

**COURTAULD INSTITUTE OF ART**

**Report and Financial Statements 31 July 2011**

**Report and Financial Statements 31 July 2011**

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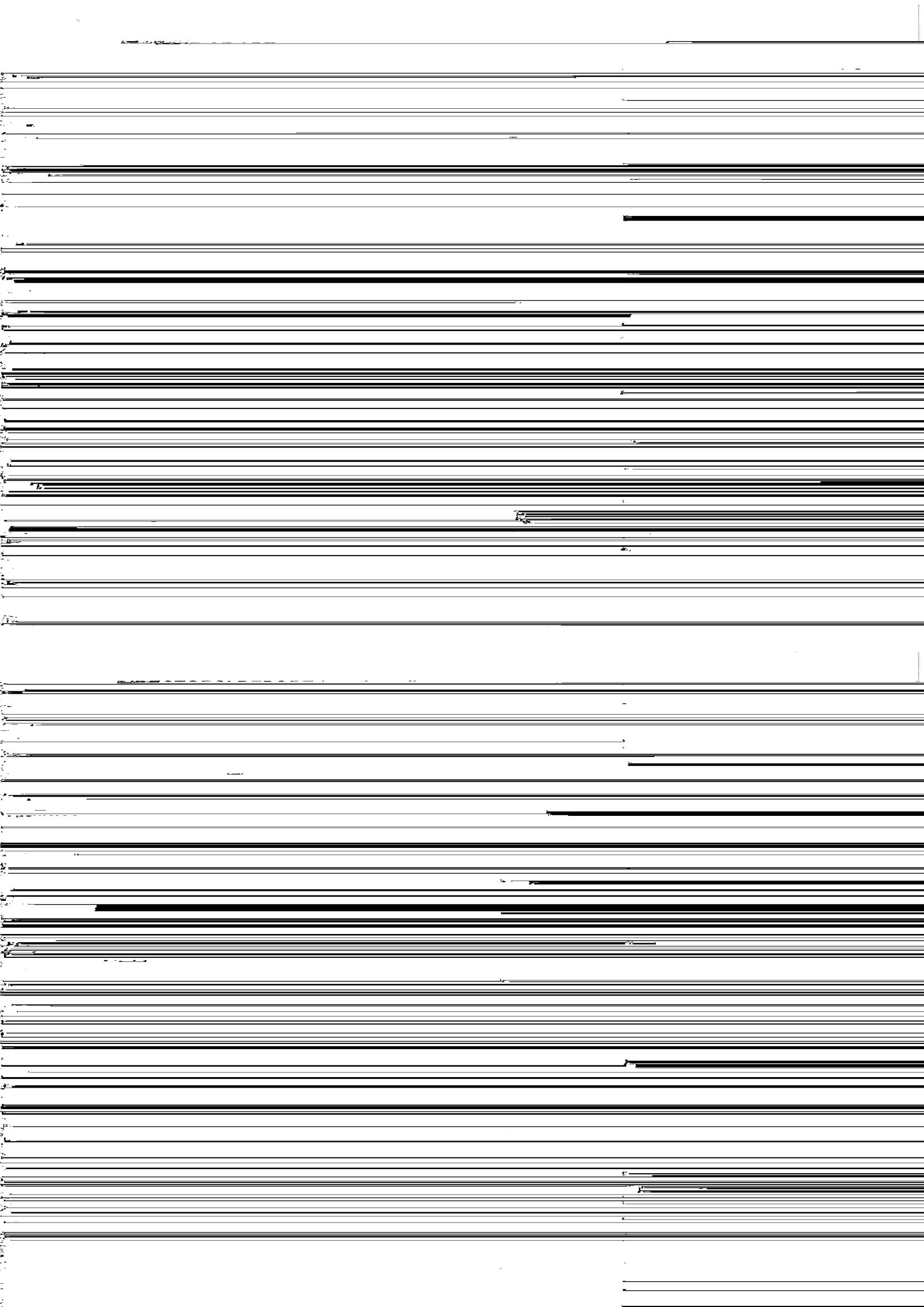
**DIRECTORS' REPORT**

THE BOARD OF DIRECTORS OF THE COURTNEY INSTITUTE OF ART HAS THE HONOR TO REPORT TO YOU ON THE ACTIVITIES OF THE INSTITUTE DURING THE YEAR 1964-65.

