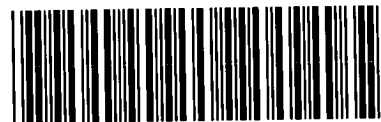


Design Dundee Limited
(a company limited by guarantee)
Report and financial statements
for the year ended 31 March 2017

Registered number: SC370598

Charity number: SC041219

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Design Dundee Limited
(a company limited by guarantee)

Contents

	Page
Charity information	1
Directors' report	2 - 6
Statement of responsibilities of the directors	7
Independent auditor's report	8 - 9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 23

Design Dundee Limited
(a company limited by guarantee)

Charity information

Directors

Sir CP Downes
LMS Knox
DHE Thomson
P Long
M McHugh
D Hunter
D Martin
G Logan
T Hunt

Alternate directors

P Noad
S Murdoch
D Bickle
P Beach

Principal office

Enterprise House
3 Greenmarket
Dundee
DD1 4QB

Auditors

Henderson Loggie
The Vision Building
20 Greenmarket
Dundee
DD1 4QB

Company secretary

Thorntons Law LLP

Registered office

Whitehall House
33 Yeaman Shore
Dundee
DD1 4Bj

Solicitors

Thorntons Law LLP
33 Yeaman Shore
Dundee
DD1 4Bj

Bankers

The Royal Bank of Scotland
3 High Street
Dundee
DD1 9LY

Registered number

SC370598

Charity number

SC041219

Design Dundee Limited **(a company limited by guarantee)**

Report of the directors

The company information set out on page 1 forms part of this report.

Structure, governance and management

Constitution

Design Dundee Limited is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association.

Related parties & relationship

The company was established with the express aim of organising the development and delivery of the V&A Museum of Design Dundee (V & A Dundee). The founder members have created Design Dundee Limited which will drive the development and delivery of the project. The founder members are Dundee City Council, the Universities of Dundee and Abertay Dundee, Scottish Enterprise and the Victoria & Albert Museum.

Decision-making process

The decision-making process is a majority vote of the Directors. In the case of an equality of votes, the Chair will have a second casting vote. Where matters require the approval of the founder members the Chair shall not be entitled to cast a second or casting vote in the case of an equality of votes.

Recruitment, induction and training of directors

New directors are recruited and appointed according to the workload of the board in terms of both the business of the company and the needs of Design Dundee Limited. Induction information is provided to all new directors, and ongoing training is available to all existing directors as required.

Directors and organisation structure

The management of Design Dundee Limited is in the hands of the directors and members. The directors who served during the year to 31 March 2017 were as follows:

Directors	Relationship	Alternate
LMS Knox (Chair)	Independent	
DHE Thomson	Independent	
Sir CP Downes	University of Dundee	GH McKee (resigned 31 December 2016) P Beech (appointed 1 January 2017)
M McHugh	Scottish Enterprise	P Noad
P Long	Design Dundee Limited	
D Hunter	Independent	
G Logan (appointed 15 July 2016)	Independent	
D Martin	Dundee City Council	Stewart Murdoch

Design Dundee Limited
(a company limited by guarantee)

Report of the directors (continued)

Directors and organisation structure (continued)

Directors	Relationship	Alternate
M Roth (resigned 31 October 2016) T Reeve (appointed 25 November 2016 and resigned 27 March 2017) T Hunt (appointed 23 March 2017)	Victoria & Albert Museum	D Bickle (resigned 31 October 2016 and appointed 25 November 2016)

In addition to the above R Duncan was appointed as director on 1 April 2016 and resigned on 3 May 2017.

As a founding member, Abertay University retain the right to nominate a new Board Director and alternate.

The board of directors met five times during the year.

A director may appoint an alternate director who can attend and vote at meetings where the director will not be present. Alternate directors shall remain in place until their appointing director removes them or the appointing director leaves their own position.

All directors are considered to be trustees in terms of Charities Legislation.

