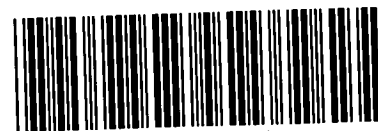


Design Dundee Limited
(a company limited by guarantee)
Report and financial statements
for the year ended 31 March 2018

Registered number: SC370598

Charity number: SC041219

SATURDAY



S7LCL07G

22/12/2018

#10

SCT

COMPANIES HOUSE

Design Dundee Limited
(a company limited by guarantee)

Contents

	Page
Charity information	1
Directors' report	2 - 7
Statement of responsibilities of the directors	8
Independent auditor's report	9 - 11
Statement of financial activities (including an income and expenditure account)	12
Balance sheet	13
Statement of cash flows	14
Notes to the financial statements	15 - 27

Design Dundee Limited
(a company limited by guarantee)

Charity information

Directors	Sir CP Downes LMS Knox DHE Thomson P Long D Hunter D Martin G Logan T Reeve A Pogson TED Allan
Alternate directors	S Murdoch T Hunt PN Beech
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 2018 were as follows:

Directors	Relationship	Alternate
LMS Knox (Chair)	Independent	
DHE Thomson	Independent	
Sir CP Downes	University of Dundee	PN Beech
M McHugh (resigned 19 April 2018)	Scottish Enterprise	P Noad (resigned 19 April 2018)
P Long	Design Dundee Limited	
D Hunter	Independent	
G Logan	Independent	
A Pogson (appointed 1 June 2017)	Independent	
D Martin	Dundee City Council	S Murdoch
T Reeve (appointed 21 August 2017)	Victoria & Albert Museum	D Bickle (resigned 27 March 2017) T Hunt
TED Allan (appointed 6 November 2018)	Independent	

Design Dundee Limited
(a company limited by guarantee)

Report of the directors (continued)

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 six 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.

Post year end, to reflect the evolving requirements of the company, the Audit and Risk Committee was merged with the Finance Committee to become the Finance & Risk Committee.

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. To assist the work of the committees noted on page 3, a Financial Sustainability Group was established to examine opening year funding pressures and support senior management.

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 the largest dedicated museum-standard exhibition space 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.

Update – 25 October 2018

On 2 July 2018 Design Dundee Limited entered into a lease with Dundee City Council to operate V&A Dundee, which successfully opened to the public on Saturday 15 September 2018.

The launch of V&A Dundee secured significant and sustained media coverage; the volume of coverage and positive results achieved are unprecedented for any project out of the Scottish central belt and for a museum or cultural project in Scotland.

Two press preview events on 12 and 13 September were attended by over 300 locals. Scottish, UK and international media and bloggers. These formed part of a week of celebratory events, including civic events, a preview day for Dundee community groups and the two-day 3D festival which marked the opening of the museum.

The 3D Festival attracted 10,000 people on the evening of Friday 14 September to Slessor Gardens near the museum, and a further 12,600 people during the day of Saturday 15 September. The festival was a key event in Scotland's Year of Young People 2018.

In the almost six-week period to 25th October 2018 the museum had welcomed over 190,000 visitors. This is significantly ahead of the forecasts undertaken independently before opening.

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 practical completion on 26th January 2018. After this date the internal fit out was completed with Design Dundee Limited entering into a formal lease with Dundee City Council on 2nd July 2018. The opening date was announced as 15th September 2018 along with the first exhibition "Ocean Liners – Speed and Style". The Museum opened successfully to international acclaim and attention.

Operational readiness of the new institution remains 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. All the heads of department are in place with recruitment strategies to build and train the museum teams. The Scottish Design Galleries (including the Charles Rennie MacIntosh Oak Room) is near completion along with V&A Dundee's opening programme of changing exhibitions and learning programmes. Heritage Portfolio, an experienced prestige catering supplier, has been announced to operate the café, restaurant and event hire business.

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. With the imminent opening of the museum various membership programmes, both individual and corporate, have been developed to raise funds and build the wider audience of the museum.

Design Dundee Limited
(a company limited by guarantee)

Report of the directors (continued)

Key achievements (continued)

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. The learning programme, which has been nominated for national awards, has included the Scottish Design Relay, Community Garden Project and the Young People's Collective. 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. To celebrate the museum opening a programme of cultural events is being planned around opening in September and the initial phases of this work have successfully been put in place.

Financial Report

The company has a deficit for the year ended 31 March 2018 of £48,208 (2017 - surplus £301,926). The current accumulated surplus of £890,550 (2017 - £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

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.

