

SC175926

DUNDEE CONTEMPORARY ARTS LIMITED

For the Year ended 31st March 2005



DUNDEE CONTEMPORARY ARTS LIMITED

OPERATIONAL ADDRESS: 152 Nethergate  
Dundee  
DD1 4DY

REGISTERED OFFICE: 30 & 34 Reform Street  
Dundee  
DD1 1RJ

COMPANY SECRETARY Blackadders  
30 & 34 Reform Street  
Dundee  
DD1 1RJ

LEGAL STATUS: A charity in Scotland accepted  
by the Inland Revenue and  
private limited company  
registered under the Companies  
Act 1985.

Charity Number: SC026631  
Company Number: SC0175926

AUDITORS: Bird Simpson & Co  
144 Nethergate  
Dundee  
DD1 4EB

SOLICITORS: Blackadders  
30 & 34 Reform Street  
Dundee  
DD1 1RJ

BANKERS: Royal Bank of Scotland  
3 High Street  
Dundee  
DD1 9LY

DUNDEE CONTEMPORARY ARTS LIMITED

CHAIRMAN'S STATEMENT

For the Year ended 31st March 2005

The 6th year of operation for DCA saw a consolidation of many of the achievements of previous years. Some initiatives were extended in scope and ambition and new events, most notably the 'Discovery Children's Film Festival', were added to the DCA calendar. Within the city DCA continues to play a massive role in the on-going transformation of Dundee, working to develop audiences and to establish and support a growing expectation for high-quality cultural experiences for the people of the city and the wider region.

The local successes are complemented by continued success on the national and international stage, where DCA has once again demonstrated its ability to bring the best art and cinema in the world to the city and also to support the development of new artists with international ambitions. The production facilities for print-making came through a difficult period, but successfully sustained the new 'Made at DCA' editioning programme.

The commitment of DCA to developing new audiences is best exemplified by the launch of the 'Discovery International Film Festival for Children and Young People' which saw over 2,000 children visit the building over a two week period to experience the best of world cinema. This event promises to be the catalyst for many new and positive relationships within the city and across the globe.

The centre continues to be a vibrant hub for the city, with a buoyant bar and restaurant facility contributing to both the economic and social success of DCA. Our mixed economy operation, which matches direct trade through catering and retail functions with cultural support from a wide number of agencies, helps to provide a stable operating platform that is the envy of many other arts organisations. The economic success of DCA extends beyond the abilities of the organisation to bring in a wide range of investors, as it continues to be a generator of economic wealth within the city itself, continuing to repay the faith that was invested in the original development.

Much credit in this year should be paid to the senior management team and especially to Katrina Brown and Jeni Iannetta who stepped up to fill the gap caused by the departure of the previous Director, Faith Liddell. The appointment of the new Director, Clive Gillman, was made in late November and he took up the post in February 2005.

During this year I have been well supported by my committed colleagues on the DCA Board, especially by the Depute Chair, Stuart Cross, and the Chair of the Finance and Operations Sub-Committee, John McDougall. In addition I would like to express our thanks for the continued positive support we received from our key stakeholders, specifically the Scottish Arts Council, Dundee City Council, Scottish Screen and the University of Dundee.

Robin Presswood  
Chairman

DUNDEE CONTEMPORARY ARTS LIMITED  
DIRECTORS REPORT

The Directors submit their Report and Financial Statements for the year ended 31st March 2005.

OBJECTS OF THE CHARITY

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

The Charity 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.

ORGANISATION

The board of directors, who meet regularly, administer the charity. A Finance and Operations sub-committee monitors the financial performance of the company. A director is appointed by the board to manage the day to day operations of the company.

DIRECTORS

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.

