

INSTITUTE OF
CONTEMPORARY
ARTS



Institute of Contemporary Arts Limited

Report and financial statements
For the year ended 31 March 2023

Company number: 00444351
Charity number: 236848

Contents

For the year ended 31 March 2023

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Institute of Contemporary Arts Limited

Reference and administrative information

For the year ended 31 March 2023

Reference and administrative information

Institute of Contemporary Arts Limited

Company number	00444351
Country of incorporation	United Kingdom
Charity number	236848
Country of registration	England & Wales
Registered office and operational address	The Mall, London SW1Y 5AH

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Wolfgang Tillmans, Chair ^{[1] [2] [3] [4] [5]}

Alia Al-Senussi (appointed 7 March 2024)

Sepake Angiama ^{[3] [4]}

Charles Asprey, Chair of the Nominations & Ethics Committee ^[3]

Sara Blonstein (resigned 12 December 2022) ^{[1] [5]}

Michael Clayton (appointed 7 March 2024)

Amanda Gray, Chair of the Programming Committee (resigned 2 November 2023) ^{[3] [4] [5]}

Nabihah Iqbal ^{[3] [4]}

David Kolbusz, Chair of the Strategic Communications Committee ^[5]

Jo Stella-Sawicka (resigned 6 April 2023) ^{[1] [5]}

Reema Selhi (appointed 7 March 2024)

Emily Sheffield (appointed 7 March 2024)

Maria Sukkar, Chair of the Development Committee ^{[1] [3]}

Tilda Swinton

Leopold Thun (appointed 7 March 2024)

Steve Wills, Chair of the Finance & Audit Committee ^{[2] [4]}

^[1] membership of the Development Committee during the year

^[2] membership of the Finance & Audit Committee during the year

^[3] membership of the Nominations & Ethics Committee during the year

^[4] membership of the Programming Committee during the year

^[5] membership of the Strategic Communications Committee during the year

Institute of Contemporary Arts Limited

Reference and administrative information

For the year ended 31 March 2023

Key management personnel

Bengi Ünsal, Director

Hoda Ali, Head of Human Resources

Leila Hasham, Head of Artistic Programme

Jessye Parke, Head of Development (left 11 March 2024)

David Stacey, Director of Finance & Operations (joined 4 July 2022)

Kiera Blakey, Head of Artistic Programme (maternity cover from 3 October 2022 to 28 July 2023)

Tom Campbell, Director of Operations & Visitor Services (left 3 March 2023)

Lauren Richards, Director of Finance (left 12 May 2022)

Lucy Woollatt, Interim Managing Director (left 18 April 2022)

Principal bankers Barclays Bank PLC
Corporate Banking
1 Churchill Place
London E14 5HP

**Solicitors,
corporate and
commercial law** Mishcon de Reya LLP
Africa House
70 Kingsway
London WC2B 6AH

**Employment and
charity law** gunnercooke llp
1 Cornhill
London EC3V 3ND

**Auditor,
chartered accountants
and statutory auditor** Sayer Vincent LLP
110 Golden Lane
London EC1Y 0TG

Trustees' annual report

The trustees present their report and the audited financial statements for the year ended 31 March 2023.

Reference and administrative information set out on page 3 forms part of this report. The financial statements comply with: current statutory requirements; the memorandum and articles of association; the requirements of a directors' report as required under company law; and the Statement of Recommended Practice (SORP) – Accounting and Reporting by Charities, applicable to charities preparing their accounts in accordance with Financial Reporting Standard (FRS) 102.

Objectives and activities

Purposes and aims

'The objects for which the Company is established are to promote the education of the community by encouraging the understanding, appreciation and development of the arts generally and particularly of contemporary art as expressed in painting, etching, engraving, drawing, poetry, philosophy, literature, drama, music, opera, ballet, sculpture, architecture, designs, photography, films, radio and television of educational and cultural value.'

*– Memorandum of Association of Living Arts Limited, founded on 22 July 1947;
the company officially changed its name to the Institute of Contemporary Arts
Limited by a Special Resolution passed on 23 July 1968*

The Institute of Contemporary Arts (ICA) was founded in 1946 by a collective of artists, poets and their supporters, including Peter Gregory, ELT Mesens, Roland Penrose, Herbert Read and Peter Watson. In 1947, Herbert Read described the ICA as 'a workshop where work is joy, a source of vitality and daring'.

The ICA moved to its present location on the Mall in spring 1968. On its opening, then-Director Michael Kustow remarked:

'If the new ICA becomes merely another cultural amenity, in a city well stacked with galleries, theatres and concert halls, it will have failed. It must become an active presence, a focal point where a nucleus of artists from all the contemporary arts can communicate urgent and needed messages ... A free space, in which the deepest questions that concern us as individuals and society can be explored in continuity ... A sustained enquiry into the roots of our present possibilities and discontents.'

Director's statement

'The ICA is... the start of my beginning'
— Steve McQueen

For the past 75 years, the Institute of Contemporary Arts (ICA) has been a beacon of contemporary culture in London. Through its unwavering commitment to commissioning, producing and presenting ground-breaking work in film, music, performance and the visual arts, the organisation has been at the forefront of artistic innovation. With a genre-fluid programme, the ICA has continually challenged conventions, nurtured collaborations and encouraged art forms to evolve in new and exciting ways.

Throughout its remarkable history, the ICA has showcased visionary artists who have shaped and reshaped the cultural landscape. In keeping with the organisation's tradition of pushing boundaries, we remain dedicated to paving the way for the next generation of artists and amplifying creative voices. The ICA serves as both a playground and a home for today's most vital artists, celebrating risk-taking, championing innovation and promoting experimentation across all artistic disciplines.

However, the path ahead is not without its challenges. Recent years have witnessed geopolitical conflicts, soaring costs of living and political transitions, creating an environment in which stability is hard to come by. These factors have impacted our young audience base, making it crucial for us to adapt and engage with them in meaningful ways.

Rising costs have likewise impacted the ICA and audience numbers have yet to return to pre-pandemic levels. Moreover, we have faced a 23% cut in our Arts Council England funding during the financial year. While challenging, we view this as a catalyst for change and an opportunity to transform our operating model, ensuring the sustainability of our work in commissioning, producing and presenting new and exciting art. Our aim is to solidify the ICA's position as an essential part of London's cultural landscape for years to come.

To navigate this landscape, we are adopting a new business model that embraces change and responds to the needs of our audience. Doing so has necessitated some difficult decisions about the programming output and staffing levels needed to deliver the ICA's charitable objectives.

Financial sustainability is crucial for our long-term success. We are employing a multi-faceted approach, combining diverse revenue streams, fundraising initiatives and strategic partnerships to ensure the financial viability of our organisation. By investing in effective audience development and promotional strategies, we aim to increase attendance, attract sponsors and cultivate a loyal and engaged donor base.

As we embark on this ambitious journey, we are guided by our core values of artistic integrity, inclusivity, innovation and collaboration. We are committed to realising our vision, and we invite you to join us on this exciting endeavour to shape the future of contemporary arts at the ICA.

Bengi Ünsal, Director

Mission statement and strategic goals

The Institute of Contemporary Arts (ICA) is London's leading space for contemporary culture. We commission, produce and present new work in film, music, performance and the visual arts by today's most progressive artists. In our landmark home on The Mall in central London, we invite artists and audiences to interrogate what it means to live in our world today, with a genre-fluid programme that challenges the past, questions the present and confronts the future.

The cross-disciplinary programme encourages these art forms and others to pollinate in new combinations and collaborations. We stage club nights and film festivals, gigs and exhibitions, talks and digital art – with interplay and interaction at the core of all we do.

Our history of presenting and promoting visionary new art is unrivalled in London: from Kenneth Anger to Kathy Acker, Kano to Klein, Jackson Pollock to Jean-Michel Basquiat, Gay Sweatshop to Forensic Architecture, Pop Art to queer techno. Today, as ever, our inclusive programme reflects and represents who we are as a disparate and diverse collection of cultures and identities.

Our commitment to diversity, equity and inclusion at all levels of the organisation is central to our vision and mission. We acknowledge that in the past, the ICA maintained racial inequalities that marginalised some individuals and communities. We are now striving to improve our communications, culture and behaviours so that we are a truly inclusive organisation.

Some 76 years after a group of artists and poets founded the ICA as an alternative to the mainstream, we are more committed than ever to platforming and paving the way for the next generation of creative voices. We continue to celebrate risk, champion innovation and foster experimentation across the arts – serving as both a playground and a home for today's most vital artists.

The ICA is an Arts Council England National Portfolio Organisation.

