

The Contemporary Art Society
(A charitable company limited by guarantee)

Trustees' Report and Financial Statements
for the year ended 31 March 2008

Company number: 255486

Charity number 208178

CONTEMPORARY ART SOCIETY

Trustees' Report and Financial Statements

For the year ended 31 March 2008

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Trustees' Report (Continued)

For the year ended 31 March 2008

The Trustees are pleased to present their annual report for the year ended 31 March 2008.

1. REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number 208178

Company Number 255486

Registered Office 11-15 Emerald Street
London WC1N 3QL

Directors and Trustees

The directors of the charitable company are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees.

Alison Myners	Chair
Lance Blackstone	Honorary Secretary
Pesh Framjee	Honorary Treasurer
Mark Stephens	Honorary Solicitor

Caroline Collier (from June 2007)

Tommaso Corvi-Mora (from October 2007)

Angie Drake (from June 2007)

Bettie Morton (from June 2007)

Doris Lockhart Saatchi (until June 2007)

Anthony Spira (from June 2007)

Michael Stanley (from June 2007)

Caroline Summerfield

Roberta Thomson (until June 2007)

Vicente Todoli (until June 2007)

Edwin Wulfsohn

Kirsten Dunne Arts Council England Observer

Director Marc Jordan (interim from October 2006 to July 2007)
Paul Hobson (from August 2007)

Solicitors Finers Stephens Innocent
179 Great Portland Street
London W1W 5LS

Bankers Lloyds TSB Bank plc
Southampton Row
London WC1B 5HR

Auditors Mazars LLP
Tower Bridge House, St Katharine's Way
London E1W 1DD

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Trustees' Report (Continued)

For the year ended 31 March 2008

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Contemporary Art Society is a charitable company limited by guarantee, registered on 7 April 1931, and is governed by the Memorandum & Articles of Association. It was registered as a charity with the Charity Commission on 22 September 1962. The organisation exists to support contemporary artists through the promotion of individual and institutional collecting.

The Trustees, who are identified on the preceding page, present their report and the financial statements for the year ended 31 March 2008 which have been prepared in accordance with the Companies Acts 1985 and 2006, the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005), and applicable UK accounting standards.

Composition of the Board, organisation and Trustee induction and training

The Board of Trustees, which can have up to 25 members, directs the charity through quarterly meetings. The Chair of the Trustees is Alison Myners, who took up her position at the beginning of the 2006/7 financial year.

The Finance and Audit Committee meets quarterly in advance of Trustee meetings to review in detail the charity's financial affairs and is chaired by the Honorary Treasurer. In the previous financial year, the Finance and Audit Committee took on the responsibilities of the Remuneration sub-committee, which meets once or twice annually with the Director to review staff salaries and other benefits. Other committees may be formed to support specific needs as necessary.

The Chair and Trustees have been actively involved through the year in supporting and advising the Director and senior staff during the process of strategic planning and organisational development.

An informal audit of board skills and networks was concluded during the previous financial year, to ensure that the support, advice and networks available to the executive team were appropriate to the current ambitions of the Contemporary Art Society. It was decided to use vacant places on the Board to augment its range of experience in a number of areas, to diversify its profile and to increase its capacity to help with fundraising. Several new appointments were made in June 2007 to replace those Trustees who were retiring.

These include:

Caroline Collier, Director of Tate National
Tommaso Corvi-Mora, gallerist
Angie Drake, private collector
Bettie Morton, gallerist and cultural producer
Anthony Spira, curator, Whitechapel Art Gallery
Michael Stanley, Director of Milton Keynes Gallery

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Trustees' Report (Continued)

For the year ended 31 March 2008

All candidates for Trusteeship have discussions during the selection process on the role they will be expected to take. These discussions involve the Director and the Chair and can include other existing Trustees, dependent on the position to be filled.

During the year, the Board undertook a review of its constitution to modernise the Memorandum and Articles of Association and governance procedures. After consultation with the Charity Commission, the Board hopes to introduce these changes within the 2008/9 financial year.

On appointment, a new Trustee is sent a pack of information about the Contemporary Art Society, which includes:

- Articles and Memorandum of Association
- Trustee Code of Conduct
- Historical information about the Contemporary Art Society
- Recent quarterly and annual reports and accounts
- Trustee meeting minutes
- Recent publications and catalogues
- Information on Contemporary Art Society activities relevant at the time (e.g., forthcoming exhibitions, events and major grants-funded programmes etc.).

Articles or publications about the role of Trustees from such organisations as the NCVO and the Charity Commission are available to Trustees to provide guidance and assurance. The Chair and Director are available to assist Trustees with any queries they may have.

Risk Management

The risk register has been in existence for five years. It is reviewed by the Trustees and updated to reflect the development of management processes to address newly identified risks and to implement controls and procedures designed to manage and mitigate previously identified risks. Securing funds in a changing and competitive environment continues to be the greatest risk facing the organisation. Broadening our private funding base and increasing unrestricted funding are priorities in order to spread the risk. Increasing the charity's capacity to implement programmes that can attract funding, resourcing fundraising activities and generating significant earned income through art consultancy activities are priorities for the Board and management.

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Trustees' Report (Continued)

For the year ended 31 March 2008

Management

The Contemporary Art Society is managed by the Director, to whom the Senior Management Team reports. Paul Hobson was appointed Director and commenced in post in August 2007. He comes to the Contemporary Art Society with senior leadership experience in the contemporary art world combined with a strong track-record as a fundraiser, having previously held appointments with The Showroom gallery, the Serpentine Gallery, the Royal Academy of Arts and as Director of a private charitable foundation.

