

**Charity Registration No. SC026631**

**Company Registration No. SC0175926 (Scotland)**

**DUNDEE CONTEMPORARY ARTS LTD  
TRUSTEES' REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2014**

**TUESDAY**



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**30/12/2014**

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**COMPANIES HOUSE**

# DUNDEE CONTEMPORARY ARTS LTD

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Ms L Askew Cllr L Bidwell Mr S Cross Mr G Fagen Mr J Lafferty Cllr K Lynn Cllr V McDonald Mr J McDougall Ms J McKenzie Cllr C Melville Mr S Moncur Mr P Owen Mr R Presswood Ms M Smith
<b>Chief Executive</b>	Mr C Gillman
<b>Secretary</b>	Mr S Lilley
<b>Charity number</b>	SC026631
<b>Company number</b>	SCO175926
<b>Principal address</b>	152 Nethergate Dundee DD1 4DY
<b>Registered office</b>	152 Nethergate Dundee DD1 4DY
<b>Auditors</b>	Bird Simpson & Co 144 Nethergate Dundee DD1 4EB
<b>Bankers</b>	The Royal Bank of Scotland 3 High Street Dundee DD1 9LY
<b>Solicitors</b>	Blackadders LLP 30 & 34 Reform Street Dundee DD1 1RJ

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# **DUNDEE CONTEMPORARY ARTS LTD**

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# DUNDEE CONTEMPORARY ARTS LTD

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 MARCH 2014

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The trustees present their report and accounts for the year ended 31 March 2014.

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 L Bidwell	(Appointed 19 December 2013)
Mr S Cross	
Mr G Fagen	
Ms S Gillan	(Resigned 19 December 2013)
Mr J Lafferty	
Cllr K Lynn	
Cllr R McCready	(Resigned 21 November 2013)
Cllr V McDonald	
Mr J McDougall	
Ms J McKenzie	
Cllr C Melville	
Mr S Moncur	
Mr P Owen	
Mr R Presswood	
Ms M Smith	(Appointed 19 December 2013)
Mr W Taylor	(Resigned 19 December 2013)

At a meeting on 26/06/2014, Elaine Russell and Charis Robertson were appointed to the board and will stand for re-election at the forthcoming Annual General Meeting along with Jackie McKenzie. Mr John McDougall has stated his intention to retire at this meeting.

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.

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

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

The Board of Trustees meet every second month to oversee the performance of the company and discuss future strategy. A Finance and Operations Subcommittee meets monthly to monitor the 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.

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# DUNDEE CONTEMPORARY ARTS LTD

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2014

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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 Dundee Contemporary Arts 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 a set of development plans which are taken forward by the different departments. These plans provide annual goals which inform the day-to-day planning undertaken by each of the DCA departments, which in turn feed into our Annual Review that provides a report for stakeholders and staff on all activities.

During 2013/14, DCA sustained our very full programme for 7 days a week, 12 hours a day, with brief closures at Christmas and Hogmanay. Over the year the centre once again welcomed over 350,000 people through the doors and generated over £1.7m of external investment and trading income.

# DUNDEE CONTEMPORARY ARTS LTD

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2014**

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### **Review of 2013-14**

2013/14 was the seventh year in which DCA was working within the context of Creative Scotland 'Foundation' status and the penultimate year of a three-year funding commitment. Partnership working with Dundee City Council continued with work on taking forward and reporting on the cultural strategy for the Dundee Partnership as well as active membership of the Culture and Learning Group of the Partnership and active engagement with the Cultural Agencies Network and the Cultural Events group (a group which provides an interface between cultural and community organisations in the city).

DCA also played a very active role in the bid process for 'City of Culture 2017'

### **Galleries**

During the year, the DCA Galleries featured a carefully selected series of exhibitions designed to appeal to broad and specialist audiences. New opening hours were implemented by opening every Monday (replacing the previous policy of only being open on public holiday Mondays) and this has had a very positive effect on visits and access in general.

