Report and Financial Statements 31 July 2010

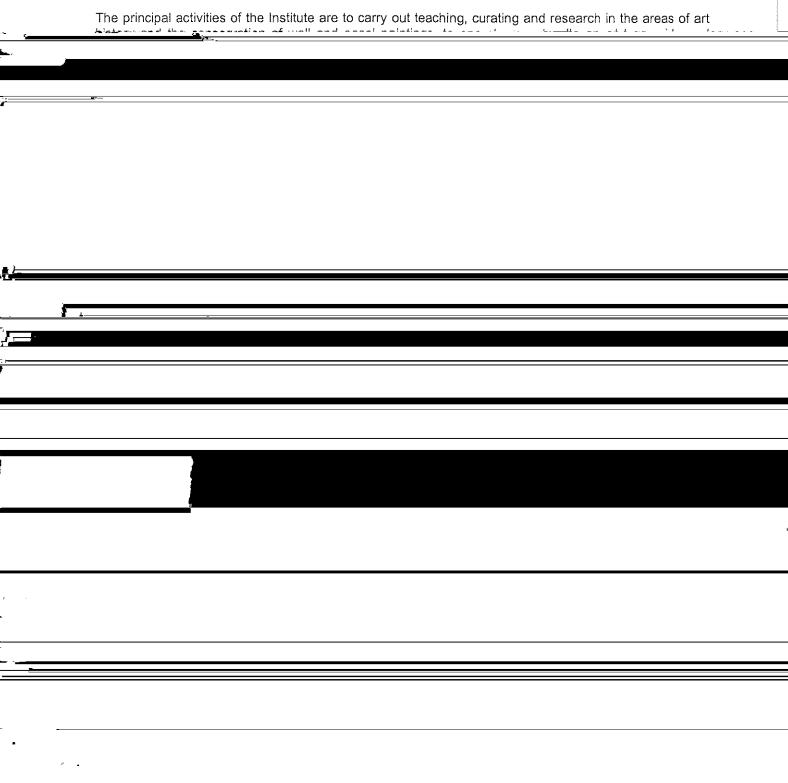
Report and Financial Statements 31 July 2010

Contents	Page
Directors' Report	1
Statement of Corporate governance and internal control	11
Statement of Primary Responsibilities of the Governing Board	16
Independent auditors' report to the Board of Directors	18
Consolidated income and expenditure account	20
Statement of consolidated total recognised gains and losses	21
Institute balance sheet	22
Consolidated balance sheet	23
Consolidated cash flow statement	24
Notes to the financial statements	25

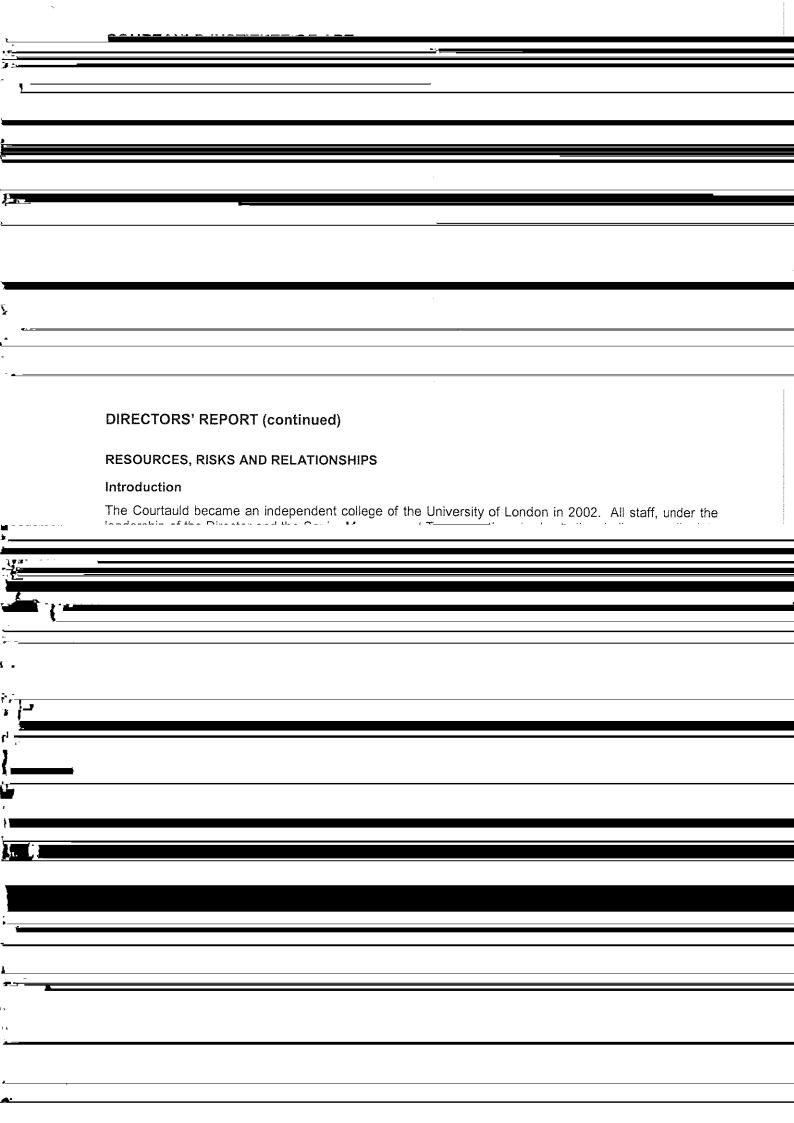
DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 July 2010.

ACTIVITIES



maintain facilities and services in support of the principal activities. The Institute is a company limited by