The senior management team who lead their departments are Sophia Bardsley, Finance and Strategic Planning; Stephanie Post, Membership & Collector Development; and Fabienne Nicholas, Consultancy. A fourth senior management position - that of Head of National Programmes - will be appointed during the Summer 2008. During the period, ARTfutures was curated and administered by a freelance team under the supervision of the Head of Finance and Strategic Planning.

The Contemporary Art Society operates an annual review system designed to support staff in making the fullest contribution to the organisation and to provide them with timely feedback on performance and professional development.

3. OVERVIEW OF THE YEAR

2007/8 witnessed the beginning of the revitalisation and growth of the Contemporary Art Society, following a significant period of organisational review and strategic planning in the previous financial year. The period under review saw the rejuvenation of the Board of the Contemporary Art Society, with some long-standing Board members stepping down following several years of committed and valued service to the Board, and the appointment of Trustees bringing additional skills, knowledge, energy and networks to the organisation in June 2007. This, combined with the relocation of the organisation to new premises in Emerald Street in November 2006, and the appointment of a new Director and senior management team, signalled a revival of the organisation. We would like to extend our thanks to Doris Lockart Saatchi, Roberta Thomson and Vicente Todoli for their immense contributions to the work of the Contemporary Art Society and are delighted that they remain close to us as we go forward.

An ambitious programmatic vision for the organisation was developed by the new team, led by its Director, Paul Hobson, informed by the framework developed during the Strategic Review, and refined by additional research and consultation with stakeholders in the sector. In particular, an integrated programme of new acquisition, commissioning and professional development initiatives was announced, to assist our museum members to extend their collections of contemporary art. The organisation's consultancy arm began to raise its profile and build its resources and networks, as a result of the implementation of a strategic business plan which projects income growth in the coming years. Artfutures, our annual exhibition of work for sale, generated significant funds for participating artists. New individual membership schemes were introduced at the end of the 2006/7 financial year which, along with initiatives designed to raise the visibility of the organisation and to build a new image and brand for the Contemporary Art Society, engaged new audiences and resulted in the growth of our membership over the 2007/8 year.

Trustees' Report (Continued)

For the year ended 31 March 2008

In the latter part of 2007/8, we launched a new programme of exhibitions in our Emerald Street offices called Rotate, which began with an installation by London-Berlin based artist collective, Artists Anonymous. Rotate is a programme of temporary exhibitions where we invite artist-run spaces drawn from across the UK to use our Emerald Street offices as a promotional platform by exhibiting their artists' work. Each of these exhibitions, where work is available for purchase, is celebrated with a private view for our members and we invite a participating artist to produce a limited edition print or object for all new members who join the Contemporary Art Society.

Our programming during the year reflected our ambition to strengthen our national role and remit, with the long-term aim of having thousands of members of all ages and backgrounds involved in the inspirational, educational and sometimes challenging ideas and forms of contemporary visual culture. To this end, during 2007/8 we strengthened our programme of events and partnerships outside London, developing relationships with artists and partner organisations in different parts of the UK. Our purpose is to provide greater support: to those artists who lack the promotional opportunities and the commercial infrastructure that the capital offers; to curators who lack the financial resources, knowledge and opportunities to develop their collections with confidence; to audiences that lack opportunities to engage and develop; and to organisations that aim to develop their audiences and nurture patrons and collectors locally.

4. MISSION, VALUES, OBJECTIVES, ACTIVITIES AND ORGANISATION

The Contemporary Art Society is the UK's leading membership organisation for contemporary art collectors at all stages of their interest and development. We support contemporary artists through promoting individual and institutional collecting.

Our objectives will be achieved through related plans, expressed as follows:

- **Museums** – we will develop sustainable new programmes for our museum members comprising professional development support for curators, acquisition and commissioning opportunities, and to augment the benefits of the Special Collections Scheme and National Collecting Scheme for Scotland.
- **Members** – we will expand existing schemes and implement new individual membership schemes that appeal to a wide range of contemporary art enthusiasts, collectors and potential collectors of contemporary art across the UK, substantially increasing membership numbers and membership income.
- **Consultancy** – we will build the reputation, networks and income of our arts consultancy business in order to become the leading not-for-profit art advisor to private and corporate collectors, contributing income for our charitable work.
- **Art fair** – we will reconsider the concept, format and location of ARTfutures bearing in mind comparable product in a congested and competitive visual arts market, making it both a critically relevant showcase of contemporary practice in the UK, and an essential event for collectors of contemporary art.

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Trustees' Report (Continued)

For the year ended 31 March 2008

- **Fundraising** – we will actively fundraise from trusts, foundations and other public funding sources, as well as events, in order to build our resources and become a significant conduit for public funding and private philanthropy to the UK's art museums. We will also seek creative new ways to fundraise for our mission which accord with our values and objectives.
- **Advocacy** – we will take a decisive lead in partnership with our peer organisations, in a campaign to promote the collecting of contemporary art by individuals and institutions, and for a national collecting strategy.
- **Education** – we will develop plans to introduce new audience development initiatives and regional collector initiatives in specific areas of the country, in order to develop the audience for contemporary art and to encourage collecting as a specific mode of engagement and way of supporting contemporary artists.

We will deliver our objectives by developing our:

- **Leadership** – we will ensure that we have clear, confident and knowledgeable leadership and an open management style.
- **Skills** – we will ensure that we have the strategic, financial, curatorial, administrative and marketing skills to be a successful not-for-profit business.
- **Processes** – we will establish processes and systems that work efficiently, cost-effectively and productively in pursuit of our goals.
- **Governance** – we will ensure that we have a Board with a set of skills and networks that reflect our ambitions and that actively support the executive team in their realisation.
- **Culture** – we will ensure that our culture reflects our values and that the Contemporary Art Society is a stimulating, enjoyable and rewarding place to work.

