

**V&A Dundee**

**Design Dundee Limited**

**Report and consolidated financial statements  
for the year ended 31 March 2021**

**V&A Dundee**



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

**Report and consolidated financial statements**  
**for the year ended 31 March 2021**

Registered number: SC370598

Charity number: SC041219

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## Charitable company information

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<b>Directors</b>	TED Allan L Bell T Reeve A Pogson R Lloyd E Bate P Brewer G Colgan I Gillespie
<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 2021.

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 first design museum and a new landmark cultural building for the nation. 2020-21 marked the museum's second 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 large periods due to the COVID pandemic, in line with every other museum and gallery in Scotland.

The museum appointed a new Director, Leonie Bell, following the founding Director Philip Long moving to the National Trust for Scotland.

The museum continued to develop its role as an international centre for design, a major accelerator in the regeneration of the city and region, and a key part of the city's social fabric this year, including the announcement of a major three-year additional funding agreement with the Scottish Government effective from 2021-22.

### 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**

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

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

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

### **Strategic Objectives**

To achieve our vision, we aim to:

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

The mission and vision are being reviewed in financial year 2021-22 in collaboration with all colleagues across the museum.

### **Highlights 2020-21**

The financial year 2020-21 saw a range of major highlights in the operation of V&A Dundee, despite being challenging for operations due to the COVID lockdown closures. The museum team moved huge amounts of programme online, connecting with audiences around the world, and also successfully reopened the museum with a major new exhibition.

### **COVID closure and response**

At the end of financial year 2019-20, on 19 March, the museum was closed due to the COVID pandemic. Staff welfare, continuing to engage with audiences, and preparing for reopening and recovery were identified as the key strategic priorities.

The museum building was closed, bar essential security and maintenance, with around 80% of staff furloughed. Programme was moved online in response, projects including major exhibitions rescheduled, and new at-home working practices established.

Public talks and events were streamed to audiences at home, allowing the museum to establish a wider international reach than ever before. As with many other museums and galleries, this has created a new programming opportunity which will continue after the pandemic.

Digital programme also included Design Busters, a fun phone-based weekly design challenge for people of all ages that ran from April 2020. It built on a popular programme of activities that ran in the museum from opening in September 2018, encouraging families to engage in playful design challenges at home using basic household items and creative problem-solving skills. Children and their families could call the free Design Busters phoneline to get a new creative challenge every week.

10,000 free copies of a Design Busters activity book were then sent to families across Scotland in March 2021 to inspire their creativity during the school holidays. The resource can also be downloaded for free from V&A Dundee's website.

#### ***COVID recovery leadership and fundraising***

Dundee's leading independent cultural organisations launched the £1 million Dundee Cultural Recovery Fund in August 2020 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 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 cultural community in Dundee is at the heart of the city's economic and social response to COVID. 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 £1 million fundraising target was met shortly after the end of the 2020-21 financial year and was shared between the five organisations noted above.

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, Henderson Loggie LLP, Tay Charitable Trust, and Eric Young, as well as a number of anonymous donors.

Fundraising was also supported by new projects including a four-year partnership with The Dalmore, the luxury whisky brand. A silent auction at Harrods saw proceeds being donated to the museum to support its work.

#### ***Scottish Government funding and national design role***

In March 2021 the museum announced it would develop into Scotland's centre for design over the following three years, supported by the Scottish Government and looking to the role of design in Scotland's long-term economic and social recovery from COVID-19.

The museum will enhance its unique role as Scotland's design museum by developing a national remit as Scotland's centre for design, working in partnership locally, nationally and internationally to champion the value of design, to position design as one of Scotland's greatest resources, and to develop Scotland's design capacity as a nation.

A number of new design partnerships will be announced as part of this work, building on the success of existing V&A Dundee projects including: Design for Business, working with organisations across Scotland to apply design skills to social or business challenges; the Schools Design Challenge, working with secondary schools to empower pupils to solve problems affecting their lives; Sewing Box for the Future, working with the University of Dundee to address the crisis of waste in the fashion industry; working with Alzheimer Scotland to deliver digital activities for people with dementia and their carers, and

community outreach and skills development including working with Dundee charity Front Lounge to train young parents for an SQA qualification in textiles.

The Scottish Government is providing further funding of £2 million 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.

This three-year funding demonstrates the Scottish Government's commitment to design as a way to imagine, and achieve, better outcomes for all. Design is central to Scotland's ambitions to be greener, fairer and more equal, supporting innovation across sectors, developing critical, curious and inquiring minds, and addressing complex challenges.

### ***Programme***

One major exhibition opened in this financial year. *Mary Quant* ran from August to December 2020, its rescheduled run slightly shortened by Scotland's second national COVID lockdown.