The Directors have established committees to assist the Board to fulfil its responsibilities as follows:

Audit and risk committee

In regard to the oversight of:

- the financial statements, auditing, accounting and related reporting
- internal control and risk management systems
- corporate governance policies and practices

Museum Delivery Committee

In regard to the oversight of:

- Delivery of the capital project, including: technical construction and design quality (including FF&E); key construction and programme risks and issues; procurement, review and contract variation.
- Operational Readiness of the new museum

Finance committee

In regard to the oversight of:

- management accounts, budgets, financial forecasts and financial performance
- financial and accounting policies including reserves
- financial impact of all threats, opportunities and risks

Remuneration committee

In regard to the oversight of:

- staff objectives, performance and appraisals
- employment matters generally including skills mix, training and staff risks and opportunities
- salary and benefit reviews within board approved budget limits.

Design Dundee Limited
(a company limited by guarantee)

Report of the directors (continued)

Risk management

The risk process is overseen by the Audit and Risk Committee and constitutes individual project and department risk assessments and registers and a strategic risk register. In the strategic risk register, key risks are around funding and financial sustainability, staffing and expertise, and delays to the build project at the 'V & A Dundee'. The directors are satisfied that appropriate systems are in place to mitigate these risks.

Objectives

The objects of the company are:

- i. to advance the arts, heritage, culture and science;
- ii. to advance education and research;
- iii. to advance citizenship and community development in furthering purposes i and ii;
- iv. to advance such similar charitable purposes as the Directors may consider appropriate from time to time.

Our mission:

Enriching lives through design.

Our vision:

To create an international centre for design, inspiring people and promoting the understanding of design.

Our strategic objectives:

- To champion past, present and future design in a Scottish and global context.
- To be a leader in design education, inspiring creativity and developing future skills for design and business innovation.
- To create a world-class, must-see, sustainable cultural attraction.
- To play an integral role in developing Dundee and the region, generating civic pride and supporting regeneration.

Plans for future years

As the first ever design museum to be built in the UK outside London, V&A Dundee will be the first dedicated place for Scotland to celebrate its design heritage and nurture its emerging creative talent.

V&A Dundee will focus on design. It will have more than 1,700 square metres of flexible gallery space, with one of the largest dedicated museum-standard exhibition spaces in Scotland. It will host world-class design exhibitions (in partnership with the V&A and other national and international partners) alongside displays devoted to outstanding Scottish design - historical, contemporary and of the future.

Through its wider learning and outreach programmes V&A Dundee provides inspiring opportunities for people of all ages and backgrounds to learn and get involved in design creativity.

V&A Dundee is developing innovative programmes that aim to contribute to long-term economic growth by promoting the importance of design as an essential ingredient within business and enterprise.

Design Dundee Limited
(a company limited by guarantee)

Report of the directors (continued)

Plans for future years (continued)

In the run up to opening, V&A Dundee is working with a variety of partners to develop understanding of the new museum through a range of learning projects, and to develop its business planning and fundraising activities to complete the capital project and to ensure the new institution's long-term sustainability.

Key achievements

The principal activity of the company in the year under review was the ongoing development of the V&A Dundee project. The construction work being led by Dundee City Council has progressed on programme and on budget, and has achieved key milestones, including the completion of the museum's external structure, the partial completion of its cladding finishes, and the substantial advancement of its internal works. Progress in the construction programme has allowed full planning to begin for public opening in 2018.

Operational readiness of the new institution has become a major focus within the period, with plans set out for all that needs to be done to achieve a successful opening, and the consequent transitioning of DDL into an organisation responsible for taking forward the day-to-day running of a major new museum and cultural attraction. This has involved the development of the staffing resource required, with further Heads of Department appointed with a responsibility for respectively exhibitions and visitor experience and facilities management. Thus, alongside the ongoing development of the Scottish Design Galleries (now at an advanced stage) plans have been made for V&A Dundee's opening programme of changing exhibitions, learning programmes and required facilities for visitors, such as restaurant and café provision and wider visitor welfare.