Activities

a. National Programmes

A key focus during 2007/8 has been on the development of new programmes for our museum members to enable them to develop their holdings of contemporary art, following the conclusion of the Special Collection Scheme and the Phase I of the National Collecting Scheme for Scotland. These two closely related schemes – which channelled nearly £4 million into commissions and purchases of contemporary art for public collections over seven years - won universal praise for their beneficial impact on public collections of contemporary art and for increasing the skills, confidence and networks of the UK's collection curators.

In the same year in which the Special Collection Scheme in England came to a close, the Museums Association inquiry *Collections for the Future* (2005) confirmed that museums are no longer developing their collections with the vibrancy and rigour required to ensure they service the needs of current and future audiences. The inquiry confirmed that museums are 'indeed faced with serious challenges in collecting'.

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Trustees' Report (Continued)

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Despite welcome complementary initiatives, most notably the Art Fund's new international contemporary art programme, and the excellent work of private bodies like Outset, the need for our support from the UK's public collections of contemporary art is increasing rather than diminishing.

Consultation & Development

The independent evaluation of the Special Collection Scheme conducted by Val Millington (2006) was the starting point for the research and development of our National Programmes, which comprise curatorial professional development schemes, acquisitions, commissioning, and audience development initiatives, working in partnership with our national membership of regional museums.

These new programmes were outlined in Autumn 2007, and an extensive consultation process began with the widest possible range of stakeholders including local authority funded regional museums, university museums and galleries, Arts Council regularly funded organisations and artist-run spaces across the UK.

Consultation meetings with national organisations included Arts Council England, the Arts Council Collection, the Art Fund, Axis, the Crafts Council, Engage, Tate, the MLA and VAGA; as well as a diverse range of organisations in Aberdeen, Bath, Birmingham, Blackpool, Bradford, Brighton, Bristol, Cardiff, Doncaster, Edinburgh, Glasgow, Leicester, Leeds, Liverpool, London, Manchester, Margate, Middlesbrough, Milton Keynes, Newcastle, Norwich, Oxford, Portsmouth, Sheffield, Southampton, Sunderland, Swansea, Wolverhampton and York.

Our thinking was further refined by a comprehensive review of the collection acquisition policies of our 90 museum subscribers; the findings of research we were commissioned to undertake into post-1970s UK collections by Arts Council England and Tate to assess the feasibility of a national database of all public collections; and research into new funding models for collection development - again funded by ACE - and in which we participated, at Rivington Place, London, EC2 at the end of March 2008.

The resultant National Programmes are designed to meet the needs of the sector on a sustainable basis and to promote some of the key recommendations of Arts Council England's Review of the Presentation of the Contemporary Visual Arts. Among these are a closer and more productive relationship between collection-based institutions and those organisations concerned with commissioning and exhibitions; a more vivid interchange between contemporary art and the historic canon, re-asserting the continuum of art; and a more strategic approach to collecting with an integrated regional approach that recognises the particular strengths and interests of existing collections, and that avoids unnecessary duplication.

Professional Development for Curators

One of the key findings of the evaluation of the Special Collection Scheme and the consultation process has been the need for a nationwide programme of professional development for curators - especially collection-based curators in local-authority funded museum contexts - to provide specific knowledge, skills, insight and networking opportunities. This should be achieved through an annual programme of inter-regional, London-based and international travel, seminars, symposia and special events. In response to this need, the Contemporary Art

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Trustees' Report (Continued)

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Society developed a bespoke programme specifically for contemporary curators, including studio visits, gallery trips, major exhibitions, international events and fairs, symposia and seminars, as well as social and networking opportunities. The new scheme was piloted with a trip to the Lyon Biennial in Autumn 2007. A group of 44 members had been recruited by March 2008.

Acquisitions

During its distinguished history, the Contemporary Art Society has played a unique, visionary and often solitary role in the development of public collections of contemporary art in this country, donating more than 5,500 significant works to museums across the UK. It has done so by fundraising through its various activities and purchasing work for distribution over four-year cycles. The selection of work has changed over time, but during recent decades has involved an independent panel purchasing work on behalf of the Contemporary Art Society to give to its museum members. This work has been shown at an exhibition to which museum curators are invited to select work for their collections.

During the National Programmes consultation process, there was a clear curatorial consensus that this way of purchasing on behalf of museums, whilst beneficial in many ways, is no longer appropriate and needs revising. Accordingly, in the future, we will work much more closely and collaboratively with our museum members to purchase work with them rather than on their behalf - a model developed through the Special Collection Scheme. This process will be supported by professional development activities and form part of a developmental curatorial dialogue between the Contemporary Art Society and the museum involved. This conversation will focus on the collection development policies and ambitions of the museum and a shortlist of artists agreed between the Contemporary Art Society and the museum, in order to realise the best possible match for a collection, bearing in mind local audiences.

This is a much more time-intensive way of working, and in order to do so we will identify clusters of museums with which to work in any one year - based on commonalities in their collection policies identified by our research - so that every organisation is given the most suitable work over a four-year cycle, as part of a strategic and developmental programme.

Commissioning

The Contemporary Art Society will celebrate its centenary during 2009/10 and it is our intention to launch a nationwide programme of new commissions and interventions into collections across the UK, generated from a collection context, from 2010 onwards. These activities will form part of a major programme of activity during 2009/10, including a high-profile fundraising event, a centenary exhibition and catalogue charting the history of the organisation and its work since 1910.