*Mary Quant* welcomed 22,969 visitors on its reduced run and with museum capacities significantly reduced due to essential COVID safety measures. Exhibition attendances include ticket sales, scanned membership cards, and community and school group visits.

Preparations within this financial year allowed for the successful second reopening in May 2021 with a further major exhibition, *Night Fever: Designing Club Culture*.

### ***Mary Quant***

*Mary Quant* was the first international retrospective on the iconic British designer who disrupted the fashion establishment, captured the spirit of London in the 1960s, and started a fashion revolution that a whole generation wanted to take part in – and still continues today.

Mary Quant designed clothes that made people feel good. She made quality designer fashion affordable through licensing her youthful and playful brand, creating dressmaking patterns, make-up and accessories that all showcased her iconic daisy logo.

Mary Quant encouraged a new age of feminism, inspiring young women to rebel against the traditional clothing worn by their mothers and grandmothers. Her shop Bazaar opened in 1955, the year after World War Two food rationing ended, and her colourful designs were a reaction against the austerity and drabness of post-war London.

Mary Quant is famous for popularising the miniskirt, but her designs offered many different versions of femininity and challenged the conventional gender stereotypes of post-war Britain.

Key objects featured within the exhibition included the pioneering 'Wet Collection' PVC rainwear, a jute miniskirt, and designs that playfully subverted menswear at a time when women were still banned from wearing trousers in formal settings such as restaurants.

The exhibition in Dundee also featured the stories of women who made outfits from Mary Quant's dressmaking patterns, gathered through V&A Dundee's #SewQuant campaign, as well as a new film looking at contemporary female designers who, like Mary Quant, are forging their own way through today's rapidly shifting fashion industry.



**Visitor numbers**

V&A Dundee was only open from August to December within this financial year and operating at reduced capacities due to essential COVID safety measures.

The museum welcomed 41,445 visitors in this year, of which 22,969 also visited the *Mary Quant* exhibition.

**Governance**

In April 2020 V&A Dundee's founding Director Philip Long was announced as the next Chief Executive of the National Trust for Scotland, effective from July.

Leonie Bell was appointed by the Board of V&A Dundee as the new Director in July 2020 and began her role in October. Leonie has held leadership roles with the Future Paisley Partnership at Renfrewshire Council, Scottish Government, Creative Scotland and The Lighthouse, Scotland's Centre for Architecture, Design and the City.

Leonie has worked in a diverse range of roles and organisational settings, advocating for the transformative potential of culture, creativity and design across society. Her experience includes leadership and senior management in local and national government, national agencies and in the culture sector. She also chairs the Advisory Board of Glasgow International Festival of Visual Art, is a trustee of the Edinburgh International Festival, a member of the Theophano Foundation's Prize Advisory Council and an Honorary Professor, School of Art and Design, University of Dundee.

In September 2020 three new Board members were announced: Beth Bate, Director of Dundee Contemporary Arts; Paul Brewer, Chartered Accountant and former Partner and Corporate Finance Adviser at PricewaterhouseCoopers; and Rachel Lloyd, Director at Message House, the research and communications consultancy.

**Retail and commercial**

Street food entrepreneurs Chris Heather and Melodie Paterson started serving takeaway food and drink outside the museum from July 2020, in partnership with V&A Dundee. This built on their success in serving seasonal Scottish food and drink at outdoors events and festivals.

The Heather Street Food offer proved so successful that a seated area near to Waterfront Place, the forthcoming urban beach and green space being developed next to V&A Dundee, was also opened.

An online shop was launched during this financial year to develop new revenue streams and build on the museum's position as a leading international voice on Scottish design.

The retail offer was further developed during the first COVID lockdown, with a revised physical layout and an increased focus on commissioned and unique products that can only be bought from V&A Dundee, either in-person or online.

The museum partnered with designer Kerrie Alexander and textile innovators Halley Stevensons to launch its first limited-edition fashion collaboration in October 2020.

The Dundee Raincoat is a modern-day unisex raincoat inspired by the city's innovation, creativity and resilience. Designed and hand produced by independent fashion label KerrieALDO, the raincoat is made using waterproof waxed cotton, a performance fabric Halley Stevensons has pioneered the development of for over 150 years, and continue to manufacture at its Baltic Works factory in Dundee. The first edition quickly sold out, and was followed by a second edition.

A seasonal Pop-Up Design Store also opened inside V&A Dundee in November 2020 to connect shoppers with 30 of Scotland's best independent designers in advance of Christmas. Created in partnership with Tea Green, the Pop-Up Design Store provided Scottish designers and makers working across jewellery, ceramics, textiles, glassware and more with an opportunity to showcase and sell their products. This initiative replaced the Festive Design Market from the previous year due to COVID safety measures, while also supporting independent designers at a time of serious financial challenge to their businesses.