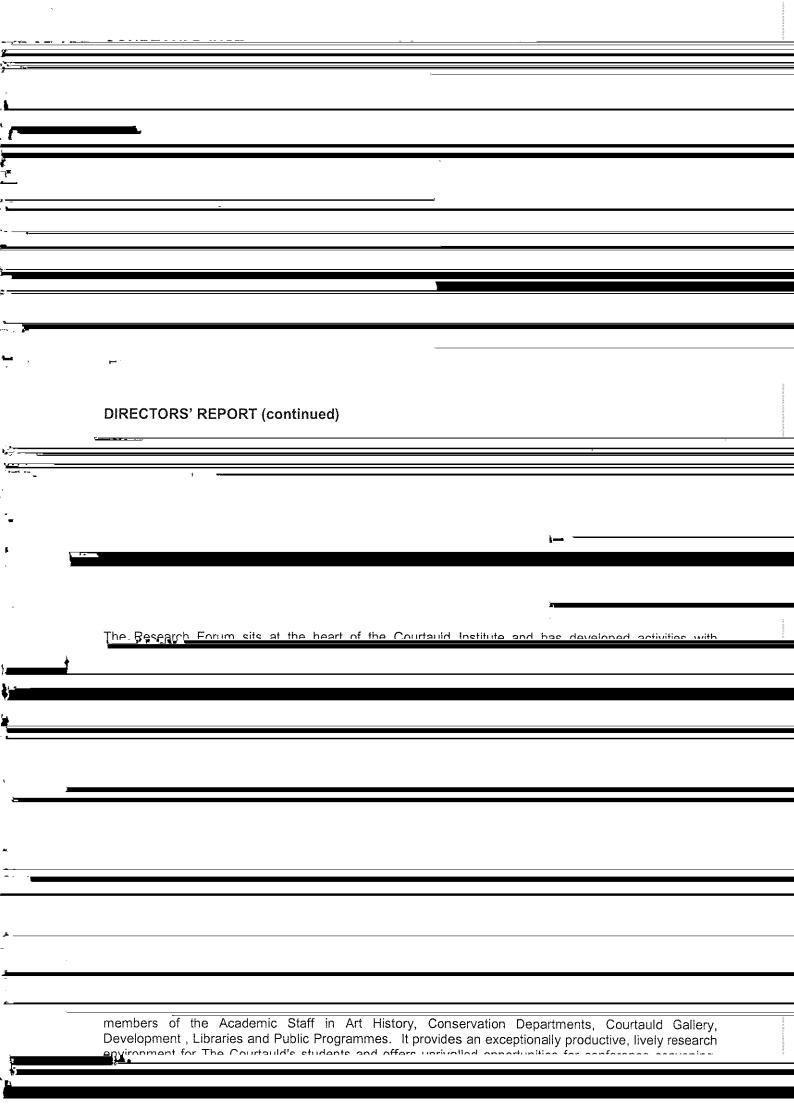


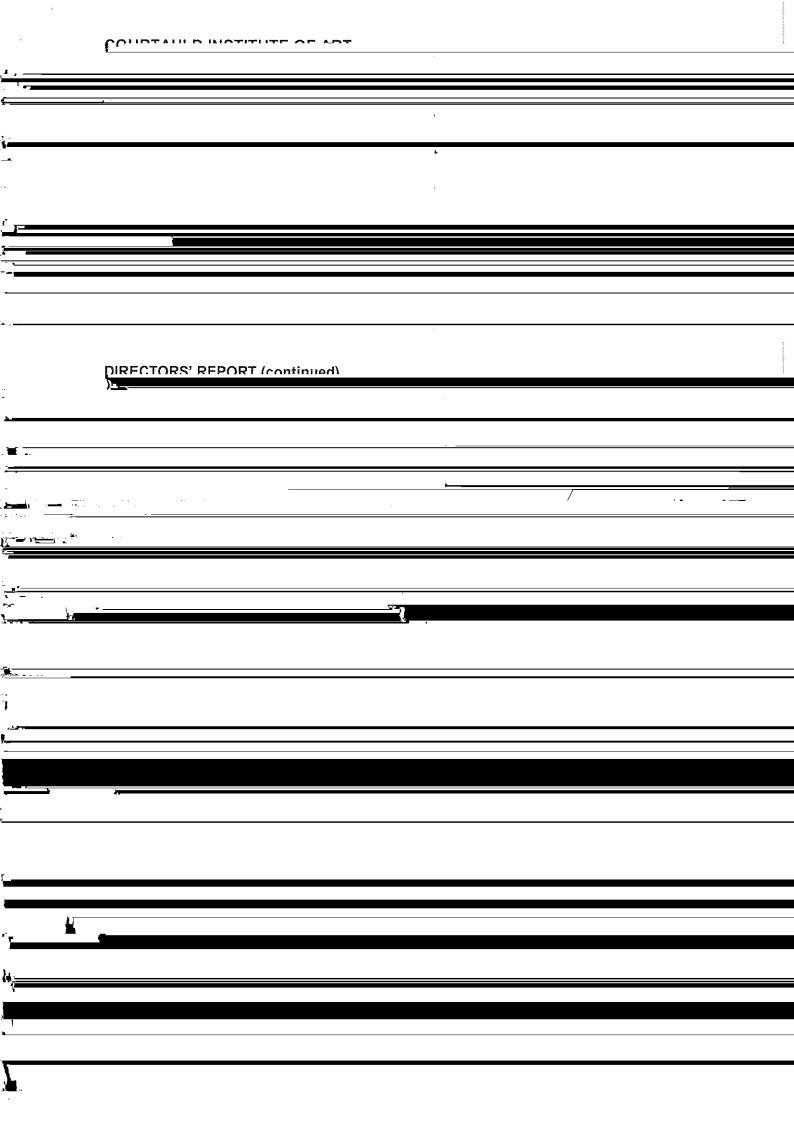
DIRECTORS' REPORT (continued)

	The high regard in which the Institute is held as a research community is underlined by the success of our
George Personal and a second s	
With the second	
T.	
· À	<u>, </u>
1	
1	
1	
<u> </u>	
l.	
-1	
. 4	
	· •
•	 Professor Mignon Nixon was awarded Fellowships at both the Getty Research Institute and at the Radcliffe Institute for Advanced Study for the academic year 2010-11 and accepted the latter;
	 Professor David Solkin was awarded a Fellowship at the Paul Mellon Centre for British Art for the academic year 2010-11;
	 Dr Sarah Wilson held a fellowship at the Centre National de la Recherche Scientifique, Paris in the spring term 2010 and was awarded a Residency at Dora Maar House (under Brown Foundation Fellows Program) for the academic year 2010-11;

<i>*</i>	COLUMN TO THE CO
<u> </u>	
<u> </u>	
- -	-
- <u>-</u>	· ·
a.s	
•	
-	
	DIRECTORS' REPORT (continued)
	involvement in other major exhibitions, conferences and lecture programmes, often international in their
-	