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Trustees' Report (Continued)

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Audience Development

It is clear that the mission of placing work in public collections across the UK assumes their relevance to audiences now and in the future. The Contemporary Art Society believes that more sustained work needs to be done to build audiences for contemporary collections in museums and the quality of their engagement. During 2007/8, the organisation developed its planning in relation to stimulating audiences and collectors in the regions around new Contemporary Art Society acquisitions and commissions. These plans are designed to strengthen engagement with contemporary practice, to re-activate public collections through contemporary ideas, issues and forms, and will be launched during 2008/9.

b. Individual Membership

Membership and individual subscription income contributed £105,000 in support of the organisation a significant increase on previous years. The membership grew as a result of a more schematic offer, higher quality events, members' introductions and a series of recruitment events introduced during Autumn 2007 and Spring 2008 hosted by Alison Myners. In addition, a new group of Patrons donating £2,500 each was recruited, leading to an increase in subscription income in the year under review.

c. Art Consultancy

As part of the Strategic Review in 2006/7, the Contemporary Art Society considered its consultancy work, and articulated more clearly than hitherto the particular characteristics that make working with the Contemporary Art Society unique and attractive to clients and potential clients. As a result, we now have a better focussed sense of the position that we occupy within this increasingly competitive market place. We are clear that we wish to continue to position ourselves at the top end of the market, and to offer a premium service for which we can charge premium fees that offer our clients access to the best, most expert and most thoughtful advice, drawing on the same knowledge base that we use to support the UK's public collections of contemporary art.

Fabienne Nicholas joined the Contemporary Art Society in the new position of Head of Consultancy in August 2007, with a remit to develop the reputation, networks and income of the consultancy business, which provides vital funds for our charitable work with museums.

The longstanding relationship between the Contemporary Art Society and the Economist flourished during 2007/8. The Economist increased their investment in our partnership and was responsive to our increased ambition to raise the profile of this important site-specific sculpture programme. Six artists exhibited during 2007/8, including: James Ireland (24 March – 4 May), Joe Hillier (18 May – 6 July), Sparks (20 July – 14 September), Nathaniel Rackowe (28 September – 30 November), Laura Ford (7 December – 1 February) and Tim Knowles (16 February – 14 March). We are very grateful to the Economist for its continuing support.

Trustees' Report (Continued)

For the year ended 31 March 2008

The Contemporary Art Society acted as consultants on the realisation of Langlands & Bell's iconic new work *Moving World* which was installed on either side of the entrance plaza to the new Richard Rogers designed Terminal Five at Heathrow Airport. We congratulate Langlands & Bell on this monumental new work, and thank them for the inspirational journey of its realisation.

A new client secured during 2006/7 was the London School of Economics, which invited the Contemporary Art Society to advise on commissioning two large-scale three-dimensional works for its new academic building in London's Kingsway designed by Nicholas Grimshaw Architects. During 2007/8, the Contemporary Art Society ran a competition to select artists and will project manage the fabrication and installation of a piece for the exterior of the landmark building and one for the interior atrium, the major public focal point of the site, in the summer of 2008. Shortlisted artists included Pae White, Robert Orchardson, Simon Patterson, Conrad Shawcross, Cerith Wyn Evans, Gary Webb, Claire Morgan, Joy Gerrard and Richard Wilson. Richard Wilson was selected for the exterior commission which will see a major architectural transformation of the building façade; and Joy Gerrard with a suspended work for the interior atrium. The artworks are due to be launched with the opening of the new building in late 2008.

We have also continued our work on the formation of a collection of contemporary work for the Norman Foster designed London offices of Pictet, the Swiss private bank and asset management firm, purchasing several new works by artists including Callum Innes, Charles Avery, Simon Faithfull, Paul McDevitt, Ugo Rondinone, David Austen and Steiner & Lenzlinger. Pictet also commissioned a new wall-based installation by Diann Bauer for this project, that responds specifically to a long curved space within the Norman Foster designed offices.

We helped long held clients etc. venues to celebrate the launch of their new London conference and training space at Tower Bridge with a curated programme of artworks and production of a commemorative artwork postcard series produced for the opening event. Our work with Dresdner Kleinwort continued throughout the year, with a major rehang for their Gresham Street offices including documenting, cataloguing and labeling the growing collection, including many works which were purchased from ARTfutures in 2007.

We have continued to offer advice to a number of private clients, ranging from new collections to those with established collections. Services offered ranged from bespoke gallery visits and advice on emerging artists, through to purchase negotiations and installation.

d. Artfutures

Our annual art market is unique in the increasingly hectic and fashionable world of international art fairs. Central to the concept of Artfutures is that it is a curated show where works are hand-picked by independent selectors. We present a cross-section of contemporary practice, with an emphasis on emergent talent and a number of more established names. We aim to encourage new collectors by presenting work of a high standard which is accessible to them, through a low sales price range.

CONTEMPORARY ART SOCIETY

Trustees' Report (Continued)

For the year ended 31 March 2008

Once again we are grateful to Bloomberg for allowing us to use the Bloomberg Space in London's Finsbury Square for Artfutures and for their marvellous support and partnership in this project. This year we introduced a number of innovations to make attendance at the event an attractive and stimulating proposition and to increase sales.