Fundraising has continued to be an important part of the project's activities. An ongoing fundraising campaign has continued to raise support towards the project's financial targets through private, corporate and trust and foundation donations. A review was undertaken of our fundraising resource, with changes consequently implemented to begin to move this from one primarily concerned with capital fundraising, to fund income generation for future running costs.

Throughout the year, pre-opening audience development activity designed to engage all communities in the developing project and its key themes have been organised and held. This has included learning projects held with communities locally and regionally, a wide programme of public talks introducing audiences to the museum, and the prototyping of a programme introducing the value of design to business and wider social enterprise. A substantial amount of work has also been developed to progress the audience and media planning for the project through digital and social media platforms, and with local and national partners to develop new tourism interest in support of V&A Dundee, the city of Dundee and the wider region.

- V&A Dundee was also selected in early 2016 as the official UK representative at the XXI Milan Design Triennale, which runs from April to September 2016 to a global audience of up to 500,000 visitors. Supported by the British Council and the Scottish Government, the exhibition featured *Adventures in Design*, a specially commissioned comic strip created by Will Morris and David MacKenzie, charting the story of some of the UK's most exciting design innovations including Jaguar and Harris Tweed.

Design Dundee Limited
(a company limited by guarantee)

Report of the directors (continued)

Financial Report

The company has a surplus for the year ended 31 March 2017 of £301,926 (2016 - £198,547). The current accumulated surplus of £938,758 is expected to be utilised during the period of development and operation of the 'V&A Dundee'.

Key management personnel remuneration

Directors are recruited via advertising and an interview by the board of directors and are invited to join the board. New directors are offered a full induction programme to the organisation covering all aspects of the business. Directors have an ongoing opportunity to participate in any internal or external training available to the organisation. Directors have regular opportunities to meet with managers and staff in the organisation.

The directors consider only one director, along with other members of the management team to be key management personnel, in charge of directing and controlling the charity. Directors are required to disclose all relevant interests and register them and withdraw from decisions where a conflict of interest arises. The pay of key management personnel is reviewed annually and set by the remuneration committee.

Reserves policy

Given the nature of the company's funding and its stage of development it is not realistic to set a categorical reserves policy. The directors will continue to ensure that expenditure is only incurred bearing in mind funding available such that reserves and cash are available to meet ongoing obligations.

In the lead up to the opening of the V&A Dundee in 2018 the directors will develop a reserves policy to take account of the operational risks and uncertainties attached to the management and running of the V&A Dundee including fluctuations in funding or unforeseen unbudgeted costs. It is recognised that it may take some years to build up such reserves to an appropriate level for the size of the project.

Auditors

So far as each director is aware there is no relevant audit information of which the auditors are unaware. Each director has 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.

Signed on behalf of the board of directors by:



DHE Thomson, Director

26 September 2017

Design Dundee Limited
(a company limited by guarantee)

Statement of responsibilities of the directors

The directors (who are also trustees of Design Dundee Limited for the purpose of charity law) are responsible for preparing the Directors' 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 directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. In preparing these revised accounts, the directors 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 have been followed, subject to any material departures disclosed and explained in the accounts; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping proper 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, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Design Dundee Limited
(a company limited by guarantee)

Independent auditor's report to the members and directors of Design Dundee Limited

We have audited the financial statements of Design Dundee Limited for the year ended 31 March 2017 which comprise the statement of financial activities, the balance sheet, the cash flow statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's trustees 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 charity, its members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement (set out on page 7), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland revised). Those standards require us to comply with the Auditing Practices Boards (APBs) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Design Dundee Limited
(a company limited by guarantee)

Independent auditor's report to the members and directors of Design Dundee Limited
(continued)

Opinion on financial statements

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter 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 directors' report for the financial year for which the financial statements are prepared is consistent with the accounts.
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosure of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.