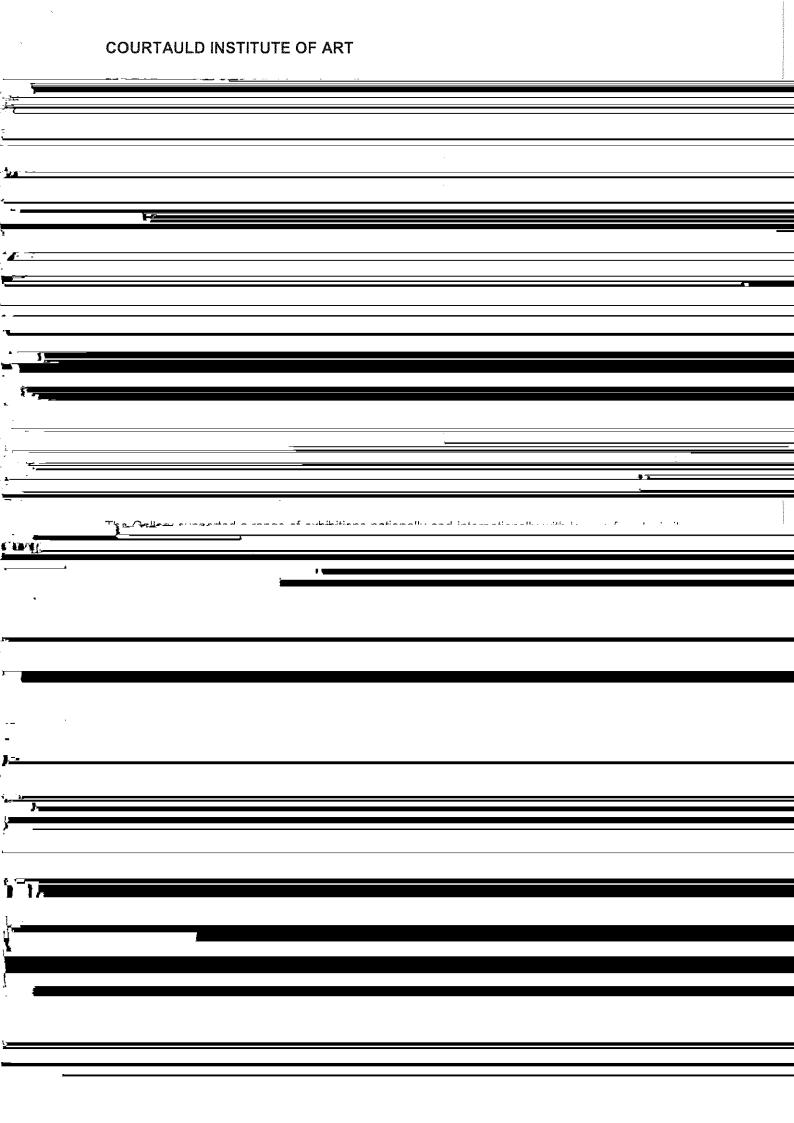
3	
· 	
,}	
	,
4	
4	
	Turner and the Masters, curated by David Solkin; at Tate Britain, 23 September 2009 to 31
	January 2010; Grand Palais, Paris, 22 February to 24 May, 2010 and The Museo Nacional del
	January 2010; Grand Palais, Paris, 22 February to 24 May, 2010 and The Museo Nacional del Prado, Madrid, 22 June to 19 September 2010. The exhibition had outstanding reviews and attracted over 840,000 visitors in Britain, France and Spain.
	January 2010; Grand Palais, Paris, 22 February to 24 May, 2010 and The Museo Nacional del Prado, Madrid, 22 June to 19 September 2010. The exhibition had outstanding reviews and attracted over 840,000 visitors in Britain, France and Spain.
	January 2010; Grand Palais, Paris, 22 February to 24 May, 2010 and The Museo Nacional del Prado, Madrid, 22 June to 19 September 2010. The exhibition had outstanding reviews and
	January 2010; Grand Palais, Paris, 22 February to 24 May, 2010 and The Museo Nacional del Prado, Madrid, 22 June to 19 September 2010. The exhibition had outstanding reviews and attracted over 840,000 visitors in Britain, France and Spain.

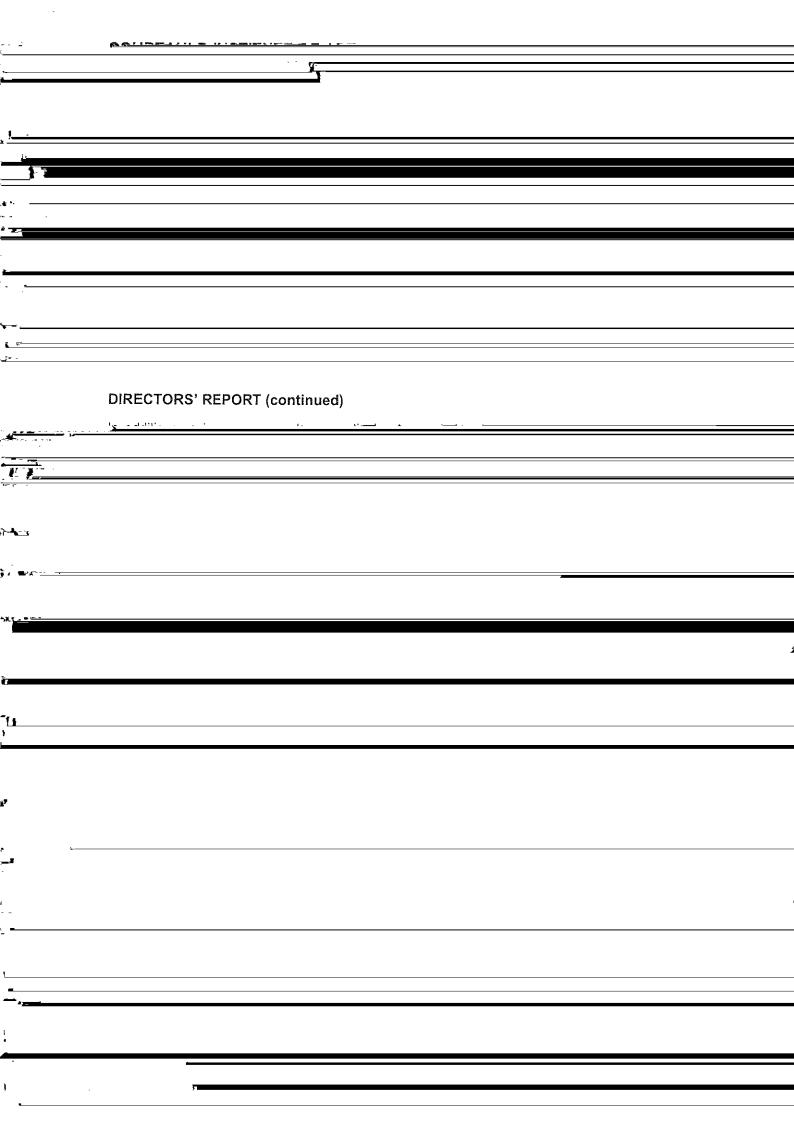




DIRECTORS' REPORT (continued)

lease with the Duchy of Lancaster for the provision of a further 67 student rooms in Duchy House, equally completed in Spring 2010. The rooms were then used as residential accommodation for students of the