#### ***Awards and Honours***

V&A Dundee was nominated for European Museum of the Year 2020 as part of an awards programme delayed due to the pandemic. The museum was one of only three UK nominees, alongside National Museum of Scotland in Edinburgh and St Fagans National Museum of History in Wales.

#### ***Updates after the financial year***

The museum reopened on 1 May 2021 with reduced capacities due to the Scottish Government legislation to protect visitors during the pandemic. V&A Dundee reopened with *Night Fever: Designing Club Culture* that will run to 9 January 2022. An enthusiastic and growing audience was welcomed over the short period since early May. V&A Dundee have also announced the programme for 2022 which starts with *Michael Clark: Cosmic Dancer* for summer 2022 and then *Plastic: Remaking Our World* for winter 2022.

### **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 2021 were as follows:

Directors	Relationship	Alternate
TED Allan (Chair)	Independent	
DHE Thomson (resigned 20 April 2021)	Independent	
I Gillespie (appointed 1 March 2021)	University of Dundee	A Taylor
R Lloyd (appointed 1 July 2020)	Independent	
E Bate (appointed 1 July 2020)	Independent	
P Brewer (appointed 1 July 2020)	Independent	
P Long (resigned 30 June 2020)	Design Dundee Limited	
L Bell (appointed 1 October 2020)	Design Dundee Limited	
A Pogson	Independent	
D Martin (resigned 8 December 2020)	Dundee City Council	
G Colgan	Dundee City Council	E Zwirlein (appointed 23 March 2021)
T Reeve	Victoria & Albert Museum	T Hunt

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

The board of directors met ten times during the year.

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

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

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

***Finance and risk committee***

In regard to the oversight of:

- the financial statements, auditing, accounting and related reporting
- internal control and risk management systems
- corporate governance policies and practices
- management accounts, budgets, financial forecasts and financial performance
- financial and accounting policies including reserves
- financial impact of all threats, opportunities and risks

***Museum Delivery Committee (disbanded April 2020)***

In regard to the oversight of:

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

***Remuneration committee***

In regard to the oversight of:

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

***Building and Maintenance Committee***

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

**Risk management**

The risk process is overseen by the Finance and Risk Committee and constitutes individual project and department risk assessments and registers and a strategic risk register. In the strategic risk register, key risks are around funding and financial sustainability, staffing and expertise, 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 2021 of £1,714,588 (2020 - £1,108,873 deficit). The movement for the year in unrestricted funds amounted to a surplus of £1,791,035 (2020 - £1,110,017 deficit), the movement for the year in restricted funds amounted to a deficit of £76,447 (2020 - £1,144 surplus).

The group has net assets at the 31 March 2021 of £2,276,189 (2020 - £561,601).

## 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 café and restaurant.

## Key management personnel remuneration

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

The directors consider only one director, along with other members of the management team to be key management personnel, in charge of directing and controlling the 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 2021 with unrestricted reserves of the charity amounting to £1,783,847 (2020 - £280,066 deficit).

## 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:

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 Tim Allan - 2021-10-07, 06:50:13 UTC

T Allan  
 Chair/Director  
 7 October 2021

## 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 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.

# 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 2021 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 2021 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

## Basis of opinion

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

## Conclusions relating to going concern

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 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 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 Trustees 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.



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:

- 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.

Because of the field in which the group operates in, we identified the following areas as those most likely to have a material impact on the financial statements: 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.

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, 2021-10-07, 12:20:16 UTC

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

## Statement of financial activities (including an income and expenditure account) for the year ended 31 March 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
<b>Income:</b>							
<i>Income from grants and donations</i>							
Grant income	4	5,657,244	419,199	6,076,443	2,293,062	654,716	2,947,778
Donations		402,340	11,250	413,590	674,903	23,750	698,653
In kind support	4	-	669,051	669,051	-	756,692	756,692
<i>Income from other trading activities</i>							
Trading income		333,857	-	333,857	949,863	-	949,863
<i>Income from charitable activities</i>							
Admissions and exhibition fees		113,116	-	113,116	462,423	-	462,423
Other income	4	196,122	-	196,122	413,850	-	413,850
<b>Total income</b>		<b>6,702,679</b>	<b>1,099,500</b>	<b>7,802,179</b>	<b>4,794,101</b>	<b>1,435,158</b>	<b>6,229,259</b>
<b>Expenditure:</b>							
<i>Expenditure on raising funds</i>							
Costs of generating voluntary income	5	440,483	-	440,483	552,513	-	552,513
Trading costs	5	444,216	-	444,216	783,039	-	783,039
<i>Expenditure on charitable activities</i>							
Charitable activities	5	4,026,945	1,175,947	5,202,892	4,568,566	1,434,014	6,002,580
<b>Total expenditure</b>		<b>4,911,644</b>	<b>1,175,947</b>	<b>6,087,591</b>	<b>5,904,118</b>	<b>1,434,014</b>	<b>7,338,132</b>
<b>Net income/(expenditure) and movement in funds</b>		<b>1,791,035</b>	<b>(76,447)</b>	<b>1,714,588</b>	<b>(1,110,017)</b>	<b>1,144</b>	<b>(1,108,873)</b>
Fund balances at 1 April 2020		(117,842)	679,443	561,601	992,175	678,299	1,670,474
<b>Fund balances at 31 March 2021</b>	14	<b>1,673,193</b>	<b>602,996</b>	<b>2,276,189</b>	<b>(117,842)</b>	<b>679,443</b>	<b>561,601</b>