The year began with a highly successful exhibition by the Aberdeen based, Dundee trained illustrator Johanna Basford. Johanna is intrinsically linked with the city and a big advocate of DCA as an institution. We then presented an exhibition of Sister Corita Kent's colourful screen prints alongside the work of five contemporary artists inspired by her life and work. This exhibition was programmed to coincide with Impact - the major International Print Conference held in Dundee this year. We commissioned new work from the popular video artist Hiraki Sawa for exhibition during the Discovery Film Festival and closed the programme for the year with a survey exhibition by Thomson and Craighead - DJCAD graduates celebrating twenty years of collaborative practice. The exhibitions by Thomson and Craighead, Hiraki Sawa and Jutta Koether (from the end of the 12/13 programme) all involved partnership working with internationally recognised venues. MEWO Kunsthalle in Memmingen, Tokyo Opera City Art Gallery and Arnolfini, Bristol providing us with opportunities to showcase our work in other prestigious locations. Excellent visitor responses and increased attendances capped a successful year.

### **Community & Education Programme**

The DCA Community and Education team continued working to deliver both high-profile programme events alongside longer-term development of relationships with partner groups. They sustained their portfolio development workshops with 11-16yr olds and offered a strong range of CPD sessions for teachers in support of the Curriculum for Excellence.

### **Cinema**

Cinema at DCA continues to grow with record audiences for all aspects of the programme, once again exceeding last year's figures. From foreign-language to quality independent filmmaking to a wide range of alternative content (including live theatre, ballet, and opera), the cinema programme continues to attract audiences from all across Dundee and further afield. Discovery, Scotland's International Film Festival for Children and Young People celebrated its 10th anniversary and reached over 85% capacity for its schools programming. Working with local teachers, Discovery produces teaching materials and film resources which are used by educators all over the globe. Locally, new learning opportunities were also launched in 2013/14 by the Cinema Department. Focus on Film, a life-long learning opportunity was created in partnership with Dundee University and covered topics such as Adaptations, Film Noir and Stars. In addition, DCA was awarded a grant by the BFI to deliver the Discovery Film School Dundee, a new Film Academy through which 12 young people aged 15-19 spent four months of intensive training with industry professionals to learn about filmmaking. Finally, DCA are key partners in the development of the Scottish Film Hub who will be administering the BFI Film Audience Network funds going forward.

### **Retail & Craft**

DCA Shop continues to grow and once again has met ambitious retail targets that saw turnover rise to a new record high in 2013/14. A major project for the Shop this year has been a full refurbishment including bespoke, architect designed display fittings, giving a high quality platform for our suppliers, and improving customer experience. Successful retail events were delivered, including our largest Christmas Craft and Design Market to date, Christmas shopping evenings and launch events following the refurbishment. Shop staffing was re-structured to enable the addition of a Shop Supervisor role that will help support continued future growth.

# **DUNDEE CONTEMPORARY ARTS LTD**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2014**

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### **Print Studio**

This year saw the culmination of two years' planning and preparation with the first Print Festival Scotland. The Festival, planned to coincide with the Impact 8 Conference, saw over 450 delegates from 35 countries visit the city, for an intensive programme of print-related exhibitions, papers, presentations and events. DCA Print Studio was prominent in many aspects of the planning and organisation. Organisations all over Dundee and cities throughout Scotland presented an extensive range of print exhibitions, and DCA curated its first ever entirely print-focused exhibition 'There will be New Rules Next Week'. It was an exciting fortnight that we believe has established printmaking as a major presence in the city, and showcased the high standard of Print Workshops in Scotland. Delegates were impressed by the commitment that Scotland has shown to funding printmaking as an important area of artists' production over 40 years. There are few countries that can demonstrate similar support.

### **New Initiatives**

DCA continued to play a key role on developing new initiatives, staging the second year of the 'Blue Skies Festival', led by DCA with invited collaborations with Dundee Science Centre, Dundee Rep Theatre, Leisure & Culture Dundee, Smallpetitklein and others, as well as leading on some exciting new innovations with NESTA (through the Digital R&D Programme), the Small Society Lab, and our Code Club creative computer programming workshops for 9-11yr olds.

### **Achievements and performance**

#### **Employment and Income**

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 22 sessional artists (many of whom either work as artists or across other cultural institutions in Dundee and beyond).

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

DCA receives a significant proportion of its income from service provided to national and local agencies including Creative Scotland and Dundee City Council. Pressure on these public-funding sources is always great and DCA continues 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 LTD

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2014**

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### Financial review

The trustees would draw attention to Note 10 to the accounts which details the accounting adjustments relevant to the refurbishment projects and pension adjustments which contribute to the reported deficits in both years. This note demonstrates that the planned surplus from normal ongoing activities prior to the pension and refurbishment adjustment was £36,572.