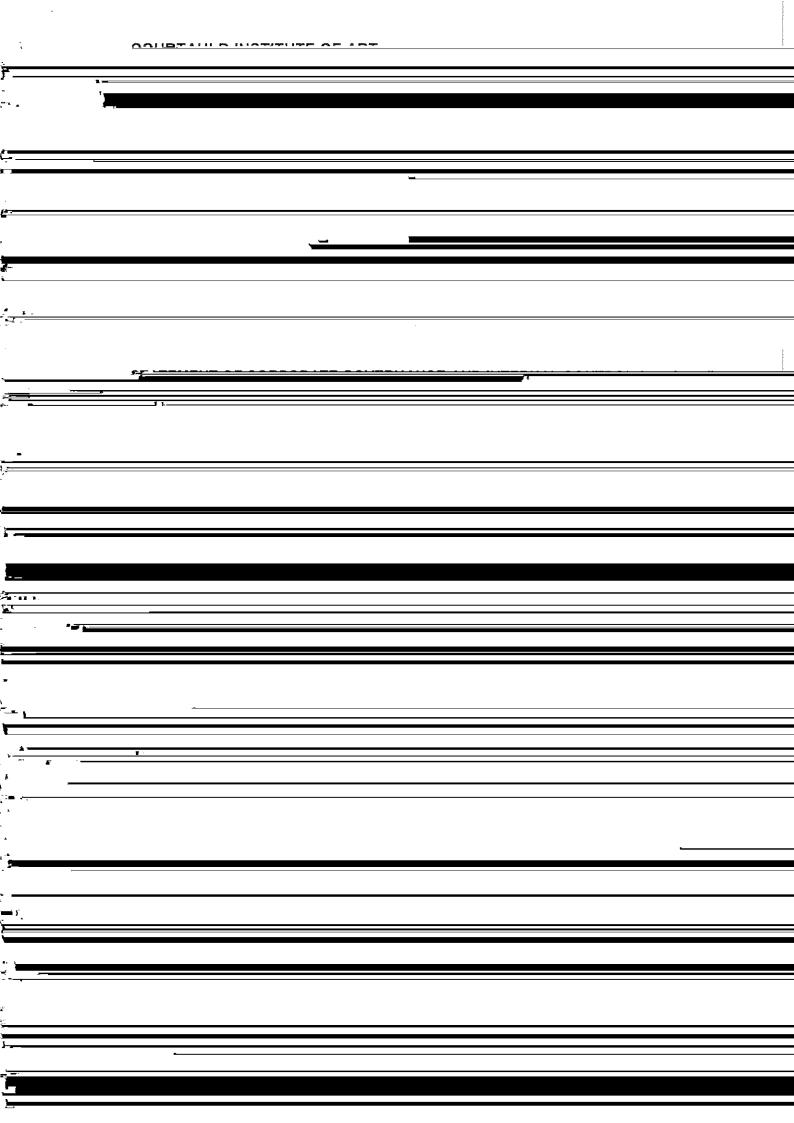


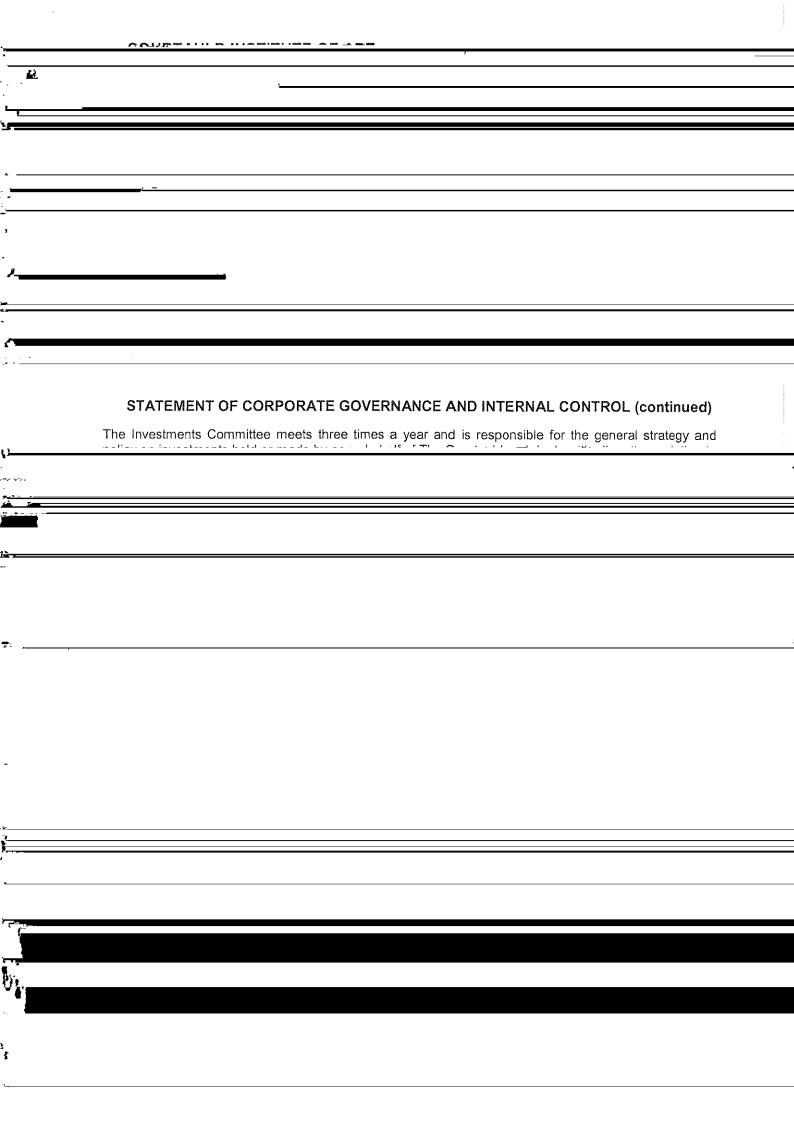
COURTAULD INSTITUTE OF ART DIRECTORS' REPORT (continued) Internal Late The shill be after and

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The Courtauld's Principles of Governance