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 £1,844,994 net income (2020 - £1,113,966 net expenditure).

## Consolidated balance sheet at 31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	9	564,900	652,578
<b>Current assets</b>			
Stock		153,171	173,604
Debtors	10	1,601,922	1,990,387
Cash at bank and in hand		999,261	14,172
		<u>2,754,354</u>	<u>2,178,163</u>
<b>Current Liabilities</b>			
Creditors due within one year	11	(1,043,065)	(2,269,140)
<b>Net current assets/(liabilities)</b>		<u>1,711,289</u>	<u>(90,977)</u>
<b>Net assets</b>		<u>2,276,189</u>	<u>561,601</u>
<b>Represented by</b>			
Unrestricted funds	14	1,673,193	(117,842)
Restricted funds	14	602,996	679,443
<b>Total funds</b>		<u>2,276,189</u>	<u>561,601</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 7 October 2021 and signed on their behalf by:

  
Paul Brewer - 2021-10-07, 08:31:21 UTC


P Brewer  
Director

## Company balance sheet as at 31 March 2021

	Note	2021	2020
		£	£
<b>Fixed assets</b>			
Investments	8	1	1
Tangible fixed assets	9	564,900	652,578
<b>Total fixed assets</b>		<b>564,901</b>	<b>652,579</b>
<b>Current assets</b>			
Debtors	10	2,024,224	1,959,096
Cash at bank and in hand		801,459	98
		<b>2,825,683</b>	<b>1,959,194</b>
<b>Current liabilities</b>			
Creditors due within one year	11	(1,003,741)	(2,212,396)
<b>Net current assets/(liabilities)</b>		<b>1,821,942</b>	<b>(253,202)</b>
<b>Net assets</b>		<b>2,386,843</b>	<b>399,377</b>
<b>Represented by</b>			
Unrestricted funds	14	1,783,847	(280,066)
Restricted funds	14	602,996	679,443
<b>Total funds</b>		<b>2,386,843</b>	<b>399,377</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 7 October 2021 and signed on their behalf by:

  
Paul Brewer - 2021-10-07, 08:31:21 UTC

P Brewer  
Director

## Consolidated statement of cash flow for the year ended 31 March 2021

	Note	£	2021 £	£	2020 £
<b>Cash flows from/(used in) operating activities:</b>					
Net cash from/(used in) operating activities	18		1,476,827		(647,625)
<b>Cash flows used in investing activities:</b>					
Payments to acquire tangible fixed assets		(169,401)		(218,183)	
Net cash used in investing activities			(169,401)		(218,183)
<b>Change in cash and cash equivalents in the reporting period</b>			<b>1,307,426</b>		<b>(865,808)</b>
Cash and cash equivalents at the beginning of the reporting period			(308,165)		557,643
<b>Cash and cash equivalents at the end of the reporting period</b>			<b>999,261</b>		<b>(308,165)</b>
<b>Represented by:</b>					
Cash at bank and in hand			999,261		14,172
Bank overdraft			-		(322,337)
			<b>999,261</b>		<b>(308,165)</b>

## Company statement of cash flow for the year ended 31 March 2021

	Note	£	2021 £	£	2020 £
<b>Cash flows from/(used in) operating activities:</b>					
Net cash from/(used in) operating activities	18		1,293,099		(225,900)
<b>Cash flows used in investing activities:</b>					
Payments to acquire tangible fixed assets		(169,401)		(218,183)	
Net cash used in investing activities			(169,401)		(218,183)
<b>Change in cash and cash equivalents in the reporting period</b>			<b>1,123,698</b>		<b>(444,083)</b>
Cash and cash equivalents at the beginning of the reporting period			(322,239)		121,844
<b>Cash and cash equivalents at the end of the reporting period</b>			<b>801,459</b>		<b>(322,239)</b>
<b>Represented by:</b>					
Cash at bank and in hand			801,459		98
Bank overdraft			-		(322,337)
			<b>801,459</b>		<b>(322,239)</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 is facing significant uncertainty from COVID-19. Capacity restrictions, travel restrictions, further lockdowns and an understandably cautious public has led to a significant reduction in footfall and visitor revenues. This uncertainty remains with all visitor attractions, and even with the successful start to the vaccine roll out there are still difficulties in predicting whether normal visitor behaviour will return back to normal. In order to deal with these conditions, the V&A Dundee has:

- Reviewed and reduced the level of activity and expenditure in the coming year.
- Developed a successful Dundee Cultural Recovery Fund to generate significant donations for the museum.
- Maintained a regular dialogue with both UK and Scottish Governments around the expectation for 2022. The Scottish Government will provide 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. 2021 was the first year of this additional funding.
- Has an existing bank facility of £0.5m. This was renewed in May 2021.