Strategic goals for 2023–2026

To deliver its mission, the ICA works to five core goals:

- Conceiving, producing and delivering a world-class programme locally, nationally and internationally.
- Reaching beyond definitions of a contemporary arts audience by understanding all visitors as active participants in our programmes and building a diverse, inspiring community around the ICA.
- Providing multiple entry points to the arts for young people and those who are currently underrepresented in the cultural sector.
- Building a new, more sustainable business model that secures the long-term stability and growth of our organisation, enabling us to significantly increase our investment in the production of new works while supporting artistic experimentation and risk-taking.
- Achieving an engaging and innovative programme that challenges the status quo, fosters dialogue between different art forms, and will inspire generations to come.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period, with the trustees reporting on the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. This review also helps the trustees ensure that the charity's aims, objectives and activities remain focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how the charity's planned activities will contribute to the aims and objectives that have been set.

Achievements and programme highlights

We have rebalanced our cross-arts programme over the past year to ensure equal emphasis across music, performance, visual arts, artists' film and moving image, cinema, and learning and engagement. The programme now reflects the next generation of creative voices, using the ICA as a platform for innovation and experimentation.

Music

Music is an important part of the ICA's history, with the venue having hosted memorable performances from the likes of Throbbing Gristle, The Clash, Everything But the Girl, Patti Smith, Amy Winehouse, FKA twigs, Four Tet, St Vincent and Arca, among many others. The ICA lost its prominence as a music venue over the last decade – but led by our new Director Bengi Ünsal, previously Head of Contemporary Music at Southbank Centre, music is once again being established as a consistent and prominent element of our programme.

At the end of FY 2022/23, we presented sell-out performances by Alewya, Black Country New Road, Tamino and King Krule. The minus one series, which started in August 2022, is now a staple in the music calendar, building a regular and committed audience by working with communities to foster a DIY approach to club nights. We also hosted two popular club-night building takeovers, with INFERNO and BUTT magazine packing out the ICA.

We have established a new partnership with ticketing company DICE, and presented more than 24 gigs and seven club nights in FY 2022/23. The partnership has allowed us to reach new audiences, promoters and artists, as well as providing opportunities to achieve a healthy financial return. Our focus is now on presenting two to three music gigs every week over the next few years, cementing music as a key strand within our programme.

We have also secured a two-year partnership with d&b, which will install a 27-speaker, 360-degree spatial sound system in our live space. The new system will allow us to serve as a platform for artists to try out new dimensions in sound, and to present audiences with state-of-the-art performances.

Performance

Our performance programme supports artists whose practice sits outside traditional theatre and gallery frameworks, with a focus on research and new commissions.

In May 2022, the ICA hosted four performances over the course of a week by the artist-led performance and research project FUTURERITUAL, which looked at the use and function of ritual action in contemporary performance.

Then in November 2022, the ICA commissioned and presented *Here, a nut falls twice*, a sculptural sound installation by Yen Chun Lin. The commission will tour to Norbergfestival in 2024 and to Taiwan in 2025. Chun Lin won the Taipei Art Award Grand Prize in 2021, and her first solo presentation will take place in 2025.

Exhibitions

Our exhibitions programme continues to support artists with ambitious presentations at critical junctures in their careers.

In June 2022, we presented *Penny World*, the first UK institutional exhibition by artist and writer Penny Goring, to critical acclaim. In October 2022, we staged *Another World*, the first major survey of work by artist Christopher Kulendran Thomas, which subsequently toured to the KW Institute for Contemporary Art in Berlin and Kunsthalle Zürich. And in spring 2023, we worked with R.I.P. Germain on "*Jesus Died for Us, We Will Die for Dudus!*", an ambitious and immersive installation across both galleries. The artist's first installation in a UK public institution, the work will tour to FACT Liverpool in 2024.

Artists' film and moving image

The ICA is one of the UK's leading venues for artists' film and moving image. Our ongoing programme dedicated to the screening and discussion of moving image works by visual artists and those who work on the edges of moving image practice continues to draw loyal and engaged audiences.

We were approached by the BBC to produce a series of short video portraits with the artists that came through the BBC New Creatives talent development scheme, which we had previously presented at the ICA in February 2022, to tell the stories of people who have been affected by the Grenfell Tower fire. Grouped together as *Grenfell: Five Years, Five Stories*, these stories encompassed football, music, dance, gardening and commemorative walks in forward-facing portraits of hope and strength, and received 36,400 viewers when it was screened in June 2022 to mark the five-year anniversary of the fire.

Image Behaviour, the festival dedicated to experiments in artists' moving image that was supported by Dr. Martens, ended with the last commissioned work by R.I.P. Germain in the theatre in June 2022 and has been subsequently purchased by the British Council Collection.

Cinema

The ICA is the foremost independent cinema in central London. We presented more than 2,600 screenings in FY 2022/23, including 250 new releases. In addition to curated seasons and retrospectives,

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we host major film festivals such as the London Korean Film Festival and the BFI London Film Festival; and we regularly stage post-screening Q&As with directors, producers and commentators, which invariably attract enthusiastic audiences and remain a valued part of the ICA's cinema offering.

In May 2022, we also presented the seventh edition of FRAMES of REPRESENTATION, the ICA's annual film festival dedicated to the 'cinema of the real'. Centred on the theme of communality, the festival premiered 14 films, and also featured performances, conversations, masterclasses and a residency with Bethlehem-based Radio Alhara.

From January to March 2023, our cinema programme showed very encouraging signs of recovery, achieving audience and box office numbers similar to pre-pandemic times. We will continue to embrace new ways to sustain attendance and engagement through a year-round cinema programme focused on curated seasons, series and partnerships.

Learning and engagement

We are proud of our track record in delivering programmes for learning and engagement, and have strengthened our commitment to delivering a greater impact on the lives of under-served communities.

Highlights from FY 2022/23 included a series of workshops delivered as part of the Young ICA Network, inviting young people aged 16–25 to learn arts-based skills and understand more about creative methodologies and practitioners. We also hosted two symposiums in collaboration with two London educational institutions, the London College of Fashion and Birkbeck, University of London, each of which attracted over 100 attendees.

As part of our partnership with DreamArts, a charity that creatively empowers young carers in Westminster, we supported two projects in August 2022 and July 2023. The projects saw 15 people aged 13–16 deliver a performance for an audience of 100 related to their lived experience as young carers, including four day-long sessions with participants. In December 2022, we partnered with Dazed to present a sold-out panel discussion on the state of the arts and culture writing now. And in preparation for delivery of *STARS: An Afrofuturist Space Odyssey*, we delivered eight creative workshops for women in February 2023, exploring gendered experiences of pleasure, trauma and community.

The ICA Bookshop has become a community hub, hosting an ad hoc series of events that create space for DIY culture while aligning with the themes and materials within the bookshop's stock selections. During FY 2022/23, we delivered monthly book launches, along with seven workshops and talks associated with books available in the shop. These events are always well attended.

The learning and engagement programmes are now being refocused to establish a more strategic approach – aiming to reaching wider audiences with creative opportunities while also strengthening relationships with key education sector partners and in our target boroughs.

FY 2023/24 sees the launch of ICA Creatives, a new six-month pilot youth programme offering free creative artist-led workshops for those aged 16–30. Using the ICA as a platform, this four-part series uses cinema, sound, performance and digital art to allow young people to build skills, learn from artists, meet industry professionals and get behind the scenes of a world-class arts organisation. The programme

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For the year ended 31 March 2023

culminates with an ambitious weekend takeover at the end of March 2024, when work created by young people during the workshops will be showcased throughout the ICA and to a wider public.

We also establishing a Youth Advisory Board, giving young people opportunities to gain leadership skills and learn about governance. The aim is to create shared equity and involve young people in decision-making processes in arts organisations, with input ultimately feeding into the strategic direction of the ICA. The programme is targeted at young residents of Westminster and Croydon.

Also in FY 2023/24, we are re-establishing talks as a distinct element of our programming, prioritising the urgent questions of our time while also providing a contextual framework for our exhibitions. Our objective is to build trust in the ICA as a repeat venue with a community-driven approach.

Audiences and impact

Despite a challenging landscape, characterised by the legacy impact of the COVID-19 pandemic and shifting trends in visitor patterns, we remain committed to engaging with and expanding our audiences through different in-person and digital platforms.

We aim to move beyond traditional contemporary arts audiences by enabling all visitors to be active participants in our programme, building a diverse, inclusive and inspiring community around us. To reinforce our commitment, we are enhancing audience development by partnering with specialists to help us to expand our reach, further developing our strengths with younger and more diverse audiences. We will prioritise and promote digital accessibility and increase our impact in targeted boroughs.

Digital reach and social media engagement

We are focused on leveraging digital platforms to connect with our audiences. During FY 2022/23, The official ICA website at ica.art witnessed continued growth, with c.35,000 more visits and faster transaction times. This is driven by improvements to website load speed, ticketing, accessibility (with the launch of the new 'night mode' accessibility tools), and an increase in programming.

Our commitment to audience development extends to social media, where we make a continued effort to connect, inform and engage with our digital audiences. FY 2022/23 saw an 8% growth in Instagram followers compared to FY 2021/22, and a 5% increase in YouTube subscribers. Our followers on Facebook and X (formerly Twitter) have fallen slightly as these platforms have suffered declining traffic and changing demographics.