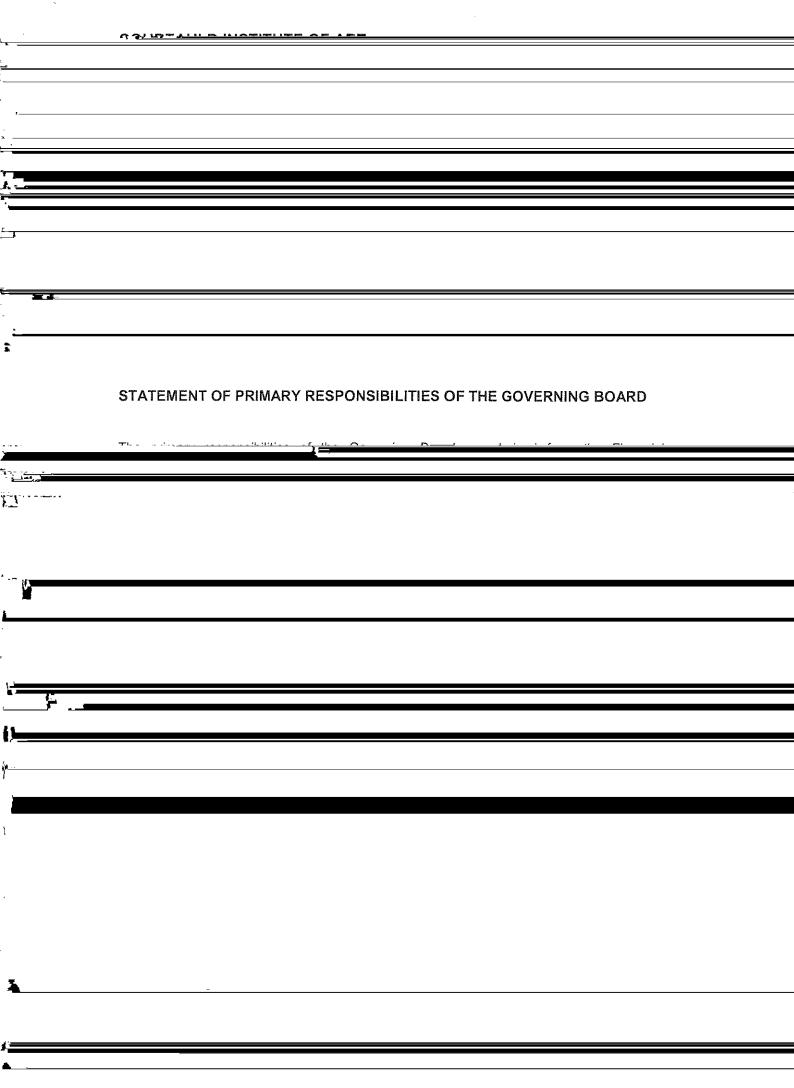
	-
· · · · · · · · · · · · · · · · · · ·	
· · · · · · · · · · · · · · · · · · ·	
· · · · · · · · · · · · · · · · · · ·	
•	
×	
meeting in July 2009 and confirmed its commitment to the Code, subject to a number of departures from	Andelson.

