

# V&A Dundee

Design Dundee Limited

Report and consolidated financial statements  
for the year ended 31 March 2022



V&A Dundee



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

Report and consolidated financial statements  
for the year ended 31 March 2022

Registered number: SC370598

Charity number: SC041219

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## Charitable company information

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<b>Directors</b>	TED Allan E Bate L Bell P Brewer G Colgan I Gillespie R Lloyd A Pogson T Reeve
<b>Alternate directors</b>	T Hunt A Taylor E Zwirlein
<b>Principal office</b>	V&A Dundee 1 Riverside Esplanade Dundee DD1 4EZ
<b>Auditors</b>	Henderson Loggie LLP Ground Floor 11-15 Thistle Street Edinburgh EH2 1DF
<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>	Handelsbanken plc River Court 5 Victoria Dock Road Dundee DD1 3JT
<b>Registered number</b>	SC370598
<b>Charity number</b>	SC041219

## Report of the directors

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The Board of Directors has pleasure in presenting its report and financial statements for the year ended 31 March 2022.

The charitable company information set out on page 1 forms part of this report. The financial statements comply with the current statutory requirements, the Memorandum and Articles of Association and Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

### Introduction

V&A Dundee is Scotland's design museum, on a mission to inspire and empower through design. 2021-22 marked the museum's third full financial year of operations, following its opening on 15 September 2018 after over 11 years of planning.

Within the financial year the museum was physically closed for one month due to the COVID pandemic, in line with every other museum and gallery in Scotland, reopening with the hugely popular exhibition *Night Fever: Designing Club Culture*.

The museum continued to develop its role as an international centre for design, a major accelerator in the regeneration of the city of Dundee and region, and a key part of the city's social fabric this year, including the start of a collaborative organisation-wide process to refresh the museum's mission, and vision.

### 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 Design Dundee Limited 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.

### Mission and vision

The museum began a widespread, design-led process to refresh its mission and vision during this year, developing from the founding mission of *Enriching lives through design* as V&A Dundee matures as an organisation and a major cultural asset for Scotland.

This collaborative work involved all members of staff across the museum, to consider the cultural, economic and social potential of V&A Dundee for the city and the nation.

The new mission is:

- At V&A Dundee we are on a mission to inspire and empower through design.

Our vision sets out the five-year focus, covering 2022-2027:

- Design shapes our world, it's part of everyday life and it's everywhere. We are a museum with energy and have a vision of the future where everyone is inspired through design and recognises its far-reaching impact in our lives.
- Design brings joy and wonder, and it is a way to understand our ever-changing world. It can give us the agency, skills, and confidence to understand the past, to shape our own futures, and to explore how we can design better with and for people and planet. We champion design and designers and want to share the infinite possibilities they bring as catalysts of creativity and change.
- Our spectacular home is Dundee's reimaged waterfront. We are a pivotal part of a city transforming. We reach out across Dundee, Scotland, the UK, and the world, sharing and gathering stories and ideas about design from Scotland and beyond.
- We are part of the V&A family of museums that celebrate creativity in all its forms from across centuries, for everyone.

Our aims for the next five years as we adapt to COVID and look to our fifth birthday in 2023 are:

- **Generate joy and spark curiosity in design** for all our audiences through our pioneering programmes, our work with collections, visitor and digital experience, commercial activities, and our world-class architecture and plaza.
- **Grow our civic role as a museum and deepen our social impact** by reaching out and connecting with people and partners across Dundee & Scotland, strengthening design's cultural, social, environmental & economic value and becoming a place for everyone to participate and feel at home.
- **Become Scotland's design champion** advocating powerfully for design and designers as one of Scotland's greatest resources with local and global reach, establishing Dundee and Scotland as a centre of design excellence, forging partnerships, nurturing ideas, innovation, and research.
- **Cultivate an organisation that values our people, audiences and planet** underpinning what we do with creativity, inclusivity, diversity, and a commitment to the environment.
- **Prosper as a sustainable organisation for the long term** by using our entrepreneurial spirit and the resources that we have to transform our financial model.

## Highlights 2021-22

The financial year 2021-22 saw a range of major highlights in the operation of V&A Dundee, despite the challenges for operations due to the ongoing impacts of COVID.

### COVID closure and response

The museum reopened on 1 May 2021 for the second time, following a further national lockdown due to COVID.

Dundee's leading independent cultural organisations successfully completed the £1 million Dundee Cultural Recovery Fund in April 2021 with the generous support of The Northwood Charitable Trust.

The initiative was led by the Chair of V&A Dundee, Tim Allan, to benefit Dundee Contemporary Arts, Dundee Heritage Trust (operator of Discovery Point and Verdant Works), Dundee Rep and Scottish Dance Theatre, Dundee Science Centre, and V&A Dundee. The amount raised was allocated to these cultural organisations who drive visitors to the city. V&A Dundee received £240,000 to support it through the impact of the pandemic.

The Northwood Charitable Trust, the Thomson family's private charitable organisation, donated £500,000 to the campaign as a challenge fund, to match other contributions pound-for-pound.

The Dundee Cultural Recovery Fund was designed to offset some of the significant financial impact of the pandemic and to kick-start Dundee's cultural, social, and economic recovery.

Culture is fundamental to Dundee's post-pandemic reopening and recovery, the wellbeing of its citizens, and to the city's ability to continue developing its ambitions for the future. Throughout the pandemic, Dundee's cultural sector has adapted to continue supporting and connecting with audiences across the city, as well as focusing on the protection of jobs and the sustainability of their organisations.