Firstly, the selection process led once again by writer and independent curator, Jeni Walwin with artist, Nicky Hirst, included inviting artists (Janane Al-Ani, Charles Avery, Anna Barriball, Zarina Bhimji, Matt Calderwood, Layla Curtis, Simon Faithfull, Laura Ford, Juneau Projects, Tania Kovats, Langlands & Bell, Heather & Ivan Morrison, Mike Nelson, Cornelia Parker, Zenib Sedira, Bedwyr Williams, John Wood and Paul Harrison) to nominate lesser-known artists for inclusion in the show. This generated a new structure and texture to the exhibition and brought some interesting artists to our attention.

Secondly, we introduced a platform of live art practices – Artfutures Live – curated by specialist curatorial agency, Collecting Live Art, which involved leading performance artists including Vlatka Horvat and Tim Etchells, Tim Knowles, Yara El-Sherbini, Juneau Projects and Bedwyr Williams. The event, which was supported by Jerwood Visual Arts, included presentations and performances, and a discussion between writer/curators Sacha Craddock and Jeni Walwin on the influence of performative processes on contemporary visual practice.

Thirdly, Bloomberg generously invited the Contemporary Art Society to nominate a shortlist of organisations from our nationwide membership of regional museums, to benefit from a new acquisition focused on 'drawing in its broadest sense'. Leeds Art Gallery was selected for its curatorial ambition, and an active and developing interest in collecting drawings by sculptors - particularly through the Henry Moore Institute. The new acquisition aimed to extend the collection in scope, and to form part of an inaugural exhibition to open the gallery's refurbished spaces. The Contemporary Art Society convened the curators of Bloomberg SPACE and Leeds Art Gallery, in association with The Henry Moore Institute, to select a suitable work, and we were delighted that a work by DJ Simpson - who takes a sculptural approach to drawing – was purchased with funding from Bloomberg. The work was initially displayed at Bloomberg during ARTfutures before moving to its permanent home at Leeds Art Gallery.

We thank Bloomberg for their generous philanthropy, to Leeds Museums and Galleries and the Henry Moore Institute for their expert contributions leading to this exciting acquisition.

In total, ARTfutures generated £183,000 for the artists and galleries involved. We know that the unique and desirable characteristic of our selling show is that work for sale is carefully selected by Contemporary Art Society curators. This allows us to deliver our mission and generate income appropriate to our charitable status. Nevertheless, for our annual selling show to increase its influence in the congested calendar of international art fairs we must continue to innovate, perhaps radically. It is likely that Artfutures will take a very different form in the future.

Trustees' Report (Continued)

For the year ended 31 March 2008

Future plans

The Contemporary Art Society is bristling with ambition and ideas.

Here is a preview of forthcoming developments.

- We will strengthen our involvement in specific regions outside London to develop audiences for contemporary art, and contemporary collectors, working in partnership with the regional offices of the Arts Council and other stakeholders.
- We will introduce new donation schemes for those many individuals who wish to support our unique work in building public collections, but are not drawn to an event-based programme.
- We will launch a new membership programme for commercial galleries with which we wish to strengthen our association through our events programmes and other activities. This will include handpicked galleries throughout the country.
- We will reconsider the concept, format and location of *Artfutures* to ensure it is innovative, critically rigorous and dynamic, involving artists of different disciplines and practices from across the UK, in an exhibition that is a keenly anticipated event in the arts calendar for collectors, critics, curators and artists.
- We will mount a high profile and successful fundraising event to raise support for our work, and to launch our centenary year, in Spring 2009.
- We will begin the research and planning for a major centenary exhibition and catalogue during 2009/10, our centenary year.
- We will continue the expansion of our individual membership and patron schemes, but will also ensure we are delivering a high quality of engagement in contemporary visual practice through our events programmes.
- We will expand our public programmes, including the ever-popular Saturday gallery tours and our specialist seminar programme, introducing a new studio-based programme of engagement with artists, called *Offsite-Insight*.
- We will launch a new International Patrons programme during Autumn 2008.
- We will implement our National Programmes of professional development, acquisitions and commissioning, and continue to build our consultancy business.
- We will build on the energy and benefits of Rotate inviting artist-run spaces to participate in a promotional programme at our offices in Emerald Street.

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Trustees' Report (Continued)

For the year ended 31 March 2008

- We will continue the process of re-branding the organisation, including revamping our website, to ensure the Contemporary Art Society appeals to a diverse, inter-generational national and international audience.

Paul Hobson and the new management team are to be congratulated on their energetic and focussed delivery of programmes in the revitalised Contemporary Art Society.

5. FINANCIAL REVIEW

Results

The results of the Society for the year ended 31 March 2008 are set out in the financial statements on pages 16 to 25.

Reserves Policy

The Trustees review the reserves of the charity annually. This review encompasses the nature of the income and expenditure streams, the need to match variable income with ongoing commitments and the nature of the reserves. In prior years this review concluded that the charity should hold in an expendable endowment fund the bequeathed property at 19 Cresswell Place, London, SW10. The property has been let throughout the period.

This leaves in the unrestricted funds £210,148. This includes £32,325 of stock currently being distributed and a further £40,933 represented by fixed assets and £10,214 represented by investments. This leaves £126,676 of free reserves, representing approximately 2-3 months running costs. The charity is reviewing its operations and intends to grow this balance back to approximately 3-6 months operating costs. The balance of the funds, £15,565, is held as restricted funds.

The analysis and movement of restricted funds is explained in note 9 to the financial statements.

Investment Policy

CAS has minimal stock market investments and most of the funds are held in short term deposits to maximise income pending application of funds. Through the Tom Bendhem Bequest, CAS took possession of a valuable property in London in July 2004. As reported previously, the property was renovated and has been fully let in the period, generating income of £40,252 (2007 £35,407). The property has been revalued to £1,200,000 during the year.