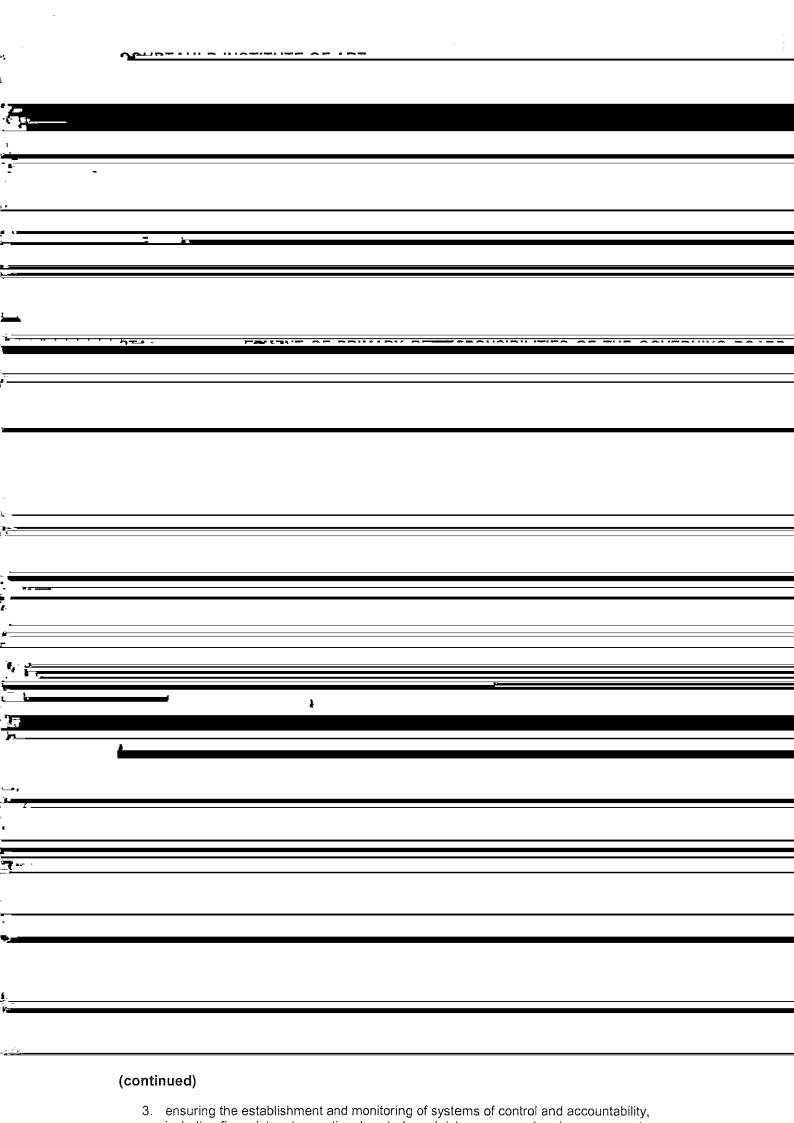


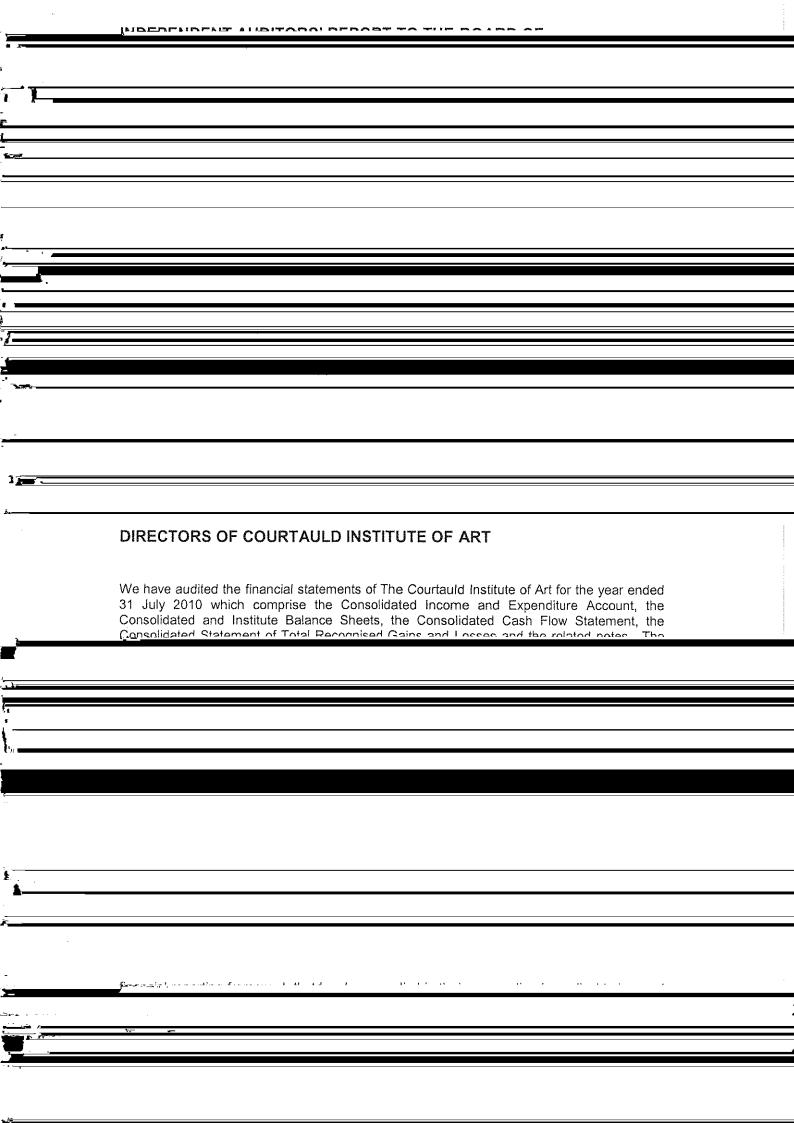


-	STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)	
· 		
		5.7
	The Coverning Board formally accounted reasonability for the aveter of internal content of its	en Individual
	,	
	4)	
	July 2004 meeting and took steps to ensure that its risk management strategy was effective	1
<u>.</u>	throughout the Institute and that from 1 Assesset 2000 the finalities was fully in the 10 to 10	1150

	STATEMENT OF CORDODATE COVERNANCE AND INTERNAL CONTROL (************************************	
	<u> </u>	_
·		
• •		
-		
	•	
T E		=
_		
	2	
1		
* 1 <u></u>		_
•		_
And the second s		k
 K		_
· •		_
		=
ł		
} ▲		
i ș		







- v <u>-i</u>	INDEPENDENT AUDITORS' REPORT TO THE BOARD OF	
** <u> </u>		
		-
-		
ı		
<u> </u>		
₩		
-,		
· 	£ .	
•		
3 5		
<u>.</u>		
÷		
ŧ	Quinion on other matters prescribed by the Companies Act 2006	
	f	
	<u></u>	
	hauraninian the information divan in the Director's Depart for the financial wear for which the	-

CONSOLIDATED INCOME & EXPENDITURE ACCOUNT

Note	Year ended 31 July 2010 £'000	Year ended 31 July 2009 £'000
2	4,391	3,462
3	2,085	1,904
	2	Note 31 July 2010 £'000 2 4,391 3 2,085

Other income	5	3,228	2,861	
Endowment and investment income	6	1,360	548	
TOTAL INCOME		11,884	10,431	
EXPENDITURE		······································		!
Staff costs	7	5,849	5,730	
Other operating expenses	9	4,892	5,093	
Depreciation	12	444	439	

TOTAL EXPENDITURE

11,189

11,282

· · · · · · · · · · · · · · · · · · ·		
v a.		
`		
		
		-
· ×,		
-		
- <u>-</u> .		
£		
\$~ ~		
** ****		
4		
<u> </u>		
ş		
3		
. •		
•		
•		
Year ended 31 July 2010		
	Year ended	Year ended

Surplus/ (Deficit) on continuing operations

31 July 2010 Note £'000

Year ended 31 July 2009 £'000

(851)

INSTITUTE BALANCE SHEET As at 31 July 2010

As at 51 July 2010				
		2010	2009	
	Note	£'000	£'000	
FIXED ASSETS				
Intangible assets	11	(115)	(179)	
Tangible assets	12	3,281	3,400	
Investments	14	6,951	6,183	
		10 117	<u> </u>	
•		, ,-		
ENDOWMENT ASSETS	15	18,285	15,832	
				
	1 ->====	2: 111110000131113	•	
CURRENT ASSETS				
Stocks	16	-	-	
	16 17	2,307	- 1,304	

TOTAL CURRENT ASSETS		3,492	2,592
CDEDITORS: amounts falling due within one year	18	/2 711)	/3 538/

<u> </u>		
NET CURRENT LIABILITIES	(219) (946)	AASan sammahahilan

CONSOLIDATED BALANCE SHEET

As at 31 July 2010

Cash at hank and in hand

ŕ	Note	2010 £'000	2009 £'000	
FIXED ASSETS				
Intangible assets	11	(115)	(179)	
Tangible assets	12	3,300	3,431	
Fjy <u>ed asset Investments</u>	11	6 D51	£ 192	

	•	10,136	9,435	•
ENDOWMENT ASSETS	15	18,285	15,832	
CURRENT ASSETS	<u></u>	***		
Stocks	16	105	88	
Dehtors	47	2 17F	4-045	}

CREDITORS: amounts falling due within one year

18

(3,727)

(3,598)

NET CURRENT LIABILITIES

(?14)

10401

CONSOLIDATED CASH FLOW STATEMENT

L			
	Note	Year ended	Year ended
Cash flow from operating activities	25	31 July 2010 £'000 (625)	31 July 2009 £'000 (1,636)
<u></u>	·	·	
c			
}			

Capital expenditure and financial investment

27

(342)

615

	COURTAULD INSTITUTE OF ART	
f.— -		
<u>, , , , , , , , , , , , , , , , , , , </u>	· · · · · · · · · · · · · · · · · · ·	
<u>}</u> N===		

· - ,	V 1 104 1 1 0040	
	Year ended 31 July 2010 1. STATEMENT OF ACCOUNTING POLICIES	
-1	Basis of preparation	
	<u> </u>	
-		
` <u>.</u> ,		
1		
٧		
-		
-		
. •		
	Practice (SORP): Accounting for Further and Higher Education 2007 and in accordance with applicable accounting standards.	
	Basis of accounting	
- 		
12		