The generous donors and trusts include Tim and Kim Allan, Alliance Trust, Al-Maktoum Community Grant Fund, Dundee City Council, Morris and Joyce Leslie, Alasdair Locke, The RJ Larg Family Trust, Leng Charitable Trust, Lethendy Charitable Trust, The Mathew Trust, Tay Charitable Trust, and Eric Young, as well as a number of generous donors.

Fundraising was also supported by the ongoing four-year partnership with The Dalmore, the luxury whisky brand. An auction in Hong Kong resulted in a £100,000 donation to the museum to support its work.

### Programme

Two major exhibitions opened in this financial year.

*Night Fever: Designing Club Culture* ran from May 2021 to January 2022, its run extended to allow the largest possible audience to enjoy this internationally important exhibition as visitors began to return closer to pre-pandemic travel.

*Night Fever* welcomed 41,255 visitors. Exhibition attendances include ticket sales, scanned membership cards, and community and school group visits.

*Michael Clark: Cosmic Dancer* opened in March 2022 and closed in September 2022.

### Night Fever: Designing Club Culture

*Night Fever: Designing Club Culture* was the first large-scale examination of the relationship between club culture and design, charting the evolution of nightclubs from the 1960s to today.

Nightclubs are spaces for adventure and escape, and have always encouraged experimental and radical design, from New York's Studio 54 to Manchester's Hacienda.

From Italy to New York, Paris, Manchester, London, Beirut and Berlin, and into everyone's homes today through online streaming, the exhibition charts how nightclub design has changed and evolved.

The exhibition included a new section on Scotland's unique and distinct club culture, including legendary club nights in Aberdeen, Dundee, Edinburgh, Glasgow and Paisley, exploring how the Scottish club scene links to the music and influences of Chicago, Detroit and Europe.

The museum also featured playlists of music chosen and mixed by Scottish DJs and artists including Dundee's Hilltown Disco, Heir of the Cursed, ISO YSO, OH0141, Jim Lambie, Junglehussi, Anna Meredith, and Sofay.

The exhibition celebrated these critical cultural spaces at a very important moment, as audiences were looking to a brighter future where everyone can come back together, to dance and to enjoy shared public experiences once again.

### Michael Clark: Cosmic Dancer

Curated by the Barbican, the exhibition delves into the process of Michael Clark's collaborations with artists, designers, musicians and performers, giving an extraordinary insight into one of Scotland's most remarkable creative minds. Clark is a pioneer, bringing different disciplines together to create his singular vision, considering every detail from costumes and music through to graphic design.

Clark's collaborators range from Leigh Bowery to The Fall, from Sarah Lucas and Scottish painter Peter Doig to non-professional dancers. His musical influences are diverse, from his hero David Bowie to Patti Smith, T.Rex and composers Erik Satie and Igor Stravinsky, blending punk, ballet and popular culture to create a revolution in dance.

The exhibition is an immersive experience, celebrating Clark's rebellious energy and innovative performances, exploring the creative energy and excitement of bringing together art, dance, design, fashion and music.

Michael Clark was born in Aberdeen in 1962 and began traditional Scottish dancing at the age of four. In 1975, at the age of 13, he left home to study at the Royal Ballet School in London, before forming his own dance company in 1984 when he was only 22.

Clark's choreography changed the landscape of British dance by weaving together subcultures and post-punk energy with the virtuosity and grace of his classical ballet training.

### Visitor numbers

V&A Dundee was open for 11 months of this financial year an increase over the previous financial year where the museum was only open from August to December, but still with reduced number of days open each week.

The museum welcomed 196,892 visitors in this financial year, an increase from 41,445 visitors in the previous financial year which was severely impacted by the pandemic.



### Retail and commercial

The retail offering at the museum has continued to develop, with expanded lines and more collaborations with designers that are sold exclusively at V&A Dundee, through its physical and online shops.

In summer 2021 eight designers participated in Daytrippers, a collaboration between V&A Dundee and Local Heroes aimed at supporting Scottish designers by commissioning contemporary, limited-edition souvenirs. These were displayed and sold outside V&A Dundee, bringing exciting design outdoors to the museum's picturesque waterfront location.

In October 2021 the museum launched two limited edition skateboards inspired by the skating community that have made the plaza around the museum their home.

The boards were created by local designer-maker and skater Mickey Fenton and fabricated collaboratively with The Bonny Company, an independent skateboard manufacturer based in Dundee. The new collectible skateboards are designed with sustainability in mind and looking at alternative ways of hand producing small batches of skateboards.

### Updates after the financial year

Trading conditions in 2022-23 are challenging with the cost-of-living crisis putting pressure on V&A Dundee expenditure budgets. There are signs that visitor behaviour is changing as the summer train strikes, the cost of petrol and inflation have a direct impact on our audience.

A recruitment process for new Board directors was started in the spring and new directors will be announced in the autumn.

## 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, 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 2022 were as follows:

Directors	Relationship	Alternate
TED Allan (Chair)	Independent	
E Bate	Independent	
L Bell	Design Dundee Limited	
P Brewer	Independent	
G Colgan	Dundee City Council	E Zwirlein
I Gillespie	University of Dundee	A Taylor
R Lloyd	Independent	
A Pogson	Independent	
T Reeve	Victoria & Albert Museum	T Hunt
DHE Thomson (resigned 20 April 2021)	Independent	

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

The board of directors met five times during the year.

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

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

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

***Audit 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

***Finance and Risk 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

***Nomination Committee***

In regard to the oversight of:

- guiding the Founder Members in relation to the selection of appropriate individuals for appointment as Independent Directors
- maintaining a register of suitable candidates for future reference

***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, COVID-19 and BREXIT. The directors are satisfied that appropriate systems are in place to mitigate these risks.