The charity's total income for the year was £1,909,336, being an 8.5% increase on the previous year (2013; £1,760,444). Given the continued economic conditions the trustees are pleased with this increase, with all main charitable activities generating increased funds. Expenditure also increased albeit by a smaller amount of 7% to £1,958,333. The overall result is a net deficit in the year of £48,997 (2013; deficit £70,033).

The trustees acknowledge that both years have seen large scale refurbishment projects being undertaken which have contributed to the reported deficits. 2013 included major refurbishment of the cinema while the current year includes the costs of refitting the shop.

The trustees acknowledge the impact that the increased deficit on the Company's pension scheme has on the Balance Sheet, this year the deficit being reported is £747,000 (2013; £385,000). At the year end net assets of £382,911 have been reduced by the pension deficit resulting in a net liability position of £364,089. The pension deficit is a long term 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 trustees 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 trustees 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 £262,911 at 31st March 2014. The trustees consider that with increased payroll costs that the level of general reserves to be maintained should be increased and this matter is being kept under review.

The brought forward capital reserve for the replacement and renewal of fixed assets started the year at £145,000, being the general reserve plus £25,000 designated for the shop refit project. The refit is complete and the capital reserves have reverted back to £120,000.

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

Around half of the company's income comes from public sources via Creative Scotland and Dundee City Council. The general public contribute to the remaining income with over £660,000 coming in through the cinema, cafe/bar and retail shop.



# DUNDEE CONTEMPORARY ARTS LTD

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2014**

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### **Plans for the future**

#### **Major Plans for 2014-2015**

With clear and positive support from all its major stakeholders, DCA enters 2014/15 with a strong commitment to sustain our programme and our 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 we continue to lead on partnerships both nationally and locally to ensure every opportunity to achieve this is explored. DCA also continues to take a lead in developing local collaborative working with Cultural Quarter partners in Dundee Rep Theatre and Dundee Science Centre.

The 2014/15 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. The organisation remains ambitious both in terms of the scope and scale of the programme and has committed to an active process aimed at further growing audiences. Work also continues on the development of the organisation itself and a process of board and staff development was begun during the year.

The significant plans in place for 2014-15 build upon our local, national and international reputation. Each exhibition programmed is devised with offering clear pathways of access to local audiences and to develop the profile of the venue. Exhibitions are delivered with the aid of external support in terms of grants from cultural bodies or with partnership working with other visual arts organisations. Exhibitions garner local and international press attention and bring visitors to the region. In the summer, DCA is participating in Generation - the national celebration of contemporary visual arts with over 100 artists exhibiting across over 60 venues.

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 visual and media arts activity in the city as well as providing, wherever possible, platforms for a range of cultural experiences including literature, music and new media activities.

### **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 affect the use of the going concern concept in these accounts.

# DUNDEE CONTEMPORARY ARTS LTD

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2014**

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### 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 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 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: 18/12/14

# **DUNDEE CONTEMPORARY ARTS LTD**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE TRUSTEES OF DUNDEE CONTEMPORARY ARTS LTD**

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We have audited the accounts of Dundee Contemporary Arts Ltd for the year ended 31 March 2014 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 trustees 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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

#### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 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.

#### **Opinion on other matters 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.

# DUNDEE CONTEMPORARY ARTS LTD

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE TRUSTEES OF DUNDEE CONTEMPORARY ARTS LTD

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#### 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 A Dalgety (Senior Statutory Auditor)**  
for and on behalf of Bird Simpson & Co

**Chartered Accountants**

**Statutory Auditor**

144 Nethergate

Dundee

DD1 4EB

Dated: 22<sup>nd</sup> December 2014

Bird Simpson & Co is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# DUNDEE CONTEMPORARY ARTS LTD