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

I. Adnan		S. Main	
P. Baillie		J. McDougall	
R. Buchanan		K. Nicoll	
S. Cross		S. Page	
Cllr. W. Dawson		Prof. S. Partridge	
H. Dempster		R. Presswood	(Chairman)
Bailie C. Farquhar	Resigned 20/6/05	G. Ritchie	
F. Grant	Appointed 30/6/05	D. Robertson	
S. Grimmond	Resigned 14/7/05	R. Sturrock	Appointed 24/2/05
Cllr. C. Hind		Cllr. C. Webster	
J.R. Inglis		Prof. G. Ward	

DUNDEE CONTEMPORARY ARTS LIMITED  
DIRECTORS REPORT

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

I. Adnan, P. Baillie, R. Buchanan, S. Cross, F. Grant, S. Main, D. Robertson and R. Sturrock.

DIRECTORS AND THEIR LIABILITY AS MEMBERS

The Directors of the Company are also trustees for the purpose of charity law. At 31st March 2005 there were 21 directors, all being members of the Company. The liability of the members is limited to £1 each.

STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE PREPARATION OF FINANCIAL STATEMENTS

The Directors are required by law to prepare accounts which 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, and which comply with applicable accounting standards.

They are also required to ensure that appropriate accounting policies have been used and applied consistently, that reasonable and prudent judgements and estimates have been made, where necessary, and that the accounts have been prepared on a going concern basis.

They are also responsible for maintaining adequate accounting records and 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 Directors confirm that these accounts comply with these requirements.

REVIEW OF THE ACTIVITIES AND FUTURE DEVELOPMENTS

The company generated a surplus of £5,377 in the year, (2004:£118).

The company has produced budgets for the current year that would result in a modest surplus being generated. Financial plans have also been drawn up to enable the Art Centre to produce similar small surpluses in the subsequent years and thus reinstate the company's reserves.

It is anticipated that these plans can be achieved while continuing to provide the range of services and facilities offered within the Art Centre.

DUNDEE CONTEMPORARY ARTS LIMITED  
DIRECTORS 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.

RESERVES POLICY AND RISK MANAGEMENT

The directors have reviewed the company's reserves and have adopted a policy whereby the reserves would be built up to a level more appropriate to the level of activity of the company.

The general reserve currently stands at £60,536 and the action plan adopted anticipates for this to be increased to £85,000 over the period to 2008/09 and thereafter maintained at that level.

The capital reserve for the replacement and renewal of fixed assets stands at £20,000 and the policy aims to maintain this at that level.

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

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:

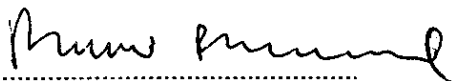
- Aims and objectives are achieved more effectively;
- significant risks will be known and monitored and;
- forward planning mechanisms will be improved.

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 in terms of Section 384 of the Companies Act 1985.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

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



Director

Date 25<sup>th</sup> November 2005

DUNDEE CONTEMPORARY ARTS LIMITEDINCOME & EXPENDITURE ACCOUNTFor the Year ended 31st March 2005

	Note	£	<u>2005</u> £	<u>2004</u> £
<u>INCOME</u>	2			
Donations, Grants & Sponsorship	3a		582,698	597,401
Income from Operating Activities	3b		863,609	761,039
Investment Income	3c		3,281	3,284
Other Income	3d		-	-
			<u>1,449,588</u>	<u>1,361,724</u>
<u>EXPENDITURE</u>				
Staff Costs	4	598,226		605,040
Other Operating Costs	3e	731,248		648,154
Administration & Management	3f	114,737		108,412
			<u>1,444,211</u>	<u>1,361,606</u>
Net Operating Surplus/(Deficit)	6		5,377	118
Transfer from/(to) Reserves			(5,377)	(118)
			<u>-</u>	<u>-</u>
			<u>=====</u>	<u>=====</u>

The Company has no gains or losses other than the results shown for the year. The turnover and reported results are in respect of continuing operations.

The notes on pages 6 to 16 form part of these financial statements

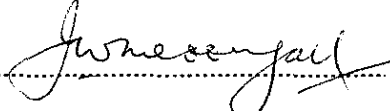
DUNDEE CONTEMPORARY ARTS LIMITEDBALANCE SHEETAt 31st March 2005