## **Financial Report**

The group has a surplus for the year ended 31 March 2022 of £92,009 (2021 - £1,714,588 surplus). The movement for the year in unrestricted funds amounted to a surplus of £399,151 (2021 - £1,791,035 surplus), the movement for the year in restricted funds amounted to a deficit of £307,142 (2021 - £76,447 deficit).

The group has net assets at the 31 March 2022 of £2,368,198 (2021 - £2,276,189).

## 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 retail and online shop and receives commission income from the catering and events.

## 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 charitable company. 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.

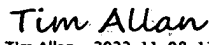
## Reserves policy

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 hold reserves of £500,000 which equates to approximately six weeks' running costs. This has been met in 2022 with unrestricted reserves of the charity amounting to £2,093,838 (2021 - £1,783,847).

## 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:

  
Tim Allan - 2022-11-08, 17:43:50 UTC  
T Allan  
Chair/Director

## 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 2019 (FRS 102);
- 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 operation.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, 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.

## 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 2022 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the group and parent charitable company statement of cash flows 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).

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 2022 and of its incoming resources and application of resources, 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### **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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the 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 directors' 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.

### **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.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**  
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the group has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the group. We determined that the following were most relevant: terms and conditions included in exhibition and commission agreements, health and safety including fire safety, OSCR requirements; Data Protection Act 2018; employment law (including payroll and pension regulations), and compliance with the UK Companies Act.
- We considered the incentives and opportunities that exist in the group, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the group, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.



The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Inquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing group board meeting minutes;
- Reviewing key agreements and policies including commission agreements in place, the fire safety, health and safety, and security policies;
- Reviewing agreements and the terms and conditions associated with the exhibitions held;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular the valuation of in kind support, the valuation of tangible fixed assets, recoverability of debtors and stock, and the application of accruals and deferred income; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Owing to the inherent limitations of an audit, there is unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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.

#### Use of our report

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 charitable company'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 charitable company, 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.

*Diana Penny*

Diana Penny – 2022-11-08, 20:32:03 UTC

**Diana Penny (Senior Statutory Auditor)**  
For and on behalf of Henderson Loggie  
Chartered Accountants & Statutory Auditors  
Ground Floor  
11-15 Thistle Street  
Edinburgh  
EH2 1DF

## Statement of financial activities (including an income and expenditure account) for the year ended 31 March 2022

		Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	Note	2022	2022	2022	2021	2021	2021
		£	£	£	£	£	£
<b>Income:</b>							
<i>Income from grants and donations</i>							
Grant income	4	4,305,782	143,202	4,448,984	5,657,244	419,199	6,076,443
Donations		598,624	-	598,624	402,340	11,250	413,590
In kind support	4	-	661,727	661,727	-	669,051	669,051
<i>Income from other trading activities</i>							
Trading income		514,278	-	514,278	333,857	-	333,857
<i>Income from charitable activities</i>							
Admissions and exhibition fees		321,590	-	321,590	113,116	-	113,116
Other income	4	177,390	-	177,390	196,122	-	196,122
<b>Total income</b>		<b>5,917,664</b>	<b>804,929</b>	<b>6,722,593</b>	<b>6,702,679</b>	<b>1,099,500</b>	<b>7,802,179</b>
<b>Expenditure:</b>							
<i>Expenditure on raising funds</i>							
Costs of generating voluntary income	5	588,594	-	588,594	440,483	-	440,483
Trading costs	5	424,118	-	424,118	444,216	-	444,216
<i>Expenditure on charitable activities</i>							
Charitable activities	5	4,504,801	1,113,071	5,617,872	4,026,945	1,175,947	5,202,892
<b>Total expenditure</b>		<b>5,517,513</b>	<b>1,113,071</b>	<b>6,630,584</b>	<b>4,911,644</b>	<b>1,175,947</b>	<b>6,087,591</b>
<b>Net income/(expenditure)</b>		<b>400,151</b>	<b>(308,142)</b>	<b>92,009</b>	<b>1,791,035</b>	<b>(76,447)</b>	<b>1,714,588</b>
Transfers between funds		(1,000)	1,000	-	-	-	-
<b>Net movement in funds</b>		<b>399,151</b>	<b>(307,142)</b>	<b>92,009</b>	<b>1,791,035</b>	<b>(76,447)</b>	<b>1,714,588</b>
Fund balances at 1 April 2021		1,673,193	602,996	2,276,189	(117,842)	679,443	561,601
Fund balances at 31 March 2022	14	2,072,344	295,854	2,368,198	1,673,193	602,996	2,276,189


The group net income/(expenditure) for the year for Companies Act purposes comprises the net income/(expenditure) for the year adjusted for any capital grants received and released in the year and was £354,080 net income (2021 - £1,844,994 net income).

## Consolidated balance sheet at 31 March 2022

			2022	2021
	Note	£	£	£
<b>Fixed assets</b>				
Tangible assets	9		361,392	564,900
<b>Current assets</b>				
Stock		170,615		153,171
Debtors	10	1,185,456		1,601,922
Cash at bank and in hand		1,708,095		999,261
		<u>3,064,166</u>		<u>2,754,354</u>
<b>Current Liabilities</b>				
Creditors due within one year	11	(1,057,360)		(1,043,065)
<b>Net current assets</b>			<u>2,006,806</u>	<u>1,711,289</u>
<b>Net assets</b>			<u>2,368,198</u>	<u>2,276,189</u>
<b>Represented by</b>				
Unrestricted funds	14		2,072,344	1,673,193
Restricted funds	14		295,854	602,996
<b>Total funds</b>			<u>2,368,198</u>	<u>2,276,189</u>

The notes on pages 20 to 39 form part of these financial statements.