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Trustees' Report (Continued)

For the year ended 31 March 2008

Statement of Trustees' Responsibility

Company Law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Society at the end of the financial year and its surplus and deficit for the financial year.

In doing so, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 company will continue in business

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

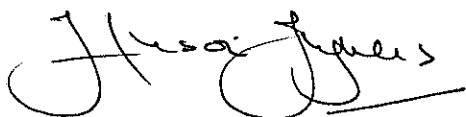
Each of the Trustees at the date of approval of this report confirms that

- 1) so far as the Trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and
- 2) the Trustee has taken all the steps that s/he ought to have taken as a Trustee to make herself/himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Auditors

Mazars LLP have signified their willingness to continue in office. A resolution to reappoint Mazars LLP as auditors to the Company and to authorise the Directors to fix their remuneration will be proposed at the Annual General Meeting.



Chairman

30 September 2008

Independent Auditors' report

To the members of The Contemporary Art Society

We have audited the financial statements of The Contemporary Art Society for the year ended 31 March 2008 which comprise the Statement of Financial Activities, the Charity and Balance Sheets and related notes. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of Trustees and auditors

As described in The Statement of Trustees' Responsibilities, the Trustees, who are also the directors of The Contemporary Art Society for the purpose of company law, are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International standards on Auditing (UK and Ireland).

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

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

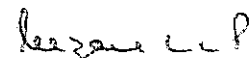
We conducted our audit in accordance with International standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Society's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion:

- the financial statements give a true and fair view United Kingdom Generally Accepted Accounting Practice of the state of affairs of the Society's affairs as at 31 March 2008 and of their incoming resources and resources expended, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Council is consistent with the financial statements.



MAZARS LLP

CHARTERED ACCOUNTANTS

and Registered Auditor

Tower Bridge House, St Katharine's Way, London E1W 1DD



CONTEMPORARY ART SOCIETY

Statement of financial activities

Incorporating the income and expenditure account

For the year ended 31 March 2008

	Notes	Unrestricted funds £	Restricted funds £	Expendable £	2008 £	2007 £
Incoming resources						
<i>Voluntary income</i>						
Subscriptions and donations	2	166,694	-	-	166,694	123,885
Bequest		11,985	-	-	11,985	15,877
Arts Council Award		84,461	-	-	84,461	82,200
<i>Activities in furtherance of the charity objectives:</i>						
Fees and commissions		304,715	-	-	304,715	216,964
Lottery scheme contributions	3,9	-	-	-	-	14,100
Other grants	3,9	8,000	29,000	-	37,000	39,715
Ticket sales for events for members		28,468	-	-	28,468	39,349
Other income		322	-	-	322	8,641
<i>Investment income:</i>						
Interest and dividends		12,112	-	-	12,112	23,026
Investment Property income		40,252	-	-	40,252	35,407
Total incoming resources		657,009	29,000	-	686,009	599,164
Resources expended						
Cost of generating funds						
Fundraising costs		101,212	-	-	101,212	125,539
<i>Charitable activities</i>						
Advice training & collection support		346,302	42,000	-	388,302	491,713
Art purchases & distributions		187,865	-	-	187,865	153,862
Members' events & support activities		243,461	851	-	244,312	193,157
		777,628	42,851	-	820,479	838,732
<i>Governance costs</i>		18,505	-	-	18,505	60,722
Total resources expended	4	897,345	42,851	-	940,196	1,024,993
Net outgoing resources		(240,336)	(13,851)	-	(254,187)	(425,829)
<i>Revaluation of Investments</i>						
		(1,923)	-	305,000	303,077	307
		(242,259)	(13,851)	305,000	48,890	(425,522)
Transfers	9	-	-	-	-	-
Net movement in funds		(242,259)	(13,851)	305,000	48,890	(425,522)
Fund balance brought forward		452,407	29,416	895,000	1,376,823	1,802,345
Fund balances carried forward	10	210,148	15,565	1,200,000	1,425,713	1,376,823

All of the above results derive from continuing activities. There are no gains and losses other than those disclosed above. The accompanying notes form an integral part of these financial statements.

CONTEMPORARY ART SOCIETY

Balance Sheet

As at 31 March 2008

	Notes	2008 £	2007 £
Fixed assets			
Tangible assets	5	40,933	30,297
Investments	6	<u>1,210,214</u>	<u>907,137</u>
		1,251,147	937,434
Current assets			
Stock	12	32,325	212,454
Debtors	7	143,880	135,232
Short term deposits		<u>180,639</u>	<u>227,494</u>
		356,844	575,180
Creditors: amounts falling due within one year	8	<u>182,278</u>	<u>135,791</u>
Net current assets		<u>174,566</u>	<u>439,389</u>
Net assets		<u>1,425,713</u>	<u>1,376,823</u>
Represented by			
Unrestricted income funds		210,148	452,407
Restricted income fund		15,565	29,416
Expendable Endowment fund		<u>1,200,000</u>	<u>895,000</u>
	9	<u>1,425,713</u>	<u>1,376,823</u>

The accompanying notes form an integral part of these financial statements.

The financial statements on pages 16 to 25 were approved by the Trustees on 30 September 2008



Chairman

CONTEMPORARY ART SOCIETY

Notes to the accounts

For the year ended 31 March 2008

1 Accounting policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention, with the exception of investments, which have been included at market value, and stocks, which are at replacement value. The financial statements have been prepared in accordance with the Statement of Recommended Practice, 'Accounting and Reporting by Charities,' (SORP 2005), issued in March 2005, applicable UK accounting standards and the Companies Act 1985.