## 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.



## 1 Accounting policies (continued)

### 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.

#### 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.

#### 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.

#### 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:

	2021	2020
	£	£
<b>Income:</b>		
Income from grants and donations	7,321,308	4,653,883
Income from charitable activities	113,116	462,423
Income from trading income	295	4,600
Other income	196,122	413,850
<b>Total income</b>	<b>7,630,841</b>	<b>5,534,756</b>
<b>Expenditure:</b>		
Expenditure on raising funds	440,483	552,513
Expenditure on charitable activities	5,202,892	6,002,580
<b>Total expenditure</b>	<b>5,643,375</b>	<b>6,555,093</b>
<b>Net income/(expenditure)</b>	<b>1,987,466</b>	<b>(1,020,337)</b>
<b>Total funds brought forward</b>	<b>399,377</b>	<b>1,419,714</b>
<b>Total funds carried forward</b>	<b>2,386,843</b>	<b>399,377</b>
<b>Represented by</b>		
Unrestricted funds	1,783,847	(280,066)
Restricted funds	602,996	679,443
	<b>2,386,843</b>	<b>399,377</b>

### 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.

	2021 £	2020 £
Turnover	151,626	556,811
Sponsorship income	93,750	96,250
Commission income	5,923	269,886
Filming income	3,250	21,120
COVID-19 support	79,010	-
Cost of sales	(116,756)	(357,890)
Administration costs	(326,908)	(417,684)
Interest receivable	3	1,196
Finance costs	(552)	(7,465)
	<hr/> (110,654) <hr/>	<hr/> 162,224 <hr/>
The assets and liabilities of the subsidiary were:		
Current assets	421,693	419,573
Current liabilities	(532,346)	(257,348)
<b>Total net (liabilities)/assets</b>	<hr/> (110,653) <hr/>	<hr/> 162,225 <hr/>
<b>Aggregate share capital and reserves</b>	<hr/> (110,653) <hr/>	<hr/> 162,225 <hr/>

Given a loss was made in the year, there was no gift aid paid to Design Dundee Limited post year end.

#### 4 Grant income

	Unrestricted	Restricted	Total 2021	Unrestricted	Restricted	Total 2020
	£	£	£	£	£	£
Creative Scotland	-	-	-	50,000	-	50,000
Museum Delivery Fund	-	210,762	210,762	-	364,743	364,743
Oak Foundation	-	75,467	75,467	-	74,999	74,999
Peoples Postcode Lottery	350,000	-	350,000	375,000	-	375,000
Government grants	4,000,000	-	4,000,000	1,006,062	-	1,006,062
Dundee Cultural Recovery Fund	240,000	-	240,000	-	-	-
Mathew Trust	-	11,386	11,386	-	57,305	57,305
Scottish Enterprise	-	-	-	100,000	33,758	133,758
Life Changes Trust	-	-	-	-	23,333	23,333
Rank Foundation	-	7,936	7,936	-	16,000	16,000
William Grant Foundation	-	26,550	26,550	-	19,250	19,250
Partners' Revenue Contributions	682,000	32,098	714,098	662,000	40,378	702,378
Event Scotland	-	-	-	-	4,950	4,950
Arts and Business	-	-	-	-	20,000	20,000
Dundee Museum Foundation	-	-	-	100,000	-	100,000
Inches Carr Trust	-	10,000	10,000	-	-	-
COVID-19 support	385,244	45,000	430,244	-	-	-
	<u>5,657,244</u>	<u>419,199</u>	<u>6,076,443</u>	<u>2,293,062</u>	<u>654,716</u>	<u>2,947,778</u>
	Unrestricted	Restricted	Total 2021	Unrestricted	Restricted	Total 2020
	£		£			£
<b>Other income</b>						
Museums and Galleries Tax Relief	148,583	-	148,583	413,850	-	413,850
Renewable Heat Incentive	47,539	-	47,539	-	-	-
	<u>196,122</u>	<u>-</u>	<u>196,122</u>	<u>413,850</u>	<u>-</u>	<u>413,850</u>

The Museums and Galleries Tax Relief recognised in the previous year related to the periods 2017/18, 2018/19 and 2019/20. This is now recognised annually and so the amount recognised this year relates to the period 2020/21.

