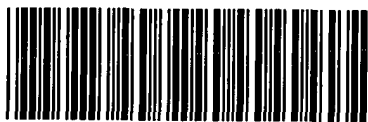


V&A Dundee

Design Dundee Limited
Report and consolidated financial statements
for the year ended 31 March 2023

TUESDAY



ACI7INNN

A14

12/12/2023

#153

COMPANIES HOUSE

V&A

Design Dundee Limited
(a company limited by guarantee)

Report and consolidated financial statements
for the year ended 31 March 2023

Registered number: SC370598

Charity number: SC041219

Contents

	Page
Charitable company information	1
Directors' report	2 – 11
Statement of responsibilities of the directors	12
Independent auditor's report	13 – 16
Consolidated statement of financial activities (including an income and expenditure account)	17
Consolidated balance sheet	19
Company balance sheet	20
Consolidated statement of cash flows	21
Company statement of cash flow	22
Notes to the financial statements	23 – 44

Charitable company information

Directors	TED Allan L Bacon E Bate L Bell P Brewer G Colgan I Gillespie J Hanlon R Lloyd K Long A Patrick A Pogson T Reeve M Soutar C Stark Z Yeaman
Alternate directors	T Hunt A Taylor G Weir E Zwirlein
Principal office	V&A Dundee 1 Riverside Esplanade Dundee DD14EZ
Auditors	Henderson Loggie LLP Ground Floor 11-15 Thistle Street Edinburgh EH2 1DF
Company secretary	Thorntons Law LLP
Registered office	Whitehall House 33 Yeaman Shore Dundee DD1 4BJ
Solicitors	Thorntons Law LLP 33 Yeaman Shore Dundee DD1 4BJ
Bankers	Handelsbanken plc River Court Dundee DD1 3JT
Registered number	SC370598
Charity number	SC041219

Report of the directors

The Board of Directors presents its report and financial statements for the year ended 31 March 2023.

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. Designed for everyone – firing imaginations and sparking curiosity in design in Scotland and around the world.

2022-23 marked the museum's fourth full financial year of operations, following its opening on 15 September 2018.

In this financial year, there was increasing optimism, with a promising recovery from Covid-19 closure. Despite significant ongoing challenges across the sector caused by the pandemic and cost of living crisis, 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, including the publication and implementation of a new Business Plan spanning years 2022 to 2027.

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. The Scottish Government is V&A Dundee's major funder, designating V&A Dundee as Scotland's national centre for design in 2021.

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 occupied by Design Dundee Limited rent free.

Mission:

V&A Dundee is on a mission to inspire and empower through design.

Vision:

- 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 reimagined 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 are to:

- **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 2022-23

The museum continued to recover from the impact of the Covid pandemic with a full programme and a significant increase in visitor numbers, despite additional challenges for operations due to the cost of living crisis and rising inflation in this period.

Visitor figures

The museum welcomed 290,947 visitors in this financial year, a 48% increase from 196,892 visitors in the previous year 2021/22 which was heavily affected by the pandemic closures.

Programme

Two major ticketed exhibitions were hosted in 2022/23, attracting over 24,000 visitors in the financial year.

Michael Clark: Cosmic Dancer

5 March 2022 - 4 September 2022

An immersive experience exploring dance, design, art, 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 seminal 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. A technically brilliant dancer and provocative artist, his acclaimed work challenged society's expectations of gender and sexuality from the 1980s right up to the present day.

From costumes and music to graphic design, the exhibition delved into his collaborations with artists, designers, musicians and performers, giving a unique insight into one of Scotland's most remarkable creative minds. The exhibition was a powerful blend of punk, ballet and popular culture, celebrating a true Scottish radical who created a revolution in dance.

This was the first ever major exhibition on Scottish contemporary dancer Michael Clark, curated by Barbican, London.

Plastic: Remaking Our World

29 October 2022 - 5 February 2023.

This significant exhibition re-examined the history and future of plastic, from its early origins when it was intended as a sustainable alternative to natural resources, to its controversial and damaging impact on the natural environment today.

The exhibition was designed as a three-part journey. The first section traced the history of plastic from its natural origins through to synthetic material experimentation in the 19th and 20th centuries. The central section explored the rise of the petrochemical industry and its impact on the scale of plastic production for domestic and industrial use. It also introduced the concerns for the planet that grew towards the end of the twentieth century, including a 'beach clean' environment developed with schoolchildren from Dundee and coastal communities around Scotland. Finally, the third section examined contemporary approaches to rethinking the future of plastic, asking what role can design play in tackling the plastic crisis.

The exhibition featured new commissions by designers and artists, opening with an immersive video installation by Asif Khan Studio. A free interactive section called *Plastic Lab* was open to all museum visitors, encouraging people of all ages to learn, question and act on some of the most important issues relating to plastic today. Over 1,000 schoolchildren visited the exhibition.