These financial statements were approved by the board of directors on 30 September 2022 and signed on their behalf by:

  
Paul Brewer - 2022-11-08, 14:40:57 UTC


**P Brewer**  
Director

## Company balance sheet as at 31 March 2022

	Note	2022	2021
		£	£
<b>Fixed assets</b>			
Investments	8	1	1
Tangible fixed assets	9	361,392	564,900
<b>Total fixed assets</b>		<b>361,393</b>	<b>564,901</b>
<b>Current assets</b>			
Debtors	10	1,318,585	2,024,224
Cash at bank and in hand		1,656,925	801,459
		<b>2,975,510</b>	<b>2,825,683</b>
<b>Current liabilities</b>			
Creditors due within one year	11	(948,211)	(1,003,741)
<b>Net current assets</b>		<b>2,027,299</b>	<b>1,821,942</b>
<b>Net assets</b>		<b>2,388,692</b>	<b>2,386,843</b>
<b>Represented by</b>			
Unrestricted funds	14	2,092,838	1,783,847
Restricted funds	14	295,854	602,996
<b>Total funds</b>		<b>2,388,692</b>	<b>2,386,843</b>

The notes on pages 20 to 39 form part of these financial statements.

These financial statements were approved by the board of directors on .....2022  
and signed on their behalf by:

  
 Paul Brewer - 2022-11-08, 14:40:57 UTC  
**P Brewer**  
 Director

## Consolidated statement of cash flow for the year ended 31 March 2022

		2022	2021
	Note	£	£
<b>Cash flows from operating activities:</b>			
Net cash from operating activities	18	797,278	1,476,827
<b>Cash flows used in investing activities:</b>			
Payments to acquire tangible fixed assets		(88,444)	(169,401)
Net cash used in investing activities		(88,444)	(169,401)
<b>Change in cash and cash equivalents in the reporting period</b>		<b>708,834</b>	<b>1,307,426</b>
Cash and cash equivalents at the beginning of the reporting period		999,261	(308,165)
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>1,708,095</b>	<b>999,261</b>
<b>Represented by:</b>			
Cash at bank and in hand		1,708,095	999,261
		1,708,095	999,261

## Company statement of cash flow for the year ended 31 March 2022

		2022	2021
	Note	£	£
<b>Cash flows from operating activities:</b>			
Net cash from operating activities	18	943,910	1,293,099
<b>Cash flows used in investing activities:</b>			
Payments to acquire tangible fixed assets		(88,444)	(169,401)
Net cash used in investing activities		(88,444)	(169,401)
<b>Change in cash and cash equivalents in the reporting period</b>		<b>855,466</b>	<b>1,123,698</b>
Cash and cash equivalents at the beginning of the reporting period		801,459	(322,239)
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>1,656,925</b>	<b>801,459</b>
<b>Represented by:</b>			
Cash at bank and in hand		1,656,925	801,459
		<b>1,656,925</b>	<b>801,459</b>

# Notes to the consolidated 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 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 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.

### Going concern

At the time of approving the financial statements, the directors are satisfied that the charitable company has adequate resources to continue in operational existence for the foreseeable future.

Like the rest of society, V&A Dundee faced ongoing uncertainty as society learnt to live with COVID-19. A cautious public has led to a significant reduction in footfall and visitor revenues. This uncertainty remains with all visitor attractions, and there are still difficulties in predicting whether visitor behaviour will return back to normal. The cost-of-living crisis has increased this risk. In order to deal with these conditions, the V&A Dundee has:

- Reviewed and reduced the level of temporary exhibition activity and expenditure in the coming year. This has been built into the new mission and vision strategy.
- Maintained a regular dialogue with both UK and Scottish Governments around the expectation for 2022, 2023 and beyond. The Scottish Government has provided additional funding of £2m a year for three years to support V&A Dundee's operations as both Scotland's design museum and centre for design, in addition to its current commitment of £1 million a year. This new funding will provide long-term financial sustainability for V&A Dundee and protect museum jobs. 2023 is the last year of this additional funding.
- An existing bank facility of £0.5m. This was renewed in May 2022.

Based on this, and having regard to the resources available to the charitable company, the directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and financial statements.

## 1 Accounting policies (continued)

### 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 charitable 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 charitable company.

### 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 charitable company 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.

### 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
Museum infrastructure	-	4 years straight line

### 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. Exhibition costs are prepaid when all or part of the exhibition is due to take place after the year end.

**Cash at bank and in hand**

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**Creditors and provisions**

Creditors and provisions are recognised where the charitable company 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.

**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.

**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.

**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.

## 1 Accounting policies (continued)

### Critical accounting estimates and judgements

In the application of the group'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.

In preparing these financial statements, the directors have made the following judgements:

#### Useful life of tangible fixed assets

Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence. Fixed assets are also assessed as to whether there are indicators of impairment.

#### Stock valuation

Directors estimate the requirements for stock provisions by reviewing stock on a regular basis to identify slow moving or obsolete items, items that are damaged or have been used as display, or items that have been selling poorly based upon sales after the year end. This process identifies stock items that are expected not to be sold at a value greater than their cost and thus the directors would apply a provision.

