

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

**Report and consolidated financial statements  
for the year ended 31 March 2019**

**Registered number: SC370598**

**Charity number: SC041219**

ID1048117



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

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**Design Dundee Limited**  
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**Charity information**

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<b>Directors</b>	TED Allan DHE Thomson P Long D Martin T Reeve A Pogson A Atherton
<b>Alternate directors</b>	S Murdoch T Hunt P Beech
<b>Principal office</b>	V&A Dundee 1 Riverside Esplanade Dundee DD1 4EZ
<b>Auditors</b>	MHA Henderson Loggie The Vision Building 20 Greenmarket Dundee DD1 4QB
<b>Company secretary</b>	Thorntons Law LLP
<b>Registered office</b>	Whitehall House 33 Yeaman Shore Dundee DD1 4BJ
<b>Solicitors</b>	Thorntons Law LLP 33 Yeaman Shore Dundee DD1 4BJ
<b>Bankers</b>	Handelbanken River Court 5 Victoria Dock Road Dundee DD1 3JT
<b>Registered number</b>	SC370598
<b>Charity number</b>	SC041219

**Design Dundee Limited**  
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**Report of the directors**

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**The Annual Report including Directors Report**

**Introduction**

V&A Dundee is Scotland's first design museum and a new landmark cultural building for the nation. Its opening on 15 September 2018 marked the culmination of over 11 years of planning to create a new museum that will help our understanding of design creativity as well as contributing to the local community and the redevelopment of Dundee.

Increasingly, design creativity is understood as critical to societal change and improvement, and fundamental to future prosperity and well-being. V&A Dundee is uniquely placed to play a role in this, making a wide and significant contribution through its mission to enrich lives through design. The museum has an ambitious vision to investigate the international importance of design, alongside the outstanding success of Scotland in creativity and innovation.

2018-19 was a year of achievement for V&A Dundee as a series of milestones to realise the museum were met in the countdown to public opening. The early months of opening demonstrated that vision through a vibrant programme which included a public festival, major exhibitions, new design commissions and events. With 500,000 people welcomed as visitors to the museum in its first six months, engagement was significantly higher than originally anticipated.

**The museum development**

Design Dundee Ltd was established to develop and operate V&A Dundee. The founding partners are the Victoria and Albert Museum, Dundee City Council, the University of Dundee, Abertay University and Scottish Enterprise.

Design Dundee Limited is a company limited by guarantee and a registered charity (Registered Charity no: SC041219) governed by its Memorandum and Articles of Association.

The objectives outlined in its Articles of Association are:

- to advance the arts, heritage, culture & science
- to advance education & research
- to advance citizenship & community development

The Articles of Association state that DDL will further these objectives through:

- the establishment, building, construction and promotion of a museum and associated resources and facilities based in Dundee, together with associated infrastructure development and enhancement.
- the operation, management and development of the museum and other resources and facilities which provide the public with access to collections of works of art and design.
- the creation of a local, national and international centre for design & creative excellence based in Dundee.
- the development and delivery of arts & cultural activities and events, workshops, artistic programmes, curatorial strategy and educational and research projects.
- the establishment of a culture-based provision to foster civic pride and regeneration in Dundee and beyond.

V&A Dundee has been established in close partnership with the Victoria and Albert Museum (V&A), drawing on its world-class collections of art, design and performance, as well as the V&A's curatorial expertise and exhibitions. It is promoted as part of the V&A's family of sites.

The museum building, the first in the UK designed by Japanese architect Kengo Kuma, is part of the Dundee City Council estate and is operated by Design Dundee Limited rent free.

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**Report of the directors (continued)**

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**Mission and vision**

Our mission, *Enriching lives through design*, summarises the enduring purpose of V&A Dundee.

Our vision sets out the five-year focus established in our Opening Business Plan 2018-23:

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

**Strategic Objectives**

To achieve our vision, we aim to:

1. Champion past, present and future design in a Scottish and global context.
2. Be a leader in design education, inspiring creativity and developing future skills for design and business innovation.
3. Create a world-class, must-see, sustainable cultural attraction.
4. Play an integral role in developing Dundee and the region, generating civic pride and supporting regeneration.

**Highlights 2018-19**

*Championing past, present and future design in a Scottish and global context*

The capital development of V&A Dundee successfully met all of the National Lottery Heritage Fund Approved Purposes which were set at the early stages of the project to: construct a new V&A museum; create two galleries dedicated to Scotland's design heritage; restore the Charles Rennie Mackintosh Oak Room; and deliver a wide-ranging programme of exhibitions and activities.

The creation of the Scottish Design Galleries tells for the first time in a permanent display the extraordinary story of Scottish design, spanning over 500 years. Featuring 300 objects, the creation of the galleries has ensured that Scottish design heritage has been conserved for future generations to enjoy, experience and be inspired by. Research in the museum during the first three months of opening found that 89% of visitors positively rated the galleries as providing an understanding of Scottish design and 86% for providing an understanding of Scotland's place in the world of design. The museum's publication *The Story of Scottish Design*, one of the museum's best-selling items and the first ever comprehensive history of Scotland's design creativity, is also helping bring Scottish design heritage to a wide audience.

As a result of the development of the galleries, there are now around 12,000 objects that are classified as examples of Scottish design in the V&A's collection. Almost all of the V&A objects featured in the Scottish Design Galleries, around 200 objects, received some conservation work while the conservation of around 20 loaned objects was undertaken.

The centrepiece of the galleries, Charles Rennie Mackintosh's Oak Room, is itself an exceptional achievement, realised through a partnership between V&A Dundee, Dundee City Council and Glasgow Museums. The £1.3m project completed the installation of the room in the museum by May 2018 ahead of the galleries fit-out. This remarkable original tearoom interior by the world-famous architect and designer is now successfully conserved, restored and reconstructed for visitors to enjoy and see for the first time in some fifty years.