The principal accounting policies adopted in the preparation of the financial statements are set out below:

b) Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable certainty. For legacies, entitlement is established once the charity been notified of an impending distribution. Membership subscriptions are treated as donations and are accounted for when received..

Sale of art at ARTfutures is accounted for on a commission receivable basis on the basis that the Society act as disclosed agent for the artist.

c) Expenditure

Expenditure is classified under the principal categories of charitable and other expenditure rather than the type of expense, in order to provide more useful information to users of the financial statements.

Charitable expenditure and administration costs comprise direct expenditure including direct staff costs attributable to the charity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of the resources.

Art purchases are charged to expenditure in the year the purchase is made although not all purchases in a year are distributed in the year.

Fundraising and publicity costs are those incurred in seeking voluntary contributions for the Society, and in publicising the Society. Governance costs are those incurred in connection with the management of the Society's assets, organisation administration and compliance with constitutional and statutory requirements.

d) Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objective if the charity. Where funds are received under contracts to provide services they are treated as unrestricted.

Expendable endowment funds comprise funds held on trust to be retained for the benefit of the charity as a capital fund. The Trustees have power of discretion to convert endowed capital into income.

CONTEMPORARY ART SOCIETY

Notes to the accounts (continued)

For the year ended 31 March 2008

1 Accounting policies (continued)

d) Fund accounting (continued)

Restricted funds are funds which are to be used in accordance with restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements. Where funds are expended in advance and in genuine anticipation of receiving restricted funding a negative restricted fund is created.

e) Pension

The charity has arranged a defined contribution pension scheme for all members of staff. Pension costs charged in the Statement of Financial Activities represent the contributions payable by the charity in the year.

f) Tangible fixed assets

Tangible fixed assets are stated at cost. Depreciation is provided on all tangible assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life as follows:

Leasehold improvements	20% per annum
Computer equipment	20% per annum
Office equipment	10% per annum

Small capital additions which do not exceed £500 are expensed in full in the year of acquisition.

g) Stocks

Stocks comprise works of art, carried at probate value, that have been bequeathed to the charity. Art that has been purchased for distribution is deemed to have a nil realisable value and is expensed in the year of purchase and not included within stock.

h) Investments

Investments are stated at market value. In accordance with SORP 2005 and standard accounting practice, it is the Society's policy to keep valuations of stocks and shares up to date such that when they are sold there is no gain or loss arising. As a result the Statement of Financial Activities only includes those unrealised gains and losses arising from the revaluation of the stocks and shares investment portfolio throughout the year. In accordance with SSAP 19, Accounting for Investment Properties it is the Society's policy to carry out a formal valuation at least once in every 5 years. The investment property was last valued in May 2008.

i) Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

j) Consolidation

The Charity's trading subsidiary was struck off during 2006/2007 and accordingly no consolidated accounts are required.

CONTEMPORARY ART SOCIETY

Notes to the accounts (continued)

For the year ended 31 March 2008

2 Subscriptions and Donations

	2008 £	2007 £
Individuals	101,968	63,109
Public Art Galleries	64,726	64,776
	<u>166,694</u>	<u>123,885</u>

3 Grants

	2008 £	2007 £
Scottish Arts Council - NCSS Lottery	8,000	17,500
Scottish Arts Council - Purchases	2,000	-
Arts Council of England - BLOOD Development	10,000	-
Arts Council of England - Yorkshire	-	4,255
Arts Council of England - Evaluation	10,000	-
Arts Council of England - Organisational Review	7,000	-
Museum and Galleries	-	600
Esmée Fairbairn Foundation	-	1,460
Gulbenkian Foundation	-	30,000
	<u>37,000</u>	<u>53,815</u>

CONTEMPORARY ART SOCIETY

Notes to the accounts (continued)

For the year ended 31 March 2008

4 Total resources expended

	Allocated support costs £	Direct costs £	Total 31.3.2008 £	Total 31.3.2007 £
Cost of generating funds:				
Fundraising costs	29,022	72,190	101,212	125,539
Charitable activities:				
Advice training & collection support	92,067	296,235	388,302	491,713
Art purchases	-	187,865	187,865	153,862
Members' events & support activities	80,942	163,370	244,312	193,157
	173,009	647,470	820,479	838,732
<i>Governance costs</i>	6,831	11,674	18,505	60,722
<i>Total</i>	208,862	731,334	940,196	1,024,993

Cost allocation includes an element of judgment and the charity has had to consider the cost benefit of detailed calculations and record keeping.

Support costs include staff salaries, social security and pensions; rent and rates; insurance; IT; postage, couriers and stationery; telephone and fax; cleaners and maintenance; book-keeping and accountancy; bank charges and depreciation.

a) Staff costs

	2008 £	2007 £
Wages and salaries	259,911	179,249
Social security costs	27,150	18,193
Pension	1,627	5,203
Temporary staff	19,082	15,729
	307,770	218,374
Sub contractor costs	146,027	195,864
	453,797	414,328
The average number of full time equivalent employees was	9	6
Employees received remuneration between £60,000 to £69,999	-	1

CONTEMPORARY ART SOCIETY

Notes to the accounts (continued)