#### Trade debtor recovery

Credit control is an important function which requires assessment, on an ongoing basis, of the recoverability of amounts due from debtors. Where recovery is in doubt, the directors will adequately provide against this specific debt and will arrive at such conclusions based on the knowledge of the debtor and their "ability to pay". The directors adopt a prudent approach to credit control.

#### Accruals

Directors estimate the requirements for accruals using post year end information and information available from detailed budgets, particularly for exhibition costs. This identifies costs that are expected to be incurred for services provided by other parties. Accruals are only released when there is a reasonable expectation that these costs will not be invoiced in the future.

#### Deferred income

Deferred income relates to both funding received in the form of grants and donations which cover a period spanning the year end or have performance related conditions, and membership income which spans the year end. The directors estimate the deferred income in relation to grants and donations by pro rating the funding amount over the period of support or where appropriate, depending on the performance conditions stipulated in the agreements. The directors estimate the membership income by pro rating the full membership amount over the period the membership covers.

#### Valuation of in kind support

Where practicable, in kind support is measured at fair value on recognition, which is the expected cost of the service received if the service were to be paid for. In kind support is primarily received from the founding partners and the amount recognised is confirmed externally with these entities to ensure its accuracy.

## 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 charitable company is set out below:

	2022	2021
	£	£
<b>Income:</b>		
Income from grants and donations	5,709,335	7,321,308
Income from charitable activities	321,590	113,116
Income from trading income	-	295
Other income	177,390	196,122
	<hr/>	<hr/>
Total income	6,208,315	7,630,841
<b>Expenditure:</b>		
Expenditure on raising funds	588,594	440,483
Expenditure on charitable activities	5,617,872	5,202,892
	<hr/>	<hr/>
Total expenditure	6,206,466	5,643,375
	<hr/>	<hr/>
Net income	1,849	1,987,466
 Total funds brought forward	 2,386,843	 399,377
	<hr/>	<hr/>
Total funds carried forward	2,388,692	2,386,843
	<hr/>	<hr/>
<b>Represented by</b>		
Unrestricted funds	2,092,838	1,783,847
Restricted funds	295,854	602,996
	<hr/>	<hr/>
	2,388,692	2,386,843
	<hr/>	<hr/>

### 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 and sponsorship 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.

	2022	2021
	£	£
Turnover	323,947	151,626
Sponsorship income	109,500	93,750
Commission income	64,508	5,923
Filming income	6,432	3,250
COVID-19 support	3,060	79,010
Cost of sales	(203,941)	(116,756)
Administration costs	(218,819)	(326,908)
Interest receivable	-	3
Finance costs	(1,358)	(552)
Deferred tax	6,831	-
Profit/(loss) for the financial year	90,160	(110,654)
The assets and liabilities of the subsidiary were:		
Current assets	255,687	421,693
Current liabilities	(276,180)	(532,346)
<b>Total net liabilities</b>	<b>(20,493)</b>	<b>(110,653)</b>
<b>Aggregate share capital and reserves</b>	<b>(20,493)</b>	<b>(110,653)</b>

Given the company has negative reserves after the loss in 2021, there was no gift aid paid to Design Dundee Limited post year end.

#### 4 Grant income

	Unrestricted	Restricted	Total 2022	Unrestricted	Restricted	Total 2021
	£	£	£	£	£	£
Museum Galleries Scotland	-	12,423	12,423	-	-	-
Museum Delivery Fund	-	43,683	43,683	-	210,762	210,762
Oak Foundation	-	-	-	-	75,467	75,467
People's Postcode Lottery	350,000	-	350,000	350,000	-	350,000
Government grants	3,250,000	-	3,250,000	4,000,000	-	4,000,000
Dundee Cultural Recovery Fund	-	-	-	240,000	-	240,000
Mathew Trust	-	16,096	16,096	-	11,386	11,386
Rank Foundation	-	20,000	20,000	-	7,936	7,936
William Grant Foundation	-	-	-	-	26,550	26,550
Partners' Revenue Contributions	673,667	36,000	709,667	682,000	32,098	714,098
Inches Carr Trust	-	-	-	-	10,000	10,000
COVID-19 support	32,115	-	32,115	385,244	45,000	430,244
Miscellaneous Grants	-	15,000	15,000	-	-	-
	<u>4,305,782</u>	<u>143,202</u>	<u>4,448,984</u>	<u>5,657,244</u>	<u>419,199</u>	<u>6,076,443</u>

	Unrestricted	Restricted	Total 2022	Unrestricted	Restricted	Total 2021
	£	£	£	£	£	£
<b>Other income</b>						
Museums and Galleries Tax Relief	141,234	-	141,234	148,583	-	148,583
Renewable Heat Incentive	35,356	-	35,356	47,539	-	47,539
Other	800	-	800	-	-	-
	<u>177,390</u>	<u>-</u>	<u>177,390</u>	<u>196,122</u>	<u>-</u>	<u>196,122</u>

#### 4 In kind support

	Unrestricted	Restricted	Total 2022 £	Unrestricted	Restricted	Total 2021 £
In kind support	-	661,727	661,727	-	669,051	669,051

In kind support consists of support from the founding partners of the charitable company. This includes the use of office space, HR support and staff time.