Plastic: Remaking our World was the first international touring exhibition co-produced by V&A Dundee, the Vitra Design Museum and maat, Lisbon, with curators from V&A South Kensington. The exhibition is touring to Germany, UK, Lisbon, Portugal and South Korea.

Tartan

Planning and installation of the major ***Tartan*** exhibition was delivered in this financial year, including the extremely successful media view and the first part of the publicity campaign. The exhibition opened on 1 April 2023 and will therefore feature in the 2023/24 report.

Free exhibitions and Events Programme

A rolling programme of exhibitions, workshops and events took place across the year.

Yinka Ilori - Listening to Joy

17 December 2021 – 6 June 2022

A colourful, interactive playscape designed by Yinka Ilori - an artist and designer whose bold visual language draws on his British-Nigerian heritage. This vibrant installation in V&A Dundee's Locke Hall used pattern, music and colour to inspire joy and delight.

The playscape of brightly coloured mesh walls formed a maze that could be opened and closed with zips, creating new ways to experience the space. Visitors of all ages also experimented with sound, playing two circular xylophones in the maze. The music created was recorded and transformed into a series of musical pieces, recording the fun and laughter provoked by the maze.

Sincerely, Valentines – From Postcards to Greetings Cards

2 July 2022 - 14 May 2023

This free exhibition in V&A Dundee's Michelin Design Gallery told the story of Scotland's most pioneering and successful commercial photographers, best known for popularising the holiday postcard.

Founded in 1825 in Dundee, the family firm Valentines capitalised on rapid developments in photography, printing and tourism in the early 20th century to create a hugely successful business for printed cards and postcards, quickly becoming one of Dundee's largest employers.

Developed in association with the University of St Andrews and supported by Players of People's Postcode Lottery.

The Future of Ageing

12 October 2022 - 22 January 2023

A free exhibition that showed how design can help and even enhance our lives as we age, exploring how design is transforming the way society can support everyone to age with greater agency and joy.

A person born today could live to the age of 104. By 2040 more than a quarter of the UK's population will be over the age of 60, yet many of our products, services and environments are not age-inclusive or accessible. By considering the unique and diverse experiences of later life and championing cross-generational thinking as a key for social impact, the projects in the exhibition demonstrated how we can design a world that works better for everyone.

The Future of Ageing was curated by Design Age Institute, based at the Royal College of Art, in collaboration with the Design Museum.

Dundee Tapestry

March 2023

A community-led project which brought together hidden histories of Dundee's residents as well as exploring the city's Industrial heritage, its creative achievements and its biodiversity through tapestries. A team of over 100 volunteer stitchers from Dundee and the surrounding area worked on the panels since spring 2022, many practicing the art of stitching for the first time as they worked in groups to share, collaborate, learn new skills and tell Dundee's story stitch by stitch. The completed Dundee tapestry will go on display in 2024.

The project is led and managed by John Fyffe of the Weaver Incorporation of Dundee and Dr Frances Stevenson, Senior Lecturer, Duncan of Jordanstone College of Art and Design.

Scottish Design Galleries

The Scottish Design Galleries were refreshed in November 2022 with a number of new exhibits, including a new display by artist Swapnaa Tamhane exploring the jute industry during British colonialism and the lives of workers in and around Calcutta. It opened up an important conversation about Dundee's relationship with colonialism and how people across continents have been impacted by the jute industry in many different ways.

V&A Dundee's LGBTQI+ working group introduced a new interpretation across the galleries - the new 'Lavender Labels' explore queer histories and connections sparked by objects in the galleries and were developed in partnership with academics and community groups from Scotland's LGBTQI+ communities.

Events programme

The museum hosted over 50 events, including V&A Dundee generated programmes and collaborations with other organisations. Highlights included a major conference on plastics, a talk by V&A Dundee architect Kengo Kuma, late-night experiences Tay Late and Scotland Re:Design fashion runway and awards showcasing Scottish designers. The digital events programme, Design in the Diaspora which amplifies the work of contemporary creatives from diasporic communities across Scotland was launched alongside many other additional talks, tours and events linked to the programme.

V&A Dundee hosted the international Heritage Now conference in collaboration with Victoria and Albert Museum's Culture in Crisis Programme in partnership with the International National Trusts Organisation and the National Trust for Scotland, bringing participants from over 70 countries to Dundee.

Learning Programme

The Learning Programme continued to engage with the widest range of audiences focused on making design accessible to all with a social impact.

The programme in 2022/23 included a new iteration of the Design Busters resource for families, collaboration with local dance company Shaper Caper, and the regular dementia-friendly programme saw a new concert collaboration with Royal Scottish National Orchestra. Work continued with the University of Dundee on the development of Wellness Wanders, the third in our series of health & wellbeing resources for all, including tours and follow-up discussions with a range of student groups around using the museum to reduce social isolation. Family community partnerships included Dundee Women's Aid CEDAR Children Experiencing Domestic Abuse Recovery, Teapot Trust creative therapy session dates for families experiencing chronic health conditions and bereavement and a new partnership with Home-Start's Breast Buddies Tayside groups, as well as Scottish Refugee Council, Glasgow Poverty Truth Commission/Faith in the Community and Hillcrest Housing.