George M Hay (Senior Statutory Auditor)

For and on behalf of

Henderson Loggie, Statutory Auditor

(eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006)
Dundee

26 September 2017

Design Dundee Limited
(a company limited by guarantee)

Statement of financial activities (including an income and expenditure account) for the year ended 31 March 2017

	Note	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Unrestricted Funds 2016 £
Income:					
Donations		25,000	-	25,000	25,200
Investment income	2	822	-	822	798
Charitable activities	2	1,195,583	333,769	1,529,352	1,183,306
Other income	2	10,303	9,558	19,861	9,517
Total income		1,231,708	343,327	1,575,035	1,218,821
Expenditure:					
Charitable activities	3	929,782	343,327	1,273,109	1,020,274
Total expenditure		929,782	343,327	1,273,109	1,020,274
Net income		301,926	-	301,926	198,547
Fund balances at 1 April 2016		636,832	-	636,832	438,285
Fund balances at 31 March 2017		938,758	-	938,758	636,832

All of the above results are derived from continuing activities. All gains and losses are recognised in the year are included above.

Design Dundee Limited
(a company limited by guarantee)

Balance sheet as at 31 March 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Investments	5		2		1
Tangible fixed assets	6		3,535		-
Total fixed assets			<u>3,537</u>		<u>1</u>
Current assets					
Debtors and prepayments	7	436,585		231,978	
Cash at bank and in hand		663,386		552,191	
Total current assets		<u>1,099,971</u>		<u>784,169</u>	
Current liabilities					
Creditors and accruals	8	(164,750)		(147,338)	
Net current assets			<u>935,221</u>		<u>636,831</u>
Net assets			<u>938,758</u> =====		<u>636,832</u> =====
Represented by					
Unrestricted funds	10		938,758		636,832
Restricted funds	10		-		-
Total funds			<u>938,758</u> =====		<u>636,832</u> =====

The notes on pages 13 to 23 form part of these accounts.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

These financial statements were approved by the board of directors on 26 September 2017 and signed on their behalf:



DHE Thomson
Director

Design Dundee Limited
(a company limited by guarantee)

Statement of cash flow for the year ended 31 March 2017

	Note	£	2017 £	2016 £
Cash flows from operating activities:				
Net cash provided by operating activities	13		114,076	157,576
Cash flows from investing activities:				
Payments to acquire tangible fixed assets		(3,702)	-	-
Payment to acquire investments		(1)	-	-
Investment income		822	798	798
Net cash (used by)/provided by investing activities			(2,881)	798
Change in cash and cash equivalents in the reporting period			111,195	158,374
Cash and cash equivalents at the beginning of the reporting period			552,191	393,817
Cash and cash equivalents at the end of the reporting period			663,386	552,191

Design Dundee Limited
(a company limited by guarantee)

Notes to the financial statements

1 Accounting policies

Status of the company and liability of members

Design Dundee Limited is a company limited by guarantee of its members and does not have a share capital. Each member has undertaken to contribute an amount not exceeding one pound towards any deficit arising in the event of the company being wound up.

Company information

Design Dundee Limited is a company limited by guarantee incorporated in Scotland. The registered office is Whitehall House, 33 Yeaman Shore, Dundee, DD1 4BJ.

Basis of accounting

The financial statements are prepared under the historical cost convention and include the results of the operations of the charitable company as indicated in the directors' report, all of which are continuing.

The financial statements have been prepared in accordance with applicable accounting standards and the 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) (effective 1 January 2015) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

Design Dundee Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

Income

Income is recognised when the charity has entitlement to funds, any performance conditions attached to the item(s) of income have been met, it is probable the income will be received and the amount can be measured reliably.

Income from government or other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity 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 the amount can be measured reliably.

Design Dundee Limited
(a company limited by guarantee)

Notes to the financial statements (continued)

1 Accounting policies (continued)

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal obligation to pay for expenditure.