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**Report of the directors (continued)**

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The development of the permanent galleries has been accompanied by an exciting changing exhibition programme bringing major V&A-originated exhibitions outside of London in the UK for the first time, responsive displays exploring topical design concerns in the Michelin Design Gallery, an extensive learning programme for diverse audiences, a series of commissions and a Designer-in-Residence programme. These wide-ranging activities have helped to make the galleries and the subject of design accessible, fun and inspiring, providing new opportunities for all who get involved, and in particular those interested in the creative industries.

The exhibitions programme in 2018-19 has been as follows:

*Ocean Liners: Speed and Style* – 15 September 2018 to 24 February 2019

*Scottish Design Relay* – 15 September 2018 to 10 February

*Rules of Play* – 15 February to 23 June 2019

*A Few Minutes of Design* – 4 March to 14 April 2019

The museum's opening exhibition, *Ocean Liners*, gave an unprecedented insight into the design, construction and style of the largest ever moving vessels ever built. Featuring ship-building from around the world, it recognised Scotland's central contribution to this global industry in the first part of the 20<sup>th</sup> century. V&A Dundee's second national outreach project, the *Scottish Design Relay*, has helped to capture a record of the significance of local heritage to specific areas across the length and breadth of Scotland, its relevance to design today and to inspire new design ideas. This was showcased in the museum's first exhibition in the Michelin Design Gallery.

Scottish Design Relay was part of the ambitious pre-opening programme which culminated in 2018 when the museum celebrated the engagement of over 100,000 people in Scotland, the UK and overseas in design activities at an event in the Scottish Parliament.

*Leading in design education, inspiring creativity and developing future skills for design and business innovation*

Alongside the exhibition programme, a residency programme was launched to support designers to develop new skills, take risks, undertake research and create exciting new work. Residencies and commissions developed in 2018-19 included:

*This, Looped*, a new work situated in the museum's striking upper hall by Glasgow-based artist and Turner Prize nominee Ciara Phillips. The commission was to produce an installation inspired by unseen aspects of the V&A's Scottish textile and ceramic collection.

*Plain and Ornamental of Every Description* is a compelling piece of graphic design created by Scottish designer Maeve Redmond responding to the themes in Scottish Design Galleries, particularly internationalism. The work explores the global business of the 19<sup>th</sup>-century Scottish cast-iron manufacturers Walter MacFarlane & Co, through the contemporary designer's unpacking of their 19<sup>th</sup>-century trade catalogue.

*Fragments of a Fictional Place* was created by the museum's first Designer in Residence Simon Meek, a mixed-media storyteller and founder of games studio The Secret Experiment. Presented as a unique array of digital artefacts, performances and print, each element depicted an event from within an entirely made-up, yet familiar, Scottish town.

A specially commissioned digital light and sound collaboration between contemporary visual artist and Turner Prize nominee Jim Lambie and the Scottish rock band Primal Scream for the museum's opening festival, the *3D Festival (Design, Dundee, Discovery)*.

Central to the development of the museum were spaces to support learning. The Inches Carr Trust Resource Centre is a reading area where visitors to the museum can take inspiration from the many books freely available. This includes books on the history, theory and practice of design, as well as beautifully designed children's books.

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**Report of the directors (continued)**

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The Thomson Learning Centre is a dedicated space to deliver learning activities in the museum which are inspired and influenced by the Scottish Design Galleries and the wider programme, as well as the architecture of V&A Dundee. It also hosts the museum's schools programme, co-designed by teachers and delivered by practising designers. The studios host regular weekend and holiday activities to encourage families to learn and create together, as well as workshops and activities for visitors of all ages.

Since the museum's opening, 10,000 people have taken part in special family workshops. Between September 2018 and March 2019, there were over 2,500 engagements with schools through workshops and tours.

V&A Dundee's Design for Business programme seeks to engage and contribute to the innovation ambitions of Scottish businesses, the Scottish economy and overall national business landscape. It takes the museum's strategic aim of *Enriching lives through design* and translates this into a practical and accessible programme of design-led innovation workshops to help Scottish businesses innovate and prosper. Almost 290 Scottish businesses engaged with workshops in the Design for Business programme.

*Create a world-class, must-see, sustainable cultural attraction*

Summer 2018 realised the culmination of a £15m capital fundraising campaign to develop V&A Dundee – the biggest philanthropic contribution ever made to date in Scotland for a project of this kind.

During the year, major construction and development milestones were successfully completed: The fit-out works were completed in July 2018; the defects period for the Building and External Works completed in January 2019; and the final account for the BAM Contract (building, external works and fit-out) in January 2019.

In parallel to the construction, the development of Design Dundee Ltd moved forward at pace. Systems for IT, AV, ticketing, collections management, visitor counting and building management were configured and installed. A recruitment drive for visitor assistants in May 2018 selected a strong team through an assessment centre and this was followed with two weeks of intensive training in advance of opening including WorldHost customer service.

From public opening on 15 September to the end of March 2019, V&A Dundee welcomed 500,000 visitors, achieving its annual target in just over six months. Over 380,000 visitors enjoyed the Scottish Design Galleries and over 96,000 purchased admission to see the inaugural exhibition, *Ocean Liners: Speed and Style*.

The reach of V&A Dundee's media coverage in 2018/19 increased substantially from the baseline established over the previous three financial years. The potential audience for this media coverage in 2018-19 was 802.4 million for print and broadcast and 12.7 billion online.

A new website was developed to support the launch of the museum with the first stages going live in July 2018. It was agreed that the website for the operating venue would be hosted on V&A infrastructure, becoming part of the V&A digital estate and being represented as part of the V&A family. Since opening, V&A Dundee's website has had over 1.5 million unique page views.

Across the museum's social media platforms, there are 93,331 followers – a 39% increase compared to the previous year. The number of Instagram followers has significantly increased, by 98%, the platform predominantly used by those aged 24 to 34.