Private Fundraising

At a time when the sector is facing ongoing challenges to funders that are responding to many different requests, V&A Dundee continued to be an organisation that funders are keen to support. Thanks to the generous support of the People's Postcode Lottery and numerous other funders, total fundraising exceeded £1.5m.

The generous donors and trusts include Tim and Kim Allan, Alliance Trust, Dundee City Council, Alasdair Locke, DC Thomson, The Oak Foundation, The Mathew Trust, Tay Charitable Trust, Michelin Corporate Foundation, Zero Waste Scotland and NCR Foundation as well as a number of other generous donors.

Fundraising was also supported by the ongoing four-year partnership with The Dalmore, the luxury whisky brand. The Luminary Series released the inaugural edition of this three-part series of Rare and Collectible limited-edition single malts, presented by exceptional talent from the worlds of whisky and architectural design.

Luminary No. 1, Rare Edition was housed in a new artistic sculpture designed by Kengo Kuma and then went to auction at Sotheby's London with a portion of the proceeds donated to V&A Dundee.

Governance

After an open recruitment, six new trustees were appointed to the Board in September 2022, bringing extensive experience and expertise across business, culture, climate change, civil service, design, diversity, inclusivity, law and media.

The six new Board members are James Hanlon, General Counsel for Treatwell, a barrister with more than 15 years of experience of representing businesses nationally and internationally. Kieran Long, Director, ArkDes, the National Centre for Architecture and Design, Stockholm. Kieran has more than 20 years of experience in architecture, design and museums. Adele Patrick, Founder and Director of Glasgow Women's Library, who has been developing innovative cultural projects and community learning and teaching rooted in equalities for 30 years. Mike Soutar, Media and Technology Entrepreneur. Born in Dundee, Mike has a 35-year career, with leadership roles in magazine publishing, newspapers, digital media, radio and television in the UK and America. Chris Stark, Chief Executive, Climate Change Committee, who led the work of the committee (the UK's statutory climate advisers) to recommend a 'Net Zero' target for the UK, the world's first legislated Net Zero target. Zandra Yeaman, Curator of Discomfort at Hunterian Museum & Art Gallery, who brings many years of professional experience working in the social justice and equality field, promoting diversity and inclusion.

Retail and Commercial

The retail offering at the museum continued to develop, with expanded product lines and more unique collaborations with Scottish designers sold exclusively at V&A Dundee, through the in-museum shop and online. Commissions and collaborations included continuing to working with Scottish designer Donna Wilson, and partnering with Kinloch Anderson to design V&A Dundee's first tartan. An emphasis was also placed on collaborating with designers working in a sustainable way. Retail conversion rates and average spend were both lower than forecast due to challenging economic conditions.

Outside catering with partner Heather Street Food continued to perform well aided by increased activity around the waterfront and good summer weather. The refurbishment of Tatha Bar & Kitchen facilitated a move from table service to counter service during the day, allowing for a broader menu range with an accessible price-point.

Awards

V&A Dundee's Young People's Collective was recognised by receiving the 'Volunteers for Museum Learning Award' presented by the Marsh Charitable Trust and the British Museum. The award celebrates the achievements and contribution of volunteers in museums, galleries and heritage sites all over the UK, recognising their dedication, innovation and excellence in engaging with the public.

The Young People's Collective is a group of young people from across Tayside aged 14 – 24 who help shape V&A events and programme, whilst learning first-hand about creative careers and skills development opportunities. It is funded by The Mathew Trust.

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 by the founder members with the express aim of organising the development and delivery of V&A Dundee. The founder members are Dundee City Council, the Universities of Dundee and Abertay, Scottish Enterprise and the Victoria & Albert Museum.

The Scottish Government is V&A Dundee's principal funder.

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 2023 were as follows:

Directors	Relationship	Alternate
TED Allan (Chair)	Independent	
L Bacon (appointed 29 Nov 2022)	University of Abertay	G Weir (appointed 29 Nov 2022)
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
J Hanlon (appointed 29 Nov 2022)	Independent	
R Lloyd	Independent	
K Long (appointed 29 Nov 2022)	Independent	
A Patrick (appointed 29 Nov 2022)	Independent	
A Pogson	Independent	
T Reeve	Victoria & Albert Museum	T Hunt
M Soutar (appointed 29 Nov 2022)	Independent	
C Stark (appointed 29 Nov 2022)	Independent	
Z Yeaman (appointed 29 Nov 2022)	Independent	

As founding members, the 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

In regard to the oversight of:

- 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, international and domestic supply chain issues and the impact on supply and cost, and the management of organisational workload. The directors are satisfied that appropriate systems are in place to mitigate these risks.