## 4 In kind support

	Unrestricted	Restricted	Total 2021 £	Unrestricted	Restricted	Total 2020 £
In kind support	-	669,051	669,051	-	756,692	756,692

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 £	2021 Total £	Direct costs £	Allocated Support costs £	Depreciation £	2020 Total £
<b>Expenditure on raising funds</b>								
Cost of generating voluntary income	332,673	107,810	-	440,483	383,454	169,059	-	552,513
Trading costs	444,216	-	-	444,216	783,039	-	-	783,039
	<u>776,889</u>	<u>107,810</u>	<u>-</u>	<u>884,699</u>	<u>1,166,493</u>	<u>169,059</u>	<u>-</u>	<u>1,335,552</u>
<b>Charitable Activities</b>								
Collections & Learning	580,723	107,810	-	688,533	704,801	169,059	-	873,860
Exhibitions	2,649,166	939,063	257,079	3,845,308	2,924,930	1,250,277	196,821	4,370,028
In kind support	669,051	-	-	669,051	756,692	-	-	756,692
	<u>3,898,940</u>	<u>1,046,873</u>	<u>257,079</u>	<u>5,202,892</u>	<u>4,386,423</u>	<u>1,419,336</u>	<u>196,821</u>	<u>6,002,580</u>
<b>Total expenditure</b>	<u>4,675,829</u>	<u>1,154,683</u>	<u>257,079</u>	<u>6,087,591</u>	<u>5,552,916</u>	<u>1,588,395</u>	<u>196,821</u>	<u>7,338,132</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:

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/>
2020	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	13,184	88,694	3,400	7,606	43,489	12,686	169,059
<i>Charitable activities</i>							
Collections & learning	13,184	88,694	3,400	7,606	43,489	12,686	169,059
Exhibitions	97,506	655,938	25,141	56,250	321,623	93,819	1,250,277
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	123,874	833,326	31,941	71,462	408,601	119,191	1,588,395
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**6 Wages and salaries**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	<b>2,069,324</b>	2,085,533	<b>1,891,062</b>	1,935,345
Social security costs	<b>187,988</b>	192,921	<b>171,991</b>	178,803
Pension costs	<b>97,560</b>	94,931	<b>89,229</b>	87,422
	<b>2,354,872</b>	2,373,385	<b>2,152,282</b>	2,201,570

	<b>No.</b>	<b>No.</b>
Average number of employees during the year	<b>87</b>	113

No employees (2020 – two) received emoluments between £60,000 and £70,000 during the year. One employee (2020 – one) received emoluments between £70,000 and £80,000 during the year and one employee (2020 – none) received emoluments between £80,000 and £90,000.

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Directors emoluments</b>		
<b>Emoluments</b>		
P Long	<b>26,558</b>	106,230
L Bell	<b>47,250</b>	-
<b>Pension contributions</b>		
P Long	<b>3,864</b>	15,455
L Bell	<b>1,500</b>	-
	<b>79,172</b>	121,685

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

P Long	<b>140</b>	16,956
L Bell	<b>151</b>	-

The charitable company considers its key management personnel to comprise of Philip Long, who was replaced by Leonie Bell during the year, along with other members of management. The total employment benefits, including employers pension contributions were £504,778 (2020 - £567,659).



**7 Net income/(expenditure)**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
The net income/(expenditure) is stated after charging:				
Auditor's remuneration – audit	14,485	13,390	11,300	10,300
non-audit	13,432	33,676	12,832	32,326
	<hr/>	<hr/>	<hr/>	<hr/>

**8 Investments**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</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>£</b>	<b>£</b>		<b>£</b>
<b>Group and company 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/>
<b>At 31 March 2021</b>	<b>433,240</b>	<b>407,264</b>	<b>306,406</b>	<b>1,146,910</b>
	<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/>
<b>At 31 March 2021</b>	<b>199,650</b>	<b>198,904</b>	<b>183,456</b>	<b>582,010</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
<b>At 31 March 2021</b>	<b>233,590</b>	<b>208,360</b>	<b>122,950</b>	<b>564,900</b>
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 April 2020	232,783	226,374	193,421	652,578
	<hr/>	<hr/>	<hr/>	<hr/>

9	Fixed assets (continued)	Fixtures & fittings	Software and content	Network infrastructure	Total
	2020	£	£	£	£
	<b>Group and company Cost</b>				
	At 1 April 2019	270,074	208,587	280,665	759,326
	Additions	66,870	131,240	20,073	218,183
	At 31 March 2020	336,944	339,827	300,738	977,509
	<b>Depreciation</b>				
	At 1 April 2019	33,759	59,267	35,084	128,110
	Charge for the year	70,402	54,186	72,233	196,821
	At 31 March 2020	104,161	113,453	107,317	324,931
	<b>Net book value</b>				
	At 31 March 2020	232,783	226,374	193,421	652,578