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2014

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2014 £	Total 2013 £
<b><u>Incoming resources from generated funds</u></b>						
Donations and legacies	2	933	-	-	933	5,803
Investment income	3	165,354	-	-	165,354	152,143
		166,287	-	-	166,287	157,946
Incoming resources from charitable activities	4	1,718,049	-	25,000	1,743,049	1,602,498
<b>Total incoming resources</b>		<b>1,884,336</b>	<b>-</b>	<b>25,000</b>	<b>1,909,336</b>	<b>1,760,444</b>
<b><u>Resources expended</u></b>						
<b>Charitable activities</b>						
Galleries & education		605,958	-	-	605,958	542,331
Cinema		774,151	-	-	774,151	853,443
Print studio		297,587	-	14,089	311,676	240,977
Shop		210,923	25,000	25,000	260,923	187,276
<b>Total charitable expenditure</b>		<b>1,888,619</b>	<b>25,000</b>	<b>39,089</b>	<b>1,952,708</b>	<b>1,824,027</b>
Governance costs		5,625	-	-	5,625	6,750
<b>Total resources expended</b>		<b>1,894,244</b>	<b>25,000</b>	<b>39,089</b>	<b>1,958,333</b>	<b>1,830,777</b>
<b>Net expenditure for the year/ Net outgoing resources</b>		<b>(9,908)</b>	<b>(25,000)</b>	<b>(14,089)</b>	<b>(48,997)</b>	<b>(70,333)</b>
<b><u>Other recognised gains and losses</u></b>						
Actuarial (loss)/gain on defined benefit pension schemes		(301,431)	-	-	(301,431)	134,983
<b>Net movement in funds</b>		<b>(311,339)</b>	<b>(25,000)</b>	<b>(14,089)</b>	<b>(350,428)</b>	<b>64,650</b>
Fund balances at 1 April 2013		(172,750)	145,000	14,089	(13,661)	(78,311)
<b>Fund balances at 31 March 2014</b>		<b>(484,089)</b>	<b>120,000</b>	<b>-</b>	<b>(364,089)</b>	<b>(13,661)</b>

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

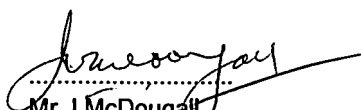
## BALANCE SHEET

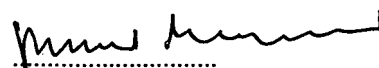
AS AT 31 MARCH 2014

	Notes	2014 £	£	2013 £	£
<b>Fixed assets</b>					
Tangible assets	11		15,629		39,827
<b>Current assets</b>					
Stocks		112,807		96,978	
Debtors	12	88,222		67,662	
Cash at bank and in hand		417,897		498,687	
		<u>618,926</u>		<u>663,327</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(251,644)</u>		<u>(331,815)</u>	
<b>Net current assets</b>			<u>367,282</u>		<u>331,512</u>
<b>Total assets less current liabilities</b>			<u>382,911</u>		<u>371,339</u>
<b>Defined benefit pension liability</b>			<u>(747,000)</u>		<u>(385,000)</u>
<b>Net assets/(liabilities)</b>			<u><u>(364,089)</u></u>		<u><u>(13,661)</u></u>
<b>Income funds</b>					
Restricted funds	15		-		14,089
Unrestricted funds:					
Designated funds	16		120,000		145,000
Other charitable funds					
Unrestricted income funds		262,911		212,250	
Pension reserve		<u>(747,000)</u>		<u>(385,000)</u>	
			<u>(484,089)</u>		<u>(172,750)</u>
			<u><u>(364,089)</u></u>		<u><u>(13,661)</u></u>

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 18<sup>th</sup> December 2014

  
Mr J McDougall  
Trustee

  
Mr R Presswood  
Trustee

Company Registration No. SCO175926

# DUNDEE CONTEMPORARY ARTS LTD

## BALANCE SHEET (CONTINUED)

**AS AT 31 MARCH 2014**

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### **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 triennially with 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

## BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2014

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### 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 galleries, 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

## BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2014

### 2 Donations and legacies

	2014 £	2013 £
Donations	<u>933</u>	<u>5,803</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

	2014 £	2013 £
Rental income	164,784	151,290
Interest receivable	570	853
	<u>165,354</u>	<u>152,143</u>

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

# DUNDEE CONTEMPORARY ARTS LTD

## BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2014

### 4 Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Galleries and education	697,342	-	697,342	659,585
Cinema	669,245	-	669,245	644,357
Print studio	211,733	-	211,733	161,048
Shop	139,729	25,000	164,729	137,508
	<u>1,718,049</u>	<u>25,000</u>	<u>1,743,049</u>	<u>1,602,498</u>

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

		2014 £	2013 £
Creative Scotland	General	580,000	580,000
	Special Projects	102,795	45,622
Dundee City Council	General	256,763	270,277
	Events	517	2,520
Other Funders	Collaborative	33,905	9,015
	Events	40,741	30,027
Charitable Trading Income	Cinema	425,770	400,334
	Print Studio	101,764	82,551
	Shop	139,729	137,507
	Miscellaneous	61,065	44,645
		<u>1,743,049</u>	<u>1,602,498</u>