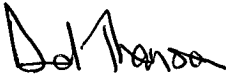
Design Dundee Limited
(a company limited by guarantee)

Report of the directors (continued)

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

18 December 2018

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

Opinion

We have audited the financial statements of Design Dundee Limited (the 'company') for the period ended 31 March 2018 which comprise the statement of financial activities, the balance sheet, the cash flow statement 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 charity'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 charitable company's affairs as at 31 March 2018 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.

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 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.

Design Dundee Limited
(a company limited by guarantee)

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

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)

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 Henderson Loggie
Chartered Accountants & Statutory Auditors
Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006
Dundee

21 December 2018

Design Dundee Limited
(a company limited by guarantee)

Statement of financial activities (including an income and expenditure account) for the year ended 31 March 2018

	Note	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Unrestricted Funds 2017 £
Income:					
Donations		680	-	680	25,000
Investment income	2	177	-	177	822
Charitable activities	2	1,306,722	592,566	1,899,288	1,529,352
Other income	2	10,241	-	10,241	19,861
In kind support	2	-	484,849	484,849	-
Total income		1,317,820	1,077,415	2,395,235	1,575,035
Expenditure:					
Charitable activities	3	1,521,985	921,458	2,443,443	1,273,109
Total expenditure		1,521,985	921,458	2,443,443	1,273,109
Net (expenditure)/income before transfers between funds		(204,165)	155,957	(48,208)	301,926
Transfers		(528)	528	-	-
Net movement in funds		(204,693)	156,485	(48,208)	301,926
Fund balances at 1 April 2017		938,758	-	938,758	636,832
Fund balances at 31 March 2018		734,065	156,485	890,550	938,758

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 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Investments	5		1		2
Tangible fixed assets	6		171,742		3,535
Total fixed assets			171,743		3,537
Current assets					
Debtors and prepayments	7	684,605		436,585	
Cash at bank and in hand		482,895		663,386	
Total current assets		1,167,500		1,099,971	
Current liabilities					
Creditors and accruals	8	(448,693)		(164,750)	
Net current assets			718,807		935,221
Net assets			890,550		938,758
Represented by					
Unrestricted funds	11		734,065		938,758
Restricted funds	11		156,485		-
Total funds			890,550		938,758

The notes on pages 15 to 27 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 18 December 2018 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 2018

	Note	£	2018 £	£	2017 £
Cash flows (used in)/from operating activities:					
Net cash (used in)/ provided by operating activities	15		(8,836)		114,076
Cash flows (used in)/from investing activities:					
Payments to acquire tangible fixed assets		(171,832)		(3,702)	
Payment to acquire investments		-		(1)	
Investment income		177		822	
Net cash used by investing activities			(171,655)		(2,881)
Change in cash and cash equivalents in the reporting period			(180,491)		111,195
Cash and cash equivalents at the beginning of the reporting period			663,386		552,191
Cash and cash equivalents at the end of the reporting period			482,895 =====		663,386 =====

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.

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

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 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 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
Museum Infrastructure	-	4 years straight line

Financial instruments

The charity 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.

Design Dundee Limited
(a company limited by guarantee)

Notes to the financial statements (continued)

2	Charitable activities	Unrestricted	Restricted	Total	Total
		£	£	2018	2017
				£	£
	Income				
	Baby boxes	-	238	238	6,262
	Creative Scotland	-	-	-	250,000
	Museum Delivery Budget	13,677	301,598	315,275	19,838
	Scot Inform Project	-	-	-	3,540
	Peoples Postcode Lottery	160,000	90,000	250,000	275,000
	Government grants	750,000	-	750,000	590,469
	Heritage Lottery Fund	217,545	-	217,545	40,583
	Mathew Trust	-	50,000	50,000	59,094
	Scottish Enterprise	-	120,287	120,287	132,680
	Northwood Charitable Trust	-	-	-	80,000
	Rank Foundation	-	30,443	30,443	32,850
	William Grant Foundation	-	-	-	39,036
	Partners' Revenue Contributions	165,500	-	165,500	-
		1,306,722	592,566	1,899,288	1,529,352
		=====	=====	=====	=====
				2018	2017
				£	£
	Investment income				
	Interest received			177	822
				===	===
		Unrestricted	Restricted	Total	Total
				2018	2017
				£	£
	Other income				
	Miscellaneous income	10,241	-	10,241	19,861
		=====	=====	=====	=====
	In kind support	-	484,849	484,849	-
		=====	=====	=====	=====

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 financial statements (continued)