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**Report of the directors (continued)**

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To support its development as a visitor attraction, the museum has been positioned in both VisitScotland's *Scotland Is Now* global campaign and the UK Government's *GREAT* Britain campaign. It has also been part of the Tay Country initiative which involved collaboration with Dundee, Angus, Fife and Perth & Kinross to ensure the regional area capitalises on the opening of V&A Dundee and benefits from the visitor ripple effect for the whole area. Under the city's place brand, *Dundee – One City, Many Discoveries*, the museum has worked with local stakeholders to ensure consistent messaging around the city and V&A Dundee.

As a result of sustained effort to promote the museum as part of the city destination experience, the city has featured prominently in a significant number of prestigious international travel guides including *Lonely Planet Best in Europe 2018*, *Bloomberg's Where to Go in 2018*, *Condé Nast Traveller City Breaks UK: The 10 Best for 2019* and the *National Geographic's The Cool List 2019*.

The innovative design and installation of a 100% low-carbon heating and cooling system at V&A Dundee is a first in the UK, the museum winning a Carbon Reduction Award at the Scottish Green Energy Awards in 2018 in consequence.

*Play an integral role in developing Dundee and the region, generating civic pride and supporting regeneration*

Standing at the centre of Dundee's waterfront transformation, the £80.1m museum development has been widely recognised for its contribution to the repositioning of the city as a great place to live, visit, study and invest in. This was reinforced in early 2019 when the city was listed as Scotland's best place to live in *The Sunday Times Best Places to Live 2019*.

Economic impact research commissioned by V&A Dundee in 2018 indicates strong evidence of a positive impact on the local economy and regeneration in the city. Based on the original estimate that the museum would attract 500,000 visitors in its first 12 months, its economic impact is forecast as at least £10.3m for the Dundee economy alone, supporting the equivalent of 178 FTE jobs. The construction of V&A Dundee has already generated total employment of 501 job years and £35.8m GVA in Dundee – demonstrating the scale of the boost in employment and economic activity in the city over the life of the construction phase. Across the Scottish economy, 981 job years and £70.4m GVA were generated. These are in excess of previous estimates and demonstrate the scale of the boost in employment and economic activity in the city over the life of the construction phase.

Dundee City Council has reported that the city experienced a £187m tourism boost during 2018 – exceeding the tourism strategy figure for 2020. During the year that V&A Dundee opened, the research found the value to the tourism industry was up almost £16m on the previous 12 months. During the same period, there was significant growth in number of overnight stays and the total number of visitors to Dundee.

V&A Dundee's opening was marked by the free-admission 3D Festival in Slessor Gardens, co-curated by the museum Young People's Collective. It attracted significant local and global audiences, and the evening event was broadcast live as a 90-minute BBC Two Scotland programme. Headlined by Scottish rock band Primal Scream, it included a sound and light finale that used the museum building to create an immersive experience. The Saturday part of the festival included mass collaborative dance and musical performances involving school pupils and students, professional dance companies, a choir by Sistema Scotland, and Dundee musical icon Gary Clark.

22,600 people attended the 3D Festival over two days. The total net impact of the festival was estimated to be £950,000 at the Scotland level, representing 11.4 job years and approximately £360,000 GVA. Audience research carried out for the festival indicates both audience satisfaction and a positive impact on people's impressions of Dundee. 94% of respondents felt that the 3D Festival was an appropriate way to celebrate the opening of V&A Dundee. 84% of respondents who had been to the 3D Festival said that it had affected their impression of Dundee in a positive way. People surveyed from Dundee suggested it was an opportunity to share their pride in their home city.



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**Report of the directors (continued)**

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A public ballot was run to distribute free tickets to visit the museum on opening weekend with over 8,000 people securing these. Around 300 journalists, bloggers and vloggers from across the world attended press previews days. A total of 2,250 stakeholders attended preview and celebration events. The day before public opening, a further 2,100 community guests visited the museum for special tours including those who had previously taken part in V&A Dundee projects, community groups, family groups, nursery and school children, students and youth groups.

V&A Dundee has also ensured that a wide range of communities are engaged with design and the museum. This includes the Amina Muslim Women's Resource Centre who are undertaking two-year training programme supported by the Rank Foundation to train local women to deliver inclusive tours for BAME communities in their native languages. The museum's Young People's Collective, a group of 16 to 24 year-olds from diverse communities across Dundee, has also been central to developing V&A Dundee's strategy for young people's engagement – co-designing the young people's programme and collaborating with professional designers and event planners.

The museum building has been designed to be an inclusive and accessible building, with a range of access provisions. This includes regular tours led by trained guides with the support of interpreters and handling resources, and sensory-friendly morning events.

V&A Dundee has been recognised as a finalist for the prestigious title of Art Fund Museum of the Year 2019. It was awarded the Royal Institute of Chartered Surveyors 2019 Award for Tourism and Leisure, the Royal Incorporation of Architects Scotland Award for Architectural Excellence, the Wallpaper\* Design Awards Best New Public Building, and a unique award from the Institute of Directors for Transforming Scotland

The museum was officially opened to the public on 29 January 2019 by HRH The Duchess of Cambridge, the patron of the Victoria and Albert Museum who was accompanied by the Duke of Cambridge.