Financial Report

The group has a deficit for the year ended 31 March 2023 of £979,066 (2022 - £92,009 surplus). The movement for the year in unrestricted funds amounted to a deficit of £879,277 (2022 - £399,151 surplus). The movement for the year in restricted funds amounted to a deficit of £99,789 (2022 - £307,142 deficit).

The group has net assets at the 31 March 2023 of £1,389,132 (2022 - £2,368,198).

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

Independent 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 2023 with unrestricted reserves of the charity amounting to £1,181,471 (2022 - £2,093,838).

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.

This report, which has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime was approved by the board and signed on its behalf by:

T Allan
Director



.....29 September 2023

Statement of responsibilities of the directors

The directors (who are also trustees of Design Dundee Limited for the purpose of charity law) are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. In preparing these financial statements, 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

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 2023 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 2023, and of the group's and parent charitable company's incoming resources and application of resources, including the group's and parent charitable company's 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 regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable 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 trustees' (who are also the directors of the charitable company for the purpose of company law) 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 and 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 trustees 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 trustees are responsible for the other information contained within the Directors Report. 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. 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 themselves. 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 the audit:

- the information given in the Trustees' Report (incorporating 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 trustees 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 trustees

As explained more fully in the directors' responsibilities statement, the trustees (who are also the directors of the parent charitable company for the purposes of company 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 trustees 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 trustees are responsible for assessing the group and parent charitable 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 trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor 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 regulations made under those Acts.

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:

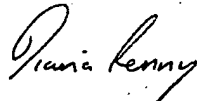
- Inquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing group board meeting minutes;
- Reviewing key agreements and policies including commission agreements in place, the fire safety, health and safety, and security policies;
- 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 the application of stock provisions, 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Diana Penny (Senior Statutory Auditor)

For and on behalf of Henderson Loggie LLP
Chartered Accountants & Statutory Auditors
Ground Floor
11-15 Thistle Street
Edinburgh
EH2 1DF

29 September

..... 2023

Statement of financial activities (including an income and expenditure account) for the year ended 31 March 2023

		Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	Note	2023	2023	2023	2022	2022	2022
		£	£	£	£	£	£
Income:							
<i>Income from grants and donations</i>							
Grant income	4	4,284,779	139,864	4,424,643	4,305,782	143,202	4,448,984
Donations		563,912	78,607	642,519	598,624	-	598,624
In kind support	4	-	697,855	697,855	-	661,727	661,727
<i>Income from other trading activities</i>							
Trading income		651,443	-	651,443	514,278	-	514,278
<i>Income from charitable activities</i>							
Admissions and exhibition fees		119,253	-	119,253	321,590	-	321,590
Other income	4	256,409	-	256,409	177,390	-	177,390
Investment income	4	12,516	-	12,516	-	-	-
Total income		5,888,312	916,326	6,804,638	5,917,664	804,929	6,722,593
Expenditure:							
<i>Expenditure on raising funds</i>							
Costs of generating voluntary income	5	567,715	-	567,715	588,594	-	588,594
Trading costs	5	613,345	-	613,345	424,118	-	424,118
<i>Expenditure on charitable activities</i>							
Charitable activities	5	5,586,529	1,016,115	6,602,644	4,504,801	1,113,071	5,617,872
Total expenditure		6,767,589	1,016,115	7,783,704	5,517,513	1,113,071	6,630,584
Net (expenditure)/income		(879,277)	(99,789)	(979,066)	400,151	(308,142)	92,009
Transfers between funds		-	-	-	(1,000)	1,000	-
Net movement in funds		(879,277)	(99,789)	(979,066)	399,151	(307,142)	92,009
Fund balances at 1 April 2022		2,072,344	295,854	2,368,198	1,673,193	602,996	2,276,189
Fund balances at 31 March 2023	14	1,193,067	196,065	1,389,132	2,072,344	295,854	2,368,198

The group net (expenditure)/income for the year for Companies Act purposes comprises the net (expenditure)/income for the year adjusted for any capital grants received and released in the year and was £822,887 net expenditure (2022 - £354,080 net income).

Consolidated balance sheet at 31 March 2023

	Note	£	2023 £	2022 £
Fixed assets				
Tangible assets	9		265,332	361,392
Current assets				
Stock		118,204		170,615
Debtors	10	1,652,203		1,185,456
Cash at bank and in hand		918,146		1,708,095
		<u>2,688,553</u>		<u>3,064,166</u>
Current Liabilities				
Creditors due within one year	11	(1,564,753)		(1,057,360)
Net current assets			<u>1,123,800</u>	<u>2,006,806</u>
Net assets			<u>1,389,132</u>	<u>2,368,198</u>
Represented by				
Unrestricted funds	14		1,193,067	2,072,344
Restricted funds	14		196,065	295,854
Total funds			<u>1,389,132</u>	<u>2,368,198</u>

The notes on pages 23 to 44 form part of these financial statements.

