articles of Association the following Directors retire at the Annual General Meeting and are eligible for re-election:-

S. Gillan, Cllr. F. MacPherson, J. McKenzie, P. Owen, Prof. S. Partridge and W. Taylor.

DUNDEE CONTEMPORARY ARTS LIMITEDDIRECTORS' REPORT (Continued)AUDITORS

A resolution for the re-appointment of Messrs Bird Simpson & Co., Chartered Accountants, as auditors, is to be proposed at the forthcoming Annual General Meeting.

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

Approved by the Board of Directors  
and signed on its behalf by:



.....  
Robin Presswood, Director

Date .....

21/9/10

DUNDEE CONTEMPORARY ARTS LIMITEDINDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DUNDEE CONTEMPORARY ARTS LIMITED

We have audited the financial statements of Dundee Contemporary Arts Limited on pages 14 to 27 for the year ended 31<sup>st</sup> March 2010. The financial reporting framework that has been applied in their preparation is the applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective Responsibilities of the Directors and Auditors

As explained more fully in the Statement of Directors' Responsibilities on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements 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 financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of; whether accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

#### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31<sup>st</sup> March 2010 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Charities Accounts (Scotland) Regulations 2006.

DUNDEE CONTEMPORARY ARTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DUNDEE CONTEMPORARY ARTS LIMITED (Cont'd)

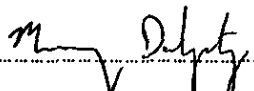
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare financial statements and the directors' report in accordance with the small companies regime.

  
Murray Dalgety (Senior Statutory Auditor)  
For and on behalf of Bird Simpson & Co  
Chartered Accountants  
Statutory Auditor

24/09/10  
Dated

144 Nethergate  
Dundee  
DD1 4EB

DUNDEE CONTEMPORARY ARTS LIMITEDINCOME & EXPENDITURE ACCOUNTFor the Year Ended 31st March 2010

	<u>Note</u>	<u>2010</u>	<u>2009</u>
		£	£
<u>INCOME</u>			
Voluntary Income	3a	56,989	14,561
Activities for Generating Funds	3b	168,589	160,112
Exceptional Income from Lease	3b	-	140,000
Investment Income	3c	529	7,942
Incoming resources from charitable activities	3d	1,318,926	1,292,479
Other Income	3e	-	3,005
		<u>1,545,033</u>	<u>1,618,099</u>
<u>EXPENDITURE</u>			
	4,5		
Staff Costs	5	742,211	717,794
Other Operating Costs	4a	664,190	617,429
Operational & Management	4c	97,193	125,267
Exceptional Costs on Upgrade	4c	-	40,000
Governance costs	4b	<u>6,842</u>	<u>6,352</u>
		1,510,436	1,506,842
Surplus/(Deficit) on ordinary activities before taxation	6	34,597	111,257
Tax on surplus/(Deficit) on ordinary activities	7	-	-
Surplus/(Deficit) for the year		<u>34,597</u>	<u>111,257</u>

The turnover and reported results are in respect of continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSESFor the Year Ended 31<sup>st</sup> March 2010

	<u>Note</u>	<u>2010</u>	<u>2009</u>
	15	£	£
Net Operating Surplus/(Deficit)		34,597	111,257
Actuarial gain/(loss) in the pension scheme		(280,802)	(90,223)
Total recognised gains/(losses) relating to the financial year		<u>(246,205)</u>	<u>21,034</u>

The notes on pages 17 to 27 form part of these financial statements



DUNDEE CONTEMPORARY ARTS LIMITED  
STATEMENT OF FINANCIAL ACTIVITIES  
For the Year Ended 31st March 2010

		<u>Unrestricted</u> <u>Funds</u>	
	<u>Note</u>	<u>2010</u> £	<u>2009</u> £
<u>Incoming Resources</u>			
Incoming resources from generated funds			
Voluntary income	3a	56,989	14,561
Activities for generating funds	3b	168,589	160,112
Exceptional income from lease	3b	-	140,000
Investment income	3c	529	7,942
Incoming resources from charitable activities	3d	1,318,926	1,292,479
Other incoming resources	3e	-	3,005
Total Incoming Resources		<u>1,545,033</u>	<u>1,618,099</u>
<u>Resources Expended</u>			
Costs of generating funds			
Costs of generating voluntary funds		-	-
Fundraising trading costs		-	-
Investment management costs		-	-
Charitable activities	4a	1,503,594	1,500,490
Governance costs	4b	6,842	6,352
Other resources expended		-	-
Total Resources Expended		<u>1,510,436</u>	<u>1,506,842</u>
Net incoming/(outgoing) resources before transfers	6	34,597	111,257
<u>Transfers</u>		<u>-</u>	<u>-</u>
Net incoming/(outgoing) resources before other recognised gains and losses		34,597	111,257
<u>Other Recognised Gains/(Losses)</u>			
Actuarial gains/(losses) on defined benefit pension schemes	15	(280,802)	(90,223)
Net movement in funds		<u>(246,205)</u>	<u>21,034</u>
<u>Reconciliation of Funds</u>			
Total funds brought forward		135,591	114,557
Total Funds carried forward		<u>(110,614)</u>	<u>135,591</u>