<u>Digital statistics</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>
Average monthly web page views	178,543	232,565	84,740	309,344	344,837
Instagram followers	89,000	114,000	122,000	129,000	139,000
YouTube subscribers	10,500	11,700	13,200	14,400	15,200
Twitter / X followers	190,000	190,000	190,000	189,000	185 300
Facebook followers	99,000	100,000	100,000	110,000	108,000

Membership

A strategic review of our membership offer has led to the previous three levels being streamlined into two clear categories: Membership and Club Membership. Membership replaces the former 'Red' level, which gave Members access to the entire ICA programme; while the new Club Membership is aimed at young people aged 18–26. We are also continuing to offer a concessionary membership for those in receipt of certain benefits, disabled people, Jobseeker's Allowance claimants and pensioners, costing the same as a Club Membership. We are planning to relaunch the reshaped membership scheme in early 2024.

During FY 2022/23, we introduced Mondays for Members; launched a quarterly film screening and get-together for Members; reinstated Members' newsletters; and reinvigorated other communications channels, including the introduction of a rolling programme of Members' surveys. The first of these new initiatives received particularly positive feedback, with the concessionary and Club Members in particular stating that they were enjoying value for money and being part of a community.

As of 31 March 2023, the ICA had 2,488 paying members (31 March 2022: 2,151).

Organisational update

FY 2022/23 was the first full financial year with Bengi Ünsal at the helm as the ICA's Director. David Stacey joined as Director of Finance in July 2022, and has subsequently taken responsibility for Operations following Tom Campbell's departure in March 2023. Leila Hasham, our Head of Artistic Programme, took maternity leave during the financial year, with Kiera Blakey covering her duties. To strengthen decision-making, the senior management team (SMT) was bolstered by the addition of Hoda Ali, Head of Human Resources, and Jessye Parke, Head of Development.

The ICA employed 69 people as at 31 March 2023, of whom 43 were permanent staff and 26 on guaranteed-hours contracts, and is a London Living Wage employer.

Our workforce is both young and diverse, representing our audiences and communities. Our team is our most vital asset. We work hard to create a workplace that is safe, inclusive and consistently improving – an environment where people can grow and succeed, and where ideas and input from staff at every level are equally valued.

We have established an Equity, Diversity & Inclusion Working Group and an Anti-Racism Task Force. We monitor our progress in these areas, identifying training and support needs, and maintain a strong dialogue with our Board. The Board takes part in inclusivity and diversity training and continues to develop the ICA's culture, ensuring that differing viewpoints, backgrounds and economic groups are represented at every level.

As noted elsewhere in this report, the ICA is currently implementing a new business model. This will necessitate an organisational restructure, with proposals under consultation at the time of publication. A programme of redundancies is an unfortunate but essential element of the reset plan. We are endeavouring to provide the necessary support and care for all staff during this difficult process.

Fundraising

We remain extremely grateful for the generous support of Arts Council England (ACE) and for their long-standing commitment to our organisation. In the past year, we were delighted that our application to remain an ACE National Portfolio Organisation (NPO) was successful, securing our place in the National Portfolio for the three financial years from 1 April 2023 to 31 March 2026. However, like many other central London institutions, our funding was reduced: our annual NPO grant for FY 2023/24, FY 2024/25 and FY 2025/26 will be £678k (FY 2022/23: £878k).

ACE subsequently endorsed our commitment to change our business model by awarding vital funding through its Transform programme. Combined with funds raised from our 75th anniversary auction, which took place in October 2022, this Transform funding provides a platform to evolve our business model and achieve ongoing financial viability.

We are also extremely grateful for the longstanding commitment of our individual donors and Patrons, including our Board members, who continue to support the ICA with vital funds through their donations and patronage. In the past year, we have welcomed many new Patrons, inspired by the ICA's new direction. Their support, along with that of our trusts and foundations and corporate partners, is vital to our success as we progress through our change of operating model.

Our Development team ensures we follow best practice for charitable fundraising, active participation in fundraising regulation, and compliance with the most recent codes of conduct. We regularly review our policies and processes to check they are periodically refreshed. In particular, we:

- ensure adherence to the Fundraising Regulator's Code of Fundraising Practice and pay the annual Fundraising Levy;
- employ due diligence to ensure that significant financial contributions from, and partnerships and agreements with, individuals and organisations comply with legal, ethical and best practice regulations and guidance;
- do not use professional fundraisers or commercial participators;
- ensure that the charity's fundraising practice complies with all data protection regulations and best practice guidance;
- ensure that the charity's fundraising practice protects vulnerable people; and
- ensure adherence to and regular review of the charity's Ethical Policy, which covers both fundraising and commercial activities.

We received no complaints about our fundraising practices in the last financial year (FY 2021/22: also zero).

Financial review

Income

The ICA generated total income of £4,967k in the financial year to 31 March 2023 (FY 2021/22: £4,359k), an increase of 14%. £2,341k came from the one-off sale of artworks generously donated to the ICA on its 75th anniversary, many from artists with historic connections to the ICA. Some of these works were sold at auction at Sotheby's in October 2022, while others were subsequently sold privately.

Aside from the proceeds of the donated artworks, trading and other income of £615k represented an increase of 23% (FY 2021/22: £502k). This is a result of our building being open for a full 12 months in FY 2022/23, compared to just nine months in FY 2021/22.

A total of £147k in donations was recorded during the year, and the ACE NPO grant contributed £958k. Total fundraising through grants and donations was therefore £1,105k, 22% of the ICA's income (FY 2021/22: £2,828k or 65%).

Income from charitable activities was £904k, compared to £1,000k achieved in FY 2021/22. This reduction was due to lower sponsorship income.

Expenditure

Expenditure continued to be controlled in the year. While costs rose 9% on FY 2021/22, from £4,034k to £4,407k, they were still £758k lower than the pre-pandemic financial year to March 2020.

The main increase in FY 2022/23 expenditure compared to FY 2021/22 was £173k of decoration and minor repairs to the exterior of our building. These works are undertaken every five years by Crown Estates, the freeholder of 12 Carlton House Terrace, and are invoiced to the ICA under the terms of the lease of the building.

Results of subsidiary companies

ICA Enterprises Limited made an operating profit for the financial year of £63k (FY 2021/22: £173k), with £63k being payable under Gift Aid to the ICA (FY 2021/22: £173k).

Friends of the Institute of Contemporary Arts London, Inc. (FoICAL) was set up as a subsidiary in the USA in November 2017 to support our charitable activities and programme. FoICAL is consolidated as a subsidiary undertaking of the ICA on the basis that its bye-laws give the ICA power to appoint and remove members of the Board of FoICAL. In the year to 31 March 2023, FoICAL generated £0k of income (FY 2021/22: £219k) and a loss of £2k (FY 2021/22: £5k). No grants were awarded to the ICA in the year (FY 2021/22: £154k).

The ICA Board, in agreement with members of the Board of FoICAL, has ceased the activities of FoICAL, with residual funds being set aside to finance the winding-up of the legal entity.

Overall result

The financial result for the year ended 31 March 2023, which was boosted by the one-off auction proceeds of £2,341k, shows a net surplus of £559k. Total funds at the beginning of the year were £2,136k. Adding the £559k surplus leaves total closing funds of £2,695k. These assets comprise £852k of fixed assets plus £2,161k of cash and cash equivalents, less other net current liabilities of £318k.

Future plans

Like all other cultural institutions, the ICA is vulnerable to external events. Our central London location, while an asset in many respects, has been seen lower visitor numbers due to increased remote working following the pandemic and the slow return of tourism.

The adverse effect on all our income streams has been exacerbated by the rising cost of living for customers, coupled with price increases impacting the ICA's cost base. Furthermore, while we have retained our ACE NPO status for the next three financial years, we have seen our ACE NPO funding fall by £200k per year from FY 2023/24.

Ongoing operating losses have continued to be sustained in FY 2023/24, and this coupled with capital expenditure, has seen cash balances reduce. We have had to respond to the challenges we face and have developed a new business operating model based on some key ambitions:

- **Grow audience numbers and improve footfall.**
Reposition the ICA as a night-time economy venue; introduce and grow a live music programme; strengthen and join up our event-driven programme; expand and enhance our bar/café offering; improve our publicity and promotion; and invest in our physical spaces.
- **Drive more commercial income.**
Reconfigure and invest in our building and diary planning to provide more space for commercial hires and events; partner with a catering services supplier to enhance and relaunch our hires and events business; and focus on developing a pipeline of high-potential editions.
- **Reduce costs where it doesn't harm income.**
We have examined our cost base and implemented savings measures, such as reducing opening hours during quieter periods, creatively reimagining the delivery of high subsidy art forms, and finding more cost-effective approaches to delivering back-office services.
- **Identify and mine new funding sources.**
Focus on growing brand sponsorship; align our educational programme to unlock further trust and foundation funding; and nurture supporter relationships for mutual benefit and to grow philanthropic income.