10	Debtors	Group		Company	
		2021	2020	2021	2020
		£	£	£	£
	Trade debtors	44,648	74,217	31,869	42,926
	Amounts due from subsidiary under takings	-	-	493,022	-
	Other debtors	1,557,274	1,916,170	1,499,333	1,916,170
		1,601,922	1,990,387	2,024,224	1,959,096

**11 Creditors due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank overdraft	-	322,337	-	322,337
Trade creditors	740,210	1,051,822	731,071	1,019,532
Other creditors	302,120	711,763	272,670	669,923
Amounts due to subsidiary under takings	-	-	-	200,604
Other taxes and social security	735	183,218	-	-
	<u>1,043,065</u>	<u>2,269,140</u>	<u>1,003,741</u>	<u>2,212,396</u>

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

**12 Creditors due within one year includes**

<b>Deferred income</b>	<b>Group</b>	<b>Company</b>
	<b>£</b>	<b>£</b>
As at 1 April 2020	332,451	240,182
Released in year	(332,451)	(240,182)
Received in year	88,314	332,451
<b>At 31 March 2021</b>	<u><b>88,314</b></u>	<u><b>332,451</b></u>

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

**13 Defined contribution scheme**

Included in creditors and accruals is £14,078 (2020 - £24,884) in respect of amounts payable to the pension scheme.

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Contributions payable for the year amounted to	<u>97,560</u>	<u>94,931</u>	<u>89,229</u>	<u>87,422</u>

## 14 Analysis of charitable funds

## Analysis of movements in unrestricted funds

2021 Group	Balance 1 April 2020 £	Income £	Expenditure £	Transfers £	Funds 31 March 2021 £
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>-</u>	<u>1,673,193</u>
<b>Company</b>					
	Balance 1 April 2020 £	Income £	Expenditure £	Transfers £	Funds 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>
<b>2020 Group</b>	<b>Balance 1 April 2019 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>Funds 31 March 2020 £</b>
General fund	470,836	4,794,101	(5,844,777)	461,998	(117,842)
Designated funds	521,339	-	(59,341)	(461,998)	-
	<u>992,175</u>	<u>4,794,101</u>	<u>(5,904,118)</u>	<u>-</u>	<u>(117,842)</u>
<b>Company</b>					
	Balance 1 April 2019 £	Income £	Expenditure £	Transfers £	Funds 31 March 2020 £
General fund	220,076	4,099,598	(5,061,738)	461,998	(280,066)
Designated funds	521,339	-	(59,341)	(461,998)	-
	<u>741,415</u>	<u>4,099,598</u>	<u>(5,121,079)</u>	<u>-</u>	<u>(280,066)</u>

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

Designated funds      Designated funds comprise unrestricted funds which have been set aside at the discretion of the directors for specific purposes. A transfer from designated funds to general funds was made in last year to help support the operations of the charitable company.

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

<b>2021</b>	<b>Balance 1 April 2020</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Funds 31 March 2021</b>
	£	£	£	£	£
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)	-	-
	<b>679,443</b>	<b>1,099,500</b>	<b>(1,175,947)</b>	<b>-</b>	<b>602,996</b>

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

<b>2020</b>	<b>Balance 1 April 2019</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Funds 31 March 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Mathew Trust	-	57,305	(57,305)	-	-
Museum Delivery Budget	584,923	364,743	(350,639)	-	599,027
Rank Foundation	-	16,000	(16,000)	-	-
Scottish Enterprise	20,979	33,758	(39,751)	-	14,986
Abertay University	-	40,378	(40,378)	-	-
Event Scotland	-	4,950	(4,950)	-	-
Arts and Business	-	20,000	(20,000)	-	-
Donations	64,250	23,750	(28,431)	-	59,569
Oak Foundation	-	74,999	(74,999)	-	-
William Grant Foundation	-	19,250	(16,250)	-	3,000
Life Changes Trust	-	23,333	(23,333)	-	-
Inches Carr Trust	8,147	-	(5,286)	-	2,861
In Kind Support	-	756,692	(756,692)	-	-
	<u>678,299</u>	<u>1,435,158</u>	<u>(1,434,014)</u>	<u>-</u>	<u>679,443</u>

Mathew Trust                      To support the YPC programme.

Museum Delivery Budget      This is a budget that covers a range of essential museum operations that were required to get the museum ready for opening and in its early years but are not part of the capital project.

Rank Foundation                To support the Amina project.