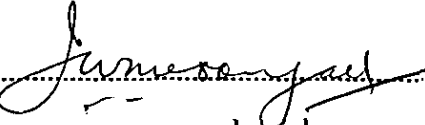
DUNDEE CONTEMPORARY ARTS LIMITEDBALANCE SHEETAt 31st March 2010

	<u>Note</u>	<u>2010</u>	<u>2009</u>
		£	£
<u>TANGIBLE FIXED ASSETS</u>	8		
Computer Equipment		-	3,402
Other Equipment		10,701	12,589
		<u>10,701</u>	<u>15,991</u>
<u>CURRENT ASSETS</u>			
Stock		65,280	62,481
Debtors	9	117,921	127,972
Short Term Deposits	10	120,235	114,235
Cash at Bank		202,588	166,858
Cash in Hand		1,440	1,440
		<u>507,464</u>	<u>472,986</u>
<u>CREDITORS</u>			
Amounts falling due within one year			
Creditors and Accruals	11	244,779	241,386
		<u></u>	<u></u>
<u>NET CURRENT ASSETS/(LIABILITIES)</u>		<u>262,685</u>	<u>231,600</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>273,386</u>	<u>247,591</u>
Pension asset/(liability)	15	<u>(384,000)</u>	<u>(112,000)</u>
<u>NET ASSETS</u>		<u>(110,614)</u>	<u>135,591</u>
<u>Represented by:</u>			
<u>Unrestricted Funds</u>	12		
Capital Reserve		120,000	120,000
General Reserve		153,386	127,591
		<u>273,386</u>	<u>247,591</u>
Pension reserve		<u>(384,000)</u>	<u>(112,000)</u>
Total Funds		<u>(110,614)</u>	<u>135,591</u>

These financial statements are prepared in accordance with the special provisions applicable to the small company regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April, 2008).

Approved by the Board of Directors  
and signed on its behalf by:

 Robin Presswood, Director

 John McDougall, Director

Dated 21/9/10

Company No. SC0175926

The notes on pages 17 to 27 form part of these financial statements.

DUNDEE CONTEMPORARY ARTS LIMITEDNotes to the AccountsFor the Year Ended 31st March 20101. ACCOUNTING POLICIES1.1 Accounting Basis

The financial statements have been prepared under the historical cost convention and in accordance with Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005), applicable accounting standards, the Charities Accounts (Scotland) Regulations 2006 and the Companies Act 2006.

1.2 Basis of Operations

The Company contracts annually with Dundee City Council and the Scottish Arts Council for funding. The annual accounts are prepared on the assumption that the Company will continue to receive financial support from these parties.

1.3 Going Concern

The going concern concept is used in preparing these financial statements. 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.

1.4 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 LIMITEDNotes to the Accounts (Continued)For the Year Ended 31st March 2010**1.5 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 or marketing.

Operational and management costs, which support the charitable activities, are 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.

**1.6 Pension Costs**

Contributions payable to the pension scheme are charged to the Income and Expenditure Account so as to spread the cost of pensions over the service lives of employees in the scheme. The pension charge is calculated on the basis of actuarial advice.

**1.7 Taxation**

The income of the Company is exempt from charge to tax in accordance with the provision of the Income and Corporation Taxes Act 1988.

**1.8 Fixed Assets**

Fixed assets costing more than £1,000 are capitalised and included at cost. Where fixed assets are funded by Capital Grants, the assets are capitalised and the cost reduced by the amount of grant received.

**Depreciation**

Depreciation is provided at a rate calculated to write off cost or valuation, less estimated residual value, of each asset evenly over its expected useful life as follows:

Computer Equipment	33 $\frac{1}{3}$ %	Straight Line
Other Equipment	15%-33 $\frac{1}{3}$ %	Reducing Balance

DUNDEE CONTEMPORARY ARTS LIMITEDNotes to the Accounts (Continued)For the Year Ended 31st March 2010**1.9 Stock**

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

**1.10 Funds**

Funds generated or drawn on via the Income & Expenditure Account are classified as either restricted funds or unrestricted funds, defined as follows:

- Restricted Funds are subject to specific conditions which may be declared by the donor or with their authority (e.g. by the restrictive wording of an appeal). Some are restricted income funds expendable at the discretion of the Directors in furtherance of a particular activity, such as Central and Local Government grants and funds raised for particular activities. Others are capital where the assets are required to be invested for long-term use.
- Unrestricted Funds are expendable at the discretion of the Directors in furtherance of the objects of the Charity.
- The Directors confirm that all the funds held throughout the period were unrestricted.