	Note	£	2005 £	2004 £
<u>TANGIBLE FIXED ASSETS</u>	8			
Computer Equipment			8,288	2,907
Other Equipment			11,824	14,436
			<u>20,112</u>	<u>17,343</u>
<u>CURRENT ASSETS</u>				
Stock		54,380		44,485
Debtors	9	176,202		153,652
Short Term Deposits	10	20,235		20,235
Cash at Bank		5,045		41,896
Cash in Hand		1,440		1,440
		<u>257,302</u>		<u>261,708</u>
<u>CREDITORS</u>				
Amounts falling due within one year				
Creditors and Accruals	11	196,878		203,892
<u>NET CURRENT ASSETS/(LIABILITIES)</u>			60,424	57,816
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			<u>80,536</u>	<u>75,159</u>
<u>Represented by:</u>				
<u>Unrestricted Funds</u>				
Capital Reserve	12		20,000	20,000
General Reserve	12		60,536	55,159
			<u>80,536</u>	<u>75,159</u>
Revenue Reserve	12		-	-
			<u>80,536</u>	<u>75,159</u>
Total Funds			<u>80,536</u>	<u>75,159</u>

These financial statements are prepared in accordance with the special provisions (of Part VII) of the Companies Act 1985 relating to small entities.

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

 Robin Presswood, Director

 John McDougall, Director

Dated 25th November 2005

The notes on pages 6 to 16 form part of these accounts.



DUNDEE CONTEMPORARY ARTS LIMITEDNotes to the AccountsAt 31st March 20051. 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 2000), applicable accounting standards, the Charities Accounts (Scotland) Regulations 1992 and the Companies Act 1985.

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 Incoming Resources

All income receivable is allocated to the year in which it relates, with the exception of donations which are recognised on their receipt.

1.4 Resources Expended

Resources expended are included on an accruals basis.

1.5 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.

1.6 Fixed Assets

Additions to fixed assets are stated as the cost incurred. 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 <sup>1</sup> / <sub>3</sub> %	Straight Line
Other Equipment	15%-33 <sup>1</sup> / <sub>3</sub> %	Reducing Balance

DUNDEE CONTEMPORARY ARTS LIMITEDNotes to the Accounts (continued)At 31st March 20051.7 Stock

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

1.8 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.

1.9 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)At 31st March 20053. STATEMENT OF FINANCIAL ACTIVITIES

	<u>Note</u>		<u>Unrestricted Funds</u>	
		£	<u>2005</u>	<u>2004</u>
			£	£
<u>Income Resources</u>				
Donations, Grants & Sponsorship	3a		582,698	597,401
Incoming Resources from Operating Activities				
- Operating of Arts Centre	3b	713,808		615,601
- Activities for generating funds	3b	149,801		145,438
			863,609	761,039
Investment Income	3c		3,281	3,284
Other Incoming Resources	3d		-	-
Total Incoming Resources			<u>1,449,588</u>	<u>1,361,724</u>
<u>Resources Expended</u>				
<u>Costs of generating funds</u>				
Costs of activities in operation of Arts Centre	3e			
- Programme costs		326,775		354,999
- Education		66,973		88,632
- Cinema		518,871		400,309
- Print Studio		93,005		74,669
- Shop		88,790		83,820
- Marketing		131,627		146,490
			1,226,041	1,148,919
Cost of Administration & Management	3f		218,170	212,687
Total Resources Expended			<u>1,444,211</u>	<u>1,361,606</u>
Net Incoming/(Outgoing) Resources			5,377	118
Total Funds brought forward			75,159	75,041
Total Funds carried forward			<u>80,536</u>	<u>75,159</u>

DUNDEE CONTEMPORARY ARTS LIMITEDNotes to the Accounts (Continued)At 31st March 20053a. DONATIONS, GRANTS & SPONSORSHIP

	<u>2005</u> £	<u>2004</u> £
Government and Other Public Bodies Grants		
- Dundee City Council - Pension	29,416	28,953
- Dundee City Council - ERDF	47,787	41,618
- Scottish Arts Council - Revenue	350,000	350,000
- Scottish Arts Council - Projects	12,000	20,000
- Scottish Screen - Revenue	51,000	51,000
- Scottish Screen - Projects	-	-
- University of Dundee - Marketing	10,000	10,000
- Other Miscellaneous Grants	3,211	1,908
Sponsorship Income	57,364	62,381
Donations	17,108	23,913
Membership Fees	4,812	7,628
	<u>582,698</u>	<u>597,401</u>
	=====	=====