# DUNDEE CONTEMPORARY ARTS LTD

## BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2014

### 5 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2014 £	Total 2013 £
<b>Charitable activities</b>					
<u>Galleries &amp; education</u>					
Activities undertaken directly	181,666	-	254,636	436,302	387,962
Support costs	119,331	837	49,488	169,656	154,369
<b>Total</b>	<b>300,997</b>	<b>837</b>	<b>304,124</b>	<b>605,958</b>	<b>542,331</b>
<u>Cinema</u>					
Activities undertaken directly	210,321	3,966	343,118	557,405	610,525
Support costs	152,453	1,069	63,224	216,746	242,918
<b>Total</b>	<b>362,774</b>	<b>5,035</b>	<b>406,342</b>	<b>774,151</b>	<b>853,443</b>
<u>Print studio</u>					
Activities undertaken directly	101,801	17,536	105,077	224,414	172,394
Support costs	61,378	430	25,454	87,262	68,583
<b>Total</b>	<b>163,179</b>	<b>17,966</b>	<b>130,531</b>	<b>311,676</b>	<b>240,977</b>
<u>Shop</u>					
Activities undertaken directly	55,846	-	132,024	187,870	133,981
Support costs	51,383	360	21,310	73,053	53,295
<b>Total</b>	<b>107,229</b>	<b>360</b>	<b>153,334</b>	<b>260,923</b>	<b>187,276</b>
	<b>934,179</b>	<b>24,198</b>	<b>994,331</b>	<b>1,952,708</b>	<b>1,824,027</b>
<b>Governance costs</b>	-	-	5,625	5,625	6,750
	<b>934,179</b>	<b>24,198</b>	<b>999,956</b>	<b>1,958,333</b>	<b>1,830,777</b>

Included in total resources expended are staff pension costs of £44,193 (2013: £45,047) and a net finance cost of £16,376 (2013: £3,936) both in line with FRS17 requirements.

Governance costs includes payments to the auditors of £4,970 (2013: £4,800) for audit fees.

# DUNDEE CONTEMPORARY ARTS LTD

## BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2014

### 6 Activities undertaken directly

	2014 £	2013 £
Other costs relating to Galleries & education comprise:		
Artists fees and expenses	46,313	26,519
Installation costs	18,211	21,009
Production and display	44,499	52,571
Publications	24,170	5,132
Exhibition marketing	10,893	12,423
Education	68,823	66,615
Other costs	41,727	34,777
	<u>254,636</u>	<u>219,046</u>

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

Other costs relating to Cinema comprise:

Film hire	196,753	187,477
Events	62,435	55,530
Cinema marketing	45,499	48,014
Front of house	8,985	8,851
Other costs	29,446	24,327
Refurbishment costs	-	63,060
	<u>343,118</u>	<u>387,259</u>

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	60,030	40,936
Events and projects	38,985	16,437
Other costs	6,062	6,106
	<u>105,077</u>	<u>63,479</u>

Other costs relating to Shop comprise:

Purchases	76,060	75,949
Other costs	5,964	4,523
Refurbishment Costs	50,000	-
	<u>132,024</u>	<u>80,472</u>

# DUNDEE CONTEMPORARY ARTS LTD

## BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2014

### 7 Support costs

	Galleries & education	Cinema Print studio		Shop	Total 2014	Total 2013
	£	£	£	£	£	£
Marketing costs	11,677	14,918	6,006	5,028	37,629	44,447
Administration costs	37,811	48,306	19,448	16,282	121,847	95,809
Staff costs	119,331	152,453	61,378	51,383	384,545	375,861
Depreciation	837	1,069	430	360	2,696	3,048
	<u>169,656</u>	<u>216,746</u>	<u>87,262</u>	<u>73,053</u>	<u>546,717</u>	<u>519,165</u>

The administration support costs consist of the following items

	2014	2013
	£	£
Repairs & maintenance	26,522	12,879
Insurance	5,583	10,368
Post & Stationery	6,799	7,771
Telephone & fax	11,669	10,924
Recruitment & training	9,544	7,938
Travel & hospitality	2,352	2,489
Irrecoverable VAT	13,446	10,090
Interest Paid	598	853
Other outlays	28,958	28,561
Other finance charges	16,376	3,936
	<u>121,847</u>	<u>95,809</u>