The directors have taken advantage, in the preparation of the financial statements, of the provisions applicable to companies under the small companies' regime.

These financial statements were approved by the board of directors on29 September 2023
and signed on their behalf by:


P Brewer
Director

Company balance sheet as at 31 March 2023

	Note	2023	2022
		£	£
Fixed assets			
Investments	8	1	1
Tangible fixed assets	9	265,332	361,392
		<u>265,333</u>	<u>361,393</u>
Current assets			
Debtors	10	1,804,832	1,318,585
Cash at bank and in hand		692,729	1,656,925
		<u>2,497,561</u>	<u>2,975,510</u>
Current liabilities			
Creditors due within one year	11	(1,385,358)	(948,211)
		<u></u>	<u></u>
Net current assets		<u>1,112,203</u>	<u>2,027,299</u>
Net assets		<u>1,377,536</u>	<u>2,388,692</u>
Represented by			
Unrestricted funds	14	1,181,471	2,092,838
Restricted funds	14	196,065	295,854
Total funds		<u>1,377,536</u>	<u>2,388,692</u>

The notes on pages 23 to 44 form part of these financial statements.

The directors have taken advantage, in the preparation of the financial statements, of the provisions applicable to companies under the small companies' regime.

These financial statements were approved by the board of directors on 29 September 2023 and signed on their behalf by:



P Brewer
Director

Consolidated statement of cash flow for the year ended 31 March 2023

		2023	2022
	Note	£	£
Cash flows (used by)/from operating activities:			
Net cash (used by)/from operating activities	18	(688,605)	797,278
Cash flows used in investing activities:			
Investment income		12,516	-
Payments to acquire tangible fixed assets		(113,860)	(88,444)
Net cash used in investing activities		(101,344)	(88,444)
Change in cash and cash equivalents in the reporting period		(789,949)	708,834
Cash and cash equivalents at the beginning of the reporting period		1,708,095	999,261
Cash and cash equivalents at the end of the reporting period		918,146	1,708,095
Represented by:			
Cash at bank and in hand		918,146	1,708,095
		918,146	1,708,095

Company statement of cash flow for the year ended 31 March 2023

		2023	2022
	Note	£	£
Cash flows (used by)/from operating activities:			
Net cash (used by)/from operating activities	18	(862,852)	943,910
Cash flows used in investing activities:			
Investment income		12,516	-
Payments to acquire tangible fixed assets		(113,860)	(88,444)
Net cash used in investing activities		(101,344)	(88,444)
Change in cash and cash equivalents in the reporting period		(964,196)	855,466
Cash and cash equivalents at the beginning of the reporting period		1,656,925	801,459
Cash and cash equivalents at the end of the reporting period		692,729	1,656,925
Represented by:			
Cash at bank and in hand		692,729	1,656,925
		692,729	1,656,925

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), 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.

Museum visitor numbers have increased again this year. The visitor forecast to March 2025 is for further growth but still not to pre-pandemic levels. This uncertainty around visitor numbers remains with many visitor attractions, and there are still difficulties in predicting when visitor behaviour will return back to pre-pandemic levels. The cost-of-living crisis has increased this risk. The Eden Project in Dundee is developing well and will support the overall Dundee tourism offer. In order to deal with these current conditions, the V&A Dundee has:

- Opened the Tartan exhibition in April 2023, which has been well received and delivered strong visitor numbers, up on the previous year.
- Reviewed and reduced the level of temporary exhibition activity and expenditure in the coming year. The proportion of free exhibition content will also increase to support overall museum visitors.
- Maintained a regular dialogue with both UK and Scottish Governments around the expectation for 2023 and beyond. The Scottish Government has provided additional funding of £2m a year for three years up to March 2024, to support V&A Dundee's operations as both Scotland's design museum and centre for design. This is in addition to its current commitment of £1 million a year.
- An existing bank facility of £0.5m. This was renewed in June 2023.

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 consolidate 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.

Income from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of income can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the charitable company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. The fair value of the consideration takes into account trade discounts, settlement discounts and volume rebates.

Income from sponsorship, memberships and commission income is recognised in line with the period in which the agreement relates and/or in line with when the service has been provided.

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. In addition,

- Cost of raising funds includes all fundraising costs.
- Charitable activities include expenditure associated with the V&A Dundee.
- 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.

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.

1 Accounting policies (continued)

Tangible fixed assets

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

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

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

Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in the statement of financial activities.

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.

1 Accounting policies (continued)

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

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

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

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

Critical accounting estimates and judgements

In the application of the 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 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 and sponsorship income by pro rating the full amount over the period the membership/sponsorship covers.