3	Total expenditure	Unrestricted	Restricted	Total	Total
		2018	2018	2018	2017
		£	£		
	Charitable activities				
	Exhibitions and displays	53,738	-	53,738	106,167
	Learning activities	105,726	92,989	198,715	90,458
	Marketing	135,531	2,516	138,047	145,190
	Administration	347,017	4,264	351,281	142,747
	Legal costs	21,543	-	21,543	32,384
	Salaries and pensions	832,297	259,944	1,092,241	733,465
	Depreciation	3,332	293	3,625	167
	Museum delivery costs	-	76,603	76,603	10,946
	Visitor services	3,584	-	3,584	-
	In kind support	-	484,849	484,849	-
		1,502,768	921,458	2,424,226	1,261,524
	Governance costs				
	Audit fees	5,220	-	5,220	4,850
	Non audit	13,997	-	13,997	6,735
		19,217	-	19,217	11,585
		1,521,985	921,458	2,443,443	1,273,109
		=====	=====	=====	=====
4	Wages and salaries		2018	2017	
			£	£	
	Wages and salaries		937,566	623,649	
	Social security costs		97,819	66,629	
	Pension costs		56,856	43,187	
			1,092,241	733,465	
			=====	=====	
			No.	No.	
	Average number of employees during the year		27	18	
			=====	=====	

One employee (2017 – one employee) 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 Wages and salaries (continued)	2018	2017
	£	£
Directors emoluments		
Emoluments		
P Long	102,265	102,010
Pension contributions		
P Long	15,606	15,150
	117,871	117,160
	=====	=====

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

P Long	14,983	13,462
	=====	=====

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 £422,964 (2017 - £340,506).

5	Investments	2018	
		£	
	At 1 April 2017	2	
	Disposals in the year	(1)	
		—	
	At 31 March 2018	1	
		===	
		2018	2017
		£	£
	Craig Harbour Limited	-	1
	Design Dundee Enterprises Limited	1	1
		----	----

Craig Harbour Limited was a wholly owned subsidiary incorporated in Scotland but was dissolved on 31 October 2017 and so disposed of.

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 2018.

Design Dundee Limited
(a company limited by guarantee)

Notes to the financial statements (continued)

6	Fixed assets	Museum Infrastructure £	Office equipment £	Total £
	Cost			
	At 1 April 2017	-	34,484	34,484
	Additions in the year	155,458	16,374	171,832
	At 31 March 2018	155,458	50,858	206,316
	Depreciation			
	At 1 April 2017	-	30,949	30,949
	Charge for the year	-	3,625	3,625
	At 31 March 2018	-	34,574	34,574
	Net book value			
	At 31 March 2018	155,458	16,284	171,742
		=====	=====	=====
	At 1 April 2017	-	3,535	3,535
		=====	=====	=====
7	Debtors and prepayments		2018	2017
			£	£
	University of Dundee		63,000	-
	Dundee City Council		263,707	40,583
	Scottish Enterprise		27,155	46,607
	Grants receivable		51,629	269,062
	Trade debtors		18,453	31,089
	Prepayments		105,858	4,561
	Dundee Museums Foundation		120,630	31,840
	VAT		34,173	12,843
			684,605	436,585
			=====	=====
8	Creditors and accruals			
	Dundee City Council		94,575	50,912
	Scottish Enterprise		1,239	1,164
	V&A London		9,986	14,387
	Trade creditors		192,093	51,525
	Accruals and deferred income		150,800	46,762
			448,693	164,750
			=====	=====

Design Dundee Limited
(a company limited by guarantee)

Notes to the financial statements (continued)

8 Creditors and accruals (continued)

Deferred income	£
As at 1 April 2017	11,161
Released in year	(11,161)
Received in year	110,480
At 31 March 2018	110,480
	=====

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

9 Financial Instruments

	2018	2017
	£	£
Carrying amount of financial assets		
Financial assets measured at amortised cost	544,574	419,181
	=====	=====
Carrying amount of financial liabilities		
Financial liabilities measured at amortised cost	338,213	153,589
	=====	=====

Financial assets measured at amortised cost comprised of trade debtors and other debtors.

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

10 Defined contribution scheme

Included in creditors and accruals is £5,604 (2017 - £3,278) in respect of amounts payable to the pension scheme.