### 8 Trustees

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

# DUNDEE CONTEMPORARY ARTS LTD

## BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2014

### 9 Employees

#### Number of employees

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

	2014 Number	2013 Number
Galleries and education	8	7
Cinema	14	12
Print Studio	3	4
Shop	3	3
Marketing	3	3
Administration	10	11
Installation Crew	1	1
	<u>42</u>	<u>41</u>

The installation crew is required to assemble and dismantle exhibitions. Although they are not permanent members of staff the total of hours worked by the team are equivalent to one FTE.

Employment costs	2014 £	2013 £
Wages and salaries	742,479	710,635
Social security costs	42,287	41,251
Other pension costs	149,413	140,953
	<u>934,179</u>	<u>892,839</u>

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

# DUNDEE CONTEMPORARY ARTS LTD

## BALANCE SHEET (CONTINUED)

**AS AT 31 MARCH 2014**

### 10 Net income for the year

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

	2014 £	2013 £
Surplus from normal ongoing activities	36,572	41,710
Less DCA contribution to refurbishment costs	25,000	63,060
	<u>11,572</u>	<u>(21,350)</u>
Net finance income/(cost) from FRS17 adjustment	(16,376)	(3,936)
Pension (charge)/credit from FRS17 adjustment	(44,193)	(45,047)
Deficit per Statement of Financial Activities	<u>(48,997)</u>	<u>(70,333)</u>

### 11 Tangible fixed assets

	Fixtures, fittings & equipment £
<b>Cost</b>	
At 1 April 2013 and at 31 March 2014	<u>234,905</u>
<b>Depreciation</b>	
At 1 April 2013	195,078
Charge for the year	24,198
At 31 March 2014	<u>219,276</u>
<b>Net book value</b>	
At 31 March 2014	<u>15,629</u>
At 31 March 2013	<u>39,827</u>

# DUNDEE CONTEMPORARY ARTS LTD

## BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2014

12 Debtors	2014 £	2013 £
Trade debtors	63,437	57,158
Prepayments and accrued income	24,785	10,504
	<u>88,222</u>	<u>67,662</u>
13 Creditors: amounts falling due within one year	2014 £	2013 £
Trade creditors	32,445	34,987
Taxes and social security costs	14,764	15,708
Dundee City Council recharges	111,743	171,037
Other creditors	68,545	69,422
Deferred income	24,147	40,661
	<u>251,644</u>	<u>331,815</u>

## 14 Pension and other post-retirement benefit commitments

### Defined benefit scheme

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

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

Dundee City Council administers the Tayside Pension 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 £149,413 (2013:charge £140,953).

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 2014 by qualified independent actuaries. The principal assumptions used by the actuaries were as follows:



# DUNDEE CONTEMPORARY ARTS LTD

## BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2014

### 14 Pension and other post-retirement benefit commitments

(Continued)

#### Defined benefit

The major assumptions used by the actuary were:

	2014 %	2013 %	2012 %
Rate of increase in salaries	5.10	4.80	4.80
Rate of increase in pensions in payment	2.90	2.60	2.50
Discount rate	4.60	4.70	4.60
Inflation assumption	2.90	2.60	2.50
Expected return on plan assets	-	6.10	7.30

#### Life expectancy from age 65;

	2014 Years	2013 Years
Retiring today		
Males	21.00	20.60
Females	23.30	22.90
Retiring in 20 years		
Males	23.20	21.90
Females	25.60	24.50

#### Employee benefit obligations

The amounts recognised in the balance sheet as follows:

	Defined benefit pension plans	
	2014 £	2013 £
Present value of funded obligations	2,227,000	1,642,000
Fair value of plan assets	(1,480,000)	(1,257,000)
Present value of unfunded obligations	747,000	385,000

# DUNDEE CONTEMPORARY ARTS LTD

## BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2014

### 14 Pension and other post-retirement benefit commitments

(Continued)

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

	Defined benefit pension plans	
	2014	2013
	£	£
Opening defined benefit obligation	1,641,000	1,424,000
Current service cost	147,000	141,000
Interest cost	78,000	66,000
Contributions by scheme participants	34,000	32,000
Actuarial losses (gains)	338,000	(26,000)
Benefits paid	(11,000)	5,000
Total	2,227,000	1,642,000