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 July 2010

	1.	STATEMENT OF ACCOUNTING POLICIES (continued)
		Endowments Permanent Endowments are invested on a total return basis. Returns on investments are credited to the income and expenditure account to the extent that they have been applied for the purposes
ಕ್ಕ		

fund as part of the endowment until such time as they are applied by the Institute and a transfer is made to the income and expenditure account.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2010
1. STATEMENT OF ACCOUNTING POLICIES (continued)

_	b) Equipment Squipment coating loss than 610,000 per individual item or not of similar items is written of the in-
-	
3	
_	
ł	
.	
•	
•	
ye.	
\	
1	
•	
`x	
ia.	
-	
	المنافق المناف
, <u>, ,</u>	
<u> </u>	
=	
•	
1	
· · -	

COURTAULD INSTITUTE OF ART NOTES TO THE FINANCIAL STATEMENTS Taxation The Institute is an exempt charity within the meaning of schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of section 506 (1) of the Income and Corporation Taxes Act

	NOTES TO THE FINANCIAL STATEMENTS Year ended 31 July 2010		
· +	2 FUNDING COUNCIL GRANTS	Year ended Year ended	
			n
To	Recurrent grant from HEFCE	£'000 £'000 3,012 2,476	
•	Deferred Capital Grants released Other specific grants from HEFCE	137 137 354 129 4,391 3,462	
	·		
<u> </u>			
<u>g. s. no</u>		Year ended Year ended	-
)	· · · · · · · · · · · · · · · · · · ·
	UK Higher Education students European Union (EU) (excluding UK) Non-EU students	942 843 162 131 891 880	
		·	

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 July 2010

7	57	ΔFF	co	STS

STAFF COSTS
The average weekly number of persons (including directors) employed by the Group during the year, expressed as full-time equivalents, was:

Year ended Year ended

	No	No
Teaching departments	36	37
Teaching support services	2	2
Gallery & Libraries	20	22
Administration and central services	43	44
Premises	4	4
Other	13	12
	118	121
Staff costs for the above persons:	E,000	£'600
Wages and salaries	4,867	4.781
Social security costs	423	425
Pension costs	559	524
	17-	

The number of staff, including the directors, who received emoluments (excluding employers pension contributions) of more than £100,000 in the financial year was:

Year ended 31 July 2010 31 July 2009 No No

£170,000-£180,000

SENIOR POST HOLDER'S EMOLUMENTS

The emoluments of the Director of the institute are as follows
Year and a very a very and a very a very and a very a very and a very a very and a very

	000°3	£'000
Salary	173	171
Pension contributions	27	24
	200	195

ANALYSIS OF EXPENDITURE BY ACTIVITY (continued)

Year ended Year ended 31 July 2010 31 July 2009 Total Total £'000

Other operating expenses include:

. '-		
Auditors' remuneration		
-statutory audit	42	57
- Other services	-	29
Hire of other assets	13	22

The external audit fee for the institute was £39,000 (2008-09: £50,000)

.....

10	INTEREST PAYABLE	Year ended 31 July 2010 £'000	Year ended 31 July 2009 £'000
	On bank loans and other loans: Repayable within 5 years by instalments	4	20
		4	20
11	INTANGIBLE FIXED ASSETS		
	Negative goodwill	Institute £'000	Group £'000
	Cost At 1 August 2009 and 31 July 2010	(599)	(1,080)
	Amortisation At 1 August 2009 Released in the year	420 64	901 64
	At 31 July 2010	484	965
	had herds with		
	At 31 July 2010	(115)	(115)
	At 31 July 2009	(179)	(179)

Negative goodwilf for the Institute relates to the difference between the value of assets acquired on independence from the University of London and the amount paid for those assets. Negative goodwilf for the Group additionally includes the difference between the value of assets acquired on the takeover of SCT Enterprises Ltd and the price paid for those assets.

12	TΑ	NGI	BLE	FIXED	ASSETS

Institute	Leasehold	Rare books			
	land and	and	Computer	General	
	buildings	artefacts	equipment	equipment	Total
	£'000	£'000	£,000	£,000	£,000

1.	A THIRD TO COMPANIES							
	•							
-								
-								
	Group	Leasehold R	are books	<u> </u>	A			
`								
		buildings معمد ـــــــــــــــــــــــــــــــــــ	artefacts e	equipment	equipment	Total		
		prode	***	*****	21***	A		
	Cost							
		2 523	853	479	1.393	5.248		
	At 1 August 2009 Additions	2,523 130 2,653	853 - 853	479 29 508	1,393 154 1,547	5,248 313 5,561		
	At 1 August 2009		853 - 853		154 1,547			
	At 1 August 2009 Additions	130 2,653	853	29 508	154 1,547	313		
	At 1 August 2009 Additions At 31 July 2010	130 2,683	853	29 508	154 1.547	313 5,561		
	At 1 August 2009 Additions At 31 July 2010 At 1 August 2009	130 2,683 207	853	29 508 193 424 43	154 1,547 7 561 164	313 5,561 1.817		
	At 1 August 2009 Additions At 31 July 2010 At 1 August 2009 Charge for year At 31 July 2010	130 2,683 207	853	29 508 182 424 43 467	154 1,547 561 164 725	313 5,561 1.817 444 2.261		
	At 1 August 2009 Additions At 31 July 2010 At 1 August 2009	130 2,683 207	853	29 508 193 424 43	154 1,547 7 561 164	313 5,561 1.817		
	At 1 August 2009 Additions At 31 July 2010 At 1 August 2009 Charge for year At 31 July 2010	130 2,653 2,653 2,653 2,653 2,653 1,669 1,584	853	29 508 182 424 43 467	154 1,547 561 164 725	313 5,561 1.817 444 2.261		
	At 1 August 2009 Additions At 31 July 2010 At 1 August 2009 Charge for year At 31 July 2010 Net book value At 31 July 2010	130 2,653 2,653 2,653 2,653 2,653 1,069	853	29 508 1123 424 43 467 41	154 1.547 561 164 725	313 5,561 1.817 444 2,261 3,300		
	At 1 August 2009 Additions At 31 July 2010 At 1 August 2009 Charge for year At 31 July 2010 Net book value At 31 July 2010 At 31 July 2010	130 2,653 2,653 2,653 2,653 832 237 1,069 1,584	853 853	29 508 424 43 467 41	154 1.547 561 164 725 822	313 5,561 1.817 444 2.281 3.300		
	At 1 August 2009 Additions At 31 July 2010 At 1 August 2009 Charge for year At 31 July 2010 Net book value At 31 July 2010	130 2,653 2,653 2,653 2,653 2,653 1,069	853	29 508 1123 424 43 467 41	154 1.547 561 164 725	313 5,561 1,817 444 2,261 3,300		
	At 1 August 2009 Additions At 31 July 2010 At 1 August 2009 Charge for year At 31 July 2010 Net book value At 31 July 2010 At 31 July 2010	130 2,683 2,683 2,683 237 1,069 1,584	853 853 853	424 43 467 41	154 1,547 561 164 725 822	313 5,561 1.817 444 2.281 3.300		
_	At 1 August 2009 Additions At 31 July 2010 At 1 August 2009 Charge for year At 31 July 2010 Net book value At 31 July 2010 At 31 July 2010	130 2,683 2,683 2,683 237 1,069 1,584	853 853 853	424 43 467 41	154 1,547 561 164 725 822	313 5,561 1.817 444 2.281 3.300		