3b. INCOMING RESOURCES FROM OPERATING ACTIVITIES

Operation of Arts Centre		
Dundee City Council - Service Agreement	227,616	221,047
Income from Trading - Shop	89,222	84,029
- Printshop	27,346	14,954
- Cinema	213,760	188,091
- Workshops	12,685	14,238
- Catalogue Sales	8,386	7,405
Collaborative Income	124,934	72,662
Other Miscellaneous Income	9,859	13,175
	<u>713,808</u>	<u>615,601</u>
	=====	=====
Activities for Generating Funds		
Café Royalties	113,035	108,332
Advertising	6,602	10,119
Room Hire	20,741	17,534
DCA Expertise	9,423	9,453
	<u>149,801</u>	<u>145,438</u>
	=====	=====
	<u>863,609</u>	<u>761,039</u>
	=====	=====

3c. INVESTMENT INCOME

Interest on Short Term Loans	896	702
Bank Interest	2,385	2,582
	<u>3,281</u>	<u>3,284</u>
	=====	=====

DUNDEE CONTEMPORARY ARTS LIMITEDNotes to the Accounts (Continued)At 31st March 2005

3d	<u>OTHER INCOME</u>	<u>2005</u>	<u>2004</u>
		£	£
		-	-
		=====	=====

RESOURCES EXPENDED3e. Analysis of Costs in Furtherance  
of Charities Objects

	<u>Staff Costs</u>	<u>Other Costs</u>	<u>2005 Total</u>	<u>2004</u>
	£	£	£	£
Programme	93,128	233,647	326,775	354,999
Education	32,997	33,976	66,973	88,632
Cinema	222,435	296,436	518,871	400,309
Print Studio	51,446	41,559	93,005	74,669
Shop	35,643	53,147	88,790	83,820
Marketing	59,144	72,483	131,627	146,490
	494,793	731,248	1,226,041	1,148,919
	=====	=====	=====	=====

3f. Analysis of Administration  
and Management Costs

Staff Costs	103,433	-	103,433	104,275
Repairs & Maintenance	-	3,322	3,322	4,982
Equipment	-	4,012	4,012	4,321
Rates	-	-	-	12,433
Insurances	-	13,541	13,541	12,434
Legal Fees	-	7,988	7,988	1,830
Audit Fees	-	3,300	3,300	3,200
Post & Stationery	-	10,518	10,518	10,325
Telephone & Fax	-	15,713	15,713	16,793
Recruitment	-	13,938	13,938	1,771
Training Courses	-	2,670	2,670	4,258
Travel	-	795	795	1,085
Subscriptions	-	1,579	1,579	1,690
Hospitality	-	1,042	1,042	922
Board Expenses	-	1,290	1,290	1,207
Other Outlays	-	15,162	15,162	14,211
Depreciation	-	7,484	7,484	9,464
Bad Debts	-	5,458	5,458	520
Interest Paid	-	6,925	6,925	6,966
	103,433	114,737	218,170	212,687
	=====	=====	=====	=====

Total Resources Expended in year to 31/3/2005	598,226	845,985	1,444,211
	=====	=====	=====

Total Resources Expended in year to 31/3/2004	605,040	756,566	1,361,606
	=====	=====	=====

DUNDEE CONTEMPORARY ARTS LIMITEDNotes to the Accounts (Continued)At 31st March 20054. STAFF COSTS

	<u>2005</u>	<u>2004</u>
	£	£
Wages & Salaries	550,150	559,481
Social Security Costs	38,559	35,546
Pension Costs	46,517	47,013
	<hr/>	<hr/>
	635,226	642,040
<u>Less:</u> Reception Costs recharged to DCC	37,000	37,000
	<hr/>	<hr/>
	598,226	605,040
	=====	=====

No employee earned more than £50,000 per annum (2004-Nil).

5. STAFF NUMBERS

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

	<u>2005</u>	<u>2004</u>
Programme	10	11
Education	2	3
Cinema	15	15
Print Studio	4	3
Shop	2	2
Marketing	3	4
Management & Administration	8	8
	<hr/>	<hr/>
	44	45
	=====	=====

6. OPERATING SURPLUS/(DEFICIT)

	<u>2005</u>	<u>2004</u>
	£	£
This is stated after charging:-		
Directors Remuneration	-	-
Auditors Remuneration - Audit Services	3,300	3,200
Depreciation	7,484	9,464
Directors Indemnity Insurance	1,470	1,470

7. 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.