Changes in fair value of plan assets are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Opening fair value of plan assets	1,256,000	953,000
Expected return	97,000	62,000
Actuarial gain	-	109,000
Contributions by employer	104,000	96,000
Contributions from scheme participants	34,000	32,000
Benefits paid	(11,000)	5,000
Total	1,480,000	1,257,000

# DUNDEE CONTEMPORARY ARTS LTD

## BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2014

### 14 Pension and other post-retirement benefit commitments

(Continued)

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

	2014 £	2013 £	2012 £
Equities	1,125,000	891,444	647,734
Bonds	192,000	226,000	180,985
Property	133,000	113,000	104,781
Other assets	30,000	25,111	19,051
Total market value of assets	1,480,000	1,255,555	952,551
Present value of scheme liabilities	(2,227,000)	(1,641,000)	(1,424,000)
Deficit in scheme	(747,000)	(385,445)	(471,449)
Related deferred tax liability	-	-	-
Net pension liability	(747,000)	(385,445)	(471,449)

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

	Defined benefit pension plans	
	2014 £	2013 £
<b>Included in staff costs within total resources expended</b>		
Current service cost	147,000	141,000
<b>Net pension finance costs included within total resources expended</b>		
Interest on obligation	78,000	66,000
Expected return on pension scheme assets	(97,000)	(62,000)
Total	128,000	145,000
Actual return on plan assets	97,000	171,000

# DUNDEE CONTEMPORARY ARTS LTD

## BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2014

### 14 Pension and other post-retirement benefit commitments

(Continued)

Included with other recognised gains and losses:

Defined benefit  
pension plans

	2014 £	2013 £
Actual return less expected return on pension scheme assets	37,000	109,000
Changes in assumptions underlying the present value of the scheme liabilities	(338,000)	26,000
Past service cost	-	-
	<u>(301,000)</u>	<u>135,000</u>

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

Defined benefit pension plans

	2014 £	2013 £	2012 £	2011 £	2010 £
Defined benefit obligation	(2,227,000)	(1,642,000)	(1,424,000)	(1,041,000)	(1,122,000)
Plan assets	1,480,000	1,257,000	953,000	889,000	738,000
Surplus/(deficit)	(747,000)	(385,000)	(471,000)	(152,000)	(384,000)
Experience adjustments on plan liabilities	-	-	5,000	-	-
Experience adjustments on plan assets	-	109,000	(100,000)	5,000	148,000
	<u>-</u>	<u>109,000</u>	<u>(100,000)</u>	<u>5,000</u>	<u>148,000</u>

# DUNDEE CONTEMPORARY ARTS LTD

## BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2014

### 15 Restricted funds

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

	Balance at 1 April 2013	Movement in funds		Balance at 31 March 2014
	£	Incoming resources	Resources expended	£
		£	£	
Print studio equipment	14,089	-	(14,089)	-
Shop improvements	-	25,000	(25,000)	-
	<u>14,089</u>	<u>25,000</u>	<u>(39,089)</u>	<u>-</u>

The print studio restricted fund above represents the capital 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.

The shop refurbishment fund represents income from Creative Scotland towards the refitting of the shop. This funding was matched by a contribution from DCA which had been designated for this purpose. The refit was completed during the year

### 16 Designated funds

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

	Balance at 1 April 2013	Movement in funds		Balance at 31 March 2014
	£	Incoming resources	Resources expended	£
		£	£	
Capital reserve	120,000	-	-	120,000
Shop improvements	25,000	-	(25,000)	-
	<u>145,000</u>	<u>-</u>	<u>(25,000)</u>	<u>(120,000)</u>

The trustees have maintained the designated capital reserves of £120,000. Last year a new designated fund was created to set aside DCA's contribution to the shop improvements. The improvements were carried out along with additional contribution from Creative Scotland and were completed in early 2014.

# DUNDEE CONTEMPORARY ARTS LTD

## BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2014

### 17 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2014 are represented by:				
Tangible fixed assets	15,629	-	-	15,629
Current assets	498,926	120,000	-	618,926
Creditors: amounts falling due within one year	(251,644)	-	-	(251,644)
Defined benefit pension liability	(747,000)	-	-	(747,000)
	<u>(484,089)</u>	<u>120,000</u>	<u>-</u>	<u>(364,089)</u>

### 18 Auditors' Ethical Standards

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