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:

	2023	2022
	£	£
Income:		
Income from grants and donations	5,765,017	5,709,335
Income from charitable activities	119,253	321,590
Income from trading income	6,008	-
Other income	256,409	177,390
Investment income	12,516	-
	<hr/>	<hr/>
Total income	6,159,203	6,208,315
Expenditure:		
Expenditure on raising funds	567,715	588,594
Expenditure on charitable activities	6,602,644	5,617,872
	<hr/>	<hr/>
Total expenditure	7,170,359	6,206,466
	<hr/>	<hr/>
Net (expenditure)/income	(1,011,156)	1,849
 Total funds brought forward	 2,388,692	 2,386,843
	<hr/>	<hr/>
Total funds carried forward	1,377,536	2,388,692
	<hr/>	<hr/>
Represented by		
Unrestricted funds	1,181,471	2,092,838
Restricted funds	196,065	295,854
	<hr/>	<hr/>
	1,377,536	2,388,692
	<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 the operation of the gift shop, makes online sales, and receives commission and sponsorship income from the restaurant.

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

	2023	2022
	£	£
Turnover	404,985	323,947
Sponsorship income	137,333	109,500
Commission income	100,117	64,508
Filming income	3,000	6,432
COVID-19 support	-	3,060
Cost of sales	(343,062)	(203,941)
Administration costs	(262,404)	(218,819)
Finance costs	(1,048)	(1,358)
Deferred tax	(6,831)	6,831
Profit for the financial year	32,090	90,160
The assets and liabilities of the subsidiary were:		
Current assets	449,814	255,687
Current liabilities	(438,217)	(276,180)
Total net assets/liabilities	11,597	(20,493)
Aggregate share capital and reserves	11,597	(20,493)

Given the company had negative reserves brought forward from the prior year, there was no gift aid paid to Design Dundee Limited in the current year. Following the 2023 profits and subsequent positive reserves, gift aid will be paid to Design Dundee Limited post year end.

4 Grant income

	Unrestricted	Restricted	Total 2023	Unrestricted	Restricted	Total 2022
	£	£	£	£	£	£
Museum Galleries Scotland	-	-	-	-	12,423	12,423
Museum Delivery Fund	-	22,222	22,222	-	43,683	43,683
Creative Scotland	-	50,000	50,000	-	-	-
People's Postcode Lottery	600,000	-	600,000	350,000	-	350,000
Government grants	3,000,000	-	3,000,000	3,250,000	-	3,250,000
Mathew Trust	-	13,752	13,752	-	16,096	16,096
Rank Foundation	-	-	-	-	20,000	20,000
Partners' Revenue Contributions	684,779	53,890	738,669	673,667	36,000	709,667
Other small grants	-	-	-	-	15,000	15,000
COVID-19 support	-	-	-	32,115	-	32,115
	<u>4,284,779</u>	<u>139,864</u>	<u>4,424,643</u>	<u>4,305,782</u>	<u>143,202</u>	<u>4,448,984</u>

	Unrestricted	Restricted	Total 2023	Unrestricted	Restricted	Total 2022
	£	£	£	£	£	£
Other income						
Museums and Galleries Tax Relief	191,963	-	191,963	141,234	-	141,234
Renewable Heat Incentive	58,525	-	58,525	35,356	-	35,356
Other	5,921	-	5,921	800	-	800
	<u>256,409</u>	<u>-</u>	<u>256,409</u>	<u>177,390</u>	<u>-</u>	<u>177,390</u>

	Unrestricted	Restricted	Total 2023	Unrestricted	Restricted	Total 2022
	£	£	£	£	£	£
Investment income						
Bank interest received	12,516	-	12,516	-	-	-
	<u>12,516</u>	<u>-</u>	<u>12,516</u>	<u>-</u>	<u>-</u>	<u>-</u>

4 In kind support

	Unrestricted	Restricted	Total 2023 £	Unrestricted	Restricted	Total 2022 £
In kind support	-	697,855	697,855	-	661,727	661,727

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 £	2023 Total £	Direct costs £	Allocated Support costs £	Depreciation & loss on disposal £	2022 Total £
Expenditure on raising funds								
Cost of generating voluntary income	357,977	209,738	-	567,715	425,639	162,955	-	588,594
Trading costs	613,345	-	-	613,345	424,118	-	-	424,118
	<u>971,322</u>	<u>209,738</u>	<u>-</u>	<u>1,181,060</u>	<u>849,757</u>	<u>162,955</u>	<u>-</u>	<u>1,012,712</u>
Charitable Activities								
Collections & Learning	585,007	329,586	-	914,593	798,862	264,803	-	1,063,665
Exhibitions	3,383,189	1,397,087	209,920	4,990,196	2,573,610	1,026,918	291,952	3,892,480
In kind support	697,855	-	-	697,855	661,727	-	-	661,727
	<u>4,666,051</u>	<u>1,726,673</u>	<u>209,920</u>	<u>6,602,644</u>	<u>4,034,199</u>	<u>1,291,721</u>	<u>291,952</u>	<u>5,617,872</u>
Total expenditure	<u>5,637,373</u>	<u>1,936,411</u>	<u>209,920</u>	<u>7,783,704</u>	<u>4,883,956</u>	<u>1,454,676</u>	<u>291,952</u>	<u>6,630,584</u>