**1.11 Cash Flow**

The Company has taken the benefit of exemption from preparing a Cash Flow Statement conferred by FRS1 on the grounds that it is a small Company.

**2. TURNOVER**

Turnover arises solely out of activities within the United Kingdom and is stated net of Value Added Tax.

DUNDEE CONTEMPORARY ARTS LIMITEDNotes to the Accounts (Continued)For the Year Ended 31st March 20103. INCOMING RESOURCES3a. Voluntary Income

	<u>2010</u>	<u>2009</u>
	£	£
Donations	56,989	14,561

3b. Activities for generating funds

Membership fees	2,731	2,274
Café royalties	146,053	140,038
Room hire	13,424	10,511
Advertising	6,381	7,289
	<u>168,589</u>	<u>160,112</u>

Exceptional income from café/bar lease	-	140,000
--	---	---------

The sublease of the café/bar area was renegotiated and an extension of seven years granted in return for the receipt of the above premium.

3c. Investment Income

Interest on Short Term Loans	403	3,277
Bank Interest	126	4,665
	<u>529</u>	<u>7,942</u>

3d. Incoming Resources from Charitable Activities

	<u>2010</u>	<u>2009</u>
	£	£
Dundee City Council		
Pension	31,301	30,915
Service agreement	238,976	236,026
Event sponsorship	1,500	2,500
Scottish Arts Council		
Revenue support	505,000	505,000
Event sponsorship	13,332	23,500
Scottish Screen		
Revenue support	75,000	75,000
Event sponsorship	20,286	31,701
ERDF	-	18,031
Other Funders		
Event sponsorship	27,691	17,207
Collaborative income	6,382	11,564
Ancillary Trades		
Cinema	199,528	173,593
Shop	115,834	98,150
Printshop	23,212	14,110
Workshops	28,721	23,430
Catalogue sales	4,432	5,431
DCA expertise	1,091	300
Other miscellaneous income	26,640	26,021
	<u>1,318,926</u>	<u>1,292,479</u>

3e. Other Incoming Resources

	<u>2010</u>	<u>2009</u>
	£	
<u>Other Finance Income</u>		
Expected return on employer assets	35,983	45,303
Interest on pension scheme liabilities	(42,054)	(42,298)
Charge recorded in administration expenses	(6,071)	3,005

DUNDEE CONTEMPORARY ARTS LIMITEDNotes to the Accounts (Continued)For the Year Ended 31st March 20104. RESOURCES EXPENDED4a. Analysis of Costs of Charitable Activities

	<u>Direct</u> <u>Costs</u>	<u>Share of</u> <u>Operational</u> <u>Costs</u>	<u>Staff</u> <u>Costs</u>	<u>2010</u> <u>Total</u>	<u>2009</u> <u>Total</u>
	£	£	£	£	£
Exhibitions	263,255	110,182	137,463	510,900	499,983
Education	27,237	19,219	42,659	89,115	102,766
Cinema	208,051	97,938	148,140	454,129	475,054
Print Studio	46,592	33,868	76,581	157,041	141,578
Shop	71,284	31,149	42,002	144,435	121,098
Marketing	47,771	31,912	68,291	147,974	160,011
	<u>664,190</u>	<u>324,268</u>	<u>515,136</u>	<u>1,503,594</u>	<u>1,500,490</u>

4b. Governance Costs

	<u>2010</u> £	<u>2009</u> £
Audit and accountancy	5,483	4,841
Legal fees	1,021	325
Board expenses	338	1,186
	<u>6,842</u>	<u>6,352</u>

4c. Analysis of Operational and Management Costs

	<u>2010</u> £	<u>2009</u> £
Repairs & Maintenance	4,113	7,247
Equipment	10,755	21,417
Insurances	13,425	15,497
Post & Stationery	11,555	13,027
Telephone & Fax	13,432	15,052
Recruitment	4,273	9,600
Training Courses	4,488	3,156
Travel	1,278	1,581
Subscriptions	830	2,285
Hospitality	490	638
Other Outlays	19,574	18,770
Depreciation	5,290	6,144
Bad Debts	853	600
Interest Paid	766	10,253
Other Finance Charge (note 3e)	<u>6,071</u>	<u>-</u>
	<u>97,193</u>	<u>125,267</u>
Exceptional costs on upgrade of facilities	-	40,000
Operational and management staff costs	<u>227,075</u>	<u>223,383</u>
	<u>324,268</u>	<u>388,650</u>