For the year ended 31 March 2008

4 Total resources expended (continued)

b) Trustees

The Trustees do not receive any emoluments and did not claim any reimbursement of expenses

c) Auditors remuneration

	2008 £	2007 £
Auditors remuneration	<u>5,000</u>	<u>5,000</u>

5 Tangible fixed assets

	Office Equipment £	Leasehold Improvements £	Computer equipment £	Total £
Cost				
1 April 2007	-	13,130	43,287	56,417
Additions	<u>21,010</u>	<u>-</u>	<u>-</u>	<u>21,010</u>
31 March 2008	<u>21,010</u>	<u>13,130</u>	<u>43,287</u>	<u>77,427</u>
Accumulated Depreciation				
1 April 2007	-	1,313	24,807	26,120
Charge for the year	<u>1,823</u>	<u>2,626</u>	<u>5,925</u>	<u>10,374</u>
31 March 2008	<u>1,823</u>	<u>3,939</u>	<u>30,732</u>	<u>36,494</u>
Net book value				
31 March 2008	<u>19,187</u>	<u>9,191</u>	<u>12,555</u>	<u>40,933</u>
1 April 2007	<u>1,475</u>	<u>11,817</u>	<u>17,005</u>	<u>30,297</u>
Depreciation rates	10%	20%	20%	

CONTEMPORARY ART SOCIETY

Notes to the accounts (continued)

For the year ended 31 March 2008

6 Investments

	Total £	Property £	Listed shares £
Market value 1 April 2007	907,137	895,000	12,137
Addition – Investment property	-	-	-
Gain/(loss) on revaluation	303,077	305,000	(1,923)
Market value 31 March 2008	<u>1,210,214</u>	<u>1,200,000</u>	<u>10,214</u>
Historical cost at 31 March 2007	<u>-</u>	<u>-</u>	<u>-</u>
Unrealised investment gains at 31 March 2007	<u>1,210,214</u>	<u>1,200,000</u>	<u>10,214</u>

The investment property, 19 Cresswell Place, London, SW10 9RB, was bequeathed to the Society on 15 June 2004.

The property was revalued by Lurot Brand Ltd (estate agents specialising in mews properties) to £895,000 in May

2008. It is the Society's policy to revalue investment properties at least once every five years.

7 Debtors: Amounts falling due within one year

	2008 £	2007 £
Trade debtors	116,602	96,638
VAT	-	3,225
Other debtors	4,867	21,690
Prepayments and accrued income	22,411	13,679
	<u>143,880</u>	<u>135,232</u>

8 Creditors: amounts falling due within one year

	2008 £	2007 £
Creditors	76,114	65,387
Accruals and deferred income	65,228	65,964
VAT	31,021	-
Social security and other taxes	9,915	4,440
	<u>182,278</u>	<u>135,791</u>

CONTEMPORARY ART SOCIETY

Notes to the accounts (continued)

For the year ended 31 March 2008

9 Statement of Funds

	At 01.04.2007 £	Income £	Expenditure £	Transfer £	Investment Revaluation £	At 31.3.2008 £
Unrestricted funds	452,407	657,009	(897,345)	-	(1,923)	210,148
Restricted funds: see note (a)						
Catching Comets Appeal	8,565	-	-	-	-	8,565
Arts Council England - BLOOD Development	851	-	(851)	-	-	-
Arts Council England – North West collector development		7,000	-	-	-	7,000
Scottish Arts Council – ARTfutures funding		2,000	(2,000)	-	-	-
Bloomberg – acquisitions		10,000	(10,000)	-	-	-
Arts Council England – Scoping Study for Regional Public Collections Database		10,000	(10,000)	-	-	-
Gulbenkian Foundation	20,000	-	(20,000)	-	-	-
	29,416	29,000	(42,851)	-	-	15,565
Expendable Endowment	895,000	-	-	-	305,000	1,200,000
Total restricted funds	924,416	29,000	(42,851)	-	305,000	1,215,565
Total funds	1,376,823	686,009	(940,196)	-	303,077	1,425,713

Restricted funds unexpended are mainly represented by short term deposits and cash at bank.
The Expendable Endowment fund represents the bequeathed property at 19 Creswell Place, London which is held as an investment property.

Note (a)

Catching Comets Appeal - purchase and distribution of contemporary art
 Scottish Arts Council -NCSS Marketing Lottery - marketing and recording of NCSS purchase and commission projects for designated museum collections
 Scottish Arts Council - towards transport for work by artists based in Scotland to ARTfutures
 Arts Council England - BLOOD Development - Grant to support development of workshop and website
 Gulbenkian Foundation - Grant to allow group of museum curators to go on research and art purchasing trip to Portugal.
 Arts Council England – Scoping Study for Regional Public Collections Database - scoping study into creating a database of regional public collections of contemporary art
 Bloomberg - to acquire a work for a regional public collection
 Arts Council England - collector development across the North West

CONTEMPORARY ART SOCIETY

Notes to the accounts (continued)

For the year ended 31 March 2008

10 Analysis of Net Assets between Funds

Fund balances at 31 March 2008 are represented by:

	Total	Unrestricted	Expendable	Restricted
	£	funds	Endowment	funds
	£	£	£	£
Tangible Fixed Assets	40,933	40,933	-	-
Investments	1,210,214	10,214	1,200,000	-
Current assets	356,844	341,279	-	15,565
Current liabilities	(182,278)	(182,278)	-	-
Total net assets	1,425,713	210,148	1,200,000	15,565

11 Commitments under Operating Lease

As at 31 March 2008, CAS had annual commitments under non-cancellable operating leases as set out below:

	2008	2007
	£	£
Land & Buildings		
Operating leases which expire in 2-5 years	42,200	42,200

12 Stock

Stock comprises three collections of works of art which were bequeathed to the Society. These items are currently in the process of being distributed.

The balance sheet does not include gifts of art and craft given to the charity for distribution.

These gifts amounted to £45,300 at the year end.