2023	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	29,600	108,360	4,782	11,774	40,398	14,824	209,738
<i>Charitable activities</i>							
Collections & learning	46,514	170,279	7,515	18,501	63,482	23,295	329,586
Exhibitions	197,169	721,799	31,854	78,425	269,096	98,744	1,397,087
	<u>273,283</u>	<u>1,000,438</u>	<u>44,151</u>	<u>108,700</u>	<u>372,976</u>	<u>136,863</u>	<u>1,936,411</u>

31

6 Wages and salaries

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Wages and salaries	2,428,444	2,309,160	2,257,483	2,143,889
Social security costs	234,027	208,532	217,603	193,595
Pension costs	113,565	105,477	105,603	97,922
	<u>2,776,036</u>	<u>2,623,169</u>	<u>2,580,689</u>	<u>2,435,406</u>

	No.	No.
Average number of employees during the year	95	92

Two employees (2022 – one) received emoluments between £60,000 and £70,000 during the year. Two employees (2022 – two) received emoluments between £70,000 and £80,000 during the year. One employee (2022 – one) received emoluments between £90,000 and £100,000.

	2023	2022
	£	£
Directors emoluments		
Emoluments		
L Bell	91,300	90,800
Pension contributions		
L Bell	4,565	4,540
	<u>95,865</u>	<u>95,340</u>

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

L Bell	5,536	3,098
--------	-------	-------

The charitable company considers its key management personnel to comprise of Leonie Bell along with other members of management. The total employment benefits, including employers national insurance and pension contributions were £575,143 (2022 - £554,645).

7 Net income/(expenditure)

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
The net income/(expenditure) is stated after charging:				
Auditor's remuneration – audit	19,900	14,550	14,500	11,200
– non-audit	14,477	9,958	12,814	8,421
	<hr/>	<hr/>	<hr/>	<hr/>

8 Investments

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
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

	Software and content	Fixtures and fittings	Network infrastructure	Total
2023	£	£	£	£
Group and company				
Cost				
At 1 April 2022	403,741	391,750	317,325	1,112,816
Additions	46,312	49,684	17,864	113,860
Disposals	(22,860)	-	-	(22,860)
At 31 March 2023	427,193	441,434	335,189	1,203,816
Depreciation				
At 1 April 2022	257,115	233,218	261,091	751,424
Charge for the year	78,698	86,056	45,166	209,920
Disposals	(22,860)	-	-	(22,860)
At 31 March 2023	312,953	319,274	306,257	938,484
Net book value				
At 31 March 2023	114,240	122,160	28,932	265,332
At 1 April 2022	146,626	158,532	56,234	361,392

9 Fixed assets (continued)

2022	Software and content £	Fixtures and fittings £	Network infrastructure £	Total £
Group and company				
Cost				
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)
At 31 March 2022	403,741	391,750	317,325	1,112,816
Depreciation				
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)
At 31 March 2022	257,115	233,218	261,091	751,424
Net book value				
At 31 March 2022	146,626	158,532	56,234	361,392

10 Debtors

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	223,159	47,533	134,319	26,516
Amounts due from subsidiary undertakings	-	-	258,822	167,031
Other debtors	1,429,044	1,137,923	1,411,691	1,125,038
	1,652,203	1,185,456	1,804,832	1,318,585

11 Creditors due within one year

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	643,110	339,494	622,294	326,608
Other creditors	903,987	708,951	763,064	621,603
Other taxes and social security	17,656	8,915	-	-
	1,564,753	1,057,360	1,385,358	948,211

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 2022	346,380	262,380
Released in year	(346,380)	(262,380)
Received in year	564,575	429,575
	<hr/>	<hr/>
At 31 March 2023	564,575	429,575
	<hr/>	<hr/>

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 £15,352 (2022 - £14,981) in respect of amounts payable to the pension scheme.

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Contributions payable for the year amounted to	113,565	105,447	105,603	97,922
	<hr/>	<hr/>	<hr/>	<hr/>

14 Analysis of charitable funds

Analysis of movements in unrestricted funds

2023	Balance 1 April 2022	Income	Expenditure	Transfers	Balance 31 March 2023
Group	£	£	£	£	£
General fund	1,979,344	5,888,312	(6,726,889)	29,300	1,170,067
Designated fund	93,000	-	(40,700)	(29,300)	23,000
	<u>2,072,344</u>	<u>5,888,312</u>	<u>(6,767,589)</u>	<u>-</u>	<u>1,193,067</u>

Company

	Balance 1 April 2022	Income	Expenditure	Transfers	Balance 31 March 2023
	£	£	£	£	£
General fund	1,999,838	5,242,877	(6,113,544)	29,300	1,158,471
Designated fund	93,000	-	(40,700)	(29,300)	23,000
	<u>2,092,838</u>	<u>5,242,877</u>	<u>(6,154,244)</u>	<u>-</u>	<u>1,181,471</u>