#### 5 Total expenditure

	Direct costs £	Allocated Support costs £	Depreciation & loss on disposal £	2022 Total £	Direct costs £	Allocated Support costs £	Depreciation & loss on disposal £	2021 Total £
<b>Expenditure on raising funds</b>								
Cost of generating voluntary income	425,639	162,955	-	588,594	332,673	107,810	-	440,483
Trading costs	424,118	-	-	424,118	444,216	-	-	444,216
	<u>849,757</u>	<u>162,955</u>	<u>-</u>	<u>1,012,712</u>	<u>776,889</u>	<u>107,810</u>	<u>-</u>	<u>884,699</u>
<b>Charitable Activities</b>								
Collections & Learning	798,862	264,803	-	1,063,665	580,723	107,810	-	688,533
Exhibitions	2,573,610	1,026,918	291,952	3,892,480	2,649,166	939,063	257,079	3,845,308
In kind support	661,727	-	-	661,727	669,051	-	-	669,051
	<u>4,034,199</u>	<u>1,291,721</u>	<u>291,952</u>	<u>5,617,872</u>	<u>3,898,940</u>	<u>1,046,873</u>	<u>257,079</u>	<u>5,202,892</u>
<b>Total expenditure</b>	<u>4,883,956</u>	<u>1,454,676</u>	<u>291,952</u>	<u>6,630,584</u>	<u>4,675,829</u>	<u>1,154,683</u>	<u>257,079</u>	<u>6,087,591</u>

**5 Total expenditure (continued)**

Support costs included in the above expenditure have been allocated across the activities above on the basis of staff numbers as follows:

2022	Information services & support	Project & estates	Finance & Administration	Human Resources	Other central costs	Governance	Total
	£	£	£	£	£	£	£
<i>Expenditure on raising funds</i>							
Cost of generating voluntary income	22,459	82,946	5,287	8,617	35,109	8,537	162,955
<i>Charitable activities</i>							
Collections & learning	36,496	134,788	8,591	14,003	57,052	13,873	264,803
Exhibitions	141,534	522,715	33,317	54,302	221,250	53,800	1,026,918
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	200,489	740,449	47,195	76,922	313,411	76,210	1,454,676
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2021	Information services & support	Project & estates	Finance & Administration	Human Resources	Other central costs	Governance	Total
	£	£	£	£	£	£	£
<i>Expenditure on raising funds</i>							
Cost of generating voluntary income	16,890	59,775	3,877	7,064	15,812	4,392	107,810
<i>Charitable activities</i>							
Collections & learning	16,890	59,775	3,877	7,064	15,812	4,392	107,810
Exhibitions	147,117	520,663	33,774	61,526	137,729	38,254	939,063
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	180,897	640,213	41,528	75,654	169,353	47,038	1,154,683
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**6 Wages and salaries**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	2,309,160	2,069,324	2,143,889	1,891,062
Social security costs	208,532	187,988	193,595	171,991
Pension costs	105,477	97,560	97,922	89,229
	<u>2,623,169</u>	<u>2,354,872</u>	<u>2,435,406</u>	<u>2,152,282</u>

	<b>No.</b>	<b>No.</b>
Average number of employees during the year	<u>92</u>	<u>87</u>

One employee (2021 – none) received emoluments between £60,000 and £70,000 during the year. Two employees (2021 – one) received emoluments between £70,000 and £80,000 during the year. No employees (2021 – one) received emoluments between £80,000 and £90,000. One employee (2021 – none) received emoluments between £90,000 and £100,000.

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Directors emoluments</b>		
<b>Emoluments</b>		
P Long	-	26,558
L Bell	90,800	47,250
<b>Pension contributions</b>		
P Long	-	3,864
L Bell	4,540	1,500
	<u>95,340</u>	<u>79,172</u>

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

P Long	-	140
L Bell	3,098	151
	<u>3,098</u>	<u>151</u>

The charitable company considers its key management personnel to comprise of Leonie Bell along with other members of management. The total employment benefits of key management, including employers' national insurance and pension contributions were £554,645 (2021 - £504,778).



**7 Net income/(expenditure)**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
The net income/(expenditure) is stated after charging:				
Auditor's remuneration – audit	14,550	14,485	11,200	11,300
non-audit	9,958	13,432	8,421	12,832
	<hr/>	<hr/>	<hr/>	<hr/>

**8 Investments**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Design Dundee Enterprise Limited	-	-	1	1
	<hr/>	<hr/>	<hr/>	<hr/>

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**

	<b>Fixtures &amp; fittings</b>	<b>Software and content</b>	<b>Network infrastructure</b>	<b>Total</b>
<b>2022</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Group and company</b>				
<b>Cost</b>				
At 1 April 2021	433,240	407,264	306,406	1,146,910
Additions	30,001	47,524	10,919	88,444
Disposals	(59,500)	(63,038)	-	(122,538)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 March 2022</b>	<b>403,741</b>	<b>391,750</b>	<b>317,325</b>	<b>1,112,816</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 April 2021	199,650	198,904	183,456	582,010
Charge for the year	109,528	95,829	77,635	282,992
Disposals	(52,063)	(61,515)	-	(113,578)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 March 2022</b>	<b>257,115</b>	<b>233,218</b>	<b>261,091</b>	<b>751,424</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
<b>At 31 March 2022</b>	<b>146,626</b>	<b>158,532</b>	<b>56,234</b>	<b>361,392</b>
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 April 2021	233,590	208,360	122,950	564,900
	<hr/>	<hr/>	<hr/>	<hr/>

**9 Fixed assets (continued)**

	Fixtures & fittings	Software and content	Network infrastructure	Total
2021	£	£	£	£
<b>Group and company</b>				
<b>Cost</b>				
At 1 April 2020	336,944	339,827	300,738	977,509
Additions	96,296	67,437	5,668	169,401
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	433,240	407,264	306,406	1,146,910
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 April 2020	104,161	113,453	107,317	324,931
Charge for the year	95,489	85,451	76,139	257,079
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020	199,650	198,904	183,456	582,010
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 March 2021	233,590	208,360	122,950	564,900
	<hr/>	<hr/>	<hr/>	<hr/>