**DIRECTORS' REPORT (continued)**

The following supporting aims are critical to our successful achievement of these primary aims:

To plan, fund and develop the Gallery and Library collections and related services for the



- Professor David Solkin held a Senior Fellowship at the Paul Mellon Centre for Studies in British Art.
- Dr Christine Stevenson acted as a member of the Advisory Council of the Paul Mellon Centre for Studies in British Art.
- Professor Lisa Tickner acted as a Trustee of the Art Fund and continued to sit on the Paul Mellon

- *Life, Legend, Landscape: Victorian Drawings and Watercolours*  
Exhibition and catalogue: Dr Joanna Selborne (ed), The Courtauld Gallery, 17 February to 15 May 2011.
- *Toulouse-Lautrec and Jane Avril: Beyond the Moulin Rouge*  
Exhibition and catalogue: Dr Nancy Ireson (ed), The Courtauld Gallery, 16 June to 18 September

2011.

- *Falling up: the gravity of art*

DIRECTOR'S REPORT (continued)

**Students and teaching**

During the 2010-11 academic year UK higher education experienced a step change in how it was funded. The Conservative Government committed to reducing the national deficit by 2015, which meant that



COURTAULD INSTITUTE OF ART

DIRECTORS' REPORT (continued)

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COURTAULD INSTITUTE OF ART

COURTAULD INSTITUTE OF ART

DIRECTORS' REPORT (continued)

in that field from 2012-13. Discussions in other areas are on-going and further expansion within the next two to three years is possible.

COURTAULD INSTITUTE OF ART

DIRECTORS' REPORT (continued)

THE FOLLO... ..

The Directors who served during the year and up to the date of signing these financial statements were:

- Nicholas Ferguson (Chairman)
- Professor Caroline Arscott (to November 2010)

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

# COURTAULD INSTITUTE OF ART

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The following information is given to assist readers of the financial statements in obtaining an

**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)**

The Gallery and Academic Committee meets three times a year and deals on the Governing Board's

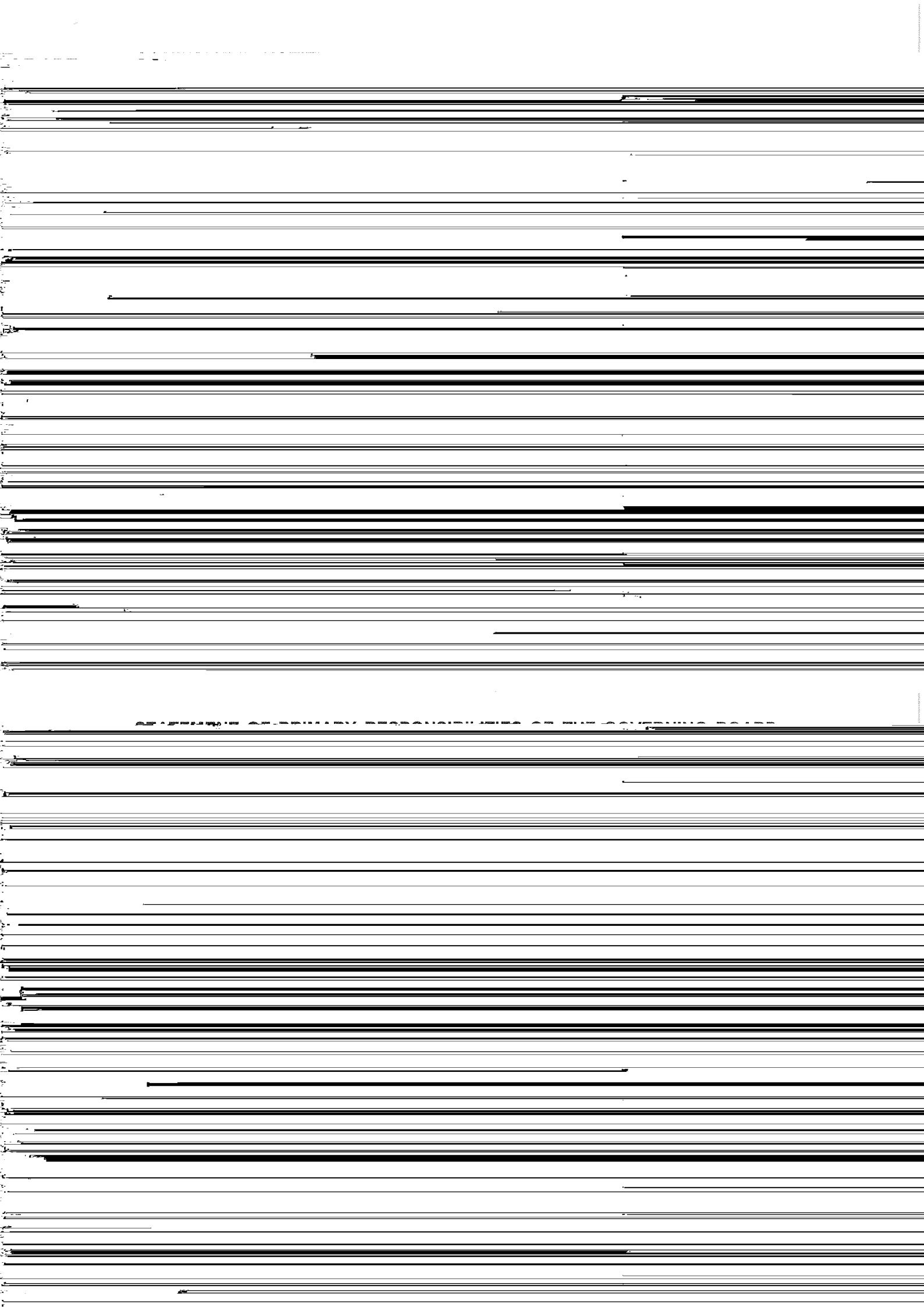
behalf with matters referred to the Board from the academic activities of the Institute and with the