- Cost of generating funds includes all fundraising costs.
- Charitable activities include expenditure associated with the V&A Dundee project.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated on a basis consistent with the use of resources.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories.

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.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity 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.

Pension schemes

Design Dundee Limited make contributions to the Royal London pension scheme, a defined contribution scheme, the assets of the scheme being held separately from the assets of the company. The pension cost charge represents contributions payable to the scheme. The company liability is limited to the amount of the contribution.

Design Dundee Limited
(a company limited by guarantee)

Notes to the financial statements (continued)

1 Accounting policies (continued)

Tangible fixed assets

Fixed assets costing more than £1,000 are capitalised at cost.

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

Office equipment	-	3 years straight line
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Funds

All income and expenditure is dealt with through the Statement of Financial Activities. Funds are classified as either restricted or unrestricted funds, defined as follows:

Restricted funds are funds subject to specific trusts, which may be declared by the donor or with their authority (eg by the restrictive wording of an appeal). Some are restricted income funds expendable at the discretion of the directors in furtherance of a particular activity. Others are capital funds where the assets are required to be invested for long term use.

Unrestricted funds are expendable at the discretion of the directors in furtherance of the objects of the company.

Designated funds are expendable on specific purposes, the purpose of which has been determined by the directors.

A transfer is made from unrestricted funds to restricted funds to compensate fully all restricted funds which would otherwise be in deficit at the accounting date.

Design Dundee Limited
(a company limited by guarantee)

Notes to the financial statements (continued)

2 Charitable activities	Unrestricted	Restricted	Total	Total
	£	£	2017	2016
			£	£
Income				
Baby boxes	-	6,262	6,262	-
Creative Scotland	250,000	-	250,000	-
Museum Delivery Budget	-	19,838	19,838	-
Scot Inform Project	-	3,540	3,540	-
Peoples Postcode Lottery	275,000	-	275,000	250,000
Government grants	500,000	90,469	590,469	509,531
Heritage Lottery Fund	40,583	-	40,583	182,264
Mathew Trust	50,000	9,094	59,094	58,714
Scottish Enterprise	-	132,680	132,680	65,606
Northwood Charitable Trust	80,000	-	80,000	80,000
Rank Foundation	-	32,850	32,850	16,227
William Grant Foundation	-	39,036	39,036	20,964
	1,195,583	333,769	1,529,352	1,183,306
	=====	=====	=====	=====
			2017	2016
			£	£
Investment income				
Interest received			822	798
			===	===
	Unrestricted	Restricted	Total	Total
			2017	2016
			£	£
Other income				
Miscellaneous income	10,303	9,558	19,861	9,517
	=====	=====	=====	=====

Design Dundee Limited
(a company limited by guarantee)

Notes to the financial statements (continued)

3 Total expenditure

	Unrestricted 2017 £	Restricted 2017 £	Total 2017	Total 2016
Charitable activities				
Learning activities	60,449	20,931	81,380	102,993
Marketing	81,922	93,624	175,546	109,822
Administration	200,494	38,468	238,962	133,521
Legal costs	32,384	-	32,384	77,127
Salaries and pensions	543,161	190,304	733,465	583,073
Depreciation	167	-	167	1,648
	<u>918,577</u>	<u>343,327</u>	<u>1,261,904</u>	<u>1,008,184</u>
Governance costs				
Audit fees	4,850	-	4,850	4,520
Non audit	6,355	-	6,355	7,570
	<u>11,205</u>	<u>-</u>	<u>11,205</u>	<u>12,090</u>
	<u>929,782</u>	<u>343,327</u>	<u>1,273,109</u>	<u>1,020,274</u>
	=====	=====	=====	=====

4 Emoluments

	2017 £	2016 £
Wages and salaries	623,649	493,763
Social security costs	66,629	53,761
Pension costs	43,187	35,549
	<u>733,465</u>	<u>583,073</u>
	=====	=====

	No.	No.
Average number of employees during the year	18	12
	===	===

One employee (2016 – two employees) other than the directors received emoluments between £60,000 and £70,000 during the year.