The Board and management have sought external advice and support in establishing and assessing the new operating model. Our plans to reset the ICA have been approved by the Board and are now being implemented.

The development of this new business operating model underpinned our application to ACE's Transform programme, from which we successfully secured the maximum funding available of £450k, due to be

received over the three financial years to FY 2025/26. We are using this generous investment to help deliver our new model and set the ICA on the path to a lower requirement for public funding in future years.

Principal risks and uncertainties

The Board undertakes an ongoing risk assessment of the significant financial and non-financial risks to which the ICA is exposed. We maintain a risk register, which is reviewed regularly by the Finance & Audit Committee and annually by the full Board. This risk assessment process identifies the strategies that are already in place to minimise risks, along with any further actions that may be required to mitigate them.

As part of its risk management strategy, the Finance & Audit Committee and the Board review progress achieved in activities to mitigate these risks, enhancing internal procedures as appropriate to minimise any potential impact on the ICA should any identified risks materialise.

Furthermore, during the implementation of the new operating model, the Board will meet on a more frequent basis, receiving monthly financial and performance updates, to ensure the necessary corrective action is taken to achieve a viable financial footing.

The top three risks are listed below.

Business operating model

We are implementing a new business model designed to return the ICA to a sustainable financial footing following historic operating losses, a reduction in public funding, rising costs and lower audience numbers. Our goals (see page 7) include growing footfall, generating more secondary income, and driving up commercial and retail business. This initiative holds inherent risks, and mitigating actions are in place. For example, the increase in our live music programme is allied to capital investment in the space.

ICA venue

Our Grade I listed building must be maintained in a good state of repair to reduce the risk of it becoming unfit for the purposes of presenting our programme and failing to meet the needs and expectations of visitors, artists, partners, funders and other stakeholders, as well as to meet evolving standards. We have put in place a programme of capital expenditure. However, this programme only partially mitigates the risks and further investment will likely prove expedient. Future investment is dependent upon the organisation securing third-party funding or building up sufficient free reserves.

Development income

Our business plan is reliant upon identifying and securing funding from individuals, corporate partners and charitable institutions. The new business model identifies the imperative of ensuring that funders' needs are met, and the business plan includes associated mitigating activities and initiatives. These include providing commercial sponsorship opportunities and ensuring our learning programme meets expectations.

Reserves policy and going concern

Reserves policy

In summary, the ICA's funds can be broken down as below:

As at 31 March	2023	2022
	£k	£k
Total funds	2,695	2,136
<i>Of which:</i>		
Restricted funds	—	—
Designated funds		
75th anniversary fund	1,250	—
Stability fund	—	300
Fixed assets fund	852	991
Maintenance fund	27	200
Unrestricted 'free' reserves	566	645

Total funds have increased in line with the financial result for the year. Further details on the movement of all the charity's funds are contained in note 21a to the financial statements.

Our reserves policy dictates that unrestricted general funds (excluding designated funds) must provide adequate working capital to sustain our core programme and other activities, and to manage medium-term risk, for a period of approximately three months in the event of an unanticipated reduction in income, major unforeseen expenditure, or other business and cashflow difficulties. The unrestricted general fund, which can also be described as the ICA's 'free' reserves, stood at £566k at the end of the financial year (FY 2021/22: £645k) and covers around two month's future operating costs. This reflects continued poor trading conditions following the pandemic, as set out in the financial review above. The Board has approved a new business operating model (page 15) with a key priority being to rebuild reserves.

In FY 2022/23, the Board created a new designated fund, the 75th anniversary fund, and allocated £1,250k to this fund. The fund is designed to create a legacy for the ICA and to provide additional resilience against adverse economic conditions. Created off the back of the successful 75th anniversary auction and sale of donated artworks, the 75th anniversary fund replaces the stability fund, which has now been closed.

The ICA also maintains a designated fund equal to the net book value of fixed assets, which at the end of FY 2022/23 stood at £852k – £139k lower than at the end of FY 2021/22 (£991k).

Additionally, a designated maintenance fund of £27k (FY 2021/22: £200k) supports the regular and substantial maintenance work that is required to maintain 12 Carlton House Terrace, the ICA's central location and operating base: a Grade I listed building, which requires specific maintenance and capital works under the terms of our lease with The Crown Estate.

Going concern

The executive leadership and the Board recognise the need to prioritise rebuilding the ICA's reserves and ensure its financial stability for coming years.

The ICA remains enormously grateful for the generosity of its members, patrons and advocates, and on the support of artists who selflessly donate works and prints for the organisation to sell. The income we generate from such donations helps us to continue to deliver our ambitious programme and be a home for the next generation. We likewise remain extremely grateful for the generous support of ACE and for their long-standing commitment to our organisation.

However, audience numbers have taken longer to recover than hoped, and like other organisations the ICA is faced with rising costs and lower contributions from public funding.

Given an anticipated deficit in 2023/24 and cash outflow following necessary capital expenditure, the ICA's cash resources have reduced since 31 March 2023. Without a significant reset of the organisation, this would continue into 2024/25.

The leadership team and board therefore sought external advice from a number of sources in creating its immediate reset plan for 2024/25. Further work will be needed to develop the ICA's plans beyond this period. In the section on future plans (page 14), we have set out in more detail the specific steps we are taking to put the ICA onto a more sustainable footing. We are currently implementing these measures to ensure that the cost base is reduced and that commercial and other income-generating activities are prioritised sufficiently to underpin our charitable objectives.

Considerable analysis and effort are being put into achieving the turnaround. The plans include prudent assumptions and there are opportunities to deliver greater income than forecast. Both the leadership team and board are confident that the measures being implemented will be successful.

Nevertheless, there remain several key risks that need to be understood and managed. These include costs related to the maintenance of the building and the risk that our income does not hit anticipated levels. So while the accounts have been prepared on a going concern basis, we note there are material uncertainties in respect to the ICA's going concern assessment.

Given the material uncertainties, the board and leadership team will keep progress against the reset plan under constant review, assessing the impact of the programme of changes to manage cashflow in the short term and move onto a financial sustainable footing for the longer term.

Structure, governance and management

The ICA is a charitable company limited by guarantee, governed by the Memorandum and Articles of Association, with operational governance vested in the Board.

Board members are subject to re-election every three years, with a maximum term of nine years for a unique contribution. Prospective Board members are identified by existing Board members and through

Trustees' annual report

For the year ended 31 March 2023

consultations with staff and outside parties. The Nominations & Ethics Committee makes recommendations to the full Board for consideration and approval. The skills, diversity, networks and appropriate experience of Board members are reviewed regularly by the Nominations & Ethics Committee to achieve the optimum balance of support for the executive by the Board. A skills table is available to Board members and assists the Nominations & Ethics Committee in ensuring appropriate skills are sought for all new appointments.

Prior to their appointment, candidates meet with the Chair, other Board members and, if appropriate, the Director. Upon their appointment, new Board members receive comprehensive induction information and appropriate introductory meetings.

The full Board meets at least four times each year. At the end of each Board meeting, Board members are invited to comment on the content of the meeting in closed session with the Chair and raise suggestions for matters to be discussed at the next meeting. An internal Code of Governance gives clear guidance to Board members and is reviewed annually by the Board.

The Chair meets regularly with the Director with an agenda to ensure that the Board is apprised of relevant developments within the organisation between meetings.

The vision of Wolfgang Tillmans, the ICA's Chair, is to ensure that artistic disciplines and the organisation's theoretical agenda – for example, film, art, literature, music, performance, philosophy and so on – have equal representation on the Board. The composition of the Board is focused on a constellation of various mindsets – risk-takers, people who are more cautious, technical experts, cultural producers – to drive forward the ICA. All trustees give their time voluntarily and receive no benefits from the charity.

The ICA has several committees to enhance governance and ensure closer working between the Board, the SMT and the rest of the organisation. The Finance & Audit Committee (F&A) meets in advance of each Board meeting to review, in detail, the charity's financial affairs and risk register in order to make recommendations to the full Board. F&A is chaired by Board member Steve Wills, with executive and Board members forming the Committee alongside critical advisors. The Board presents its reports and financial statements each year in accordance with current accounting standards, the Companies Act 2006 and the Statement of Recommended Practice (SORP) – Accounting and Reporting by Charities, applicable to charities preparing their accounts in accordance with Financial Reporting Standard (FRS) 102.

Alongside the Finance & Audit Committee, the ICA has four other committees:

- the Development Committee, which has strategic oversight of our fundraising;
- the Nominations & Ethics Committee, which has expanded to include ethics and recently undertook a review of the Board;
- the Programming Committee, which oversees the ICA's artistic programme; and
- the Strategic Communications Committee, which is responsible for marketing and commercial activities.

Trustees' annual report

For the year ended 31 March 2023

The Board has delegated day-to-day executive management of the organisation to the Director, Bengi Ünsal. The Director is supported by the SMT in all aspects of organisational strategy and management, including programme and curatorial, operations, visitor services, commercial and finance.