**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)**



STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)





**DIRECTORS OF COURTAULD INSTITUTE OF ART**

1871-1914 THE COURTAULD INSTITUTE OF ARTS AND THE UNIVERSITY OF LEICESTER

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF  
DIRECTORS OF COURTAULD INSTITUTE OF ARTS

Opinion on other matters prescribed by the Companies Act 2006



COURTAULD INSTITUTE OF ART

STATEMENT OF THE CONSOLIDATED TOTAL RECOGNISED GAINS & LOSSES

Year ended 31 July 2011

Year ended

Year ended

Note

31 July 2011  
£'000

31 July 2010  
£'000

Carriage on continuing operations after depreciation

1,020

605

11

11

**INSTITUTE BALANCE SHEET**

	Note	£'000	£'000
<b>FIXED ASSETS</b>			
Intangible assets	11	(51)	(115)
Tangible assets	12	3,632	3,281
Investments	14	9,087	6,951
		<u>12,668</u>	<u>10,117</u>

**ENDOWMENT ASSETS** 15 21,491 18,285

**CURRENT ASSETS**

16 1



CONSOLIDATED BALANCE SHEET

As at 31 July 2011

	Note	2011 £'000	2010 £'000
<b>FIXED ASSETS</b>			
Tangible assets	12	3,663	3,300
Fixed asset Investments	14	9,087	6,951
		12,699	10,136
<b>ENDOWMENT ASSETS</b>	15	21,491	18,285
<b>CURRENT ASSETS</b>			
Stocks	16	106	105
Debtors	17	1,853	2,175
Cash at bank and in hand		2,785	1,233

COURTAULD INSTITUTE OF ART

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 July 2011

	Note	Year ended 31 July 2011	Year ended 31 July 2010
<b>Cash flow from operating activities</b>	25	2 510	(675)
Returns on investments and servicing of finance	26	1,289	1,356
Capital expenditure and financial investment	27	(2,273)	(342)
Management of liquid resources	28	-	-
Financing	29	(29)	(502)
<b>Increase/ (Decrease) in cash in the year</b>	30	<b>1,536</b>	<b>(113)</b>

**Basis of preparation**

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 July 2011**

**STATEMENT OF ACCOUNTING POLICIES**

**Foreign currency translation**

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year-end rates. Exchange differences are dealt with in the income and expenditure account, except in respect of foreign exchange variations in respect of future endowments, any exchange variations for which are shown in the statement of total recognised gains and losses.

**Pension Schemes**

The benefits are provided by the United Kingdom Government Pension Scheme (GPPS) and the State Pension Scheme (SPS).

NOTES TO THE FINANCIAL STATEMENTS  
Year ended 31 July 2011

1. STATEMENT OF ACCOUNTING POLICIES (continued)

**Leased assets**

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

**Investments**

Fixed asset investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value. Listed assets are included in the balance sheet at market value.

Investments that form part of endowment assets are included in the balance sheet at market value.

2 FUNDING COUNCIL GRANTS

	Year ended 31 Julv 2011 £'000	Year ended 31 Julv 2010 £'000
Recurrent grant from HEFCE	2,968	3,012
Matched Funding Scheme	1,142	888
Deferred Capital Grants released	267	137
Other specific grants from HEFCE	184	354
	<u>4,561</u>	<u>4,391</u>

3 TUITION FEES AND EDUCATION CONTRACTS

	31 Julv 2011 £'000	31 Julv 2010 £'000
UK Higher Education students	973	942
European Union (EU) (excluding UK)	465	162
Non-EU students	1,078	891
Total fees paid by or on behalf of individual students	2,516	1,995
Other education income	111	90
	<u>2,627</u>	<u>2,085</u>

	Year ended 31 Julv 2011 £'000	Year ended 31 Julv 2010 £'000
Research councils	127	42
UK based charities	51	65
EU Charity	88	23
	<u>266</u>	<u>130</u>