**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 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.

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**Report of the directors (continued)**

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**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 2019 were as follows:

Directors	Relationship	Alternate
LMS Knox (Chair until 12 August 2019, resigned 1 September 2019)	Independent	
DHE Thomson	Independent	
Sir CP Downes (resigned 31 December 2018)	University of Dundee	PN Beech (resigned 31 December 2018)
A Atherton (appointed 1 January 2019)	University of Dundee	PN Beech (appointed 1 January 2019)
M McHugh (resigned 19 April 2018)	Scottish Enterprise	P Noad (resigned 19 April 2018)
P Long	Design Dundee Limited	
D Hunter (resigned 1 September 2019)	Independent	
G Logan (resigned 15 July 2019)	Independent	
A Pogson	Independent	
D Martin	Dundee City Council	S Murdoch
T Reeve	Victoria & Albert Museum	T Hunt
TED Allan (appointed 6 November 2018)	Independent	

**Directors and organisation structure (continued)**

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

The board of directors met nine 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:

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

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**Report of the directors (continued)**

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***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

***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.

***Building and Maintenance Committee***

- to ensure consistent facilities standards by reviewing past and future planned maintenance, ensure compliance with relevant regulations or standards and inform on future projects all in line with the maintenance agreement.
- to oversee the expenditure budget and hold the authority to set expenditure to agreed limits in line with procurement regulation

**Risk management**

The risk process is overseen by the Finance 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 BREXIT. The directors are satisfied that appropriate systems are in place to mitigate these risks. To assist the work of the committees noted above, a Financial Sustainability Group was established to examine opening year funding pressures and support senior management.

**Plans for future years**

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

V&A Dundee will continue to focus on design. It has more than 1,700 square metres of flexible gallery space, with the largest dedicated museum-standard exhibition space in Scotland. It will continue to 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.

**Financial Report**

The group has a surplus for the year ended 31 March 2019 of £779,924 (2018 - £48,208). The current accumulated surplus of £1,670,474 (2018 - £890,550) is expected to be utilised during the period of development and operation of the 'V&A Dundee'.

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**Report of the directors (continued)**

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**Group entities**

Design Dundee Limited is the parent company of a small group.

The principal activity of the subsidiary, Design Dundee Enterprises Limited, is the running of the gift shop and receives commission income from the café and restaurant.

**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**

Reserves should be held to service working capital requirements, unexpected events such as an annual operating deficit, unforeseen and anomalous expenditure, as well as, shortfalls in income, for instance the loss a material source of funding. The Board have approved a policy with the intention to build reserves to £500,000 which equates to approximately six weeks' running 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. The target could feasibly be achieved by a strategy covering legacies and discussions with the principal funders and founders.

**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

12/9/2019

**Design Dundee Limited**  
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**Statement of responsibilities of the directors**

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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.

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

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**Opinion**

We have audited the financial statements of Design Dundee Limited (the 'parent charitable company') and its subsidiary ('the group') for the year ended 31 March 2019 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the group and parent charitable company cash flow statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the company's directors, 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 directors 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 directors as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2019 and of 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)

**Basis of opinion**

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

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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**Independent auditor's report to the Directors and Members of Design Dundee Limited**  
(continued)

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**Other information**

The other information comprises the information included in the Directors' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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

**Independent auditor's report to the Directors and Members of Design Dundee Limited**  
(continued)

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**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement, the directors (who are also the trustees of the charitable company for the purposes of charitable law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed 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 the Acts and relevant regulations made or having effect thereunder

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



**Stephen Cartwright (Senior statutory Auditor)**  
**For and on behalf of MHA Henderson Loggie**  
**Chartered Accountants & Statutory Auditors**  
**The Vision Building**  
**20 Greenmarket**  
**Dundee**  
**DD1 4QB**

12/9 ..... 2019

MHA Henderson Loggie is a trading name of Henderson Loggie LLP



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

**Statement of financial activities (including an income and expenditure account) for the year ended 31 March 2019**

	Note	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
<b>Income:</b>					
<i>Income from grants and donations</i>					
Grant income	4	3,298,615	1,880,677	5,179,292	1,899,288
Donations		676,342	75,750	752,092	680
In kind support	4	-	1,038,786	1,038,786	484,849
<i>Income from other trading activities</i>					
Trading income	3	902,876	-	902,876	-
Investment income	4	236	-	236	177
<i>Income from charitable activities</i>					
Admissions and exhibition fees		674,068	-	674,068	-
Other income	2	-	-	-	10,241
<b>Total income</b>		<b>5,552,137</b>	<b>2,995,213</b>	<b>8,547,350</b>	<b>2,395,235</b>
<b>Expenditure:</b>					
<i>Expenditure on raising funds</i>					
Costs of generating voluntary income	5	431,578	-	431,578	124,081
Trading costs		652,116	-	652,116	-
<i>Expenditure on charitable activities</i>					
Charitable activities		4,210,333	2,473,399	6,683,732	2,319,362
<b>Total expenditure</b>		<b>5,294,027</b>	<b>2,473,399</b>	<b>7,767,426</b>	<b>2,443,443</b>
<b>Net income/(expenditure) before transfers between funds</b>		<b>258,110</b>	<b>521,814</b>	<b>779,924</b>	<b>(48,208)</b>
Transfers		-	-	-	-
<b>Net movement in funds</b>		<b>258,110</b>	<b>521,814</b>	<b>779,924</b>	<b>(48,208)</b>
Fund balances at 1 April 2018		734,065	156,485	890,550	938,758
<b>Fund balances at 31 March 2019</b>		<b>992,175</b>	<b>678,299</b>	<b>1,670,474</b>	<b>890,550</b>
		=====	=====	=====	=====

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

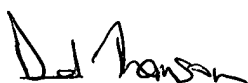
**Design Dundee Limited**  
(a company limited by guarantee)

**Consolidated balance sheet at 31 March 2019**

	Note	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Tangible assets	9		631,216		171,742
<b>Current assets</b>					
Stock		142,882		-	
Debtors	10	2,027,795		684,605	
Cash at bank and in hand		557,643		482,895	
		2,728,320		1,167,500	
<b>Current Liabilities</b>					
Creditors due within one year	11	(1,689,062)		(448,692)	
<b>Net current assets</b>			1,039,258		718,808
<b>Net assets</b>			1,670,474		890,550
			=====		=====
<b>Represented by</b>					
Unrestricted funds	15		992,175		734,065
Restricted funds	15		678,299		156,485
<b>Total funds</b>			1,670,474		890,550
			=====		=====

The notes on pages 20 to 34 form part of these financial statements.