The ICA is committed to a continuous programme of governance review and improvement. The Board has refreshed its review of the Charity Governance Code and how it applies to the charity. It has undertaken to follow the Code and each of its seven principles, which relate to:

- organisational purpose;
- leadership;
- integrity;
- decision-making, risk and control;
- board effectiveness;
- diversity; and
- openness and accountability.

Remuneration policy for key management personnel and staff

The remuneration procedure for the Directors is led by the Chair alongside the Board and F&A, taking into account performance and benchmarked against salaries paid in comparable organisations. The SMT is responsible for staff remuneration reviews, which occur annually or at transition points within the context of the overall budgets approved by the Board. Remuneration for all posts is regularly benchmarked externally.

ICA apprentices are paid equivalent to the London Living Wage (LLW). The ICA has been an LLW employer since 1 May 2017, receiving formal accreditation as a Living Wage employer in February 2020 and adopting the latest LLW rate increase with effect from 1 April 2022.

Policy for the employment of disabled persons

The ICA is committed to promoting equal opportunities for all its staff and job applicants, and to upholding the Equality Act 2010. We aim to create an environment that is free from discrimination or harassment, and we promote diversity and equality through our recruitment strategy. We encourage applications from all backgrounds, communities and industries, and we are committed to having a team that is made up of diverse skills, experiences and abilities. We are taking steps to resolve the barriers to access in some of our offices, and in the meantime are continuing to encourage interest from applicants who require reasonable adjustments within the workplace.

ICA policies and salaries are regularly benchmarked with our peers to achieve improvements and greater impacts, not least in line with ACE's Creative Case for Diversity. The ICA embraces statutory guidelines and regularly consults with disability representatives to improve our offers and revise our policies.

Equality, diversity and belonging

The ICA seeks to promote an organisational environment that opposes and dismantles discrimination at all levels, whether on grounds of age, disability, gender reassignment, marriage and civil partnership,

pregnancy and maternity, race, religion or belief, sex or sexual orientation, backed up by clear and thorough policy and training.

We are committed to building an organisation that is a true representation of our city and our country today by supporting people of colour, women, LGBTQI+ communities, people with disabilities, and people from disenfranchised socioeconomic backgrounds and disadvantaged or underrepresented communities to participate in our work. We continue to look inwards at the structures and dynamics within our organisation to make sure that our internal culture aligns with our inclusive programme. We continually review our policies and processes to respond to and lead on the critical issues of racial inequality and discrimination in our society.

Anti-racism strategy

Equity, diversity and inclusion remain crucial to the ICA, and we consider our audiences' diversity as an essential benchmark for our success. Compared to other cultural institutions, we have a young and broad-ranging audience: some 55% of visitors are under 35, while 22% are people of colour. Even so, we recognise that we must work to strengthen the ethnic diversity of our audiences, Board, staff and artistic partners in order to ensure we more accurately reflect our local communities in London.

Since March 2023, we have been led by Bengi Ünsal, a Turkish woman from a Muslim background. Since her appointment, the whole organisation has aligned around her goal of ensuring the diversity of our Board, workforce and programme.

We established an Equity, Diversity & Inclusion Working Group in 2022. The Working Group meets weekly, providing our staff with the opportunity to participate in making meaningful changes. Actions that have come out of the group in the past six months include focussing on language, staff and Board recruitment to ensure access, equity and diversity; and learning from evaluations to inform future programming, with a particular focus on care for the communities we serve.

Our Anti-Racism Task Force continues to meet monthly, attended by staff and members of our Board. The Task Force is dedicated to delivering the actions recommended in the 2021 report by The Monitoring Group following its in-depth, organisation-wide review of the ICA's equity and anti-racism practices. We have developed an Anti-Racism Strategy and Action Plan. The Action Plan is regularly reviewed at the Anti-Racism Task Force. We are also appointing an Ethnicity Champion from our Board, who will lead on the anti-racism agenda item at Board meetings and will liaise with the Anti-Racism Task Force to drive progress and serve as an ambassador for change.

We continually monitor our progress, identify training and support needs. Our initiatives are supported and endorsed by our Board, which takes an active role in developing the organisation's culture – with the ultimate objective of ensuring that differing viewpoints, backgrounds and economic groups are represented at every level.

Employee information

The ICA employs full-time and part-time permanent staff, guaranteed-hours contracted and casual workers, freelancers and staff on fixed-term project-based contracts for a variety of roles.

Trustees' annual report

For the year ended 31 March 2023

To keep staff abreast of updates to the organisation and its programme, we hold weekly meetings for staff and heads of department, team meetings, exhibition briefings as appropriate, and 360-degree project meetings and debriefs. We have a recognition agreement in place with BECTU (the Broadcasting, Entertainment, Communications & Theatre Union) and hold regular meetings with staff representatives.

All staff have access to a Handbook that includes policies and information relating to, among others: staff benefits; health and safety; holidays; sickness and absence; IT; maternity, paternity and parental leave; harassment; grievances and disputes; and whistleblowing. Staff are also provided with staff cards that give them access to discounts and ICA benefits; and permanent staff have access to an online HR portal that allows them to update their personal details, access company policies and keep track of their attendance, annual leave and absences.

All staff also have access to a confidential employee assistance programme, provided by Health Assured, that provides free support on employment, financial and personal matters, including health and well-being.

Funds held as custodian trustee on behalf of others

The ICA holds no custodian funds.

Statement of trustees' responsibilities

The trustees (who are also directors of Institute of Contemporary Arts Limited for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, 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;
- state whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding

Institute of Contemporary Arts Limited

Trustees' annual report

For the year ended 31 March 2023

the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2023 was 12 (31 March 2022: 13). The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was reappointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 27 March 2024 and signed on their behalf by:

Wolfgang Tillmans
Chair

Independent auditor's report

To the members of

Institute of Contemporary Arts Limited

Independent auditor's report

Opinion

We have audited the financial statements of the Institute of Contemporary Arts Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's 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.
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to the notes the financial statement and the trustees' annual report, which indicates the trustees' conclusion that a significant reset of the organisation is needed in light of historic operating losses, a further anticipated deficit in 2023/24, as well as necessary capital expenditure depleting cash resources. As stated in the going concern assessment section in the trustees' annual report, these conditions indicate that a material uncertainty exists that may cast doubt on the parent charitable company and the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statement, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounts included cashflow forecasts prepared by management through to March 2025 and the underlying assumptions.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant section of this report.

Independent auditor's report

To the members of

Institute of Contemporary Arts Limited

Other information

The other information comprises the information included in the trustees' annual report other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair

Independent auditor's report

To the members of

Institute of Contemporary Arts Limited

view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the Finance & Audit Committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.

Independent auditor's report

To the members of

Institute of Contemporary Arts Limited

- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 auditor's 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)
27 March 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

Institute of Contemporary Arts Limited

Consolidated statement of financial activities (incorporating income and expenditure account) For the year ended 31 March 2023

	Note	Unrestricted General	Unrestricted Designated	Restricted	2023 Total	2022 Total
		£	£	£	£	£
Income from:						
Grants, donations and legacies	3	1,025,090	—	79,744	1,104,834	2,827,715
Charitable activities						
Programme activities	4	827,975	—	76,426	904,401	999,755
Other trading activities	5	2,956,309	—	—	2,956,309	501,567
Investments		1,019	—	—	1,019	1,040
Other		—	—	—	—	28,968
Total income		4,810,393	—	156,170	4,966,563	4,359,045
Expenditure on:						
Raising funds	6	455,192	20,542	—	475,734	340,214
Charitable activities						
Programme activities	6	2,483,495	115,526	76,426	2,675,447	2,569,328
Associated activities	6	1,029,179	226,780	—	1,255,909	1,124,882
Total expenditure		3,967,816	362,848	76,426	4,407,090	4,034,424
Net (expenditure) / income for the year	7	842,577	(362,848)	79,744	559,473	324,621
Transfers between funds		(920,903)	1,000,647	(79,744)	—	—
Net movement in funds		(78,326)	637,799	—	559,473	324,621
Reconciliation of funds:						
Total funds brought forward		644,396	1,491,306	—	2,135,702	1,811,081
Total funds carried forward		566,070	2,129,105	—	2,695,175	2,135,702

All the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 21 to the financial statements.