Design Dundee Limited
(a company limited by guarantee)

Notes to the financial statements (continued)

4 Emoluments (continued)	2017	2016
	£	£
Directors emoluments		
Emoluments		
P Long	102,010	101,000
Pension contributions		
P Long	15,150	15,150
	117,160	116,150
	=====	=====

Directors' travel and subsistence expenses paid in the year are as follows:

P Long	13,462	12,788
	=====	=====

The charity considers its key management personnel to comprise of one of its directors, Philip Long along with other members of management. The total employment benefits, including employers pension contributions were £340,506 (2016 - £337,870).

5 Investments	2017
	£
At 1 April 2016	1
Additions in the year	1
At 31 March 2017	2
	=====
	2017
	£
Craig Harbour Limited	1
Design Dundee Enterprises Limited	1
	=====

Craig Harbour Limited is a wholly owned subsidiary incorporated in Scotland. The company did not trade in the year ended 31 March 2017. An application to strike off the company was submitted to Companies House on 26 July 2017.

Design Dundee Enterprises Limited is a wholly owned subsidiary incorporated in Scotland on 4 April 2016. The company did not trade in the year ended 31 March 2017.

Design Dundee Limited
(a company limited by guarantee)

Notes to the financial statements (continued)

6	Fixed assets		Office equipment £
	Cost		
	At 1 April 2016		30,782
	Additions in the year		3,702
	At 31 March 2017		34,484
	Depreciation		
	At 1 April 2016		30,782
	Charge for the year		167
	At 31 March 2017		30,949
	Net book value		
	At 31 March 2017		3,535
			=====
	At 1 April 2016		-
			=====
7	Debtors and prepayments	2017	2016
		£	£
	Dundee City Council	40,583	110,287
	Scottish Enterprise	46,607	20,800
	Grants receivable	269,062	27,223
	Trade debtors	31,089	23,231
	Prepayments	4,561	4,935
	Dundee Museums Foundation	31,840	10,307
	VAT	12,843	35,195
		436,585	231,978
		=====	=====
8	Creditors and accruals		
	Dundee City Council	50,912	56,482
	University of Dundee	-	109
	Scottish Enterprise	1,164	451
	V&A London	14,387	-
	Trade creditors	51,525	38,031
	Accruals and deferred income	46,762	52,265
		164,750	147,338
		=====	=====

Design Dundee Limited
(a company limited by guarantee)

Notes to the financial statements (continued)

9 Defined contribution scheme

Included in creditors and accruals is £3,278 (2016 - £3,248) in respect of amounts payable to the pension scheme.

	2017	2016
	£	£
Contributions payable by the company for the year	43,187	35,549
	=====	=====

10 Analysis of charitable funds

Analysis of movements in unrestricted funds

	Balance 1 April 2016 £	Income £	Expenditure £	Transfers £	Funds 31 March 2017 £
General fund	442,332	1,142,107	(832,148)	18,859	771,150
Designated funds	194,500	89,601	(97,634)	(18,859)	167,608
	=====	=====	=====	=====	=====
	636,832	1,231,708	(929,782)		938,758

General fund The 'free reserves' after allowing for all designated funds.

Designated funds Funds for specific pre-opening outreach activities in the community which support the creation and awareness of the new museum and staff resources.