**10 Debtors**

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	47,533	44,648	26,516	31,869
Amounts due from subsidiary under takings	-	-	167,031	493,022
Other debtors	1,137,923	1,557,274	1,125,038	1,499,333
	<hr/>	<hr/>	<hr/>	<hr/>
	1,185,456	1,601,922	1,318,585	2,024,224
	<hr/>	<hr/>	<hr/>	<hr/>

**11 Creditors due within one year**

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	339,494	740,210	326,608	731,071
Other creditors	708,951	302,120	621,603	272,670
Other taxes and social security	8,915	735	-	-
	<u>1,057,360</u>	<u>1,043,065</u>	<u>948,211</u>	<u>1,003,741</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**

Deferred income	Group	Company
	£	£
As at 1 April 2021	113,314	88,314
Released in year	(113,314)	(88,314)
Received in year	346,380	262,380
At 31 March 2022	<u>346,380</u>	<u>262,380</u>

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

**13 Defined contribution scheme**

Included in creditors and accruals is £14,981 (2021 - £14,078) in respect of amounts payable to the pension scheme.

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Contributions payable for the year amounted to	105,447	97,560	97,922	89,229
	<u>105,447</u>	<u>97,560</u>	<u>97,922</u>	<u>89,229</u>

## 14 Analysis of charitable funds

### Analysis of movements in unrestricted funds

2022	Balance 1 April 2021 £	Income £	Expenditure £	Transfers £	Balance 31 March 2022 £
Group					
General fund	1,673,193	5,917,664	(5,517,513)	(94,000)	1,979,344
Designated fund	-	-	-	93,000	93,000
	<u>1,673,193</u>	<u>5,917,664</u>	<u>(5,517,513)</u>	<u>(1,000)</u>	<u>2,072,344</u>
Company					
	Balance 1 April 2021 £	Income £	Expenditure £	Transfers £	Balance 31 March 2022 £
General fund	1,783,847	5,403,386	(5,093,395)	(94,000)	1,999,838
Designated fund	-	-	-	93,000	93,000
	<u>1,783,847</u>	<u>5,403,386</u>	<u>(5,093,395)</u>	<u>(1,000)</u>	<u>2,092,838</u>
2021	Balance 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance 31 March 2021 £
Group					
General fund	(117,842)	6,705,679	(4,911,644)	-	1,673,193
	<u>(117,842)</u>	<u>6,705,679</u>	<u>(4,911,644)</u>		<u>1,673,193</u>
Company					
	Balance 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance 31 March 2021 £
General fund	(280,066)	6,531,341	(4,467,428)	-	1,783,847
	<u>(280,066)</u>	<u>6,531,341</u>	<u>(4,467,428)</u>	<u>-</u>	<u>1,783,847</u>
General fund	The 'free reserves' of the group and company.				
Designated fund	Designated funds comprise free reserves which have been set aside at the discretion of the directors for specific purposes. A transfer from free reserves to designated funds was made in the year to help support these specific projects in the upcoming year.				

**14 Analysis of charitable funds (continued)****Analysis of movements in restricted funds**

<b>2022</b>	<b>Balance 1 April 2021</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Balance 31 March 2022</b>
	£	£	£	£	£
Mathew Trust	-	16,096	(15,226)	-	870
Museum Delivery Budget	436,365	43,683	(271,323)	-	208,725
Rank Foundation	1,250	20,000	(21,250)	-	-
Scottish Enterprise	8,992	-	(5,994)	-	2,998
Abertay University	-	36,000	(36,000)	-	-
Heritage Emergency Fund	41,250	-	(11,250)	-	30,000
Donations	48,487	-	(16,057)	-	32,430
Oak Foundation	53,881	-	(53,881)	-	-
Inches Carr Trust	12,771	-	(6,061)	-	6,710
Visit Scotland	-	15,000	(879)	-	14,121
Museum Galleries Scotland	-	12,423	(12,423)	-	-
Dundee Bairns	-	-	(1,000)	1,000	-
In Kind Support	-	661,727	(661,727)	-	-
	<u>602,996</u>	<u>804,929</u>	<u>(1,113,071)</u>	<u>1,000</u>	<u>295,854</u>

**14 Analysis of charitable funds (continued)****Analysis of movements in restricted funds**

2021	Balance 1 April 2020	Income	Expenditure	Transfers	Balance 31 March 2021
	£	£	£	£	£
Mathew Trust	-	11,386	(11,386)	-	-
Museum Delivery Budget	599,027	210,762	(373,424)	-	436,365
Rank Foundation	-	7,936	(6,686)	-	1,250
Scottish Enterprise	14,986	-	(5,994)	-	8,992
Abertay University	-	32,098	(32,098)	-	-
Heritage Emergency Fund	-	45,000	(3,750)	-	41,250
Gannochy Trust	-	11,250	(11,250)	-	-
Donations	59,569	-	(11,082)	-	48,487
Oak Foundation	-	75,467	(21,586)	-	53,881
William Grant Foundation	3,000	26,550	(29,550)	-	-
Inches Carr Trust	2,861	10,000	(90)	-	12,771
In Kind Support	-	669,051	(669,051)	-	-
	<u>679,443</u>	<u>1,099,500</u>	<u>(1,175,947)</u>	<u>-</u>	<u>602,996</u>

Mathew Trust: To support the YPC programme and a private fund raising Intern.