These financial statements were approved by the board of directors on 12/9/2019 and signed on their behalf by:



**DHE Thomson**  
Director

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

Company balance sheet as at 31 March 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Investments	8	1	1
Tangible fixed assets	9	631,216	171,742
<b>Total fixed assets</b>		<b>631,217</b>	<b>171,743</b>
<b>Current assets</b>			
Debtors	10	2,215,822	684,605
Cash at bank and in hand		121,844	482,895
		<b>2,337,666</b>	<b>1,167,500</b>
<b>Current liabilities</b>			
Creditors due within one year	11	(1,549,169)	(448,693)
<b>Net current assets</b>		<b>788,497</b>	<b>718,807</b>
<b>Net assets</b>		<b>1,419,714</b>	<b>890,550</b>
		=====	=====
<b>Represented by</b>			
Unrestricted funds	15	741,415	734,065
Restricted funds	15	678,299	156,485
<b>Total funds</b>		<b>1,419,714</b>	<b>890,550</b>
		=====	=====

The notes on pages 20 to 34 form part of these financial statements.

These financial statements were approved by the board of directors on 12/9/2019 and signed on their behalf by:



**DHE Thomson**  
Director

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

**Consolidated statement of cash flow for the year ended 31 March 2019**

	Note	£	2019 £	£	2018 £
<b>Cash flows from/(used in) operating activities:</b>					
Net cash provided/(used in) by operating activities	19		627,522		(8,836)
<b>Cash flows (used in)/from investing activities:</b>					
Payments to acquire tangible fixed assets		(553,010)		(171,832)	
Investment income		236		177	
Net cash used by investing activities			(552,774)		(171,655)
<b>Change in cash and cash equivalents in the reporting period</b>			<b>74,748</b>		<b>(180,491)</b>
Cash and cash equivalents at the beginning of the reporting period			482,895		663,386
<b>Cash and cash equivalents at the end of the reporting period</b>			<b>557,643</b>		<b>482,895</b>
			=====		=====

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

**Company statement of cash flow for the year ended 31 March 2019**

	Note	£	2019 £	£	2018 £
<b>Cash flows from/(used in) operating activities:</b>					
Net cash provided/(used in) by operating activities	19		<b>191,723</b>		(8,836)
<b>Cash flows (used in)/from investing activities:</b>					
Payments to acquire tangible fixed assets		(553,010)		(171,832)	
Investment income		236		177	
Net cash used by investing activities			<b>(552,774)</b>		(171,655)
<b>Change in cash and cash equivalents in the reporting period</b>			<b>(361,051)</b>		(180,491)
Cash and cash equivalents at the beginning of the reporting period			<b>482,895</b>		663,386
<b>Cash and cash equivalents at the end of the reporting period</b>			<b>121,844</b> =====		482,895 =====

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

**Notes to the consolidated financial statements**

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**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 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), 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 notes.

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 are satisfied that the charity has adequate resources to continue in operational existence for the foreseeable future.

**Group financial statements**

These financial statements consolidated the results of the charitable company and its wholly owned subsidiary, Design Dundee Enterprises Limited, on a line by line basis.

The following is a summary of the significant accounting policies adopted by the group in the preparation of the financial statements.

**Income**

Income is recognised when the company 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 company 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.

In kind support has been valued at the cost of the goods or services provided, and recognised as income when received by the company.

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

**Notes to the consolidated financial statements (continued)**

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**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 raising 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.

**Stock**

Stock is valued on the basis of actual cost or net realisable value if lower.

**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 cash held in a 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 consolidated financial statements (continued)**

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**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:

Fixtures and fittings	-	4 years straight line
Software and content	-	4 years straight line
Network infrastructure		4 years straight line

**Financial instruments**

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

**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.

**Critical accounting estimates and judgements**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.



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

**Notes to the consolidated financial statements (continued)**

**2 Financial activities of the charitable company**

The financial activities shown in the consolidated statement of financial activities includes those of the charitable company's wholly owned subsidiary, Design Dundee Enterprises Limited.

The summary of the financial activities undertaken by the charity is set out below:

	2019 £	2018 £
<b>Income:</b>		
Income from grants and donations	6,970,170	2,384,817
Income from charitable activities	674,068	-
Investment income	236	177
Other income	-	10,241
Total income	<u>7,644,474</u>	<u>2,395,235</u>
<b>Expenditure:</b>		
Expenditure on raising funds	431,578	124,081
Expenditure on charitable activities	6,683,732	2,319,362
Total expenditure	<u>7,115,310</u>	<u>2,443,443</u>
<b>Net income/(expenditure)</b>	<u>529,164</u>	<u>(48,208)</u>
Total funds brought forward	890,550	938,758
<b>Total funds carried forward</b>	<u>1,419,714</u> =====	<u>890,550</u> =====
<b>Represented by</b>		
Unrestricted funds	741,415	734,065
Restricted funds	678,299	156,485
	<u>1,419,714</u> =====	<u>890,550</u> =====

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

**Notes to the consolidated financial statements (continued)**

**3 Income and expenditure from trading activities**

The wholly owned trading subsidiary Design Dundee Enterprises Limited, which is incorporated in the United Kingdom, pays its profits to the charitable company by gift aid. Design Dundee Enterprises Limited carries out operation of the gift shop and receives commission income from the café and restaurant.

The charitable company owns the entire share capital of 1 ordinary share of £1. A summary of the trading results is shown below.