Institute of Contemporary Arts Limited

Balance sheet

As at 31 March 2023

		The group		The charity	
	Note	2023	2022	2023	2022
		£	£	£	£
Fixed assets:					
Tangible assets	12	851,655	991,306	851,655	991,306
Debenture loan to subsidiary company		—	—	25,000	25,000
Investments	13	—	—	2	2
		851,655	991,306	876,657	1,016,308
Current assets:					
Stock	16	95,218	166,465	95,218	166,465
Debtors	17	770,007	447,894	649,539	482,011
Current asset investments	13	70,983	18,255	70,983	18,255
Cash at bank and in hand		2,089,778	968,443	2,061,688	877,768
		3,025,986	1,601,057	2,877,428	1,544,499
Liabilities:					
Creditors: amounts falling due within one year	18	(1,182,466)	(456,661)	(1,084,764)	(453,071)
Net current assets		1,843,520	1,144,396	1,792,664	1,091,428
Total assets less current liabilities		2,695,175	2,135,702	2,669,321	2,107,736
Total net assets		2,695,175	2,135,702	2,669,321	2,107,736
Funds:					
Restricted income funds	21	—	—	—	—
Unrestricted income funds:					
Designated funds -other		2,129,105	1,491,306	2,129,105	1,491,306
General funds		566,070	644,396	540,216	616,430
Total unrestricted funds		2,695,175	2,135,702	2,669,321	2,107,736
Total funds		2,695,175	2,135,702	2,669,321	2,107,736

Approved by the Board on 27 March 2024 and signed on their behalf by:

Wolfgang Tillmans, Chair

Institute of Contemporary Arts Limited

Consolidated statement of cash flows

For the year ended 31 March 2023

	Note	2023		2022	
		£	£	£	£
Cash flows from operating activities	22				
Net cash provided by/(used in) operating activities			1,223,691		296,392
Cash flows from investing activities:					
Dividends, interest and rents from investments		1,019		1,040	
Purchase of fixed assets		(50,647)		(587,378)	
Net cash used in investing activities			(49,628)		(586,338)
Change in cash and cash equivalents in the year			1,174,063		(289,946)
Cash and cash equivalents at the beginning of the year			986,698		1,276,644
Cash and cash equivalents at the end of the year	23		2,160,761		986,698

1 Accounting policies

a) Statutory information

The Institute of Contemporary Arts Limited (ICA) is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address (and principal place of business) is The Mall, London SW1Y 5AH.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The accounting policies are unchanged from the previous year.

Assets and liabilities are initially recognised at historical cost convention as modified by the revaluation of certain fixed assets or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company – Institute of Contemporary Arts Limited; its wholly-owned subsidiary registered in England and Wales – ICA Enterprises Limited; and its US subsidiary – Friends of the Institute of Contemporary Arts London, Inc. on a line-by-line basis. Transactions and balances between the ICA and its subsidiaries have been eliminated from the consolidated financial statements. Balances with the subsidiaries are disclosed in the notes of the ICA's balance sheet. A separate statement of financial activities, or income and expenditure account, for the ICA itself is not presented because the ICA has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Public benefit entity

The ICA meets the definition of a public benefit entity under FRS 102.

d) Going concern

The accounts have been prepared on a going concern basis. However, as detailed in the trustees' annual report, the trustees have concluded that there are conditions that indicate a material uncertainty that may cast doubt on the ability of the parent charitable company and group to continue as a going concern for a period of at least one year from the date of approval of the accounts. The trustees and management have sought external advice and support on a restructure and reset plan, for the ICA, which is underway. They are engaging in active cash management to minimise this risk.

Notes to the financial statements

For the year ended 31 March 2023

1 Accounting policies (continued)

e) Income

Income is recognised when the ICA has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the ICA has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and that the amount can be measured reliably and is not deferred.

The principal source of grant income is Arts Council England.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Other trading activities represents ICA Enterprises Limited's income derived from sponsorships, the sale of films, the café bar and the private hire of the ICA's spaces. Incoming resources are accounted for when ICA Enterprises Limited has entitlement to the funds, certainty of receipt and the amount is measurable. Where income is received in advance, it is deferred until such a point as ICA Enterprises Limited is entitled to the income.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the ICA has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the ICA of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the Board's annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the ICA, which is the amount the ICA would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the ICA; this is normally upon notification of the interest paid or payable by the bank.

1 Accounting policies (continued)

h) Fund accounting

The ICA maintains the following funds:

Restricted funds

Restricted funds represent grants, donations and legacies received which the donor allocates for specific purposes.

General unrestricted funds

These represent funds which are expendable to use to further any purposes of the ICA. Unrestricted funds are expendable at the discretion of the Board in the furtherance of the objectives of the ICA. Such funds may be held to finance both working capital and capital investment.

Designated funds

Designated funds are unrestricted funds of the ICA which have been set aside by the Board to fund particular future activities of the ICA.

i) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds relate to the costs incurred by the ICA in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose, and costs of commercial trading activities.

Expenditure on charitable activities includes the costs of programme and associated activities undertaken to further the purposes of the ICA and their associated support costs.

Notes to the financial statements

For the year ended 31 March 2023

1 Accounting policies (continued)

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the ICA is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the ICA is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

Raising funds	7%
Programme activities	38%
Associated activities	18%
Support costs	2%
Governance costs	35%

Support and governance costs are reallocated to each of the activities on the following basis, which is an estimate, based on staff time, of the amount attributable to each activity.

Raising funds	11%
Programme activities	61%
Associated activities	28%

Governance costs are the costs associated with the governance arrangements of the ICA. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the ICA's activities.

k) Operating leases

Rental charges are charged to the statement of financial activities on a straight-line basis over the term of the lease.

Notes to the financial statements

For the year ended 31 March 2023

1 Accounting policies (continued)

l) Tangible and intangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The cost of long leasehold buildings is depreciated over the unexpired term of the lease. Improvements to leasehold premises and other assets are depreciated as set out below:

Long leasehold buildings	over the length of the lease	
Leasehold improvement		5%
Website		20%
Fixtures and fittings including soft furnishings and other building innovation		20%
Furniture and equipment including computer hardware, technical equipment, office equipment and furniture		20%–33.33%

m) Heritage assets

The ICA maintains heritage assets, including documents, press cuttings and multimedia recordings. There is a lack of records kept on the original purchase costs; these assets also have no readily available market values. For these reasons, the heritage assets are not recognised in the balance sheet.

n) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the statement of financial activities. The ICA does not acquire put options, derivatives or other complex financial instruments.

o) Investments in subsidiaries

Investments in subsidiaries are at cost.

1 Accounting policies (continued)

p) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in, first out basis, and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow-moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value, which is the amount the charity would have been willing to pay for the items on the open market.

q) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

r) Cash at bank and in hand

Cash at bank and cash in hand comprises cash that is required for working capital requirements and excludes cash held for investment and other long-term purposes.

s) Creditors and provisions

Creditors and provisions are recognised where the ICA has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

t) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

u) Pensions

The ICA makes payments to defined contribution pension schemes on behalf of employees. The assets of the schemes are held separately from those of the ICA in independently administered funds. The pension cost charge represents contributions payable to the funds during the year. The ICA has no liability under the schemes other than the payment of those contributions.

Notes to the financial statements

For the year ended 31 March 2023

2 Detailed comparative of prior year figures

	General £	Designated £	Restricted £	Total £
Income from:				
Grants, donations and legacies	2,586,083	—	241,632	2,827,715
Charitable activities				
Programme activities	656,685	—	343,070	999,755
Other trading activities	501,567	—	—	501,567
Investment	1,040	—	—	1,040
Other	28,968	—	—	28,968
Total income	3,774,343	—	584,702	4,359,045
Expenditure on:				
Raising funds	253,068	15,526	71,620	340,214
Charitable activities				
Programme activities	2,050,397	117,256	401,675	2,569,328
Associated activities	1,073,546	51,336	—	1,124,882
Exceptional item	—	—	—	—
Total expenditure	3,377,011	184,118	473,295	4,034,424
Net (expenditure)/ income for the year	397,332	(184,118)	111,407	324,621
Transfers between funds	(331,400)	1,122,340	(790,940)	—
Net movement in funds	65,932	938,222	(679,533)	324,621
Total funds brought forward	578,464	553,084	679,533	1,811,081
Total funds carried forward	644,396	1,491,306	—	2,135,702

Notes to the financial statements

For the year ended 31 March 2023

3a Income from grants, donations and legacies (current year)

	Unrestricted £	Restricted £	2023 Total £
Arts Council England	878,310	79,744	958,054
Donations	146,780	—	146,780
	<u>1,025,090</u>	<u>79,744</u>	<u>1,104,834</u>

3b Income from grants, donations and legacies (prior year)

	Unrestricted £	Restricted £	2022 Total £
Arts Council England	1,855,408	241,632	2,097,040
Other grants	168,142	—	168,142
Donations	562,533	—	562,533
	<u>2,586,083</u>	<u>241,632</u>	<u>2,827,715</u>

4a Income from charitable activities (current year)

	Unrestricted £	Restricted £	2023 Total £
Arts Council England	—	—	—
Exhibition and Theatre Tax Relief	195,878	—	195,878
Exhibition income	197,369	50,843	248,212
Box office	370,728	—	370,728
Sponsorship	54,000	—	54,000
Education and learning	10,000	25,583	35,583
	<u>827,975</u>	<u>76,426</u>	<u>904,401</u>

Notes to the financial statements

For the year ended 31 March 2023

4b Income from charitable activities (prior year)