5 OTHER INCOME

	Year ended 31 Julv 2011 £'000	Year ended 31 Julv 2010 £'000
	945	820
Donations	1,834	1,442
Deferred Capital Grants released	36	29
The Courtauld Gallery- admissions and events	502	436
CGI (The Courtauld Group)	796	627
	<u>3,073</u>	<u>2,934</u>

7 STAFF COSTS

expressed as full-time equivalents, was:

	Year ended 31 July 2011 No	Year ended 31 July 2010 No
Teaching departments	33	36
Teaching support services	2	2
Gallery & Libraries	21	20
Administration and central services	44	43
Premises	5	4
Other	13	13
	<u>118</u>	<u>118</u>
<b>Staff costs for the above persons:</b>	<b>£'000</b>	<b>£'000</b>
Wages and salaries	4,967	4,867
Social security costs	433	423
Pension costs	577	559
	<u>5,977</u>	<u>5,849</u>

The number of staff, including the directors, who received emoluments (excluding employers pension

costs) of more than £100,000 in the financial year was:

	Year ended 31 July 2011 No	Year ended 31 July 2010 No
£170,000- £180,000	<u>1</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS  
Year ended 31 July 2011

9 ANALYSIS OF EXPENDITURE BY ACTIVITY (continued)	Year ended 31 July 2011	Year ended 31 July 2010
	Total £'000	Total £'000
<b>Other operating expenses include:</b>		
Amortisation of negative goodwill	(64)	(64)
Auditors' remuneration		
- statutory audit	44	42
- other services	11	
Hire of other assets	11	13
Operating Leases	<u>441</u>	<u>207</u>

The external audit fee for the Institute was £40,950 (2009-10: £39,000)

and obtaining a P11D dispensation from HM Revenue & Customs

10 INTEREST PAYABLE	Year ended 31 July 2011	Year ended 31 July 2010
	£'000	£'000
On bank loans and other loans:		



NOTES TO THE FINANCIAL STATEMENTS  
 Year ended 31 July 2011

12 TANGIBLE FIXED ASSETS (continued)  
 Group

Leasehold land and  
 Rare books and  
 Computer General

	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 August 2010	2,653	853	508	1,547	5,561

Depreciation  
 At 1 August 2010

1,000	407	705	2,264
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16 STOCKS

	Institute		Group	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Finished goods	1	-	106	105

17 DEBTORS

	Institute		Group	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Trade and student debtors	72	52	78	55
Amounts due from subsidiary undertakings	118	148	-	-
Taxation and VAT recoverable	01	69	01	69

HEFCE Match Funding Grants	1,314	1,346	1,314	1,346
Other Accrued Revenue	144	524	157	524
Other debtors	18	16	18	16
Prepayments	193	163	195	176

1,950      2,307      1,653      2,175

HEFCE Match funding is paid according to a profile determined by HEFCE, with the final payment due July/ August 2012.

18 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Institute		Group	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Payments received in advance	4,449	2,922	4,449	2,922
Trade creditors	476	399	492	418
Amounts due to subsidiary undertakings	1	26	-	-
Accruals	227	193	233	201

Year ended 31 July 2011

The dilapidations provision relates to costs to be incurred in returning the premises licensed from Somerset House Trust to their original condition.

22 DEFERRED CAPITAL GRANTS  
Institute and Group

	Balance at 1 August 2010 £'000	Received in year £'000	Released in year £'000	Balance at 31 July 2011 £'000
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DEFERRED CAPITAL GRANTS	(304)	(185)	303	(1,739)
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Other- Land and buildings	(304)	-	26	(278)
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(1,857)	(185)	303	(1,739)
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Institute and Group	Year ended 31 July 2011 £'000
At 1 August 2010	94

At 31 July 2011	<u>203</u>
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24b. MOVEMENT ON DEVALUATION RESERVES

Institute and Group	Year ended 31 July 2011 £'000
At 1 August 2010	566
Total Returns on fixed asset investments	1,185
Income received transferred to income & expenditure account	<u>(223)</u>
At 31 July 2011	<u>1,528</u>

25. RECONCILIATION OF OPERATING SURPLUS/ (DEFICIT) TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	31 July 2011 £'000	31 July 2010 £'000
Surplus on continuing operations	1,639	695
Depreciation	539	444

31 PENSION AND SIMILAR OBLIGATIONS

**University Superannuation Scheme (USS)**

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

31 PENSION AND SIMILAR OBLIGATIONS (continued)

**Superannuation Scheme of the University of London (SAUL)**

The Institute participates in a centralised defined benefit scheme for all qualified employees with the assets held in separate trusts administered for the Courtauld Institute of Art by a trustee for the purpose of the scheme.

Therefore contributions are accounted for as if SAUL were a defined contribution scheme and pension costs are