	2019 £	2018 £
Turnover	480,968	-
Sponsorship income	229,923	-
Commission income	191,225	-
Cost of sales	(270,469)	-
Administration costs	(375,094)	-
Interest receivable	760	-
Finance costs	(6,553)	-
	<u>250,760</u>	<u>-</u>
	=====	=====
The assets and liabilities of the subsidiary were:		
Current assets	678,211	1
Current liabilities	(427,450)	-
	<u>250,761</u>	<u>1</u>
	=====	=====
<b>Total net liabilities</b>	<b>250,761</b>	<b>1</b>
	=====	=====
<b>Aggregate share capital and reserves</b>	<b>250,761</b>	<b>1</b>
	=====	=====

Design Dundee Enterprises Limited was dormant last year and so has no trading result.

The retained profit held by Design Dundee Enterprises Limited will be gift aided to the charitable company and paid within 9 months of the year end.

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

**Notes to the consolidated financial statements (continued)**

<b>4</b>	<b>Grant income</b>	<b>Unrestricted £</b>	<b>Restricted £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
	Baby boxes	-	-	-	238
	Creative Scotland	200,000	-	200,000	-
	Museum Delivery Fund	25,171	1,169,130	1,194,301	315,275
	Oak Foundation	-	74,534	74,534	-
	Peoples Postcode Lottery	375,000	100,000	475,000	250,000
	Government grants	1,611,000	-	1,611,000	750,000
	Heritage Lottery Fund	423,950	-	423,950	217,545
	Mathew Trust	-	13,812	13,812	50,000
	Scottish Enterprise	-	62,324	62,324	120,287
	Life Changes Trust	-	11,667	11,667	-
	Rank Foundation	-	21,770	21,770	30,443
	William Grant Foundation	-	15,000	15,000	-
	Partners' Revenue Contributions	663,494	13,445	676,939	165,500
	Event Scotland	-	319,995	319,995	-
	Arts and Business	-	40,000	40,000	-
	Dundee Museum Foundation	-	27,000	27,000	-
	Inches Carr Trust	-	12,000	12,000	-
		<b>3,298,615</b>	<b>1,880,677</b>	<b>5,179,292</b>	<b>1,899,288</b>
		=====	=====	=====	=====
				<b>2019</b>	<b>2018</b>
				<b>£</b>	<b>£</b>
	<b>Investment income</b>				
	Interest received			<b>236</b>	<b>177</b>
				===	===
		<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
				<b>2019</b>	<b>2018</b>
				<b>£</b>	<b>£</b>
	<b>Other income</b>				
	Miscellaneous income	-	-	-	10,241
		=====	=====	=====	=====
	<b>In kind support</b>	-	<b>1,038,786</b>	<b>1,038,786</b>	<b>484,849</b>
		=====	=====	=====	=====

In kind support consists of support provided by the founding partners of the charity. This includes the use of office space, HR support and staff time.

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

**Notes to the consolidated financial statements (continued)**

5	Total expenditure	Direct costs £	Allocated Support costs £	Depreciation	2019 Total £	2018 Total £
	<b>Expenditure on raising funds</b>					
	Cost of generating voluntary income	185,697	245,881	-	431,578	124,081
	Trading costs	652,116	-	-	652,116	-
		837,813	245,881	-	1,083,694	124,081
	<b>Charitable Activities</b>					
	Collections & Learning	630,515	281,007	-	911,522	800,597
	Exhibitions	2,921,873	1,718,015	93,536	4,733,424	1,033,916
	In kind support	1,038,786	-	-	1,038,786	484,849
		4,591,174	1,999,022	93,536	6,683,732	2,319,362
	<b>Total expenditure</b>	<b>5,428,987</b>	<b>2,244,903</b>	<b>93,536</b>	<b>7,767,426</b>	<b>2,443,443</b>
		=====	=====	=====	=====	=====
	Support costs included in the above expenditure have been allocated across the activities above on the basis of staff numbers as follows:					
		Information services & support £	Project & estates £	Finance & Administration £	Human Resources £	Other central costs £
						Governance £
						Total £
	<b>Expenditure on raising funds</b>					
	Cost of generating voluntary income	11,751	59,369	2,496	141,893	18,172
						245,881
	<b>Charitable activities</b>					
	Collections & learning	13,430	67,850	2,853	162,164	20,768
	Exhibitions	82,109	414,822	17,440	991,433	126,970
						281,007
						1,718,015
		107,290	542,041	22,789	1,295,490	165,910
		=====	=====	=====	=====	=====
						2,244,903

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

**Notes to the consolidated financial statements (continued)**

**6 Wages and salaries**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	1,715,586	937,566	1,585,719	937,566
Social security costs	155,629	97,819	143,428	97,819
Pension costs	82,437	56,856	75,974	56,856
	<u>1,953,652</u>	<u>1,092,241</u>	<u>1,805,121</u>	<u>1,092,241</u>
	=====	=====	=====	=====

	<b>No.</b>	<b>No.</b>
Average number of employees during the year	99	27
	===	===

One employee (2018 – one employee) other than the directors received emoluments between £60,000 and £70,000 during the year. Two employees (2018 – none) received emoluments between £70,000 and £80,000 during the year.

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Directors emoluments</b>		
<b>Emoluments</b>		
P Long	107,075	102,265
<b>Pension contributions</b>		
P Long	15,455	15,606
	<u>122,530</u>	<u>117,871</u>
	=====	=====

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

P Long	13,485	14,983
T Hunt	26	-
	=====	=====

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 £520,026 (2018 - £422,964).

**7 Net income/(expenditure)**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
The net income/(expenditure) is stated after charging:				
Auditor's remuneration – audit	14,000	5,220	11,000	5,220
non-audit	26,997	13,997	26,997	13,997
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

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

**Notes to the consolidated financial statements (continued)**

**8 Investments**

	2019 £	Group 2018 £	Company 2019 £	2018 £
Design Dundee Enterprise Limited	- =====	- =====	1 =====	1 =====

Design Dundee Enterprises Limited is a wholly owned subsidiary incorporated in Scotland on 4 April 2016. The results of the subsidiary are summarised in note 3.