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

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 for staff.
Gannochy Trust	To support the V&A Dundee Schools Programme in Perth and Kinross.
Donation	The balance outstanding from donations relate to capital projects. In prior years £53,750 was received to support the CRM and ticketing system, and £12,000 to purchase a board room table.
Oak Foundation	To assist with the Young People and Schools Programme.
William Grant Foundation	To assist with the Schools Programme.
Inches Carr Trust	To purchase books for the Inches Carr resource centre.
In Kind Support	During the year, support was provided from the founding partners which has been valued and included within the financial statements. The support includes use of office space, HR support and staff time etc.
Event Scotland	To assist with the opening press visit to the Kengo Kuma/Cabinet Secretary visit at Newport in 2020.
Arts and Business	To assist with the Hello Robot exhibition in 2020.
Life Changes Trust	To assist with the Dementia Project.

## 15 Analysis of net assets between funds

**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>

**Group - 2020**

	Unrestricted £	Designated £	Restricted £	Total £
Tangible fixed assets	31,065	-	621,513	652,578
Cash at bank	14,172	-	-	14,172
Other current assets and liabilities	(163,079)	-	57,930	(105,149)
	<u>(117,842)</u>	<u>-</u>	<u>679,443</u>	<u>561,601</u>

**Company - 2020**

	Unrestricted £	Designated £	Restricted £	Total £
Investments	1	-	-	1
Tangible fixed assets	31,065	-	621,513	652,578
Cash at bank	98	-	-	98
Other current assets and liabilities	(311,230)	-	57,930	(253,300)
	<u>(280,066)</u>	<u>-</u>	<u>679,443</u>	<u>399,377</u>



## 16 Control

The company is under the control of the founding members.

## 17 Related party transactions

### Scottish Enterprise – Founding partner

During the year, revenue contributions were received amounting to £Nil (2020 - £153,360). In addition, costs were paid to Scottish Enterprise of £Nil (2020 - £102). The balance outstanding at the year end was a debtor balance of £Nil (2020 - £144,769 debtor).

### Dundee City Council – Founding partner

During the year, in kind support was received amounting to £216,415 (2020 - £354,361) and revenue contributions of £350,000 (2020 - £350,000). In addition, costs were paid to Dundee City Council of £4,431 (2020 - £620).

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 £155,907 relating to recharges due (2020 - £457,627 creditor).

### University of Dundee – Founding partner

During the year, in kind support was received amounting to £199,991 (2020 - £204,031) and revenue contributions of £252,000 (2020 - £275,114). In addition, costs were paid to the University of Dundee of £9,412 (2020 - £3,464). The balance outstanding at the year end was a creditor balance of £888 (2020 - £12,000 debtor).

### Abertay University – Founding partner

During the year, revenue contributions were received amounting to £112,098 (2020 - £101,126). In addition, costs were paid to Abertay University of £247 (2020 - £247). The balance outstanding at the year end was a debtor balance of £24,000 (2020 - £Nil).

### V&A London – Founding partner

During the year, in kind support was received amounting to £252,645 (2020 - £198,300). In addition, costs were paid to the V&A London of £6,732 (2020 - £129,990). The balance outstanding at the year end was a creditor balance of £732 (2020 - £18,000).

### DC Thomson & Company Limited

During the year, a donation was received amounting to £100,000 (2020 - £100,000). Design Dundee Limited and DC Thomson & Company Limited shared a common director during the year.

### Design Dundee Enterprises Limited

During the year, a donation was received amounting to £162,224 (2020 - £250,760). The balance outstanding at the year end was a creditor balance of £493,022 relating to monies transferred. (2020 - £200,604). Design Dundee Enterprise Limited is wholly owned by Design Dundee Limited.

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

<b>Group</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net income/(expenditure) for the reporting period	<b>1,714,588</b>	<b>(1,108,873)</b>
Depreciation	<b>257,079</b>	<b>196,821</b>
Decease/(increase) in stock	<b>20,433</b>	<b>(30,722)</b>
Decrease in debtors	<b>388,465</b>	<b>37,408</b>
(Decrease)/increase in creditors	<b>(903,738)</b>	<b>257,741</b>
<b>Net cash from/(used by) operating activities</b>	<b>1,476,827</b>	<b>(647,625)</b>
<b>Reconciliation of net income/(expenditure) to net cash (used by)/from operating activities</b>		
<b>Company</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net income/(expenditure) for the reporting period	<b>1,987,466</b>	<b>(1,020,337)</b>
Depreciation	<b>257,079</b>	<b>196,821</b>
(Increase)/decrease in debtors	<b>(65,128)</b>	<b>256,726</b>
(Decrease)/increase in creditors	<b>(886,318)</b>	<b>340,890</b>
<b>Net cash from/(used by) operating activities</b>	<b>1,293,099</b>	<b>(225,900)</b>

**19 Commitments**

At the year end £Nil (2020 - £Nil) was committed for capital expenditure but not provided for.

At the year end £580,800 (2020 - £742,000) was committed for exhibition costs but not provided for.