3,300

822

1,584

853

16 STOCKS ins

Institute Group

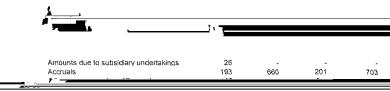
	Finished goods			105	88
17	DEBTORS	Institute	9	Group	
		2010	2009	2010	2009
		£'000	6,000	£'000	£,000
	Trade and student debtors	52	73	55	75
	Amounts due from subsidiary undertakings	148	103	-	_
	Taxation and VAT recoverable	58	49	58	49
	DEFOR MANN FILLIES COLLEGE	4 3 4 6	700	2 2 4 6	200

Other Accrued Revenue	524	223	524	243
Other debtors	16	17	16	17
Prepayments	163	119	176	131
	2,307	1,304	2,175	1,235

HEFCE Match funding is paid according to a profile determined by HEFCE, with the final payment due in February 2012.

18 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	institute		Group	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Loan from University of London		472		472
Bank loan	30	30	30	30
Payments received in advance	2,922	1,898	2,922	1,898
Tural Marie	202		115	



NOTES TO THE FINANCIAL STATEMENTS Year ended 31 July 2010

21	PROVISIONS FOR LIABILITIES AND CHARGES
	Institute and Group

Dilapidations £'000

At 1 August 2009 1,089

 Utilised in year
 (27)

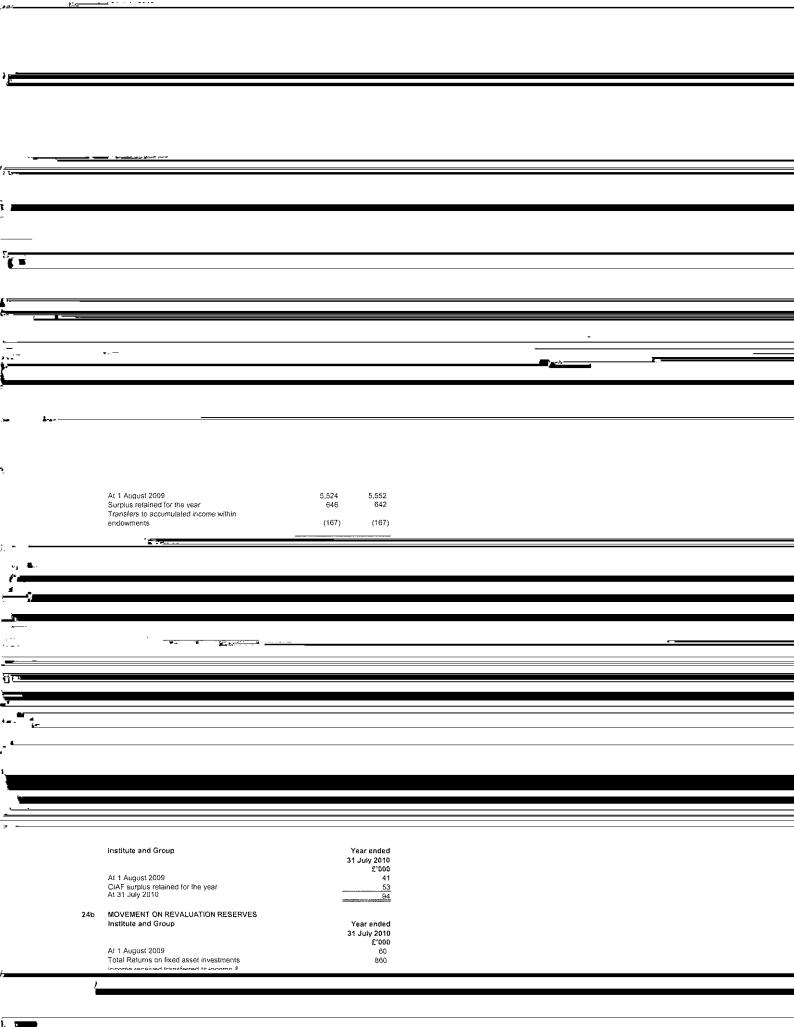
 At 31 July 2010
 1,287

The dilapidations provision relates to costs to be incurred in returning the premises licensed from Somerset House

tı

2009 year year July 2010 £'000 £'000 £'000 £'000 (1,285) (293) 133 (1,445)

HEFCE- Leasehold land and buildings



30	ANALYSIS	OF	CHANGES	iN	NET	FUNDS
30	ANALIOIO	UΓ	CHMINGEO	114	INC. I	LONDS

At 1 August 2009	Cash flows	At 31 July 2010
£'000	£'000	£'000
1,346	(113)	1,233
	2009 £'000 1,346	2009 £'000 £'000

Fixed Asset investments (note 14)
Debt due within one year
Debt due after more than one year
Correction to balances brought forward at 1
August 2007
Total

(68)	556	488
(502)	472	(30)
(121)	30	(91)
16 497	2,391	16 2,888

a .

University Superannuation Scheme (USS)
The Institute participates in the Universities Superannuation Scheme (USS), a defined befit scheme which is

	COURTAULD INSTITUTE OF ART
	אוטבער בס צות צייוייייייייייייייייייייייייייייייי
£.	
-	
	Year ended 31 July 2010
	31 PENSION AND SIMILAR OBLIGATIONS (continued)
<u> </u>	
·	
	·
1	
· ===	
•	
٠ ـ	
·	
-	
	ISS the amount of any nension fundion shortfall (which cannot ofbarwise he recovered) in recent of that amount
-	
-	
. 3	
	will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.
	The next formal triennial actuarial valuation is due as at 31 March 2011. The contribution rate will be reviewed as part
	The next formal triennial actuarial valuation is due as at 31 March 2011. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

At 31 March 2010, USS had over 135,000 active members and The Courtauld had 64 active members participating in the scheme.

The total pension cost for the institution was £458,000 (2009; £410,000). The contribution rate payable by the