	2018	2017
	£	£
Contributions payable by the company for the year	56,856	43,187
	=====	=====

Design Dundee Limited
(a company limited by guarantee)

Notes to the financial statements (continued)

11 Analysis of charitable funds

Analysis of movements in unrestricted funds

	Balance 1 April 2017 £	Income £	Expenditure £	Transfers £	Funds 31 March 2018 £
General fund	771,150	1,134,365	(1,419,652)	3,022	488,885
Designated funds	167,608	183,455	(102,333)	(3,550)	245,180
	<u>938,758</u> =====	<u>1,317,820</u> =====	<u>(1,521,985)</u> =====	<u>(528)</u> =====	<u>734,065</u> =====

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)

11 Analysis of charitable funds (continued)

Analysis of movements in restricted funds

	Balance 1 April 2017	Income	Expenditure	Transfers	Funds 31 March 2018
	£	£	£	£	£
Baby Boxes	-	238	(766)	528	-
Mathew Trust	-	50,000	(50,000)	-	-
Museum Delivery Budget	-	301,598	(145,113)	-	156,485
Rank Foundation	-	30,443	(30,443)	-	-
Scottish Enterprise	-	13,677	(13,677)	-	-
Scottish Enterprise - A&M	-	53,167	(53,167)	-	-
Scottish Enterprise - DLBI	-	47,430	(47,430)	-	-
Scottish Enterprise - IT	-	1,750	(1,750)	-	-
Scottish Enterprise Strat Operations	-	4,263	(4,263)	-	-
Peoples Post Code Lottery – Families & Young People	-	60,000	(60,000)	-	-
Peoples Post Code Lottery – Outreach & Communities	-	30,000	(30,000)	-	-
In Kind Support	-	484,849	(484,849)	-	-
	-	1,077,415	(921,458)	528	156,485
	=====	=====	=====	=====	=====

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.

Design Dundee Limited
(a company limited by guarantee)

Notes to the financial statements (continued)

11 Analysis of charitable funds (continued)

Analysis of movements in restricted funds

Mathew Trust	To support the operational internship programme by funding an intern post.
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.
Scottish Enterprise	Scottish Enterprise support to prepare an IT strategy for the organisation to include identification of specification of requirements for ICT systems & infrastructure.
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.
Peoples Post Code Lottery – Families & Young People	This programme encourages families to be curious about design through an exciting schedule of events and workshops which are fun, free and inspiring. Families can spend quality time together, have fun and be creative, and explore all areas of design from architecture and engineering to fashion and costume.
Peoples Post Code Lottery – Outreach & Communities	Our national projects will be run bi-annually with planning taking place in year one and the outreach activity taking place the following year. We will work with multiple locations and partners to make design accessible, create opportunities for collaboration and engage people with their design heritage, contemporary design and skills development.
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 financial statements (continued)

12 Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Investments	1	-	1
Tangible fixed assets	15,257	156,485	171,742
Cash at bank	482,895	-	482,895
Other current assets and liabilities	235,912	-	235,912
	<u>734,065</u> =====	<u>156,485</u> =====	<u>890,550</u> =====

13 Control

The company is under the control of the founding members.

14 Related party transactions

Scottish Enterprise – Founding partner

During the year, in kind support was received amounting to £35,000 (2017 - £Nil). In addition, costs were paid to Scottish Enterprise of £2,945 (2017 - £3,754).

Dundee City Council – Founding partner

During the year, in kind support was received amounting to £90,000 (2017 - £Nil) and revenue contributions of £87,500. In addition, costs were paid to Dundee City Council of £1,787 (2017 - £32).

On 2 July 2018, Design Dundee Limited entered in to 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.

Dundee University – Founding partner

During the year, in kind support was received amounting to £130,500 (2017 - £Nil) and revenue contributions of £63,000. In addition, costs were paid to Dundee University of £321 (2017 - £2,902).

Abertay University – Founding partner

During the year, in kind support was received amounting to £20,000 (2017 - £Nil) and revenue contributions of £15,000. In addition, costs were paid to Abertay University of £990 (2017 - £820).

V&A London – Founding partner

During the year, in kind support was received amounting to £209,349 (2017 - £Nil). In addition, costs were paid to the V&A London of £30,401 (2017 - £20,839).

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 £Nil (2017 - £25,000).

Design Dundee Limited
(a company limited by guarantee)

Notes to the financial statements (continued)

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

	2018 £	2017 £
Net income for the reporting period	(48,208)	301,926
Depreciation	3,625	167
Loss on disposal of investments	1	-
Increase in debtors	(248,020)	(204,607)
Increase in creditors	283,943	17,412
Investment income shown in investing activities	(177)	(822)
Net cash (used by)/provided by operating activities	(8,836) =====	114,076 =====

16 Capital commitments

At the year end £1,053,448 (2017 - £776,805) was committed to but not provided for.

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