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>

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

2023	Balance 1 April 2022	Income	Expenditure	Transfers	Balance 31 March 2023
	£	£	£	£	£
Mathew Trust	870	13,752	(14,622)	-	-
Museum Delivery Budget	208,725	22,222	(154,767)	-	76,180
Scottish Enterprise	2,998	17,890	(20,888)	-	-
Abertay University	-	36,000	(36,000)	-	-
Heritage Emergency Fund	30,000	-	(11,250)	-	18,750
Donations	32,430	78,607	(30,187)	-	80,850
Inches Carr Trust	6,710	-	(820)	-	5,890
Visit Scotland	14,121	-	(3,045)	-	11,076
Creative Scotland	-	50,000	(46,681)	-	3,319
In Kind Support	-	697,855	(697,855)	-	-
	<u>295,854</u>	<u>916,326</u>	<u>(1,016,115)</u>	<u>-</u>	<u>196,065</u>

14 Analysis of charitable funds (continued)

Analysis of movements in restricted funds

2022	Balance 1 April 2021	Income	Expenditure	Transfers	Balance 31 March 2022
	£	£	£	£	£
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>

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

Scottish Enterprise	To help develop and implement the website and to support costs in relation to an impact evaluation and business intelligence.
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.
Donations	The balance outstanding from donations relate to capital projects along with various donations received in the year including £50,000 from The Art Fund to support the development of multi-media tours, £10,000 from The Nine Incorporated Trades of Dundee to support the Schools Programme, and funds received to support school travel and the Valentines exhibition.
Inches Carr Trust	To purchase books for the Inches Carr resource centre.
Visit Scotland	Subsidises the cost of a ticket to the Museum.
Creative Scotland	To assist with costs associated with the Sector Development Project.
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.

15 Analysis of net assets between funds

Group - 2023

	Unrestricted	Designated	Restricted	Total
	£	£	£	£
Tangible fixed assets	147,368	-	117,964	265,332
Cash at bank	587,360	23,000	307,786	918,146
Other current assets and liabilities	435,339	-	(229,685)	205,654
	<u>1,170,067</u>	<u>23,000</u>	<u>196,065</u>	<u>1,389,132</u>

Company - 2023

	Unrestricted	Designated	Restricted	Total
	£	£	£	£
Investments	1	-	-	1
Tangible fixed assets	147,368	-	117,964	265,332
Cash at bank	361,943	23,000	307,786	692,729
Other current assets and liabilities	649,159	-	(229,685)	419,474
	<u>1,158,471</u>	<u>23,000</u>	<u>196,065</u>	<u>1,377,536</u>

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>

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 £323,035 (2022 - £298,763) and revenue contributions of £350,000 (2022 - £350,000).

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 £166,239 relating to recharges due (2022 - £178,235 creditor).

University of Dundee - Founding partner

During the year, in kind support was received amounting to £223,389 (2022 - £198,853) and revenue contributions of £252,000 (2022 - £252,000). In addition, costs were paid to the University of Dundee of £1,082 (2022 - £2,570). The balance outstanding at the year end was a creditor balance of £341 (2022 - £Nil).

Abertay University - Founding partner

During the year, revenue contributions were received amounting to £118,779 (2022 - £107,667). The balance outstanding at the year end was a debtor balance of £11,000 (2022 - £90 creditor).

V&A London - Founding partner

During the year, in kind support was received amounting to £151,431 (2022 - £164,111). In addition, costs were paid to the V&A London of £40,735 (2022 - £11,287). The balance outstanding at the year end was a creditor balance of £40,735 (2022 - £Nil).

During the year, costs were also paid to the subsidiary company, V&A Enterprises Limited, amounting to £702 (2022 - £Nil). There was no outstanding balance at the year end.

Scottish Enterprise - Founding partner

During the year, grants were received amounting to £17,890 (2022 - £Nil). The balance outstanding at the year end was a debtor balance of £15,000 (2022 - £Nil).

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

Group	2023	2022
	£	£
Net (expenditure)/income for the reporting period	(979,066)	92,009
Investment income	(12,516)	-
Depreciation	209,920	282,992
Loss on disposal of fixed assets	-	8,960
Decrease/(increase) in stock	52,411	(17,444)
(Increase)/decrease in debtors	(466,747)	416,466
Increase in creditors	507,393	14,295
Net cash (used by)/from operating activities	(688,605)	797,278
Company	2023	2022
	£	£
Net (expenditure)/income for the reporting period	(1,011,156)	1,849
Investment income	(12,516)	-
Depreciation	209,920	282,992
Loss on disposal of fixed assets	-	8,960
(Increase)/decrease in debtors	(486,247)	705,639
Increase/(decrease) in creditors	437,147	(55,530)
Net cash (used by)/from operating activities	862,852	943,910

19 Commitments

At the year end £600,500 (2022 - £402,000) was committed for exhibition costs but not provided for.