**9 Fixed assets**

	Fixtures & fittings £	Software and content £	Network infrastructure	Total £
<b>Group and company</b>				
<b>Cost</b>				
At 1 April 2018	123,738	50,858	31,720	206,316
Additions	146,336	157,729	248,945	553,010
<b>At 31 March 2019</b>	<b>270,074</b>	<b>208,587</b>	<b>280,665</b>	<b>759,326</b>
<b>Depreciation</b>				
At 1 April 2018	-	34,574	-	34,574
Charge for the year	33,759	24,693	35,084	93,536
<b>At 31 March 2019</b>	<b>33,759</b>	<b>59,267</b>	<b>35,084</b>	<b>128,110</b>
<b>Net book value</b>				
<b>At 31 March 2019</b>	<b>236,315</b> =====	<b>149,320</b> =====	<b>245,581</b> =====	<b>631,216</b> =====
At 1 April 2018	123,738 =====	16,284 =====	31,720 =====	171,742 =====

**10 Debtors**

	2019 £	Group 2018 £	Company 2019 £	2018 £
Trade debtors	91,823	18,453	33,059	18,453
Amounts due from subsidiary under takings	-	-	287,557	-
Other debtors	1,935,972	666,152	1,895,206	666,152
	<b>2,027,795</b> =====	<b>684,605</b> =====	<b>2,215,822</b> =====	<b>684,605</b> =====

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

**Notes to the consolidated financial statements (continued)**

**11 Creditors due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	730,445	294,955	693,736	294,955
Other creditors	882,433	153,737	855,433	153,738
Other taxes and social security	76,184	-	-	-
	<u>1,689,062</u>	<u>448,692</u>	<u>1,549,169</u>	<u>448,693</u>
	=====	=====	=====	=====

Design Dundee Limited has an overdraft facility in place which is secured by a bond and floating charge over all the assets of the charitable company.

**12 Creditors due within one year includes**

<b>Deferred income</b>	<b>Group</b>	<b>Company</b>
	<b>£</b>	<b>£</b>
As at 1 April 2018	110,480	110,480
Released in year	(110,480)	(110,480)
Received in year	260,182	240,182
	<u>260,182</u>	<u>240,182</u>
	=====	=====
<b>At 31 March 2019</b>	<b>260,182</b>	<b>240,182</b>

Deferred income in the year comprises income received for projects, such as exhibitions, that did not commence until post year end, and membership income spanning the year end.

**13 Financial Instruments**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>				
Financial assets measured at amortised cost	1,116,696	544,574	1,339,714	544,574
	=====	=====	=====	=====
<b>Carrying amount of financial liabilities</b>				
Financial liabilities measured at amortised cost	1,352,696	338,212	1,308,987	338,213
	=====	=====	=====	=====

Financial assets measured at amortised cost comprised of trade debtors and other debtors and amounts due from subsidiary undertakings.

Financial liabilities measured at amortised cost comprises accruals, trade creditors and other creditors.

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

**Notes to the consolidated financial statements (continued)**

**14 Defined contribution scheme**

Included in creditors and accruals is £19,406 (2018 - £5,604) in respect of amounts payable to the pension scheme.

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Contributions payable for the year amounted to	82,437	56,856	75,974	56,856
	=====	=====	=====	=====

**15 Analysis of charitable funds**

**Analysis of movements in unrestricted funds**

Group	Balance 1 April 2018 £	Income £	Expenditure £	Transfers £	Funds 31 March 2019 £
General fund	488,885	3,801,527	(3,855,539)	35,963	470,836
Designated funds	245,180	1,750,610	(1,438,488)	(35,963)	521,339
	<u>734,065</u>	<u>5,552,137</u>	<u>(5,294,027)</u>	<u>-</u>	<u>992,175</u>
	=====	=====	=====	=====	=====

Company	Balance 1 April 2018 £	Income £	Expenditure £	Transfers £	Funds 31 March 2019 £
General fund	488,885	2,898,651	(3,203,423)	35,963	220,076
Designated funds	245,180	1,750,610	(1,438,488)	(35,963)	521,339
	<u>734,065</u>	<u>4,649,261</u>	<u>(4,641,911)</u>	<u>-</u>	<u>741,415</u>
	=====	=====	=====	=====	=====

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

Designated funds                Designated funds comprise unrestricted funds which have been set aside at the discretion of the Trustees for specific purposes including a marketing campaign and ongoing exhibition expenditure.



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

Notes to the consolidated financial statements (continued)

15 Analysis of charitable funds (continued)

Analysis of movements in restricted funds

	Balance 1 April 2018 £	Income £	Expenditure £	Transfers £	Funds 31 March 2019 £
Mathew Trust	-	13,812	(13,812)	-	-
Museum Delivery Budget	156,485	1,169,130	(740,692)	-	584,923
Rank Foundation	-	21,770	(21,770)	-	-
Scottish Enterprise	-	62,324	(41,345)	-	20,979
Abertay University	-	13,445	(13,445)	-	-
Event Scotland	-	319,995	(319,995)	-	-
Arts and Business	-	40,000	(40,000)	-	-
Dundee Museum Foundation	-	27,000	(27,000)	-	-
Peoples Post Code Lottery	-	100,000	(100,000)	-	-
Donations	-	75,750	(11,500)	-	64,250
Oak Foundation	-	74,534	(74,534)	-	-
William Grant Foundation	-	15,000	(15,000)	-	-
Life Changes Trust	-	11,667	(11,667)	-	-
Inches Carr Trust	-	12,000	(3,853)	-	8,147
In Kind Support	-	1,038,786	(1,038,786)	-	-
	<u>156,485</u>	<u>2,995,213</u>	<u>2,473,399</u>	<u>-</u>	<u>678,299</u>
	=====	=====	=====	=====	=====