Museum Delivery Budget: This is a residual budget that covered a range of essential museum operations that were required to get the museum ready for opening and in its early years.

**14 Analysis of charitable funds (continued)****Analysis of movements in restricted funds**

Rank Foundation	To support the Community Development Programme "to ensure continuity and sustainability of the community outreach project, including the development of the ethnic tour guide service in conjunction with the Amina Muslim Women's Resource Centre to increase the opportunities for ethnic and Muslim persons to actively engage as participants, paid employees and/or volunteers; and the fostering of connections for groups living with health inequalities including degenerative and life-limiting conditions, and those who care for them, whilst actively improving mental health through cultural prescribing."
Scottish Enterprise	To help develop and implement the website.
Abertay University	To assist with salary costs.
Heritage Emergency Fund	To assist with the website re-development, new equipment for staff, creation of new online content and training.
Donation	The balance outstanding from donations relate to capital projects.
Oak Foundation	To assist with the Young People and Schools Programme.
Inches Carr Trust	To purchase books for the Inches Carr resource centre.
Visit Scotland	Subsidised the cost of a ticket to the Museum. In this case, subsidising Night Fever & Michael Clark ticket purchases.
Museum Galleries Scotland	Supported the delivery the Museum's Summer family activities programme for families.
Dundee Barins	Supported the delivery of the Museum's family activities programme.
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.
Gannochy Trust	To support the V&A Dundee Schools Programme in Perth and Kinross.
William Grant Foundation	To assist with the Schools Programme.

**15 Analysis of net assets between funds****Group - 2022**

	Unrestricted £	Designated £	Restricted £	Total £
Tangible fixed assets	87,239	-	274,153	361,392
Cash at bank	1,593,394	93,000	21,701	1,708,095
Other current assets and liabilities	298,711	-	-	298,711
	<u>1,979,344</u>	<u>93,000</u>	<u>295,854</u>	<u>2,368,198</u>

**Company – 2022**

	Unrestricted £	Designated £	Restricted £	Total £
Investments	1	-	-	1
Tangible fixed assets	87,239	-	274,153	361,392
Cash at bank	1,542,224	93,000	21,701	1,656,925
Other current assets and liabilities	370,374	-	-	370,374
	<u>1,999,838</u>	<u>93,000</u>	<u>295,854</u>	<u>2,388,692</u>

**Group - 2021**

	Unrestricted £	Designated £	Restricted £	Total £
Tangible fixed assets	73,792	-	491,108	564,900
Cash at bank	967,840	-	31,421	999,261
Other current assets and liabilities	631,561	-	80,467	712,028
	<u>1,673,193</u>	<u>-</u>	<u>602,996</u>	<u>2,276,189</u>

**Company - 2021**

	Unrestricted £	Designated £	Restricted £	Total £
Investments	1	-	-	1
Tangible fixed assets	73,792	-	491,108	564,900
Cash at bank	770,038	-	31,421	801,459
Other current assets and liabilities	940,016	-	80,467	1,020,483
	<u>1,783,847</u>	<u>-</u>	<u>602,996</u>	<u>2,386,843</u>



**16 Control**

The company is under the control of the founding members.

**17 Related party transactions****Dundee City Council – Founding partner**

During the year, in kind support was received amounting to £298,763 (2021 - £216,415) and revenue contributions of £350,000 (2021 - £350,000). In addition, costs were paid to Dundee City Council of £Nil (2021 - £4,431).

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 creditor balance of £178,235 relating to recharges due (2021 - £155,907 creditor).

**University of Dundee – Founding partner**

During the year, in kind support was received amounting to £198,853 (2021 - £199,991) and revenue contributions of £252,000 (2021 - £252,000). In addition, costs were paid to the University of Dundee of £2,570 (2021 - £9,412). The balance outstanding at the year end was a creditor balance of £Nil (2021 - £888 creditor).

**Abertay University – Founding partner**

During the year, revenue contributions were received amounting to £107,667 (2021 - £112,098). In addition, costs were paid to Abertay University of £Nil (2021 - £247). The balance outstanding at the year end was a creditor balance of £90 (2021 - £24,000 debtor).

**V&A London – Founding partner**

During the year, in kind support was received amounting to £164,111 (2021 - £252,645). In addition, costs were paid to the V&A London of £11,287 (2021 - £6,732). The balance outstanding at the year end was a creditor balance of £Nil (2021 - £732 creditor).

**Design Dundee Enterprises Limited**

During the year, a donation was received amounting to £Nil (2021 - £162,224). The balance outstanding at the year end was a debtors balance of £167,031 (2021 - £493,022 debtor). Design Dundee Enterprise Limited is wholly owned by Design Dundee Limited.

**18 Reconciliation of net income to net cash from operating activities**

<b>Group</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Net income for the reporting period	92,009	1,714,588
Depreciation	282,992	257,079
Loss on disposal of fixed assets	8,960	-
(Increase)/decrease in stock	(17,444)	20,433
Decrease in debtors	416,466	388,465
Increase/(decrease) in creditors	14,295	(903,738)
<b>Net cash from operating activities</b>	<b>797,278</b>	<b>1,476,827</b>
<b>Company</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Net income for the reporting period	1,849	1,987,466
Depreciation	282,992	257,079
Loss on disposal of fixed assets	8,960	-
Decrease/(increase) in debtors	705,639	(65,128)
Decrease in creditors	(55,530)	(886,318)
<b>Net cash from operating activities</b>	<b>943,910</b>	<b>1,293,099</b>

**19 Commitments**

At the year end £402,000 (2021 - £580,800) was committed for exhibition costs but not provided for.