DUNDEE CONTEMPORARY ARTS LIMITEDNotes to the Accounts (Continued)Year Ended 31st March 20058. TANGIBLE FIXED ASSETS

	<u>Office Equipment</u> £	<u>Other Equipment</u> £	<u>Total</u> £
<u>COST OR VALUATION</u>			
As at 1st April 2004	23,637	30,203	53,840
Additions	10,253	-	10,253
	<hr/>	<hr/>	<hr/>
As at 31st March 2005	33,890	30,203	64,093
	<hr/>	<hr/>	<hr/>
<u>DEPRECIATION</u>			
As at 1st April 2004	20,730	15,767	36,497
Provided during year	4,872	2,612	7,484
	<hr/>	<hr/>	<hr/>
At 31st March 2005	25,602	18,379	43,981
	<hr/>	<hr/>	<hr/>
<u>NET BOOK VALUE</u>			
At 31st March 2005	8,288	11,824	20,112
	<hr/>	<hr/>	<hr/>
At 31st March 2004	2,907	14,436	17,343
	<hr/>	<hr/>	<hr/>

9. DEBTORS

	<u>2005</u> £	<u>2004</u> £
ERDF Grants	27,897	6,783
Other Grants and Contributions	20,250	32,658
Sundry Debtors	128,055	114,211
	<hr/>	<hr/>
	176,202	153,652
	<hr/>	<hr/>

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>2005</u> £	<u>2004</u> £
Purchase Ledger	26,269	28,956
DCC Recharges	46,955	109,794
Sundry Creditors	122,152	56,660
VAT	1,502	8,482
	<hr/>	<hr/>
	196,878	203,892
	<hr/>	<hr/>

DUNDEE CONTEMPORARY ARTS LIMITEDNotes to the Accounts (Continued)At 31st March 200512. RESERVES

	<u>Opening Balance</u>	<u>Surplus for Year</u>	<u>Transfers</u>	<u>Closing Balance</u>
	£	£	£	£
Capital Reserve	20,000	-	-	20,000
General Reserve	55,159	5,377	-	60,536
Revenue Reserve	-	-	-	-
	<u>75,159</u>	<u>5,377</u>	<u>-</u>	<u>80,536</u>
	=====	=====	=====	=====

13. CONTINGENT LIABILITIES

There were no contingent liabilities known to the company at 31st March, 2005.

14. PENSION COMMITMENTS

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 for the year was £46,517 (2004 £47,013).

From 1st April 2005 the contributions of the group will be paid at 275% of employees contributions, which will be paid at 16.5% of pensionable salaries.

SSAP 24 disclosure

The latest actuarial assessment was at 31st March 2002. The main assumptions used were the future levels of price inflation of 2.6% per annum over pension increases, the future levels of real pay increases of 4.1% over and above price inflation and the discount rate of 6.2% applied to future liabilities to determine their present value.

At the date of the latest actuarial assessment the market value of the assets of the scheme was sufficient to cover 96.9% of the benefits that had accrued to members after allowing for expected future increases in earnings.



DUNDEE CONTEMPORARY ARTS LIMITEDNotes to the Accounts (Continued)At 31st March 200514. RETIREMENT BENEFITS (continued)FRS17 disclosure

The valuation for the scheme was carried out at 31st March 2002 and updated on an approximate basis to 31st March 2005 by qualified independent actuaries.