Design Dundee Limited
(a company limited by guarantee)

Notes to the financial statements (continued)

10 Analysis of charitable funds (continued)

Analysis of movements in restricted funds

	Balance 1 April 2016	Income	Expenditure	Funds 31 March 2017
	£	£	£	£
Baby Boxes	-	6,262	(6,262)	-
Mathew Trust	-	9,094	(9,094)	-
Milan Design Festival	-	90,469	(90,469)	-
Museum Delivery Budget	-	19,838	(19,838)	-
Rank Foundation	-	32,850	(32,850)	-
Scot Inform Project	-	3,540	(3,540)	-
Scottish Enterprise	-	1,367	(1,367)	-
Scottish Enterprise Omnibus	-	5,250	(5,250)	-
Scottish Enterprise - A&M	-	58,000	(58,000)	-
Scottish Enterprise - DLBI	-	54,534	(54,534)	-
Scottish Enterprise - IT	-	7,004	(7,004)	-
Scottish Enterprise Strat Operations	-	6,525	(6,525)	-
William Grant Foundation	-	39,036	(39,036)	-
Scottish Enterprise Other Income Contribution	-	3,106	(3,106)	-
East Scotland Tourism Partnership	-	6,452	(6,452)	-
	-	343,327	(343,327)	-
	=====	=====	=====	=====

Baby Boxes	As part of our pre-opening programme – raising awareness of the museum and supporting the emergence of design talent in Scotland. We ran a design competition for the Scottish Government, to find a design for the first Baby Box.
Mathew Trust	To support the operational internship programme by funding an intern post.
Milan Design Festival	To attend and promote the V&A Dundee at the Milan Design Festival.
Museum Delivery Budget	This is a budget that covers a range of essential museum operations that are required to get the museum ready for opening but are not part of the capital project.
Rank Foundation	To support the Dundee Community Development Programme which focuses on people's personal connection with their design heritage.
Scot Inform Project	Scottish Enterprise support for market and audience research to inform pre-opening planning, programming and engagement.
Scottish Enterprise	Scottish Enterprise support to prepare an IT strategy for the organisation to include identification of specification of requirements for ICT systems & infrastructure.

Design Dundee Limited
(a company limited by guarantee)

Notes to the financial statements (continued)

10 Analysis of charitable funds (continued)

Analysis of movements in restricted funds

Scottish Enterprise Omnibus	Funds provided by Scottish Enterprise to support a study into awareness of V&A Dundee and likelihood to visit across the UK.
Scottish Enterprise – A&M	To assist with audience and media development at the V&A to help maximise visitor numbers.
Scottish Enterprise – DLBI	To appoint a manager for the design-led business innovation programme to help support live events.
Scottish Enterprise – IT	To assist with the formulation and implementation of a three-year IT strategy.
Scottish Enterprise Strat Operations	Scottish Enterprise support to (a) review/update 5 year Financial Plan (b) conclude Delivery Plan.
William Grant Foundation	To assist with the Schools' Design Challenge and the salary of a Young Person's and Families Producer.
Scottish Enterprise Other Income Contribution	To support an exhibition at the London Design Festival. This income represents contributions from four partners to fund specific joint promotion of V&A.
East Scotland Tourism Partnership	Contributions from four partners for joint promotion of V&A Dundee and the wider Tayside region. The partners are V&A Dundee (Design Dundee Limited), Dundee City, Perth & Kinross, Angus and Fife councils.

11 Control

The company is under the control of the founding members.

12 Related party transactions

During the year costs of £3,754 (2016 - £6,043) were paid to Scottish Enterprise, costs of £32 (2016 - £7,975) to Dundee City Council, costs of £2,902 (2016 - £628) to Dundee University, costs of £820 (2016 - £Nil) to Abertay University and costs of £20,839 (2016 - £7,970) to V&A London. All of which are excluding recharges and grant receipts. The balances due to and owed from the above parties are shown in notes 7 and 8.

During the year a director LMS Knox, together with her husband made a donation to the charity of £25,000 (2016 - £25,000).

Design Dundee Limited
(a company limited by guarantee)

Notes to the financial statements (continued)

13 Reconciliation of net income to net cash from operating activities

	2017 £	2016 £
Net income for the reporting period	301,926	198,547
Depreciation	167	1,648
Increase in debtors	(204,607)	(67,260)
Increase in creditors	17,412	25,439
Investment income shown in investing activities	(822)	(798)
Net cash provided by operating activities	114,076 =====	157,576 =====