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

**Notes to the consolidated financial statements (continued)**

<b>15</b>	<b>Analysis of charitable funds (continued)</b>	
	<b>Analysis of movements in restricted funds</b>	
	Mathew Trust	To support the YPC collective funding
	Museum Delivery Budget	This is a budget that covers a range of essential museum operations that were 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.
	Scottish Enterprise	Scottish Enterprise support to help develop and implement the website. In addition, salaries were recharged from Design Dundee Limited to Scottish Enterprise
	Abertay University	To assist with intern salary costs
	Event Scotland	To assist with the opening event and 3D festival.
	Arts and Business	To assist with the opening event and 3D festival.
	Dundee Museum Foundation	To assist with the opening event and 3D festival.
	Peoples Post Code Lottery	To assist with the opening exhibition – Ocean Liners
	Donation	Three large restricted donations were received in the year. £53,750 was received to support the CRN and ticketing system, £10,000 to support schools programmes and £12,000 to purchase a board room table.
	Oak Foundation	To assist with the young people and schools programme
	William Grant Foundation	To assist with staff costs for the families and young people producer.
	Life Changes Trust	To assist with the Dementia Project.
	Inches Carr Trust	To purchase books for the Inches Carr resource centre.
	In Kind Support	During the year, support was provided from the founding partners which has been valued and included within the financial statements. The support includes use of office space, HR support and staff time etc.

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

**Notes to the consolidated financial statements (continued)**

**16 Analysis of net assets between funds**  
**Group**

	Unrestricted £	Designated £	Restricted £	Total £
Tangible fixed assets	14,814	-	616,402	631,216
Cash at bank	(25,593)	521,339	61,897	557,643
Other current assets and liabilities	481,615	-	-	481,615
	<u>470,836</u>	<u>521,339</u>	<u>678,299</u>	<u>1,670,474</u>
	=====	=====	=====	=====

**Company**

	Unrestricted £	Designated £	Restricted £	Total £
Investments	1	-	-	1
Tangible fixed assets	14,814	-	616,402	631,216
Cash at bank	(461,392)	521,339	61,897	121,844
Other current assets and liabilities	666,653	-	-	666,653
	<u>220,076</u>	<u>521,339</u>	<u>678,299</u>	<u>1,419,714</u>
	=====	=====	=====	=====

**17 Control**

The company is under the control of the founding members.

**18 Related party transactions**

Scottish Enterprise – Founding partner

During the year, in kind support was received amounting to £8,750 (2018 - £35,000) and revenue contributions of £62,324 (2018 - £120,287). In addition, costs were paid to Scottish Enterprise of £4,367 (2018 - £2,945). The balance outstanding at the year end was a debtor balance of £31,536 (2018 - £25,916).

Dundee City Council – Founding partner

During the year, in kind support was received amounting to £220,143 (2018 - £90,000) and revenue contributions of £351,494 (2018 - £87,500). In addition, costs were paid to Dundee City Council of £1,284 (2018 - £1,787).

On 2 July 2018, Design Dundee Limited entered into a lease with Dundee City Council for the V&A Museum Dundee. The lease is for 99 years for an annual rent of £1, if requested.

The balance outstanding at the year end was a debtor balance of £279,431 (2018 - £169,132).

Dundee University – Founding partner

During the year, in kind support was received amounting to £173,000 (2018 - £130,500) and revenue contributions of £252,000 (2018 - £63,000). In addition, costs were paid to Dundee University of £2,630 (2018 - £321). The balance outstanding at the year end was a debtor balance of £110 (2018 - £63,000).

Abertay University – Founding partner

During the year, in kind support was received amounting to £25,593 (2018 - £20,000) and revenue contributions of £73,445 (2018 - £15,000). In addition, costs were paid to Abertay University of £Nil (2018 - £990). The balance outstanding at the year end was a debtor balance of £640 (2018 - £Nil).

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

**Notes to the consolidated financial statements (continued)**

**18 Related party transactions (continued)**

V&A London – Founding partner

During the year, in kind support was received amounting to £611,300 (2018 - £209,349). In addition, costs were paid to the V&A London of £251,013 (2018 - £30,401). The balance outstanding at the year end was a creditor balance of £136,000 (2018 - £9,986).

DC Thomson & Company Limited

During the year, a donation was received amounting to £100,000 (2018 - £Nil). Design Dundee Limited and DC Thomson & Company Limited share a common director.

**19 Reconciliation of net income to net cash from/(used by) operating activities**

<b>Group</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Net income/(expenditure) for the reporting period	779,924	(48,208)
Depreciation	93,536	3,625
Loss on disposal of investments	-	1
Increase in stock	(142,882)	-
Increase in debtors	(1,343,190)	(248,020)
Increase in creditors	1,240,370	283,943
Investment income shown in investing activities	(236)	(177)
<b>Net cash provided/(used) by operating activities</b>	<b>627,522</b>	<b>(8,836)</b>
	<b>=====</b>	<b>=====</b>

**Reconciliation of net income to net cash from/(used by) operating activities**

<b>Company</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Net income/(expenditure) for the reporting period	529,164	(48,208)
Depreciation	93,536	3,625
Loss on disposal of investments	-	1
Increase in debtors	(1,531,217)	(248,020)
Increase in creditors	1,100,476	283,943
Investment income shown in investing activities	(236)	(177)
<b>Net cash provided/(used) by operating activities</b>	<b>191,723</b>	<b>(8,836)</b>
	<b>=====</b>	<b>=====</b>

**20 Commitments**

At the year end £87,315 (2018 - £1,053,448) was committed for capital expenditure but not provided for.

These costs related to the fit out of the museum and will ultimately be fully funded.

At the year end £882,900 (2018 - £Nil) was committed for exhibition costs but not provided for.