DUNDEE CONTEMPORARY ARTS LIMITEDNotes to the Accounts (Continued)For the Year Ended 31st March 20105. STAFF COSTS

	<u>2010</u>	<u>2009</u>
	£	£
Wages & Salaries	689,225	663,173
Social Security Costs	42,972	42,023
Pension Costs	49,385	51,483
	<u>781,582</u>	<u>756,679</u>
<u>Less:</u> Reception Costs recharged to DCC	39,371	38,885
	<u><u>742,211</u></u>	<u><u>717,794</u></u>

No employee earned more than £60,000 per annum (2009-Nil).

The directors neither received nor waived any emoluments during the year.  
(2009 - Nil)

STAFF NUMBERS

The average number of full-time equivalent employees (including part-time staff) during the year was made up as follows:

	<u>2010</u>	<u>2009</u>
Exhibitions	8	8
Education	2	3
Cinema	12	11
Print Studio	4	5
Shop	3	3
Marketing	3	3
Operational and Management	10	9
	<u>42</u>	<u>42</u>

6. OPERATING SURPLUS/(DEFICIT)

	<u>2010</u>	<u>2009</u>
	£	£
Surplus from normal ongoing transactions	25,795	5,034
Net finance income from FRS17 adjustment	(6,071)	3,005
Pension credit from FRS17 adjustment	14,873	3,218
Operating surplus before exceptional items	<u>34,597</u>	<u>11,257</u>
Income received for lease extension	-	140,000
Costs incurred on upgrade of facilities	<u>-</u>	<u>(40,000)</u>
Surplus per Income and Expenditure Account	<u><u>34,597</u></u>	<u><u>111,257</u></u>

This is stated after charging:-

Directors Remuneration	-	-
Auditors Remuneration - Audit Services	4,450	4,400
Depreciation	5,290	6,144
Directors Indemnity Insurance	1,386	1,386



DUNDEE CONTEMPORARY ARTS LIMITEDNotes to the Accounts (Continued)For the Year Ended 31st March 20107. TAXATION

The Company is accepted as a charity by the Board of the Inland Revenue and consequently relief is given under S.505 T.A. 1988 to exempt it from the payment of Corporation Tax.

8. TANGIBLE FIXED ASSETS

	<u>Computer Equipment</u> £	<u>Other Equipment</u> £	<u>Total</u> £
<u>COST OR VALUATION</u>			
As at 1st April 2009	45,659	41,077	86,736
Additions	-	-	-
As at 31st March 2010	<u>45,659</u>	<u>41,077</u>	<u>86,736</u>
<u>DEPRECIATION</u>			
As at 1st April 2009	42,257	28,488	70,745
Provided during year	3,402	1,888	5,290
At 31st March 2010	<u>45,659</u>	<u>30,376</u>	<u>76,035</u>
<u>NET BOOK VALUE</u>			
At 31st March 2010	<u>-</u>	<u>10,701</u>	<u>10,701</u>
At 31st March 2009	<u>3,402</u>	<u>12,589</u>	<u>15,991</u>

9. DEBTORS

	<u>2010</u> £	<u>2009</u> £
Trade debtors	17,784	34,246
Other debtors	3,787	949
Prepayments	45,493	40,802
Accrued income	50,857	51,975
	<u>117,921</u>	<u>127,972</u>

10. SHORT TERM DEPOSITS

These relate to short-term interest-bearing cash deposits placed with Dundee City Council.

11. CREDITORS: Amounts falling due within one year:

	<u>2010</u> £	<u>2009</u> £
Trade Creditors	46,776	38,493
DCC Recharges	106,010	124,179
VAT	4,573	4,298
Other Creditors and Accruals	54,120	39,104
Deferred Income	33,300	35,312
	<u>244,779</u>	<u>241,386</u>

DUNDEE CONTEMPORARY ARTS LIMITEDNotes to the Accounts (Continued)For the Year Ended 31st March 201012. RESERVES

	<u>Opening Balance</u>	<u>Surplus for Year</u>	<u>Transfers</u>	<u>Closing Balance</u>
	£	£	£	£
Capital Reserve	120,000	-	-	120,000
General Reserve	127,591	34,597	(8,802)	153,386
	<u>247,591</u>	<u>34,597</u>	<u>(8,802)</u>	<u>273,386</u>
Pension Reserve	(112,000)	(280,802)	8,802	(384,000)
	<u>135,591</u>	<u>(246,205)</u>	<u>-</u>	<u>(110,614)</u>

13. CONTINGENT LIABILITIES

There were no contingent liabilities known to the company at 31st March, 2010.