	Unrestricted £	Restricted £	2023 Total £
Arts Council England	—	—	—
Exhibition and Theatre Tax Relief	152,432	—	152,432
Exhibition income	75,847	333,708	409,555
Box office	253,406	—	253,406
Sponsorship	175,000	—	175,000
Education and learning	—	9,362	9,362
	<hr/>	<hr/>	<hr/>
Total income from charitable activities	656,685	343,070	999,755
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

5a Income from other trading activities (current year)

	Unrestricted £	Restricted £	2023 Total £
Sale of donated artworks	2,341,063	—	2,341,063
Sales of books, merchandise and Artists' Editions	261,209	—	261,209
Membership schemes	81,047	—	81,047
Bar/café income	7,863	—	7,863
Hire income	244,277	—	244,277
Other	20,850	—	20,850
	<hr/>	<hr/>	<hr/>
	2,956,309	—	2,956,309
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

5b Income from other trading activities (prior year)

	Unrestricted £	Restricted £	2022 Total £
Sales of books, merchandise, and Artists' Editions	176,613	—	176,613
Membership schemes	79,676	—	79,676
Bar/café income	5,311	—	5,311
Hire income	223,933	—	223,933
Other	16,034	—	16,034
	<hr/>	<hr/>	<hr/>
	501,567	—	501,567
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements

For the year ended 31 March 2023

6a Analysis of expenditure (current year)

	Cost of raising funds	Charitable activities			Support costs	2023 Total	2022 Total
		Programme activities	Associated activities	Governance costs			
	£	£	£	£	£	£	£
Staff costs (Note 8)	189,510	752,843	339,583	35,000	552,188	1,869,124	1,854,187
Cinema	—	156,554	—	—	—	156,554	184,122
Exhibitions	—	722,875	—	—	—	722,875	657,513
Education, talks and events	—	—	—	—	—	—	—
Other projects	—	—	—	—	—	—	—
Marketing and new media	—	50	138,287	—	—	138,337	169,685
Live and performances	—	—	—	—	—	—	—
Supporter development	106,440	—	—	—	—	106,440	8,608
Hire	—	—	50,076	—	—	50,076	43,504
Legal and professional fees	—	—	—	17,513	28,091	45,604	79,295
Audit fees	—	—	—	23,430	—	23,430	15,000
Premises	—	—	—	—	508,973	508,973	242,842
Overheads	—	32,052	—	—	309,983	342,035	453,623
Trading costs	—	—	253,345	—	—	253,345	141,927
Depreciation	—	—	—	—	190,297	190,297	184,118
	295,950	1,664,374	781,291	75,943	1,589,532	4,407,090	4,034,424
Support costs	171,586	964,970	452,976	—	(1,589,532)	—	—
Governance costs	8,198	46,103	21,642	(75,943)	—	—	—
Total expenditure 2023	475,734	2,675,447	1,255,909	—	—	4,407,090	4,034,424
Total expenditure 2022	340,214	2,569,328	1,124,882	—	—	4,034,424	4,034,424

Notes to the financial statements

For the year ended 31 March 2023

6b Analysis of expenditure (prior year)

	Cost of raising funds £	Charitable activities			Support costs £	2022 Total £
		Programme activities £	Associated activities £	Governance costs £		
Staff costs (Note 8)	184,963	599,825	290,866	35,000	743,533	1,854,187
Cinema	—	184,122	—	—	—	184,122
Exhibitions	—	657,513	—	—	—	657,513
Education, talks and events	—	—	—	—	—	—
Other projects	—	—	—	—	—	—
Marketing and new media	—	5,960	163,725	—	—	169,685
Live and performances	—	—	—	—	—	—
Supporter development	8,608	—	—	—	—	8,608
Hire	—	—	43,504	—	—	43,504
Legal and professional fees	—	—	—	53,096	26,199	79,295
Audit fees	—	—	—	15,000	—	15,000
Premises	—	—	—	—	242,842	242,842
Overheads	—	14,446	—	—	439,177	453,623
Trading costs	—	—	141,927	—	—	141,927
Depreciation	184,963	599,825	—	—	184,118	184,118
	193,571	1,461,866	640,022	103,096	1,635,869	4,034,424
Support costs	137,949	1,041,805	456,115	—	(1,635,869)	—
Governance costs	8,694	65,657	28,745	(103,096)	—	—
Total expenditure	340,214	2,569,328	1,124,882	—	—	4,034,424

7 Net income/(expenditure) for the year

This is stated after charging:

	2023 £	2022 £
Depreciation	190,297	184,118
Loss on disposals of tangible fixed assets	—	—
Operating lease rentals:		
Property	21,298	21,014
Auditors' remuneration (excluding VAT):		
Audit 2022/23	17,430	15,000
Additional audit work 2021/22	6,000	—

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	1,662,179	1,623,938
Redundancy and termination costs	3,467	30,800
Social security costs	161,615	160,141
Employer's contribution to defined contribution pension schemes	41,863	39,308
	<u>1,869,124</u>	<u>1,854,187</u>

The following number of employees received employee benefits (excluding employer National Insurance and pension costs) during the year between:

	2023 No.	2022 No.
£60,000 – £69,999	2	2
£70,000 – £79,999	–	–
£80,000 – £89,999	–	1
£90,000 – £99,999	–	1
£100,000 – £109,999	1	1
	<u>1</u>	<u>1</u>

The total employee benefits including employer National Insurance contributions and pension contributions of the key management personnel were £347,305 (2022: £479,117).

The members of the Board, the charity's trustees, were not paid or received any other benefits from employment with the charity in the year (2022: £nil). No members of the Board received payment for professional or other services supplied to the charity (2022: £nil).

Notes to the financial statements

For the year ended 31 March 2023

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	Full time		Part time	
	2023 No.	2022 No.	2023 No.	2022 No.
Raising funds	4	4	—	—
Programme activities	12	11	28	24
Associated activities	8	6	4	7
Support	10	9	3	4
Governance	—	—	—	—
	34	30	35	35

10 Related party transactions

The following related party transactions occurred during the 2022-23 financial year:

- FoICAL made a grant of £nil to the ICA (2022: £153,974 or US\$202,692).
- A management charge of £150,000 (2022: £125,000) and a debenture loan interest of £1,250 (2022: £1,250) were charged by the ICA to the trading subsidiary, ICA Enterprises Limited.
- ICA Enterprises Limited made a Gift Aided donation of £62,678 (2022: £173,109) to the ICA.
- The ICA acted as an agent on behalf the ICA's Chair for the sale of an artwork at the 75th anniversary auction in October 2022. This raised £220,000 and Wolfgang Tillmans subsequently transferred the proceeds to the International Giving Foundation for onward donation to the ICA, in compliance with financial and tax legislation affecting German domiciles. The donation, less transaction costs, will be received in the 2023/24 financial year.
- The ICA received £24,589 of donations from members of the Board during the financial year (2022: £486,334).

There are no other donations from related parties which are outside the normal course of business and no restricted donations from related parties.

11 Taxation

The charity is exempt from Corporation Tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary, ICA Enterprises Limited, Gift Aids available profits to the parent charity.

Notes to the financial statements

For the year ended 31 March 2023

12 Tangible fixed assets

The charity and group

	Long leasehold buildings £	Improvements to leasehold buildings £	Website	Fixtures and fittings £	Furniture and equipment £	Total £
Cost						
Start of the year	150,000	759,056	57,892	540,282	207,693	1,714,923
Additions in year	—	—	—	42,023	8,624	50,647
Disposals in year	—	—	—	—	—	—
End of the year	150,000	759,056	57,892	582,305	216,317	1,765,570
Depreciation						
Start of the year	51,466	63,068	34,735	427,731	146,617	723,617
Charge for the year	2,235	36,208	11,578	108,005	32,272	190,298
End of the year	53,701	99,276	46,313	535,736	178,889	913,915
Net book value						
At the end of the year	96,299	659,780	11,579	46,569	37,428	851,655
At the start of the year	98,534	695,988	23,157	112,551	61,076	991,306

All of the above assets are used for charitable purposes.

13 Investments

	The group		The charity	
	2023 £	2022 £	2023 £	2022 £
Fixed asset investments				
Investment in subsidiary	—	—	2	2

In addition to the above, the ICA holds current asset investments of £70,983 (2022: £18,255). This is cash held separately, which is not being used as working capital.

Notes to the financial statements

For the year ended 31 March 2023

14 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of ICA Enterprises Limited, a company with registration number 01461527 in England. The subsidiary is used for non-primary purpose trading activities. Available profits are Gift Aided to the charitable company.

The charitable company has the power to appoint all members and directors of Friends of the Institute of Contemporary Arts London, Inc. (FoICAL) and the ability to benefit from FoICAL; as such FoICAL is treated as a subsidiary undertaking of the ICA.