The principal assumptions used by the actuaries were as follows:

	<u>2005</u>		<u>2004</u>	
	%		%	
Rate of increase in salaries	4.4		4.4	
Rate of increase in pensions	2.9		2.9	
Discount rate	5.4		5.5	
Inflation rate	2.9		2.9	

	<u>2005</u>		<u>2004</u>	
	<u>Long term</u>		<u>Long term</u>	
	<u>Rate of</u>	<u>Value</u>	<u>Rate of</u>	<u>Value</u>
	<u>return</u>	<u>£000</u>	<u>return</u>	<u>£000</u>
Equities	7.5	210.0	7.7	146.0
Gilts	4.5	36.0	5.1	33.0
Other bonds	5.3	19.0	5.1	5.0
Property	7.0	28.0	6.5	19.0
Cash	4.3	11.0	4.0	7.0
		<hr/>		<hr/>
Total market value		304.0		210.0
Present value of scheme				
Liabilities		305.0		213.0
Deficit		(1.0)		(3.0)
Net pension liability		(1.0)		(3.0)

If FRS17 had been adopted in the financial statements, the company's net assets and profit and loss reserve would have been as follows:

	<u>2005</u>	<u>2004</u>
	<u>£000</u>	<u>£000</u>
Net assets excluding SSAP24	80.5	75.2
Pension liability	(1.0)	(3.0)
	<hr/>	<hr/>
	79.5	72.2
	=====	=====
General reserve excluding SSAP24 pension liability	60.5	55.2
Pension liability	(1.0)	(3.0)
	<hr/>	<hr/>
Revenue reserve	59.5	52.2
	=====	=====

DUNDEE CONTEMPORARY ARTS LIMITEDNotes to the Accounts (Continued)At 31st March 200514. RETIREMENT BENEFITS (continued)FRS17 Income and expenditure disclosures

Had the company adopted FRS17 early, the income and expenditure account for the year ended 31st March 2005 would have been adjusted as follows:

	<u>2005</u>	<u>%</u>
<u>Amounts charged against operating profit</u>	<u>£000</u>	<u>Payroll</u>
Current service cost	51.0	16.8
<u>Total amount charged against operating profit</u>	<u>51.0</u>	<u>16.8</u>
	=====	=====
<u>Amount credited to other Finance Income</u>	<u>£000</u>	<u>%</u>
		<u>Payroll</u>
Expected return on pension scheme assets	17.0	5.6
Interest on pension liabilities	(14.0)	(4.5)
<u>Net financial return</u>	<u>3.0</u>	<u>1.1</u>
	=====	=====

Amounts recognised in the statement of total recognised gains and losses

	<u>£000</u>
Actual return less expected return on assets	13.0
Experience loss on liabilities	(11.0)
<u>Actuarial gain</u>	<u>2.0</u>
	=====

	<u>2005</u>
	<u>£000</u>
Deficit in scheme at 31st March 2004	(3.0)
Charge against operating profit	(51.0)
Contributions	46.0
Net financial return	3.0
Actuarial gain	3.0
Deficit in scheme at 31st March 2005	<u>(2.0)</u>
	=====

<u>FRS17 history</u>	<u>31 March 2005</u>	<u>%</u>
	<u>£000</u>	
Difference between actual and expected		
Return on schemes' assets	13.0	4.0
Experience gain/(loss) on schemes' liabilities	-	-
Amount recognised in statement of total		
Recognised gains and losses on schemes'		
liabilities	3.0	0.8

DUNDEE CONTEMPORARY ARTS LIMITEDNotes to the Accounts (Continued)At 31st March 200515. DONATIONS IN KIND

The company has a close relationship with Dundee City Council which has granted a 10 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.

The company would also like to acknowledge the generous donation of stationery from Curtis Fine Paper. The total value of the stationery is estimated at £12,000 and it will be utilised by the company's administration section over several years.

16. DIRECTORS EXPENSES

During the year two directors were reimbursed for travelling expenses, amounting to £370. (2004: two directors £532).

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

We have audited the financial statements on pages 4 to 16 of Dundee Contemporary Arts Limited for the year ended 31st March 2005. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters that 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, or this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As described in the Statement of Directors' Responsibilities, the company's directors who are also the trustees of Dundee Contemporary Arts Limited for the purposes of charity law, are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and the Charities Accounts (Scotland) Regulations 1992. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

Basis of Audit Opinion


We have conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st March 2005 and its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985 and the Charities Accounts (Scotland) Regulations 1992.

Bid  & Co.

Bird Simpson & Co  
Chartered Accountants  
and Registered Auditors  
Dundee

Date 25<sup>th</sup> November 2005