The activities of DCA are partially exempt for VAT purposes. The original basis for the VAT partial exemption calculation was agreed with HM Revenue and Customs, and the company has continued to apply this method with the approval of all subsequent VAT inspections. However, as disclosed last year, a recent VAT inspection had queried with the manner in which the calculation was performed.

After lengthy correspondence HM Revenue & Customs conceded that their original advice to the Company had been incorrect. It was agreed that a new method of apportionment should be used for the year commencing 1<sup>st</sup> April, 2010. The new method has not yet been agreed, but the indications are that this will have a material effect upon the VAT costs to the company from 1<sup>st</sup> April, 2010 onwards.

14. CAPITAL COMMITMENTS

At 31<sup>st</sup> March, 2010 the Company had capital commitments as follows;

	2010	2009
	£	£
Contracted for but not provided in the financial statements	<u>7,915</u>	<u>-</u>

The commitments relate to assets purchased for the print studio which are to be funded in part by capital grants from the Scottish Arts Council in 2010/11.

15. PENSION COMMITMENTS

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 which came into effect on 1<sup>st</sup> April, 2009.

DUNDEE CONTEMPORARY ARTS LIMITEDNotes to the Accounts (Continued)For the Year Ended 31st March 201015. PENSION COMMITMENTS (Continued)

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 £49,385 (2009: charge £51,483).

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 2010 by qualified independent actuaries. The principal assumptions used by the actuaries were as follows:

<u>Life Expectancy from Age 65</u>		<u>Years</u>
Retiring today	Male	21.37
	Female	24.44
Retiring in 20 years	Male	22.30
	Female	25.34

<u>Financial Assumptions</u>	<u>2010</u> %	<u>2009</u> %
Rate of increase in salaries	5.4	4.5
Rate of increase in pensions	3.9	3.0
Discount rate	5.5	6.7
Inflation rate	3.9	3.0

<u>Asset Class</u>	<u>2010</u> <u>Long term</u> <u>Rate of</u> <u>return</u> %	<u>2009</u> <u>Long term</u> <u>Rate of</u> <u>return</u> %
Equities	8.3	7.8
Gilts	4.5	4.0
Other bonds	5.5	6.5
Property	5.5	7.3
Cash	3.0	3.0

DUNDEE CONTEMPORARY ARTS LIMITEDNotes to the Accounts (Continued)For the Year Ended 31st March 201015. PENSION COMMITMENTS (Continued)

<u>Projected Pension Expense for the Year to 31<sup>st</sup> March 2011</u>	<u>2011 £000</u>
Service cost	100
Interest cost	64
Return on assets	(56)
Total	<u>108</u>
Employer Contributions	<u>68</u>

<u>Reconciliation of opening and closing balances of the present value of the defined benefit obligation</u>	<u>2010 £000</u>	<u>2009 £000</u>
Opening defined benefit obligation	604	634
Service cost	49	45
Interest cost	42	42
Actuarial losses/(gains)	429	(157)
Estimated benefits net of transfers in	( 23)	22
Contributions by Scheme participants	21	18
Closing defined benefit obligation	<u>1,122</u>	<u>604</u>

Reconciliation of opening and closing balances of the fair  
value of scheme assets

Opening fair value of Scheme	492	606
Adjustment to figures re previous year	-	(6)
Expected return on scheme assets	36	45
Actuarial gains (losses)	148	(248)
Contributions by employer and unfunded pensions	63	55
Contributions by scheme participants	22	18
Estimated benefits paid net of transfers in building in including unfunded pensions	(23)	22
Fair value of scheme assets at the end of period	<u>738</u>	<u>492</u>

<u>FRS17 history</u>	<u>2010 £000</u>	<u>2009 £000</u>	<u>2008 £000</u>	<u>2007 £000</u>	<u>2006 £000</u>
Total assets	738	492	606	568	467
Total liabilities	1,122	604	634	633	570
Deficit	(384)	(112)	(28)	(65)	(103)
Experience adj on liabilities	-	35	-	-	(82)
Experience adj on assets	147	(247)	(70)	10	74

DUNDEE CONTEMPORARY ARTS LIMITEDNotes to the Accounts (Continued)For the Year Ended 31st March 201016. DONATIONS IN KIND

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.

17. DIRECTORS EXPENSES

There were no reimbursements of travelling expenses to directors during the year. (2009: Nil).