All activities of ICA Enterprises Limited and FoICAL have been consolidated on a line-by-line basis in the statement of financial activities. A summary of the results of the subsidiaries is shown below:

	FoICAL		ICA Enterprises	
	2023	2022	2023	2022
	£	£	£	£
Turnover	198	218,932	306,140	404,242
Cost of sales	—	—	(46,775)	(41,464)
Gross profit	198	218,932	259,365	362,778
Administrative expenses	(2,310)	(69,716)	(45,437)	(63,419)
Grant awarded to the ICA	—	(153,974)	—	—
Management charge payable to parent undertaking	—	—	(150,000)	(125,000)
Operating profit	(2,112)	(4,758)	63,928	174,359
Interest payable	—	—	(1,250)	(1,250)
Profit on ordinary activities before tax	(2,112)	(4,758)	62,678	173,109
Gift Aid to parent undertaking	—	—	—	—
Corporation Tax	—	—	—	—
Profit/(loss) for the financial year after tax	(2,112)	(4,758)	62,678	173,109
Retained earnings				
Retained earnings brought forward	2,964	7,722	25,002	25,002
Profit/(loss) for the financial year	(2,112)	(4,758)	62,678	173,109
Profits distributed to parent under Gift Aid	—	—	(62,678)	(173,109)
Retained earnings carried forward	852	2,964	25,002	25,002
Aggregate of the assets, liabilities and funds was:				
Assets	3,088	65,673	147,704	102,142
Liabilities	(2,236)	(62,709)	(122,702)	(77,140)
Funds	852	2,964	25,002	25,002

Institute of Contemporary Arts Limited

Notes to the financial statements

For the year ended 31 March 2023

15 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2023	2022
	£	£
Gross income	4,667,372	4,189,202
Result for the year	<u>354,580</u>	<u>329,379</u>

16 Stock

	The group and charity	
	2023	2022
	£	£
Bookshop, merchandise and editions	<u>95,218</u>	<u>166,465</u>

17 Debtors

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	211,570	61,599	116,489	33,957
Amounts owed from group undertakings	—	—	6,004	60,772
Other debtors	768	5,301	768	6,288
Prepayments and accrued income	557,669	380,994	526,278	380,994
	<u>770,077</u>	<u>447,894</u>	<u>649,539</u>	<u>482,011</u>

Notes to the financial statements

For the year ended 31 March 2023

18 Creditors: amounts falling due in one year

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	154,895	116,207	150,577	108,511
Amounts owed to group undertakings	—	—	—	49,500
Taxation and social security	132,816	46,157	132,816	46,157
Other creditors	55,958	15,989	55,958	15,989
Accruals	189,261	89,259	174,052	71,625
Deferred income	649,536	189,049	571,361	161,289
	1,182,466	456,661	1,084,764	453,071

19 Deferred income

The deferred income comprises the advance payments for grants and the hires of the ICA's venue that are to be delivered in the future.

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Balance at the beginning of the year	189,049	289,289	161,289	70,289
Amount released to income in the year	(189,049)	(289,289)	(161,289)	(70,289)
Amount deferred in the year	649,536	189,049	571,361	161,289
	649,536	189,049	571,361	161,289

Notes to the financial statements

For the year ended 31 March 2023

20a Analysis of group net assets between funds (current year)

	General unrestricted funds	Designated funds	Restrict ed funds	Total funds
	£	£	£	£
Tangible fixed assets	—	851,655	—	851,655
Net current assets	359,091	1,277,450	—	1,636,541
Net assets at the end of the year	359,091	2,129,105	—	2,488,196

20b Analysis of group net assets between funds (prior year)

	General unrestricted funds	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	—	991,306	—	991,306
Net current assets	644,396	500,000	—	1,144,396
Net assets at the end of the year	644,396	1,491,306	—	2,135,702

21a Movements in funds (current year)

	At the start of the year	Income & gains	Expenditure & losses	Transfers	At the end of the year
	£	£	£	£	£
Restricted funds:					
Artistic Programme	–	50,843	(50,843)	–	–
Apprenticeships	–	25,583	(25,583)	–	–
ICA Capital Renovation Project	–	79,744		(79,744)	–
Total restricted funds	–	156,170	(76,426)	(79,744)	–
Unrestricted funds:					
Designated funds:					
Maintenance fund	200,000	–	(172,550)	–	27,450
75th anniversary fund	–	–	–	1,250,000	1,250,000
Stability fund	300,000	–	–	(300,000)	–
Fixed asset reserve	991,306	–	(190,298)	50,647	851,655
Total designated funds	1,491,306	–	(362,848)	1,000,647	2,129,105
General funds	644,396	4,810,393	(3,967,815)	(920,903)	566,070
Total unrestricted funds	2,135,702	4,810,393	(4,330,664)	79,744	2,695,175
Total funds	2,135,702	4,966,563	(4,407,090)	–	2,695,175

Purposes of restricted funds

Artistic Programme

This fund represents income received from trusts, foundations and other funders to support the artistic programme

Apprenticeships

This fund represents the money from the John Lyon's Charity to support the cost of apprenticeships at the ICA from 2019 to 2022.

ICA Capital Renovation Project

Phase 0 of the Capital Renovation Project was completed in the 2021/22 financial year. Income in 2022/23 represents the final tranche of Arts Council England funding and was transferred to the fixed asset reserve given the project has completed. There are no current plans for additional works and the fund is now closed.

Notes to the financial statements

For the year ended 31 March 2023

Purposes of designated funds

Maintenance fund

The maintenance fund is used to earmark funds for the cost of the five-yearly redecoration and repairs to the exterior of 12 Carlton House Terrace, London SW1Y 5AH. These works are undertaken by Crown Estates, the freeholder of 12 Carlton House Terrace, and invoiced to the ICA under the terms of the lease of the building.

75th anniversary fund

The year 2022 was the 75th anniversary of the founding of the ICA. During the year, a number of artworks were kindly donated by artists with a historic connection to the ICA, and an auction was held at Sotheby's in October 2022. This, along with the private sale of other donated artworks, raised £2,134,084. Of that sum, £1,250,000 has been designated to a new 75th anniversary fund to support the long-term future of the ICA.

Stability fund

The stability fund was created in the 2021/22 financial year, and £300,000 was designated from general funds, in order to safeguard a minimum level of reserves and provide gate control by the Board. This fund was closed in 2022/23 and the balance transferred to general funds.

Fixed asset reserve

The fixed asset reserve has been designated by the Board to represent the unrestricted net book value of fixed assets. The designation reflects the fact that these assets are in use by the charity and are not of the nature where they could be readily disposed of for a substantial consideration.

Transfers between funds

Transfers between funds represent general unrestricted funds which have been designated for specific purposes by the Board. The total transfers from general unrestricted funds for the 2022/23 financial year was £920,903 (2022: £331,400).

Institute of Contemporary Arts Limited

Notes to the financial statements

For the year ended 31 March 2023

21b Movements in funds (prior year)

	At the start of the year	Income & gains	Expenditure & losses	Transfers	At the end of the year
	£	£	£	£	£
Restricted funds:					
Artistic Programme	—	125,316	(125,316)	—	—
Apprenticeships	—	9,362	(9,362)	—	—
BBC New Creatives	58,605	208,392	(266,997)	—	—
ICA Capital Renovation Project	620,928	241,632	(71,620)	(790,940)	—
Total restricted funds	679,533	584,702	(473,295)	(790,940)	—
Unrestricted funds:					
<i>Designated funds:</i>					
Maintenance fund	150,000	—	—	50,000	200,000
Stability fund	—	—	—	300,000	300,000
Fixed asset reserve	403,084	—	(184,118)	772,340	991,306
Total designated funds	553,084	—	(184,118)	1,122,340	1,491,306
General funds	578,464	3,774,343	(3,377,011)	(331,400)	644,396
Total unrestricted funds	1,131,548	3,774,343	(3,561,129)	790,940	2,135,702
Total funds	1,811,081	4,359,045	(4,034,424)	—	2,135,702

Notes to the financial statements

For the year ended 31 March 2023

22 Reconciliation of net income to net cash flow from operating activities

	2023	2022
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	559,473	324,621
Depreciation charges	190,298	184,118
Dividends and interest from investments	(1,019)	(1,040)
Loss on the disposal of fixed assets	—	71,620
(Increase)/decrease in stocks	71,247	13,086
(Increase)/decrease in debtors	(322,113)	(120,623)
Increase/(decrease) in creditors	725,805	(175,390)
	<u>1,223,691</u>	<u>296,392</u>

23 Analysis of cash and cash equivalents

	At 1 April 2022	Cash flows	At 31 March 2023
	£	£	£
Cash at bank and in hand	968,443	1,121,335	2,089,778
Notice deposits (less than 3 months)	18,255	52,728	70,983
Total cash and cash equivalents	<u>986,698</u>	<u>1,174,063</u>	<u>2,160,761</u>

24 Operating lease commitments

The group and charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2023	2022	2023	2022
	£	£	£	£
Less than one year	18,402	18,402	2,896	2,612
One to five years	79,619	76,164	11,584	1,959
Over five years	859,940	881,798	—	—
	<u>957,961</u>	<u>976,364</u>	<u>14,480</u>	<u>4,571</u>

25 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.